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# foreign trade

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**cover** An African worker at the Nkana copper mine in Northern Rhodesia raises cathodes of copper from the cooling tank before they go on to the electrolytic plant. Copper is sparking the current boom in the Federation, with an output worth over \$300 million a year. Featured in this issue (pages two to six) is a study of this expanding market and practical advice on the techniques of selling there.

## How to Sell in Central Africa

**Here is concise information and advice on a large and growing market, made up of 300 thousand Europeans and seven million Africans and open to most Canadian products. This material forms part of a study of the Federation to be published by the Department of Trade and Commerce shortly as one of its "Market Information Series".**

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

THE FEDERATION OF RHODESIA AND NYASALAND, formed in 1953 by the coming together of Northern Rhodesia, Southern Rhodesia, and Nyasaland, is a young country, growing at a breath-taking rate. Within its borders live 250 thousand whites, commonly referred to as Europeans, and 7½ million Africans who, as their standard of living rises, offer a market of increasing importance and immense potential.

Sparking the boom are the big copper mines of Northern Rhodesia. The Copperbelt, so reminiscent of the thriving mining areas of Northern Ontario and Quebec, is now producing at a rate second only to the United States. The 1955 output, valued at over \$300 million, provided not only the bulk of the Federation's foreign exchange but the taxes on the mines' earnings supplied a major portion of the national revenues. The \$60 million tobacco-growing industry of Southern Rhodesia ranks next to it in importance.

Although the Federation is in the sterling area, it has a large degree of autonomy in matters relating to foreign trade and exchange control. In the three years from 1953 to the end of 1956, sales of copper to the hard currency area made it possible for the authorities to free from restrictions about 80 per cent of imports from dollar countries. And the relatively small prohibited list is being steadily whittled down and may eventually disappear.

Since the war secondary industry, especially in Southern Rhodesia, has blossomed forth in great pro-

fusion and variety and by the end of 1956 there were approximately 800 industrial establishments. The giant Kariba Dam power project, which is scheduled to begin generating cheap power in 1961, is expected to stimulate industrial growth even more. Construction throughout the Federation is on a scale equalled in few other countries.

The Federation is a country with a promising future. Its mines, its factories, its farms and its people need and will continue to need a wide range of overseas commodities. Canada enjoys preferential tariff treatment and, with the obstacles to dollar purchases virtually cleared away, here is a market which export-minded Canadians should not ignore.

Grouped below are salient facts about the Federation and the problems of trading there. They should serve as a guide to Canadians who wish to enter this market.

### LOCATION

The Federation is situated in South Central Africa, extending about 1,000 miles north and south between 8° and 22° south latitude. On the south it is bordered by the Union of South Africa, on the west by Bechuanaland Protectorate and Portuguese West Africa, on the northwest and north by the Belgian Congo, on the north by Tanganyika, and on the east by Portuguese East Africa. It is thus a landlocked country with no outlet to the ocean.

### REGIONS

There are three regions, based on the political components of the Federation. In order of size they are: Northern Rhodesia (287,000 square miles), Southern Rhodesia (150,000 square miles), and Nyasaland (49,000 square miles). Northern Rhodesia features base metal mining, principally copper, and Southern Rhodesia secondary industry and tobacco farming. Nyasaland is a rich agricultural area: tea, tobacco, tung and cotton are the principal crops. The principal "towns" (the word city is seldom heard) are Salisbury, S.R., the capital (215,000); Ndola/



*This modern building in Salisbury, capital of the Federation, contains shops, offices and apartments. It illustrates the impressive progress of the three-year-old Federation and the brisk pace of construction in several of its towns and cities.*

Kitwe, N.R. (147,000); Bulawayo, S.R. (144,000); Lusaka, N.R. (66,000); Blantyre/Limbe, Nyasaland (66,000); Umtali, S.R. (30,000); Gwelo, S.R., (23,000); and Zomba, Nyasaland (15,000).

## MARKET POTENTIAL

The best way to visualize the market potential of the Federation is to remember that there are approximately 300,000 Europeans and Asians with a standard of life comparable to that in Canada, and in the background an African population of seven million, rapidly emerging into a western way of life, with an expanding purchasing power. In general Europeans control the principal industries of the country and hence the market for capital goods lies with them. The big market for consumer goods, simple though they may be, lies with the Africans. The mines, the farms, the textile industry, construction, electrification and road-building are all examples of undertakings offering a good market for a diversity of supplies.

## WHAT TO SELL

Until recently the restrictions against the import of goods from the dollar area have been formidable because the Federation is a member of the sterling bloc. However, in view of the substantial sales of copper, chrome and other base metals to the United States and Canada, with consequent dollar earnings, most of these restrictions have been removed. The

result is that Canadian exporters now have free access to the whole market for most products of interest to them. However, import restrictions remain on a number, particularly consumer goods such as clothing, textiles and electrical appliances.

In looking at this market Canadian exporters should recognize that there are two traditional sources of supply, the United Kingdom and South Africa. The latter has the advantage of proximity and the former a history of supplying a variety of commodities, many with trademarks that have been household standbys since the first days of European colonization over half a century ago. These are serious competitive factors but they are by no means insurmountable obstacles if Canadian exporters can deliver merchandise of at least equal quality and better design, with better deliveries and at equal or better prices.

The simplest way to ascertain whether there is a market for your products and whether you are competitive is to send full details, including sizes and technical descriptions, to the Canadian Trade Commissioner in Salisbury. If possible you should quote in sterling, preferably C.I.F. Beira. The steamship companies will be glad to furnish ocean freight rates. Given such information, the Trade Commissioner can then make precise inquiries and tender a detailed report.

## LOCAL AGENT

In a market where so much competition prevails, selling by long range is virtually hopeless and an agent is imperative. There are some first-class agency firms in Salisbury, Bulawayo, Northern Rhodesia and Nyasaland, with the best possible connections in the trade. A number of firms in Salisbury and Bulawayo actively cover the whole Federation but in certain cases it is preferable to appoint separate agents in each of the three territories for best results. In the past, before the Federation came into being, many Canadian exporters granted their exclusive representation to firms in Johannesburg or Cape Town for the whole vast area of Africa south of the Sahara. However, under present conditions, unless a firm in the Union of South Africa maintains an active branch in the Federation, Canadian companies are best advised to give preference to Federation firms. The office of the Canadian Government Trade Commissioner maintains a list of local agents and distributors and will be glad to advise.

## ADVERTISING

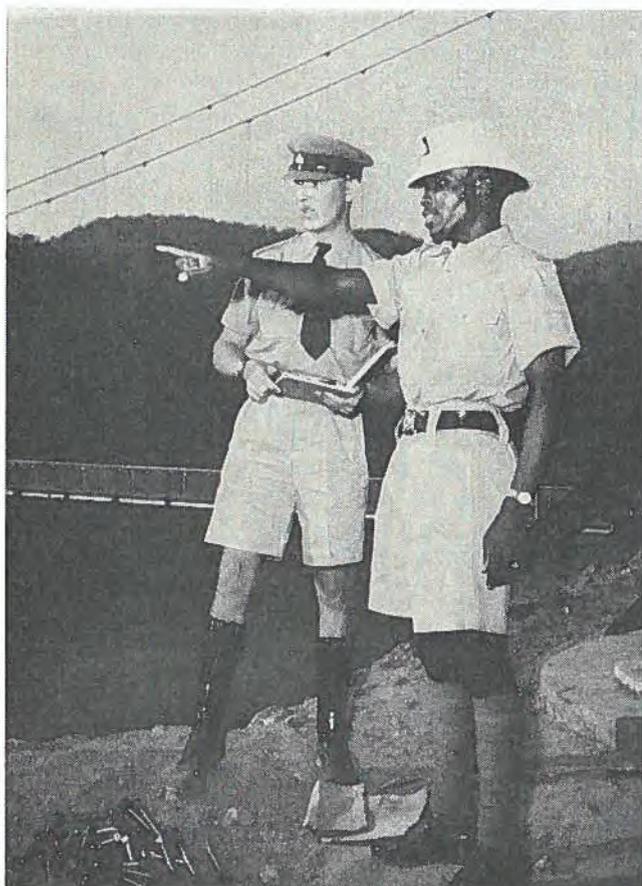
Some commodities, especially those with brand names which are unknown in the Federation, should be supported by advertising. Canadian suppliers may be

called upon to share the cost of such publicity and often it is in their best interests to do so. The usual advertising media include daily and weekly newspapers as well as three Sunday papers from Johannesburg. There are seven African newspapers—appearing daily, weekly or fortnightly—and two monthly magazines for Africans.

A number of trade journals are published in Salisbury. Other advertising media include slides shown at local movie houses during intermission, signs on buses, and neon signs on prominent buildings. The government-controlled radio broadcasting system of the Federation does not permit advertising, but commercial programs are received from Lourenço Marques and Johannesburg.

### SAMPLES

Samples of negligible value may, at the discretion of the Controller of Customs and Excise, be admitted into the Federation of Rhodesia and Nyasaland without payment of duty.



—BSAP Photo.

*The giant Kariba dam project, now under way, will begin generating cheap power by 1961 and help to solve one of the Federation's pressing problems—power for industry. The picture shows European and African police at the dam site.*

Other samples are dutiable in terms of the Customs Tariff, but commercial travellers' samples are admitted under deposits equal to the duty which would normally be payable. The deposits are refunded if the samples are taken out of the Federation within twelve months from the date of import.

A list in duplicate, giving details of the articles to be imported as travellers' samples, is required by the Federal Customs Authorities and this list should show the current domestic value and country of origin of each article separately.

Samples and advertising material intended solely for use in the taking of orders and not for sale and which are imported by a commercial traveller or by a representative of an external business undertaking do not require import licences. This also applies to printed paper advertising matter, where the consignment contains not more than 2½ lb., and to advertising articles such as pens, pencils, knives, etc., if the consignment consists of not more than one dozen of each article.

Printed paper advertising matter is admitted duty-free if the consignment contains not more than one copy of any one document or weighs not more than 2½ lb.

### CUSTOMS BROKERS

A number of customs brokers maintain offices in the Federation as well as in the Portuguese East African ports of Beira and Lourenço Marques, and such an arrangement expedites clearance through Portuguese Customs and onward transmission in bond by rail to the Federation.

### PORTS

The Federation is a landlocked country. The two main ports of entry are Beira and Lourenço Marques, Portuguese East Africa, as these are the coastal points closest by rail to the Federation. Some overseas goods also come by rail from Union of South Africa ports, such as Durban, Port Elizabeth and Cape Town, but the lower ocean freight rates to these ports do not compensate for the higher rail costs.

There is also a connecting rail line from Northern Rhodesia to the west coast of Africa at Lobito Bay in Angola, Portuguese West Africa, whence the distance by sea to Europe and North America is considerably shorter. This route has not been used extensively in the past, but with lower rail rates effective from January 1, 1957, it should carry more two-way traffic for Northern Rhodesia.

### AIR ROUTES

In sending samples or merchandise of light weight and high value, air freight is often cheaper than air post,

and just as rapid. From Canada, TCA and BOAC connect in London with Hunting-Clan Air Transport and Central African Airways, both of which operate an air freight service between the United Kingdom and the main centres of the Federation.

Some Canadian firms balk at the cost of sending samples and catalogues by air. However, the saving in time compared with surface delivery is five to eight weeks and as this is a seasonal market for so many items, literally a whole year may be lost unless an agent is given vital working material in good time. Air post or express is almost invariably worth the extra cost and this is accepted practice amongst aggressive European firms.

## TARIFF

The tariff of the Federation has four columns. Column A, with the highest rates, applies to such countries as the U.S.S.R. and Japan; Column B applies to most-favoured-nation countries, including OEEC countries and the United States; Column C applies to the Commonwealth, including Canada; Column D, with the lowest rates, applies to the United Kingdom and Colonies. The preference which Canada receives often means a 5 to 10 per cent advantage over the United States and European countries. Also, by special arrangement between the Federation and the Union of South Africa, the latter is granted tariff rates one-tenth lower than those for the United Kingdom on a limited number of items.

## IMPORT CONTROLS

It is necessary for importers to secure in advance import permits from the Federal Government for any merchandise they propose to purchase from a dollar source. A copy of the permit should accompany the order. Over 600 of the 720 items and sub-items in the Federal Tariff apply to commodities which may now be purchased in unlimited quantities from the hard currency area. Import permits are freely granted for any such merchandise. A few other products are subject to quota when they are bought from dollar sources. On receipt of an approved import permit, the banks release dollar funds in the amount stipulated. For the small proportion of tariff items still on the dollar import prohibited list, no permits are issued.

## CUSTOMS INVOICE

All goods, including samples, consigned to the Federation should be covered by the special form of invoice authorized by the Government of the Federation. This invoice incorporates certificates of origin and value as provided by the Federal Customs Law. The attention

of exporters is drawn to Note 2 on the prescribed invoice which sets forth certain conditions under which a summary invoice is required. The invoice may be reproduced in any shape or size or layout but must contain all the particulars shown on the prescribed form. A sample copy for reproduction purposes is available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa. Some Canadian companies have an arrangement whereby the customer in the Federation keeps them supplied with forms.

Each invoice should be completed in every detail and should be signed by the supplier or manufacturer of the goods described. If any clause of the invoice is not applicable to the goods, it should be deleted, and the deletion initialled by the person completing the invoice.

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

## OTHER DOCUMENTS

In addition to the special form of invoice, the Federal Customs authorities require the shipper's or covering statement in respect of goods consigned by sea, a copy of the relative bill of lading, the exporter's commercial invoice, and a packing list.

## FINANCING IMPORTS

An estimated 90 per cent of imports into the Federation are negotiated through shippers in London or New York, and these firms make payment to the exporters. This practice eliminates collection problems.

However, if you deal directly with an importer in the Federation, you should consider his financial standing carefully before deciding what terms to extend. The Canadian Government Trade Commissioner can assist you in securing confidential bank reports and other information about the credit standing of local firms.

Some shipments to the Federation are financed by irrevocable letters of credit. However, if the importer has a good credit rating, sight draft, documents on payment, may be used. If more liberal terms are required, the draft may be in the form of documents on acceptance, with payment after 30 days or longer.

Occasionally, when an overseas firm has had close and friendly connections with a well-established firm in the Federation over a long period of time, shipments are made on open account.●

# Canada's Exports to Third Countries

## *... prewar and postwar*

ECONOMICS BRANCH,  
Department of Trade and Commerce.

The total volume of Canadian exports to markets other than the United States and the United Kingdom has nearly doubled since prewar and Canada now supplies a larger proportion of the total imports of these countries than in former years. Although collectively these markets took about the same proportion of total Canadian exports (27 to 28 per cent) in both 1937-38 and 1954-55, there have been substantial changes in the relative importance of different areas and different commodities. Losses in one area or one commodity have been more than offset by gains in others. This article deals mainly with changes in the volume or 1947 value of shipments of individual commodities to the "Third Country" market as a whole.

