



2	Canadian Fish Finds Worldwide Markets
6	What the Midwest Imports
8	Fairs and Exhibitions
11	Canada Submits Brief on BWI Trade
13	The French West Indies in '56
14	Packing for Export: Practices and Problems
19	The Netherlands Plans Economy Measures
20	Pharmaceuticals for Peru
21	Indonesia's Trading Picture
22	Commodity Notes
24	The Philippines Develops Plywood Industry
26	General Notes
28	Trade Commissioners on Tour
29	Trade and Tariff Regulations
30	Head Office Directory
34	Foreign Exchange Rates
36	Coming to Canada on Business

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# foreign trade

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**COVER** Fishermen off the coast of British Columbia seining for herring. Last year the herring fishermen on the West Coast had a phenomenal season and the catch rose 70 per cent above 1955. Most of it went to export markets in the form of oil and meal. For a complete review of the Canadian fisheries in 1956 and their major markets, turn to page two.

# Canadian Fish Finds Worldwide Markets

*Sales of Canadian fish to foreign countries reached a record \$133.7 million last year, despite small salmon pack and drop in salt fish shipments. Fresh and frozen fish was leading seller, reaching a value of \$78 million; lobster shipments totalled over \$20.5 million.*

T. R. KINSELLA, *Chief, Fisheries Division,  
Agriculture and Fisheries Branch.*

FISHERMEN AND EXPORTERS OF FISHERIES PRODUCTS experienced an excellent year in 1956. The total catch reached 2,023,237,000 pounds worth \$89,679,000, compared with 1,780,034,000 pounds valued at \$77,688,000 in 1955, according to preliminary sea-fish landing returns.

During the year the total Atlantic coast catch was valued at \$54,502,000, 9 per cent higher than in 1955. The lobster fishery reported a total of \$17,764,000—an increase of 7 per cent over the previous year—and the cod catch rose in value to \$15,622,000 from \$14,206,000, or 10 per cent. All of the eastern provinces shared in this increase, although it was more noticeable in Quebec, where cod landings and landed values totalled 70.3 million pounds worth \$1,731,000, compared with 41.3 million worth \$938 thousand in 1955.

The Pacific coast catch, at \$35.2 million, achieved a 27 per cent increase. Salmon landings were valued at \$20.8 million, or about 12 per cent over the 1955 figure. In the herring fishery the total landed value, \$7.1 million, was almost 70 per cent above the returns for the previous year.

## **Exports Go to Eighty Countries**

Canadian exports of fisheries products during 1956 went to some 80 countries and set a new record of \$133.7 million, or about 4 per cent more than the value of shipments in 1955 (\$128.8 million). The pattern of distribution followed the usual trend, with the United States taking about half the output. Quantities shipped to Europe were down, chiefly because of the smaller pack of Pacific coast salmon. Exports of salted fish to the Caribbean area decreased, although sales of salt cod to Cuba rose. Sales abroad of fresh and frozen fish, fishmeal, canned lobster, and canned sardines also showed gains.

## **Specialty Products Imported**

Other fish-producing nations are finding an increasing market here for specialty products. Total imports of fisheries products into Canada from some 27 countries in the first ten months of 1956 reached \$12.9 million, compared with \$9.8 million in the corresponding period in 1955. Canned shellfish from the United States and Japan, canned sardines from Norway, and canned salmon and tuna from Japan were the most important items. The salmon was used to supplement domestic stocks which were short, principally because of the disappointing results of the chum fishery. Limited quantities of South African rock lobster or crayfish were also sold in the Canadian domestic market.

The succeeding paragraphs give details on the exports of various types of fisheries products.

## Canadian Exports of Fisheries Products by Countries, 1952-56

	1952		1953		1954		1955		1956	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
All Areas .....	117,206	100.0	114,389	100.0	132,651	100.0	128,843	100.0	133,706	100.0
United States .....	87,881	75.0	83,339	72.9	90,072	67.9	91,975	71.4	96,758	72.4
Total British Caribbean .....	5,131	4.4	5,841	5.1	6,652	5.0	6,822	5.3	7,389	5.5
Jamaica .....	2,599	2.2	3,309	2.9	3,708	2.8	3,736	2.9	4,021	3.0
Barbados .....	412	0.4	428	0.4	506	0.4	426	0.3	529	0.4
Leeward and Windward Islands .....	653	0.6	681	0.6	716	0.5	800	0.6	968	0.7
Trinidad and Tobago .....	1,071	0.9	1,001	0.9	1,162	0.9	1,271	1.0	1,153	0.9
Other British Caribbean .....	396	0.3	422	0.3	560	0.4	589	0.5	718	0.5
Total Non-British Caribbean .....	11,879	10.1	9,702	8.5	9,304	7.0	10,349	8.0	10,092	7.5
Puerto Rico .....	4,747	4.0	3,784	3.3	2,909	2.2	4,425	3.4	3,205	2.4
Cuba .....	2,917	2.5	2,052	1.8	2,298	1.7	2,169	1.7	2,820	2.1
Dominican Republic .....	1,710	1.5	1,633	1.4	1,696	1.3	1,490	1.2	1,831	1.4
Haiti .....	1,450	1.2	1,068	0.9	1,377	1.0	894	0.7	1,214	0.9
Other Caribbean .....	1,055	0.9	1,165	1.1	1,024	0.8	1,371	1.0	1,022	0.7
Total Europe .....	9,094	7.8	13,673	11.9	21,250	16.0	14,829	11.5	15,257	11.4
United Kingdom .....	1,312	1.1	5,248	4.6	12,005	9.1	5,783	4.5	8,799	6.6
Belgium and Luxembourg .....	2,577	2.2	2,643	2.3	2,559	1.9	2,069	1.6	1,284	1.0
Portugal .....	788	0.7	593	0.5	530	0.4	734	0.6	172	0.1
Italy .....	2,666	2.3	2,088	1.8	2,643	2.0	2,534	1.9	1,525	1.1
Netherlands .....	736	0.6	950	0.8	1,123	0.8	1,558	1.2	661	0.5
Other Europe .....	1,015	0.9	2,151	1.9	2,390	1.8	2,151	1.7	2,816	2.1
Total All other countries .....	3,221	2.7	1,834	1.6	5,372	4.1	4,868	3.8	4,210	3.2
Other Commonwealth .....	994	0.8	675	0.6	2,475	1.9	3,890	3.0	3,455	2.6
Brazil .....	497	0.4	72	0.1	1,550	1.2	35	*	.....	.....
Belgian Congo .....	608	0.5	71	*	12	*	77	0.1	17	*
Taiwan .....	383	0.3	472	0.4	158	0.1	80	0.1	.....	.....
Philippine Islands .....	158	0.1	72	0.1	188	0.1	298	0.2	338	0.3
All other countries .....	581	0.6	472	0.4	989	0.8	488	0.4	400	0.3
Total Commonwealth Countries .....	7,437	6.3	11,764	10.3	21,132	15.9	16,495	12.8	19,643	14.7

\* Less than half of one per cent.

### Fresh and Frozen Fish

Exports of fresh and frozen fish during 1956 reached a value of \$78 million, a considerable jump over the previous year, as supplies from the Atlantic, Pacific and inland fisheries continued to increase. Demand was also strong in the domestic market and it is expected that sales will rise, thanks to innovations introduced during the year to improve the keeping quality of fish.

The Canadian fishing industry has received official approval for the use of antibiotics as a preservative in extending the freshness of fresh fish. The greatest benefit comes from the use of these wonder drugs in the ice with which the fish are refrigerated at sea. In the United States, official approval of antibiotics for use with fresh fish has not yet been granted, although they are being employed in the distribution of fresh poultry there.

Imports into the United States of fresh and frozen groundfish fillets and blocks (cod and related species as well as ocean perch) from all sources in 1956 reached a new high of 138.6 million lb. in comparison

with 130.1 million lb. in the previous year. Canada, with sales of 99.4 million lb. (or 72 per cent of the total) was the leading supplier. Iceland was our strongest competitor with 27.1 million lb., and Norway, Denmark, and West Germany also shipped fair quantities. However, with the settlement of the Icelandic-United Kingdom fisheries dispute last November and the signing of a new trade agreement between Soviet Russia and Iceland for the shipping of increased supplies of Icelandic frozen fillets to the USSR, strong demand for Canadian fish in the U.S. market should continue. Under the new trade agreement between Iceland and Russia effective for three years from January 1, 1957, annual exports from Iceland to Russia will include 32,000 tons of quick frozen fillets, 15,000 tons of salted herring, and 1,000 tons of quick-frozen herring.

Although production of fish sticks in the United States was lower than in the previous year, exports of Canadian frozen blocked fish for fish-stick manufacture remained about the same as in 1955. The introduction of voluntary continuous in-plant inspection and grading of fish sticks in the United States is expected to

encourage stronger consumer demand for this product. Prohibitive tariffs of 20 and 30 per cent on uncooked and cooked fish sticks respectively prevent Canadian producers from exporting them to the United States.

### Salted Fish Exports Drop

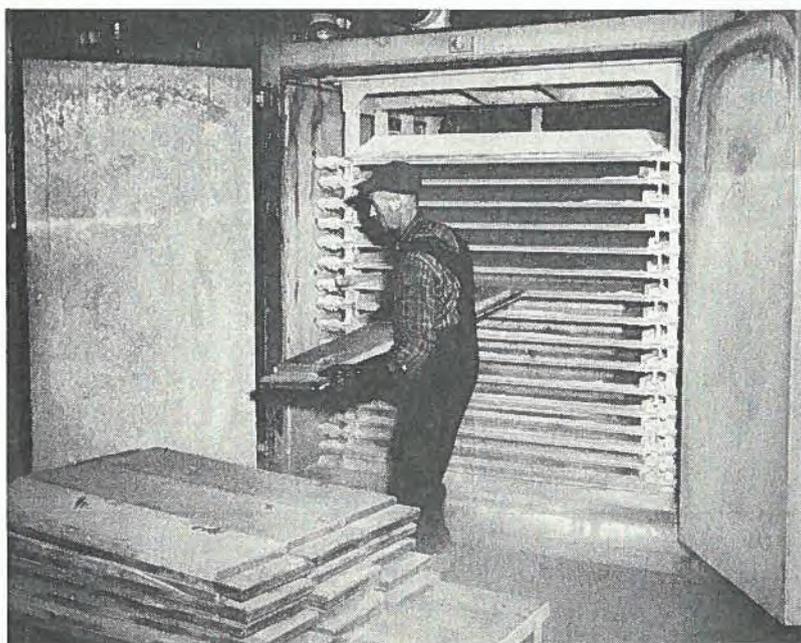
The overall quantity of salted fish exported during the year went down considerably. Shipments in 1956 reached 107.9 million lb. compared with 127.2 million in the previous year. Sales to the principal salt-cod markets of Puerto Rico and Jamaica, as well as to Italy, were smaller. However, Cuba bought larger quantities of salt cod and increased shipments of salted scale fish (hake, haddock, pollock, and cusk) went to the Dominican Republic, British Guiana, and Puerto Rico. Exports of boneless salt cod were also higher. The Dominican Republic and Haiti purchased larger quantities of smoked herring bloaters in 1956; overall exports of pickled fish (herring, mackerel, and alewives) were a little lower. Retail ceiling prices on salt cod are still in effect in Puerto Rico and Jamaica and were the direct cause of smaller sales to those particular markets. Brazil, formerly an important salt-fish market, did not buy any from Canada last year but continued to obtain its requirements from soft currency sources. But towards the end of the year there were encouraging signs that Brazil's trading policy towards Europe was tending towards multilateral trading. This may, if it develops further, help to bring the existing "agio" (or premium) on the currency of the other supplying nations more in line with

### Canadian Exports of Fisheries Products by Forms, 1952-1956

(total value in millions of dollars)

	1952	1953	1954	1955	1956
All Fish Products.....	117.21	114.39	132.65	128.84	133.71
Fresh and Frozen...	67.92	66.63	71.95	73.52	77.97
Whole or dressed	31.95	29.83	29.98	26.21	28.50
Filleted .....	20.90	21.39	26.67	29.05	31.10
Shellfish (in shell and meat) .....	15.07	15.41	15.30	18.26	18.37
Cured .....	25.54	22.27	23.34	23.94	22.84
Smoked .....	2.00	1.32	1.63	1.41	1.76
Bloaters and kippers .....	1.29	.88	1.20	0.95	1.23
All other .....	.71	.44	.43	0.46	0.53
Salted and Dried...	19.66	17.43	18.29	19.11	17.71
Cod .....	17.72	15.32	16.33	17.23	15.59
All other .....	1.94	2.11	1.96	1.88	2.12
Pickled .....	3.88	3.52	3.42	3.42	3.37
Herring .....	1.79	1.73	1.56	1.69	1.65
All other .....	2.09	1.79	1.86	1.73	1.72
Canned Fish and Shellfish .....	13.99	18.38	27.84	20.20	19.63
Salmon .....	8.14	14.65	23.97	16.24	14.98
Sardines .....	3.07	1.40	1.59	1.67	2.12
Lobster .....	2.35	1.97	1.92	1.84	2.07
All other .....	0.43	0.36	0.36	0.45	0.46
Miscellaneous .....	9.76	7.11	9.52	11.18	13.27
Meal .....	4.11	2.12	4.56	5.67	7.59
Oil .....	3.02	2.16	1.65	2.21	2.24
All other .....	2.63	2.83	3.31	3.30	3.44

the premium on United States dollars. During the past several years, it has been impossible for Canadian exporters to compete because of the wide differential in favour of the soft currency countries.



*These blocks of Canadian-caught frozen fish form the raw material for the popular fish sticks. A large part of Canada's fisheries exports to the United States now consists of these frozen slabs of cod and related species or ocean perch, ready to be cut to size, breaded, and precooked. Consumer demand for fish sticks is expected to remain strong.*

The trade agreements signed with Portugal and Spain in 1954 made dollars and licences available for the import of salt cod into these countries, although the price being paid by the Portuguese was too low to interest Canadian exporters. The last restriction on imports of salt cod into Italy was removed during the early part of 1956. However, intense competition developed from European producers who have built up their fishing fleets considerably in recent years.

As in the previous year, there appeared to be no excessive carryover of stocks of salt fish in the producing countries at the beginning of 1957. There should be a fair demand for normal quantities of salt cod in the various markets during the current year.

### **Canned Fish and Shellfish**

Exports of canned fish during 1956 totalled some 45.5 million lb. valued at \$17.4 million, as against 56.6 million lb. worth \$18.2 million in 1955.

In British Columbia the salmon pack was the smallest since 1944—only 1.1 million cases compared with 1.4 million in 1955. The sockeye pack was larger but the pink and chum output, particularly the latter, was poor. It was the low cycle year for pink salmon but a much larger pack of chum salmon was expected. Some of the chum catch was shipped to the United States in the fresh and frozen forms. World demand for West Coast salmon was keen and the packers endeavoured to supply the needs of traditional markets. The United Kingdom authorities announced an allocation of £3.3 million for c.i.f. imports of canned salmon from North America, the same as in 1955. The United States, New Zealand, Belgium and the Netherlands purchased significant quantities, and so did the various colonies in the British West Indies which were free of dollar restrictions. Australia and Italy once again provided allocations for canned salmon from Canada. The 1957 salmon pack is expected to be substantially larger than last year and may correspond more closely to the 1953 cycle, which produced over 1.8 million cases. Indications are that there should be a good sockeye run in the Fraser River and a good pink catch in southern British Columbia.

