CANADA

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cover At Beaver Hall in the heart of London, buyers are attending an auction of Persian lamb skins from South West Africa. Note the spotters on each side of the auctioneer watching for bids. Over £20 million worth of skins are traded here each year, including nearly £2 million worth from Canada. For a report on London's postwar comeback as a leading fur market, see the report on page 2.

—Photo by Hudson's Bay Company.

London's Fur Market Revives

Imports of raw furs into Britain today have almost doubled the 1956 figure and London has recovered its prewar status as the world's primary fur market. Canada's sales have not regained the 1938 level because fox is less popular—but they are rising.

B. M. FILLMORE,
Commercial Assistant (Agriculture), London.

LONDON CONTINUES TO BE the world's primary raw fur market, although it is located far from the main producing countries. At Beaver Hall, within a stone's throw of St. Paul's, over £20 million worth of skins are bought, sold and re-exported every year. In 1956, to use exact figures, fur imports totalled £21.9 million—a postwar record and almost double the 1938 imports. The table below shows the countries from which these furs came.

IMPORTS OF RAW FURS INTO THE UNITED KINGDOM

	1938	*1954*	*1955*	*1956*
Canada	£ 1,881,513	£ 1,590,723	£ 1,858,587	£ 1,872,731
United States	1,730,726	2,679,087	3,188,374	2,183,851
U.S.S.R.	3,294,118	4,153,429	4,834,507	6,817,125
Sweden		759,079	886,625	777,416
Norway		386,837	553,383	563,350
Denmark		290,339	354,698	112,660
Iran	169,855	287,938	765,502	710,637
Afghanistan	1,658,878	357,268	426,925	1,001,996
South and South West Africa	374,222	4,593,902	6,314,768	5,836,587
Total	£11,350,037	£16,677,750	£21,722,865	£21,873,511

The table shows too how the pattern of the fur trade, interrupted by the war, has changed. Before 1939 fox predominated; mink has now replaced it and represents about 50 per cent of the market. Canada and the United States send to Britain mainly mink, beaver, muskrat, squirrel, marten, lynx, ermine and fox. From Russia come sable, marmot, ermine, muskrat, squirrel, Persian lamb and ponyskin; Scandinavia supplies chiefly mink. Principal sources of Persian lamb are Russia, Afghanistan, South and South West Africa; in 1955, Persian lamb imports reached over £2 million in value. Among the less important furs, South American countries send to Britain nutria and ocelot; Australia, sheep, rabbit, and opossum; China, weasel and kidskins, and France, Italy and Belgium, moleskins.

Canadian Sales Rising

The transition in public taste from fox to mink makes it difficult to compare Canada's prewar and postwar shipments of furs to Britain. In 1938, out of total Canadian sales to Britain of $8.2 million, fox skins were valued at $5.7 million. In 1955, when Canadian shipments totalled only $4.64 million, shipments of fox were down to $203,800; this decline was thus mainly responsible for the over-all loss in value. Taken on its own, however, the postwar pattern looks promising, with the total value of Canadian sales rising consistently except for a slight drop last year. Sales of mink have fluctuated but those of beaver have doubled in value since prewar, and muskrat continues to rise. The following table gives details.

CANADIAN EXPORTS OF UNDRESSED SKINS TO THE UNITED KINGDOM

(in Canadian dollars)

	1938	1954	1955	1956
Beaver	$ 504,535	$ 889,087	$1,052,094	$1,015,442
Fox	5,740,845	289,183	203,800	82,881
Mink	523,836	945,692	863,243	698,437
Lynx	146,797	54,181	139,800	49,645
Marten	235,819	51,917	57,490	39,572
Muskrat	834,636	1,045,407	1,234,748	1,323,427
Squirrel	....	564,747	879,700	580,057
Others	221,942	271,667	216,186	435,041
Total	$8,208,410	$4,111,881	$4,647,061	$4,224,502

Re-export Trade Is Vital

To a large extent, the United Kingdom's trade in furskins is re-export trade; out of about £22 million worth of skins imported in 1955, about £20 million worth were re-exported. In addition, £265,711 worth of furs produced in Britain were sold abroad. The markets to which skins were re-exported are listed in the table.

BRITISH RE-EXPORTS OF RAW HIDES, SKINS AND FUR SKINS*

	1954	1955	1956
Canada	£ 457,168	£ 1,015,454	£ 1,270,996
Australia	355,088	294,237	235,727
Other Commonwealth	103,856	177,357	258,299
Sweden	638,719	593,994	340,183
West Germany	4,483,020	6,159,021	6,470,038
Netherlands	253,614	402,309	381,258
Belgium	314,520	419,789	639,513
France	3,210,936	4,190,359	3,654,663
Italy	1,538,600	2,290,220	1,738,558
United States	2,594,600	2,887,207	3,802,030
Other Foreign	676,117	1,049,416	1,135,611
Total	£14,626,238	£19,479,363	£19,926,876

*Total value of hides and skins is something less than £1 million in each year, the remainder being fur skins.

The United Kingdom customs tariff admits raw furs-skins duty-free so that merchandise from all sources competes freely on the London market. In addition, the recent relaxation of licensing requirements for goods from dollar countries gives Canadian exporters of both raw and dressed furs an opportunity to re-establish many of their prewar connections.

How Domestic Trade Works

The £2 million of imported skins which remained in the country went largely to furriers for making into coats, trimmings and other articles. Some furriers have their own workrooms in which they produce garments for resale; others do little or no work on their own premises but employ "Chamber Masters", as they are known in the trade, to whom they supply processed skins, linings, and accessories to be made up into garments to their specifications. These Chamber Masters work on a fixed charge per garment. Made-up fur garments then go in quantity to the wholesale houses, or for higher class trade, to the department stores, individual shops and haute couture salons.

Purchase Tax Influences Sales

The fortunes of the British furrier since the war ended have depended to a large degree upon the purchase tax. In 1945 the Government introduced a "utility scheme" based upon stocks of certain named furs then in the country. Garments made up from these furs were taxed at 16⅔ per cent of the wholesale value, but purchase tax on fur garments of other types remained at 100 per cent. This concession accelerated domestic production.

A year later, allocations of furs were tied to the manufacturer's export performance, in the ratio of three for home trade to one for export; as a result, exports of fur garments trebled that year. This rise in exports was slowed down, however, in 1947, when the tax on utility garments was boosted from 16⅔ per cent to 66⅔ per cent, and the luxury tax from 100 to 125 per cent. Home production dropped to little more than half of the 1946 figure. In 1949 the tax was cut to 33⅓ and 100 per cent respectively.

Another change took place in 1952 with the introduction of the "D" scheme. Under this, the first £12 worth of any full-length garment was tax-free; the remainder was taxed at 100 per cent. The "D" scheme went out in 1955 and a flat tax of 50 per cent on the wholesale value of all fur garments replaced it. Subsequently the fur industry gained a concession with the reduction of the tax on rabbit and sheepskin garments to 5 per cent. This tax is operated by exempting brokers, merchants, manufacturers, dressers and dyers, and Chamber Masters. But as soon as a garment leaves this circle of the trade and is invoiced out, it becomes liable to tax of 50 per cent on the wholesale value.

The following table illustrates the fluctuations in domestic production and exports as a result of the changes in the purchase tax outlined above.

BRITISH FUR MANUFACTURERS' TRADE TURNOVER

Year	Home Trade	Export	Total
1945	£5,649,000	£ 184,900	£ 5,834,300
1946	8,296,000	565,200	8,861,200
1947	9,039,000	972,000	10,111,000
1948	5,394,000	1,185,000	6,579,000
1949	5,520,000	1,076,000	6,596,000
1950	5,442,400	1,369,000	6,811,900
1951	6,266,000	1,736,700	8,002,700
1952	6,177,600	1,588,800	7,766,400
1953	5,643,700	1,401,300	7,145,000
1954	6,664,300	1,683,000	8,347,300
1955	8,105,500	1,801,300	9,906,800

(These statistics do not include the 'personal export' scheme, which totals approximately £1.5 million a year.)

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How Furs Are Traded

Fur auctions in London date back to 1672, two years after the Hudson's Bay Company obtained its charter. Held in Mr. Carraway's Coffee House in Change Alley, "3,000 pounds of beaver skins, comprised in 30 lots" were offered for sale. The London fur auctions have continued ever since, except in time of war. Gradually, prices realized at these auctions became the basis for trading everywhere and other countries sent their furs to the London market.