### Geographic Distribution

No individual country in the Third Countries group accounted for more than 4 per cent of total Canadian exports in either 1937-38 or 1954-55. The geographic distribution of this trade is widespread and this, plus changes in the relative importance of the different markets, is shown in the following two tables. The figures given are based on current dollar values in the periods compared.

The first table ranks the seven largest markets in order of size in 1954-55 and for comparative purposes gives the rank of these countries in 1937-38, with the proportion of total exports accounted for in each period. Japan has moved up from second to first place, Germany from fourth to second, and Belgium from fifth to third. Increased shipments of grains are largely responsible for the higher rank attained by these three countries. In contrast, Australia has dropped from first to fourth place and New Zealand from third to fifteenth. Though the current dollar value of exports to Australia and New Zealand has increased, the volume has declined and the share of

total Canadian exports accounted for by these countries has been cut by about two-thirds.

Country	Rank		Per cent of total Canadian exports	
	1937-38	1954-55	1937-38	1954-55
Japan .....	2	1	2.5	2.3
Germany (East and West) .....	4	2	1.6	2.2
Belgium-Luxembourg .....	5	3	1.4	1.3
Australia .....	1	4	3.5	1.3
Norway .....	8	5	.8	1.1
Netherlands .....	6	6	1.2	1.1
New Zealand .....	3	(about 15th)	1.7	.5

The second table is of the same type as the first but shows geographic distribution by continental areas. Europe, traditionally our largest market outside of the United States and the United Kingdom, holds first place in both periods. There have, however, been significant shifts in the relative importance of other areas. Because of the declining relative importance of Australia and New Zealand, Oceania has dropped from second to fifth place and increased exports to Japan and India have brought Asia up from third to second place.

Continent	Rank		Per cent of total Canadian exports	
	1937-38	1954-55	1937-38	1954-55
Europe (except U.K.) .....	1	1	8.1	9.1
Asia .....	3	2	4.3	4.6
North America (except U.S.) .....	4	3	3.1	2.9
South America .....	6	4	1.8	2.7
Oceania .....	2	5	5.4	1.9
Africa .....	5	6	2.5	1.7

### Changes in Commodity Composition

The relative importance or percentage of total exports accounted for by individual commodities has been affected by differences in the rates of gain or loss between one commodity and another. To examine this, all exports to Third Countries were separated into 230 commodity classifications and valued at average 1947 prices in both 1937-38 and 1954-55.

—(continued on page 9)

## Composition of Canadian Exports to Third Countries

(millions of 1947 constant dollars)

	Annual Averages		Gain or *Loss	Annual Averages		Gain or
	1937-38	1954-55		1937-38	1954-55	
<b>Part A-Foods</b>						
<b>PRIMARY FOODS</b>						
Barley .....	4.30	35.43	31.13			
Other grains .....	.55	2.23	1.68			
Oats .....	1.26	4.33	3.07			
Rye .....	3.69	12.57	8.88			
Wheat .....	85.86	260.41	174.55			
Potatoes, except seed .....	.83	1.11	.28			
Apples, fresh .....	2.18	.30	1.88*			
Strawberries, fresh .....	.01		.01*			
Turnips .....	.01		.01*			
Unmanufactured tobacco, bright .....	.04	3.56	3.52			
Other seeds .....	.10	2.92	2.82			
Grass seeds, all kinds .....	.03	.78	.75			
Flaxseed, N.O.P. for sowing .....		33.02	33.02			
Clover seed, red .....		.31	.31			
Clover seed other, mostly sweet .....		.05	.05			
Seed potatoes .....	2.07	1.85	.22*			
Senega root .....	.25	.10	.15*			
Clover seed, alfalfa .....	.30	.10	.20*			
Hay .....	.30	.05	.25*			
Unmanufactured tobacco, dark .....	.01		.01*			
Cattle for improvement stock .....	.14	.58	.44			
Dairy cattle over 700 lb. ....	.02	.02				
Other live animals .....	.19	.10	.09*			
Horses for slaughter and n.o.p. ....	.02	.01	.01*			
Cattle n.o.p. over 700 lb. ....	.38	.03	.35*			
<b>Primary Foods Total</b> .....	<b>102.54</b>	<b>359.86</b>	<b>257.32</b>			
<b>SEMI-PROCESSED FOODS</b>						
Malt .....	.46	4.36	3.90			
Brans, shorts, middlings .....	.15	.66	.51			
Flour of wheat .....	22.67	80.19	57.52			
Oatmeal and rolled oats .....	.46	.82	.36			
Other milled products .....	.67	.39	.28*			
Apples, dried .....	.16		.16*			
Oil cakes .....	.12	.19	.07			
Screenings, starches, turpentine .....	.97	1.15	.18			
Linseed or flaxseed oil .....		3.36	3.36			
Manufactured tobacco .....	.61	.38	.23*			
Cod, salted .....	.02	16.14	16.12			
Halibut, fresh and frozen .....	.05	.52	.47			
Pork, fresh .....	.13	.24	.11			
Bacon, hams, cured, smoked .....	.38	.47	.09			
Salmon, fresh frozen .....	.68	.50	.18*			
Beef and veal, fresh .....	.67	.25	.42*			
<b>Semi-Processed Foods Total</b> .....	<b>28.20</b>	<b>109.62</b>	<b>81.42</b>			
<b>PROCESSED FOODS</b>						
Macaroni, spaghetti, canned, N.O.P. ....	.12	.26	.14			
Other vegetables .....	.60	.72	.12			
Other agric. and veg. products .....	.88	.91	.03			
Tomato soup .....		.10	.10			
Tomato juice .....		.03	.03			
Other farinaceous products .....	.89	.86	.03*			
Canned or preserved fruits .....	.50	.35	.15*			
Maple sugar .....	.03	.02	.01*			
Other sugar and its products .....	1.19	.18	1.01*			
Pickles, sauces, catsups .....	.24	.03	.21*			
Baked beans, canned .....	.26	.03	.23*			
Tomatoes, canned .....	.13		.13*			
Whisky .....	.34	6.37	6.03			
Other alcoholic beverages .....	.02	.12	.10			
<b>Part B-Non-foods</b>						
<b>PRIMARY COMMODITIES</b>						
Ale, beer, porter .....	.04	.22	.18			
Milk powder, skim .....	.02	.92	.90			
Canned meats, normal trade .....	.05	.75	.70			
Butter .....	.27	1.94	1.67			
Milk powder, whole .....	1.03	6.26	5.23			
Other animals and products .....	1.94	6.31	4.37			
Other milk products .....	.66	.85	.19			
Sardines, littlefish, canned .....	1.61	1.89	.28			
All other meats .....	2.20	2.57	.37			
Canned meat, distress selling .....		2.90	2.90			
Hams, canned .....		.03	.03			
Evaporated milk .....	.68	.64	.04*			
Salmon, all kinds canned .....	9.38	8.36	1.02*			
Other fish and fishery products .....	8.33	5.50	2.83*			
Lobster, canned .....	.96	.14	.82*			
Cheese .....	1.04	.13	.91*			
<b>Processed Foods Total</b> .....	<b>33.41</b>	<b>49.39</b>	<b>15.98</b>			
<b>FOODS TOTAL</b> .....	<b>164.15</b>	<b>518.87</b>	<b>354.72</b>			
<b>PRIMARY COMMODITIES</b>						
Straw .....		.16	.16			
Waste rubber .....	.03		.03*			
Cotton rags and waste .....	.02	.17	.15			
Rags and waste, N.O.P. ....	.15	.16	.01			
Wool rags and waste .....		1.98	1.98			
Wool in the grease .....	.35		.35*			
Pulpwood, not peeled .....		.02	.02			
Pulpwood, peeled .....	3.51	2.14	1.37*			
Logs, hardwood .....	.44	.22	.22*			
Unmanfd. wood, other .....	9.56	2.63	6.93*			
Logs, Douglas fir .....	3.14	.02	3.12*			
Scrap iron .....	1.00	4.71	3.71			
Iron ore .....		5.53	5.53			
Lead contained in ore .....	.41	6.35	5.94			
Aluminum scrap .....	.08	1.18	1.10			
Copper scrap, slag, skimmings .....	.25	2.71	2.46			
Other nonferrous ores .....	.24	1.51	1.27			
Brass, scrap, dross, ashes .....	.28	1.20	.92			
Zinc, scrap, dross, ashes .....	.25	.68	.43			
Silver contained in ore .....	.27	.37	.10			
Copper, fine contained in ore .....	5.57	4.13	1.44*			
Zinc contained in ore .....	2.00	1.34	.66*			
Cobalt contained in ore .....	.01		.01*			
Asbestos, sand, waste, refuse sho. ....	.28	2.13	1.85			
Quartzite, feldspar, nepheline .....	.20	.64	.44			
Asbestos, crude .....	.08	.12	.04			
Coal .....	1.18	.16	1.02*			
<b>Primary commodities total</b> .....	<b>29.30</b>	<b>40.26</b>	<b>10.96</b>			
<b>SEMI-PROCESSED COMMODITIES</b>						
Cattle hides .....	.72	5.58	4.86			
Beaver skins .....	.04	.23	.19			
All other skins .....	.20	.59	.39			
Calf skins and kips .....	.47	.94	.47			
Mink skins .....	.06	.08	.02			
All other hides .....	.07	.07				
Casein .....		.01	.01			
Muskrat skins .....	.12	.07	.05*			
Fox skins, all kinds .....	.43	.07	.36*			
Synthetic fibre, thread, yarn .....		1.69	1.69			
Other synthetic fibre products .....	2.01	.59	1.42*			
Wood pulp sulphate kraft bleached .....	.13	5.38	5.25			

	Annual Averages		Gain or *Loss	Annual Averages		Gain or *Loss	
	1937-38	1954-55		1937-38	1954-55		
Wood pulp sulphate kraft unbleached	.36	4.75	4.39	.17	.38	.21	
Wood pulp sulphite bleached paper gr.	1.80	12.34	10.54	.80	1.07	.27	
Planks and boards, cedar	.49	1.96	1.47	33.75	39.89	6.14	
Planks, boards, other	.14	.42	.28	4.99	3.95	1.04*	
Woodpulp sulphite bleached dissolving	4.39	11.33	6.94	Pulp and fibre wallboards	.82	.35	.47*
Planks, boards, Douglas fir	14.08	28.25	14.17	Paperboard, n.o.p.	.76	.15	.61*
Planks, boards, spruce	1.39	2.43	1.04	Plywood, hardwood	.21	.01	.20*
Wood pulp mech. unbleached		.13	.13	Plates of iron and steel	.02	2.91	2.89
Planks and boards, birch		.13	.13	Rods of iron and steel	.03	.19	.16
Wood pulp mech. bleached		.01	.01	Rails of iron and steel	1.72	1.77	.05
Planks, boards, pine	.87	.86	.01*	Rough castings, iron, steel	.04	.04	
Wood pulp sulphite unbleached S	1.52	1.42	.10*	Rough forgings, iron, steel		.02	.02
Wood pulp sulphite unbleached N	.17	.12	.05*	Bars, iron and steel	2.55	.97	1.58*
Planks, boards, hemlock	9.00	6.25	2.75*	Structural steel	.46	.15	.31*
Veneers, hardwood	.18	.03	.15*	Copper tubing		1.29	1.29
Wood pulp, n.o.p.	.10	.01	.09*	Other precious metals or products		.01	.01
Veneers, softwood	.06	.06*		Miscellaneous chem. products	1.41	37.64	36.23
Ferro silicon	.42	1.47	1.04	Other fertilizers, mostly nitro.	1.01	4.31	3.30
Ferro manganese, other ferro alloys	.18	.38	.20	Ammonium sulphite fertilizer	1.65	1.73	.08
Billets, ingots, blooms		1.98	1.98	Paints, pigments, varnish	.83	.83	
Pig iron	.02		.02*	<b>Processed commodities total</b>	<b>60.87</b>	<b>109.00</b>	<b>48.13</b>
Brass in bars, ingots, etc.	.06	.37	.31	<b>HIGHLY MANUFACTURED COMMODITIES</b>			
Cobalt alloys	.01	.05	.04	Tires for motor vehicles	13.85	3.07	10.78*
Aluminum in primary forms	5.63	15.48	9.85	Rubber boots and shoes	1.43	.04	1.39*
Other nonferrous, mostly unmanufactured	1.45	3.76	2.31	Canvas shoes, rubber soles	.64		.64*
Nickel cont. in matte or spieß	5.50	9.27	3.77	Moccasins, boots, shoes, leather	.56	.50	.06*
Silver bullion	.38	.27	.11*	Other unmfged. leather	.07	.03	.04*
Platinum and allied metals	.39	.21	.18*	Cotton manufactures	.75	.96	.21
Copper ingots, bars, etc.	21.24	6.73	14.51*	Socks and stockings, all kinds	4.41	.38	4.03*
Nickel, fine	5.98	1.39	4.59*	Other manufactures of wood	1.37	1.87	.50
Zinc spelter	6.84	1.46	5.38*	Printed matter	.76	.32	.44*
Nickel contained in oxide	.57	.05	.52*	Doors of wood	.04	.01	.03*
Lead pigs, refined lead	12.41	.97	11.44*	Autos, passenger, over 1000	.03	5.53	5.50
Coke petroleum	.06	.31	.25	Locomotives and parts	.24	6.48	6.24
Carbon graphite, other non-metal	.80	1.58	.78	Guns, rifles, firearms	.02	.48	.46
Sulphur	.10	.17	.07	Internal combustion engines	.35	6.66	6.31
Asbestos milled fibres	9.18	15.51	6.33	Bicycles, R.R. cars, tractors	6.26	16.60	10.34
Gasoline and naphtha	.59	.78	.19	Farm machinery	6.01	11.51	5.50
Clay brick, glass, mica	.95	.78	.17*	Machinery other than farm	8.46	15.12	6.66
Fuel oil	.10	.06	.04*	Hardware, pipe, tube of I and S	8.82	5.86	2.96*
Lubricating oils, waxes, greases	.32	.10	.22*	Autos, freight, under one ton	5.30	2.13	3.17*
Salt	.07	.01	.06*	Autos, freight, over one ton	12.02	1.91	10.11*
Abrasives, artificial, crude	.12	.01	.11*	Autos, passenger, under 1000	27.73	3.17	24.56*
Cement	.18		.18*	Aluminum manufactures	.26	3.53	3.27
Creosote, lignite, tar pitch, etc.	.14		.14*	Zinc manufactures	.01	.07	.06
Acid other than sulphuric	.12	.24	.12	Brass manufactures	.31	.70	.39
Polystyrene		5.30	5.30	Electrical apparatus	5.20	8.22	3.02
Synthetic resins		1.60	1.60	Copper manufactures	4.08	5.06	.98
Soda and sodium compounds	2.45	1.38	1.07*	Lead manufactures		.12	.12
<b>Semi-processed commodities total</b>	<b>115.07</b>	<b>157.29</b>	<b>42.22</b>	Asbestos manufactures	.26	.31	.05
<b>PROCESSED COMMODITIES</b>			<b>Drugs, pharmaceutical products</b>				
Other non-food veg. products	.08	.77	.69	Soap	.96	3.78	2.82
Other rubber and manufactures	3.57	.90	2.67*	Ships sold to other countries	.23	.02	.21*
Upper leather calf, n.o.p.	.27	3.56	3.29	Settlers effects	.45	3.63	3.18
All other unmfged. leather	.57	.78	.21	Cartridges for guns, rifles	.07	2.43	2.03
Sole leather	.07	.05	.02*	Pens, pencils, and parts	.30	.76	.46
Synthetic fabrics	.46	1.07	.61	Gifts, stamps, coins, etc.	1.64	3.48	1.84
All other textiles and products	1.90	2.16	.26	Scientific educl. equip., films	.96	1.91	.95
Cotton fabrics, other, coated	1.89	1.26	.63*	Household and personal equipment	.93	.99	.06
Wool manufactures	.44	.26	.18*	Vehicles, chiefly aircraft	2.02	1.65	.37*
Cotton duck	.30	.09	.21*	Amusement and sporting goods	.28	.14	.14*
Binder twine	.06		.06*	<b>Highly manufactured commodities total</b>	<b>117.48</b>	<b>119.66</b>	<b>2.18</b>
Plywood, softwood	.04	.44	.40	<b>NON-FOODS TOTAL</b>	<b>322.72</b>	<b>426.21</b>	<b>103.49</b>
				<b>FOODS AND NON-FOODS TOTAL</b>	<b>486.87</b>	<b>945.08</b>	<b>458.21</b>