An encouraging feature was the larger 1956 pack of canned sardines; at 837 thousand cases, it was almost double the 1955 output. A few markets were still restricting imports of sardines from the dollar area for currency reasons. However, important quantities were shipped to Jamaica, South Africa, Trinidad, Cuba, British Guiana, Dominican Republic, Panama, Barbados, and New Zealand.

The lobster catch was larger in 1956. More of it was canned than in 1955 and the value of exports of lobster in the shell also increased. The United Kingdom Token Import Plan for the import of Canadian canned lobster

and paste, based on a past pattern of trade, was still operating. The United States took almost all the fresh and frozen lobster available and a large quantity of canned. Sweden, Belgium, West Germany, the Netherlands, and Switzerland were other markets.

The production of clams and oysters was down; output of scallops increased. The overall value of exports of shellfish, at over \$20.5 million, exceeded the 1955 figure.

### **Fish Byproducts**

Because of the phenomenal catch of West Coast herring off the Queen Charlotte Islands, the British Columbia herring industry experienced its best season on record. Almost all the catch was used for oil and meal, although some was put up in the dry salt and canned forms. The bulk of the herring meal was shipped to the United States; the Philippines and Venezuela were also important markets. Belgium and the Netherlands purchased smaller quantities.

Other types of fish meal, including the Atlantic coast product, were sold mainly to the United States and the United Kingdom. Herring oil was in demand in West Germany, the United States, and the Netherlands. Other fisheries byproducts shipped principally to the United States market included cod liver oil, whale oil, halibut liver oil, herring scales for the manufacture of pearl essence, fish solubles and skins. Most of our seal oil was sold in the domestic market.

### **Fisheries Exhibits**

Canadian exporters of fisheries products continue to take advantage of the facilities and services provided by the Department of Trade and Commerce for displaying fisheries products at international trade fairs, particularly in Europe. During 1957 fish will be among the products exhibited in Brussels and Vienna and in New York City. The display in the Canadian Showroom at Rockefeller Center will include all forms and types of fish: fresh, frozen, smoked, dried, salted, pickled, and canned, plus several byproducts. The exhibit should attract the keen interest of not only United States importers and consumers but also representatives of foreign governments and purchasing missions in the New York area.

### **Trade Meeting**

The annual meeting of the Fisheries Council of Canada will be held at the Seignior Club just outside of Ottawa, April 24-26, when members of the Canadian fishing industry from coast to coast will convene to discuss matters of mutual concern. Officials of the Department of Trade and Commerce will attend and will take part in several of the panel discussions on export trade in fisheries products. ●

## United States

# What the Midwest Imports

*Careful study of imports coming into the Midwest discloses Canada's predominant position in this market and the wide range of products we supply. A look at the goods which other countries market in this area may suggest further sales possibilities.*

G. A. NEWMAN,  
Deputy Consul General (Commercial), Chicago.

CHICAGO DERIVES great economic benefit from its strategic commercial location at the junction (by canal) of the Great Lakes and Mississippi waterways and close to the national centre of population and agriculture. The Chicago district switching yards handle about 45,000 freight cars in an average day and shipments move in and out of 247 trucking terminals. Railways and highways fan out to 20 states which contain 39 per cent of the manufacturing plants, 37 per cent of the wholesale houses, and 38 per cent of the retail stores in the entire country. And freight rates to these states are reasonable.

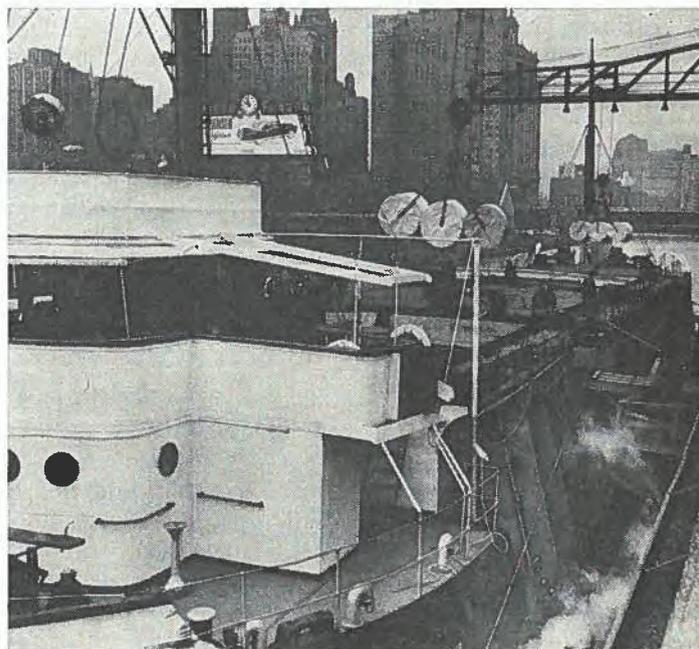
The metropolitan area of Chicago alone contains 15,000 industrial plants with a total production worth \$19.1 billion in 1955. These plants turn out products ranging from primary metals to the finest electronic equipment, with a particularly large output of foodstuffs, petroleum products, and transportation equipment.

### Sources of Imports

With production and distribution on such a vast scale, this area presents great opportunities for import trade. Reports from the seven main customs districts in the territory served by the Chicago Consulate General show that in 1955 the value of total, and Canadian, imports were as follows: Minnesota—total \$12,639,109 (Canada \$5,268,197); Duluth and Superior—\$185,951,007, (Canada \$185,862,313); Wisconsin—\$43,557,343 (Canada \$35,097,508); Michigan—\$636,674,951 (Canada \$613,353,322); Chicago—\$121,682,980 (Canada \$51,607,244); Indiana—\$3,622,320 (Canada \$2,548,700); St. Louis—

\$17,507,185 (Canada \$5,546,163). Of course goods passing through these customs ports may be destined for areas other than the Midwest. This is particularly true of the border customs ports such as Michigan, one of the main gateways for the movement of Canadian goods into the United States. On the other hand, reports from customs ports such as Chicago, Indiana and St. Louis are likely to cover imports destined for Midwest consumption.

In all these returns the predominance of imports from Canada is apparent. The value of foreign imports is reduced by the fact that many of the overseas goods for this area are cleared through Atlantic and Pacific ports. With these reservations, the statistical statement of imports in the customs port of Chicago is an interesting indication of the relative position of imports from Canada and selected overseas countries into the Midwest.



—Chicago Tribune  
Many Canadian products—these bales of newsprint are an example—move to the U.S. Midwest by water, using the Great Lakes-Mississippi system, joined at Chicago by canal.

FOREIGN TRADE

CHICAGO CUSTOMS PORT IMPORTS 1955

Country	Value
Canada .....	\$ 51,607,244
United Kingdom .....	16,170,037
West Germany .....	13,940,314
Switzerland .....	6,750,541
France .....	5,995,764
Italy .....	5,111,892
Netherlands .....	4,410,247
Sweden .....	3,938,799
Japan .....	3,916,411
Belgium-Luxembourg .....	3,576,704
Spain .....	2,480,063
Denmark .....	1,470,912
Norway .....	1,333,473
Austria .....	522,714
Israel .....	403,551
Ireland .....	54,314
<b>Total</b> .....	<b>\$121,682,980</b>

Such figures as these dispel the notion that Chicago and the Midwest provide only a modest market for imported goods. Through this single customs district more goods are imported from Canada than Canada supplies to any country in Latin America or in Europe—with the exception of the United Kingdom, West Germany and Belgium. Imports from European countries are also coming in in fairly large amounts.

**What Types of Goods?**

In examining the imports from the selected countries listed, a rough pattern of commodity classifications becomes apparent. Apart from products which are generally regarded as specialties of the country concerned (such as watches from Switzerland, steel products from Sweden and cutlery from Germany), manufactured goods from Europe and the United Kingdom can be classified as follows:

<i>Food Specialties</i>	Canned hams, sausage casings, cheese, marmalade, jelly, cookies, chocolate and sugar candy.
<i>Fish Products</i>	Sardines, prepared herring, etc.
<i>Spirits</i>	Whisky, wines, liqueurs, beer.
<i>Hides, Leather and Leather Products</i>	Upper and special leathers, footwear, gloves, luggage and specialties.
<i>Twines</i>	Baler and binder twine.
<i>Woollen Goods</i>	Sweaters, worsteds, outerwear, hosiery.
<i>Glass and Glassware</i>	Many types.

*Seeds and Bulbs* Garden, flower and grass seeds.

*Recreation Equipment* Bicycles, games equipment, musical instruments, toys.

*Machines* Automobiles and industrial equipment, some office and household equipment.

In addition, certain countries supplied quite heavy quantities of primary products for construction and industrial use.

For the most part the products are those which have a quality appeal, are reasonably compact, and can absorb rather heavy transportation charges.

**Canada's Trade Contribution**

Imports from Canada offer an entirely different picture. Close at hand, with more flexible and cheaper transportation, and with an abundant supply of raw and primary products needed in the Midwest, Canada supplies a much wider range of products than is feasible for any other country and in such volume as to put the trade between the two areas in a class by itself. When allowance is made for imports moving into the Midwest through Chicago and the other customs ports listed, it is safe to assert that this trade easily exceeds Canada's exports to any other foreign market with the exception of the United Kingdom.

The types of imports coming in from Canada are:  
*Wood and paper products*—Newsprint, hardboard, insulating board, paperboard, wallpaper, lumber, wood pulp, pulpwood, birch veneer, telegraph poles, red cedar shakes and shingles, pickets and palings, staves and hoops.

*Metals*—Aluminum, copper ingot and wire, nickel, lead, zinc, cobalt, iron ore, pig iron, steel rolling mill products, old brass, cadmium, platinum, selenium salts, tin dross and skimmings.

*Non-metallic minerals*—Petroleum, asbestos, cement, aluminous abrasives, magnesite brick, coke, nepheline syenite, salt, talc, quartzite.

*Agricultural and dairy products*—Barley, malt, rye, wheat, oats, hay, maple sugar, cattle, horses, canned hams, apples, blueberries, beans, hides, hair, casein, furs, grapes, peaches, pork, sausage casings, turnips and rutabagas, bread, sweet clover seed, fescue seed, alsike and brome seed, leather, brewers' grains, dried buttermilk, ergot, peat moss, lettuce, cucumbers, tomatoes, strawberries, loganberries, plums, apple cider, currant jellies.

*Other food products*—Whisky, beer, and a large variety of fish in filleted and canned forms.

*Chemicals and oils*—Ammonium nitrate, calcium cyanamide, synthetic rubber, chlorine, sodium and ammonium sulphate, herring and whale oils.

*Machinery*—Agricultural implements and machinery, aircraft, electric motors, sawmill, mining and various other types of machines, motorboat engines.

*Miscellaneous*—Binder and baler twines, pleasure boats, meters, pipe organs, footwear, rubber tires and tubes, rubber belts, hockey sticks, toboggans, bolts

and blanks, wool knit underwear, switches and fuses, therapeutic apparatus, wood forks and spoons, rosaries, ice skates, earthenware, silverware, doors.

The Commercial Division of the Chicago Consulate General has been expanded to deal with the increasing trade between Canada and the Midwest. Any interested Canadian firm should therefore write to the Deputy Consul General (Commercial), Canadian Consulate General, 111 North Wabash Avenue, Chicago 2, Illinois.



### Japan Floats a Machinery Fair

ON DECEMBER 16th, the S.S. *Nissho Maru*, 8,814 d.w.t., sailed from Japan on a three-month voyage to the South East Asian ports of Saigon, Bangkok, Rangoon, Colombo, Bombay, Karachi, Singapore, Djakarta, and Manila. The *Nissho Maru's* cargo of machinery was not unusual for a freighter, but the purpose of its voyage was. The ship had been converted into a floating trade fair, with its five holds remodelled to provide about 24,000 square feet of exhibit space, and dispatched on a sales mission to the South East Asian countries. It stayed in each port of call for two to three days.

The Japan Machinery Floating Fair was sponsored by the Japan Machinery Exporters Association with the support of the Ministries of International Trade and Industry, Foreign Affairs, and Transportation. Total cost of setting it up is estimated at \$750 thousand and much of this was given by the Japanese Government. Several hundred manufacturers contributed their products to the exhibits which included (scale models and miniatures were used where necessary): ships; rolling stock; machine tools; agricultural, electrical and wood-working machinery; motor cars; bicycles; precision instruments and optical equipment; textile machinery; sewing machines; plumbing fittings; equipment for office, mining, engineering, measuring, testing, printing, binding, paper processing, refrigeration, air-conditioning and transportation; and miscellaneous products of such associated industries as metals, textiles and chemicals.

## Fairs and Exhibitions

There is no doubt that the project was well-timed from the Japanese viewpoint, J. L. Mutter, Canadian Commercial Counsellor in Tokyo, believes. The closing of the Suez Canal and the consequent increase in price and delivery time of machinery from Europe afforded Japan a unique opportunity to demonstrate to the South East Asian countries what it is now producing. Japan's exports of machines and machinery have been growing steadily since 1953, Mr. Mutter writes, and reached about \$270 million in 1955. Exports to the South East Asian countries accounted for an estimated 28 per cent.

### Canadians Invited to Birmingham

FOR THE FIRST TIME, the British Industries Fair is extending an invitation to individual manufacturers in the Commonwealth to exhibit their goods. Previously, the BIF accepted exhibits only from United Kingdom manufacturers and Commonwealth Governments. Canadians interested in showing at the Fair, which runs from May 6-17, may still be able to arrange a display; the management will accept entries up to the opening date if the prospective exhibitor can arrange his exhibit in time and get a reference into the catalogue addenda.

The BIF is now staged in one huge one-floor building at 95 New Street in Birmingham. The site is next to the airport and railway station and city buses and trains arrive every few minutes. This is the first year

that the fair has been concentrated in Birmingham; in other years part of it was held in London.

The BIF is organized and controlled by the Birmingham Chamber of Commerce. The exhibits include consumer goods; hardware; building and heating products; electricity and engineering. Agricultural machinery, tractors and trucks, etc., are displayed outdoors. The fair authorities believe that an adequate display can be mounted for £19/5 (less than £1 per square foot), and this includes accommodation and meals for four persons.

For full information, write to the British Industries Fair, 95 New Street, Birmingham, England.

### Canadian Toymakers Show 1957 Lines

STRICTLY BUSINESS was the rule at the 17th Annual Canadian Toy Fair, February 25-March 1, and reports indicate that business was generally satisfactory. The public was not admitted to the two floors of exhibits in Montreal's Sheraton-Mount Royal Hotel and buyers were able to ponder their choice in comparative peace. Some 120 exhibitors of Canadian-made toys, games, dolls, wheel goods, sleds, toboggans and Christmas decorations were visited by buyers from all parts of Canada.



This Canadian-made truck transport delighting a small boy was exhibited at the Toy Fair held in Montreal recently.