Today the auctions take place at Beaver Hall; both the hall itself and the warehouse cold storage vaults are owned by the Hudson's Bay Company, which sells its own pelts and also disposes of consignments for other shippers. As much as £1 million worth of furs have changed hands at Beaver Hall in a single day.

The auctions are conducted by the auctioneer from his high rostrum, with "spotters" on either side of him. No skins are displayed in the auction room. Muskrat, squirrel and ermine are sorted in the auction warehouses by grades and types into "show bundles", which the buyers may inspect before the auction. These bundles are representative of the "lots" which make up a string, and may be a fair sample of over 20,000 skins which have been sorted and graded. For other types of skins, the buyers inspect all skins in a string. Skill in grading is most important; for example, there are 32 lettered grades of quality for Persian lamb.

Brokers import the bulk of the furskins traded on consignment and auction them at Beaver Hall to merchants from all over the world. There are scores of brokers and skin merchants, but only three main houses. The first handles Russian furs and Persian lamb; the second, Persian lamb from South and South West Africa and some Chinese skins, and the third, North American and Scandinavian wild and ranch mink and Persian lamb from South and South West Africa.

The furs are bought largely by commission agents or auction houses which sell them to merchants for re-export either raw, dressed or dyed. Some merchants and manufacturers also import skins direct.

Fur Breeding Becomes More Popular

Since the war, interest in breeding fur-bearing animals has grown and in 1947 the Fur Breeders Association was organized with 17 members, interested primarily in mink breeding. There are no official statistics, but the mink-breeding establishments in Britain are now believed to number about 400. Most of these are carried on mainly as an agricultural sideline but there are a few large fur farms which are self-supporting. A large number of war veterans released from the armed forces with gratuities went into the fur-breeding business; many of these ventures proved successful and led to imports of live mink from Canada. In the past ten years about 700 live Canadian mink have entered the United Kingdom, reaching a peak of 277 in 1949. Canada has thus played a large part in founding the British mink industry. The official census of January 1957 showed the number of breeding females in 198 establishments as 15,671 and the number of males 5,160. Allowing for spring births and for other mink not recorded, the mink population in the United Kingdom is estimated at about 40,000.

The county of Dorset has a good example of a successful venture in mink breeding that is paying off in dollars. The National Mink Farm at Wimbourne Minster was started in 1951 with 40 females bought from Canada. These formed the nucleus of the 2,000 mink the farm now carries and about 98 per cent of the skins produced are sold to dollar countries. At present, male pelts from this farm auctioned at Beaver Hall are priced at £7 and £16 ($18.76 and $42.88); female pelts fetch about two-thirds of these prices. This farm is now one of the largest in the country.

Selling is done through the Beaver Hall auctions, where these skins compete with Canadian, United States and Scandinavian output. The breeders are constantly striving to raise standards; at the annual Poultry and Livestock Show there are 33 classes for mink, with often some 800 entries, and the results demonstrate how much progress is being made. British breeders achieved international recognition by sending representatives to the International Fur Breeders Conference at Madison, Wisconsin, in September 1956. About the only other fur produced in the U.K. is moleskin, which Scotland raises in significant quantities.

Trade Is Important Asset

The market in furs is, of course, a sensitive one but the skill of the brokers, skin merchants and others in the trade ensures that the manufacturers and customers are supplied with the species and qualities of fur most desired. Because the majority of the furs are re-exported and earn foreign currency, London's re-emergence as a primary fur-trading centre has proved to be a valuable economic asset to Britain. ●

as the businessman sees it

The Middle East

-- a rewarding market

A recent trip took Mr. Sanford to Lebanon, Jordan, Iraq, Iran, Kuwait and Bahrain. Canadian exporters will be interested in his impressions of these markets and his down-to-earth comments on the possibilities of doing business in each.

PHILIP SANFORD,
Export Manager, the Arborite Company Limited.
—As told to O. Mary Hill.

LAST SPRING I paid my second visit to what I consider one of the most promising foreign markets—the Near and Middle East. From the time I landed at Beirut, Lebanon, on April 10 until I departed from Bahrain on May 1, I found many opportunities to do business and much to interest me. Thanks to air travel, in three weeks I covered Lebanon, Jordan, Iraq, Iran, Kuwait and Bahrain, though in some I spent only a short time. Most of these are free markets with good supplies of dollars and business worth going after—if your product is competitive. But they cannot be exploited effectively by sitting at home and depending wholly on correspondence.

Businessmen covering the Near and Middle East should, I think, follow my example and make Beirut their base. One of the loveliest cities in the world, Beirut is also the most important business centre in the whole area. The Canadian Trade Commissioner stationed here promotes trade in Iraq, Jordan, Syria, and the Persian Gulf area (Iran is covered by the Karachi office) and his help and advice are invaluable. Then too, most Beiruti agents have branches in Syria, Iraq and Jordan; in fact, a firm there can often handle distribution for the whole region. And from Beirut the visitor can get air transport to nearly all the main Middle Eastern cities.

Choose Agents First

I made my first tour of this area about two years ago, covering Lebanon, Syria and Iraq. The important thing to discover at first hand if you are selling a manufactured product in the Near and Middle East is whether the market is ready for it. If it is, you must find a good agent and convince him that you have a saleable product. Spend most of your time with him and go about with him, calling on wholesalers, distributors, and fabricators who may use it. Then go back a year or two later and check on the agent's performance and give him further encouragement. In choosing agents in the first place, I suggest following the advice of the Trade Commissioner. All of our company's Near and Middle Eastern agents were selected on his recommendation and all have turned out well.

The Lebanon and Syria

The Lebanon and Syria are markets which have a certain amount in common although, as far as our particular product is concerned, not too much. Admittedly, in both countries French is the second language and the agent expects to be supplied with French sales literature. The vital difference however is that the Lebanon is far more advanced than Syria; people there have a craving for the modern that works in favour of many North American products. Syria, on the other

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hand, is a lot farther behind and as far as many products are concerned, is hardly ready to spend dollars to import them.

The Lebanon is, of course, an entrepôt for the whole Near and Middle East. Beirut is a thriving centre. I find it important also to have a sales outlet in the other three sizable towns in the Lebanon—namely, Tripoli (80,000), Saida and Zahle (about 40,000 each). In Syria, any would-be exporter should not forget Aleppo which is a most important commercial centre.

In both these countries, and for that matter throughout the Near and Middle East, it is a wise plan to limit the number of distributors in any area to perhaps two or three, or four at a maximum. If you appoint too many, they lose interest. We have found that the agent himself prefers to stick with perhaps three first-class distributors rather than to spread the business too thin.

In addition to our straightforward distributors in the Lebanon, we have one working in the Beirut Free Zone, to which small dealers from neighbouring Arab countries and the Persian Gulf area come regularly to buy. We ship Arborite to this Zone, it enters free of customs duties, and in that way we service a number of smaller Middle Eastern orders.

I feel that it is worth drawing the attention of all exporters to the fact that it is usually wise to appoint as agents nationals of the country, or at least nationally constituted companies.

Payments present no problem in Lebanon or Syria; in fact, most of our Lebanese customers do business by letter of credit, even though we do not request it. Shipping is another matter. There are not enough fast direct sailings from Canadian ports to Beirut and none calling at Latakia, the main Syrian port. The one direct line from Canada makes so many stops en route that cargo takes too long to arrive. Most of my Lebanese and Syrian customers complain about this and frequently insist that we dispatch their orders through New York.

In both Syria and Lebanon, competition from the British and Americans is stiff. I also met many Germans travelling in this area and some Japanese. At the moment, of course, Syria is in financial difficulties. But I feel that it is a market worth watching and one that will recover.

One Day in Jordan

The Canadian Trade Commissioner on one of his visits to the Hashemite Kingdom of Jordan reported to us that a competitive American laminate was being sold there. He immediately recommended an agent in Amman and I arranged to visit this firm on this trip. Unfortunately, however, my visit to the Near East coincided with the political troubles in Jordan and because of the tense situation in Amman and the cancellation of air flights, etc., I was only able to spend one day in the capital. This I did and found it worthwhile because, even in that short time, I was able to give considerable help to our agent (whose appointment I officially confirmed) and to put him on the proper track.

Jordan is a relatively poor country and, to save dollars, a licensing scheme limits imports from dollar countries to essentials. Jordanian importers can buy dollars at a premium in Beirut and thus obtain goods outside the licensing regulations. Naturally, this is a price market and Canadian products *must be* competitive.