Group	Annual Average		Dollar gain	Per cent gain	Per cent of exports to "third countries"	
	1937-38 (millions of 1947 constant dollars)	1954-55			1937-38	1954-55
Foods .....	164.15	518.87	354.72	216.1	33.7	54.9
Industrial materials .....	205.24	306.55	101.31	49.4	42.1	32.4
Highly manufactured products .....	117.48	119.66	2.18	1.9	24.2	12.7
Total .....	486.87	945.08	458.21	94.1	100.0	100.0

From the prewar to the postwar period there were gains totalling \$596 million in 139 commodities and losses totalling \$138 million in the other 91—for a net gain of \$458 million. As a result, the commodities which gained now account for 91 per cent of Canadian exports to these areas compared with 55 per cent in the earlier period. The commodities showing losses now account for only 9 per cent compared with 45 per cent in the prewar period.

To give some idea of the changes which have occurred within broad groups, the 230 commodity classifications were separated into foods, industrial materials and highly manufactured products. The table above summarizes the results and full details of the commodity content of these three groups are given in tabular form beginning on page 7.

Though in total the volume of exports in all of these major groups has increased, there are wide differences in the rate of gain. Foods have more than tripled, industrial materials have increased by about 50 per cent, and highly manufactured products have increased by only 2 per cent. Consequently foods now account for 55 per cent of the total exports to Third Countries compared with 34 per cent in the prewar period. Industrial materials have declined in relative importance from 42 per cent of the total to 32 per cent, and highly manufactured products from 24 per cent to 13 per cent.

Of the \$355 million increase in exports of foods, wheat accounted for \$175 million, wheat flour for \$58 million, flaxseed for sowing \$33 million, barley \$31 million, salted cod \$16 million, whiskey \$6 million, and whole milk powder \$5 million. Grain products alone now make up nearly 80 per cent of our food exports to these countries and constitute 43 per cent of all exports to Third Countries, compared with 23 per cent in 1937-38.

The net gain of \$101 million in exports of industrial materials is made up of gains in some products of about \$150 million and losses in others of about \$50 million. Wood products showed a net gain of about \$33 million, with increases of \$27 million in wood pulp, \$11 million in lumber, and \$6 million in newsprint, partly offset by losses of \$11 million in sawlogs and pulpwood. In the minerals group, gains totalling \$31 million were recorded in iron ore, lead ore, scrap iron, aluminum and asbestos; losses totalling \$33 million were shown in copper bars and ingots, lead

pigs, zinc spelter and copper and zinc ores. The substantial declines in copper and lead were due largely to smaller imports of these metals by Germany and Japan in 1954-55 than in 1937-38. Gains of about \$8 million were recorded for cattle hides and leather. The chemical group showed the largest rise of all groups, with synthetic rubber, polystyrene, fertilizers and other miscellaneous chemicals showing an aggregate increase of \$47 million. There were no declines of any consequence in the hides and leather or chemical groups.

The total volume or constant dollar value of exports of manufactured products to these countries has changed little since 1937-38. But there have been significant shifts within the group, with losses of about \$50 million in some items and gains of about \$50 million in others. The most substantial loss (about \$33 million) has been in passenger automobiles and trucks. Other significant declines were recorded for rubber tires \$11 million, hosiery and footwear \$6 million, and hardware pipe \$3 million. These declines have been slightly more than offset by gains of from \$3 million to \$6 million in each of the following classifications: locomotives and parts, internal combustion engines, bicycles, R.R. cars and tractors, farm machinery, machinery other than farm, aluminum manufactures, electrical apparatus, drugs and pharmaceutical products, and ships sold to other countries.

## Data for Exporters

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

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



## Commodity Notes

### Australia

**ASBESTOS**—The 1956 production of crocidolite asbestos at Wittenoom, Western Australia, is expected to total between 6,500 and 7,000 tons during 1956. During the third quarter of the year it reached 2,432 tons, the highest yet recorded for any three-month period. Exports are likely to be about 6,000 tons for the year. Imports of all types of asbestos declined sharply during the January-October period, amounting to only 68 per cent of those in the same period of 1955, partly as a result of the large carry-over of stocks. Production of asbestos cement building sheets during the first ten months of 1956 dropped about 1.9 million square yards below the level in the same period of 1955, reflecting some slackening in building construction—Melbourne, April 9.

**ILMENITE**—Production of ilmenite, the principal economic mineral in Western Australian beach-sand deposits, has begun. Last December a shipment went to the titanium oxide pigment plant at Burnie, Tasmania, and an overseas shipment was made in January. At present, two plants are operating in the Bunbury-Capel district with an installed annual capacity of 120 thousand tons of ilmenite concentrate. With both companies planning expansion of capacity and a third examining the possibilities of entering the industry, by mid-1958 the combined total capacity should reach about 250 thousand tons. Current requirements of the Tasmanian pigment industry are about 25,000 tons a year, with supplies in the past coming mainly from India and more recently from Malaya—Melbourne, April 9.

### Denmark

**FERTILIZERS**—Consumption of fertilizers in Denmark rose during 1956—the country used 574 thousand tons of nitrogenous fertilizers (488 thousand in 1955), 550 thousand tons of superphosphates (500 thousand), and 314 thousand tons of potassic fertilizers (289 thousand). Denmark's cultivated area totals about three million hectares, so this amounts to nearly half a ton of fertilizer per hectare, in addi-

tion to the animal manure available from the large livestock population.

Norway is by far the largest source of Denmark's calcium nitrates, although Germany supplies some of these plus the ammonium nitrates and potash. The superphosphates come mainly from the Netherlands—Copenhagen, April 12.

### Federation of Rhodesia and Nyasaland

**RAILWAY EQUIPMENT**—The Rhodesia Railways has announced development plans for the next four years which will cost £48 million. Forty-six new steam locomotives and 12 new diesels have been ordered from the United Kingdom, and large orders for new refrigerator cars and passenger coaches have been placed. New station buildings and roadbed improvement have a high priority under the plan. All orders overseas for equipment, from either a sterling or dollar source, are placed through the London agent of the Rhodesian Railways, 241 Salisbury House, London, E.C.2—Salisbury, April 10.

### Japan

**TERYLENE**—Contracts were signed recently in Tokyo between two leading Japanese rayon manufacturers, Toyo Rayon and Teikoku Rayon, and Imperial Chemical Industries Ltd. of London, whereby the local companies will make terylene, the polyester fibre pioneered and developed by the United Kingdom concern.

It is reported that the contracts will be valid for 11 years, that production will begin in 1958, and that the necessary raw materials will be supplied by the Mitsui Petro-Chemical Company—Tokyo, April 10.

**CANNED SALMON**—During the first eleven months of 1956 Japanese exports of canned salmon to the United States totalled 617 thousand cases, compared with 440 thousand in the whole of 1955. The increase is attributed to poor United States catches

in Alaskan waters, and also to the formation last year by Japanese fishery interests of the Japan Canned Salmon Sales Company to boost exports of the product.

On the other hand, the United Kingdom, usually a leading market, took only 140 thousand cases, compared with 486 thousand in 1955. This is understood to be the result of uncertainties arising from the prolongation of the U.K.-Japan trade talks which began in London last October and continued into February. A total of 412 thousand cases was shipped to destinations other than the United States and the United Kingdom, compared with 464 thousand cases in 1955. In 1956, 8,393,096 lb. worth \$4,704,518 (DBS figures) went to Canada—Tokyo, April 10.

### Kenya

**CANNED TOMATOES**—Kenya's first tomato processing plant has been opened; it will increase the canning industry's exports to \$5.5 million a year. It is hoped that in five years the factory will be turning out 5,000 tons of puree and tomato juice a year. The company is already negotiating with firms in Europe, the United Kingdom and America, and one overseas company has signed a contract for the supply of 200 tons of puree a year—Salisbury, April 8.

### New Zealand

**PULP AND PAPER**—The Tasman Pulp and Paper Company Limited in its first year (ended October 31, 1956) of newsprint operation produced 39,000 long tons, which in terms of full capacity was approximately 50 per cent. Although the newsprint mill has on a number of occasions produced its full capacity, it is expected that it will be some time before continuous production at capacity is achieved.

Chemical pulp production for sale totalled 22,000 long tons or 60 per cent of capacity in the first year, but the mill has now reached continuous operation at the full rate of production. Sawn timber operations in eight months of 1956 produced 10.5 million board feet.

In this first full year of operation the company did not expect to realize a profit and the accounts showed a net loss of £1,750,644, after writing off a total of £1,671,129 for ordinary and special depreciation—Wellington, April 12.

### Norway

**WALLBOARD**—Norway's exports of wallboard during the first 11 months of 1956 reached 32,647 tons, more than 25 per cent over the 1955 figure. Exports to the United Kingdom, the most important customer

for Scandinavian wallboard, rose from 8,966 to 10,265 tons; a number of other countries, among them the United States, also increased their imports considerably. Production figures for 1956 are not yet available, but 1955 production totalled 95,000 tons. Export prices last year were somewhat weaker, dropping from an average of Norwegian kroner 682 per ton in 1955 to about kroner 668 per ton by the end of July 1956—Oslos, April 16.

### Sweden

**SYNTHETIC FIBRE**—The Swedish Export Association reports that a new synthetic fibre, tacyrl, the first to be developed in Sweden, will be introduced soon. Tacyrl is an acrylic fibre, the raw material of which is polyacrylonitrile. The product is built up from coal, air and water, and kerosene at a temperature of 130 degrees C is used as a solvent. The new fibre is used in combination with wool or rayon wool and the final product is soft and has good thermal insulation. It is sun, weather and wind proof and retains pleating—Stockholm, April 18.

**PAPER AND BOARD**—According to preliminary customs statistics, Swedish exports of paper and board in 1956 totalled 921 thousand metric tons, an increase of 11½ per cent compared with the 1955 exports of 826 thousand tons. The increase was almost entirely accounted for by the rise of 50,000 tons in newsprint and 35,000 tons in kraft paper and kraft liner. Exports of board declined from 61,000 tons in 1955 to 58,000 in 1956—Stockholm, April 18.

### Turkey

**DRIED FRUITS, NUTS**—Turkey's excellent crop of sultanas exceeded 56,000 metric tons and exports during the current crop year have so far reached 30,000 tons; the United Kingdom is the principal buyer. The hazelnut (filbert) crop was also an all-time record, equivalent to about 70,000 tons of kernels. Export to the end of December 1956 totalled approximately 22,000 tons of 1956 kernels, but overall shipments during the current crop year are expected to exceed last year's 44,000 tons—Athens, April 15.

### West Germany

**AUTOMOBILES**—In 1956 the West German automobile industry replaced the United Kingdom as the world's second largest producer of automobiles, with a total output of 1.07 million units; the United States ranks first. In 1952 the West German automobile industry ranked fifth, in 1953 fourth, and in 1954 third—Bonn, April 22

# Colombia's Commercial Arrears

*Four creditor countries have already accepted the 60-40 arrangement made through Colombia's central bank for paying off the commercial arrears. This article explains how the plan works and how the current import policy operates.*

W. B. McCULLOUGH,  
*Commercial Counsellor, Bogotá.*

THE MOST IMPORTANT DEVELOPMENT in business circles in Colombia in recent months is the proposal of the new Minister of Finance to arrange settlement of the commercial arrears with creditor countries through the Banco de la República (Colombia's central bank).

Last December, Dr. Morales-Gómez, the Minister of Finance, paid an unofficial visit to the United States and met with a number of New York bankers. On his return to Bogotá, he announced the proposal to settle the debt with the United States banks and exporters by paying 60 per cent in cash and 40 per cent in scrip certificates, in 30 equal monthly instalments, bearing interest at 4 per cent. This plan has been accepted by the U.S. banks and exporters. Since then, representatives of banking groups in Germany, Sweden and

Switzerland have visited Bogotá and have accepted similar or identical arrangements for the commercial debt of these countries.

## **Arrangement between Banks**

The negotiations and agreements are between the Banco de la República and the foreign banks and not on a government-to-government basis. The plan includes settlement of arrears for exchange applications registered, letters of credit, and bills for collection due and payable before December 31, 1956, provided that the imports are entitled to payment at the official rate of exchange. For individual bills for collection for \$2,000 or less, sellers can expect full settlement in cash. Exporters who have shipped on open account and have outstandings may also settle under the general terms of the agreement, even though no bill of exchange has been drawn. The exporter must arrange collection through a Colombian bank.

Canadian exporters interested in accepting the 60-40 settlement scheme should consult with their collection agency, for the most part Canadian banks, and make arrangements with the bankers for taking up the 40 per cent in scrip certificates for their account. The Canadian banks will compile lists, forwarding them to their Colombian branch or agency for processing with the Banco de la República. The Banco de la República will not entertain individual applications from exporters, but only from the banks after they have accepted the scheme for all their collections. Details of the 60-40 plan are available from the head offices of the Canadian banks and the International Trade Relations Branch of the Department of Trade and Commerce. There is no provision for settlement of arrears outside the plan.

Commercial arrears with all countries at December 31st totalled an estimated US\$280 million, of which about \$185 million was with the United States. The Colombian authorities place the amount outstanding with Canada at about \$13 million, but Canadian sources quote a somewhat lower figure. At the end of February, advance deposits with United States banks and banks of West Germany to cover the 60 per cent cash payment totalled \$76.6 million.

## **Import Policy Revised**

Shortly after the Minister of Finance took office in October, the Exchange Registry office was closed and did not reopen for the registration of import licences in all categories until late January. An austerity program was announced and an exchange budget set up.