APRIL 13, 1957

The Toy Fair was sponsored by Canadian Playthings Manufacturers Incorporated; only members were permitted to exhibit and they could show only toys made in Canada. The Association is developing a campaign to publicize Canadian-made toys and will stage a nation-wide window display contest this year. These displays of Canadian-made toys, playthings and decorations will be judged in three classes—national variety chain stores (more than 25 stores), department stores, and independent retail merchants. Prizes for each class are: first \$300, second \$200, and third \$100. The contest will close on December 31.

Production of the Canadian toy industry reached a new high in 1956, according to the president of the Association, and sales an estimated \$45 million.

### Art in Industry

TO PROVE THERE CAN BE ART IN INDUSTRY, the *Times* of Ceylon and the Standard Vacuum Oil Company sponsored an exhibition of advertising material in the Colombo Art Gallery a short time ago. The material displayed was obtained from Ceylonese companies and local agents of Canadian, Japanese, Australian and European firms.

The exhibition proved one thing—that, with two exceptions, the material from Canadian companies fell below the standard set by other countries. Most of the local agents complained that they received very little advertising material from their Canadian principals, compared with that supplied by manufacturers in other countries. Some of these make a practice of sending small quantities of advertising material with each shipment—such things as placards, showcards, newspaper mats and transparencies. Ceylon has an import duty of 35 per cent on advertising matter.

### Montreal Trade Fair

PREPARATIONS are in full swing for the first Montreal International Trade Fair. The fair will be held in the Show Mart from May 20-26.

### Coming in Europe

#### BELGIUM

*9th International Fair*, Liege, April 27-May 12. For information: M. Georges R. Pootmans, 970 Sun Life Building, Montreal 2.

#### FRANCE

*International Plastics Exhibition*, Oyonnax, May 9-14.

*47th International Trade Fair*, Paris, May 25-June 10.

*International Building and Public Works Exhibition*, Paris, June 27-July 7.

For information: Commercial Counsellor, French Embassy, 464 Wilbrod Street, Ottawa.

#### GERMANY

*2nd International Pastry and Confectionery Trade Fair*, Dusseldorf, May 4-12.

*9th German Handicrafts and Trade Fair*, Munich, May 15-26.

*International Building Exhibition*, Berlin, July 6-September 29.

*Offenbach International Leather Goods Fair*, Offenbach, August 31-September 5.

For information: First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street, Ottawa.

#### ITALY

*International Handicrafts Fair*, Florence, May 4-26.

*12th Mediterranean Fair*, Palermo, May 24-June 10.

*International Fair and Packaging Salon*, Padua, May 29-June 13.

*National Ceramic Exhibition and Competition (with international section)*, Faenza, June 22-July 7.

*International Fishing Fair—Fishing and Nautical Sports Exhibition*, Ancona, July 13-28.

*National Footwear Exhibition*, Civitanova, July 20-30.

For information: Commercial Attaché, Embassy of Italy, 172 MacLaren Street, Ottawa.

#### LUXEMBOURG

*9th International Fair, Luxembourg*, May 25-June 9.  
For information: Consul General of the Grand Duchy of Luxembourg, 4832 Western Avenue, Montreal.

#### NETHERLANDS

*4th International Packaging Exhibition*, Amsterdam, May 14-21.

*6th International Shoe and Leather Fair*, Utrecht, May 20-23.

*International Atomic Exhibition*, Amsterdam, July 1-September 15.

For information: Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue, Ottawa.

#### SPAIN

*35th International Samples Fair*, Valencia, May 1-20.

*25th International Samples Fair*, Barcelona, June 1-20.

For information: Commercial Attaché, Spanish Embassy, 149 Daly Avenue, Ottawa.

#### SWEDEN

*40th Swedish Industries Fair*, Gothenburg, May 18-26.  
For information: Secretary, Royal Embassy of Sweden, 720 Manor Road, Rockcliffe Park, Ontario.

#### UNITED KINGDOM

*5th Factory Equipment Exhibition*, London, April 29-May 4.

*Instruments, Electronics and Automation Exhibition*, London, May 7-17.

*National Children's Wear Association's 10th Trade Fair*, London, May 13-17.

*Scottish Radio and Television Exhibition*, Glasgow, May 22-June 1.

*1st International Clothing Trade Exhibition*, London, May 28-June 1.

*The Antique Dealers' Fair and Exhibition*, London, June 12-27.

*Safety and Factory Efficiency Exhibition*, Birmingham, June 14-21.

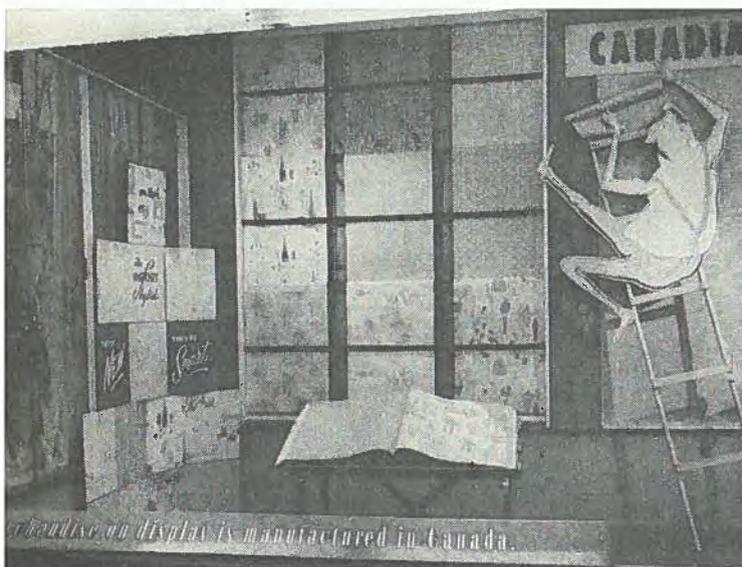
*Business Efficiency Exhibition*, London, June 17-27.

*Preview of Fabric Designs for Spring 1958*, London, June 24-28.

*4th British Plastics Exhibition and Convention*, London, July 10-20.

*10th Building Plant Exhibition*, Manchester, July 15-20.

For information: United Kingdom Senior Trade Commissioner, 56 Sparks Street, Ottawa.



The wallpapers exhibited at the Canadian Showroom in New York this month draw attention because of their design and colours. Even the amateur (right) is lured to try his luck.

# Canada Submits Brief on Trade

*Recently a Commission on Tariffs and Trade was set up to study the fiscal, economic, and technical problems involved in the possible creation of a Customs Union within the West Indies Federation, which comes into being later this year. The Commission, which must report within two years after the establishment of the federal government, is already at work. In March the Canadian Government submitted a brief to the Commission, reviewing various aspects of Canada-British West Indies trade. We publish the text of the brief below, believing that it will be of interest to many of our readers who are trading with this area.*

"THE CANADIAN AUTHORITIES are honoured that the Commission, under the chairmanship of Sir William Dawson Croft, has provided this opportunity to present their views regarding various aspects of the trade and tariff relations between the British West Indies and Canada. The Canadian authorities—indeed the Canadian public—have followed with great interest the various developments which are leading towards the establishment of a Federation of the British West Indies. Canada is most hopeful for the success of this new and important federation. In this connection the work of the Trade and Tariff Commission is of the greatest importance. The Canadian authorities wish to express their good wishes for the success of the Commission's deliberations.

"The Canadian authorities understand that the Commission is examining the various questions relating to the establishment of a Customs Union in the federating territories. In this connection the Commission will undoubtedly take into account the existing trade and tariff relations which the British West Indies have with other countries, including the relations with Canada. The Canadian authorities wish to take this opportunity to express in broad outline their views regarding Canadian tariff and trade relations with the British West Indies.

### How Present Agreement Works

"Trade between Canada and the British Caribbean, including the Bahamas and Bermuda, is governed by the Canada-British West Indies Trade Agreement, 1926. This Agreement provides that Bahamas, Barbados, British Guiana, British Honduras, Jamaica, Leeward Islands, Trinidad and Tobago, and Windward Islands shall grant certain prescribed margins of tariff preference to most Canadian goods. The Agreement

provides that the duties on Canadian goods may not exceed certain percentages of the most-favoured-nation rates of duties. The percentages vary in different countries; for example, they may not exceed 50 per cent in Barbados, British Guiana and Trinidad, or 75 per cent in Jamaica. This means that in Barbados, British Guiana and Trinidad, if the general (most-favoured-nation) tariff amounts to 10 per cent, the preferential tariff may not exceed 5 per cent; similarly in Jamaica the preferential tariff may not exceed 7½ per cent. For a few other products, notably flour, dairy products, meat, fish, apples, potatoes and alcoholic beverages, specified margins of preference which are set forth in the Agreement are granted to imports from Canada. Bahamas and Bermuda also grant preferences to Canadian products under the Agreement. Tariff preferences are provided for virtually every product imported from Canada.

"For its part, under the Agreement Canada grants free entry to most British West Indian products other than sugar, tobacco and spirits and bound margins of preference on virtually all dutiable imports, including sugar. The most important preference is that on raw sugar imported by refiners for refining in Canada. The bound margin of preference on 96° sugar is \$1.00 per 100 pounds and other raw sugar imported by refiners receives equivalent preferential treatment. Other important products for which preferences are granted by Canada are bananas, cocoa beans, rum, coffee and spices. In addition Canada gave a general undertaking that in respect of all goods not specifically enumerated in the Agreement, the duty on imports from the British West Indies would at no time exceed 50 per cent of the General Tariff of Canada.

"The 1926 Agreement also contained provisions regarding the steamship service between Canada and the area.

The shipping provisions of the Agreement are, however, no longer fully operative. Nevertheless, the Canadian National Steamships continue to operate an extensive service between Canada and the British Caribbean, Bahamas and Bermuda.

### **Effect on Trade**

"The Canada-British West Indies Trade Agreement of 1926 has undoubtedly encouraged the growth of trade. The following figures will indicate this growth. In the three years 1924, 1925 and 1926, before the present Agreement came into effect, Canadian imports from the area averaged \$19 million annually. In the three recent years 1954, 1955 and 1956, Canadian imports averaged about \$58 million annually. Although this trade would undoubtedly have developed to a considerable extent over such a long period, it is doubtful whether the present closeness of trading relations between the British West Indies and Canada would have been built up had the Agreement not existed. British West Indies countries are now trading very heavily with Canada. In 1955, for example, British Guiana exported more to Canada than to any other country, including the United Kingdom. Similarly, in 1955 Jamaican exports to Canada considerably exceeded those to the United States and were twice as great as those to all of Europe. Similarly, Trinidad exports to Canada in 1955 were twice as great as its exports to the United States. Generally speaking, Canada ranks as the second export market for most British Caribbean countries. Sugar is particularly important in this trade. Currently it amounts to about 50 per cent of Canadian imports from these territories. The Canadian authorities recognize that exports to Canada of bauxite by British Guiana and Jamaica and of crude petroleum by Trinidad are also important.

"Export trade to the British Caribbean, Bahamas and Bermuda is of special importance to Canada and the close trading relations which exist between the two areas provide an excellent basis for further expansion of this trade. While British Caribbean countries, Bahamas and Bermuda in 1956 ranked only tenth as markets for Canadian exports and took only some 1 per cent of total Canadian exports, as markets for manufactured goods they assume much more importance. In 1955 these countries ranked as Canada's third market for fully manufactured products. The important position which the trade in manufactured products has assumed is in considerable part due to the existence of the Canada-British West Indies Trade Agreement. Trade in foodstuffs, such as fish and flour, and other basic materials is also of traditional importance to other sectors of the Canadian economy, particularly to the Maritime Provinces. The importance of the British Caribbean to Canada was also enhanced during the Second World War when Canada assumed

the responsibility of supplying that market in the face of wartime disruptions of trade.

### **Importance of Reciprocal Concessions**

"The Canadian authorities recognize that the establishment of a Customs Union for the Caribbean Federation will in due course require the drawing up of a new trade agreement between Canada and the other parties, some of which would be in the Federation and some not. It is, of course, too early to anticipate in detail the pattern of such new trading arrangements. The Canadian authorities recognize that the structure of the present Agreement may need to be altered and that this would require a review of the extent and nature of the reciprocal concessions. The Canadian authorities wish to comment on the importance which is attached to these concessions.

"The non-British countries in the Caribbean area have in the past made a number of representations to Canada for reductions or removals of the existing tariff preferences extended to the British West Indies, particularly those relating to sugar and sugar products. Canada has, however, been able to maintain the preferences on raw sugar imported for refining in Canada and has limited the adjustments that have been made to items of lesser importance to the British Caribbean producers. Further representations on the sugar question may be received from the non-British countries in the future. Particularly would this be possible were the existing Trade Agreement between Canada and the British countries to be renegotiated. The Commission will no doubt wish to keep in mind these considerations in proposing ways and means of consolidating the tariffs of the territories constituting the Customs Union, and of renegotiating their commitments.

### **Some Tariffs Raised**

"In the last year or two the value of the tariff concessions which are extended to Canada under the Agreement have already been impaired to some extent. This has come about when various territories have raised tariffs in order to protect local industry and in doing so have reduced margins of preference below the amounts to which they are bound under the Agreement. This has happened in the case of various textile products in Trinidad, Barbados, British Guiana and in the case of other articles elsewhere. The Canadian authorities appreciate the difficulties of reconciling obligations which most of the British Caribbean territories have assumed under the Trade Agreement with their obligations under the General Agreement on Tariffs and Trade when tariffs are to be raised. Because of these difficulties Canada has not, up to the present, in the cases referred to, insisted upon the

precise degree of preference which is called for under the Agreement, even though the Canadian export position has suffered.

### Points to Be Considered

"The Commission will no doubt be giving careful consideration to the extent to which tariff protection will be employed in the Customs Union. The Canadian authorities fully appreciate the widespread desire in the area for a diversification of the economy through the building up of secondary industry. The Canadian authorities would hope, however, that industrialization in the area should not be forced by excessive protection. Economic growth in the area could be severely damaged in the long run were a high-cost economy to become established. Similarly, the external trade of the area could in the long run be inhibited and the trade of other countries, including Canada, could be seriously disrupted. The Canadian authorities urge the Commission to support the development of far-sighted policies in this connection.

"The Canadian authorities also wish to point out that the value to Canada of tariff preferences in the British Caribbean, Bahamas and Bermuda has been considerably reduced since the end of the Second World War by the existence of discriminatory import restrictions against dollar goods. At the same time, therefore, that the Caribbean countries have enjoyed preferred and unrestricted access to the Canadian market, Canada has encountered quite severe restrictions in her exports to the area. This matter has been of considerable concern both to the Canadian Government and to the Canadian business community. The Canadian authorities are anxious that these restrictions should be relaxed to the greatest extent possible and as soon as possible, so that the true potentiality of trade arising out of the reciprocal tariff concessions may be realized and also so that the British Caribbean and the other territories may benefit from the considerable advantages of obtaining more adequate supplies of dollar goods.