In Busy Baghdad

From Beirut I flew to Baghdad, capital of Iraq, which is to me the most interesting market commercially in this part of the world. As a market, it resembles Venezuela—rich in oil revenues, rich in dollars, and extremely competitive. Through its Development Board Iraq is making wise use of its oil revenues, spending money on new schools, roads, bridges, new Houses of Parliament, and so on. Any Canadian firm making products for the construction and allied industries should certainly try out this market.

Baghdad and Basra are the main commercial centres, but in setting up distribution, Mosul and Kirkuk should not be forgotten. A first-class agent who will select capable distributors is essential. Don't be disturbed if you find your Iraqi agents handling lines as diverse as building products, textiles and foodstuffs. This is a common practice all over the Near and Middle East, where few agents can afford to specialize.

Terms of payment in Iraq are sight draft; nine-tenths of the business is transacted in this way and payment is prompt. Moreover, one can still invoice in Canadian dollars. In the other Middle Eastern countries (particularly Lebanon) with which my firm does business, we have to invoice in U.S. dollars and absorb the loss on exchange.

Here, as in Lebanon, shipping may become a problem. There are no direct sailings from Canada to Basra and all shipments must go through New York.

Iran Still Difficult Market

When I finished my business in Baghdad, I decided to fly to Tehran and size up possible Persian demand for my product. In many ways, this is still a difficult market, with strict licensing regulations which are now being eased a little. The country is making a comeback from the effects of the long-drawn-out oil dispute but it cannot yet afford to allow imports of luxury or semi-luxury products. Terms of payment too may be difficult. I concluded that Iran would only be a small market for Arborite at the moment. Agents whom I interviewed wanted to work on the basis of consignment stocks only, paying as the goods were sold.

I should like to warn prospective travellers to Iran about the formalities of exchanging money. The visitor must change all the money that he brings into the country into Iranian currency at the government bank. When he leaves, he must account for every cent of it —and I mean this literally. It took me two to three hours to go through all these tedious currency formalities.

I spent longer than I had originally anticipated in Iran, partly because of the slow pace of business and also the religious holidays which I ran into. A traveller to Moslem countries should check up in advance on the numerous holidays, bearing in mind of course that Friday is the Moslem Sabbath. In Iran, for example, I understand that every year there are approximately 180 "holidays" or at least days on which one cannot work.

The Persian Gulf

My itinerary took me next to an area which, like Iran and Jordan, I had not visited before—Kuwait. First I had to return to Baghdad, however, because it is not wise to depart from Iran for Kuwait because of a long-standing disagreement between the two about the question of sovereignty over the Persian Gulf Sheikdoms.

Kuwait's quarter of a million people depend solely upon the oil gushing up from beneath the sands but they have more money than most Middle Easterners. It is an unusual market. Some time before my visit the Canadian Trade Commissioner obtained an agent for me there and we transacted business by correspondence. This was important because I went to Kuwait for four days as the agent's guest. The only accommodation for the traveller, in fact, is the guest houses maintained by the large merchants. Here again, I found that I could only do business in the evenings because the Kuwaitis, who are strict Moslems, were observing Ramadan.

Kuwait differs from other Middle Eastern centres because it is a quality rather than a price market. Its people are even able to buy luxuries and the shops are filled with all kinds of good-quality products. Here everything depends upon the agent; many of them maintain large staffs and have branches in Bahrain, Qatar, Muscat and Oman, and the Trucial Sheikdoms. Many of the traders and their employees are Indian: Kuwait was once administered by the India Office in Great Britain and Indian influence remains strong; the currency is the Indian rupee.

Our Kuwait agent has a branch of his organization in Bahrain and I flew over to this small island in the Persian Gulf to meet him and brief him on the uses of the product. Unlike Kuwait, Bahrain is distinctly English in character and, as a free port and transit centre, with a free exchange market, well worth a call. Visitors stay at the BOAC guest house, the only accommodation. Some Bahrain firms have well-established connections on the Saudi Arabian mainland and can introduce new products there. They customarily transact business on sight draft.

My General Impressions

At Bahrain my tour of the Near and Middle East ended. On the way back to Canada I was able to sort out my impressions and evaluate these markets. My considered opinion after two visits is that these countries offer excellent sales opportunities if these are properly pursued. By this I mean, in the first place, personal contact. In Arab lands these contacts are more important than almost anywhere else—in fact, it is scarcely possible to introduce a new product without them. Next in importance comes a good agent. But even the best agent cannot sell a product that does not stand up to price competition or one for which the market is not ready.

A word about sales aids might be helpful. I have found for our product that a stereoscopic viewer plus a set of slides in colour showing the product in use is the best sales tool, and each of our agents is equipped in this way. We also supply samples, display boards, and point-of-sale material. In foreign advertising, we divide the advertising budget among the various markets and expect the agent and/or distributor in each to put up an equivalent amount. Most of it goes for newspaper advertisements, especially in Lebanon, Iraq and Kuwait. At all times we rely upon the agent's advice about the spending of this budget. Recently we have yielded to pressure from the agents in this particular area and supplied them with small "giveaways".

To me, the Near and Middle East is a price-conscious, competitive, different, and often difficult market. Yet many companies, like my own, have found that sales efforts there bring results. More Canadian businessmen should travel in this fascinating region and put this statement to the test.

Capital investment in the Middle East in 1955-56 centered largely in the petroleum industry, according to a recent UN survey of economic developments in that area. The 1955 investment in petroleum reached $210 million and the 1956 figure is expected to be about the same. Direct revenues received by Middle Eastern Governments from the petroleum industry rose from about $680 million in 1954 to an estimated $880 million in 1955 and $940 million last year. Internal consumption of petroleum products is rising by about 10 per cent a year.

how to Trade with Taiwan

Prospects for Canadian exporters to Taiwan are promising, as the island's exports increase and substantial U.S. aid continues. But selling there demands constant study and attention and the services of experienced agents. Here is a report on this market, based on first-hand investigation.

C. M. FORSYTH-SMITH,
Trade Commissioner, Hong Kong.

CONTINUED LARGE AMOUNTS OF UNITED STATES FUNDS for military, commercial and technical aid and increasing earnings from a rising volume of exports combine to make Taiwan attractive as a potential market for Canadian goods. Export earnings in 1956 reached some US$130 million; United States aid amounted to about US$97 million. Under the Taiwan/Japanese trade agreement, approximately 60 per cent of imports financed with non-aid exchange must originate in Japan, and agricultural products under support programs in the United States and financed with aid funds must originate in the United States. All other aid-financed imports may be purchased from any source, provided prices are not out of line with world prices for similar goods. In 1956, of total commercial imports worth US$229.1 million, US$64.3 million came from Japan and US$18.3 million from the United States. The remaining US$146.5 million originated from other sources. It should be borne in mind, however, that not all the foreign exchange available is hard currency; funds for possible imports from all dollar countries probably total some US$70 to US$80 million.

Industrial Development Impressive

Canada's share of Taiwan's total imports in the past has been small—only .69 per cent of the total in 1955 and .61 per cent in 1956. Despite the percentage decrease in 1956, over-all exports from Canada rose and my belief is that a study of market requirements by Canadian suppliers, particularly of industrial raw materials and chemicals, would produce results. Agriculture is still by far the most important activity but industrial development on the island has been impressive. Both light and heavy industries are expanding under the impetus of government investment, United States aid, and a limited amount of investment from abroad. Some of the industries in operation include aluminum production; oil refining; shipbuilding; manufacture of plastics, pulp and paper; textile spinning and weaving; tobacco manufacturing; sugar refining; production of vehicles, chemical fertilizers, chemicals, automobile spare parts, canned fruit and vegetables, synthetic fibres, handicrafts, and many other products. The fields of power development, transportation and

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If You Want to Sell in Taiwan . . . .

- *Investigate opportunities there for raw materials and equipment needed in industrialization program.*
- *Appoint a capable agent, who can watch for government tenders and quote promptly, and who has connections in both government and trade circles.*
- *Pay a personal visit to this market when you are travelling in the Far East.*
- *Quote in U.S. dollars whenever possible and on proforma invoices, showing F.O.B. prices and freight separately.*
- *Be prepared to conduct business on letter of credit.*
- *Correspond with agents, etc., in English and by airmail.*

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communication have seen much progress. These developments require a steady and increasing flow of industrial raw materials and chemicals.

