CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, MARCH 16, 1957, Vol. 107, No. 6

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Hull.
Price: $2.00 a year in Canada; $5.00 abroad.
Single copies: 20 cents each.
Authorized as second class mail by the Post Office Department, Ottawa.

cover The chart on our cover this week was prepared by the Dominion Bureau of Statistics to illustrate graphically the trend in Canada's export and import trade over the past ten years. Featured in this issue (see page two) is a review of our foreign trade during 1956—a review which discusses the main developments and includes useful statistical tables.

Canada's Foreign Trade Achieves New Record

Demands created by industrial expansion pushed imports to a new high in 1956; exports, aided by the recovery in wheat sales, also rose, but less sharply. Total foreign trade achieved an all-time record, with Canada retaining her usual place as the world's fourth largest trading nation.

MARCEL LANDEY,
Assistant Chief, External Trade Section,
Dominion Bureau of Statistics.

IN 1956 CANADA'S FOREIGN TRADE, for the second consecutive year, continued to increase. Exports and imports expanded at a higher rate than in 1955 and in both volume and value surpassed the record levels set in that year. The value of total exports (domestic exports and re-exports) rose 12 per cent and the value of imports 21 per cent; gains in the physical volume of trade were somewhat smaller. Because imports went up twice as much as exports, the import balance that resulted was almost two-and-a-half times as large as in 1955. The average price level increased moderately in 1956 and this increase was of about the same proportion for exports as for imports. Consequently, the terms of trade remained virtually unchanged.

Factors in Trade Expansion

The external and internal stimuli which contributed to the marked recovery of Canadian foreign trade in 1955 from the more moderate level of 1954 were still strongly evident in 1956. The international economic climate continued to be favourable. This was reflected in an annual rate of world trade which exceeded, during the first three quarters, the record level of the previous year by some 9 per cent in value and slightly less in volume. In Canada, the almost continuous acceleration in postwar economic activity has been even more rapid during the past two years; in 1956, capital investment outlays were the most expansive element in our economy. The demands of industrial expansion and those generated by the generally high levels of employment and income produced a sharp and steady increase in the rate of purchases from abroad. This upswing was particularly striking in imports of primary steel products, machinery and plant equipment. This period has seen the start of work on the St. Lawrence Seaway and on two major gas pipelines, the continuing and intensified exploration and development of new oil and gas fields, and of uranium, nickel, copper and iron ore mines. It has also brought vigorous construction activity for new capacity in these and other minerals, aluminum, chemicals, primary steel, cement, pulp and paper and many types of industrial and transport machinery and equipment. The increasing exploration and development of natural resources has been to a large extent responsible for the growing rate of imports. But these activities have also contributed greatly to the high level of exports, as the recent upsurge in sales abroad of such "new" exports as petroleum, iron ore and uranium has clearly reflected.

Fourth among World Traders

In 1956, compared with 1955, exports to and imports from all the major trading areas and almost all the principal trading partners increased. The United States was again the most important single market for Canadian products and the chief source of our purchases

Summary Statistics of Canadian Trade

	1952	1953	Calendar year 1954	1955	1956	Change from 1954 to 1955	Change from 1955 to 1956
VALUE OF TRADE:			$'000,000				
Total exports	4,356	4,173	3,947	4,351	4,863*	+10.2	+11.8
Imports	4,030	4,383	4,093	4,712	5,710†	+15.1	+21.2
Total trade	8,386	8,555	8,040	9,064	10,573†	+12.7	+16.6
Trade balance	+325	−210	−146	−361	−847†	....	....
PRICE INDEXES:			1948=100				
Exports	121.8	118.3	115.1	117.5	120.8*	+ 2.1	+ 2.8
Imports	110.4	109.4	109.5	110.5	113.2†	+ 0.9	+ 2.4
Terms of trade	110.3	108.1	105.1	106.3	106.7†	+ 1.1	+ 0.4
CONSTANT DOLLAR VALUES:			$'000,000 of 1948				
Total exports	3,581	3,531	3,432	3,707	4,030*	+ 8.0	+ 8.7
Imports	3,651	4,006	3,738	4,265	5,044†	+14.1	+18.3
Total trade	7,232	7,537	7,170	7,972	9,074†	+11.2	+13.8

* Preliminary.
† Estimated.

abroad; it took three-fifths of our total exports and supplied almost three-quarters of our imports. On the basis of the preliminary data, Canada accounted for about 6 per cent of world trade. In total value Canada's foreign trade in 1956, it appears, will most likely be surpassed only by that of the United States, the United Kingdom and the Federal Republic of Germany. On a per capita basis this country will, as in 1955, rank second only to New Zealand.

U.S. Was Chief Trading Partner

The United States remained Canada's leading trading partner in 1956. The value of Canadian exports to and imports from the U.S. set new records. But because imports rose three times as much as exports, the import balance was half again as large as in 1955. Exports exceeded the level of 1955 by 10 per cent, with increases in every major commodity group except animal products. Of the individual commodities, crude petroleum showed the greatest absolute and relative gain. Most of it went by pipelines to north-western and mid-northern states; however, in 1956 for the first time large shipments of crude travelled by tanker from Vancouver to California. Forest products remained the largest major group, but increased only slightly: their contribution to the total export gain was less than a quarter of what it was in 1955. Sales of planks and boards—which a year ago accounted for close to one-half of the rise in forest products—in 1956 showed the largest drop in value among individual exports. Shipments of shingles and of plywoods and veneers also declined. Exports of newsprint, however, went up at a higher rate than in 1955 and wood pulp and pulpwood shipments also rose. Shipments of iron ore, non-farm machinery and ferro-alloys went up sharply. In non-ferrous metals (again the second most important major group) copper had the largest gain. There were also substantial increases for aluminum,

Direction of Canadian Trade

	1954	1955	1956	1954	1955	1956
	Value in $'000,000			% of total		
TOTAL EXPORTS TO:						
United States	2,367	2,612	2,879	60.0	60.0	59.2
United Kingdom	658	774	818	16.7	17.8	16.8
Other Commonwealth and Ireland	205	251	255	5.2	5.8	5.2
Other Europe	346	383	531	8.8	8.8	10.9
Latin America	188	162	177	4.7	3.7	3.7
Others	182	168	202	4.6	3.9	4.2
TOTAL IMPORTS FROM:						
United States	2,961	3,452	3,865*	72.3	73.3	72.8*
United Kingdom	392	401	455*	9.6	8.5	8.6*
Other Commonwealth and Ireland	183	210	211*	4.5	4.4	4.0*
Other Europe	179	204	276*	4.4	4.3	5.2*
Latin America	284	319	334*	6.9	6.8	6.3*
Others	94	126	166*	2.3	2.7	3.1*

* January to November 1956 only.

81592—2

Leading Commodities in Canada's Trade

DOMESTIC EXPORTS

Commodity	*Calendar Year* 1954	1955	1956
		$'000,000	
Newsprint paper	636	666	708
Wheat	375	338	512
Planks and boards	325	385	326
Wood pulp	271	297	305
Aluminum and products	185	213	236
Nickel and products	182	215	223
Copper and products	135	175	206
Iron ore	40	100	144
Fish and fishery products	130	125	130
Grains (other than wheat)	137	105	128
Petroleum and products	9	40	115
Asbestos and products	84	98	104
Zinc and products	58	71	74

IMPORTS

Commodity	*January to November* 1954	1955	1956
		$'000,000	
Machinery (non-farm)	351	407	583
Automobile parts (except engines)	166	229	261
Petroleum, crude	195	214	249
Electrical apparatus, n.o.p.	186	207	239
Farm implements and machinery	136	163	221
Rolling mill products (steel)	90	114	219
Automobiles, freight and passenger	70	102	160
Petroleum products, n.o.p.	119	132	140
Fruits	109	110	123
Engines and boilers	84	102	121
Coal	97	98	120
Pipes, tubes and fittings	56	46	114
Cotton products	70	79	94

zinc, platinum metals, electrical apparatus and miscellaneous non-ferrous ores; exports of nickel, lead and silver decreased. Uranium which, beginning in 1957, has been transferred from the miscellaneous chemicals category to the non-ferrous metals group as a separate item, showed a two-thirds gain. Exports of aircraft and electrical energy went up sharply. The agricultural products group changed the decline of a year ago into an almost identical gain in 1956, with the largest increases in barley and wheat and sizable advances in whisky and oats.

Imports from the United States rose at about the same rate as total imports from all countries. The increase was widespread and covered most major commodity groups, with particular emphasis on iron and steel products. This group increased its share of total imports from the United States to well over two-fifths and accounted for about 70 per cent of this increase. All the chief items in this category advanced sharply, especially scrap iron and steel, pipes, tubes and fittings, rolling mill products, cars and trucks, and non-farm machinery. Some of the other important commodities with substantial gains were fruits and vegetables, cotton products, bituminous coal, and certain chemicals. But shipments of raw cotton were more than halved, there was a sizable decline for aircraft, and imports of crude petroleum dropped further.

Trade with the U.K.

Trade with the United Kingdom, as usual Canada's second most important trading partner, presented in 1956 a very different picture from that of a year ago. In 1955, Canadian exports to Britain rose 18 per cent and set a postwar record. Imports from the United Kingdom, however, went up by only 2 per cent. In 1956, on the other hand, British purchases in Canada increased by only about 6 per cent, partly as a result of a large accumulation of industrial materials during 1955. But imports into Canada went up by about 21 per cent, or about 7 per cent above the previous peak in 1953. Consequently, Canada's export balance with the United Kingdom was reduced.

On the export side, two major groups declined in 1956. The miscellaneous commodities group decreased fractionally, following a rather sharp fall in 1955. Forest products fell off substantially—by twice the amount of the gain of a year ago. This resulted largely from a marked drop in sales of planks and boards to only two-fifths of 1955 sales. In fact, this decline in lumber substantially exceeded that in the group as a whole and, as in the case of the United States, showed the largest loss in value of any individual export. Wood pulp also dropped sharply but pulpboard and paper board and newsprint made considerable gains. Mainly because of much larger shipments of canned fish, animal products reversed their fall of 1955. All the remaining major groups went up, but in each case at a lower rate than a year ago. Wheat, again by far the largest export, had also much the largest increase in value of all individual commodities. Flaxseed came second. There were also gains in many other leading agricultural products, especially oil seed cake and meal, wheat flour, vegetable oils, fodders, soybeans and corn. Tobacco and barley showed sharp declines in value and apples did not quite hold their own. Other commodities with large increases were iron ore, ferro-alloys, rolling mill products, non-farm machinery, aluminum, copper, platinum metals and selenium. Shipments of scrap iron and steel and of zinc fell considerably.

Almost every group of imports from the United Kingdom went up, and particularly iron and steel products. This group, which in 1955 was the only one that declined, increased its share of total imports from Britain to about one-third and accounted for three-fifths of this advance in imports. Particularly sharp gains took place in rolling mill products and pipes,

Leading Countries in Canada's Trade

DOMESTIC EXPORTS

Country	Calendar Year 1954	1955	1956
		$'000,000	
United States	2,317	2,559	2,819
United Kingdom	653	769	813
Germany, Federal Republic	87	91	142
Japan	96	91	128
Union of South Africa	40	56	65
Belgium and Luxembourg	55	53	58
Norway	44	47	58
Netherlands	40	48	55
France	34	43	53
Australia	46	58	48
Mexico	27	37	39
Italy	24	28	38

IMPORTS

Country	January to November 1954	1955	1956
		$'000,000	
United States	2,718	3,162	3,865
United Kingdom	359	372	455
Venezuela	152	175	189
Germany, Federal Republic	41	51	83
Japan	16	32	55
Belgium and Luxembourg	24	26	49
Mexico	13	24	41
Netherlands Antilles	18	28	35
Brazil	28	28	32
France	20	22	30
India	27	33	30
Malaya and Singapore	17	26	26

tubes and fittings, but passenger cars, castings and forgings, tools, non-farm machinery, and wire and chain also made marked advances. Gains appeared in leather and products, wool and cotton products, electrical apparatus, and glass and manufactures. But imports of aircraft were halved and those of clay and products went down substantially.

Trade with Europe Increased

Trade with Europe reached record levels in 1956. Canadian exports were almost two-fifths larger than in 1955, and imports from Europe were about 45 per cent greater. But the absolute increase in exports was sufficiently greater than the increase in imports to produce a 30 per cent rise in our export balance with Europe. Wheat accounted for close to 90 per cent of the total export gain; sales to Europe represented 45 per cent of wheat exports to all countries. More than one-quarter of wheat sales to Europe went to Soviet countries—most of it to Russia, Poland and Czechoslovakia. As a result of these unusual wheat shipments as well as some sales of barley, rye and butter, Canada's exports to the Soviet bloc in 1956 increased about sixfold. But wheat sales to most of the regular Western European outlets also rose substantially, partly because of crop damage in the winter of 1955-56. Other important commodities which gained considerably in value were scrap iron and steel and iron ore, nickel and miscellaneous non-ferrous ores, asbestos, and synthetic plastics.

Imports from Europe, as in the case of the United States and the United Kingdom, were concentrated on iron and steel products which contributed three-fifths of the total import gain for that area. All of Canada's principal trading partners shared in the expanded trade with Europe, especially the Federal Republic of Germany, which accounted for about one-third of the rise in exports to and imports from that area. Belgium and Luxembourg, whose exports to Canada rose particularly sharply, and France and Italy also participated largely in the increase.

Commonwealth and Other Countries

Both exports to and imports from the Commonwealth were somewhat higher than in 1955. Exports to the Union of South Africa gained most because of a sharp rise for aircraft of one-half the total increase in aircraft sales to all countries. Exports to Pakistan were substantially higher because of larger shipments of wheat, locomotives, and radio and wireless apparatus. Shipments to Jamaica were also up, mainly in iron and steel and agricultural and animal products. Sales to Australia and New Zealand, on the other hand, went down considerably. On the import side, Jamaica and British Guiana made the largest gains because of greater purchases of bauxite and alumina and of unrefined sugar.

Imports from Latin America rose close to three times as much as exports to that area and established a new record. Chief factors in this rise were a doubling of purchases of raw cotton from Mexico and larger shipments of crude petroleum from Venezuela and of unrefined sugar from Cuba. Exports to most countries in Latin America rose, with the biggest gains in shipments to Panama, Peru, Venezuela, Mexico, Brazil and Cuba. These gains were partly offset, however, by smaller sales to Colombia, Argentina, Costa Rica, Ecuador and Nicaragua.