### The Canadian Attitude

"This submission has provided a broad and preliminary indication of the attitude of the Canadian authorities towards the Customs Union in the federating territory. They hope to be able to supply more detailed views and information as the work of the Commission proceeds. Customs Union is to be an essential element, possibly the most important economic element, in the new Federation. It is the hope of the many Canadians who are friends of the British West Indies that the Federation will be strong and prosperous. We look forward to continued strengthening of the commercial links which have for so long bound Canada and the British West Indies together."●

APRIL 13, 1957

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## French West Indies in '56

THE YEAR 1956 proved to be a poor one for Guadeloupe, largely because of the destruction wrought by the hurricane last August. In addition, a tidal wave damaged port installations, marine equipment, and fishermen's boats, and volcanic activity caused a partial exodus from the Basse-Terre region. Martinique, unaffected by these disasters, had a good year.

Guadeloupe produced 129 thousand tons of sugar from the last crop—37,000 tons over the quota allotted to it—and Martinique over 80,000 tons (10,000 over its quota). Normally excess production fetches a price 3,500 francs lower than the government-guaranteed price. However, because beet sugar output in France decreased, it is expected that all the sugar will be sold at the fixed price. Quotas for the next crop year, however, will not be increased. By the end of the "rum year" (March 31) about 8/10 of the quota for the two islands is expected to be sold, compared with 6/10 last year. Earnings from sales of blackstrap molasses for 1957 delivery should run to \$1 million, and the sellers may retain 25 per cent of this to buy essential goods from Canada and the United States. The price this year is 19.40 cents per U.S. gallon, compared with 7.65 cents in 1956.

Up to August 1956 Guadeloupe produced about 7,500 tons of bananas a month. Then the hurricane destroyed about 80 per cent of the plantations and caused an estimated loss of two milliards of francs on banana account alone. Martinique producers were not affected and realized good returns. Its banana crop this year is expected to be larger.

The hurricane also destroyed coffee, cocoa and vanilla trees; coffee output this year will not even meet domestic demand. Like the banana growers, planters are relying on four-year loans to finance rehabilitation work. Pineapple production is increasing and Guadeloupe is planning to build two processing plants.

The French Union continues to supply most of the islands' imports but restrictions on purchases from other areas have been eased slightly. Prospects are for a good year in 1957, with the sugar crop marketed at the fixed price, but with bananas bringing a lower return.

—G. A. BOYD,

*Honorary Commercial Agent, Pointe-a-Pitre.*

# Packing for Export

## ... Practices

*What methods do experienced exporters follow and what materials do they use?*

## ... Problems

*How do they protect goods against travel hazards but keep packing costs down?*

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

"WE ARE SORRY TO REPORT," said the letter on the export manager's desk, "that the last shipment of washing machines arrived in poor condition. The enamel surface on many of them was badly chipped and some had dents in the side because the crates did not stand up to rough handling."

"The wooden cases in which the small motors were packed," wrote an agent in Brazil to his principal in Canada, "landed in excellent shape. But when the cases were opened, several of the motors had rusted because of exposure to sea air. I would suggest better protection for the next shipment."

Many export departments receive letters like these, telling them about goods damaged in transit. The damage rarely results from uncontrollable hazards; usually it's the fault of careless packing. Several years ago the packaging committee of the Maritime Association of the Port of New York studied damage to outbound cargoes of 20 vessels owned by 19 different countries and plying 11 trade routes to all parts of the world. This study revealed that *poor packing was the cause of 65 per cent of the damage*, compared with only 15 per cent from bad handling during unloading, 10 per cent from lack of protection against pilferage, 7 per cent from careless stowage, and 3 per cent from rough loading. Damaged shipments increase export costs and lead to higher insurance and shipping rates; they also lose customer goodwill. Good packing

becomes more important as the scope of export trade widens and more highly manufactured goods move to overseas markets.

Export packing made tremendous strides during the Second World War and this progress has continued in the postwar years. Today the exporter has at his command new packing techniques, many types of new materials, and several sources to which he can turn for competent advice. Products ranging from completely-knocked-down vehicles to transformers and down to powdered milk and fragile electronic parts can be packed to reach a distant destination in top shape.

### Three Packing Principles

The packing department or the independent packer plays a vital part in an export business and can make efficiency pay off in cold cash. But the new exporter must learn about advances in this field and how to make use of them to protect his product on its journey.

To begin with, he should bear in mind the three principles of good export packing.

1. Good packing is "engineered" around the product itself and is an integral part of its design. "Your finished product," says one exporter, "is an article packed for shipment."
2. It protects the product against all reasonable hazards.
3. It is as economical as is consistent with safety.

A Canadian authority on export packing remarked to me that "the product itself tells you what to do with it." Examination shows at what points it needs to be protected, and whether humidity, rain, sea air or water, or changes of temperature will damage it. A refrigerator, for instance, must be cushioned against shock and protected from abrasion where it makes contact with the container; it must also be braced against shifting and vibration. Small motors need to be kept dry and away from corrosive substances such as salt air; eggs need to be protected from breakage and changes in temperature. One way to attack the problem is to have the designer of the product plan the shipping container or at least write the packing specifications.

### Protection against Hazards

Every product encounters certain hazards en route but these vary with the product itself, the method of travel, and the destination. Where is the shipment going, and is it travelling by air or by sea? How long will it be in transit? Will it have to be transhipped, stored or lightered at any point? What are the unloading facilities at its destination? Will duty be charged on the gross or the net weight? (To answer some of these questions, the exporter may have to seek help from his foreign agents or from the Trade Commissioners abroad.)

The chief physical hazards include rough handling during loading or unloading, shock, vibration or bumping during transit, careless stowage, and the strain imposed by "static loading"—piling one case on top of another in the ship or boxcar, on the dock, or in a warehouse. Port facilities bulk large in packing plans. If the goods go to ports where they are unloaded by machinery, they can be packed in large units. But if they are destined for, say, Leopoldville in the Belgian Congo, where human heads and hands take the place of lifting cranes and winches, they should be put up in man-sized packs. Coleman Lamp arranges its kerosene lanterns in 42 lb. packs when they are going to such ports. The Services specify 70-pound packs whenever possible for all overseas shipments.

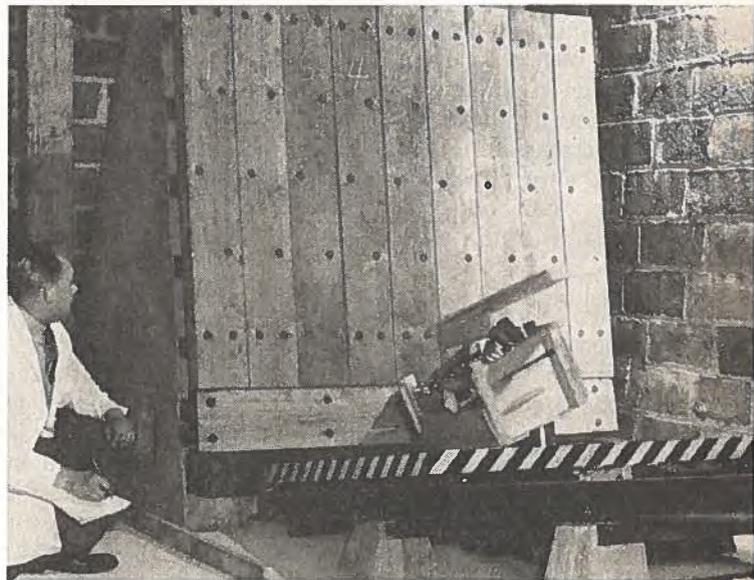
The methods of coping with these hazards are many. Perhaps the most important is selecting the container best suited to the purpose—lumber, cleated plywood, corrugated cleated container braced with wooden studs, wirebound wooden boxes, fibreboard drums, and so on. In shipping many types of machinery, blocking and bracing within the case become important; this prevents inside shifting and damage from vibration. Steel strapping gives added strength to a pack, particularly when it is stapled to the case. Cushioning materials such as cellulose fibre, styrofoam, rubberized hair and moulded pulp cut down on interior damage. Delicate products such as radar tubes may be put into a canvas sling mounted on springs inside the case.

Pilferage too is a physical hazard and protection against it a special problem. A recent British study showed that just under one-quarter of the losses sustained by British underwriters of marine cargo resulted from theft and pilferage. No shipping container is tamperproof but a poorly made one that splits or breaks under strain invites the thief. Steel strapping welded together or stapled to the case, seals and arrow-type clips, plywood cases that quickly show evidence of attempts to open them—all these help. A Canadian company has designed a spiral fluted nail—the "Ardox" nail—that thwarts the thief because it is almost impossible to draw it out of a case. U.S. exporters are also using this nail.

Chemical hazards in shipping includes water or water vapour, salt air, dust, variations in temperature, and so on. Some exporters, especially of highly manufactured goods, rate corrosion above rough handling as the primary shipping hazard and adopt special procedures to guard against it. At General Motors, for example, exposed engine parts are covered with a rust preventive before they go into the shipping case. Certain other parts are dipped into a solution of 50 per cent lanolin and 50 per cent naphtha, then wrapped in greaseproof paper; blue wadding goes over chrome parts and painted surfaces and mouldings are wrapped in wax-coated paper. All shipping cases are lined with waterproof paper.

### Corrosion May Cause Damage

The Armed Forces have laid down specifications for the packing of much of their equipment. These include



—Forest Products Labs.

This "inclined impact" (Conbur) machine consists of a short length of track (right) inclined at a 10-degree angle, with a rigid wall at right angles to it. Throwing an export pack against this wall at varying speeds tests resistance to impact.

## Training Packaging Experts

The most intensive packaging training program in Canada goes on in the Longue Pointe military area in Montreal. There the Joint Services have set up a unique Packaging School, primarily to train Army, Navy and Air Force personnel in the theory and practice of packing. Established in April 1955 after a trial course undertaken in the late fall of 1954, the School has conducted about 25 two-week courses with 15 students in each. In February 1957 the course was lengthened to three weeks.

Each class of students is drawn from the three services but also includes civil servants working with the armed forces or other government departments. Most of those selected bring with them at least some acquaintance with packaging problems. Under the guidance of instructors chosen from each service, they cover nearly every phase of interior and exterior packing in a series of 25 lectures, supplemented by demonstrations, exhibits, films, and tours. Nor is the course all theory—it entails laboratory work also. For example, the student is given an item to be packed and must select what he considers the proper cleaning, preservation and packing procedures, carry them out, and later justify his

choice. He may be handed several pieces of wood and told to put together a box according to specifications. He learns about packaging specifications, containers, water-resistant barrier papers, cushioning materials, blocking and bracing, car-loading, heat sealing, economy in packaging and many other subjects. If he passes the rather stiff examinations he receives a packaging diploma.

Industry—especially firms which handle defence contracts—has shown a good deal of interest in the school. As a result, beginning in March each course has included two civilians from industrial companies. Competition for these two places is stiff and for the present industries making equipment for the services which requires military packaging will have the priority.

Although the school itself is closed to most civilians, they can obtain an excellent publication on military packaging. It carries the resounding title "Methods of Preservation, Packaging and Packing of Military Supplies and Equipment", costs \$1.75, and should be ordered from the Canadian Government Specifications Board, National Research Council, Ottawa, Canada.

cleaning and preservative procedures, adding a desiccant such as silica gel, wrapping in the proper type of barrier paper or applying a hot strippable plastic coating, and lining the container with waterproof paper. Desiccants are important when the air sealed *inside* the pack must be kept dry in addition to the outside air being kept out. One important precaution against moisture is the use of properly seasoned lumber for the shipping case; green lumber may contain enough moisture eventually to corrode the product it encloses.

When dust is the hazard, open crates are the worst offenders. Some exporters have turned to a different type—a corrugated cleated container, with wood studs glued on to brace it and an inside frame. One manufacturer has shipped 75 washing machines to Peru in these crates without a single report of damage. Careful cushioning is of course necessary to prevent abrasion.

Shippers to certain areas may encounter other hazards. Insects may damage a pack while it is in storage or transit, or termites may make a nourishing meal out of a wooden box. Rats or mice may gnaw their way

inside. Main protection against such attacks is to treat the material used in shipping cases with chemicals that make them unattractive to insects, rodents, and other pests.

### Keeping Costs Down

The third principle in export packing is to keep costs as low as possible consistent with safety. Stiff competition today is forcing the Canadian exporter to watch all expenses carefully and packing sometimes accounts for 10 per cent of export costs. Poor packing that ends in a damaged product is poor economy. But just as a child can be over-protected, goods can be over-packed. This over-packing may be hard to detect because the goods arrive safely and no complaints arise. A veteran export packer says that "there is no use designing a crate that would withstand numerous specified hazards but which priced itself out of the market." The experienced shippers protect their products only against *normal* hazards.

Many of the advances in packing techniques in the last few years have been made by the Services and by

industries filling defence contracts. The Army, Navy and Air Force—unlike the ordinary exporter—must ensure that their equipment is so packed that it can be used at any time and under any conditions. Human lives may depend upon it. But the Services also take packing costs seriously. At the huge R.C.O.C. Depot at Longue Pointe, Montreal, all “technical stores” for the Army are handled and packed. Inventory includes many thousands of items at any one time, ranging in size from 60-inch searchlights and Centurion tanks to tiny electronic parts. The packing problems presented by the majority of these items have been studied and worked out, with economy as well as efficiency in mind. The cost of packing rifles, for example, has been cut by more than 50 per cent by redesigning the case and using a new preservative method. Similar research is carried out in Navy and Air Force depots. In Ottawa, a Joint Services Packaging Committee keeps packing problems and techniques under constant survey.

The “committee method” has gained favour in industry too. One Canadian General Electric plant which set up a packaging committee was able to cut the cost of its export packs from \$15.00 to about \$4.00. At Coleman Lamp, the method of packing space heaters was investigated and a new case designed that cost only half as much.

This continuous and careful review of packing costs constitutes the best way of keeping them low. This review could cover several fields:

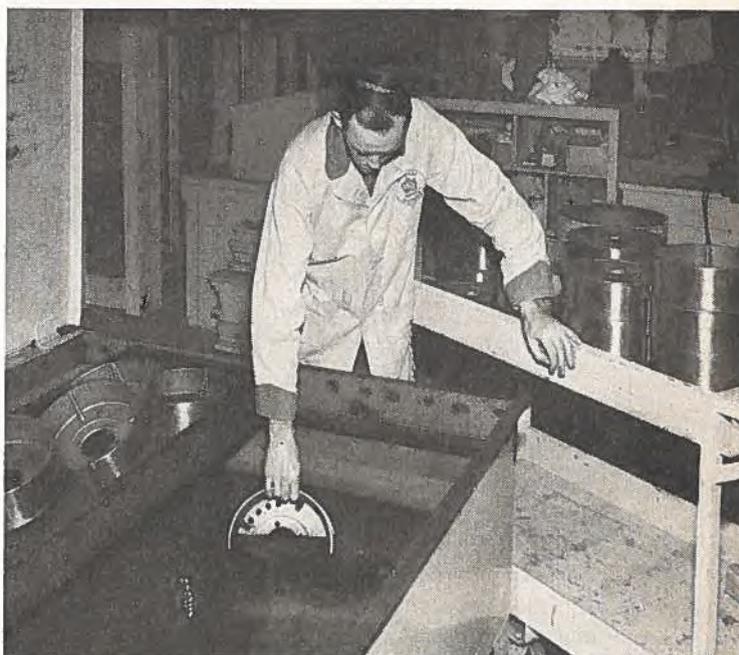
- *Labour Costs*—These can often be cut by streamlining operations and by making use of new techniques and devices. Good organization of a packing line in the plant will save time and waste motion. Automatic nailing machines for nailing wooden boxes, foam rubber rollers that speed up marking of cases, tape dispensers, automatic stitching machines, a device for welding steel strapping—all these are available. Once a year the Packaging Association of Canada puts on a Packaging Exposition in Toronto. Here the exporter may examine a number of machines or processes to expedite his packing operations.