Estimated earnings of foreign exchange for 1957 were placed at US\$467 million of official exchange (\$432 million from coffee exports) and US\$140 million of free exchange. Imports under the Preferential Groups,

which include essential raw materials and certain types of machinery, were budgeted at US\$240 million.

In other words, import registrations for official exchange are to be limited to US\$20 million per month. This is the figure which, the authorities calculate, will permit them to be on a current payment basis for imports, pay for other foreign exchange commitments, and make the regular payments against commercial arrears.

### Commodities Regrouped

For the purpose of exchange control, commodities were regrouped into four categories of permitted imports, a prohibited import list, and a suspended list.

The surtaxes and the amount of the reimbursable deposits were also modified as follows:

Group	Stamps surtax (per cent)	Payment	Reimburs- able deposit (per cent)
First Group Special ....	10	Official dollars .....	40
First Group .....	40	Official dollars .....	50
Second Group .....	60	Free dollars .....	60
Third Group .....	90	Free dollars .....	80

The permitted import groups are as follows:

- *First Special*—Essential industrial raw materials, including synthetic rubber, wood pulp, newsprint, wheat, wool, cotton, and railway equipment.
- *First Group*—Essential raw materials, certain chemicals, aircraft and parts, agricultural machinery and spares.
- *Second Group*—Less essential raw materials, semi-manufactured goods and industrial machinery. (Some machinery is exempt from the 60 per cent surtax.)
- *Third Group*—Manufactured goods, some textiles, tractors and some consumer goods.

### Gold and Dollar Reserves Decline

Gold and dollar reserves at the end of March were US\$126.8 million, compared with US\$144.1 million at the end of December 1956, and US\$151.8 million at the end of December 1955. This figure takes into account the advance payments on the 60-40 scheme. Foreign exchange earnings for the year 1956 totalled US\$451.8 million, as against US\$545 million in 1955 and US\$659 million in 1954. During 1956, import licence registrations for official exchange were US\$375.8 million and US\$29.5 million at the free rate of exchange, compared with US\$590.5 million and

US\$86.7 million in 1955, reflecting the import restrictions introduced during 1956. During the first quarter of 1957, import licence registrations were roughly US\$67 million, or approximately within the budget established. Coffee exports during the first quarter of this year reached 1,102 thousand sacks (60 kg.) and produced approximately US\$100 million in foreign exchange, compared with nearly 1,450 thousand sacks and US\$117.7 million for the same period in 1955.

### Exchange Certificates

A Decree dated November 30, 1956, introduced new regulations covering operations in the free exchange market. All foreign exchange derived from trade or non-trade transactions that previously was negotiable on the free exchange market must be surrendered to the Banco de la República or an authorized bank. The banks will issue an equal amount in U.S. dollars in exchange certificates (Títulos de Divisas) which are freely negotiable but only for specified purposes. These purposes include payments for imports under Second Group and Third Group categories, repatriation of foreign capital if introduced in exchange certificates, profits, payments of international passages, and remittance of various service charges. The banks no longer operate in the free exchange market, except for exchange certificates. Exchange rates for the certificates are a few points lower than the street operations in free exchange, now about seven pesos per U.S. dollar.

### Local Business Uncertain

Generally speaking, local business conditions are uncertain. Some businesses, such as automotive and importers of consumer goods, have suffered considerably under the import regulations and all importers require more capital to cover previous payments and deposits in connection with imports. Imported consumer goods are gradually disappearing from store shelves as stocks become depleted. However, there is an increasing demand for a wide range of raw materials and industrial machinery, and it is in these fields that Canadian exporters may continue to find an interesting market in Colombia. Import licences are being granted for these essentials, although not to the full extent of demand. In February, for example, applications for import licences totalled US\$54 million; those approved were less than half that amount.

Import licences issued since the reopening of the Exchange Office in January carry a stamp that exchange will be available in 120 days from date of shipment. While this undertaking is not made by virtue of an Official Decree, it indicates the intention of Colombia's Central Bank to provide exchange for imports this year on a current payment basis. ●

# Argentina

## Agriculture Makes a Comeback

*Argentina's new farm policies encouraged greater agricultural production last year, especially of meats and oilseeds. Wheat and coarse grain output rose again in the 1956-57 season after a substantial decline in the previous season; grain surplus for export this year estimated at 5 million tons.*

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

THE AGRICULTURAL POLICIES of the Provisional Government of Argentina began to pay off last year with the aid of good growing weather. Higher prices to producers, more favourable export exchange rates, reductions in some export taxes, relaxation of government control or interference, some improvement in transport facilities, technical assistance to producers, and a swing towards multilateral trade were some of the factors which helped Argentina to increase her agricultural output during 1956. The outlook for 1957 is for continued expansion of agricultural production and exports although inflation has become serious and threatens to dissipate the incentive value of present prices for farm products.

The past year has witnessed possibly a greater number of important changes in Argentine agricultural policy than any other single year in the history of the

country. Few, if any, of these decisions have met with unanimous approval, even of the agricultural producers. Taken together these changes have made a definite contribution towards improving the present position and future outlook for Argentine agriculture. Some of the more important decisions and activities last year are outlined below, with their effects on the industry. Here is what the Government has done:

1. Raised the guaranteed prices to producers for all important grains and oilseeds, transferred agricultural commodities completely or partially from the official to the free exchange market, and reduced or removed export taxes. These measures, in most cases, increased returns to the producer and/or improved Argentina's competitive position in world markets.
2. Returned the Argentine Meat Producers' Corporation to the control of producers and removed the Argentine Meat Board and the Argentine Grain Board from the direct control of the Ministry of Commerce, setting them up as a semi-autonomous organizations to report through the Ministry of Agriculture and Livestock.
3. Returned to private traders the domestic and export trade in oilseeds and all grains except wheat after ten years of rigid control.
4. Freed retail prices on all meats and many other farm products. Producer prices on all livestock except steers now reflect their free market values; prices are controlled for steers sold direct to packing plants.
5. Largely eliminated the meat subsidies which approached 3 billion pesos a year and the flour milling subsidy which reached 800 million pesos a year. This helps to place both these industries on a sound economic basis considering that Argentina is one of the cheapest producers of beef and wheat.
6. Allowed land owners to renegotiate farm leases and share-cropping arrangements which were practically frozen for ten years while other farm costs rose ten times. On the other hand, tenants now have an opportunity to purchase the land they work at economic prices, which is a start on the serious land-tenure problem in Argentina; 40 to 50 per cent of the holdings are operated by tenants who have had little hope in the past of ever owning their own land. These steps should encourage better use of the land to raise the crops for which it is best suited and more scientific farming methods.

7. Authorized a new National Technological Agricultural Institute which indicates the increased official awareness of the need for a more scientific approach if Argentine agriculture is to prosper. During 1956 the Institute directed a successful government-organized and partially financed campaign to reduce the grasshopper and caterpillar infestations.
8. Removed import restrictions on large trucks, bought large numbers of locomotives, and initiated plans for better roads—all necessary to improve the country's transportation system.

Generally favourable weather during 1956 and some of the policies outlined above benefited agricultural production and exports or export prospects. These are reviewed below on a commodity basis.

#### ● GRAINS

*Winter Grains*—Unfavourable weather and reduced acreage in 1955-56 caused production of wheat, oats, barley and rye to decline to about 7.6 million tons\*, down more than 27 per cent from the previous year. In spite of a heavier than normal carryover of wheat on December 1, 1955, exports of these grains in 1956 at about 3.5 million tons were almost one million tons below the previous year. In 1956-57 producers responded to higher prices and increased the seeded acreage by 17 per cent; production rose to almost 10.6 million tons and was mostly high-quality grain. The carryover at the end of November 1956 (particularly of wheat) was well below the year before but the surplus of these grains available for export during 1957 should exceed 3.5 million tons of wheat and 1.5 million tons of oats, barley and rye, after allowing for reserves. Wheat exports during the first three months of this crop year have lagged behind those of the past three seasons in spite of an aggressive sales policy, but exports of the other winter grains have been 44 per cent above those of last year. Prospects for the remainder of the year are difficult to assess but Argentina is negotiating with Brazil and Chile to sell wheat and it is reported she hopes to sell at least 800 thousand tons to the former.

*Summer Grains*—The area seeded to corn has declined in both of the past two years because of a swing to sunflower; higher guaranteed prices for corn have failed to reverse the trend. The weather was favourable in 1955-56 and production reached 3,870 thousand tons and exports exceeded one million tons. The first official production estimate this year was only 2,700,000 tons due to unfavourable weather and a reduced area seeded. This normally would have left no more than 500 thousand tons for export. However, in a bid to increase exports the Government

\*Tonnages in metric tons.

## Some Production Highlights

### Grains

*Wheat*—3.5 million tons for export in 1957.

*Oats, barley and rye*—1.5 million tons for export in 1957.

*Corn*—500 thousand tons for export in 1957 (1.0 million tons last year).

*Millet*—100 thousand tons exported in 1956 (less this year).

*Rice*—40 thousand tons for export in 1957.

### Vegetable Oils

*Sunflower and peanut*—Production in 1955-56 crop year rose to 950 thousand tons of seed from 400 thousand tons in 1954-55; an export quota for oil has been established for this year.

### Quebracho Extract

Market is declining; 114 thousand tons exported last year, 120 thousand tons in 1955, 219 thousand tons in 1951.

### Livestock and Meats

*Cattle, beef and hides*—11.7 million head slaughtered in 1956, a record kill; beef exports reached 615 thousand metric tons; hide shipments reached 9.7 million units; more live animals to neighbouring countries. Cattle marketings continue to increase.

*Sheep, wool and mutton*—Sheep numbers increasing; exports of mutton at 65,000 tons 19 per cent below 1955; wool exports reached 117 thousand tons in 1956; wool clip to rise slightly this year.

*Hogs and pork*—Total kill 2.4 million head in 1956 (up 19 per cent from 1955); exports 35,000 tons pork, 10,000 tons lard; production and exports should continue to rise this year.

### Dairy Products

*Butter*—14,693 tons for export in 1956 (up 36 per cent over 1955).

*Cheese*—3,655 tons exported in 1956 (up 11 per cent over 1955).

*Casein*—33,330 tons shipped last year (39,455 tons in 1955).

is offering a 20-peso per 100 kilograms bonus over the official minimum price and is prepared to subsidize sales in order to export all the corn they are able to purchase. Millet production and exports rose to more than 100 thousand tons in 1955-56 but prospects for this crop are less favourable. The rice acreage and production were down slightly in 1955-56 but exports almost doubled last year. Canada became an important customer for rice, taking approximately 9,000 tons out of total exports of 42,000 tons. This year, rice production and the export surplus are expected to approximate those of the 1956 figures.

#### ● VEGETABLE OILS

The recovery of Argentine agriculture has been most pronounced in vegetable oilseeds. Spurred by increases in the guaranteed price of more than 100 per cent in some cases and the possibility of even higher prices, producers doubled the area sown to sunflower and peanuts in 1955-56 and to flaxseed in 1956-57. Production of sunflowerseed and peanuts rose to 950 thousand tons from 400 thousand tons in the previous year; an export quota has been established for edible oil this year. Last year Argentina imported 80,000 tons of cottonseed oil. Production of flaxseed rose this year by 178 per cent to an estimated 660 thousand tons which should permit exports of linseed oil in 1957 to double the approximately 70,000 tons exported in 1956. Poor weather caused sunflower seeding to drop slightly this year but total production of sunflower and peanuts this year is not expected to fall far short of 1956. A record olive harvest in 1955 and a good harvest of tung nuts permitted exceptional exports of olives and olive oil, and a 30 per cent increase in exports of tung oil last year. The tung oil picture is unchanged for 1957 but exports of olives and olive oil are expected to be only nominal.

#### ● POTATOES

Argentina had a large exportable surplus of potatoes last year and the demand for potatoes in neighbouring countries was strong; exports exceeded 72,000 tons which was a record. Imports of seed potatoes were limited to 450 tons of the Up-to-Date variety from Denmark—which the trade bought at the official exchange rate of 18 pesos to one U.S. dollar. For the first time in many years private traders exclusively handled the purchases. Prospects for more extensive seed potato imports this year are very uncertain. The demands on Argentina's official foreign exchange market are heavy which suggests that buyers of seed

potatoes from abroad would have to pay for them through the free exchange market. If this should be the case, the peso price of imported seed would make their cost prohibitive.

#### ● COTTON, SUGAR, TOBACCO AND TEA

Excessive rains reduced the quality of the 1955-56 cotton crop although production rose slightly from the previous year. Exports totalled only 8,000 tons and all of it was low grade. Prospects for 1957 are more favourable. Sugar cane production totalled 9,874 thousand tons in 1955-56 which represents a 6 per cent increase over the previous year and permitted the establishment of an exceptional export quota of 80,000 tons. Tobacco production rose by 26 per cent to almost 40,000 tons in 1955-56 and exports last year, mainly to European countries, reached 669 tons which was more than in 1955 but still far below 1954 sales. Tea plantations are expanding output rapidly and domestic demand is not keeping up; Argentina will soon have a surplus of tea for export. The Government is taking steps to improve quality in order to make Argentine tea competitive in world markets.



—Frigorifico Anglo

(Right) On the beef "line" in Argentina's largest packing plant, a worker saws a beef carcass into sides. In 1956 exports of high-quality chilled beef rose to over 236 thousand metric tons, compared with 105 thousand tons in 1955.

## ● QUEBRACHO EXTRACT

Quebracho extract, used mostly in the tanning industry, has been suffering from competition from other products and from the trend to use plastics instead of leather. Exports in 1956 were only slightly more than 114 thousand tons, compared with 120 thousand tons in 1955 and 219 thousand tons in 1951. In an effort to expand and diversify their markets, the Argentine-Paraguayan Quebracho Extract Board plans to establish a research institute and to carry out an extensive international publicity campaign.

## ● LIVESTOCK AND MEATS

An official census taken in June 1956 shows that cattle numbers (45,396,431) were at an all-time high, that the hog population (3,858,475) was the highest in recent years, and that the downward trend in sheep numbers (43,866,636) has been reversed. The horse population (5,848,785) was almost 20 per cent below that of 1947. These large numbers of livestock, combined with favourable weather and the new policy decisions which encouraged a considerable expansion in production, led to higher exports in 1956.

*Cattle, Beef and Hides*—Total cattle slaughter for 1956 has been officially estimated at 11.7 million head, up 17 per cent from the previous year and 53 per cent above the average kill in 1935-39. This record kill permitted domestic consumption of beef to rise to 96.6 kilograms (212.9 lb.) per person and exports to increase by 48 per cent over the previous year to 615 thousand tons on a basis of warm-dressed weight.