Official policy has been one of strict austerity and import licences are granted only for goods of direct importance in the build-up of the economy and of military power. In general, consumer goods may not be imported and the emphasis is increasingly on raw materials and capital equipment. This trend is expected to continue and, as local production increases, progressively larger percentages of Taiwan's imports will consist of these items. Thus opportunities for Canadian materials should improve.

Trading Difficult and Specialized

In considering this market, it must be emphasized that trading in Taiwan is an extremely complicated and specialized business and requires a good deal more attention than in most other markets. Government enterprises represent an important segment of the economy both in the fields of production and services and imports for these enterprises are large. The Central Government's purchasing authority, the Central Trust of China, does the private procurement for the various Central Government agencies and state corporations. It also handles public procurement under ICA, usually by open tender. It is of course possible for overseas suppliers to quote direct to the Central Trust of China, but it is preferable to appoint local agents and let them do the quoting. Such agents are able to obtain details of requirements before the publication of tenders and are often able to acquaint end-users with the particular equipment they are offering—with the result that tenders may sometimes be written around a particular producer's product. The Central Trust of China prefers to deal through local agents because this enables its officers to clarify expeditiously any points not covered clearly in a written bid. Where modifications or alterations are required, these changes can often be made without the delay involved in corresponding with overseas suppliers. Moreover, the Trust likes to do business with Chinese nationals on the spot, who can be held responsible for the proper fulfillment of contracts. Quite apart from its function as the government purchasing office, the Central Trust of China also buys on behalf of private enterprises on request and thus handles a very large volume of imports.

The other important government trading organization is the Taiwan Supply Bureau, which operates at the provincial level in much the same way as the Central Trust of China does at the national level. Its purchases, though large, are considerably smaller than those of the Central Trust of China. In dealing with the Taiwan Supply Bureau, as with the Central Trust of China, local agents are advisable.

—Hamilton Wright

These modern mail-boxes were made in Taiwan and are now ready for distribution. Aluminum fabrication is one of the industries which has been successfully established on the island in the last few years.

Business with Private Importers

Apart from purchases by these two Bureaus, a large volume of trade is done by indent agents and manufacturers' representatives. Import quotas are allocated to registered importers and end-users every two months and pro-forma invoices must be submitted with applications for import licences. The system of import licensing and foreign exchange allocation is complicated and is made more so by the multiple exchange rate system in operation. Canadian suppliers interested in the market would be well advised to locate experienced agents with adequate connections in government as well as trade circles. Unlike many countries in receipt of United States aid, Taiwan is relatively well developed both industrially and agriculturally and there are many highly trained and able administrators, engineers and technicians both in government and in private enterprise. Thus overseas exporters are not faced with difficult problems in locating agents with trade and technical experience such as they often encounter in attempting to trade with some of the less developed countries of Asia.

Obviously the most satisfactory approach to any market is a personal visit and Canadian businessmen travelling in the Far East should include Taiwan in their itineraries to assess possibilities at first-hand and to look into the question of suitable representation. An increasing number of Canadian businessmen have visited Taiwan over the past year and in general, they report favourably on the results.

Taiwan still depends heavily on United States aid to keep her economy viable, build up her industries, carry out her agricultural programs, and at the same time maintain her large armed forces, estimated at about 600 thousand. Strenuous efforts are being made to reduce this dependence by increasing production and exports. These efforts have achieved a large degree of success and during the first six months of 1957, exports rose some 30 per cent over the same period of last year. This trend should continue. The two principal exports are sugar and rice, most of which go to Japan and are probably of little interest to Canada. Other goods offered, however, and which may interest Canadian importers are oranges, hog bristles, feathers, tea, canned pineapple, camphor, citronella oil, textiles, bamboo furniture and handicrafts. Individual traders in Taiwan are particularly anxious to increase their exports because under the Government's policy they are permitted to retain a percentage of export earnings which can be used to import goods otherwise prohibited. The increase in exports to date indicates that in general Taiwan export commodities are competitive in price and in quality. Canadian importers would be well advised to investigate Taiwan as a source of supply.

Swiss Investors Look to Canada

The Swiss have surplus capital to put into promising enterprises and private investors, banks and trusts are now showing great interest in Canadian securities.

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

SWISS INVESTORS have contributed a substantial share of the foreign capital which has flowed into Canada in recent years. At the end of 1956, when nearly one-third of new investment in Canada came from foreign sources, it was estimated that Swiss interests held Canadian securities worth $500 million —or about $100 for each person in Switzerland. Not included in this figure is direct Swiss financing of industrial companies in Canada—particularly in the fields of engineering, cement, foodstuffs, chemicals, and pharmaceutical products. Some of these are new industries created by Swiss immigrants; others are subsidiaries of Swiss manufacturing companies.

Swiss capital exports result not only from internal surpluses but from sizable imports of capital attracted to Switzerland largely because it has a freely convertible currency and a reputation for money management. The extent of this capital inflow is best illustrated by the fact that in 1956 new holdings acquired in the United States alone corresponded to the total for individual savings in Switzerland.

DISTRIBUTION OF HOLDINGS OF SWISS INVESTMENT TRUSTS AND FOREIGN INVESTMENT TRUSTS WITH AGENCIES IN SWITZERLAND*

(in 1,000 Swiss francs)

	Switzerland	*United States*	*Canada*	*Other*	*Total*
(A) Swiss Investment Trusts in Securities	194,707	698,210	250,051	146,577	1,824,500
(B) Swiss Investment Trusts in Real Estate	534,956	——	55,744	N/A	785,410
(C) Foreign Investment Trusts	292	52,218	66,887	6,565	125,962
Total	729,954	750,428	372,682	153,142	2,006,206

NOTE: Readers interested in names of investment trusts and details of their holdings should write to the Commercial Counsellor, Canadian Embassy, Berne, or the Department of Trade and Commerce, Ottawa.

*On December 31, 1956.

Capital inflow increased considerably toward the end of 1956, resulting in a surplus of private capital movements of more than S.Fr.300 million* for the year. Switzerland is an important creditor of the United States, Latin America, the Union of South Africa and several Western European countries, as well as Canada. Swiss income from foreign investments (S.Fr.515 million in 1955) nearly equals returns from the tourist industry and thus helps to offset the deficit which occurs most years in the Swiss trade balance.

How Money Is Invested

Purchase of Canadian securities either directly or through Swiss banks is the main way that Swiss capital finds its way to Canada. The Swiss banks show keen interest in Canada and two of the largest ones established affiliate companies in this country in 1951. A third bank maintains an office in Montreal mainly to administer its investment trusts. Swiss investors can also purchase Canadian securities on their local stock exchanges; three well-known Canadian stocks are listed; the third was added last February. Another main channel for Swiss investment in Canada is participation in investment trusts with Canadian holdings; their operations are described below.

Investment Trusts Prove Popular

For the modest investor in particular, participation in investment trusts has proved to be a popular form of investment in Switzerland. At the end of March 1957, 37 investment trusts were operating there; 26 were of Swiss origin with capital totalling S.Fr.2 billion. In 1946 there were only 12 Swiss investment trusts with a total capital of S.Fr.245 million.

All of these trusts are of the open-end type or mutual funds—that is, they are entitled to increase or decrease their capital at any time but they will always buy back their shares at their intrinsic value. The Swiss investment trusts are evenly divided between those which hold securities and those which invest in real estate. Those investing in securities are the most important; capital invested totals S.Fr.1.29 billion. Eight invest exclusively in foreign securities and three exclusively in Switzerland; two others combine both foreign and Swiss securities. A much higher proportion of the 13 real estate investment trusts have their holdings within Switzerland (ten have a total capital of S.Fr.534.9 million invested). Two of the other three invest exclusively in Canadian real-estate projects.

Canada was selected by seven of the security trusts as a place to invest and three have their portfolios wholly composed of Canadian securities. At the end of 1956, capital from Swiss investment trusts in Canada reached S.Fr.300 million (S.Fr.245 million in securities and S.Fr.55.7 million in real estate). This represents 26.5 per cent of foreign holdings of Swiss investment trusts and 15 per cent of their total holdings.

Eleven foreign trusts have set up agencies in Switzerland and it is estimated that Swiss participation in these funds amounts to S.Fr.126 million (S.Fr.114.2 million in securities and S.Fr.11.7 million in real estate). Two of these trusts are Canadian and Swiss investment in Canada through them totals about S.Fr.66.8 million.