Canada's trade with the remaining countries of the world also went up, with purchases increasing more than sales. The value of both exports to and imports from Japan (which accounts for about one-half of Canadian trade with that group) rose markedly, with exports advancing more than imports. Wheat, barley, wood pulp, copper, lead, asbestos and chemicals made the main export gains and cotton products and pipes, tubes and fittings, rolling mill products and toys and sporting goods were among the commodities that showed large import increases.

81592—2½

The marked recovery of wheat sales was the outstanding feature of Canada's export trade in 1956. Following a sharp decline in 1954 and 1955 from the unusually high levels of 1952 and 1953, exports of wheat increased to a value amounting to four-fifths the figure in the peak year 1952. In fact the 1956 increase in wheat sales over 1955 contributed one-third of the rise in total exports. Seeds and especially flaxseed were the other agricultural commodity which registered a sharp gain—and for the second consecutive year. Shipments of barley, whisky and oil seed cake and meal were up substantially, but exports of wheat flour declined somewhat and those of tobacco considerably. Fish and fish products made a moderate gain; fur skins decreased. The animal products group as a whole declined slightly for the second year in succession but at a rather lower rate than a year ago.

Other Export Groups

Forest products, which made the greatest contribution of all the major commodity groups to the export rise in 1955, did not quite hold their own in 1956. Newsprint paper—with the largest value gain after wheat, petroleum and iron ore—remained Canada's leading export, a position which it has held in all the postwar years except 1949 and 1952. There were moderate gains for wood pulp and pulpwood. But planks and boards, which in 1955 had the largest value increase among individual exports, showed by far the greatest drop in value. Sales of shingles and plywoods and veneers also fell off. In the iron and steel group, in addition to a sharp gain for iron ore, there were marked advances for ferro-alloys and iron and steel scrap and a considerable increase for rolling mill products. Exports of farm implements went down, but those of non-farm machinery rose very substantially.

In the transport equipment field, there was a considerable upswing for passenger cars, and sales of aircraft showed the second largest relative gain among all export commodities, markedly exceeding the previous peak of 1953. Except for lead and silver, there were increases for all the leading non-ferrous metals and products, such as aluminum, nickel, copper, zinc, unmanufactured platinum metals, and electrical apparatus. In non-metallic minerals, crude petroleum had the largest value and percentage rise of all export items. There were also moderate increases for asbestos and abrasives. Uranium, all of which went to the United States, showed a two-thirds gain in value. But the chemicals and allied products group as a whole did not sustain the rate of advance achieved in 1955.

The Import Picture

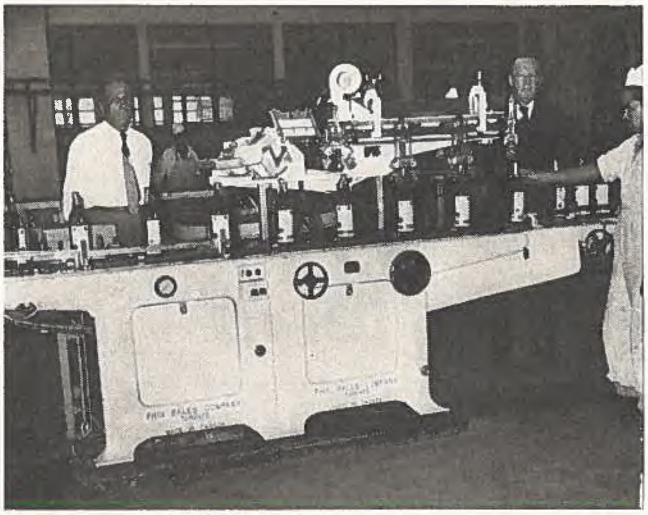
Detailed statistics on imports, which are at present available for only the first eleven months of 1956, indicate a widespread increase for all the major groups and for most leading commodities. Compared with 1955, a higher rate of advance took place in agricultural products, iron and steel, non-ferrous metals and non-metallic minerals. Wood products rose in about the same proportion but there was a decline in the rate of increase for animal products, textiles, chemicals and miscellaneous commodities.

As mentioned elsewhere, total imports were strongly concentrated on iron and steel products. In 1955 this group accounted for over one-third of total imports and contributed 45 per cent of their increase; in 1956 the respective proportions were almost two-fifths and over three-fifths. Every main iron and steel product advanced over 1955. Because of the resumption of vigorous activity in oil and gas pipeline construction, pipes, tubes and fittings (the only principal product in this group to show a decline a year ago) had the greatest percentage gain of all the leading imports. Sharp increases were shown by rolling mill products, cars and trucks, scrap iron and steel, castings and forgings, wire and chain, and non-farm machinery, which remained the largest import category. There were also substantial advances for iron ore, automobile parts, engines, farm implements and machinery, hardware and cutlery, tools, and cooking and heating apparatus.

Gains and Losses

Among other important commodities with gains in value were fruits, vegetables, certain grains, sugar, coffee, cotton and wool products, synthetic fibres and products, wood, paper and books, bauxite and alumina, platinum metals, aluminum, brass and copper products, electrical apparatus, coal, clay, stone and glass products, petroleum and products, chemicals, refrigerators, scientific equipment and purchases by Canadian tourists. Moderate declines in value took place in tea, crude rubber, and raw cotton and wool. There were sizably lower purchases of cocoa and chocolate, and imports of aircraft fell by one-third.

At the close of 1956, there were prospects for a continuation of the favourable international and domestic economic conditions generally prevailing for most of the year. Indications were that the brisk pace of economic activity in Canada and the United States would certainly carry over into the first few months of 1957. It seemed that this would also be broadly true for most of Canada's other leading trade partners, provided that their economies did not become subject to any additional serious strain resulting from the disruption in Middle East oil supplies and the disturbed condition of world shipping. Thus, barring a major international political or economic crisis, it seems likely that Canada's foreign trade will continue at high levels during at least the early part of 1957.●

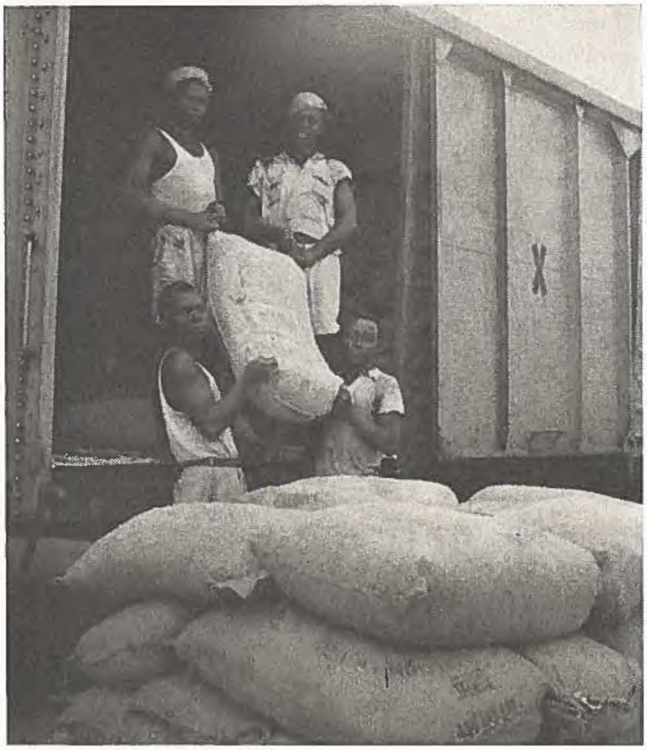


In Mexico—These bottles of a famous brand of rum are passing under the labeller which places an excise stamp on each. The labeller was sold to the Mexican distillery by a Canadian firm.

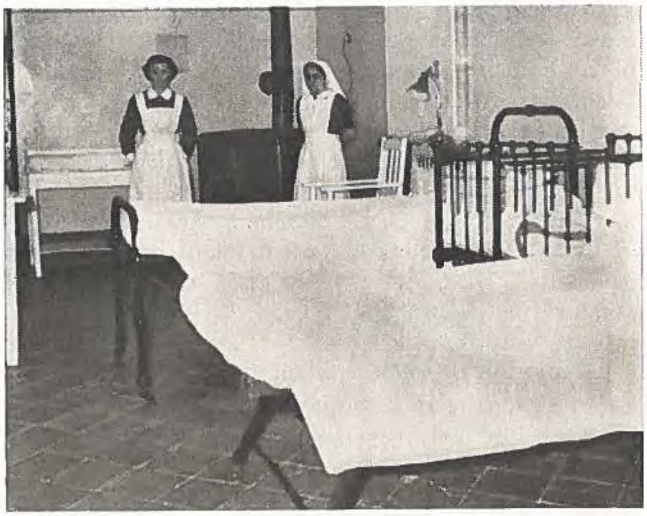
In Haiti—These Haitian workers, wearing the straw hats typical of the area, are unloading a shipment of wrapping paper which has just arrived in Port-au-Prince from Canada.

Canada in Foreign Markets

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



In the Belgian Congo—Another unloading scene that means business for Canada, this time in Leopoldville. These labourers are emptying a boxcar loaded with bags of Canadian asbestos.



In Syria—The scene is a hospital ward in Damascus; the main point of interest for us, the heating unit beside which the nurses are standing. It is the product of a Canadian firm.

The French Market

. . . a long-term view

Canadian exporters may hesitate to try to sell in France because of import restrictions against dollar goods. This article analyzes the trade policy and pattern there and reaches some useful—and encouraging—conclusions about the outlook.

A. L. NEAL, *Attaché, Canadian Embassy, Paris.*

IS IT POSSIBLE TO EXPORT TO FRANCE? Expressed in that form and applied to a country which ranks fourth among the nations as an importer, the question seems pointless. Yet it often arises in the mind of a potential Canadian exporter to France. The Department of Trade and Commerce in its turn is frequently called upon for an opinion about whether the French market warrants a sales effort.

Import Controls Retained

The first and probably the greatest obstacle to entry into the French market is the comprehensive quantitative controls against imports. Since 1945, because of continuing exchange difficulties, France has maintained import restrictions, in particular against Canada, the United States, and other hard-currency countries. France used this device before the Second World War to promote its exports, to assure its place in the markets of the French Empire, as a bargaining weapon in trade negotiations, and to maintain its balance of payments. Even so, the balance of visible trade remained unfavourable. In 1938, for example, French exports were valued at about 30,000 million francs and imports at 46,000 million francs. At that time, however, the balance of payments was supported by income from invisibles nearly as great as that from exports.

France's trading position deteriorated after the war. Destruction of stock and dislocation of agriculture generally created abnormal needs for imported food. War damage and shortages of material hampered industrial production for home consumption and export alike. In 1946 French production was 28 per cent below the prewar level. By 1947, France had relinquished a large part of its foreign investments and other sources of income from abroad (e.g., shipping and tourist trade) were greatly curtailed. Large imports of food, materials and equipment needed for economic recovery were financed in the early postwar years through loan agreements with the United States, Canada and the United Kingdom. Since 1947 American foreign aid for economic and defence purposes has been a major factor in making good the trade imbalance.

France has made a remarkable recovery. National production in 1946 was 28 per cent below prewar; in 1955 the volume of industrial production was 69 per cent above that of 1938 and agricultural output exceeded by 20 per cent the prewar average. Accompanied by increased savings by individuals, per capita consumption went up 15.5 per cent in 1955 over 1952. At the present time France has achieved a degree of internal prosperity equalling any in the past thirty years. But growing prosperity at home has not remedied the continuing surplus of imports over exports. Signs of marked improvement apparent throughout 1955 gave way to progressive deterioration last year. For the first nine months of 1956 exports from France were sufficient to pay for only 83 per cent of imports from foreign countries, compared with 93 per cent in 1955.

Restrictions May Continue

In these circumstances, it is possible that France will not relax her import licensing system in the immediate future. An exporter contemplating the French market for the first time would accordingly be well advised first to investigate if, and to what extent, import licences will be granted before he embarks upon the expense and effort of a sales campaign. The various means by which dollar goods are admitted into France were summarized in *Foreign Trade* of June 26, 1956. It is easiest to obtain licences for goods such as materials and equipment which contribute to French production or to production facilities. Consumer goods the import of which contributes to the maintenance of stable French prices receive a lower priority. The French authorities regard other goods as less essential and usually restrict such imports to fixed quotas from European and other countries with which France has bilateral trade and payment arrangements.

Import Pattern Explained

Unlike Canada, France, with the overseas territories of the French Union, has traditionally not been forced to seek markets abroad to employ its natural resources profitably. And unlike the United Kingdom, France has not been spurred to find sources of foreign foods for her industrial population. Consequently, she has traditionally depended less on foreign trade than either Canada or Britain.

Nevertheless, in recent times France has been under pressure to draw upon external sources for coal and petroleum, as well as for materials and equipment. The expansion of her industry has been limited by capacity to effect these imports.

In spite of the coal of the north, the Massif Central and Lorraine, relatively small oilfields, some natural gas, and extensive hydro-electric installations, France still lacks energy resources adequate to her needs. Although she holds first place in Europe in the extraction of iron ore and has important deposits of bauxite, she lacks other important minerals, particularly non-ferrous metals which must be imported. The raw materials for her cotton and woollen textile industries must, in the main, also be bought abroad.

Imports into France from foreign countries (i.e. excluding Algeria and the overseas territories) in 1955 are given in the table below, according to main uses.

IMPORTS INTO FRANCE FROM FOREIGN COUNTRIES—1955

Main Group	*Value of Imports (francs 000,000's)*
Energy	283,076
Raw and semi-processed materials	
For agriculture	19,308
For industry	593,272
Producers' equipment	158,390
Human foodstuffs	116,893
Consumer goods	
Durable	38,027
Non-durable	38,750
	1,247,716

The statistics disclose the expected pattern of imports although the share of consumer goods in the total would have been greater but for the import licensing controls.

A brief examination of the items which go to make up the group totals indicates that the things France buys abroad in greatest volume do not correspond with Canada's great export staples. This is in contrast to the situation in Canadian imports to the United Kingdom and other countries of Europe.

Source and Type of Imports

In the energy group, petroleum products comprise about two-thirds of the total. The remainder is mainly coal, plus some gas and electric power imported from neighbouring countries.