This figure for beef exports is almost identical with the average for 1935-39; in 1954 Argentina shipped only 231 thousand tons. Although exports of high-value chilled beef more than doubled those of 1955, a drastic fall in prices meant that Argentine foreign exchange earnings from meat exports last year rose by only 13 per cent. The United Kingdom was as usual the major market for Argentine beef and West Germany bought substantial amounts of frozen beef; exports of live animals to neighbouring countries increased substantially. Statistics for the first three months of this year indicate that production and exports of beef will continue to rise, but at a slower rate. Hide production is, of course, related to the cattle kill and exports in 1956 rose to an estimated 9.7 million units. Direct shipments to the "People's Democracies" of Eastern Europe and the Soviet Union exceeded 2.9 million units; the Netherlands and West Germany were other heavy importers.

*Sheep, Wool and Mutton*—The revaluation of the peso in October 1955 more than doubled the effective exchange rate for wool and completely altered the

outlook for the sheep industry. Indications are that sheep numbers are once more on the increase; slaughter in 1956 was down slightly from 1955 and exports, at 65,000 tons, were 19 per cent lower. Wool exports reached 117 thousand tons for the wool year ending September 1956—an increase of 12,000 tons over the previous year. Grazing conditions have been poor in Patagonia but good in the rest of the country and estimates of this year's wool clip range from 178-188 thousand tons, up slightly from last year. Wool prices are well above last year because of the strong world demand and no trouble is anticipated in disposing of this year's wool surplus. Much of the wool has been sold already "on the back" to Japan and the Soviet Union.

*Hogs and Pork*—The Government has granted free market exchange for exports of pork products and this combined with a good corn crop for feed led to increased hog production; the total kill rose to an estimated 2.4 million head in 1956 which represents an increase of 19 per cent from the previous year and 26 per cent above the average for the past five years. The pork output totalled 190 thousand tons which was an increase of 22 per cent and exports, at 35,000 tons, were 175 per cent higher than in 1955 and the highest since 1946. Lard exports reached 10,000 tons, more than double shipments in recent years. Preliminary surveys suggest that production and exports of pork and pork products will continue to rise this year.

## ● DAIRY PRODUCTS

The outlook for Argentina's dairy industry is not too encouraging but some improvement has been made in the past year. Production of casein and butter rose substantially while that of powdered and evaporated milk rose slightly. Cheese production dropped by 2 per cent and butter and cheese exports at 14,693 tons and 3,655 tons were 36 per cent and 11 per cent respectively above 1955. Argentine casein shipments declined from 39,455 tons to 33,330 tons mainly because of sharply reduced U.S. purchases. Exports of cheese to Canada rose by 76 per cent to 87,708 kilograms.

Imports of purebred dairy cattle from Canada and elsewhere declined because of the change of the exchange rate from 7.50 to 18.00 pesos per U.S. dollar and a further decline may be expected; the Central Bank has just placed cattle imports on the free exchange market (currently 40 pesos per dollar). The dairy industry in turn is endeavouring to have all its export products placed on the free market as well. ●



# Swedish Glassware



(Left) A worker at the Orrefors works ladles out the glass from the clay pots in which it is melted at about 1,400-1,450 degrees Centigrade. It must be cooled to a temperature of about 1,000 degrees before working. Commonly it is put into the pots at the end of the day, and melting is completed about three a.m. (Right) The next stage is blowing the glass; note the wooden mould which encloses it.



BEAUTIFUL GLASSWARE, shaped and finished by craftsmen schooled in a long tradition, today goes out from Swedish manufacturers to eager buyers in over 60 different countries. Early in this century, the lost art of engraving on glass was revived and given new expression, as the picture at the top of the page illustrates. Artistic designs on glassware, meticulously executed, have brought international fame to such firms as Orrefors, Kosta, Strömbergshyttan and Reimyre. The materials for making crystal glass (sand, red lead and potash) are all imported; so are the sand and pulverized limestone needed for soda glass for everyday use.

A. P. BISSONNET, *Commercial Secretary, Stockholm.*



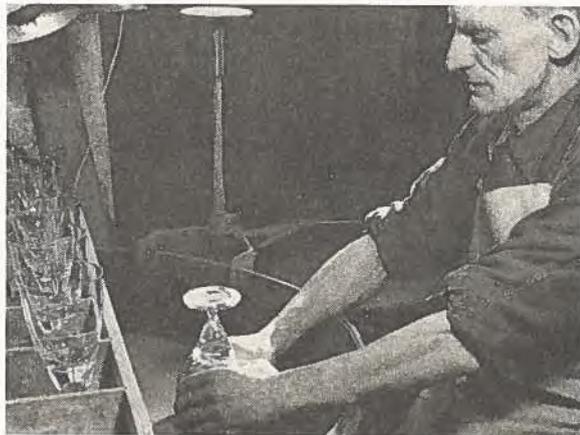
# Finds Foreign Buyers



(Left) Glass blowers commonly work in groups of seven or eight, under the supervision of a master blower with long experience in his craft. Some glassware is finished off by the blowing master with the help of his tools—a few of these tools are visible on the far left of the photograph. (Right) A veteran craftsman lends his aid in the final stages of the blowing process. The glass is then cooled in a special tunnel.



(Left) Engraving the design on the glass vase shown top left is done using copper wheels of different sizes. First the operator transfers the lines of the artist's design to the glass; then he works in shadows, etc., by letting the wheel carve more deeply into the crystal. (Right) A workman is smoothing the edges of wineglasses on a fine carborundum stone. Later the glasses get a final polish, using a felt or cork wheel.





## Transportation Notes

### Brazil

**SHIPPING**—The continuous shortage of Brazilian shipping facilities has forced the Government to extend up to December 31, 1957, the permission granted to foreign vessels to engage in coastal trade for the transportation of food products—São Paulo, April 15.

### Belgium

**RAPID RAIL SERVICE**—Recent tests by the Sociétés Nationales des Chemins de Fer Français et Belges (SNCF and SNCB) have shown that with modern equipment it is possible to establish a faster train service between Paris and Brussels. Currently, express service between the two capitals takes about four hours in "Automotrices Micheline"; the distance is 196 miles. This June two trains which can make the run in a scheduled 2¾ hours (an average of 70 miles per hour) will be put into service. These trains will be driven by diesel-electric locomotives which are not yet in general use in this country. The shortened schedule will also reduce the time of the Paris-Scandinavia Express.

The new express trains will make the journey from Paris to Brussels, centre-to-centre, faster than scheduled airplane flights; regular inter-city flights now average about 3.10 hours between downtown air terminals. Only the helicopter service between central Paris and central Brussels, inaugurated on March 3rd by Sabena, will be quicker—Brussels, April 19.

### Canada

**CARIBBEAN NORTHBOUND SERVICE**—With the opening of navigation on the St. Lawrence River, Saguenay Terminals will offer Canadian importers a more frequent and faster shipping service from the Caribbean to Montreal. The company will operate a monthly northbound service from Santiago de Cuba, Port-au-Prince and Kingston to Montreal. This line is an extension of the service which Saguenay Terminals inaugurated from Haiti last year. The new 15-knot motor vessel *Indiana* will

be used on this run. During this month it will also call at Cristobal. The *Indiana* left Santiago de Cuba on or about May 7 on its first sailing, and was due to leave Port-au-Prince May 9-10, Kingston May 11-13, Cristobal May 15-17, arriving Montreal, May 25.

**CANADA-WEST INDIES SERVICE**—Messrs. Lamport & Holt Line, Ltd. have announced that they will begin fortnightly sailings from Montreal and Halifax to the West Indies. The vessels allocated for this service are the *Rossetti*, *Rubens* and *Roscoe*; they will be supplemented by a fourth vessel to be announced. These ships have a service speed of 15 knots, space for refrigerated cargo, and deep tanks for the carriage of vegetable oils. The first sailing will be the *Rossetti* on June 12th. The Montreal agents of Lamport & Holt are March Shipping Agency, Ltd., and the owners are represented in New York by their general agents, Booth American Shipping Corporation.

This service by Lamport and Holt replaces the Canada-West Indies sailings recently terminated by Alcoa Steamship Company, Inc.

### Chile

**JAPANESE CARGO SERVICE**—The Japanese shipping firm Nipon Yusen Kaisha has reinstated its cargo service to the western coast of Central and South America as a result of increased trade with these areas. The service is on a monthly basis initially. The company had ships operating between Japan and South America from 1926 to 1941 when World War II intervened—Santiago, April 16.

**PORT OF ARICA CONGESTED**—A press release from the free port of Arica indicates that imported goods are congested there and that the Customs House authorities have not been able, apparently, to find a satisfactory solution for the problem. All available space in the Customs warehouses, yards and other quarters have been taken up. In fact, many enclosed railway cars have been hired as temporary warehouses which, of course, is restricting

the normal transport of goods to adjacent countries, such as Bolivia.

The Government has issued a declaration to importers established in Arica to stop ordering more merchandise until they are sure that space will be available at the port—Santiago, April 16.

### **Federation of Rhodesia and Nyasaland**

**SHIPPING RATES INCREASED**—Effective February 15th, shipping rates between South Africa and Europe were increased by approximately 7½ per cent on the grounds of the general increase in operating and shipbuilding costs, and the higher fuel prices caused by the Suez crisis. This increase will also affect Canadian and United States shipping lines operating to the South African ports and to Beira and Lourenço Marques, the Portuguese East African ports which serve the Federation of Rhodesia and Nyasaland—Salisbury, April 10.

### **Greece**

**SHIPPING**—A sharp increase of some 205 thousand registered tons during 1956 has placed the Greek merchant fleet at 1,501,000 tons d.w. Including Greek-owned ships under foreign flags, total Greek-controlled tonnage in the world today is close to 15 million tons d.w. Almost 56,000 Greek seamen (35,000 in 1955) manned Greek-owned merchant vessels, returning about \$47.5 million in foreign exchange in the form of seamen's remittances and earnings (\$34 million in 1955)—Athens, April 16.

### **Ireland**

**NEW AIRPORT FOR CORK**—A first-class airport, which will comply with the standard of the International Civil Aviation Organization, is planned for Cork. An all-Irish company, Air Kruises (Ireland) Ltd., will co-operate with Cork Airways Ltd. in developing the site at Farmer's Cross, some four miles south of Cork. As planned, the airport will have two runways 3,300 feet and 2,800 feet in length and administrative buildings, hangars, control tower, etc. Initially there will be a regular service between Cork and London; later on, flights to other English and Continental points will be inaugurated. The company will use four-engined, twenty-two seater Handley Page "Marathons", and also plans to operate a freight service—Dublin, April 22.

### **New Zealand**

**SHIPPING SERVICE TO MALAYA AND INDONESIA**—The Netherlands shipping firm Royal Inter-ocean Lines has re-introduced a shipping service

between New Zealand and Malaya and Indonesia (a similar service was operated up to 1940). Two vessels equipped with refrigerated space will operate a six-week service. The scheduled ports of call include Auckland, Wellington, Dunedin, Sydney, Penang, Port Swettenham, Singapore, Djakarta and Surabaya.

This new service is particularly welcome since, up to now, vessels with refrigerated space have operated from New Zealand to this region only at irregular intervals—Wellington, April 8.

### **Northern Ireland**

**SHIPPING LINK WITH GREAT LAKES**—Belfast has its first direct shipping link with Great Lakes ports in Canada and the United States with a new cargo service inaugurated by the Ulster Steamship Company (Head Line) in April. The service operates between Belfast, Liverpool, and the Great Lakes ports of Toronto, Hamilton, Chicago, Milwaukee, Detroit and Cleveland, and is currently served by two of the line's smaller ships—the *Fair Head* and the *Ballygally Head*. Sailings every four weeks are scheduled. When the St. Lawrence Seaway is completed the company's larger vessels will come into service and they will carry a limited number of passengers as well as cargo—Belfast, April 17.

### **Switzerland**

**SWISSAIR FLIGHTS TO CANADA USE AMSTERDAM AIRPORT**—A protocol changing the agreed flight schedules of the Dutch-Swiss air-navigation agreement of 1949 was signed on March 6, 1957, by the directors of the Federal Aviation Board and the head of the Dutch Air Ministry. According to the new arrangement, Swissair may now use Amsterdam airport for her services to Canada and the United States, as well as to Mexico, Central America and Chile via Surinam and the Dutch Antilles—Berne, April 19.

### **West Germany**

**HAMBURG BUILDS NEW FRUIT SHEDS**—The north German port of Hamburg, which today handles more fruit imports than any other port in Europe, can now provide fruit importers with eleven heated sheds which have a storage area of about 100 thousand square metres. This is about 11,000 square metres more than were available before the war.

The increase in storage area keeps pace with the development of fruit imports via Hamburg, which in 1956 reached a new peak of 658 thousand tons of tropical, fresh and dried fruit—Bonn, April 16.

# Canadian Ports

## Serve the Exporter

*A program of improving facilities and speeding service has made Canadian ports a vital factor in our foreign trade. They offer the Canadian exporter certain specific advantages and these are outlined in this article, twenty-eighth in our series on the techniques of export trade.*

W. C. PERRON, *Chairman, Canadian Port Committee, in collaboration with committee members.*

EVERY YEAR, nearly 150 million tons of water-borne cargo are handled by about 180 reporting harbours that serve the foreign and domestic trade routes of Canada. About 30 per cent constitutes shipments loaded for foreign markets, about 25 per cent consists of goods arriving from foreign ports, and about 45 per cent represents coastwise traffic. One-third of the total tonnage (about 50 million tons, made up of exports 34 per cent, imports 22 per cent, and Canadian coastwise trade 44 per cent), moves through the eight national harbours of Halifax, N.S.; Saint John, N.B.; Chicoutimi, Quebec, Three Rivers and Montreal, P.Q.; Churchill, Man., and Vancouver, B.C. Altogether 77 Canadian ports share in this water-borne movement of foreign commerce.

Because foreign trade is so vital to our economic welfare and because it is important to encourage direct trade between Canada and other countries through Canadian ports, the Government of Canada has spent millions of dollars in developing these ports. Expenditures on capital account for the eight national harbours alone have reached over \$250 million. This money went to provide wharves, transit sheds, grain elevators, refrigerated warehouses, terminal railways, shore and floating equipment—in fact, every facility essential to the efficient and economical operation of these ports.

The development of the national and other important Canadian harbours has gone forward with the expansion of Canadian waterways, railways, highways and

airways—and this development is continuing. New construction recently completed or under way will give somewhat greater flexibility. Many of the ports are being geared to handle the increased volume of business which is expected with the opening of the St. Lawrence Seaway.

### Ports Give Good Service

The earning capacity of a ship depends largely on the number of pay-voyages in a year and turn-round time in port is therefore an important factor in ship operation. Each day in port requires an outlay of money with no compensating income from freights. Canadian harbours are noted for a high standard of efficiency that ensures quick turn-round. Cargo is carefully handled and dispatched promptly. Contributing to port efficiency are accessibility to shipping, adequate port facilities, good transportation services, and modern cargo-handling methods. For example, good pilotage, tug services where necessary, and efficient aids to navigation in the form of lights, buoys, and reporting stations for direct communication of vessel movements, weather and other shipping intelligence enable ships to proceed from open water into the harbours and to their assigned berths without delay.