Swiss foreign investment has abated somewhat in recent months mainly because the Swiss capital market has tightened. However, interest in Canada as a field for Swiss investors is not likely to decline.

The Swiss National Bank recognized this development and last May raised the official discount rate from 1½ to 2½ per cent, and the official rate of interest on advances against securities from 2½ to 3½ per cent. These new discount rates represent the first change in 21 years. Higher rates now available in Switzerland make local investment more attractive.

Despite this change, several Canadian real estate programs financed by Swiss capital have been announced recently and others are under serious consideration. There seems little reason to doubt that Switzerland will continue to be one of the most important centres of international capital traffic and that a fair proportion of this traffic will find its way to Canada.

*One Swiss franc=Can.$0.222.

Trade Commissioners on Tour

The following officer of the Trade Commissioner Service is on tour in Canada. His itinerary is:

K. NYENHUIS, Trade Commissioner in Leopoldville, Belgian Congo:

Ottawa—Oct. 23-30
Toronto—Oct. 31-Nov. 14
Hamilton—Nov. 15
Montreal—Nov. 18-27
Quebec—Nov. 28-29
Saint John—Dec. 2-3
St. John's—Dec. 5-6

Businessmen who wish to see Mr. Nyenhuis should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto and Winnipeg, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

94314—3

Commodity Notes

Argentina

FREON—A factory to produce freon was inaugurated on October 10 in Berazategui, Province of Buenos Aires, by Messrs. Ducilo S.A.I.C., the Argentine subsidiary of E.I. Du Pont de Nemours. Freon was not previously made in Argentina but the output of this new factory will meet the entire demand—Buenos Aires, Oct. 26.

Brazil

STEEL—The French bankers, Lazard Frère et Cie., have agreed to obtain $96 million of foreign capital required to finance the construction of "Cosipa", Sao Paulo's new steel mill, with a capacity of a million tons per year, making it the largest in Brazil. Two billion cruzeiros have been arranged for in Brazil but additional foreign capital is needed to purchase machinery. Lazard Frère will arrange for these funds in France, Germany, the United Kingdom and the United States—Sao Paulo, Oct. 25.

Iceland

FISHERIES—Catch of the Icelandic fisheries during the first six months of 1957 totalled 238,408 tons, compared with 240,554 tons during the same period last year. Of this, 162,808 tons were codfish, 22,445 tons herring, 16,934 tons sea perch and 13,838 tons haddock. Of the total herring catch, 19,732 tons were delivered to the meal and oil factories and 2,682 tons were frozen. More than half of the other types of fish (or 115,558 tons) was filleted and frozen—Oslo, Oct. 20.

Jamaica

COTTON TEXTILES—During the first six months of 1957, production of Jamaica's cotton textile mill rose 70 per cent over the same period last year. The mill employs 530 people and almost the entire output is for local consumption—Kingston, Oct. 21.

Malaya

IRON ORE AND BAUXITE—More than 1½ million long tons of iron ore were produced in Malaya in the first half of this year, an increase of 600 thousand long tons over the same period last year. Most of it is consigned to Japan.

Bauxite production for the first half of the year totalled over 149 thousand long tons, more than double production for the same period last year. It also went mainly to Japan—Singapore, Oct. 20.

Norway

SEED-DRILL—A Norwegian has invented a seed-drill, now patented throughout the world, so finely constructed that it can release one seed at a time at suitable intervals, so that carrot plants, for instance, need not be thinned out. The drill can also perform sowing and fertilizing operations simultaneously. Up to the present some 100 of these seed-drills have been turned out but production is still experimental. When the final experiments have been completed in Norway, production will start in other countries—Oslo, Oct. 23.

Peru

COTTON—Peruvian cotton production during the 1955-56 season rose 17 per cent above the average output of the previous five years and reached an estimated 2½ million quintals (1 quintal=101.4 lb.). Last year's record crop largely resulted from excellent conditions in the north of Peru, where the output of long-staple cotton rose 59 per cent above the previous year. Pima cotton represented 16 per cent of the total production and the Tanguis type 79 per cent. Britain was the principal buyer and increased its purchases by 73 per cent over the previous year. Exports to Japan went up by 79 per cent but Chile, which was Peru's best customer in 1955, reduced its purchases by 40 per cent. In 1956 Canada purchased 808,900 lb. of cotton and 37,500 lb. of linters—Lima, Oct. 28.

Portugal

FERTILIZERS—Two new companies, Sociedade Portuguesa de Petroquimica and Sociedade de Nitratos de Portugal, have been established. The first company will deal with products of the Sacor oil refinery for the production of gas and ammonia. The second will produce nitrogenous and ammoniacal fertilizers.

Portugal's consumption of these fertilizers has been steadily increasing and by 1960 is expected to reach about 320 thousand tons annually. Local production amounted to 114,500 tons in 1956. The formation of the two new companies is a step towards self-sufficiency in chemical fertilizers. The aim is to produce 36,000 tons of ammonia a year, corresponding to about 136 thousand tons of nitrates. Total production will rise to 229 thousand tons—Lisbon, Oct. 25.

South Africa

AUTOMOBILES—Relaxation in import control earlier in the year has resulted in a large influx of motor cars which are now entering the Union at the rate of 10,000 units a month, or more than twice the average rate of import during 1956. These cars are principally from the United Kingdom and the Continent and include a number of "economy" cars new to the country—Johannesburg, Oct. 24.

GOLD—Production in the Union continued at a high level with output during the first six months of 1957 totalling 8,373,181 fine ounces valued at £104,454,421, compared with 7,757,670 fine ounces valued at £96,497,856 in the first six months of 1956. Production for the full year will pass £200 million for the first time in history—Johannesburg, Oct. 11.

URANIUM—Twenty-five of the 29 mines licensed to produce uranium were in production at the end of 1956, with an output of 5,000 tons a year. The actual 1956 production amounted to 4,400 tons which brought a working profit for the Union of nearly £25 million before provision for interest on and repayment of loan—Johannesburg, Oct. 26.

United Kingdom

NEW TIRE FACTORY—A factory reported to be the world's most modern tire-making plant was opened on September 26 at Garscadden, about seven miles from Glasgow. The site covers 58 acres and the new factory could be extended to five times its present size. The plant, which cost £2,750,000, will provide Scottish users with a complete tire service—new tire manufacture, service and repair facilities, and expert factory remoulding—London, Oct. 21.

West Germany

HEAVY WATER—Farbwerke Hoechst was expected to begin production of heavy water this fall. The company's manufacturing plant, valued at DM 7 million, is attached to its ammonia plant. Heavy water will be produced at a temperature of minus 250 degrees centigrade. Hoechst is therefore the first enterprise manufacturing any product on a large-scale basis at a constant temperature of 250 degrees centigrade below freezing point. The American and Norwegian plants produce heavy water by other methods which do not involve deep-freeze temperatures.

Hoechst intends to produce six tons of heavy water a year—an output of approximately 800 grams per hour. No definite decision has been reached on price; it will be about DM 1 per gram but may be cut later. Although the Hoechst price for heavy water will still be considerably higher than the DM 0.26 per gram offered by American firms, the company is confident that it will be able to sell in Germany since its sales do not depend on certain conditions, as is the case with U.S. suppliers who insist that their engineers have access to their customers' plants.

Heavy water is used exclusively by nuclear reactors. The contemplated West German reactors will require quantities considerably in excess of the Hoechst output—Bonn, Oct. 22.

STEEL—With a per capita steel consumption of 427 kg., the Federal Republic of Germany ranked second in 1956, behind the U.S. and followed by Great Britain (383 kg.) and Sweden (377 kg.)—Bonn, Oct. 22.

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 Poland

JAN JANOWSKI, director, and Miss IDA RZUCHOWSKA, of Varimex Corporation, Warsaw, a government import-export firm, are expected in Canada early in November for a three-week stay. Their organization imports and exports scientific and laboratory apparatus, measuring instruments, tools, sports equipment, toys and handicrafts, and plant and leather products. Businessmen wishing to meet them in Ottawa, Toronto or Montreal should phone or write to the Commercial Counsellor of Poland, 580 Chapel St., Ottawa (tel. CE 5-4188).

94314—3½

New Guinea Becomes a Market

This little-known and still primitive Australian Trust Territory has begun to emerge as a market for manufactured goods needed to develop the country. Nearly 10 per cent of imports last year originated in the dollar countries, chiefly the United States; Canada's commercial relations with New Guinea are still limited.