In imports of raw and semi-processed materials, the needs of the textile and metal-consuming industries are most important. The former comprise mainly raw cotton and raw wool which together account for about 14 per cent of total imports; in the latter, non-ferrous imports are largest. Canada supplies copper, although Belgium and the Belgian Congo are the main sources and there are substantial imports from the United States. France has an aluminum industry and is a net exporter of this metal. Nickel is drawn mainly from French-owned resources in New Caledonia although the United Kingdom is also shown as a source. Lead is imported from Tunisia and Morocco and zinc from Belgium. Canada is an important source of synthetic rubber; Cambodia and South Vietnam supply France with most of its natural rubber. Canada is France's largest source of asbestos, but faces competition from Russia and South Africa. Canada is the largest supplier of flaxseed but oil seeds and nuts for crushing come mainly from French overseas territories. Timber, pulpwood and paper come mainly from Scandinavia, although Canada has increased her share of this market.

In the producer equipment group, machinery (as might be expected) is the largest item. Canada does not figure largely as a supplier, accounting for imports valued at only 64 million francs out of total imports of industrial machinery valued at 25 billion francs, and for imports of agricultural machinery worth 243 million francs out of a total of nearly 4 billion.

In the food group, France's largest imports are coffee, tea, spices and fruits. Like Canada, France is normally a net exporter of wheat and also produces barley, oats and other coarse grains. Canada supplies some fishery products; canned salmon is the most important.

Outlook for Import Increases

Principal imports into France from Canada are shown in the table on page 10, taken from official French statistics.

The prospects for Canada's exports to France in the near and long-term future will be governed by the same

IMPORTS INTO FRANCE BY COMMODITIES, 1955

(including French territories)

Commodity	*Imports from* Canada	All Countries
	*(values in f.000)**	
Fish and shellfish	107,730	6,141,429
Cereals	16,926	25,765,575
Seeds for crushing and sowing, straw and forage	3,379,166	59,902,026
Preparations of meat and fish	176,643	8,913,371
Sugar and confectionery	15,619	19,132,029
Sulphur	47,389	6,795,396
Asbestos	1,836,279	3,467,572
Other industrial minerals	2,062	14,062,069
Ores, etc.	144,021	29,208,578
Inorganic chemical products	35,824	11,265,821
Plastic materials	542,841	7,470,850
Rubber in crude form	2,942,286	42,952,017
Other rubber products	22,514	4,057,172
Hides and skins, raw	61,944	21,603,811
Pelts and furs	358,762	7,106,672
Wood, unmanufactured	1,580,686	14,036,918
Square or sawn timber	177,112	11,077,569
Other wood products	1,146	1,877,445
Papermaking materials	2,101,197	33,274,759
Paper and board in rolls or sheets	1,226,410	9,287,924
Thread silk, wool, linen, etc.	347,625	7,564,807
Manufactured textiles	22,462	1,783,729
Precious metals	1,072,624	22,493,549
Cast iron or steel	182,813	39,637,152
Copper and alloys	2,848,323	56,725,268
Nickel and alloys	38,789	6,027,411
Lead, tin and alloys	108,382	14,892,092
Boilers, motors, pumps, etc.	293,676	18,062,723
Agricultural machines	243,977	3,740,745
Machinery, industrial	64,861	24,700,777
Scales and office machinery	53,260	10,416,114
Bearings and machinery parts	48,639	10,169,953
Electric apparatus	39,746	11,678,888
Vehicles	25,360	19,345,169
Boats	1,592,000	9,809,741
Other nautical equipment	84,808	1,600,888
Total, above commodities	21,843,902	596,048,009
Total, all commodities	21,943,429	1,656,414,871

* (f.000 equals Can. $2.74 approximately.)

factors that operate at present—the extent and nature of the import controls and the basic import needs.

The Commissioners of the French Plan for Modernization and Equipment, in collaboration with the Service of Economic and Financial Studies, recently published a forecast of the French economy up to the year 1965, which suggests that total imports may continue to rise. The probable growth of imports which this study forecasts is based upon an assumption that the slight decline in the last three decades in the ratio of imports to the net national product will continue and will fall from the 11.55 per cent in the period 1949-55 to 10.5 per cent in 1965. On this basis, two separate estimates of the expected imports in the year 1965 are given. The first is a minimum estimate based upon an expected annual increase in manpower productivity of 3 per cent and the other assumes an annual increase of 4 per cent. Actually, the annual growth in France was 0.2 per cent between 1937 and 1954 and 3.5 per cent between 1949 and 1954. The results of the forecast are given in the table below.

IMPORTS INTO FRANCE FROM FOREIGN COUNTRIES IN 1954 AND EXPECTED IMPORTS IN 1965

Assumption 1, annual increase in productivity of 3%
Assumption 2, annual increase in productivity of 4%

(in billions of 1954 francs)

	Actual imports 1954		*Expected imports 1965 Assumption 1*		*Assumption 2*	
	Value	*%*	*Value*	*%*	*Value*	*%*
Foodstuffs and agricultural products	140	12.0	150	9.5	160	9.5
Energy	290	25.0	350	22.0	140	22.5
Materials	470	41.0	660	41.5	720	41.0
Manufactured products	250	22.0	430	27.0	470	27.0
Total	1,150	100.0	1,590	100.0	1,760	100.0

The reader will note that, under the minimum assumption, French imports may be expected to increase by 1965 by 38 per cent over 1954 and under improved conditions by 53 per cent.

Effect upon Canadian Trade

Imports into France from Canada might enjoy a somewhat greater increase than the proportional share of that mentioned above. Although all of the main groups of imports are expected to show increases in 1965 compared with 1954, some of them will rise much more than others. It is mainly those types of products that Canada does not export in large volume that will show the smaller increases. Thus, for example, French energy needs, although they will jump from 390 billion francs to 410 billion, will nevertheless decline from 25 per cent of the total to 22.5 per cent. Foodstuffs and agricultural products also will take a smaller share of the total. Raw materials will remain about the same and unmanufactured products will increase from 22 per cent of the total to 26.

This analysis should prove encouraging to the Canadian exporter in certain fields. He still has to face the fact, however, that import licences are sometimes difficult to get and many of the large-volume imports are not the things that Canada has to sell in any quantity. But there are other and varied import needs; it is a selective market but a growing one. So we return to our original question: is it possible to sell in France? The answer is yes, if you have the goods the market will absorb and can offer them at a competitive price. This holds true in almost any market. ●

Manufacturing Abroad

Branch Plants or Licensing?

When valuable export markets are cut off, Canadian manufacturers of finished goods should consider alternative ways of doing business abroad. In this twenty-fifth article in our series on the techniques of export trade, the author discusses these alternatives and the problems involved.

R. B. SPIRO, *Director, International Division, Coleman Lamp and Stove Co. Ltd.*

CIRCUMSTANCES MAY SOMETIMES COMPEL a Canadian manufacturer to consider setting up a branch plant abroad or making a licensing arrangement with a foreign company. In these days of dollar shortages, import restrictions and increasing competition, this may be the only way he can continue to do business in some countries. Exporters are well aware of the effect on their trade of recurrent or permanent balance-of-payment difficulties, some of the national programs of industrial development, and open or hidden protection of local industries. Recently too it has become increasingly difficult for Canadian manufacturers to land their products at competitive prices even in countries with low tariffs; our manufacturing costs are usually higher than those of our competitors and freight costs are mounting.

A Canadian company which, over the years, has established the good reputation of its brand in a foreign market does not accept easily the loss of the fruits of years of overseas sales promotion. But unless it is willing to withdraw from the market, it may have to make other arrangements to prevent its brand from disappearing in certain countries.

There is little alternative in some cases but to transfer part of the company's manufacturing to a former good market that has weakened or disappeared or to a country that offers a good prospect for business. What the Canadian firm will do depends on the size of the market involved, regulations of the country, the capital and skills it can spare, and the possibility of working out satisfactory arrangements with a foreign manufacturer. As a rule, the Canadian company has to accept the fact that eventually the foreign branch plant or licensee will make the entire product unless it proves impossible for it to turn out certain components.

Suppose the manufacturer decides that circumstances demand action if he wishes to retain a share of business in another country. Should he establish a branch plant overseas or should he arrange for manufacture of his goods under licence? Each system has its advantages and disadvantages and its special problems which must be considered carefully.

Deciding on a Branch Plant

There are advantages as well as disadvantages for the Canadian manufacturer in setting up a factory overseas. If he owns the plant in a foreign country he makes all the decisions; he can arrange to finance the enterprise according to his own policy, can plough back profits or have them remitted to Canada, and can decide on dividends, etc. He has complete control over his overseas production and can dictate quality or make special design changes which he feels are needed for the local market.

The branch plant can purchase components locally or the parent company may supply them from Canada; the policy depends largely on the import control regulations in the country where the factory is operating. Choice of where the overseas plant will obtain raw materials or select sub-contractors is in the hands of the Canadian enterprise. It has complete control over distributing and selling the goods within the country and also decides on export policy, if any. If the manufacturer chooses the right country for his branch plant he may be able to sell what was originally a Canadian product in other countries that are now closed to dollar goods.

81592—3

What are the disadvantages of branch plants? The first one is the need for additional capital and the inherent investment risk. The foreign country may decide to block dividends or may make it impossible to repatriate capital. In any case, the Canadian company investing abroad has to contend with at least some of the exchange controls which have plagued trade so often in recent years.

United States manufacturers can obtain insurance through the International Co-operation Administration against the risks of non-convertibility of dividends or capital repatriation; it covers also risks of nationalization or confiscation of an investment. At present, there is no similar investment insurance available in Canada.

A second problem is the management of the branch plant. Often the Canadian firm cannot spare the trained personnel able to take care of the details associated with the financial, sales, or production management of overseas factories. Skilled people sent out from Canada to manage the business must have the necessary experience and also be fluent in the language of the country in which the factory is located; finding this combination poses a major problem. Those who are selected to go abroad should be adaptable persons who will get along well with their future associates and adapt themselves to foreign ways of doing things and to foreign living conditions. Canadians sent out on such missions expect to spend comparatively long vacations every second or third year home in Canada. This, plus the transporting of families and providing adequate living quarters overseas, often raises costs considerably.

Then there is the matter of compensating Canadian employees abroad. Some countries apply high income taxes to alien residents and require them to pay for compulsory social security measures; these payments reduce the net income of the Canadian employed in the company's foreign plants or sales establishments. In spite of lower living costs in many countries, it still costs a company considerably more to maintain an employee overseas than to employ him at home.

And you are still not through with possible personnel difficulties. In underdeveloped countries, for example, the manufacturer will not find it easy to get the right kind of skilled workers. He will find such people in Europe or in most of the Commonwealth countries. But even here he will have a recruiting problem because there is a shortage everywhere of highly-qualified engineers, technicians, and executive personnel.

Manufacturing under Licence

Canadian manufacturers may not favour investing substantial amounts of capital in overseas countries. They may hesitate to accept the risks which accompany such investments, or to surmount the personnel difficulties involved. They may find that they can solve many of their problems by making a licensing arrangement with a suitable local manufacturer.

• *Choosing a Manufacturer*—The problem is to seek out a manufacturer who not only has the equipment to produce the goods under licence but who is willing to co-operate closely. The Canadian company will want him to accept advice on technical, sales and financial matters, yet not attempt to go his own way and possibly cut out the licensor altogether after a short period of co-operation.

The company which grants a licence has to be careful and often has to investigate to find the right type of enterprise and to choose the right type of owners or managers.

Once the Canadian company chooses a foreign firm, it must work out details of the licensing arrangement; often this will need the approval of the foreign government. Some countries require agreements to be registered with a government authority, especially if patent or trademark rights are involved.

• *Working out the Royalty*—Naturally, the Canadian manufacturer is interested in two main points—the amount of royalty he can obtain or the licence fee he can charge. This negotiation will involve the Government because licensing arrangements are usually made in countries which are short of dollars and the exchange control authorities must approve the amount of the royalty.

Often the royalty is divided into a service fee, which compensates the manufacturer for technical and other assistance which he provides, and payment for patent and trademark rights which he grants to the licensee. It becomes more important to split the licence fee in countries which levy one rate of tax on the technical service fee and another on earnings from the granting of patent and trademark rights. Some countries do not tax technical service fees; others apply the same tax rate to the total licence fee.

The Canadian licensor should be aware of another taxation possibility that could eat into his possible earnings: there may be a turn-over tax or remittance taxes to pay in addition to the usual tax on royalty income. He should investigate thoroughly to be sure that a fixed royalty percentage will prove profitable after taxes.

Most royalties vary from 2½ to 7½ per cent (average 5 per cent) on the factory sales value in the case of consumer durable goods; local manufacturers find this amount acceptable and governments will approve. Royalties are subject to income tax in the country where they are earned but our tax regulations allow

Canadian companies to deduct this amount from their Canadian tax.

• *Supplying Component Parts*—The Canadian company usually prefers to supply the licensee with essential component parts. This depends on the dollar position of the recipient country and particularly on its industrialization policy. The practice in many countries is to grant generous import licences for parts in the first two or three years of the contract and then insist that more and more of the product be produced locally. Finally, after a period of five or ten years, the foreign government stipulates that the local manufacturer must make the entire product locally.

Thus a Canadian manufacturer still may be able to supply substantial quantities of component parts to his licensee. Licensing agreements sometimes even lead to an increase in the Canadian company's exports to a country, especially if import regulations have closed or restricted the market. This market for components likely will disappear in time; the firm which grants a licence has to accept the fact that it can only depend on its royalty. This is inevitable but is justified when a Canadian firm cannot share in the market any other way.

A firm may retain a market for components if they are high precision parts which no manufacturer in the licensee's country can make; in other cases the necessary production equipment such as tools, dies or single-purpose machines are so expensive that it would raise the cost of parts unjustifiably. It may be necessary to convince licensees and government authorities that they should allow imports of some components for the whole period of the licensing agreement.

• *Deciding on Length of Contract*—Some dollar-short countries do not like to approve high-percentage licence fees for long-term contracts (five to ten years or longer). Their governments may agree to a substantial down payment for the supply of blueprints, material specifications and other technical assistance and then insist on a low percentage royalty on locally produced units.

A Canadian manufacturer could receive a down payment of $10,000 to $20,000 for supplying blueprints, material specifications, and tool drawings or for placing an engineer in the licensee's plant for six months. But he may have to agree to a royalty of only 2½ per cent. Sometimes a foreign government approves a total licence fee of 5 per cent for the first five years and insists on reducing it for the second five years.