- *Material Costs*—Finding and using the right material for each packing job—and using no more of it than is needed—is an important economy measure. Overpacking, for instance, may start with the exporter choosing for his shipping cases a heavier lumber than he really needs. Keeping down the weight and the cubic content of a case saves both materials and shipping costs.

One company changed from an enclosed crate to an open one, with the appliance inside adequately braced and padded, and saved \$4.00 per case. Sometimes the exporter can use less expensive panels in his crates with proper framing, or even resawn lumber. Or for certain cases he can switch from lumber to plywood or fibreboard.



—General Motors  
Before this crate containing automobile parts was packed, export boxing engineers decided on the size of the container and worked out a packing plan. As the final step in packing a thin layer of oil is sprayed over exposed parts.



—General Motors  
Bare metal parts need to be protected against rust before they are packed. Here a workman is dipping army-truck brake flanges destined for Karachi in a lanolin-ethyl solution. They are then drained in the wire-mesh basket at the left.

The new cushioning materials, such as cellulosic fibre and rubberized hair, should be investigated: they do a good protective job but they should be used as cushioning only and not wasted as space fillers. Some of the barrier papers (asphalt paper, foil or polyethylene laminated to kraft, aluminum foil laminated to scrim, etc.) protect efficiently against chemical hazards. But many of them are high-priced and selection of the right one needs care.

● *Efficient Use of Space*—Using every possible inch of space in a shipping container also saves money. Some companies, recognizing this, employ a boxing or packing engineer to work out exactly how each case is to be filled. I saw for myself what a “boxing engineer” can do when I watched the packing of completely-knocked-down automobiles at the General Motors plant in Oshawa. Not one inch of space in the big wooden cases is wasted. Gas tanks are taken apart and nested, to save room. Automatic transmissions go into a special crate with a grooved piece of wood inside that holds them securely. Fitted neatly underneath are small starting motors, each wrapped in protective paper. The larger three-ton cases, when they are packed, are an eye-catching lesson in space economy.

#### **How to Become an Expert**

The new exporter, aware that packing has made great strides, may well feel a little overwhelmed and may wonder where to turn for help. He might begin by studying some of the material on packing specifications.

● *Packing Specifications*—During the war export packing received concentrated attention from the Canadian Packing Committee, which published useful literature. Some of this work has been taken over by the Canadian Standards Association. The Association offers pamphlets on “Moisture Vapour Barriers—(Protective Packing)” (50 cents); “Nailed Wooden Boxes (Protective Packing)” (\$2.00); “Cleated Plywood Boxes” (75 cents); and “Skidding of Machinery for Shipment” (\$2.00). These can be obtained from the Association at 235 Montreal Road, Ottawa.

The specifications put out by the Canadian Government Specifications Board embrace a wider field and apply to the packing of goods on government order. They cover, for example, barrier materials of various types, cushioning material, case liners, desiccants, sealing compounds, excelsior, adhesives, and so on. The average exporter (unless he holds defence contracts) may find these specifications too detailed for commercial business but he can use them to check on his own packing materials and practices. He can write for a list of them to the Canadian Government Specifications Board, National Research Council, Ottawa.

● *Testing and Advice*—One division of the Forest Products Laboratories in Ottawa, a government enterprise, is continuously at work on export cases, studying how they withstand shipping hazards. Machines there simulate vibration in transit, impact and drops from a height, and test the reaction, stacking strength, etc., of various containers, methods by which sheathing is attached to a frame, and so on. The Laboratories stand ready to help the exporter with his shipping container problems and to test export packs for him. Those interested should write to or call on the Chief, Forest Products Laboratories, Department of Northern Affairs and National Resources, Pretoria and Metcalfe Streets, Ottawa.

Four laboratories in Canada maintained by private companies undertake to carry out for exporters the National Safe Transit tests. These, devised some years ago by individual carriers and the major carriers' associations in the United States, determine how well the product and its packaging stand up to vibration, impact and other shocks encountered in transit. Those which survive the tests in good condition receive the “Pre-Tested Safe Transit Shipment” label.

● *Packaging Problems*—The Packaging Association of Canada maintains committees that study many phases of packaging, and one that concentrates on export packing materials and methods. In addition, it sponsors the annual Packaging Exposition. Interesting articles on packing also appear from time to time in *Canadian Packaging*, a monthly magazine.

● *Other Sources*—Many Canadian companies manufacturing fibreboard or wirebound boxes, wooden crates, packing or cushioning materials, offer special advisory services to exporters or will design packs around their product. There are also a few packing specialists who will handle the entire packing job for a fee. This type of service is not as highly developed in Canada as it is in the United Kingdom or the United States.

#### **Common Sense First**

As time goes on, export packing becomes more scientific and the literature on the subject grows. But the exporter need not be awed by this. One of the outstanding authorities on packaging in Canada insists that “export packing is 90 per cent common sense.”

Begin with your product. Study it, learn how to protect it, modify the packing as experience dictates. Good packing will prove to be the best economy, and the time and trouble spent in achieving it will not be wasted.●

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*This article was the twenty-sixth in our current series on the techniques of export trade.*

# The Netherlands Plans

## Economy Measures

*To cut domestic consumption, make more goods available for export at competitive prices, and avoid balance-of-payments problems, the Netherlands Government has announced a number of economy measures. It is also revising farm policy to give greater aid to agricultural producers.*

B. C. BUTLER, *Commercial Counsellor, and*  
W. R. HICKMAN, *Assistant Commercial Secretary,*  
*The Hague.*

THE NETHERLANDS GOVERNMENT has recently taken a number of steps to reduce public and private spending within the country during 1957. The measures announced are expected to cut expenditures by 600 million guilders (\$125 million) and, by shrinking domestic consumption, make more goods available for export at competitive prices. They include economies in federal and local government purchasing and in long-term projects, deferment of non-essential business investment, and increased taxation coupled with removal of consumer subsidies on milk and sugar.

It is estimated that the 600-million-guilder saving will be achieved in the following way:

	<i>millions of guilders</i>
Central and local government consumption .....	85
Central and local government investments .....	140
Private business investment .....	100
Public consumption .....	275
	600

The announcement of these measures came as no surprise because it was forecast in the 1956 report of the Social-Economic Council made public last November. The Council includes among its membership some 45 representatives of business, industry, labour, wholesale and retail trade, banking, agriculture and other important sectors of the economy. Its annual report has come to be regarded as a reliable analysis of the national economic position, as well as an indication of trends of government policy in the social and economic fields.

The Council's report warned that since mid-1956, public and private consumption and investment had gone on at a pace that exceeded the country's earnings and that, although the national economy and business appeared to be healthy, some curbs would have to be applied to avoid seriously affecting the country's balance of payments. As a great trading nation, the Dutch realize their balance of payments with other countries is of paramount importance. The deficit at the time the Council issued its report totalled some 100 million guilders but, partly as a result of the disturbance to trade and shipping caused by the Suez crisis, it was estimated at over 500 million guilders by the end of the year.

To correct this, the Council recommended a program that would result in savings estimated at 700 million guilders. The Government's announced program is therefore somewhat less sweeping but it is expected to produce the desired improvement in the balance of payments. At the same time, the cost of living is expected to rise by 6.8 per cent during the year.

### Agriculture Aided

While general consumption and business investment are being checked by increased taxation, part of the additional revenue will be used to provide 90 million guilders of a proposed fund of 200 million guilders to give greater support to agriculture. This agricultural assistance will take the form of higher guaranteed prices and a 5 per cent increase in farm wages. The revised farm policy which the Government has submitted to Parliament for approval also incorporates measures for a net increase in the rental valuation placed on land and buildings. These are designed to offset inflated land values and allow for actual maintenance and replacement costs.

The formulation of guaranteed prices for the 1957 harvest is based on a farm income of 6,400 guilders for mixed farm enterprises of approximately 10 hectares, 7,200 guilders for dairy enterprises of approximately 18 hectares, and 8,200 guilders for agricultural enterprises of approximately 50 hectares. These amounts are calculated on the basis of total farm production, only about two-thirds of which comes

under guaranteed price systems. Farm income would stand to gain 125 million guilders from the new cost-price calculations and labour to receive an extra 25 million guilders in wage increases. An additional 50 million guilders would be blocked for the account of dairy farm owners from the guaranteed prices applicable to dairy products. This would be used as deferred compensation for the rental increase to which this group would be entitled under the new policy. In other cases, the higher rentals will be met directly out of prices received for the 1957 harvest.

Consumers would bear the cost of 60 million guilders of the new allocation through higher food prices. The balance of 140 million guilders would come from the agriculture equalization fund financed by state revenues. Provision for 90 million guilders to be raised by taxation is made in the new national budget. Coverage for the temporarily blocked funds of 50 million guilders, however, is not sought at present because this money will not be made available before 1959.

Further pressure on consumer prices will result from current cost price increases; this is provided for in the existing system of guaranteed prices. It is estimated that these increases will total 100 million guilders, of which 35 million will be charged to consumers each year. In addition, it is expected that consumer subsidies on milk and sugar, amounting to 75 million guilders a year, will be abolished as part of the reduction in national expenditure. This makes a total bill of 175 million guilders to be met by increased consumer prices. The combined effect would be to raise the cost-of-living index by about 2 per cent.

The proposed farm grant of 200 million guilders falls 150 million guilders short of the sum recommended last November by the Landbouwschap (the Netherlands Statutory Organization for Agriculture) for necessary farm policy reform. Although this grant is conditioned by government proposals to reduce overall national expenditure, strenuous objections have been made to the farm program on the grounds that this is inadequate. This may impede its passage through Parliament in its present form.

### Results for Trade

It is not expected that the new economy program will seriously affect Holland's imports, although the smaller purchasing power resulting from the various tax measures and curtailed investment is bound to influence demand to some extent. Dutch businessmen and trade associations are earnestly studying the probable influence of the Government's new program. Coupled with the probability that the European common market will become a reality—the ultimate implications of this for Holland are still uncertain—businessmen here have plenty to think about. ●

## Pharmaceuticals for Peru

IMPORTS OF PHARMACEUTICALS into Peru during 1955 totalled about Can.\$5 million in value—and more than half this amount was spent for patent medicines for internal use. Principal supplying countries in order of importance were the United States (over 50 per cent), Switzerland and Germany. Canadian exports totalled Can.\$67 thousand and were made up of antibiotics (\$2,771), medical preparations (\$29,345), and drugs and chemicals n.o.p. (\$34,912).

In the first six months of 1956, Can.\$4 million worth of pharmaceuticals were imported. Patent medicines made up over one-third of the amount and antibiotics, which in 1955 accounted for only 10 per cent of imports, jumped to 30 per cent of the total. Canadian sales to Peru in the first six months of 1956 amounted to \$40.8 thousand, with antibiotics up to \$4,666, medical preparations \$19,036, and drugs and chemicals n.o.p. \$17,164.

Pharmaceutical and drug products are imported into Peru under 78 tariff items, with duties varying from free entry for serums, vaccines, quinine and insulin to S./40.00 per kilo for various prepared medical products. All such products entering Peru must first be passed by and registered with the Ministry of Public Health. Although this usually takes some time, there is no restriction on imports of pharmaceuticals, with the exception of sulfathiazole preparations of all sorts. To avoid loss of trade names, the manufacturer must protect these names by legal registration.

Because a considerable portion of the sales are made to government agencies for the armed forces, state hospitals and public health programs, an active and well-connected agent is essential to develop a volume business. In addition, the compulsory registration of all products makes a local agent indispensable.

The domestic industry is relatively small and undeveloped. Although there are 35 laboratories listed, few of these produce more than basic and simple pharmaceutical and drug items. Some are on a very small scale and others simply compound and package imported bulk materials. Canadian producer-exporters who are finding increased competition difficult to meet might consider making use of the local industry's facilities to cut their landed costs.

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

# Indonesia's Trading Picture



*W. D. WALLACE, who has been Commercial Secretary in Djakarta for the past four years, begins a tour of Canada on the first of May. On this tour, he will be meeting Canadian businessmen and discussing with them problems of trade with Indonesia. Here he sketches current business conditions in that country and the*

*trading situation there. Mr. Wallace became a Foreign Service Officer in 1944 and has since served in Washington, in Lima, in Manila, in Tokyo, and in Djakarta. When he has completed his present tour, (please turn to page twenty-eight for full details) he will be assigned temporarily to duties with the Department in Ottawa.*

ECONOMIC CONDITIONS IN INDONESIA deteriorated rather rapidly during the latter part of 1956 and early 1957, reflecting the difficult internal situation in the country. Government borrowing increased and was accompanied by a sharp decline in foreign exchange reserves, despite the fact that total foreign trade for the year showed a small surplus. Efforts were being made to cut down imports and to stimulate exports. Agricultural output was just under the 1955 level but industrial production, with the exception of textiles, showed some improvement. A cement plant at Gresik will come into operation in May and two oil companies have begun an expansion of their operations which will involve an expenditure of some \$150 million.

## Export Surplus Expected

Although complete trade figures for 1956 are not yet available, indications are that the country will have a small export surplus. Exports for the year are estimated at 10,618 million rupiah and imports at 9,570 million. This would give an export surplus of 1,048 million, compared with 3,772 million rupiah in 1955. The decline was the result of large imports of rice, flour, textiles and salt, and a fall in exports of tea and rubber. Shipments of petroleum, tin, coffee and tobacco rose in value above 1955 levels.

The pattern of Indonesia's foreign trade changed little in 1956. The Netherlands, the United States, Japan, the United Kingdom, West Germany and Singapore remain the principal sources of Indonesia's imports and the main markets for her exports. Textiles (25 per cent of the value of imports), chemicals and chemical products (9 per cent), petroleum products (6 per cent), paper (4 per cent), rice (3.6 per cent), and iron and steel sheets (3 per cent), dominate imports; the chief exports are rubber, petroleum, tin, tea, palm oil and copra, which together account for over 80 per cent of the total export value.

## Trade with Canada Increases

For the third successive year, Indonesia's total trade with Canada will be close to the \$2 million mark. Canada's sales to Indonesia for 1956 are estimated at \$1.2 million; imports from Indonesia are estimated at \$1.1 million, compared with \$943 thousand for exports and \$1 million for imports in 1955. Canadian products going to Indonesia included motor vehicles and parts (\$383 thousand); gas engines and parts (\$168,275); plates, sheets and strips of steel (\$138,529); aircraft and parts (\$115,900); sparkplugs (\$84,354); sulphite pulp (\$46,455); tractors and parts (\$33,900); shoe-making machinery (\$29,823); newsprint paper (\$25,112); polystyrene and synthetic resins (\$22,796); radio equipment (\$17,428), and asbestos brake linings (\$14,732).

Principal products sold to Canada in the first eleven months of 1956 included crude rubber (\$604,637), palm oil (\$135,725), tea (\$116,770), kapok (\$82,373) cigar leaf (\$22,305), sago and tapioca (\$20,420), pepper (\$16,451), and hard fibres (\$7,582).