Port facilities combine efficiency with economy. They are designed to serve effectively the majority of the users and, in particular, to enable cargo to be transferred with minimum delay from or to deepsea ships to or from coastal and river craft, railway cars, transport trucks and, in some cases, pipelines. Long-term planning is stressed and trends in both ship design and traffic movements are carefully considered.

There are regular and frequent sailings to many overseas ports. Yearly departures in international seaborne shipping are now close to 35,000 and the ships are of such design, capacity and speed as to meet all reasonable traffic requirements. To supplement direct services and at rates no higher than via the direct services, a number of shipping companies have transshipment arrangements at London, Antwerp, Cristobal

and other ports for shipments between Canada and countries direct sailings to which may be inadequate for certain trade movements.

Rail and highway transport services to and from Canadian ports are efficient and dependable, providing ship-side pick-up and delivery of shipments. Coastal shipping can meet all reasonable traffic demands.

The handling of cargo, including the loading and unloading of ships, railway cars and transport trucks, is well planned and managed and diligently performed. Unloading and loading of ships is co-ordinated with the loading and unloading of railway cars and transport trucks to avoid bottlenecks and congestion of and delays to traffic. Mechanized methods are used wherever practical to increase efficiency and lower over-all costs. Canadian ports are notably free from labour difficulties.

### Specific Advantages to User

Canada's northern trade routes during the summer season offer particular advantages in the movement of perishable goods such as packinghouse products, dairy products, fruits and vegetables. These northern routes provide lower air and water temperatures than the more southerly ones and, in so far as the North Atlantic is concerned, avoid the high temperatures in the Gulf Stream which make refrigerated stowage necessary.

Generally speaking, railway freight rates on shipments moving via Canadian ports are lower than or equal to railway rates via competing United States ports. The same statement applies to inland water and trucks rates. Ocean rates too are competitive as between

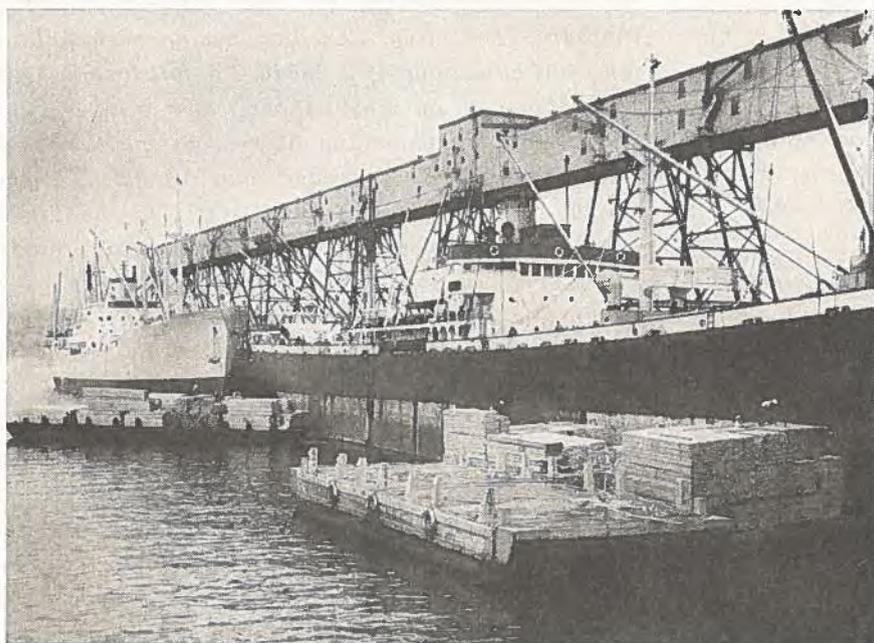
Canadian and United States ports. During the past few years, Canadian railways have established through rail-and-ocean rates from interior points, particularly in Ontario, which—apart from the advantage of involving only one rate calculation—also means in many cases lower charges than via competing United States ports.

The provision in Canadian railway export tariffs that any number of free deliveries may be made on a consignment to Canadian Atlantic ports also gives shippers a further advantage.

Railway car demurrage charges at Canadian ports are in many cases lower than at the competing United States ports. For example, free time at Canadian Atlantic ports is ten days, after which demurrage is charged at the rate of \$5.00 per car per day. This compares favourably with the Port of New York, where the free time is seven days and demurrage rate \$3.00 per car per day for each of the first four days and \$6.00 per day thereafter.

Through export bills of lading are in use from Canadian points of origin via Canadian ports but this privilege is not available on shipments from Canadian points via United States ports. With the exception of shipments to consular countries which require bills of lading to be visaed, the handling of bills of lading covering exports via Canadian ports can also be carried out more expeditiously than for shipments via U.S. ports. This means that exporters can avoid delays in negotiating their documents.

The carriers serving Canadian ports accomplish this by various methods. In the case of received-for-shipment ocean bills of lading, the inland office of the



*Two vessels load at a Canadian port. The one in the foreground is receiving a cargo of lumber from barges alongside; the one in the background is getting wheat from the grain gallery. Canadian harbours pride themselves on their efficiency in cargo-handling which, aided by modern equipment, means quick turn-round time in port.*

steamship company which generally does the booking receives from the shipper his ocean bill-of-lading instructions, prepares the ocean bill of lading, and forwards manifesting copies to the seaboard office. The seaboard office, in turn, telegraphs the inland office when the shipment has been received on the pier. The inland office then signs the bill of lading and hands it over immediately to the shipper.

On-board ocean bills of lading are handled in exactly the same way as received-for-shipment ocean bills of lading, except that the seaboard office telegraphs the inland office only when shipment is actually aboard the vessel.

The Canadian National Railways, Canadian Pacific Railway Company and Canada Steamship Lines Limited extend the through-bill-of-lading privilege to all ocean lines that request it. If a through bill of lading must be endorsed "on board", there are two methods of accomplishing this. Under one method the shipper hands over his originals to the inland steamship agent who, in turn, requests his seaboard agent to telegraph him immediately shipment is loaded on board, at which time the originals of the through bill of lading are endorsed and handed back to the shipper. Under the other method, the inland carrier's local agent who issued the bill of lading holds the originals in his possession and releases same to the shippers with the "on board" endorsement when he receives a telegram from his seaboard office. The latter method is preferable at outlying points where there is no steamship representative.

### **Economic Benefits to Canada**

The fullest possible development and use of Canadian transportation facilities and services for Canadian traffic benefits not only Canadian port interests but also the entire country.

At port level, for example, recent estimates disclose that on a postwar cargo liner of 8,700 tons gross and 5,100 tons net register, and inward general cargo of 3,571 long tons and outward general cargo of 7,142 long tons carried inland by railway, the combined vessel and cargo costs at an Eastern Canadian port approximated \$68,066. Of this amount, \$57,393 (or 84 per cent) involved labour charges. For each ton of cargo the combined costs were \$6.35 and labour costs \$5.36. The combined earnings alone of long-shoremen, freight handlers, watchmen and checkers at Halifax, N.S., and Saint John, N.B., are approximately \$9,000,000 a year, equal to the total retail sales price of over 3,000 Canadian automobiles in the lower-priced field. Add to this the combined salaries and wages emanating from operations of dockyards, ship chandlers, shipping agents, forwarders, brokers and others and the total becomes impressive.

*Port of Toronto News* for January 1957 discussed the relation of the port to its community in the following way: "The relation of the port to its community is often misunderstood or overlooked. The work created in the handling of goods is only a small part of the benefit accruing. New markets created through the use of the port's facilities mean greater sales, more employment, higher pay-rolls, a better standard of living. These are difficult to measure accurately in dollars and cents but a report in the United States Department of Commerce *Review of 1955* suggests the value of various commodities to a port. Relating this to the tonnage at the Port of Toronto for the record year 1956, we find a direct value to the port of \$22,000,000. Using the accepted economic principle of 'Free Economic Generation' this represents a total income to the port area of around \$66,000,000."

The development of Canada's transportation system—with its railways, highways, airways, waterways and ports—has strengthened and broadened the whole economy. With the complete co-operation of all interests, our transportation facilities and services will continue to expand and will bring maximum benefits to the entire country.

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### **Help for the Business Traveller**

*The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often, Canadian businessmen fail to take full advantage of a Trade Commissioner's help by dropping in on him without warning.*

*If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.*

# Switzerland

## Machine Industry Finds Markets

*Undaunted by tougher foreign competition, Swiss exporters of machinery and technical apparatus continue to sell their highly specialized products abroad in increasing amounts. Switzerland offers a strong market for industrial raw materials, for machine tools, and for certain types of machinery.*

N. W. BOYD, *Assistant Commercial Secretary, Berne.*

THE SWISS MACHINE INDUSTRY makes an important contribution to the nation's economy. It employs more than 250 thousand people, over one-third of the Swiss labour force, and exported S.Fr. 1,310 million\* worth of equipment in 1956—20 per cent of total Swiss exports. The outstanding success of this industry was achieved despite the fact that Switzerland has to import practically all the raw materials used and the home market for its products is small. Production covers a wide range of goods—from casting and rolling products to turbines, generators, marine engines, and the most delicate types of electronic equipment. The industry concentrates, in general, on making machines and apparatus of high value in which the precision and skills of the worker play an important part. The strength of the Swiss machine industry, like that of Swiss industry generally, lies in manufacturing specialized goods of high quality.

### Main Types of Machinery Made

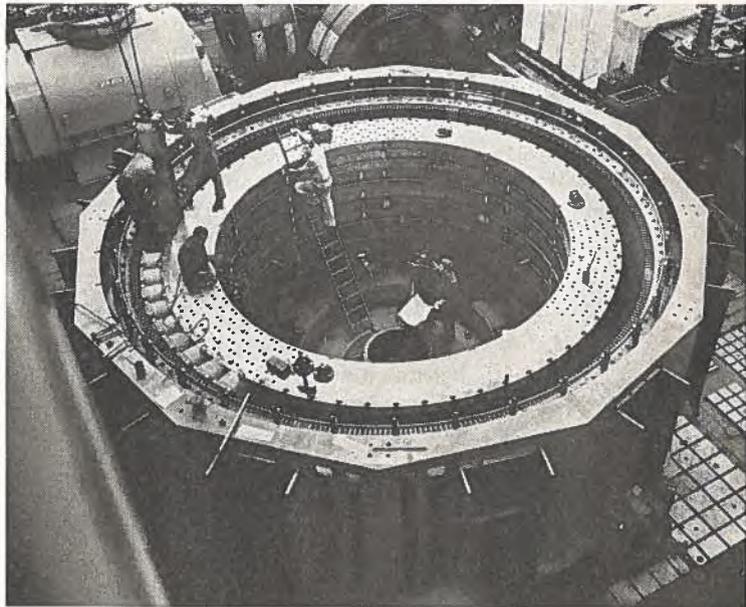
Textile machines rank first in importance, followed by the machine tools industry which has developed considerably over the last ten years. Both depend heavily on world markets and export approximately 90 per cent of their production.

The electro-technical industry, in third position, supplies a wide range of equipment for generating and distributing hydro-electric power. Development of Switzerland's hydro-electric resources probably sparked the growth in this sector of the industry, side by side with the rapid expansion in electronics. Swiss-

manufactured turbines, steam and combustion engines have a worldwide reputation; exports of these products also make an important contribution to the Swiss machine trade. The trade statistics in the accompanying table give a fairly accurate indication of the relative importance of each branch of the industry.

### Swiss Trade in Machinery

Taken together, machines are Switzerland's main export. Sales of machinery in 1956 (valued at S.Fr. 1,310 million) exceeded exports of watches and parts (S.Fr. 1,223 million). The countries neighbouring Switzerland are her most important customers. In 1956, West Germany alone purchased Swiss machines and apparatus valued at S.Fr. 261 million, which represented 30 per cent of total Swiss sales to that country and about 16 per cent of the total value of shipments of machines and apparatus to all countries. Sales to France reached S.Fr. 204 million and to Italy S.Fr. 107 million. Other important customers were the United Kingdom, the Netherlands, the United



*This vertical 49,500 KVA. water wheel alternator being assembled in the plant of a famous Swiss machinery firm is destined for a power station in Egypt at the Aswan dam.*

\* One Swiss franc=\$0.2230 Can.

## Swiss Trade in Machines

(Swiss statistics)

Type of Machinery	EXPORTS (in thousand Swiss francs)*				IMPORTS (in thousand Swiss francs)*			
	Total		To Canada		Total		From Canada	
	1956	1955	1956	1955	1956	1955	1956	1955
Textile machinery (including domestic sewing machines and parts).....	336,130	315,410	4,961	5,053	38,783	30,533	1	2
Machine tools.....	273,972	242,884	1,205	1,413	117,362	88,717	34	6
Electric dynamos.....	119,783	116,218	5,101	3,365	26,719	22,989	62	3
Combustion engines other than for vehicles.....	90,076	109,551	182	95	75,949	51,245	114	18
Food processing machinery.....	85,795	68,011	327	557	22,565	16,899	8	—
Steam, water and other boilers.....	46,626	35,510	645	352	12,729	12,180	130	293
Steam generators.....	42,657	38,199	2,504	1,241	857	384	—	—
Printing machinery.....	40,603	29,820	753	501	25,172	27,593	—	—
Hydraulic engines and pumps.....	37,956	42,698	98	85	12,943	9,506	9	—
Papermaking and dyeing machinery.....	20,450	14,762	1	19	17,682	19,181	—	19
Oil burners, including domestic.....	25,935	20,287	—	—	8,531	6,340	37	19
Flour milling machinery.....	16,678	17,043	220	304	872	383	26	16
Cement and tile manufacturing machinery.....	7,757	6,948	13	6	12,634	8,700	—	—
Refrigerating machinery including domestic.....	6,597	5,534	—	22	17,243	12,921	1	19
Agricultural machinery and parts.....	5,809	5,136	2	8	14,786	14,131	1	—
Locomotives and parts.....	1,698	1,089	—	—	1,004	1,033	—	—
Machinery n.o.p.....	151,427	134,400	1,523	1,164	168,030	134,951	415	403
<b>TOTAL.....</b>	<b>1,310,009</b>	<b>1,204,100</b>	<b>17,535</b>	<b>14,165</b>	<b>573,861</b>	<b>457,686</b>	<b>838</b>	<b>798</b>

\*One Swiss franc = \$0.2230 Can.

States and Belgium. Canada provides a smaller but growing market for the Swiss engineering industry; her sales of machinery here totalled S.Fr. 17.6 million in 1956 as against S.Fr. 14.2 million in 1955.

In addition to exporting goods to Canada, the Swiss engineering industry has participated directly in Canada's industrial growth by establishing branch plants or arranging for Swiss products to be manufactured here under licence. This type of Swiss investment in Canada and other markets will probably continue. Swiss industrialists, however, are not free to ship machines at will; machinery exports are subject to licensing. The Government refuses to approve applications when it feels selling certain machines might interfere with future domestic production. The authorities, for example, rarely approve an application for exporting watchmaking machinery.