Canadian manufacturers usually prefer to make short-term agreements, especially if they are not sure that an overseas manufacturer will control the quality of his goods and keep down costs. The foreign company, however, has to invest capital to re-arrange its factory layout, to buy new equipment, and to make tools and dies. Most of them insist on agreements at least five years long and in most cases, ten years.

• *Terminating the Licence*—The Canadian licensor should make sure that he will retain control of the manufacture of his products after a licensing agreement expires; he should specify that tools or equipment installed to produce his goods become his property. He can be certain of this if he pays for them outright—although he will have to invest capital and this makes a licensing agreement less attractive.

It is possible for the foreign manufacturer to buy the tools and then include a pro-rata part of their cost in every unit produced and sold. The licensee receives payment for the tools from a higher selling price for the goods for one or two years; they then become the property of the licensor in Canada when the licensing agreement expires or is cancelled. One weakness of this system is that the foreign licensee may not produce enough goods in the time agreed for full pro-rata amortization. Furthermore it is always difficult to predict the condition of the tools or equipment when they are handed over to the licensor.

The Problem of Distributing Goods

Often the foreign licensee is a purely industrial firm with no organization for selling the Canadian manufacturer's type of goods. If the Canadian company has been using agents to distribute its products, the licensee could continue to use them. However, these agents are not always willing to commit themselves to selling the entire output of the licensee because of the market risks.

The Canadian firm may be called upon to share the risk with its agents through a financing arrangement or to create a new sales and distribution firm. It may find that the disadvantages of investing capital and sharing risks in sales distribution outweigh the advantages of a pure licensing agreement in which the local firm handles sales.

The small Canadian company—or larger ones which do not wish to make a capital investiment in foreign countries—may favour a licensee who will look after all details of production and sales. However, the Canadian firm ceases to influence decisions on the distribution system or the sales and price policies, and even gives up control over exports to markets which it might possibly supply from Canada. There is also the problem of fair treatment for former agents whom local manufacturers with their own distribution systems are reluctant to include. Yet the Canadian who negotiates with patience, tact and diplomacy can be fairly certain

81592—3½

of working out an agreement that allows former agents to participate in the licensing arrangement.

It takes time to find the right foreign company and negotiate a proper agreement acceptable to the authorities. But where circumstances warrant the expenditure, a licensing arrangement, or even a branch factory in a major market, can be a paying proposition despite the numerous problems and hazards. And it is a source of satisfaction to see a product originally designed and created in Canada continue to please customers abroad.

Japan's Fertilizer Output Rises

Buyers in South East Asia seem to be swamping Japanese fertilizer firms with orders for ammonium sulphate and urea; now is a good time for Canadian exporters to study the capacity of the large but relatively new Japanese industry to meet extra demand from various countries.

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

JAPANESE FERTILIZER MANUFACTURERS report that they have been swamped recently with inquiries from South East Asian countries for ammonium sulphate and urea. Apparently the Middle East crisis has increased delivery time and raised prices for fertilizers from Europe; transpacific freight rates have also advanced sharply. Japanese exporters are now better able to compete with the United States and Canada in the South East Asian market.

There is no doubt that Japan's chemical fertilizer industry can meet most of the increased demand; it ranks third among all countries in fertilizer production, behind the United States and West Germany. The industry has developed rapidly since the war, particullarly in the production of ammonium sulphate. Other nitrogen fertilizers produced include urea, calcium cyanamide, and ammonium chloride. Output of calcium superphosphate and other fertilizers containing phosphates also has risen steadily.

Currently Japanese exporters of nitrogen fertilizers have outstanding contracts for 300 thousand tons of ammonium sulphate for Formosa and 50,000 tons of urea for Mainland China. During the present fertilizer year (August 1956 to July 1957), they hope to participate substantially in the large import targets of Indonesia (800 thousand tons of ammonium sulphate), Pakistan (180 thousand tons of ammonium sulphate and 30,000 tons of urea), and India (ammonium sulphate 100 thousand tons and urea 10,000 tons). Other countries such as Burma, Thailand and the Philippines have shown a keen interest in obtaining fertilizers in Japan.

Canada shipped $2.8 million worth of fertilizers (exclusive of $5.2 million worth to Korea) to East and South East Asia in 1955, and therefore Canadian exporters should be aware of the main developments in the Japanese fertilizer industry. Our ability to compete effectively in this area will depend to a great extent upon whether Japan can fill the growing demand for nitrogen and phosphate fertilizers.

Here is a review of the Japanese situation in the various leading types of chemical fertilizers.

Nitrogen Fertilizers

• *Ammonium Sulphate*—Japan has spurred efforts to make ammonium sulphate, which she can produce readily; it would be less practical for her to concentrate on producing phosphate fertilizers because she has to import rock phosphate, the principal raw material.

Manufacture of ammonium sulphate in Japan dates back to 1903, when the industry used an Italian method to convert calcium cyanamide into ammonium sulphate. Since the development of the ammonium synthesis process, the ammonium sulphate industry in Japan has grown at a tremendous rate. Production capacity, which in 1945 stood at 183 thousand metric tons, has now reached 3.6 million tons.

During the current fertilizer year (August 1, 1956, to July 31, 1957) Japan expects to produce 2.4 million metric tons of ammonium sulphate. Japanese farmers probably will need approximately 1.76 million metric tons, leaving about 650 thousand tons for export. This is about 161 thousand tons more than the industry exported in the 1955-56 fertilizer year.

• *Urea*—Japanese farmers, especially those who have to raise crops on the acid soils found in half the country, are beginning to prefer the non-acid urea fertilizers. Urea is a richer source of nitrogen than ammonium sulphate and costs less to make, pack and transport. Capacity rose from 7,000 metric tons in 1948 to 296 thousand tons in 1956; production totalled 460 tons in 1948 but reached 234 thousand tons last year. Japan expects to double output within the next ten years.

• *Calcium Cyanamide*—This fertilizer is somewhat difficult to handle and is not popular with farmers although it will counteract the acid effect of applying ammonium sulphate and calcium superphosphate. Combined capacity of the 13 plants producing it is 650 thousand metric tons a year; current production and home consumption total approximately 530 thousand tons a year. Prospects are not too good for this material in competition with the more popular ammonium sulphate and urea. At present 70 per cent of the intermediary product, carbide, ends up as fertilizer, but the manufacturers hope recent recognition of carbide as an organic synthesizer will enable them to stay in business and overcome competition. Recent power limitations have restricted plant operations to 55 per cent of capacity.

• *Ammonium Chloride*—Japanese chemical engineers first became aware of the process for making ammonium chloride fertilizer in 1936 although the industry was not established until 1950. Four soda manufacturers are capable of turning out 170 thousand metric tons of the chemical a year as a byproduct. But in fact their production in 1955-56 only reached 50,000 tons although in the current fertilizer year it should rise to 110 thousand. This fertilizer should find a ready market in Japan, India, Korea, and Mainland China.

Phosphate Fertilizers

Seventy per cent of the rock phosphate which Japan imports goes into the production of calcium superphosphate, ten per cent into fused phosphate, and 20 per cent into synthesized fertilizers. Main sources of the raw material are the United States and South Africa and imports total 1.5 million tons or more a year, valued at about $14 million. Most of the fertilizer produced is sold in Japan.

• *Calcium Superphosphate*—Manufacture of this type of fertilizer goes back to about 1890, and Japanese manufacturers have greatly improved on the methods they originally used. Output has risen steadily and the industry has changed over from intermittent to continuous production.

• *Fused Phosphate*—Like urea, this fertilizer does not have a sulphuric acid base and is ideally suited to Japan's acid soils. Twelve companies operate 14 plants with a combined capacity of 650 thousand metric tons; production during the current fertilizer year should reach 400 thousand tons. This branch of the industry has developed rapidly since 1949.

• *Synthesized Fertilizers*—Four firms synthesize phosphoric acid and similar products into fertilizer materials; capacity of wet-method phosphoric acid plants is 370 thousand tons a year. During the year ending next July the plants will make 150 thousand tons for buyers in Japan and expect to export an equal amount.

Japan's fertilizer companies also make synthesized fertilizers from pulverized rock phosphate, ammonium sulphate, and potassium salts treated with sulphuric acid; superphosphates are also combined with ammonium sulphate, urea, aqua ammonia and potassium salts. In these last two categories there are an infinite number of combinations; Japan produces about one million tons of these types a year.

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.

Commodity Notes

Australia

MOTOR CARS—Uncertain conditions resulting from import restrictions are advanced as one of the main reasons for a projected rapid Australianization of the motor car industry, Australia's largest secondary industry. General Motors-Holden, the British Motor Corporation and Ford, which together account for over 60 per cent of vehicle sales, plan expansion costing more than $66 million.

Currently, about three-fifths of the average Australian car comes from abroad. Of the $170 million worth of vehicles and parts that are imported annually, $9 million worth come from Canada. By 1960, the industry hopes to have expanded domestic facilities and brought in enough foreign capital to be self-sufficient. Motor vehicles may become an important export, with New Zealand and South East Asia as potential markets. Already, sales abroad for 1956-57 are estimated at $13 million—Sydney, Feb. 19.

Austria

CHEMICALS—Although the rapid expansion of Austria's chemical industry between 1954 and 1955 has levelled off somewhat, 1956 production is expected to reach 6.5 billion Austrian sch., compared with 6.2 billion during the previous year. In some sectors production increased by 5-15 per cent, and an even sharper increase of 25-30 per cent is expected in the plastics industry. Production of viscose synthetic staple fibre will probably exceed 40,000 metric tons, half of which will be exported. Outstanding are exports of drugs and pharmaceutical preparations which increased by 72 per cent, from 10.9 to 18.9 billion Austrian sch., during the first nine months of 1956—Berne, Feb. 20.

France

CEMENT—Production of cement in France has been increasing steadily since 1946—in 1956 it totalled 11.2 million tons, an increase of 5.6 per cent (600 thousand tons) over 1955 production. Currently, expansion planned for the industry during 1957 is being held back because of government price controls on the finished product. However, when these controls are relaxed the industry will probably expand further because domestic and overseas demand for cement is strong—Paris, Feb. 26.

Greece

MINERALS—Production figures for 1955 reveal how successfully Greece has rebuilt its mining industry since 1948. Output in '55 totalled 2,033,034 metric tons, and exports reached 898,378 metric tons. Leading mineral mined was bauxite (500 thousand metric tons), followed by iron pyrite (233 thousand), and magnesite (61,000). Manganese, emery, and lignite are also produced. Altogether mineral products comprised 6 per cent of total exports and brought in foreign exchange earnings of $10.6 million. Germany and Russia bought most of the bauxite, and the latter is supplying bauxite mining equipment worth $250 thousand to two of the leading bauxite enterprises during the next 18 months—Athens, Feb. 14.

Netherlands

EGGS, POULTRY—Dutch exports of poultry products were higher in 1956—total exports were valued at over 470 million guilders, compared with 426 million in 1955. Principally responsible for this increase were larger exports of eggs worth 341 million guilders (1955, 322 million), slaughtered poultry, 72 million guilders (55 million), and day-old chicks, nine million guilders (eight million). Major markets for Dutch poultry products were West Germany, France, Italy and Switzerland—The Hague, Feb. 22.

Sarawak

PEPPER—In 1956 Sarawak exported 19,000 tons of pepper, the highest figure for the last 30 years. These large exports were achieved in spite of fears in the latter part of 1955 and early 1956 that pepper disease had ruined much of the crop. The production of white pepper during 1956 dropped and that of black increased, mainly because of a price differential rather than market demand. Considerable research continues in Sarawak to improve quality in order to compete in quality-conscious markets—Singapore, Feb. 12.

RUBBER—Rubber exports from Sarawak in 1956 were the largest since 1951—41,000 tons valued at Malayan $68 million. In 1955, exports totalled only 39,000 tons but the value, because of better average prices, was Malayan $79 million—Singapore, Feb. 23.

South Africa

URANIUM—Recently published reports show South Africa's uranium reserves as larger than those of Canada or the United States. Following are the estimated reserves in South Africa, Canada and the United States, in that order: uranium ore—1,100 million tons, 225 million, and 60 million; uranium oxide—370 thousand tons, 237 thousand, and 150 thousand. Full production rate at January 1st for the three countries was 5,000, 3,300 and 4,000 tons—Cape Town, Feb. 27.

GOLD—Gold production in the Union last year attained a new record of £198.5 million, some £16 million greater than the 1955 total—Cape Town, Feb. 15.

Sweden

IRON, STEEL—In 1956 Swedish exports of iron ore reached a new record of 17.3 million metric tons, compared with 15.65 in 1955. Exports of iron sponge decreased from 21,500 tons in 1955 to 20,400 in 1956, and of pig iron from 57,400 to 41,600 tons, but exports of commercial iron and steel showed a large increase —from 262,900 to 384,300 tons.

Total producton of pig iron amounted to 1,328,300 tons, compared with 1,175,600 tons in 1955; production of iron sponge increased from 74,100 tons to 121,900 tons, and of blooms from 2,124,600 to 2,399,900 tons. Total production of commercial iron and steel rose from 1,490,600 to 1,672,800 tons.

Swedish imports of malleable iron scrap declined from 68,800 to 21,800 tons; pig iron imports increased from 99,000 to 146,000. Total imports of commercial iron and steel dropped from 845,400 to 663,900 tons—Stockholm, Feb. 15.

United States

BODY-BUILDING EQUIPMENT—Sales of bar bells, rowing machines, chest developers, weights, and exercise benches are increasing in the United States, and attendance at health studios and gymnasiums is mounting. Rising sales of home exercise gear testify that all interest is not centered on the gym. Of the physique-developing devices, bar bells appear to be growing in popularity fastest—New York, Feb. 22.

HEAT PUMPS FOR THE HOME—Heat pumps are in the news again and, despite high installation and operating costs, indications are that they are gaining popularity with home owners. During 1956, it is reported, 14 U.S. manufacturers sold about 7,000 units, chiefly in areas where temperatures are not extreme. About 20 heat pumps are said to be in operation in Detroit alone and 40 more were installed in one area of Ohio last year.