For the immediate future, Canada's exports to Indonesia will be largely confined to the same products exported during the past few years. The country's weak economic position—which is reflected in a shortage of foreign exchange, severe import controls and high import surcharges—offers little prospect for increasing present trade or for introducing new products. In addition, rising shipping costs from Canada and, in some instances, high Canadian prices will hinder any expansion of Canada's exports to Indonesia within the next few months. ●



## Commodity Notes

### Brazil

**ATOMIC REACTOR**—The United States Atomic Energy Commission has announced that it has granted permission to Babcock and Wilcox Company to export an experimental reactor to the National Research Council of Brazil for operation at the University of São Paulo. Parts of the reactor have already been shipped. Its cost is about \$2 million, of which the U.S. will provide \$350 thousand, plus the enriched uranium used. It should be in operation by June 1957—São Paulo, March 5.

### Chile

**COPPER**—The Caja de Credito y Fomento Minero which purchases and sells the minerals of the small and medium-sized Chilean mines has decided to suspend for an indefinite period all exports of ores and concentrates which were previously sent for refining to Germany and the United States. The rise in the cost of refining and in freight rates, combined with a drop in the price of copper, makes it more economical to refine at the National Refinery at Paipote (northern Chile). It is recognized that Paipote will not be able to deal with total production and that stocks will accumulate, but the plant is to be enlarged during the year.

Future exports are to be limited to copper precipitates and blister copper. Although the Caja will charge the same refining fee as overseas plants, the saving in freights will allow the purchase price to remain unaltered for the present. This in turn will help to offset the drop in the price of copper and will assist particularly the small-sized mines—Santiago, March 9.

### Finland

**PAPER**—Finland's total paper exports (excluding kraft liners) in 1956 are estimated at 940 thousand metric tons, an increase of 140 thousand tons over 1955. According to preliminary figures, exports of newsprint rose by 120 thousand tons to 590 thousand tons and exports of kraft paper remained at 140 thousand tons, approximately the same as in 1955. Exports of other paper are estimated to have increased to 210 thousand tons from 192 thousand

in 1955. It is expected that Finland's export capacity in paper will increase by about 100 thousand tons in 1957—Stockholm, March 18.

### France

**PULP**—Construction of a new pulp factory in southwest France has been announced. More than \$11 million will be invested in this factory, which is scheduled to come into production by the beginning of 1959. The plant will produce bleached cellulose from large stands of hardwood which are found in the southwest—Paris, March 15.

**AUTOMOBILES**—France is steadily increasing her export markets for cars. Production in 1956 rose to 827 thousand cars from 725 thousand in 1955; exports last year reached 152 thousand cars, compared with 130 thousand in 1955. This increase in sales abroad is expected to continue in 1957. French officials feel that their new car designs will enable them to compete successfully with British and German exporters in most overseas markets, including North America—Paris, March 15.

### Norway

**IRON ORE**—Norway's largest producer of iron ore, A/S Sydvaranger, which operates mines in the north of Norway near the Russian border, produced a record 1.1 million tons of ore concentrate in 1956. Shipments during the year were also a record at 1.2 million tons, of which 1.1 million tons were exported. The whole of the 1957 production, estimated at 1.05 million tons, has already been sold—Oslo, March 12.

### Philippines

**COPPER WIRE AND CABLE**—Three firms have formed a corporation to establish a factory near Manila in the next few months to make copper wire, cable and allied products. Capitalized at \$5 million the corporation is reported to be controlled by Phelps Dodge International Company of New York which will furnish the plant and technical skills, A. Soriano & Company of Manila, and Atlas Consolidated

Mining & Development Company, which operates copper mines in the Philippines and will provide the raw materials.

This factory is said to be the first of its kind in the Philippines, which has previously imported all its copper wire and cable—mainly from the United States but also from Canada, Japan and other countries. Depending on the capacity of the new plant and its range of products, there may still be a need for imports to meet the demands of construction and industry. There is currently no copper smelter or refinery in the country. Atlas Consolidated Mining Co. has contracted to buy a copper smelter refinery and an acid fertilizer plant from France. But until this is operating, copper for the new factory will have to be imported—Manila, March 14.

### Sweden

PAPER, BOARD—Swedish production of paper and board in 1956 expanded further to reach a total of approximately 1,580,000 metric tons, compared with 1.5 million in 1955 and 1.4 million in 1954. Particularly striking was the increase in newsprint production over 1955 by about 55,000 tons to 415 thousand tons. Production of kraft also rose by about 20,000 tons to 445 thousand tons. There was a small increase in fine papers, but sulphite wrapping declined slightly. Other products, such as greaseproof parchment and board, showed little change. Production capacity in the Swedish paper industry in 1956 increased by almost 100 thousand tons (6-7 per cent). Total exports increased from 830 thousand tons in 1955 to 915 thousand tons in 1956—a new record. This increase was principally in the newsprint and kraft paper categories; the United Kingdom, Sweden's leading market, bought about 200 thousand tons, 15,000 less than in 1955. Exports to West Germany, Sweden's second largest customer in this branch, increased to about 110 thousand tons, and French purchases were also up—Stockholm, March 11.

### Switzerland

WATCHES—Swiss watch exports in 1956 reached a value of 1,234.5 million francs, a 15 per cent increase over 1955's 1,077.0 million francs. The 1956 figures are an all-time high. The proportionately higher increase of 17.6 per cent for exported units indicates that the average price for watches has again decreased.

Most important increases were in exports to Asia (30 per cent) and North and South America (18.1 per cent). The European market absorbed only 8 per cent more and business with Africa decreased by 5 per cent and with Australasia by 27 per cent.

Although prospects for 1957 are good, there is some concern over the new decision on "adjustments" which may result in higher tariffs on watches exported to the United States, and over recent events in the Near East and in North Africa—Berne, March 8.

### United Kingdom

CHEMICALS—A United Kingdom firm has announced that two plants for the production of ethylene and ethyl alcohol have begun operations at Grangemouth. These units are part of a major development costing £8 million, which was announced in June 1955. The remaining units, not yet in production, are to produce butadiene and tetrapropylene—London, March 18.

### Venezuela

COFFEE—The Venezuelan Ministry of Agriculture disclosed that Venezuela exported 23,191,406.56 kilograms of coffee valued at bolivars 111,674,532 (one bolivar equals Can.\$0.2855) during 1956. Of the exports, the United States took 18,619,375.75 kilograms valued at bolivars 90,066,480.20, and was the largest buyer among the 13 countries which imported Venezuelan coffee last year. Canada bought 15,000 kilograms valued at bolivars 81,450—Caracas, March 11.

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### Insurance for Exporters

*Last year the Export Credits Insurance Corporation insured a record volume of business—\$54,777,665, according to its annual report published recently. Claims paid totalled \$1.56 million; most of them arose out of delays in payments because of difficulties in transferring foreign exchange from certain countries. The Corporation reported an excess of claims and expenses over premiums and interest of \$814,850. At the end of 1956, 198 policies were in force covering exports to about 80 different countries.*

### Visiting London This Summer?

*Canadian businessmen visiting Britain this summer should make their hotel reservations in London as early as possible, says a letter from the Commercial Counsellor in London. London is short of hotel space and it is sometimes impossible to get accommodation at all without asking for it well in advance.*

*The usual problem of obtaining rooms in the better hotels will be complicated this year by the convention of the American Bar Association which will be held in London from July 24 to 30. About 5,000 Americans will attend and this means that already there is practically no suitable hotel space left for that period.*



*A derrick hauls a Philippine mahogany log from the Pasig River that runs through Manila. The logs are floated downriver from inland forests or towed from the Southern Islands.*

# Philippines Develops Plywood Industry

*Growing mahogany plywood industry is looking for export markets, but faces stiff competition from Japanese producers who use Philippine logs. Canadian companies might investigate possibilities of selling machinery to plywood makers, who can usually import it duty-free at the present time.*

W. J. JENKINS, Vice-Consul  
and Assistant Trade Commissioner, Manila.

THE PLYWOOD INDUSTRY in the Philippines is largely a postwar development; before the war, logs from Philippine forests went largely to Japan to supply plywood mills there. From a mere three plants in 1945, with a total annual production of less than a half-million square feet, the industry here has grown to ten factories turning out about 100 million square feet a year. This year, it is expected, four more plants will come into production, bringing total plywood output to roughly 200 million square feet a year by 1958.

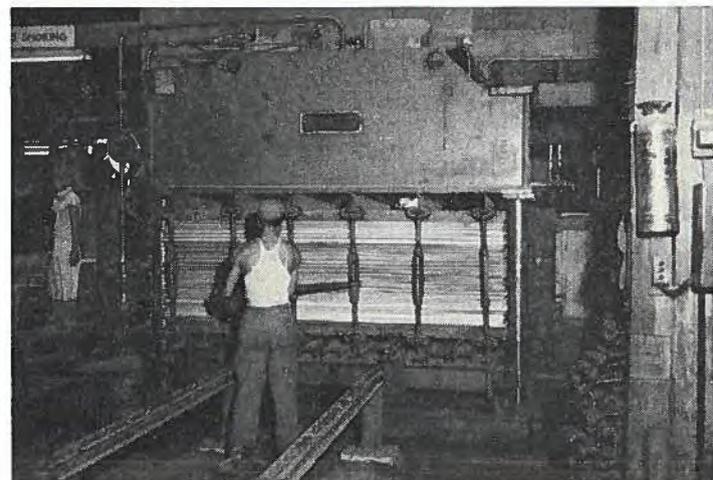
The growth in domestic use of plywood has kept pace with the growth in production. Currently Filipinos use about 90 million square feet a year, compared with only 20 million in 1950. This leaves only about ten million square feet for export. Imports are not permitted because the local supply can meet all demands.

## Looking for Export Markets

As their production expands, however, Philippine producers are thinking about new markets, particularly in the United States where they enjoy a tariff preference. In 1955, the United States imported about 627.9 million square feet of plywood (618.5 million of this was hardwood) and about 428.7 million square feet came from Japan, (all hardwood). The Philippines supplied less than one per cent. But about 95 per cent of the Japanese product was made from Philippine logs. In spite of the cost of shipping these logs to Japan, Philippine plywood sold in the United States in 1954 for about two cents a square foot more than the Japanese product. In 1955, the Philippines sold about US\$27 million worth of logs to Japan, of which about half were made into plywood.

Philippine plywood makers lament this use of Philippine woods in Japanese plywoods but log exports

*A Filipino worker places untrimmed sheets of Philippine mahogany plywood in an hydraulic press. Both hot and cold pressing methods are commonly used in the Philippines.*



remain unrestricted. Periodically, foresters and others raise cries to curtail shipments on conservation grounds but the operators can exert strong pressure to maintain the status quo. There has been no thorough survey to determine whether Philippine forests are being severely stripped, but serious floods at the beginning of 1957 were blamed on denuded forests. The Philippine plywood industry is enjoying a good domestic market and does not yet concern itself seriously with the export market. But as the industry grows, the Government will undoubtedly be under more pressure to control log exports.

Like other new and necessary industries in the Philippines, the plywood manufacturers have had government help in their growth. Plywood companies that have begun operating since the beginning of 1945 are exempt from all taxes for ten years or until the end of 1958, whichever is sooner. From 1958, or the end of ten years, these companies will pay an annually increasing percentage of tax until the beginning of 1963, when they become liable for full taxes.

#### Opportunities for Canadian Manufacturers

Most Philippine plywood makers import their machinery duty-free, which means that Canadian machinery manufacturers are on an equal footing with those of other countries. But the competition is severe because most of the machinery comes from American firms which are well represented here and whose names are known in this brand-conscious market. The Japanese have sold some machinery and the Germans are trying, but most Philippine manufacturers prefer United States machinery.

The three types of glue used—urea, phenol and melamine formaldehyde—are wholly imported at

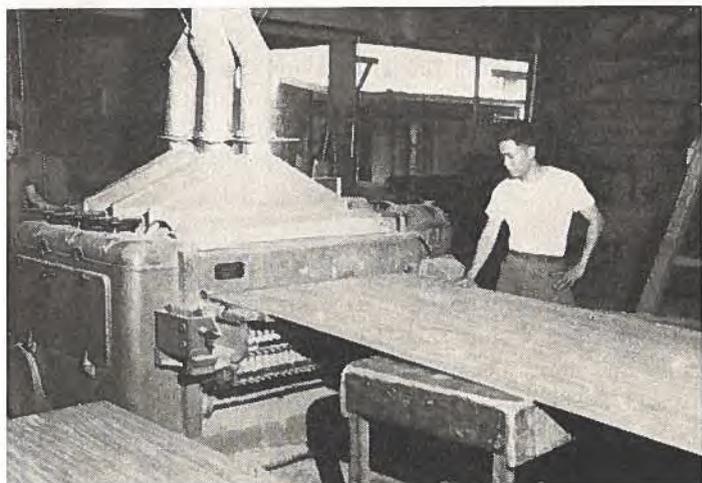
present. But the Borden Chemical Co. is building a plant in the Philippines to produce urea formaldehyde and later phenol formaldehyde. The plant, planned to turn out about ten tons per day on one shift, should begin operations this year. It is intended that it will eventually satisfy the entire Philippine demand for these glues.

#### Only Mahogany Plywood Exported

Philippine plywoods are made from about seven varieties of woods, but it is only the "Philippine mahogany" types that are exported. "Philippine mahogany" is a trade term for a number of closely related species found in Philippine forests that produce woods that are soft to medium hard, and light to reddish brown in colour. The most common varieties of Philippine mahogany used in plywood are white lauan and tangile; the less frequently used varieties are palosapis and mayapi. Most exported Philippine plywood is  $\frac{1}{4}$ ", predominantly in sheets of 4' x 8', although some 3' x 8' sheets are shipped abroad. Philippine plywood manufacturers generally produce only  $\frac{1}{4}$ " and  $\frac{1}{2}$ ", but can make up other thicknesses on request.

Philippine plywood-making techniques closely follow those of North America. One exception is that some local manufacturers cut rotary veneer logs dry, without the softening effect of a previous bath. This causes splitting and a high proportion of low-grade panels. There are four grades, A, B, C, D, with A and B the export grades. Grade A is clean one side; B is clean one side, sound knots permitted, and splits up to  $\frac{1}{32}$ " wide at one end permitted; C is open cracks; and D cracks through the entire thickness of the plywood. Although all manufacturers use these grades, grading

*A sander smooths a quarter-inch sheet of Lauan plywood in a Manila factory. Most of the plywood machinery used in the Philippines is purchased from the United States.*



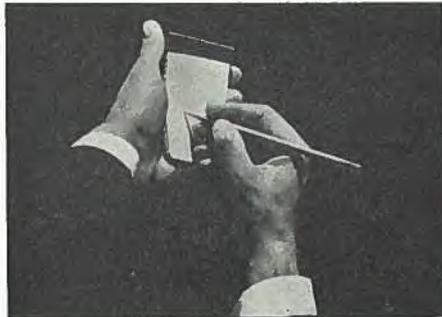
*Here strips of veneer are taped together to produce a plywood with a herringbone pattern. The woman on the left wears the traditional Philippine work-dress with high butterfly sleeves.*



standards are not strictly enforced. The average export price f.o.b. factory is US\$80 per 1,000 square feet.