H. STEWART HAY,
Assistant Commercial Secretary, Sydney.

THE TERRITORY OF NEW GUINEA AND PAPUA, administered and being developed by Australia under the Trusteeship Council of the United Nations, is a growing market for manufactured goods and machinery. Lying just below the Equator, the Territory consists of the eastern half of the large island of New Guinea, the Bismarck Archipelago (largest islands, New Britain and New Ireland) and the northern Solomons (which includes Bougainville), and other lesser island groups. In an area which totals 184 thousand square miles live 1¾ million people, only 20,000 of whom are whites.

The Trust Territory is fragmented into many different physical and cultural regions and for thousands of square miles the people still have had no contact with civilization. Formidable mountain ranges divide up the New Guinea mainland and the main offshore island, creating a mosaic of rugged peaks, deep valleys, short turbulent streams, high plateaux, narrow ravines, and coastal plains. Preliminary soil surveys indicate that the soil covering much of the territory is too sparse for agriculture. However, in extensive areas fertile soils are found, suitable for growing a wide variety of crops.

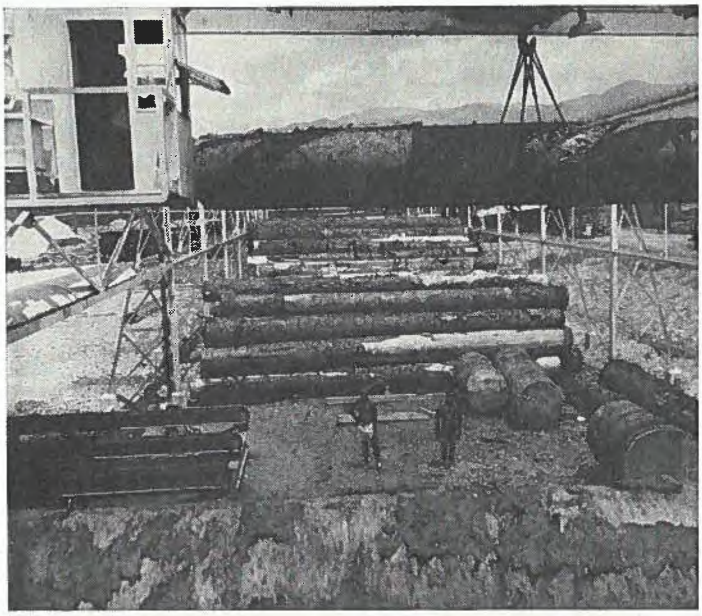
Development Under Way

Australia's problem is to raise this area and its people to modern standards of well-being in the shortest possible time by developing its resources. Private investment which will contribute to economic welfare is encouraged and over 100 foreign companies, many of which are not Australian, are incorporated in the area. Taxes are not used as a source of revenue; money to run the country comes mainly from customs duties and grants from the Australian Government. Labour to produce export crops and work in industry is rather limited although the mechanization of agriculture will help to ease the situation as time goes on. Employers may hire anyone over the age of 16 for a two-year period (renewable to three years) under agreements sanctioned by an officer of the Administration.

The Administration especially encourages production of crops and products which currently are either imported in large quantities or for which export prospects seem promising; technical help with problems of New Guinea's crops and resources is available. Apart from a levy on copra and a Copra Marketing Board, marketing is free of controls and there are no direct or indirect subsidies on either exports or imports.

Export Crops Are Key

Before World War II, subsistence farming and gold mining were the principal sources of income. Since the war, Australia has pushed the development program to improve not only the production of the staples used at home but to develop products for export.



At the timber mills in Bulolo, large logs are stacked mechanically. Timber constitutes one of New Guinea's principal resources and plywood made from it figures among its exports.

Raw copra is the chief export commodity ($15 million worth in 1956) and the Copra Marketing Board has an eight-year agreement with the United Kingdom, which buys most of the output after Australia's needs have been filled. A modern crushing mill at Rabaul shipped $3 million worth of coconut oil and copra oilcake last year.

Cocoa, the Territory's fastest growing postwar crop, goes mainly to Australia and about 10 per cent to Europe. Exports for 1957-58 are expected to reach 3,000 tons and, when present plantings mature in 1962-63, will rise to 9,000 tons valued at $3.25 million at present prices.

Other commodities with export potential are rubber (4,000 tons in 1957-58 worth $2.5 million), coffee, tea, timber and plywood. The Territory also raises rice, spices, tropical fruits and vegetables, and fibres.

The search for mineral and oil deposits continues. In western Papua, hydro-electric potential is estimated at nearly 10 million h.p.; private interests are looking into the possibility of using this power to produce aluminum from the bauxite found in power-short northern Australia.

Transportation a Challenge

Transportation in New Guinea is a challenge; the two major rivers are navigable only by small craft. A vigorous building program now under way will extend the present 4,000 miles of heavy and light-duty roads. Aircraft became familiar in much of the Territory before the truck and the jeep. Although flying conditions are rugged, facilities are numerous and well developed and a great deal of freight moves by air. Helicopters, recently introduced, may have a bright future; the terrain often makes it difficult to clear long landing strips.

Regular passenger and freight shipping services operate both within the Territory and between New Guinea's several ports and the Australian mainland. A number of vessels trading with the Far East call at ports in the area and there are services to the United Kingdom and North America.

Foreign Trade Increases Rapidly

Foreign trade of the Territory has been increasing rapidly since the war, as the accompanying tables show. Most of New Guinea's trade is with Australia although several other countries share in it. Canada's commercial relations with the country are still very limited.

A significant amount of the imports originate in dollar countries, chiefly the United States, which ships mainly tobacco, construction and mining machinery, buses, trucks, iron and steel, aircraft, aircraft engines and parts, pumps, tractors, and tractor parts.

SOURCES OF IMPORTS AND EXPORTS 1955-56

(in thousands A£)

Country	*Imported from*	*Exported to*
Australia	12,429	7,275
United Kingdom	1,875	5,339
United States	1,818	172
Japan	685	165
Hong Kong	638	
Indonesia	529	
West Germany	356	
India	198	
Singapore	166	
CANADA	21	nil

PRINCIPAL IMPORTS 1955-56

(in thousands A£)

Commodity	*Value*
Manufactured goods (metal manufactures, textiles, base metals, non-metallic mineral manufactures, cement, rubber goods, clothing, instruments, prefabricated buildings, plumbing and lighting fixtures, furniture, footwear)	6,208
Food (cereals, tinned and fresh meat, dairy products, eggs, honey, fruit and vegetables, sugar, fish, etc.)	4,436
Machinery and transportation equipment (non-electrical machinery, cars, trucks, buses, aircraft, ships, electrical machinery)	4,427
Chemicals (medicinal and pharmaceutical preparations, explosives, dyeing, tanning and colouring materials)	1,395
Tobacco and beverages (trade tobacco, cigarettes, cigars, beer, liquors)	1,033
Mineral fuels (diesel oil, gasoline, aviation gasoline, lubricating oils and greases)	937

Trade Regulations

Australia's exchange regulations also apply to the Territory of New Guinea; it draws on Australia's overseas reserves to pay for non-Australian imports. However, import restrictions in the Territory are less stringent than in Australia and are adapted to its special needs. In general, the aim is to hold essential imports from non-Australian sources to the 1954/55 level and to cut less essential items by 10 to 25 per cent. Any product considered essential for development is more likely to receive favourable consideration from the licensing authorities.

The Territory has a separate customs tariff which provides for duty-free treatment of most imported necessities; of the 78 items specified, 59 enter free. On unspecified items, the general rate of duty is 15 per cent *ad valorem.* A by-law permits development equipment and machinery to enter duty-free. There are no preferential rates.

To ensure that receipts for overseas transactions go into the banking system, export licences are required for all goods not going to Australia but no fee is imposed. There are export duties on copra, cocoa, trochus shell and rubber.

Australia's customs tariff aids New Guinea's exports by allowing free entry of certain goods produced in the Territory such as copra, cocoa and coffee. ●

Bermuda's Business Is Brisk

Thousands of visitors from Canada holiday in Bermuda each year and in turn the Colony buys a wide variety of products from Canada. Total trade with Canada is not large at present, but this market well deserves the attention of exporters.

C. R. GALLOW,
Consul and Trade Commissioner, New York.

BUSINESS IN BERMUDA proved to be better last year than in 1955 and this encouraging trend has continued into the first half of 1957. The volume of building is rising but has not yet returned to what is considered the normal rate. Real estate prices are going up. Commercial profits seem at least to have held their own, credit is a little easier, and the over-all inventory picture has improved although many lines are still top-heavy.