Operating on air and electricity, without fuel or combustion, the heat pump cools or heats as required through an electric refrigeration principle. In winter, outside air (which contains heat even in freezing weather) is circulated over an outdoor coil of the unit. Heat is absorbed by a refrigerant inside the coil and through a second coil is released under pressure to the indoor air. For cooling, the flow of refrigerant is automatically reversed—heat is removed from indoors and discharged outside. Comfort, cleanliness and the complete absence of such troublemakers as chimneys, fuel tanks, pipes, and coal bins are said to be among the advantages of heat-pump climatizing. Major drawbacks at present are high initial ($2,500 to $4,000) and operating costs, particularly in areas where electric power is expensive. In Detroit, it is estimated that to heat and air-condition a three-bedroom home with 1,500 square feet of floor space would cost about $425 a year—Detroit, Feb. 25.

West Germany

PLASTICS—Preliminary figures for 1956 indicate that the West German plastics processing industry reached a turnover of approximately $285 million, an increase of almost 23 per cent over last year's figure. Since 1952, the increase has been fivefold. However, exports last year could not quite keep pace with this development and the export ratio will show a decline from 16 per cent in 1955 to 15 per cent—Bonn, Feb. 19.

SCRAP—According to the West German Federal Statistical Office, scrap consumption by the iron and steel industry increased in 1956 over 1955 by 836 thousand tons to 10,957,000 tons. This rise does not correspond with the 9 per cent increase in steel production from 21.3 to 23.2 million tons; only the raw steel sector of the industry showed an increase (9 per cent or 990 thousand tons) in scrap consumption.

Scrap consumption for crude iron production declined by 103 thousand tons. Contrary to estimates by the Federal Statistical Office, in 1956 it did not reach one million tons—Bonn, Feb. 19.

Symbol of the progress which the Gold Coast is making is this new hotel, "The Ambassador" in Accra, the capital. This hotel was taken over by the Government for the period of the independence celebrations, and many distinguished guests from many countries were lodged there.

Gold Coast

On March 6, 1957—exactly 113 years after a group of African chiefs recognized the jurisdiction of the British Sovereign over the Gold Coast settlements—the one-time colony became an independent nation within the British Commonwealth. A new name marks its new status—Ghana, after a West African empire which is said to have flourished centuries ago.

Situated on the Gulf of Guinea and with an area of about 92,000 square miles, the Gold Coast once traded gold and slaves. Gold mining still goes on, but prosperity today depends upon the cocoa bean. Ghana grows more cocoa than any other country: in 1955 cocoa shipments brought in two-thirds of total export earnings of $260 million. Cocoa revenues pay for its development program to the tune of about £15 million a year and when cocoa prices fall, economic expansion falters. Prominent among its other exports are gold, diamonds, manganese, and hardwood timber.

Imports provide one index of the Gold Coast's postwar prosperity. In 1939, they had a value of only £7.5

Ghana's great cocoa industry was built up in 25 years from one cocoa pod imported about 1878. It is grown almost entirely by Africans on small holdings in the rain forest area; these workers are splitting the pods and taking out the cocoa beans, which are then dried in the sun and fermented.

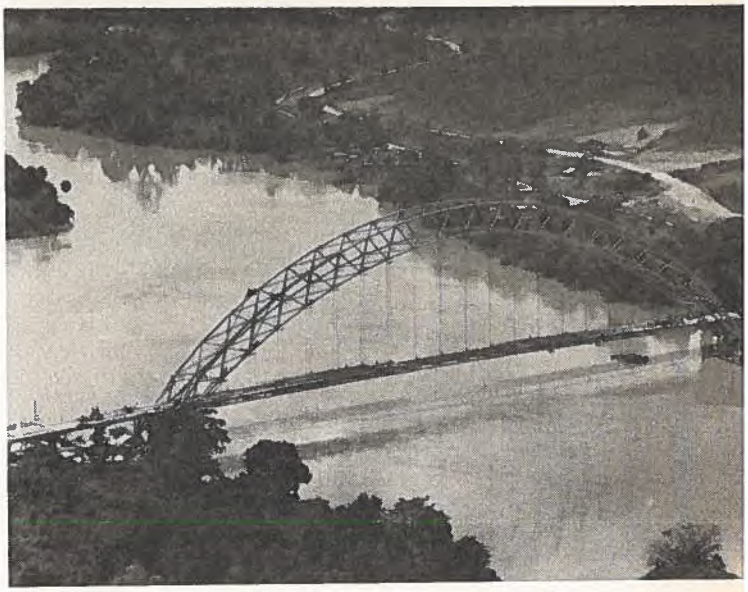
The dried cocoa beans are transported to the coast, often starting their journey in primitive fashion. Here "headleaders" carry bags of them across a river near Bunsu. All cocoa is marketed by the Gold Coast Cocoa Marketing Board, which pays to the farmer a fixed price.

nto Ghana

million; by 1955, the figure had reached £87.8 million.

Canadian interest in this new nation has quickened in the last few years. Under discussion is a vast power and aluminum development on the Volta River there, using the large power potential and the local bauxite deposits. Cost of this project—somewhere between £700 and £900 million—would be divided among the Gold Coast Government, the British Government, the British Aluminium Company, and Aluminium Limited of Montreal. The final decision to proceed with the Volta River project has still to be taken.

Trade between Canada and Ghana covers only a narrow range. We buy chiefly cocoa beans ($2.5 million worth in the first nine months of 1956), manganese ore ($1.4 million) and timber, chiefly mahogany ($172 thousand). We sell to the Gold Coast about $1.5 million worth of goods a year; flour accounts for 94 per cent of the total. This trade may grow as the new nation grows, as new industries spring up and development pushes forward.



This bridge across the Volta River links the Gold Coast with Togoland; was opened with special ceremonies a few weeks ago. The 805-foot arch contains 1,000 tons of high-tensile steel. It is on the Volta that the power necessary for the projected aluminum smelter would be developed.

This hardwood timber in the log pond at Takoradi harbour is awaiting shipment abroad. The harbour here, the only deep-water one on the Gold Coast, was built in 1928 at great expense. The logs are hauled to the port by rail and then dumped directly into the water from freight cars.

Station Road, one of the main thoroughfares in the heart of Accra. Accra today has a population of about 175 thousand and is growing rapidly. New buildings are pushing up throughout the city at a rapid pace and include banks, stores, several warehouses, a library, and office buildings.

Transportation Notes

Argentina

NEW RIVER STEAMER—A new river steamer worth US$1,655,000 and built in Belfast will be used to increase services between Buenos Aires and Montevideo. The ship has 162 staterooms accommodating about 430 passengers, and a cruising speed of 15 knots—Buenos Aires, Feb. 18.

Australia

SHIPPING FREIGHTS RAISED—The Australian Overseas Transport Association has announced a rise of 14 per cent in shipping freights on most Australian exports to the United Kingdom. The increase, effective February 1, 1957, includes wool, dairy products, meat, general cargo, eggs, and dried and fresh fruit. The increased rates are based on a formula negotiated in London and adopted by exporters and the shipping companies—Sydney, Feb. 10.

Belgian Congo

NEW AIRPORT—The new Leopoldville-N'Djili airport, still under construction, will have a runway of 4½ kilometres, the longest on the African continent, and will be able to accommodate the largest modern aircraft. Until the new airport is in full operation, passengers to and from Leopoldville will continue to use the Leopoldville-D'Dolo airport—Leopoldville, Feb. 15.

Belgium

NEW SHIP FOR CONGO RUN—A sister ship to the *Jadotville* has joined the Antwerp-Matadi line. The new ship belongs to the Compagnie Maritime Belge and has been christened the *Baudouinville*.

The *Baudouinville*, 13,900 gross tons, will carry 8,500 tons of freight (including 1,350 tons of vegetable oils and 200 tons of refrigerated products), plus 300 passengers and a crew of 196. She has a cruising speed of 16.5 knots, and the voyage between Antwerp and Matadi, via Lobito, will take 14 days. The number of Compagnie Maritime Belge's ships on this line (all of equal cruising speed) now totals seven.

For passengers the *Baudouinville* has a promenade deck, an open-air swimming pool, an air-conditioned dining-room, salon, bar and motion picture theatre. The cabins also are air-conditioned—Brussels, Feb. 14.

MERCHANT NAVY—At the end of November 1956, the Belgian merchant navy counted 85 ships of a gross tonnage of 485,359 tons, and some 95,100 gross tons were under construction in Belgian shipyards. From 1946 to 1955, Belgian shipyards have provided the Belgian merchant navy with 39 units—a total of 200,676 gross tons. A recent OEEC report gives the world tonnage of merchant shipping in 1956 as 105.2 million gross tons, of which 28 million tons, or 27 per cent, are tankers.

Recent reports indicate that Belgian ports received during the first ten months of 1956 some 18,351 ships, or 37,429,000 tons net—Brussels, Feb. 14.

Burma

SHIPPING SERVICE TO MALAYA—A new service has been inaugurated between Burma and Malaya by the Union of Burma Shipping Board with the arrival in Singapore of the 2,000 ton cargo-passenger vessel *Pyidawnyunt*. This ship, which has ten first-class and 24 second-class cabins, will call at Moulmein, Tavoy, Mergui, Penang, Port Swettenham and Singapore. More ships will be placed in this service as needed—Singapore, Feb. 14.

Canada

NEW SHIPPING SERVICE TO SOUTH AMERICA—Brodin Line, which operates a fleet of six fast and modern Swedish vessels from U.S. Atlantic ports to Brazil and the River Plate will offer a fortnightly service from Montreal and other Eastern Canadian ports beginning about mid-April. The 6,200 ton M. S. *Nyland* will be the first Brodin ship on this run, offering Canadian importers and exporters direct connections with suppliers and customers in Brazil, Argentina and Uruguay. Montreal Shipping Company Limited are the Canadian agents.

Hong Kong

FREIGHT RATES—In line with the general rise in ocean freight rates, charges from Hong Kong have also risen. Freight costs from the Colony to Saigon were increased by 15 per cent and charges to Bangkok are up by one-third. Beginning February 1st, rates for scrap iron from Hong Kong to Japan were marked up by about 10 per cent. Freight on most cargoes destined for Singapore and Malayan ports (but excluding items such as cement, sugar, and chili) are also 10 per cent higher. The cost of moving wheat flour from Hong Kong to Persian Gulf ports has advanced from $85 to $100 per ton—Hong Kong, Feb. 18.

TRANSHIPMENT TRADE—Hong Kong is maintaining some of its transhipment trade between China and other nations. Recently, tonnage has moved through the Colony from Mainland China, destined for Thailand, Singapore, Canada, Burma and Japan. The shipments to Canada consisted of 1,000 tons of walnut meats. Chinese products moving to the other markets in recent weeks included steel bars, caustic soda, coal, old newspapers, oilseeds and general foodstuffs—Hong Kong, Feb. 18.

Norway

SHIPPING—At the end of September 1956, Norway's merchant fleet consisted of 6,216 vessels aggregating 8,216,337 gross tons, including 463 tankers totalling 4,532,463 gross tons. During the whole of 1956 the fleet increased by 109 new vessels with an aggregate of 1.2 million tons deadweight. This included 28 tankers, 23 large tramp vessels, a number of cargo liners of varying sizes, a few refrigerated ships, four passenger ships and a number of smaller vessels. Some 509 ships totalling 4,636,000 gross tons were on order or under construction for Norwegian account at October 1, 1956, including 204 tankers totalling 3,182,000 gross tons—Oslo, Feb. 15.

South Africa

RAILWAY EXPANSION—The doubling of the railway line between Bloemfontein and Johannesburg, a distance of 214 miles, was completed recently. This project, interrupted by the Second World War, has cost an estimated £5 million—Cape Town, Feb. 8.

Sweden

MERCHANT FLEET—The Swedish merchant fleet was increased by 69 new vessels of 275 thousand gross tons during 1956, but at the same time was depleted by 67 old vessels of 95,300 tons. The whole fleet now comprises 1,254 ships with a total gross tonnage of 2,961,000, including 159 tankers of 914 thousand gross tons—Stockholm, Feb. 11.

Venezuela

ORINOCO DREDGING—The Ministry of Mines and Hydrocarbons has signed a contract with Orinoco Mining Company permitting it to conduct experimental dredging operations at the mouth of the Orinoco. An attempt will be made to clear a channel through one of the mouths of the river called Rio Grande del Orinoco. If this is successful, the channel currently in use, Cano Macareo, will probably be abandoned. A toll will be charged vessels using the new waterways—Caracas, Feb. 16.

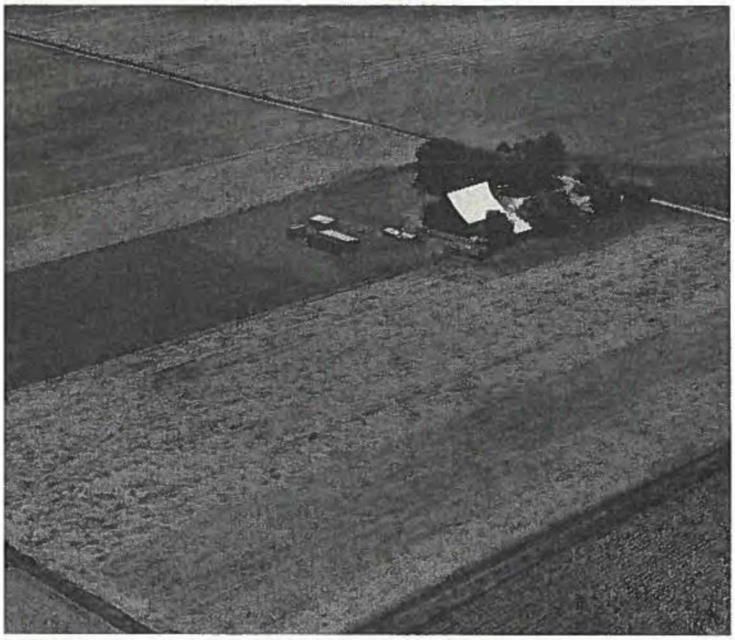
Office in Ceylon Re-opened

EXPORTERS WILL REMEMBER the establishment of a Trade Commissioner's office in Colombo, Ceylon, in 1950. The office was closed in 1953 and responsibility for Canadian trade interests in Ceylon was taken over by a newly established High Commissioner's office.

It has now been decided to reappoint a representative of the Department of Trade and Commerce in Ceylon. Mr. W. R. Van, recently Commercial Secretary in the Canadian Embassy in Rome, has been appointed Commercial Secretary in the office of the High Commissioner for Canada, Colombo, and will take up his duties in this new post about April 5th.