Although the Philippine plywood industry is small, it is bound to grow as long as the Philippine Government continues its policy of encouraging domestic industries. However, unless it is able to reduce its production costs, it will have difficulty selling in export markets.

As the industry grows, some control may be put on log exports to Japan, but it is unlikely that the Japanese plywood industry will lack Philippine mahogany for some time to come. But if controls on exports to Japan were instituted, Philippine producers might well be able to compete in the U.S. market.



### Australia

**TIMBER PRESERVATION**—A United Kingdom firm has set up a subsidiary in Australia which will operate the country's first large-scale vacuum-pressure timber preservation plant. The impregnation process will extend the service life of Australian royal hardwoods and protect softwoods against attack by borers, termites and decay. Softwood timber is readily available but is not used extensively because of its low natural durability—Sydney, March 8.

### Belgian Congo

**ALUMINUM PROJECT STUDIED**—Examination of a proposed hydro-electric development at Inga on the Lower Congo is continuing. The four consulting engineering firms involved are to present the results of their studies not later than April 15, 1957.

Total power development, it is said, could reach from 20 million to 25 million kw. Much of it could be used for making aluminum, with bauxite brought from French Guinea, Ghana, or South America. The Syndicate Belge de l'Aluminum has been formed to study this project and has set up a study group called "Aluminga", consisting of European and North American aluminum producers. Aluminga is already at work on the problems which the setting up of an aluminum industry on the Congo estuary would involve—Leopoldville, March 16.

### Brazil

**CAPITAL INVESTMENT**—During 1956 there has been a great flow of foreign capital into Brazil; the

## General Notes

approximate amount of direct investments in all currencies is estimated at the equivalent of \$600 million. In addition, some \$200 million has been borrowed to re-equip and service railroads, purchase ships and modernize steamship lines, increase production of power, and expand oil-refining capacity—São Paulo, March 18.

**FORD EXPANSION**—The general manager of the Ford Motor Co. in Brazil has announced that his company will make one of the largest industrial investments ever made by a foreign firm. Direct investment in machinery and equipment will total approximately US\$16 million, and local expenditures on land, construction and purchase of equipment will reach approximately Cr.\$377.4 million. Total investment is equivalent to about US\$21 million. The Ford Motor Company's program in Brazil calls for the production of 8,250 trucks by the end of 1957 using about 40 per cent Brazilian material, and 30,000 trucks a year by 1960 using 90 per cent Brazilian material—São Paulo, March 15.

### Cuba

**GLASS FACTORY**—A glass factory is being erected near Havana by the Cuban affiliate of the Owens Illinois Glass Company. It is expected to be producing glass containers and drinking glasses by the end of 1957. The company will concentrate on these lines because the market is limited. This is considered to be the first truly heavy industry established in Cuba.

Eighty-five per cent of the raw materials (sand and lime carbonate) needed will be obtained locally and only sodium carbonate will be imported. The initial production target, aimed solely at meeting domestic demand, will be 72 million containers and drinking glasses a year, with an estimated value of \$5 million. Future plans call for expansion of capacity to make export possible—Havana, March 10.

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

**CASTOR OIL FACTORY**—A company has been formed to promote a new industry in the Federation—the growing of castor beans and production of castor oil, for which there is a world-wide demand. A site for the factory has been bought at Fort Victoria in the southeastern part of the Federation. Fifteen tons of a new hybrid seed developed in the United States are being imported for a start and this seed will be distributed to farmers in the vicinity. The company has guaranteed to buy the crop at a minimum price of \$81 per ton. Apart from its value as a lubricating oil, castor oil has a multitude of other uses, such as oil in paints, plastics and the manufacture of nylon—Salisbury, March 18.

### **Guatemala**

**BANK OF AMERICA OPENS BRANCH**—The Bank of America has announced the immediate establishment in Guatemala City of its first Latin American branch. The initial capital of the branch is reported to be Q1 million (1 quetzal=US\$1.00), of which Q250 thousand will be transferred to Guatemala immediately to open the commercial department. The remaining Q750 thousand will be transferred next year for the mortgage department. The Bank will accept deposits from Guatemalans and generally operate as an ordinary commercial bank under the laws of Guatemala.

Two other foreign banks already operate in Guatemala: The Bank of London and South America Limited, which has had a branch here for many years, and the Banco Popular de Colombia S.A., which set up a branch in 1955.

Banking and commercial credit facilities are extremely limited in Guatemala and the new branch of the Bank of America, with the resources available to it, should strengthen the country's economic base—Guatemala City, March 15.

### **India**

**NEW DECIMAL COINAGE**—On April 1, 1957, the coinage of India will change to the decimal system although the value of the rupee will remain the

same. Under the new system 100 naya paisa will replace the present 16 annas or 192 pies to the rupee. Changeover to the new coins will take three years, during which both the new and old coins will be legal tender; quotations, however, will be in rupees and naya paisa.

The existing eight-anna and four-anna pieces will retain their values as half rupee and quarter rupee, or 50 and 25 naya paisa respectively. For coins of two annas and below there are no exact equivalents in naya paisa and there will be a slight profit or loss in transactions when the total amount converts to a fraction of a naya paisa. This fraction will be rounded off by ignoring the fraction of  $\frac{1}{2}$  naya paisa and below and by treating more than  $\frac{1}{2}$  naya paisa as 1 naya paisa—New Delhi, March 14.

### **Sweden**

**CURRENCY IMPORTS BY TRAVELLERS**—The amount of Swedish currency that may be taken by travellers into and out of Sweden has been increased from 300 kronor to 1,000 kronor. Bills, however, may not have a higher denomination than 100 kronor—Stockholm, March 5.

### **Taiwan**

**TRADE BALANCE FAVOURABLE**—Taiwan had a favourable trade balance of US\$9 million for the period January–October 1956, according to an official Tapei report. This is substantially lower than the surplus in the same period last year. The report adds that Taiwan is now depending less on the export of farm produce and is stepping up its sales of industrial products. Exports of sugar and rice have fallen, but sales of hardware, wool and cotton yarns, coal, and citronella oil are significantly higher—Hong Kong, March 14.

### **United States**

**NEW BUILDING**—Between 1946 and 1956 some 8,326 new buildings were erected in New York City. This construction, valued at \$495 million, plus alterations to existing buildings valued at more than \$300 million, puts the total investment in building at over \$800 million and makes New York City the leading centre in the United States in industrial construction since the World War II. New office buildings contributed most, costing over \$200 million and adding more office space than the total in any city except Chicago. New factories came second, representing an investment of some \$77 million, and were closely followed by new stores at approximately \$76 million. Alterations and improvements accounted for expenditures of \$124 million on office buildings,

\$75 million on factories and \$38 million on stores—  
New York, March 20.

### Venezuela

**NEW OIL REFINERY**—The Venezuelan Government has disclosed that the oil refinery under construction in Moron will begin operations this year with a refining capacity of 3,000 barrels a day. This refinery forms part of the Government's 200-million-bolivar petrochemical industry development and will be the first state-owned oil refinery.

Besides the refinery, the development project includes: eleven plants to manufacture 150 thousand tons of fertilizers a year, a plant (already in operation) to produce 10,000 tons of chlorine and 11,200 tons of caustic soda a year, one to make explosives and fuses and one to manufacture insecticides, fungicides and weed destroyers, and a synthetic rubber plant.

In addition, byproducts from olefins and petroleum will be used to manufacture nylon and rayon fibres—Caracas, March 18.

### West Germany

**ATOMIC POWER PLANTS**—The West German Minister for Atomic Affairs has announced plans to establish 15 atomic power plants by 1970. Only by making use of atomic energy, he said, will the Federal Republic be able to close the energy gap of 25 billion kilowatt hours which, it is estimated, will exist by 1970. By that time, the Minister declared, the Federal Republic must have 15 atomic power plants, each costing DM 250 million. He added that, in addition to Karlsruhe, Munich, Cologne and Hamburg, West Berlin also is to become an atomic research centre. An atomic reactor for Berlin has already been ordered in the United States—Bonn, March 18.



## Trade Commissioners on Tour

*M. R. M. DALE, formerly Commercial Secretary for Canada in Cairo, Egypt, begins his Canadian tour in Vancouver and Victoria, May 13-24. His itinerary is:*

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

*W. D. WALLACE, formerly Commercial Secretary in Djakarta, Indonesia, begins his Canadian tour in Vancouver, May 1-10. His itinerary is:*

Winnipeg—May 21-22	Brantford—June 5
Toronto—May 24-31	Windsor, Walkerville—June 6
Hamilton—June 3	Sarnia—June 7
St. Catharines, Welland—June 4.	

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

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

### Tour of Territory

*M. B. BURSEY, Commercial Counsellor at the Canadian Embassy in Ciudad Trujillo, will visit Puerto Rico and the U.S. Virgin Islands for ten days to two weeks beginning April 14. Businessmen who would like Mr. Bursey to undertake assignments for them in either area should get in touch with him as soon as possible through his office in Ciudad Trujillo.*



## Trade and Tariff Regulations

### Ghana

**NEW FORM OF CUSTOMS INVOICE REQUIRED—**The Customs and Excise Department of the new Dominion of Ghana has outlined in a pamphlet the invoicing procedure covering shipments to that country. Included in the pamphlet is a specimen of the approved form of Customs invoice.

The authorities in Accra state that it is not proposed to insist upon immediate implementation of these regulations, since they realize that in most cases some reorganization will be involved, but they ask that steps be taken to comply with these requirements as soon as possible and, in any event, before July 1, 1957, after which invoices not so prepared will be rejected.

For the benefit of Canadian export trade, the Invoicing Procedure Pamphlet including approved form of new Customs invoice has been reproduced in full and is available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

### United States

**RESTRICTIONS ON ALSIKE CLOVER SEED TO BE INVESTIGATED—**On March 14th the President of the United States requested the United States Tariff Commission to make an investigation to determine whether, and if so to what extent, the modification of the trade agreement concession on alsike clover seed will remain necessary after June 30, 1957, in order to prevent or remedy serious injury or the threat thereof to the domestic industry producing like or directly competitive products.

The modification by the President of the trade agreement concession on alsike clover seed provided for in paragraph 763 of the Tariff Act of 1930 was made under the "escape clause" procedure, after investigation and report to him by the Tariff Commission. Under the original trade agreement concession, a reduced duty of 2 cents per pound was applicable to imports of alsike clover seed. Under the concession as modified, a tariff rate quota was established providing that during each of the twelve-

month periods beginning July 1, 1955, and July 1, 1956, the quantity of alsike clover seed which may be entered or withdrawn from warehouse for consumption, subject to the duty rate of 2 cents per pound, shall be limited to 2.5 million pounds, and that all such seed entered or withdrawn from warehouse for consumption in excess of that quantity during each of these periods shall be dutiable at the rate of 6 cents per pound.

In accordance with the President's request of March 14th, the Tariff Commission has ordered a hearing to be held on April 15, 1957, beginning at 10 a.m. in the Hearing Room of the Tariff Commission, Eighth and E Streets N.W., Washington, D.C., and the report of their findings is to be made to the President not later than May 15, 1957.

Parties desiring to appear and testify before the Tariff Commission at the hearings on April 15th should notify the Secretary of the Tariff Commission in writing at least three days in advance of the date of the hearing.

**CANADIAN COAL EXEMPT FROM IMPORT TAX—**According to Treasury Decision 54326 of March 21, 1957, coal, coke made from coal, and coal or coke briquettes, imported into the United States from Canada and entered for consumption or withdrawn from warehouse for consumption during the period from January 1 to December 31, 1957, will not be subject to the tax of 10 cents per 100 pounds prescribed in section 4531 of the Internal Revenue Code of 1954.

*Canada has always been exempted from this tax by virtue of section 4532 of the I.R. Code of 1954 which provides that the tax will not be collected on imports from a country which in the previous year imported more coal from the United States than the United States imported from it.*

*The Bureau of Customs has issued a circular letter advising all collectors of customs that, upon compliance with the regulations, they should release imports of Canadian coal, coke or briquettes without requiring a deposit of 10 cents per 100 pounds.*

# Head Office Directory

## *Department of Trade and Commerce*

<b>No. 1 Building, 375 Wellington Street*</b>	<b>Gov. Local</b>
Minister: The Rt. Hon. C. D. Howe, P.C., M.P. ....	2-0336
Executive Assistant: A. J. Stanton .....	2-0336
Deputy Minister: Wm. Frederick Bull .....	6-6748, 2-2326
Executive Assistant: A. W. A. Lane .....	2-2380
Trade Policy Adviser: H. R. Kemp .....	2-5151
Technical Adviser: G. D. Mallory .....	2-3819
Associate Deputy Minister: M. W. Sharp .....	2-2888, 2-5838
Economic Adviser: O. J. Firestone .....	2-4176
Assistant Deputy Minister: Oliver Master .....	2-2421

### **Administration Branch**

Comptroller-Secretary: Finlay Sim .....	2-2262
Administrative Assistant: Miss M. L. E. Jones .....	6-7411
Financial Assistant: S. B. Kayes .....	2-4312

#### **Personnel Division**

Personnel Officer: L. J. Rodger .....	2-5430
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#### **General Records**

Supervisor: C. Drolet .....	2-4980
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#### **Equipment and Supplies**

Supervisor: E. S. Brown .....	2-5011
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### **Economics Branch**

Director: V. J. Macklin .....	2-5658
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### **Trade Commissioner Service**

Assistant Deputy Minister: John H. English .....	2-2530
Assistant Director (Operations): J. A. Stiles .....	6-6800
Assistant Director (Planning) .....	6-8286
<b>Area Trade Officers</b>	
Asia and Middle East: Paul Sykes .....	6-8286
Commonwealth: R. R. Parlour .....	2-2144
Europe: L. A. Campeau .....	2-0436
Latin America: S. G. Tregaskes .....	6-7641
United States: D. M. Holton .....	2-5176
Assistant Director (Administration): J. H. Stone .....	2-5669
Western Representative: P. V. McLane, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE) .....	Pacific 7161
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland .....	2698

### **Commodities Branch**

Director: Denis Harvey .....	2-5417
Assistant Director: G. S. Hall .....	6-7163
Assistant Director (Export Promotion): R. V. N. Gordon .....	6-6519

\* Unless otherwise noted all offices of the Department are in No. 1 Building.