Switzerland is by no means self-sufficient in engineering skills despite the advanced state of her industry; in 1956, Swiss imports of machinery totalled S.Fr. 573 million and consisted mainly of machine tools, combustion engines and textile machinery. West Germany supplied 30 per cent of machinery imports, followed by the United States, the United Kingdom, France, Italy, Sweden and Belgium. Purchases of machines from Canada continue to be small; last year they totalled S.Fr. 838 thousand. Canada, however, is becoming more important as a source of raw materials for the Swiss machine industry. In 1955, for example, Switzerland imported S.Fr. 28.4 million worth of nickel, copper, iron and steel in primary forms from

Canada; much of this no doubt found its way into Swiss machinery. DBS figures for last year show that our exports of primary metals to Switzerland reached \$6.3 million in value.

### Problems and Outlook

Near the end of 1956, order backlogs in the electrical equipment and engineering plants averaged more than eight months—an increase of about one month over the previous year. However, the Swiss industry has to meet tougher price competition from other countries as well as their easier terms of payment and delivery. The industry strongly favours the creation of an export credit bank that will make it possible for Swiss firms to offer more favourable credit terms to buyers.

Switzerland's machinery industries run on foreign raw materials and in 1956, apart from fuel shortages, the supply was sufficient. Prices are rising, however, and the heavy demand has delayed deliveries from foreign sources and also from domestic iron foundries. The number of workers is increasing steadily but certain branches of the industry are experiencing an acute shortage of skilled labour.

Swiss engineering firms will benefit from a co-operative study of industrial applications of atomic energy by science and business. A newly-created company will be responsible for nuclear research, acquiring atomic raw materials, and installing reactors and equipment. The first atomic reactor is now under construction and the experience gained will probably result in active promotion of new projects. ●

# Japan Budgets for Imports

*Import budget for first half of current fiscal year increased by \$531 million over same period of last year. Bulk foodstuffs and raw materials for industry are chief commodities to be bought abroad.*

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

THE JAPANESE GOVERNMENT has set the foreign currency budget for the import into Japan of goods from abroad from April to September of this year at \$2.6 billion, \$531 million more than for the same period of last year. Of this amount, \$2.2 billion will be spent on commodity imports and the remainder, \$400 million, on invisible items.

In view of Japan's decreasing foreign exchange reserves, opinion is divided in government and banking circles over whether or not imports should be increased. But to allow flexibility in planning for the remainder of the fiscal year, the Government did not set the figure for total imports for the whole year as it has done in the past.

The expanded import budget, it is expected, will tend to correct shortages of key raw materials and stabilize rising wholesale prices. Industrial output in Japan rose sharply throughout 1956 and has continued to rise in the first three months of 1957. February's industrial production index increased 22 per cent over the figure a year earlier. This indicates that Japanese industries are growing more hungry for raw materials—a fact that is reflected in the foreign currency budget.

## Trade Liberalization

The budget goes a further short step towards liberalization by adding phosphate ore to the Automatic Approval system list. The authorities grant import licences automatically for this and other items on Automatic Approval, as opposed to the Fund Allocation system by which the number of import licences granted is limited by the funds allocated for a given commodity.

To lend more flexibility to the new foreign currency budget, the global budget—under which Japan can import goods from any suitable sources—has been

increased to over 90 per cent of the total framework. Previously only 60 per cent of Japan's imports were on a global budget basis.

## Budget in Detail

The principal imports for the fiscal year April 1, 1957, to March 31, 1958, and for the period April to September 1957, are given in the following table:

PRINCIPAL IMPORTS		
	Fiscal Year 1957-58	April-September 1957
Rice .....	500,000 tons	74,000 tons
Wheat .....	2,200,000 tons	1,005,000 tons
Barley .....	880,000 tons	407,000 tons
Sugar .....	1,150,000 tons to 1,200,000 tons	580,000 tons
Salt .....	2,070,000 tons	1,130,000 tons
Raw cotton .....	2,897,000 bales (2,600,000 for cotton spinning)	1,347,000 bales (1,200,000 for cotton spinning)
Raw wool .....	1,300,000 tons	480,000 tons
Coal .....	5,520,000 tons (4,120,000 tons of coking coal)	2,580,000 tons (2,080,000 tons of cok- ing coal)
Scrap iron .....	2,920,000 tons	1,380,000 tons
Pig iron .....	507,000 tons	298,000 tons
Steel materials .....	1,100,000 tons	692,000 tons
Petroleum .....	93 million barrels of crude oil and 2,197,000 kilolitres of heavy oil	43 million barrels of crude oil and 528,000 kilolitres of heavy oil
Potash salt .....	520,000 tons	245,000 tons

The table below gives a breakdown by value of the total budget for the first six months, April to September 1957, compared with the same period of 1956. The reader will note that imports of non-essential commodities have been virtually eliminated:

	April-Sept. 1957 (Unit: \$1,000)	April-Sept. 1956 (Unit: \$1,000)
GRAND TOTAL FOR COM- MODITY IMPORTS .....	2,236,000	1,766,000
Food & beverages .....	259,740	242,000
Monopoly goods .....	5,664	12,000
Lumber .....	6,942	14,000
Raw materials for daily necessities .....	24,488	30,000
Raw materials for textiles .....	378,035	349,000
Raw materials for fertilizer & products .....	21,444	24,000
Coal .....	82,237	44,000
Raw materials for steel & products .....	288,503	265,000
Non-ferrous & non-metallic goods .....	65,851	58,000

	April-Sept. 1957 (Unit: \$1,000)	April-Sept. 1956 (Unit: \$1,000)		April-Sept. 1957 (Unit: \$1,000)
Petroleum .....	109,246	96,000	GRAND TOTAL FOR INVISIBLE IMPORTS:	407,697
Chemicals .....	7,743	5,000	Transportation .....	179,425
Medicines .....	3,923	2,600	Insurance .....	8,720
Machinery .....	190,000	145,000	Overseas travels .....	10,000
Raw materials for processing	37,000	35,000	Payments for foreign investment .....	25,625
Goods for compensating trade	29,900	15,000	Government-to-government transactions .....	12,343
Goods for U.S. garrison			Incidental expenses .....	27,150
forces .....	5,000	5,000	Royalties for technical assistance .....	23,500
Re-importing goods & addi-			Communications .....	3,160
tional import payments .....	1,000	1,800	Other services .....	35,392
Miscellaneous goods (I) .....	48,284	43,000	Gifts .....	8,075
Miscellaneous goods (II) .....	24,000	25,000	Long-term capital transactions .....	44,055
Imports under the system of			Short-term capital transactions .....	102
Automatic Approval .....	497,000	352,000	Commodity transactions .....	150
Reserves .....	150,000		Reserves .....	30,000

## Coming to Canada on Business

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

### ► from Belgium

R. HORRY, representing Bureau des Conseillers Commerciaux, Brussels, will arrive in Montreal on June 15 to open a Canadian office there. This is a private organization, with the objective of developing trade between Belgian and Canadian firms. Mr. Horry plans to make coast-to-coast tours from time to time on behalf of the Belgian firms he will represent. Interested businessmen can get in touch with him through the Belgian Consul-General in Montreal.

### ► from Singapore

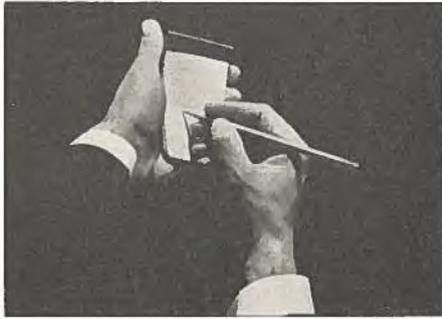
A. R. POLIAK, director, the China Engineers Ltd., Singapore, is expected to arrive in Canada in June and will travel across most of Canada. The firm is a British company incorporated in Hong Kong, carrying on an engineering, contracting and importing and exporting business in the Far East. Mr. Poliak would like to see products that his company might sell in

Asia and is seeking Canadian outlets for the many products his company makes or sells on behalf of other firms. He is also interested in industrial developments in Canada in which his firm might invest. His forwarding addresses in Canada are: Vancouver, c/o Western Representative, Department of Trade and Commerce, 355 Burrard Street; Toronto, c/o Canadian Manufacturers' Association, 67 Yonge Street; Montreal, c/o Montreal Board of Trade, 300 St. Sacrement Street.

### ► from the United Kingdom

O. R. GROSSER, a director of Nyla Knitting Co. Ltd., Nottingham, will tour Canada from early May to late September. Purpose of his visit is to survey the market for his firm's knitted fabrics and outerwear. He may be contacted through the offices of the United Kingdom Trade Commissioners in Ottawa, Montreal, Toronto, Winnipeg, Edmonton or Vancouver, or through the Canadian Bank of Commerce in any of these cities.

BRIGADIER G. W. AUTEN, chairman, Millbrook Engineering Co. Ltd., Landore, Swansea, Wales, will visit Canada early in May to promote sales of his company's chilled and grain rolls. He may be contacted through Millbrook's Canadian representative, Richardson Agencies Ltd., 545 King Street West, Toronto, or through the offices of the United Kingdom Trade Commissioner in Toronto or Montreal.



## General Notes

### Australia

**NEW ZINC SMELTER**—The Sulphide Corporation Pty. Ltd., a subsidiary of Consolidated Zinc, has announced an £8 million expansion program to establish Australia's first mainland zinc smelter (near Newcastle, N.S.W.), to produce sulphuric acid and superphosphate. The planned annual output of 47,000 tons will increase the country's production by almost a half, although there will still be unrefined zinc available for export. Production of sulphuric acid is expected to increase by almost 15,000 tons and of superphosphate to almost double—to 430 thousand tons. This will help to meet a growing demand for fertilizer.

It is expected that three years will be required to complete the first smelting unit and six years to complete the whole project. The new plant should substantially reduce Australia's dependence on imported sulphur, much of which comes from dollar countries—Sydney, April 12.

### Federation of Rhodesia and Nyasaland

**STEEL INDUSTRY DENATIONALIZED**—Southern Rhodesia's steel industry, Riscom (Rhodesian Iron and Steel Commission), was denationalized on February 28 when an agreement was signed selling it to private enterprise for more than £4 million. The agreement is subject to ratification by the Territorial Parliament and by the Capital Issues Committee in London. Main entity in the new company which will take over Riscom is the Lancashire Steel Corporation, but a number of mining and development companies in the Federation will also be shareholders. It is a condition of the sales agreement that a comprehensive program of development, estimated to cost £8 million, will be carried out immediately—Salisbury, April 9.

### French West Africa

**ALUMINUM DEVELOPMENT**—First stage in a planned aluminum industry in the French Cameroons will consist of the building of a plant at Fria for the treatment of bauxite and extraction of alumina. It will have a capacity of approximately 530 thou-

sand short tons of alumina a year. This will be followed by construction of a hydro-electric plant at Souapiti and an aluminum refinery at Edea to turn out 165 thousand short tons of aluminum, provided economic conditions remain fairly stable. The entire project will be financed by the Societe Europeenne pour l'Etude de l'Industrie de l'Aluminium en Afrique (AFRAL), created jointly by one American company, one British, a Swiss group, and a French group—Paris, April 16.

### India

**EXPORT INSURANCE**—The Government of India has decided to set up an Export Risks Insurance Corporation with the object of relieving the Indian exporter's fear of losses from circumstances which are beyond his control and which are not ordinarily accepted as risks by commercial insurance companies. The Insurance Corporation will also give protection to importers of Indian products. The Corporation will establish links with similar organizations in other countries (such as the Exports Credits Insurance Corporation in Canada)—New Delhi, April 10.

### Indonesia

**OIL DEVELOPMENT**—An international oil concern has announced plans to spend up to Rs. 500 million (Can.\$44 million) to develop and exploit oilfields in the Tandjung area of Kalimantan (Borneo). The scheme involves, among other things, the construction of 150 miles of pipeline to existing refineries at the port of Balikpapan. Technical difficulties to be solved include an economical method of pumping the thick Tandjung crude which is not sufficiently liquid for normal pipeline pumping. Tenders have been invited in Europe for piping, pumps, generators and other technical equipment. In line with these activities, development work in the Tandjung oil fields is being accelerated.

A multimillion dollar capital development program has been announced for Indonesia's oil-rich

island of Sumatra. The scheme envisages the development of two new oilfields, pipeline construction through the jungle, and the building of an oil terminal on the Strait of Malacca. The new fields at Duri and Bekasap and the existing field at Minas will be linked by a 30-inch pipeline, with the part to be constructed on tidewater. Road construction involved in the plan will connect Sumatra's east and west coasts for the first time and help economic expansion in the area—Djakarta, April 16.

## Peru

**INDUSTRIAL DEVELOPMENT**—Under the influence of a stable currency and healthy climate Peru is enjoying an unprecedented industrial expansion. During the first eleven months of 1956, some 366 new businesses were formed, with capital investment of Soles 535,832,466 (Can.\$1.00=Soles 19.7). Of these, 60 can be classified as industrial enterprises, and the products which they will make show a surprising variety—explosives, nylon hosiery, neon signs, furniture, yarns, alcoholic beverages, canned foods, roofing materials, edible oils, detergents, textiles, footwear, fishmeal, macaroni, chemicals and pharmaceuticals, plastic items, whale oil and meal, sulphur products, confectionery and batteries—Lima, April 10.

**DEVELOPMENT PLANS FOR LAKE TITICACA**—An agreement signed on February 19 by the Peruvian-Bolivian Joint Commission lays the basis for a plan to study the co-operative development of Lake Titicaca for hydro-electric power and irrigation. Lake Titicaca is located in southeastern Peru on the Bolivian border and approximately half of it is inside Bolivian territory.

The agreement also includes plans for the immediate construction of a highway linking Moquegua and the port of Ilo in southern Peru with La Paz, Bolivia. This highway will facilitate the movement of goods between the two countries and provide Bolivia with a more accessible port for her exports. The road would be financed by tolls.

A previous study of the power potential of this region showed that it would be possible to generate at least 1.8 billion kwh. a month. The irrigation scheme would make possible the reclamation of 494 thousand acres—Lima, April 10.

## South Africa

**PUBLIC FINANCE**—Figures for the period April 1, 1956, to January 31, 1957, show government revenues and expenditures at satisfactory levels. Revenue for this period totalled £217.1 million compared with £194.6 million for the same months

of the 1955-56 fiscal year. On the other hand, expenditure rose to £216.5 million compared with £200.1 million—Cape Town, April 8.

## Sweden

**SAWMILL ASSOCIATION**—The sawmill industry has formed a new association known as the Federation of Swedish Sawmills. About 1,000 sawmills are members, and their total production amounts to approximately 600 thousand standards of sawn and planed wood products a year—Stockholm, April 19.

**KRAFT PULP MILL**—The Forest Owners' Cellulose Company, formed four years ago by the Swedish forest owners' associations for the purpose of erecting a large kraft pulp mill in the south, has now obtained permission to go ahead with this project. Building of the mill will begin shortly in Monstera; it is expected to be finished in 1958. The mill is designed to produce 70,000 tons of sulphate pulp a year and will have a bleaching plant to process about half the total output—Stockholm, April 19.