Canadian firms interested in trade with Asian markets will recollect that Ceylon has for many years been a substantial and consistent supplier of Canadian requirements of tea, rubber in various forms, desiccated coconut, and a number of coconut by-products. That country has at the same time purchased considerable quantities of Canadian motor vehicles, railway ties, household and office equipment, and a variety of foodstuffs. However, postwar controls have affected the extent and composition of the trade to a point where it is now made up to a substantial degree by flour, newsprint paper, powdered milk, machinery, electrical apparatus, automobile parts and hardware.

The trade has traditionally shown a large balance in Ceylon's favour. For the calendar year 1955, Canadian statistics show that imports from Ceylon totalled $15,580,693 and exports to that country totalled $2,671,252.



—Standard Oil Co. (N.J.)

This farm lies in the Kansas River valley, heart of the winter-wheat growing area. In the fall of 1956, winter wheat farmers in the U.S. signed up more than ten million acres to be retired from wheat production in 1957 under the Soil Bank Plan.

Technology Serves the U.S. Farmer

W. C. HOPPER, *Agricultural Counsellor, Washington.*

Number of farmers is decreasing and size of farms increasing in the United States. But scientific advances and mechanization have helped to double output per farm worker in the last 25 years. Home demand expected to increase through 1975.

FAR-REACHING CHANGES in United States agriculture are responsible for a continued decline in the number of farmers and an increase in the average size of farms.

About 97 per cent of the farms in the United States are classified as family-operated; they produce about two-thirds of the agricultural output and control about the same acreage as family farms controlled in 1940. Science, mechanization and electrification have enabled the family farm of today to become a more efficient and up-to-date business operation. Modern developments have reduced the drudgery of farm life, shortened the hours of work, brought city conveniences to the country and, through consolidated schools, increased the social contacts of farm and non-farm children.

Organized and imaginative research, coupled with a progressive technical program, has made a major contribution to greater production of food and fibre. The output per farm worker has more than doubled in 25 years. The number of farms has declined from 6.1 million in 1940 to 4.75 million today. Two million of the larger commercial farms produce 85 per cent of the annual marketable crop value and their operators receive nearly 80 per cent of the national net farm income.

Income, Capital Investment Up

Realized gross farm income per farm worker in the United States increased from $914 in 1930 to $4,017 in 1955. During this period, increases in gross income per worker occurred on most types of farms. On cattle ranches in the northern plains the increase was 2½ times, on dairy farms in the northeast more than three times, and on cash-grain Corn Belt farms and black prairie cotton farms more than four times. However, the larger gross receipts are not all net gain because farm expenses have increased, but realized net income per farm worker is now about double what it was in 1929.

Capital invested per farm worker in the United States is now more than three times the investment in 1930. The average farm worker currently has nearly $16,000 of capital associated with him in production, compared with less than $5,000 in 1930. On many commercial family farms the capital invested may total $50,000 or more.

Commercial dairy farms in the northeastern states are now milking nearly 40 per cent more cows than in 1930 with about half as much hired help and about 10 per cent less family labour. Commercial winter wheat farmers are now handling nearly one-third more land, with about one-fifth less hired labour and the same family labour as in 1930.

More and more United States farmers and their families are doing non-farm work. The 1954 United States Census of Agriculture showed that about one-quarter of all United States farmers spent 100 or more days on employment which could not be called farm work. This trend has been made possible by the increasing dispersal of new industrial plants in the country or in small centres of population within commuting distance of farmers.

In many rural areas total population is declining, but in others farmers are becoming outnumbered by industrial workers and tradesmen. The rural people who do not live on farms are currently outnumbered by those who do by a five-to-three ratio.

Over-Production Becomes Problem

The widespread application in recent years of science and technology on commercial farms, and government price supports, have been responsible for the production of food and fibre products in excess of demand in the domestic and export markets. This situation has arisen in spite of acreage restrictions of the "basic" crops (wheat, corn, cotton, rice, tobacco and peanuts) and a decline in total net income from 1951 to 1955. On December 31, 1956, the investment of the Federal Government in stocks of and farm loans on agricultural commodities was $8.2 billion. This is $450 million less than the investment a year earlier.

The measures which the Government is taking to dispose of surplus commodities include—in addition to commercial sales—sales for local currencies, barter transactions, and gifts at home and abroad. To bring production and requirements into better balance, government price supports are being lowered.

According to the U.S. Department of Agriculture, surplus agricultural commodities owned by the Federal Government to the value of $2,733 million were disposed of in the fiscal year ended June 30, 1956. The value of disposals in 1956-57 is estimated at $3,976 million. Great quantities of cotton, wheat, rice and wool were sold and huge inventories of butter, cottonseed oil and meal, linseed oil, flaxseed, grass and clover seeds, soybeans, tung oil and honey have been liquidated. As all, or practically all, the sales of government-owned agricultural products were made at prices below those at which they were acquired, the losses on these commodities have been extremely large. During the past four years, they have amounted to $2.9 billion.

Soil Bank Plan

It is the hope of the United States Government that the Soil Bank Plan will result in substantial cuts in the production of unwanted commodities. This plan is divided into two parts: first, the Acreage Reserve Program, which aims to reduce the production of the six basic commodities over a period of three years until government surpluses of these commodities have been moved to markets; second, the long-range Conservation Reserve Program, which extends to ten or fifteen years. The objective of the latter is to divert lower-quality cropland to trees and grass and to conserve the soil, water and forest resources.

The sum of $1.2 billion has been provided for the years 1957, 1958 and 1959 to compensate farmers for retiring cropland from basic commodities under the Acreage Reserve Program. It is also intended to pay 80 per cent of the cost of conservation practices, as well as to make an annual payment per acre to farmers who co-operate in the Conservation Reserve Program.

Payments under the Acreage Reserve Program vary with commodities and with farmers. For example, for wheat the national average is $1.20 per bushel on the normal yield over a period of years on the land taken out of wheat production. For corn, the average payment is 90 cents a bushel.

The Acreage Reserve Program of the Soil Bank Plan was instituted in 1956, but the legislation was passed by Congress late in the spring and payments were permitted to farmers who suffered drought, floods and other adversities. Thus the 1956 experience is not considered representative of what this program can accomplish in future years. The test will come in 1957.

Growers of winter wheat have signed up 10.7 million acres under the Acreage Reserve Program of the Soil Bank Plan. The cut-off date for sign-up of spring planted crops was March 1st for cotton and tobacco and March 8th for corn, spring wheat and rice. There is no estimate yet of the acreages which the growers of these spring crops will put into the Acreage Reserve Program in 1957. The hope is that about 40 million acres will be signed up under both parts of the Soil Bank Plan this year.

Needs in 1975 Estimated

The population of the United States is now about 170 million and food and fibre for nearly three million additional persons are needed each year. As a guide to production research, the U.S. Department of Agriculture has produced estimates of the probable needed increases in production of agricultural commodities to provide adequate supplies to meet demands in 1975. The projections in production are based on specific assumptions regarding growth in population, increases in consumer incomes, and trends in consumer preferences for farm products. The projected future production levels reflect potential market requirements under conditions of full employment and favourable demand for farm products in a peacetime economy. Unforeseen factors could change the volume and composition of production needs.

The projected needs for livestock production in 1975 may be, according to the report of the U.S. Department of Agriculture, about 45 per cent above production in 1951-1953. Increases needed in meat animals and poultry products may be greater than those needed in the production of milk. An increase in total crop production of one-fourth over the 1951-1953 average may be required in 1975. It may be necessary to increase pasture output by one-third. The substantial increase in needs for livestock production will require more feed grains, hay, pasture and soybeans which at the present time are the chief sources of protein feed for livestock. An increase of about one-third or more may be needed for all these crops. Substantial decreases in the production of food grains may be required. Only a moderate increase in the production of cotton may be needed, but increases may be necessary in truck crops and fruits of about the same order as those for feed crops.

If no additions are made to the present cropland, the yearly increase needed in crop production per acre may be more than double that of the post-World War II period.

Science Will Help

The results of research now under way promise an accelerated rise in crop and livestock production. Greater output per man will be possible as a result of better control of diseases and insect pests, improved fertilizers and feeds, and new mechanical devices. New discoveries in breeding and nutrition will result in greater efficiency in livestock production. Radioisotopes will play an important role in research in animal metabolism and contribute to lower costs of production through improved feeds and better management practices. Nearly three-quarters of the acreage now in crops is planted to varieties not even in existence on a commercial scale twenty years ago. New varieties of crops will result from studies in atomic energy radiation which speeds up the rate of occurrence of mutations.

These new scientific and technological discoveries will, it is generally believed, take care of the increased market requirements for many years to come. ●

Germans Buy Canadian Rapeseed

ALTHOUGH WEST GERMANY'S 1956 PRODUCTION OF RAPESEED, 39,000 metric tons, was the highest since 1952, imports of both rapeseed and rapeseed oil will still be needed by the margarine industry. The rapeseed crop in Sweden, usually West Germany's largest supplier, last year was less than one-third of normal and other suppliers should be able to increase their West German sales. Canada has not ranked as an important source of supply up to now. This situation may change, particularly in view of the record 1956 Canadian rapeseed crop, estimated at 305 thousand tons compared with 77 thousand tons in 1955. Exports of Canadian rapeseed to West Germany in 1955 totalled 351 tons, but for the first nine months of 1956 reached 551 tons—slightly more than 10 per cent of West German imports. Exports of rapeseed oil stood at 136 tons during the same period.

West Germany has 13 oil mills processing rapeseed and rapeseed oil. Most of these handle their importing directly. None the less, some 14 import firms do business in both rapeseed and rapeseed oil. Compared with imports, West German exports of rapeseed and refined oil are insignificant but some rapeseed is sold to neighbouring countries for use as seed and small amounts of oil are exported for culinary use.

German growers since 1953 have received a fixed DM 750 per metric ton (approximately Can. $173), and this price will continue until 1959 at least. Prices at which the oil mills can sell rapeseed oil and meal are also fixed.

Rapeseed may be freely imported into West Germany from all sources; import permits are not required and no duty is levied. Imports of rapeseed oil, on the other hand, come within a special quota and require licences. There is an import duty of 5 per cent on raw and 10 per cent on processed oil.

The German trade considers Canadian rapeseed to be of good quality, but in the past it has felt that Canadian price quotations were too high. This year, because of the small Swedish crop, West Germany should absorb a large part of the 1956 Canadian crop. Over the longer term, Germany's production and consumption of margarine, plus the fact that she does not produce enough rapeseed to meet present needs, promise well for the continued growth of this market.

—M. B. BLACKWOOD,
Assistant Commercial Secretary, Bonn.

India

Production of Chemicals Rises

India's Second Five Year Plan should spark spectacular increases in production of basic chemicals, especially of fertilizers, sulphuric acid and soda ash. Imports of chemicals currently total $40 million a year, but country working on program to become self-sufficient.

WM. JONES, *Commercial Secretary, New Delhi.*

INDIAN CHEMICAL PRODUCTION should rise 300 per cent during the Second Five Year Plan which will end in 1960-61; this is the highest percentage increase planned for any industry except steel. India's chemical industry expanded considerably during World War II and by 1946 the number of medium and large-scale factories totalled 174. When the First Five Year Plan began in 1950-51, the number had risen to 264. Investment in the industry during the First Plan was modest—about Rs.150 million of which about Rs.28 million represented government loans. The aim of the Second Five Year Plan is to make India self-sufficient if possible in the most important chemicals, such as fertilizers, sulphuric acid and soda ash. At the present time, India buys abroad about Rs.200 million ($40 million) worth of chemicals a year.

Industry Faces Problems

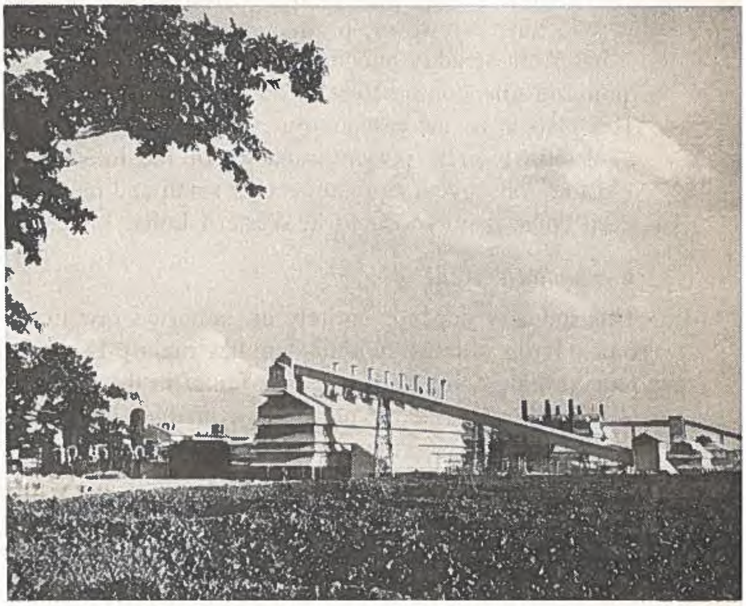
The whole chemicals industry, and in particular the fine chemicals section, labours under certain disabilities. One of these is the relatively small turnover, which prevents the average manufacturer from maintaining research units or keeping abreast of new developments. Here the government research institutes are playing a useful role. Another handicap which the Indian Standards Institute is trying to overcome is the lack of standardization of raw materials. In fine chemicals particularly, there is a strong consumer preference for imported products; Indian chemicals do not always sell readily despite the protective tariffs on imports.

The high cost of raw materials, shortage of power, and the absence of adequate transportation facilities are other difficulties with which the Indian manufacturer of chemicals must contend; production facilities often lie idle because of these bottlenecks. For example, the output of bleaching powder declined from 2,926 tons in 1954 to 2,659 tons in 1955, although the installed capacity rose from 7,800 tons to 8,170 tons during the same period. In this case, the difficulty was a shortage of good quality limestone. Sometimes cylinders or special tank cars are not available and this restricts the movement of certain types of chemicals from the factories and makes production cuts necessary.

The Government of India is doing its utmost to encourage production, improve distribution facilities, and boost consumption of the chemical industry's products. Latest developments and plans for the future in nine basic sectors of the industry are outlined below.