## Commodities Branch

<b>Transportation and Trade Services Division</b>	Gov. Local
Director: W. Gibson-Smith .....	6-6236
Adviser: T. G. Hills .....	2-5680
Transportation and Communications Section: H. A. Hadskis .....	2-2737
Traffic: D. H. Munro .....	6-7835
<b>Export and Import Permit Section</b>	
Chief: J. G. MacKinnon .....	2-3640
<b>Processing Officers:</b>	
Steel, non-ferrous metals, machinery, automobiles, chemicals, textiles, rubber, leather products: S. C. Cooke .....	6-6976
Lumber, forest products: L. M. Lang .....	6-6991
Imports and Office Supervisor: L. M. Lang .....	6-6991
Directories Section: R. Bedard .....	6-6681
B.W.I. Trade Liberalization Plan and U.K. Token Import Plan Section: G. L. Tighe .....	6-6905, 2-5670, 2-5680

### Commodity Divisions

#### Machinery and Metals Division

Chief: E. C. Thorne .....	2-4082
Assistant: W. L. Power .....	6-7546
Assistant Chief: J. M. Rochon .....	6-8422
Engineering Projects: R. A. Frigon .....	2-5207
Steel and Non-Ferrous Metals: J. M. Rochon .....	6-8422
Non-Metallic Minerals: R. P. Mulvihill .....	2-5823
Industrial Machinery: J. R. Johnson .....	6-7546
Electronic Equipment: D. L. Draper .....	6-6479
Transportation Equipment, Construction Machinery: G. W. Rahm .....	2-5159
Agricultural and Automotive Equipment, Aircraft: G. C. Clarke .....	2-3873
Miscellaneous Machinery .....	

#### Forest Products Division

Chief: J. C. Dunn .....	2-0273
Lumber and Manufactured Wood Products: J. C. Dunn .....	2-0273
Logs and Lumber Products: E. J. White .....	2-4863
Pulp, Paper, Pulpwood: M. N. Murphy .....	6-6974
E. J. Ward .....	2-5127

#### Chemicals Division

Chief: A. M. Tedford .....	2-5993
Oils, Fats, Miscellaneous Chemicals .....	2-5177
Pharmaceutical Products: G. A. Ferguson .....	6-6075
Petroleum, Organic Chemicals: T. V. Harquail .....	6-6075
Plastics, Heavy Chemicals: G. E. McCormack .....	6-7601

#### Consumer Goods Division

Chief: D. G. W. Douglas .....	6-6197
Assistant Chief: A. C. Fairweather .....	6-7815
Textile Fibres and Products: G. R. Poley .....	2-3004
Wearing Apparel, Linens: E. G. Gerridzen .....	2-5378
R. M. Josephson .....	6-7956
Leather, Rubber and Plastic Products: F. T. Carten .....	2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones .....	2-4160
Handicrafts, Chinaware, Jewellery, Photographic Equipment: P. E. Jensen .....	2-5337
Business Equipment, Radio and Television, Scientific Instruments, Hospital Equipment: W. L. Herman .....	6-6958
Hardware, Plumbing and Heating Equipment: D. C. Meyers .....	6-6383
Consumer Durable Goods, Electrical Appliances: W. H. Grant .....	2-3209
Beverages: A. E. Fortington .....	2-5859
Records, Statistics, Office Services: Miss M. E. O'Connor .....	6-8760

## Agriculture and Fisheries Branch

Gov. Local

Director: G. R. Paterson ..... 2-4301  
Assistant Director: S. C. Hudson ..... 2-3980

### Food and Agriculture Division

Chief: G. E. Woollam ..... 2-0914  
Furs: Geo. Hazen ..... 6-8269  
Grocery and Confectionery Products: E. B. Paget ..... 2-4161  
Livestock, Animal Products, Dairy and Poultry Products, Tobacco: K. L. Melvin ..... 2-3172  
Plant Products, Vegetable Oils: W. John O'Connor ..... 6-7523

### Grain Division

Chief: W. Van Vliet ..... 2-5830, 2-5648  
R. M. Esdale ..... 2-5830, 2-5648

### Fisheries Division

Chief: T. R. Kinsella ..... 6-7385  
J. M. Bellemare ..... 6-6350

## International Trade Relations Branch

Assistant Deputy Minister: C. M. Isbister ..... 2-2250, 2-4042  
Assistant Director: M. Schwarzmann ..... 2-2250  
H. V. Jarrett ..... 2-5642  
R. E. Latimer ..... 6-7594  
W. Lavoie ..... 6-6531  
Miss H. M. Spence ..... 6-7696

### Europe and Latin America Area

Europe: F. P. Weiser ..... 2-5642  
Latin America: A. M. Baldwin ..... 6-8727

### Sterling Area

United Kingdom: Miss H. K. Potter ..... 6-8469  
J. R. Downs ..... 6-6531  
Other Sterling Area: R. B. Nickson ..... 6-7594  
J. M. H. Davison ..... 6-7696  
Miss M. V. McCormick ..... 6-6531  
E. J. McMeekin ..... 6-8727

### United States Area

B. S. Shapiro ..... 6-8469  
J. B. O'Neill ..... 6-8469

## Industrial Development Branch

Director: B. R. Hayden ..... 6-7886  
C. D. Arthur ..... 2-4181  
G. P. Bourne ..... 2-5909  
G. A. Cooper ..... 2-4181  
W. M. Hall ..... 2-4143  
A. J. Wibe ..... 2-5909

## Information Branch

Director: L. H. Ausman ..... 2-2479, 6-6394  
Assistant Director: J. Fergus Grant ..... 2-2186  
Editor, *Foreign Trade and Commerce Exterieur*: Miss O. Mary Hill ..... 6-6588  
Information Officer: F. R. Hamilton ..... 6-6435

## Translation Branch

Chief: Emile Boucher ..... 2-2760

## Standards Branch West Block, Wellington St.

Director: R. W. MacLean ..... 2-2132  
Assistant Directors  
Electricity and Gas: E. F. Power ..... 2-2956  
Weights and Measures: C. S. Phillips ..... 2-2000  
Commodity Standards: O'Neill O'Higgins ..... 6-6721  
Precious Metals Marking, and Enforcement: W. L. Berry ..... 6-7075

### National Research Building, Sussex Drive

Supervisor, Standards Laboratory: W. J. S. Fraser ..... 2-2575

**Dominion Bureau of Statistics Holland Ave.**

Gov. Local

Dominion Statistician: Walter E. Duffett .....	2-2529
Assistant Dominion Statistician: J. T. Marshall .....	6-7695
Assistant Dominion Statistician: S. A. Goldberg .....	2-5458
Senior Research Statistician: N. Keyfitz .....	2-3562
Consultant on Classification: N. L. McKellar .....	2-3562
Chief Administrative Officer: C. Scott .....	6-7368
Agricultural Division	
Director: C. V. Parker .....	2-4774
Census Division	
Director: O. A. Lemieux .....	2-2088
Education Division	
Director: E. F. Sheffield .....	2-5933
General Assignments Division	
Director: H. L. Allen .....	2-4052
Health and Welfare Division	
Director: F. F. Harris .....	6-6651
Information Services Division	
Director: C. C. Lingard .....	2-0418
Industry and Merchandising Division	
Director: H. McLeod .....	2-2125
International Trade Division	
Director: C. D. Blyth .....	6-8340
Labour and Prices Division	
Director: H. F. Greenway .....	6-7424
Mechanical Tabulation Division	
Director: W. I. Moore .....	6-8232
Public Finance and Transportation Division	
Director: G. A. Wagdin .....	2-5396
Research and Development Division	
Director: F. H. Leacy .....	2-3071
Special Surveys Division	
Director: A. B. McMorran .....	2-5570

**International Economic and Technical Co-operation Division (Colombo Plan) No. 4 Building, Lyon St.**

Administrator: Nik Cavell .....	6-8495
Assistant Administrator: R. W. Rosenthal .....	6-8429
Capital Projects	
Chief: F. E. Pratt .....	2-0981
Technical Co-operation Service	
Chief: D. W. Bartlett .....	2-5542
Assistant Chief: J. T. Hobart .....	6-8662

**Canadian Government Exhibition Commission 479 Bank St.**

Director: Glen Bannerman .....	2-3558
Superintendent of Exhibits: R. L. Greene .....	2-3776
Chief, Design Section: T. C. Wood .....	2-3671
Assistant Chief, Design Section: G. E. Stranks .....	2-3682
Administrative Officer: A. D. Simmons .....	6-7818
Deputy Director Canadian Participation Brussels 1958: H. B. Scully .....	6-6795

**Export Credits Insurance Corporation Birks Bldg., 107 Sparks St., P.O. Box 655**

President and General Manager: H. T. Aitken .....	CE2-4828
Assistant General Manager: A. W. Thomas .....	CE2-4828
Secretary: T. Chase-Casgrain .....	CE2-4828
Economist: D. C. Taylor .....	CE2-4828
Underwriter: S. Garrett .....	CE2-4828
Credits Supervisor: C. A. Law .....	CE2-4828
Claims Supervisor: F. G. Reynolds .....	CE2-4828
Accountant: B. R. King .....	CE2-4828
Montreal Branch 607 St. James St. West .....	UN6-1268
Toronto Branch Rm. 1511, 55 York St. ....	EM4-5778

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 1.046.

# foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 29	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05311	18.83	(1)
		Free	.02360	42.37	
Austria	Schilling		.03677	27.20	
Australia	Pound		2.1328	.4689	
Belgium, Belgian Empire and Luxembourg	Franc		.01900	52.63	
Bolivia	Boliviano	Free	.0001281	7,806	(17)
British West Indies	Dollar		.5554	1.8	(2)
	Pound		2.6659375	.3751	(3)
	Dollar	British Honduras	.6665	1.5	
Brazil	Cruzeiro	Effective selling*			
		*Category I	.01671	59.84	*Feb. 28
		Category II	.01168	85.63	(4)
		Category III	.00927	107.87	
		Official buying	.0522	19.17	(5)
Burma	Kyat		.2007	4.98	
Ceylon	Rupee		.1999	5.	
Chile	Peso	Free	.001686	593.12	(15)
Colombia	Peso	Basic	.3824	2.62	(7)
		Free*	.1530	6.54	*Feb. 28
Costa Rica	Colon	Official	.1702	5.88	
		Controlled free	.1439	6.95	
Cuba	Peso		.9559	1.046	tax 2% (4)
Czechoslovakia	Koruna		.1328	7.53	
Denmark	Krone		.1384	7.23	
Dominican Republic	Peso		.9559	1.046	
Ecuador	Sucre	Official	.06373	15.69	
		Free	.05178	19.31	
Egypt	Pound	Official	2.7450	.364	(6)
El Salvador	Colon		.3824	2.62	
Fiji	Pound		2.4017	.416	
Finland	Markka		.004156	240.62	
France, Monaco and North Africa	Franc		.002732	366.03	(8)
French Colonies in Africa	Franc		.005464	183.02	(9)
French Pacific	Franc		.01503	66.53	(10)
Germany	D Mark		.2275	4.4	
Greece	Drachma		.03186	31.39	
Guatemala	Quetzal		.9559	1.05	
Haiti	Gourde		.1912	5.23	
Honduras	Lempira		.4780	2.09	
Hong Kong	Dollar	Free*	.1546	6.47	*March 15
		Official	.1666	6.	
Iceland	Krona	Official	.05870	17.04	(6)
		Special selling	.0343	29.17	(11)
India	Rupee		.1999	5.	
Indonesia	Rupiah	Basic	.08418	11.88	(12)
Iran	Rial	Certificate	.0126	79.24	
Iraq	Dinar		2.6766	.3736	
Ireland	Pound		2.6659	.3751	
Israel	Pound		.5311	1.88	
Italy	Lira		.001535	651.46	
Japan	Yen		.002656	376.5	

\* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 29	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.2987	3.35	
Mexico	Peso		.07648	13.08	
Netherlands	Florin		.2498	4.	
Netherlands Antilles	Florin		.5033	1.99	
New Zealand	Pound		2.6659	.3751	
Nicaragua	Cordoba	Effective buying	.1448	6.9	
		Official selling	.1357	7.37	
Norway	Krone		.1338	7.47	
Pakistan	Rupee		.1999	5.	
Panama	Balboa		.9559	1.05	
Paraguay	Guarani	Official	.01593	62.77	(6) (13)
Peru	Sol	Certificate	.05031	19.88	
Philippines	Peso		.4780	2.09	
Portugal & Colonies	Escudo		.03336	29.93	(14)
Singapore & Malaya	Straits dollar		.3110	3.22	
Spain & Dependencies	Peseta	Basic buying	.04365	22.9	
		Basic commercial selling	.0582	17.18	(6)
		Free	.02456	40.72	
Sweden	Krona		.1848	5.43	
Switzerland	Franc		.2231	4.48	
Syria	Pound	Free	.2667	3.75	
Thailand	Baht	Free	.04656	21.47	(6)
Turkey	Lira		.3414	2.93	
Union of South Africa	Pound		2.6659	.3751	
United Kingdom	Pound		2.6659375	.3751	
United States	Dollar		.9559375	1.046	
Uruguay	Peso	Free	.2485	4.02	
		Basic buying	.6289	1.59	(6)
		Principal selling	.4545	2.2	(16)
Venezuela	Bolivar		.2854	3.5	
Yugoslavia	Dinar		.003186	313.87	(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.

# Coming to Canada on Business

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

## ► from The Netherlands

T. HESSE, executive general manager, Allied Netherlands Textile Manufacturers, The Hague, an association of several leading textile mills, will visit Canada from April 8 to May 1. Purpose of his visit is to investigate sales possibilities for textiles produced by members of the association. Details of his itinerary are not yet settled but he will visit Montreal, Toronto, and Winnipeg. Anyone wishing to see him should write to the Consumer Goods Division, Dept. of Trade and Commerce, Ottawa.

## ► from New Zealand

J. SUTHERLAND, managing director of Self Help Co-op Ltd., Wellington, one of New Zealand's largest grocery chains, will visit Canada early in September. Main purpose of his visit is to see the Canadian National Exhibition in Toronto on September 5 and 6. He is interested in foodstuffs and grocers' specialties, packaging, and grocery merchandising methods. Mr. Sutherland will arrive in Montreal on Thursday, August 29, and leave for Toronto by train on the morning of Tuesday, September 4. In Montreal, Mr. Sutherland will stay at the Windsor Hotel and in Toronto at the Royal York.

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 Rhodesia and Nyasaland

T. PRINGLE-WOOD, director, and T. S. WILSON, sales manager, of the Bulawayo branch of W. C. Macdonald & Co. Ltd., Salisbury, will visit Canada

from May 1 to 10. The company is a well-established agency in the Federation, interested in general merchandise. Canadian firms may get in touch with these men through the Canadian Manufacturers Association in Toronto from May 3 to 8 and the Board of Trade in Montreal from May 8 to 10.

## ► from South Africa

W. NISSEN, of Messrs. W. Nissen (Pty.) Ltd., Cape Town, will visit Canada in August, arriving in Montreal on or about August 15. He is interested in obtaining sources of supply for hardware and electrical goods. His itinerary is not yet completed, but his forwarding addresses are c/o Belding and Corticelli Ltd., Montreal and c/o Red Ball Parking Meters Ltd., 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.

## ► from West Germany

HUBERT GIZA, purchasing and sales manager, non-ferrous metals division, Hugo Stinnes Industrie und Handel, G.m.b.h., Muelheim, Ruhr, will visit Canada this month to arrange for supplies of copper, nickel, lead and zinc. Mr. Giza is expected in Ottawa on April 16; his forwarding address is c/o Dieter Stinnes, Transocean Trading Inc., Montreal.

## Correction

In the March 16, 1957, issue of Foreign Trade, the Canadian address for K. P. Mehta, of Bombay, India, who expects to visit Canada in May, was given as the Canadian Importers and Traders Association, Toronto, Ontario. We now understand that this information is incorrect and no inquiries about Mr. Mehta should be addressed to the Association.