## Trinidad

**CHEMICAL FERTILIZER PLANT**—Final discussions for the setting up of a BWI\$19 million chemical fertilizer plant took place at the beginning of April between officials of W. R. Grace & Company, an American firm with international connections in banking, shipping and industrial manufacturing, and the Minister of Industry and Commerce. The U.S. firm will apply for tax concessions under the Aid to Pioneer Industries law. The plant will use natural gas from the Island's oil industry to produce ammonia, urea and ammonium sulphate. Ammonia output will be 100 tons a day. Construction of the plant is expected to start in two or three months.

Trinidad imported \$716,300 worth of manufactured fertilizer during January and February this year, in addition to \$84,500 worth of crude fertilizers and crude minerals (excluding coal, petroleum and precious stones). Main source of manufactured fertilizer is West Germany—Port-of-Spain, April 17.

## West Germany

**INDUSTRIAL PRODUCTION**—According to the Federal Ministry of Economics, the volume of industrial production in the Federal Republic rose considerably in 1956, although the increase was less substantial than in previous years. The production index of all industries (including the building industry) rose by 7.9 per cent over 1955. The 1955 index number was 196, that of 1956 was 211 (1954=170; 1936=100)—Bonn, April 19.



## Trade and Tariff Regulations

### Australia

**TARIFF BOARD INQUIRY**—The Australian Tariff Board announced March 22, 1957, that it has been requested by the Minister for Trade to inquire into and report on the following subject:

Whether assistance should be accorded the production in Australia of timber and timber products of the class or kind which, if imported, would be classified under the following tariff items:

Item No.	General Description
291 (C)	—Logs
291 (D)	—Spars in the rough
291 (F)	—Timber undressed (Western red cedar)
291 (G)	—Timber undressed (Douglas fir for mining purposes)
291 (H)	—Timber undressed (other kinds)
291 (I)	—Timber undressed for making boxes
291 (J)	—Timber dressed, cut to size for making boxes
291 (K)	—Timber dressed, bent or cut into shape
291 (L)	—Timber dressed or moulded; weather-boards
291 (M)	—Plywood
291 (N)	—Veneers
292 (G)	—Architraves, mouldings, etc.
293	—Timber undressed in certain sizes for making doors; doors

Detailed descriptions of these tariff items, as well as the rates of duty applicable to them, may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Canadian firms exporting these products to Australia may wish to have their views on this tariff inquiry placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to arrange that his Australian agents act on his behalf before the Board. Action should be taken as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

### India

**IMPORT TRADE CONTROL POLICY ANNOUNCED FOR CAPITAL GOODS**—In a public notice dated March 30, 1957, the Chief Controller of Imports and

MAY 11, 1957

Exports announced the policy governing the granting of import licences for capital goods and heavy electrical plant. Licences will be granted only if the importer arranges suitable terms of deferred payment so that remittances of foreign exchange will not overburden the Indian economy. The terms of payment normally acceptable are as follows:

Applications for licences to import capital goods and heavy electrical plant equipment will be considered only if: one, the total payment before shipment does not exceed 20 per cent of the F.O.B. value and the remaining 80 per cent is paid in seven more or less equal annual instalments; or two, the initial payment is limited to 10 per cent of the value and the balance is paid after production has started and in instalments not exceeding the project's net saving in, or earning of, foreign exchange. Import licences should specify the value to be remitted, the currency in which payment is to be made, and the dates on which such remittances will be permitted. It will be necessary for the importer to know the date of shipment, the date the project goes into production, and the value of the turnover.

Deferred payment terms will not be necessary for the following types of capital goods and plant equipment:

1. Where the total value is less than 500 thousand rupees (\$100,600 Can.).
2. Where the equipment represents 10 per cent or less of the value of the machinery already installed or covered by the import licence.
3. Where the equipment is needed for construction of the project or for replacement or maintenance.

In these cases, applications will be considered on their individual merits.

### Venezuela

**EGGS FOR HATCHING**—The Venezuelan Ministry of Development, after studying a recommendation presented by the Special Advisory Commission, has announced that it will issue import licences for four

million hatching eggs, in view of the fact that imports of baby chicks have been restricted—Caracas, April 11.

### West Germany

**"PEOPLE'S IMPORTS" PLAN ANNOUNCED**—As a further measure to maintain price stability, the West German Government announced on April 9th that, effective May 1, 1957, any resident of the Federal Republic of Germany may import by mail from any source as often as desired commodities, including coffee, tea and tobacco, up to a maximum amount of DM 100 per parcel.

Neither an import declaration nor an import licence is necessary for these deliveries; however, customs duties and turnover taxes will have to be paid. Payments to the foreign exporter can be made by mail or through any bank.

These new regulations, however, do not cover the import of foodstuffs (other than coffee and tea), plants and live animals—Bonn, April 10.

**IMPORT QUOTA FOR FROZEN SALMON**—The West German authorities have announced that they will admit frozen salmon from Canada and the United States under a quota. The value or quantity of imports under this quota is not indicated, although it is stated that applications will be accepted from April 25 until exhaustion of the tender but not later than June 29, 1957—Bonn, April 24.

*Readers may recall that an article on German import quotas in the April 27 issue of Foreign Trade mentioned that there was a good possibility that a quota for frozen salmon might be set up later this year.*



## Trade Commissioners on Tour

**M. R. M. DALE**, formerly Commercial Secretary for Canada in Cairo, Egypt, will shortly begin a tour of Canada. He will visit the following places:

Vancouver, Victoria—May 13-24	Hamilton—July 8
Winnipeg—May 28-29	St. Catharines, Welland,
Montreal—June 3-14	Niagara Falls—July 9
Quebec—June 17	Brantford, London—July 10
Halifax—June 19	Windsor, Walkerville—July 11
St. John's—June 20-21	Sarnia—July 12
Toronto—June 24-July 5	Ottawa—July 15-19

**G. F. G. HUGHES**, formerly Commercial Secretary in Beirut, Lebanon, will shortly begin a tour of Canada. He will visit the following places:

Montreal—May 27-June 7  
Ottawa—June 10-14  
Toronto—June 17-28

**WILLIAM JONES**, formerly Commercial Secretary for Canada in New Delhi, India, will shortly begin a tour of Canada. He will visit the following places:

Ottawa—June 6-14  
Toronto—June 17-21

Montreal—June 24-28

**D. B. LAUGHTON**, Trade Commissioner in Port-of-Spain, Trinidad, will shortly begin a tour of Canada. He will visit the following places:

Quebec—May 13	Saint John—May 21
Halifax—May 15-16	Fredericton—May 22
St. John's—May 17-18	Toronto—May 27-31

**D. A. B. MARSHALL**, Commercial Counsellor (Agricultural) in London, will shortly begin a Canadian tour. He will visit the following places:

Kelowna, Summerland—	Lethbridge—June 5-6
May 22-23	Edmonton—June 13-14
Vancouver—May 27-29	Saskatoon—June 17
Victoria—May 30	Regina—June 18
Calgary—June 3-4	Winnipeg—June 19-21

**W. D. WALLACE**, formerly Commercial Secretary in Djakarta, Indonesia, will shortly begin a tour of Canada. He will visit the following places:

Winnipeg—May 21-22  
Toronto—May 24-31  
Hamilton—June 3  
St. Catharines, Welland—June 4

Brantford—June 5  
Windsor, Walkerville—June 6  
Sarnia—June 7

*After he concludes his tour, Mr. Wallace will be posted temporarily to Ottawa.*

*Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Halifax, Kelowna, Montreal, Saint John, Saskatoon and Summerland; the Chamber of Commerce in Calgary, Edmonton, Hamilton, Lethbridge, London, Niagara Falls, Quebec, Regina, Sarnia, St. Catharines, Welland and Windsor; the Canadian Manufacturers Association in Toronto and Winnipeg; the Department of Industry and Development in Fredericton; the Department of Trade and Industry in Victoria, and the Department of Trade and Commerce in Ottawa, St. John's and Vancouver.*

#### **Tours of Territory**

*A. P. BISSONNET, Commercial Secretary in Stockholm, will visit Norrköping, Linköping, Jonköping, Malmö, Helsingborg and Gothenburg from May 12-24. While in Gothenburg he will visit the Swedish Industries Fair.*

*R. W. BLAKE, Trade Commissioner in Port-of-Spain, Trinidad, will visit Antigua and Barbados from May 20-29.*

*A. B. BRODIE, Commercial Secretary in Athens, Greece, will visit Turkey from May 20-30.*

*M. P. CARSON, Trade Commissioner in Singapore, will visit Brunei and North Borneo from May 6-16.*

*C. F. WILSON, Commercial Counsellor, Copenhagen, will visit Warsaw, Poland, from May 13-17, and Poznań, June 8-11.*

*Businessmen who would like these officers to undertake assignments for them should get in touch with them at their posts as soon as possible. Mr. Bissonnet can be reached through his office in Stockholm, Mr. Blake at Port-of-Spain, Mr. Brodie at Athens, Mr. Carson at Singapore, and Dr. Wilson at Copenhagen.*

MAY 11, 1957

## **Portugal Develops Electric Power**

ELECTRIC POWER for industrial, municipal and domestic use in Portugal has increased by 1,810 million kwh. in the past eight years, thanks to a large-scale development program. Before this program began, electric power consumption per capita was only 88 kwh. a year in Portugal, compared with 3,800 kwh. in Norway, 3,020 in Canada, 1,870 in the United States, 1,450 in Switzerland, and about 650 kwh. in neighbouring France.

The program, once undertaken, was pushed energetically and by the end of 1956 the first results appeared. Three dams and central stations, with a total capacity of 750 million kwh., were completed in the valley of the Zezere River. At about the same time, four dams and five central stations erected in the valleys of the Cavado and Rabagao Rivers added another 920 million kwh. of available power. On the River Tagus, above Lisbon, two dams and power stations capable of producing 140 million kwh. are also in production.

As a result of all this activity, present productive capacity totals 2,328 million kwh., compared with only 811 million kwh. in 1948, more than half of which was thermal power. (The 2,328 million kwh. total is arrived at by subtracting from the 1,810 million kwh. of new capacity plus the old capacity (811 million) 293 million kwh. of thermal power which is no longer in use.)

The largest project—on the Duoro River in the north of Portugal—will not be finished until 1962 or 1963, although work is already under way. When it is completed, it will add another 2,600 million kwh. to the power pool—more than double the capacity available today. In fact, 1962 will bring the present program to an end and will see the objective of 4,900 million kwh. achieved—a sixfold increase over the 1948 figure and an impressive record.

Because the average rainfall in Portugal is low, the country does not want to depend on hydro power alone. For this reason, the program also provides for the building of additional thermal power stations which will use low-grade domestic coal. The present thermal capacity of 457 million kwh. is not being used completely at present. It is, however, being maintained for use if it is needed and output will be stepped up by a further 240 million kwh.

—RICHARD GREW,  
Commercial Counsellor, Lisbon.

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 1.043.

# foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 26	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05326	18.78	(1)
		Free	.02484	40.26	
Austria	Schilling		.03687	27.12	
Australia	Pound		2.1405	.4672	
Belgium, Belgian Empire and Luxembourg	Franc		.01906	52.47	
			.0001285	7,782.	(17)
Bolivia	Boliviano	Free	.5574	1.79	(2)
British West Indies	Dollar		2.675625	.3737	(3)
			.6689	1.49	
Brazil	Cruzeiro	Effective selling*			
		*Category I	.016	62.68	*March 29
		Category II	.0113	88.57	(4)
		Category III	.0093	107.25	(5)
Burma	Kyat	Official buying	.0522	19.15	
			.2013	4.97	
Ceylon	Rupee		.2007	4.98	
Chile	Peso	Free	.001667	599.88	(15)
		Basic	.3835	2.61	(7)
Colombia	Peso	Free*	.1534	6.52	*April 25
		Official	.1707	5.86	
		Controlled free	.1443	6.93	
Cuba	Peso		.9588	1.043	tax 2% (4)
Czechoslovakia	Koruna		.1332	7.51	
Denmark	Krone		.1388	7.2	
Dominican Republic	Peso		.9588	1.043	
Ecuador	Sucre	Official	.06392	15.64	
		Free	.05383	18.58	
Egypt	Pound	Official	2.7531	.3632	(6)
			.3835	2.61	
El Salvador	Colon		2.4105	.4149	
Fiji	Pound		.004168	239.92	
Finland	Markka				
France, Monaco and North Africa	Franc		.002740	364.96	(8)
French Colonies in Africa	Franc		.005480	182.48	(9)
			.01507	66.36	(10)
French Pacific	Franc		.2282	4.38	
Germany	D Mark		.03196	31.29	
Greece	Drachma		.9588	1.043	
Guatemala	Quetzal		.1918	5.22	
Haiti	Gourde		.4794	2.09	
Honduras	Lempira		.1548	6.46	
Hong Kong	Dollar	Free*	.1672	5.98	*April 11
		Official	.05887	16.99	(6)
Iceland	Krona	Official	.0344	29.08	(11)
		Special selling	.2007	4.98	
India	Rupee		.08443	11.84	(12)
Indonesia	Rupiah	Basic	.0127	79.01	
Iran	Rial	Certificate	2.6845	.3725	
Iraq	Dinar		2.6756	.3737	
Ireland	Pound		.5326	1.88	
Israel	Pound		.001539	649.77	
Italy	Lira		.002663	375.52	
Japan	Yen				

\* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 26	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.2994	3.34	
Mexico	Peso		.07670	13.04	
Netherlands	Florin		.2508	3.99	
Netherlands Antilles	Florin		.5054	1.98	
New Zealand	Pound		2.6756	.3737	
Nicaragua	Cordoba	Effective buying	.1453	6.88	
		Official selling	.1361	7.35	
Norway	Krone		.1342	7.45	
Pakistan	Rupee		.2007	4.98	
Panama	Balboa		.9588	1.04	
Paraguay	Guarani	Official	.01598	62.58	(6) (13)
Peru	Sol	Certificate	.05046	19.82	
Philippines	Peso		.4794	2.09	
Portugal & Colonies	Escudo		.03346	29.89	(14)
Singapore & Malaya	Straits dollar		.3122	3.2	
Spain & Dependencies	Peseta	Controlled free	.02283	43.8	(6)
Sweden	Krona		.1853	5.4	
Switzerland	Franc		.2237	4.47	
Syria	Pound	Free	.268	3.73	
Thailand	Baht	Free	.04659	21.46	(6)
Turkey	Lira		.3424	2.92	
Union of South Africa	Pound		2.6756	.3737	
United Kingdom	Pound		2.675625	.3737	
United States	Dollar		.95875	1.043	
Uruguay	Peso	Free	.2397	4.17	
		Basic buying	.6329	1.58	(6)
		Principal selling	.4566	2.19	(16)
Venezuela	Bolivar		.2862	3.49	
Yugoslavia	Dinar		.003196	312.89	(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 10, 40, 60, and 90 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 surcharge 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.
17. Bolivia: Since December 15, 1956, a unified fluctuating free rate has been in effect. The official rate has little application.



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