- *Fertilizers*

Government programs call for increased use of fertilizers to raise farm production. The consumption of sulphate of ammonia in India has risen from 275



The Sindri fertilizer factory has played a big part in raising the Indian production of fertilizers dramatically. In 1955-56, this plant supplied 321 thousand tons of ammonium sulphate, out of a total Indian output of about 380 thousand tons.

thousand tons in 1950 to 600 thousand in 1955, but acceptance of other nitrogenous fertilizers has been much slower. Three new fertilizer plants are planned —at Nangal in the Punjab, at Rourkela in Orissa, and at Neyveli in Madras; the latter factory will produce 40,000 tons of urea and 200 thousand tons of ammonium sulphate a year. The Shell Petroleum Co. of London has offered to set up a privately-owned nitrogenous fertilizer factory at Trombay, to make 225 thousand tons of ammonium-sulphate-nitrate a year. The Government of India is still considering this proposal.

Ammonium sulphate is the fertilizer used most widely in India. Up to 1951 (before the Sindri factory commenced operations), the only important producer was a privately-owned plant at Travancore. During the 1955-56 fiscal year total domestic production of this fertilizer reached 380 thousand tons, with the Sindri development supplying 321 thousand tons. India imported less than 18,000 tons of ammonium sulphate during that year. The Government recently placed a contract with a German firm to set up a coke oven plant at Sindri at a cost of Rs.23.5 million. This development will cut the cost of producing ammonium sulphate and reduce the heavy subsidy that the Government now pays. The total production of ammonium sulphate in India is expected to rise to 1.45 million tons by the end of the Second Five Year Plan in 1960-61.

- *Superphosphates*

Before World War II, the Indian industry manufactured superphosphates on a small scale; production was about 2,000 tons a year and annual consumption totalled 10,000 tons. However, production—and consumption —has risen steadily and in 1955-56 amounted to 120 thousand tons compared with 55,000 tons in 1950-51. The plan is to increase output to 720 thousand tons by 1960-61. The present capacity of the industry is 193,985 tons a year, spread over 15 small and medium-sized units, mainly located in Western India.

- *Sulphuric Acid*

This industry depends entirely on imported raw materials. India obtains sulphur supplies mainly from the United States; this mineral is not found in the country. However, pyrites and gypsum are available and studies of these alternative materials are under way.

In 1950-51, there were 43 sulphuric acid units in the country with an annual rated capacity of 150 thousand tons and a production of 99,000 tons. By 1955-56, the capacity had increased to 436 thousand tons and production had risen to 107 thousand tons. The Government is well aware of the importance of this industry to the success of the Second Five Year Plan. The three steel plants under construction will require huge quantities of sulphuric acid to recover by-product ammonia (in the form of ammonium sulphate) from coke-oven gases. Two contact-process sulphuric acid plants are to be set up at Durgapur and Bilhai, where the British and Russian steel plants are going up.

- *Soda Ash*

The first soda ash plant in India, with a daily output of 60 tons, was put up in Saurashtra in 1940. This plant expanded output to 120 tons in 1954. The Tata Chemical Company also started to make this chemical in 1947, now produces about 150 tons a day, and will increase output to 200 tons in the near future. The Government recently issued licences to three more firms to manufacture soda ash in Saurashtra, Cochin and Uttar Pradesh. When these new schemes are implemented, the installed capacity will rise to 283 thousand tons a year. The glass industry takes up nearly half the current production of 77 thousand tons.

- *Caustic Soda*

In 1955-56, production of caustic soda amounted to 36,000 tons, but the demand for this chemical is expected to increase appreciably; the target for the end of the Second Plan is 150 thousand tons. Installed capacity will reach 108,580 tons a year when the five new schemes licensed in 1955 are completed.

- *Calcium Carbide*

Only one medium-sized factory is in regular production at present, but the Government recently completed a survey to determine suitable locations for new calcium carbide plants. As a result, it has authorized two new units, each with a capacity of 20 tons a day, at Bombay and Alwaye. When these are established the total installed capacity of the industry will be 18,200 tons a year.

- *Industrial Gases*

It is reasonable to suppose that the demand for industrial gases will rise with the prospective increase in steel production. India has produced oxygen economically only since 1935. In 1951, the latest year for which figures are available, oxygen production capacity was 240 million cubic feet, and production amounted to 181.2 million cubic feet. The industry produced 34.68 million cubic feet of dissolved acetylene in 1953. India is not able at present to produce nitrogen economically and argon and helium are not produced at all.

- *Explosives*

The use of explosives in India is increasing with the development of mining, but the country has not manufactured explosives on a commercial scale so far. During the fiscal year 1955-56, India imported commercial explosives valued at Rs.9 million, mainly from the United Kingdom. Imperial Chemical Industries

Limited, which has been practically the sole supplier to India for over 60 years, has set up a plant in Bihar to make commercial explosives which should begin production early this year.

- *Fine Chemicals*

A few private concerns as well as government plants have started to manufacture fine chemicals. They are turning out substantial quantities of quinine, certain anaesthetics such as ether, ethyl chloride and choloroform; analgesics such as salicylic acid and sodium salicylate; anti-tuberculars such as isonicotinic acid hydrazide; calcium lactate; calcium gluconate; citrates and acetates. There are also plans to make citric acid, saccharine, coal tar and wood distillation products.

General Notes

Australia

TRAVEL CONFERENCE—The Pacific Area Travel Association in February held its annual conference for the first time in Australia. Delegates representing tourist bureaus, travel associations, airlines, shipping companies and hotel companies met in Canberra to discuss methods of advertising the attractions of the Pacific countries, of encouraging improvement in hotels, roads, and transportation, and of persuading governments to streamline visa, passport and other documentary formalities. The PATA is a non-profit organization established to promote travel among the countries and on the airlines of the Pacific. Countries represented at this year's conference were Alaska, Australia, Canada, Fiji, Formosa, Hawaii, Hong Kong, Indonesia, Japan, Korea, Mexico, New Caledonia, New Zealand, Philippines, Singapore, Tahiti, Thailand, the United States, and Vietnam—Sydney, Feb. 11.

Cyprus

FOREIGN TRADE—Cyprus achieved a record both in exports and imports during 1956, according to figures just published. Exports reached a value of £22 million, compared with £18 million a year earlier; chief customers were West Germany, the United Kingdom, and the United States. Minerals were the leading export, with sales abroad totalling £13 million; citrus fruit took second place, at £1½ million, and wine came third, £580 thousand. Imports were valued at £39 million, compared with £30 million in 1955—London, Feb. 15.

Finland

FOREIGN TRADE—Finnish imports in 1956 totalled 203.5 billion marks and exports 178 billion marks, giving an import surplus of 25.5 billion marks. Compared with 1955, which had an export surplus of five billion marks, the value of imports in 1956 increased by 26.5 billion, and the value of exports declined by four billion—Stockholm, Feb. 14.

France

NICKEL-BUYING ORGANIZATION—Because of shortages of nickel and an expected price increase, French nickel users are understood to be planning a common buying organization. A similar organization already operates for tungsten buying. It is believed that the expected increases will bring the French price of nickel to about 1,000 francs per kilogram—Paris, Feb. 26.

Netherlands

LAND RESOURCES—It is estimated that the Netherlands will gain an average of 25,000 acres a year (a net surface increase of 600 thousand acres in the next 24 years) from its program of land reclamation and development. However, the expanding needs of industry, housing and communications will probably leave no more than 350 thousand acres of the new land for agriculture. This would represent an increase of 6 per cent in arable land resources against an estimated population increase of 30 per cent in the same period. Thus, by 1980 the distribution of arable land in Holland will have fallen from 0.6 to 0.5 acres per head of population, increasing by 20 per cent the country's reliance on imported food products—The Hague, Feb. 19.

Sweden

PLUTONIUM PLANT—The Atomic Energy Company of Sweden plans to erect a special plant to separate plutonium from reactor fuel. It expects to complete the plant in the early 1960's—Stockholm, Feb. 14.

FOREIGN TRADE—In 1956 Swedish imports reached a value of 11,416 million kronor (10,337 in 1955) and exports totalled 10,047 kronor (8,933 in 1955). The increase in imports was principally in the fuel and machine branches, and in exports mostly pulp and paper and machines. The import surplus in 1956 of 1,369 kronor was less than the previous year's surplus of 1,404 million—Stockholm, Feb. 14.

Switzerland

OIL SEARCH COMPANY FOUNDED—A six-million Swiss franc joint stock company for the search and extraction of oil in Switzerland has been founded at St. Gall under the name of SEAG. Principal stockholders are large Swiss industrial and financial organizations and a number of smaller firms and individuals. Prospecting will be done by Swiss specialists and technicians of the German Elwerath oil syndicate, which also has a financial share in the new Swiss company. A number of cantons have already promised to grant franchises to this group—Berne, Feb. 12.

United Kingdom

RECORD YEAR FOR TOURISTS—During 1956, 1.1 million overseas visitors came to the United Kingdom. Earnings from this trade totalled £175 million, including fares paid to British shipping and airlines. Among the visitors were some 58,000 from Canada (compared with 53,000 in 1955), 570 thousand from Europe, 275 thousand from the United States, and 160 thousand from other Commonwealth countries. The British Travel and Holidays Association hopes for a 5 per cent increase in the tourist trade in 1957, with 1,160,000 visitors providing earnings of £190 million—London, Feb. 21.

United States

RETAIL TRADE—In 1954, Ohio held to its position as fifth state in the nation in total retail trade, the same position it occupies in population. The $9.6 billion retail sales exceeded the 1948 total by 33 per cent, slightly more than the national percentage of gain. Illinois ($11 million) provided the only change in the ranking by taking over third place from Pennsylvania ($10.8 million). New York ($18.1 million) led all states by a substantial margin but lost some ground to California ($15.6 million) which increased its sales by 43 per cent against New York's 26 per cent—Detroit, Feb. 28.

West Germany

FOREIGN TRADE—The German Federal Statistical Office reported that total imports into West Germany in 1956 rose by 14.3 per cent—from DM 24,472 million ($5,827 million) in 1955 to DM 27,961 million ($6,657 million) in 1956. Total exports rose by 20 per cent from DM 25,717 million ($6,123 million) in 1955 to DM 30,854 million ($7,346 million) in 1956. The export surplus increased from DM 1,245 million ($296 million) in 1955 to DM 2,893 million ($689 million) in 1956. Because import and export prices (average values) rose slightly in 1956, the increase in volume was somewhat smaller than the increase in actual values—Bonn, Feb. 22.

GROSS NATIONAL PRODUCT—*Deutsches Industrie-Institut* reports that the West German gross national product reached some DM179 billion in 1956, an increase of 9 per cent over 1955. However, in 1955 the rate of increase was 12.7 per cent. During the period 1949 to 1956 the gross national product in the Federal Republic rose by 124 per cent. According to *Industrie-Institut* investment activities slowed down considerably; compared with 1955 the rate of increase in investments was only about 8 per cent (24.4 per cent a year earlier). The increase in investment was surpassed by far by the rise in private consumption which amounted to 12 per cent—Bonn, Feb. 22.

Trade with Poland

C. F. WILSON has been named Commercial Counsellor at the Canadian Legation in Poland. Dr. Wilson will continue to act as Commercial Counsellor in Copenhagen and to reside there.

Tour of Territory

M. P. CARSON, Trade Commissioner in Singapore, will visit Thailand from March 27 to April 14. Businessmen who would like Mr. Carson to undertake assignments for them in that country should get in touch with him as soon as possible at his office in Singapore.

Coming to Canada on Business

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

▶ from Australia

BRIAN PITT, managing director of Pitt, Waddell Pty. Ltd., Blanch Street, Preston, Victoria, manufacturers of electrically welded steel chain, will arrive in Canada from New York about the third week in July. He will visit chain manufacturers in Montreal, St. Catharines, Niagara Falls and Vancouver to discuss chain manufacturing problems and processes. Anyone who wishes to see Mr. Pitt should either get in touch with the Canadian Manufacturers Association, the Chamber of Commerce or Board of Trade in the above cities, or write him direct.

H. A. C. SMITH, managing director, H. A. C. Smith Pty Ltd., general merchants, of 328 Flinders St., Melbourne, will arrive in Vancouver on March 28. Purpose of his visit is to negotiate sales of Australian products, particularly mild steel. Importers of steel products who would like to meet Mr. Smith should write to the Board of Trade either in Vancouver or Montreal.

▶ from Denmark

JACK FESTER, managing director of Fester and Co. I/S and Ferrostaal A/S, Copenhagen, will visit Canada for one month in April to make new contacts. He is interested in exporting textiles and furniture to Canada, and importing copper rods and lead and zinc ingots. He is also in a position to take on new lines of exports and imports. His itinerary is April 1-14, Ritz Carlton Hotel, Montreal; April 15-20, Royal York Hotel, Toronto; April 21-27, Hotel Vancouver, Vancouver.

▶ from India

K. P. MEHTA, partner of Messrs. P. N. Mehta & Co., Cooks Building, 324 Hornby Rd., Bombay 1, will arrive in Toronto in May for a six months' stay. His purpose is to explore possibilities for developing both import and export trade. His company wants to sell in Canada tapestry, fabrics for furnishing, cloth for wheat bags, meat cloth, sheeting, handloom fabrics and garments, etc.; other products include raw silk waste, art silk, wool and cotton, animal hair, etc. He wishes to buy from Canada wood and wood pulp, paper, etc.

Mr. Mahta welcomes preliminary inquiries or correspondence at the above address. His business address in Canada will be the Canadian Importers and Traders Association Inc., 9 Duke St., Toronto, where buyers may examine samples of his goods.

▶ from Italy

DR. GINO EIGENMANN, of the firm Eigenmann and Veronelli, Via delle Asole 2, Milan, large-scale importers of chemicals, will arrive in Canada during the first part of March for an indefinite stay. His firm wishes to represent Canadian companies which make chemicals not sold in Italy; it also buys on its own account. His main interest is in chemical products and chemical specialties for industrial use. Canadian firms may get in touch with Mr. Eigenmann through Charles Fumagalli, 135 West 58th St., New York, who is arranging Mr. Eigenmann's itinerary.

▶ from New Zealand

G. A. SANFORD, representing A. C. Nottingham and Son Ltd., P.O. Box 1, Christchurch, N.Z., manufacturers for W. R. Smallbone Ltd., a merchandising firm, plans to visit Ottawa, Toronto and Montreal to seek New Zealand manufacturing rights for various household and agricultural chemicals. Inquiries should be directed to the Canadian Exporters Association, Montreal, to the Montreal Board of Trade, or to the Canadian Manufacturers Association, Toronto.