Since late last year, successive deletions from the schedule of restricted dollar imports have cut that list in half. With the latest amendment effective September 1, 1957, Canadian ale and beer is once more allowed in Bermuda bars. The restricted list now includes only 15 items, none of which has been important in Canada's trade with Bermuda.*

Unfortunately, Bermuda trade statistics for 1956 are not yet available and it is not possible to compare Canada's position with that of the other principal supplying countries. However, Canadian figures for 1956 show that our exports fell slghtly in value—to $2.9 million from $3 million in the previous year. This decline resulted partly from credit restrictions which Bermuda introduced in 1955 but the premium on the Canadian dollar is also cited as a growing obstacle to purchases from Canada.

What Canada Sells

Despite the difficulties, Bermuda is still interested in offers from Canada for a wide variety of products—such as millwork, building supplies, soda ash, trisodium phosphate, clothing, furniture, kraft paper, cellulose tape, gardening equipment, plastic curtains and cloth, soda fountain syrups, sauce toppings, and a large selection of foodstuffs. Interested exporters should write to the Commercial Division, Canadian Consulate General, New York City, forwarding full information, including prices F.A.S. Atlantic Coast ports.

Last year Canada sold $374 thousand worth of whisky, flour valued at $228 thousand, fresh beef and cooked meats ($190 thousand), shell eggs ($123 thousand), pine and spruce planks and boards ($97,000) and codfish ($67,000). Bermuda buyers are familiar with Canadian goods. For example, last year they bought 124 different food products, 42 categories of inedible agricultural products, rubber and leather goods, 27 kinds of textiles and textile products, 37 items under wood products, 91 under metals, metal goods and other mineral products, 23 different chemicals and pharmaceuticals, and 31 products in the miscellaneous category.

The principal competition in the market, aside from the United States, comes from West Germany for hardware and household goods (although German prices are rising), from Denmark and the Netherlands for foodstuffs, and from Japan which provides growing competition in various fields.

Canada continues to hold the flour market but competitive bids from United States mills challenge this

*Note:—A copy of the restricted list can be obtained either from the Commercial Division, Canadian Consulate General, 620 Fifth Avenue, New York 20, New York, or the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

position. Fresh eggs locally produced are now offering serious competition to imported supplies, principally from Canada, and domestic flocks are expanding. A new locally-owned television station which opens in December will introduce a new advertising medium in Bermuda; it will rebroadcast some of the programs of the principal U.S. networks.

Dollars to Spend

The Colony's dollar receipts reached a new high last year—some 3 per cent above the total for 1955. Canadian dollar expenditures totalled about the same in 1956 as the year before and, in keeping with the pattern of the past few years, Bermuda apparently spent more Canadian dollars than she earned. However, most Canadian visitors probably carry U.S. currency rather than Canadian and unfortunately their expenditures are not credited to Canada by the Treasury. The apparent deficit in the Canadian account would fall considerably if the U.S. dollars received from Canadian tourists were taken into account.

More Canadians Visit

A sharp increase in the flow of Canadian tourists to Bermuda during 1956 was encouraging and helped to set a good pace for the industry. Visitors to the Colony for the year from all sources totalled nearly 109 thousand, about the same as for 1955, but the numbers from Canada rose about 30 per cent to 8,443. In the first seven months of 1957 the total number of tourists was running 8 per cent above the January to July period of last year; the Canadian share was up nearly 15 per cent.

There has been little change in the average length of stay of six to seven days over the past few years, or in the pattern of the tourist trade. About 90 per cent of the visitors come from the United States, 8 per cent from Canada, and 1 per cent from the United Kingdom. The off-season trade (late fall and winter) has improved progressively over the years and October particularly has become much more popular.

Bermuda depends on the prosperity of the tourist trade and it is encouraging to see development in this field continuing. Two of the leading hotels are making extensive renovations, some smaller hotels and guest houses are continuing to expand, and the standard of accommodation, food and service in most of the establishments is geared to the needs of today's travellers. Resort owners are working on schemes to build up trade for the off-season.

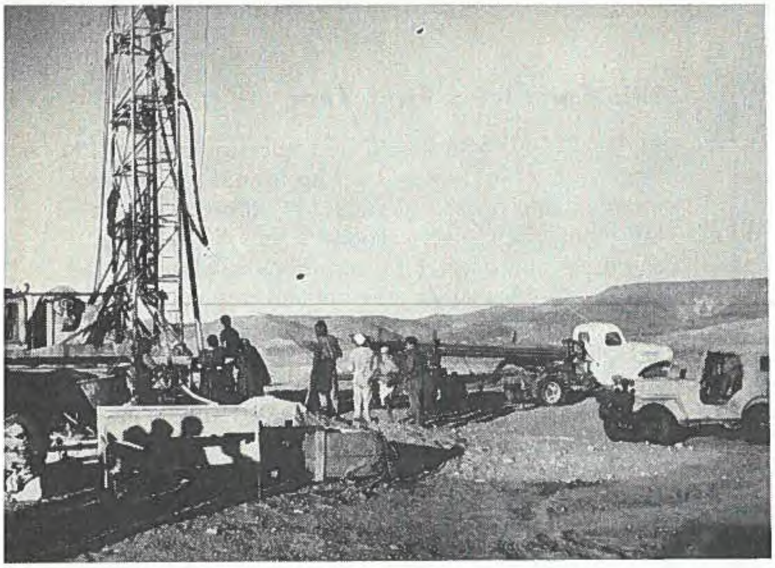
There are still problems and some, such as the rapid increase in population, may be difficult to solve. But everything considered, Bermuda had a good year in 1956 and this prosperity has continued in 1957. ●

IFC Completes First Year

FOURTEEN MONTHS ago the International Finance Corporation was set up to make loans to private enterprises, particularly those still in the pioneering stage. Today it has 52 member countries and capital subscriptions totalling $92 million, according to the annual report issued recently to mark the end of its first year of operation. Already $6 million of its money has gone to work in four countries—Brazil, Mexico, Chile and Australia—and 25 to 30 other proposals are being studied.

Among the first to benefit were a Brazilian company which intends to make heavy electrical equipment (loan, $2 million) and a Mexican firm preparing to manufacture industrial engineering products ($600 thousand). A Chilean enterprise received $2.2 million to assist in copper mining and the introduction of a new smelting process and a Mexican company, controlled by Canadian and British interests, borrowed $520 thousand for its aircraft engine overhaul plant. Latest agreement reached is for a loan of $660 thousand to an Australian firm to help it expand into the business of supplying impregnated timber and poles.

The Corporation intends to confine its activities to the fields of manufacturing, processing and mining and to enterprises with a minimum value of $500 thousand. As the President remarks, "IFC is directing its efforts chiefly to making medium-sized investments in the middle range of enterprises." Investment is usually limited to $2 million. The 25 to 30 proposals which IFC is now considering conform to these requirements. The largest number of these are in Latin America, a smaller number in Asia, and a few in other areas. They cover a wide industrial range—from the manufacturing of pulp, paper and other forest products, to machinery, chemicals and cement; food processing, printing, and engineering are also included. Before it grants a loan, the IFC investigates the proposal thoroughly, looking into the management skills of the company, the prospects for marketing its product, how it proposes to finance its operations, and the possibility of making a profit. Like any other investor, it takes calculated risks in the hope of realizing a profit; it is not a mere money-lender. After a time the Corporation intends to sell out its share in projects which have become well established and transfer funds to new ventures. It thus will act as a catalyst to private enterprises in many countries.



An oil-drilling rig goes into operation on the Edjelé field.

The Sahara

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

THE SAHARA, long considered just an empty desert, now is coming into its own. Beneath its sands, intensive searching has discovered vast reserves of petroleum, quantities of iron ore, some coal, and indications of copper and other minerals. France, the nominal proprietor of the area, a country short of oil and industrial metals, has greeted the discoveries in the desert with mounting enthusiasm.

French oil refineries now depend largely on imported crude and the country also has to buy copper and other products which the Sahara promises to supply. France looks to Saharan oil to save possibly all or most of the foreign exchange she now spends on annual imports of about 24 million tons of crude oil, and even hopes to find a surplus for export. Here perhaps is the answer to some of her major economic problems. It is not surprising that the discoveries in the Sahara have raised high hopes of an expanding economic frontier and have stimulated efforts to exploit its resources. There are real possibilities but the mere knowledge of the resources is still a long way from their economic development; too often before, high hopes in the desert have proved nothing more than a mirage.