▶ from the United Kingdom

J. S. HARRISON, a director of L. M. Cooper and Co. Ltd., 14 Melton Road, Syston, Leics., wholesale merchants, plans to visit Ontario and Quebec early in April to survey the market for pottery, kitchenware, holloware, and general hardware. His company is studying the possibility of establishing a distribution warehouse in the area. Interested parties may send inquiries to Mr. Harrison through the offices of the United Kingdom Trade Commissioners in Montreal, Ottawa or Toronto, or through Thos. Cook and Son (Continental and Overseas) Ltd., 94 Adelaide St. W., Toronto 1.

Trade and Tariff Regulations

India

IMPORT CONTROL POLICY ANNOUNCED—The import trade control policy of India for the licensing period January-June 1957 was announced in a Public Notice dated December 29, 1956. The new policy reflects the concern of the Indian Government over the decline of foreign exchange reserves, particularly with regard to the sterling area. In addition, industrialization has brought an increasing demand for industrial raw materials. Therefore, the import policy curtails imports of less essential commodities, bearing in mind the ability of Indian industries to produce these or suitable substitutes. The liberal licensing scheme and the provisions for licensing for newcomers have also been deleted under the new policy.

On the other hand, the new policy provides for some relaxation for the dollar area. All soft currency area licences issued for the current period will be valid for imports from the dollar area to the extent of 50 per cent of their face value unless otherwise indicated. Licences with a face value of Rs. 5,000 (approximately $1,000) or less may be used to the full extent for imports from the dollar area. Importers desiring to use a higher proportion of these licences for imports from the dollar area may apply to the licensing authorities concerned. This means that many products which could be imported from soft currency sources only may now be imported from the dollar area as well, and for other products the quotas for permissible dollar imports will be increased.

As a result, under the import control policy the quotas for an extensive list of goods imported from the soft currency sources have been reduced. A substantial list of quotas for soft currency sources and the dollar area remain the same as during the previous licensing period. A number of quotas for the soft currency areas have been increased. A few dollar area quotas have been increased and many quotas for the dollar area have been reduced.

The complete import trade control policy on a particular commodity for the January-June 1957 licensing period may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Indonesia

PROHIBITED IMPORTS—The Ministry of Economic Affairs has announced that, effective February 20, 1957, the following products are prohibited from import into Indonesia:

Black printing ink; iodine products; bicycle tires, size 28″ x 1½″, and all tires fitting bicycle wheels of 28″; building cement of all kinds, but not including magnesia cement, acidproof cement, fireproof cement and fire clay; rubber heels and soles for shoes imported as parts of shoes; asbestos sheets (Eternite), not including roof tile, ridge boards, ridges and other similar articles for construction purposes made of asbestos cement; batteries for motor vehicles, but not including batteries for motorcycles.

Furthermore, the regulation requiring importers of motor vehicles to import spare parts in the amount of 20 per cent of the value of the vehicle, has been altered and they are now required to import only 10 per cent of the value in spare parts—Djakarta, Feb. 20.

These prohibitions are additional to the list of prohibited imports into Indonesia that was published in Foreign Trade *of January 19, 1957.*

United States

MARKING REQUIREMENTS ON WOVEN WIRE CLOTH—A notice in the February 21st edition of *the United States Federal Register* advised that the Bureau of Customs has ruled that imported woven wire cloth, unless specifically excepted, must be legibly and conspicuously marked with the English name of the country of origin at each corner at the beginning of the roll and at each corner at the end of the roll by the use of a tag or other suitable method whereby the name of the country of origin may be seen without the woven wire cloth being unrolled.

Although this requirement will not become effective for another two months at least, this notice is being published now so that Canadian exporters may take adequate measures to comply with these new marking requirements—Editor.

Foreign Commercial Representatives in Canada

ARGENTINA
Ottawa—Economic Counsellor, Argentine Embassy, 211 Stewart Street.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Minister, Legation of Austria, 445 Wilbrod Street.
Toronto—Austrian Trade Delegate, Suite 106, 77 York Street.
Vancouver—Austrian Trade Delegate, Room 111, 525 Seymour Street.

BAHAMAS
Toronto—Trade Commissioner, Victory Bldg., 80 Richmond Street, West.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.
Toronto—Vice-Consul of Belgium, 696 Yonge Street.

BOLIVIA
Montreal—Consul General of Bolivia, 1180 Drummond Street, Apt. 25.

BRAZIL
Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS
Montreal—Trade Commissioner for British West Indies, British Guiana, and British Honduras, Suite 460, 1510 Drummond Street.

CHILE
Montreal—Consul General of Chile, Suite 131, 3445 Cote des Neiges Road.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 29, Roxborough Apartments.
Montreal—Consul General of Colombia, 1822 Sherbrooke Street West.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 1465 Mackay Street, Apt. 4.

CUBA
Montreal—Consul General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA
Montreal—Commercial Section, Czechoslovak Consulate General, 1305 Pine Avenue West.

DENMARK
Ottawa—Royal Danish Embassy, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Secretary (Commercial), Royal Danish Consulate, 114-118 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 3575 Addington Avenue, N.D.G.

EGYPT
Ottawa—Commercial Secretary, Egyptian Embassy, Roxborough Apts., Apt. 39.

EL SALVADOR
Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND

Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 610 St. James Street West.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., Room 303, 980 West Pender Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

GREECE

Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Embassy of Haiti, 130 Sparks Street, Suite 6.
Ottawa—Consul General of Haiti, 649 Rideau Street, Apartment 5.
Montreal—Consul of Haiti, 1405 Bishop Street.
Halifax—Consul of Haiti, 50 Sackville Street.

HONDURAS

Montreal—Consul General, Consulate General for the Republic of Honduras, Suite 423, 1117 St. Catherine Street West.
Montreal—Consul of the Republic of Honduras, Apt. 16, 439 Grosvenor Avenue, Westmount.

INDIA

Ottawa—Commercial Secretary, Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA

Ottawa—Acting Commercial Counsellor, Indonesian Embassy, 275 MacLaren Street.

IRAQ

The Legation of Lebanon is in charge of Iraqi interests. See address below.

IRAN

Ottawa—Third Secretary, Legation of Iran, 33 Roxborough Apartments.

IRELAND

Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL

Montreal—Vice Consul of Israel (Commercial), 1555 McGregor Street.

ITALY

Ottawa—Commercial Attaché, Embassy of Italy, 172 MacLaren Street.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN

Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Toronto—Consulate of Japan, 180 University Avenue.
Vancouver—Consulate of Japan, 510 Hastings Street West.
Winnipeg—Consulate of Japan, Suite 618-620, Royal Alexander Hotel.

LEBANON

Ottawa—Legation of Lebanon, 470 Wilbrod Street.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 509-510, 407 Granville Street.

MONACO

Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY

Montreal—Trade Commissioner of Norway, Norwegian Consulate General, 1410 Stanley Street.

PAKISTAN

Ottawa—Commercial Attaché to the Pakistan High Commissioner, 505 Wilbrod Street.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Consul, Philippines Consulate, 615 West Pender Street.

POLAND

Ottawa—Commercial Attaché of the Polish Legation, 10 Range Road.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
Halifax—Consulate of Portugal, P.O. Box 355.
Montreal—Consulate of Portugal, 4393 Esplanade Avenue.
Toronto—Consulate of Portugal, 2 Toronto Street.
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.

SPAIN

Ottawa—Commercial Attaché, Spanish Embassy, 149 Daly Avenue.

SWEDEN

Ottawa—Secretary, Royal Embassy of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Trade Commissioner, Royal Consulate General of Sweden, 1511 Bishop Street.
Vancouver—Royal Consulate of Sweden, Dominion Bank Bldg.

SWITZERLAND

Ottawa—First Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND

Toronto—Consul of Thailand, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

Ottawa—Commercial Counsellor, Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Drive.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 504 Main Street.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Street.
Niagara Falls—Consul General of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., The Roxborough Apts., Apt. 66.

VENEZUELA

Ottawa—Commercial Attaché, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Consul, Room 401, Roy Bldg., Barrington Street.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 27 Montclair Avenue.

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 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 1.044386.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 1	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05319	18.80	(1)
		Free	.02543	39.32	
Austria	Schilling		.03683	27.15	
Australia	Pound		2.1425	.4667	
Belgium, Belgian Empire and Luxembourg	Franc		.01906	52.47	
Bolivia	Boliviano	Free*	.000128	7,807.	*Feb. 9
British West Indies	Dollar		.5579	1.79	(2)
	Pound		2.678125	.3734	(3)
	Dollar	British Honduras	.6695	1.49	
Brazil	Cruzeiro	Effective selling*			
		*Category I	.0168	59.54	*Feb. 14
		Category II	.0117	85.69	(4)
		Category III	.0081	122.89	
		Official buying	.0522	19.15	(5)
Burma	Kyat		.2011	4.97	
Ceylon	Rupee		.2009	4.98	
Chile	Peso	Free	.001750	571.43	(15)
Colombia	Peso	Basic	.3830	2.61	(7)
		Free*	.18	5.55	*Feb. 28
Costa Rica	Colon	Official	.1705	5.87	
		Controlled free	.1570	6.37	
Cuba	Peso		.9575	1.04	tax 2% (4)
Czechoslovakia	Koruna		.1330	7.52	
Denmark	Krone		.1386	7.22	
Dominican Republic	Peso		.9575	1.04	
Ecuador	Sucre	Official	.06384	15.66	
		Free	.05080	19.69	
Egypt	Pound	Official	2.7495	.3637	(6)
		Free*	1.8695	.5349	*Feb. 28
El Salvador	Colon		.3830	2.61	
Fiji	Pound		2.4127	.4145	
Finland	Markka		.004163	240.21	
France, Monaco and North Africa	Franc		.002736	365.5	(8)
French Colonies in Africa	Franc		.005472	182.7	(9)
French Pacific	Franc		.01505	66.45	(10)
Germany	D Mark		.2279	4.39	
Greece	Drachma		.03191	31.34	
Guatemala	Quetzal		.9575	1.04	
Haiti	Gourde		.1915	5.22	
Honduras	Lempira		.4788	2.09	
Hong Kong	Dollar	Free*	.1555	6.43	*Feb. 22
		Official	.1674	5.97	
Iceland	Krona	Official	.05879	17.	(6)
		Special selling	.0343	29.12	(11)
India	Rupee		.2009	4.98	
Indonesia	Rupiah	Basic	.08432	11.86	(12)
Iran	Rial	Certificate	.0126	79.11	
Iraq	Dinar		2.6810	.3728	
Ireland	Pound		2.6781	.3734	
Israel	Pound		.5319	1.88	
Italy	Lira		.001537	650.6	
Japan	Yen		.002660	375.9	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 1	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.2999	3.33	
Mexico	Peso		.07660	13.05	
Netherlands	Florin		.2501	4.	
Netherlands Antilles	Florin		.5040	1.98	
New Zealand	Pound		2.6781	.3734	
Nicaragua	Cordoba	Effective buying	.1451	6.89	
		Official selling	.1359	7.36	
Norway	Krone		.1341	7.46	
Pakistan	Rupee		.2009	4.98	
Panama	Balboa		.9575	1.04	
Paraguay	Guarani	Official	.01596	62.67	(6) (13)
Peru	Sol	Certificate	.05039	.1985	
Philippines	Peso		.4788	2.09	
Portugal & Colonies	Escudo		.03342	29.92	(14)
Singapore & Malaya	Straits dollar		.3125	3.2	
Spain & Dependencies	Peseta	Basic buying	.04372	22.87	
		Basic commercial selling	.0583	17.15	(6)
		Free	.02458	40.68	
Sweden	Krona		.1851	5.40	
Switzerland	Franc		.2231	4.48	
Syria	Pound	Free	.2674	3.74	
Thailand	Baht	Free	.04675	21.39	(6)
Turkey	Lira		.3420	2.92	
Union of South Africa	Pound		2.6781	.3734	
United Kingdom	Pound		2.678125	.3734	
United States	Dollar		.9575	1.044	
Uruguay	Peso	Free	.2513	3.98	
		Basic buying	.6289	1.59	(6)
		Principal selling	.4566	2.19	(16)
Venezuela	Bolivar		.2858	3.5	
Yugoslavia	Dinar		.003191	313.4	(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.

Assistant Trade Commissioners Posted

Ten new Assistant Trade Commissioners have completed their training and began on March 11th a tour of industry throughout Canada. When they complete the tour in May they will leave for their first posts.

WILMER JAMES COLLETT, born at Brantford, Ontario, graduated from the Ontario Agricultural College, Guelph, with the degree of B.S.A. in 1953. He received his M.B.A. from the University of Western Ontario in 1956. Mr Collett has been posted to Bombay as Assistant Trade Commissioner.

ROBERT MUIR DAWSON was born at Vancouver and graduated from the University of British Columbia with a B. Comm. degree in 1956. He has been posted to Guatemala City, where he will be Assistant Trade Commissioner.

LORNE DAVID RHOS DYKE, born at Nelson, B.C., received his B. Comm. degree from the University of British Columbia in 1956. Mr. Dyke has been posted to Athens as Assistant Commercial Secretary.

BERNARD HORTH was born at Sidney, B.C. In 1956 he graduated from the University of British Columbia with a B.A. degree. Mr Horth's posting abroad will be announced at a later date.

DAVID MICHAEL WARREN HUMMEL, who was born at Kimberley, B.C., received his law degree from the University of British Columbia in 1953. His posting abroad has not yet been announced.

JOHN GRAHAM IRELAND is a native of Montreal. In 1947 he received his B. Sc. (Agr.) degree from McGill University (Macdonald College). Mr. Ireland has been posted to Rome where he will be Assistant Commercial Secretary.

CHARLES MONTAGUE KERR was born at Ottawa and graduated from St. Francis Xavier University with a B.A. degree in 1950. He has been posted to Rio de Janeiro where he will be Assistant Commercial Secretary.

ROBERT DOUGLAS SIRRS, born at Toronto, graduated from Carleton College with B.A. and Bachelor of Journalism degrees in 1953. Mr. Sirrs has been posted to Caracas as Assistant Commercial Secretary.

WILLIAM ADAIR STEWART was born at Oxford, N.S., and graduated from McGill University (Macdonald College) with a B. Sc. (Agr.) degree in 1952. He has been posted to Washington as Assistant Commercial Secretary.

JOHN MALDWYN TURNER THOMAS was born at Vancouver. He graduated from the University of British Columbia with a B. Comm. degree in 1956. Mr. Thomas has been posted to Hamburg where he will be Vice-Consul.