The French Sahara

The French portion of the million-square-mile Sahara is a vaguely circular region surrounded by Libya and Tunisia on the east, Coastal Algeria and Morocco on the north, Spanish Sahara and self-governing Mauretania on the west. It is bordered along its southern edge by the ribbon of savannah which extends from Senegal to the Sudan.

Hot and arid, the region suffers long dry spells irregularly broken by torrential rains and is dotted with infrequent water basins. In all this vast area, only about 80,000 acres are cultivated, producing a little millet, a little wheat, a few vegetables and maintaining a few scrawny flocks of sheep. Almost the only industry is the production of rock salt. Most of its two million inhabitants are concentrated in the oases of the north; nomads roam with their flocks in search of pasture in the south. This is the uninviting territory in which exploration is going forward.

Search for Oil Stepped Up

Petroleum above all else is the mainspring of the current exploration frenzy in the Sahara. The first systematic search for oil began in 1947 but only in the last two years have early hopes been confirmed. Exploration permits at present cover nearly 200 thousand square miles and applicants for permits plan to explore another 125 thousand to 150 thousand square miles. The exploration area currently includes nearly all of central and eastern Algeria but leaves an area in western and southern Algeria almost as large and the rest of the French Sahara for future investigation.

The first discovery was a field of natural gas in the region of In Salah in south-central Algeria—but it is a long way from the sea and economic exploitation is probably far in the future. The most likely proven fields are located at Hassi Messaoud in east-central Algeria, Hassi R'Mel northwest of it, and Edjelé, southeast near the Libyan border.

In the Edjelé field, there is oil at a shallow depth and the field is within 400 miles of the Libyan port of Tripoli or the Tunisian port of Gabès. Some oil experts forecast that output will reach five million tons a year within the next three years, although other

Reveals Its Secrets

Huge oil reserves and deposits of coal, iron ore, copper and other minerals that can be economically exploited are being found in the French Sahara. Development of the resources of this vast region promises to provide French and foreign enterprise with a new frontier to conquer and the key to future industrialization in several French African Territories.

estimates place yields at 1.5 million tons a year by the early sixties. In the same region, more oil has been found at Tiguentourine, 50 miles to the west and at Zarzaitine, 25 miles to the north.

The most promising oil discovery so far is Hassi Messaoud, about 450 miles south of the northern Algerian port of Bougie. The field lies about 150 miles west of the Tunisian border and the route to the sea at Gabès is much shorter.

This field, with three wells already sunk and with proven reserves of 100 million tons, is reaching the production stage. Estimates of potential reserves range from 300 million tons to what seems a rather optimistic one billion tons. A six-inch pipeline is being built to connect Hassi Messaoud with Toggourt, 125 miles away, where the oil will travel over a narrow-gauge railway 150 miles north to Biskra. Here the oil would be transferred to the main Algerian railway and likely carried to the port of Philippeville. This makeshift arrangement is expected to bring out 500 thousand tons of oil a year. Plans call for larger pipelines to bring Hassi Messaoud oil north over the Atlas Mountains to the ports of Bougie, Philippeville or Bone, and Edjele oil north through Tunisia to Gabès or northeast through Libya to Tripoli. Another line would link Hassi Messaoud to Gabès.

Hassi R'Mel, straight west of Touggourt, about 350 miles northwest of Hassi Messaoud and directly south of Algiers, has large proven reserves of natural gas, which could eventually be used in an Algerian industrial complex based on petroleum and various minerals found in the country. Search for oil beneath the gas is proceeding.

The total oil resources of the French Sahara are still not known, but the important finds already made in widely separated areas with different geological characteristics reinforce the belief that this immense area may eventually become one of the foremost sources of petroleum in the world.

Coal and Mineral Resources

Coal—Coal was discovered in 1907 at Colomb-Bechar-Kenadsa in western Algeria and has been mined since 1917; production in the working mines averages about 300 thousand tons a year and reserves may total 20 million tons. A new coal field 30 miles farther south has recently started production and is said to contain reserves of about 35 million tons. Although generally of good quality, the coal contains too much sulphur to be suitable for coking or for use in the steel industry. Coal output in France is less than demand but little of the Sahara coal is available for export. There are known resources partially prospected but not in production at Sfaia-Abadla and Mexariff-Nekheila but the possibility of further discoveries is limited.

Iron Ore—Small indications of iron have been found in the Sahara Territories and in Mauretania but to date the only field of major importance is located in the Gara-Djebilet; reserves are variously estimated at from 300 to 400 million tons with an iron content exceeding 55 per cent. Open-pit mining could be used and experts believe that a mining company could maintain production of ten to twelve million tons a year at competitive prices. The area is very short of water and it will be necessary to build a 400-mile railway to the sea to bring out the ore.

Copper—Geologists have found indications of copper in the northern Sahara but the principal discovery to date is in Adjoujt in Mauretania. Open-pit mining could yield an estimated 18 million tons of sulphur ore

with 1.5 per cent copper content, and 9 million tons of oxide ore with 2.5 per cent copper; the metal content of these reserves is about 500 thousand metric tons. A pilot concentrating plant with a capacity of 150 tons a day has been in operation since 1954. Water is a problem here because the nearest usable water is underground and nearly 100 miles away. A railway to seaboard is also necessary.

In addition to iron, copper and oil, there are also reserves of manganese. There are other resources in the area as well but they are less concrete. Somewhat in the realm of fantasy are dreams to harness the enormous amounts of solar energy generated in the desert and vast schemes to provide water for agriculture. The cost of such projects staggers the imagination but they cannot be entirely ruled out as possibilities in the remote future.

Development Problems Great

To exploit the Sahara's resources, many technical problems must be faced; foremost among these are the intense heat, the shortage of water, the lack of transport and communication facilities, a labour shortage, and the difficulties of maintaining a working force in an inhospitable land.

After the drastic shortage of water, the lack of transport is perhaps the most serious difficulty. Few highways exist and these are often blocked by sandstorms and would need improvement to carry heavy traffic. The Algerian railways are mostly limited to a relatively small trackage along the coast and penetrate the desert only as far as Colomb-Bechar near the border of Morocco and from Biskra to Touggourt in eastern Algeria. Air freight offers many advantages and in fact the airplane is often used. The Government has built airdromes to serve the army and the companies exploring the region but more will be needed as exploration and development speed up. More railways and improved telecommunications will also be necessary.

Pipelines do not raise serious technical problems because there are few natural obstacles but there could be political ones; lines would have to pass through independent coastal states to reach the seaboard. Influencing the route of pipelines will be the rival claims of different countries as well as geography.

Heavy Investment Needed

A great deal of money is needed to solve the technical problems involved in developing this remote region. Between 1945 and 1956, expenditures on exploration alone totalled more than $100 million and outlays in 1957 are expected to reach more than $50 million. When the stage of actual production is reached, which will involve the construction of a network of pipelines and rail communications, expenditures will rise sharply.

Investment of at least $1,000 million will be needed to develop present known petroleum resources and another $200 million to build railways and handling facilities to move the mineral ores (iron, copper and manganese). France will have to import equipment and materials, much of it from the United States, to develop these resources but she already has balance-of-payments difficulties. And to add to the problem, the growth of French investment even during recent prosperous years has lagged. But the discoveries in the desert are helping to raise enthusiasm among investors to risk venture capital.

Recently the Compagnie Generale des Recherches Petrolieres—a holding company with interests in a number of firms engaged in oil exploration in the Sahara—sold shares worth 4,800 million francs in a single day and more remarkable, each share was worth only 10,000 francs and customers were limited to five shares each. This was the first public offering of shares in this company, and customers lined up at the French banks as early as midnight on the day before they went on sale.

Some outside capital will be needed but France aims to preserve her ownership and control. In fact, such safeguards are provided in the legislation of January 1957 which set up a common control over the resources of the Sahara. France will no doubt encourage participation of foreign capital both to reach the total needed and to provide dollar exchange. Several major U.S. oil companies are showing interest and a number of American oil equipment manufacturers and exploration firms are already doing brisk business.

New Organization Set Up

The French Sahara embraces territories of a number of different political or administrative units. Algeria controls some parts, others are under the jurisdiction of French West Africa, French Equatorial Africa or Mauretania. To co-ordinate the various efforts to promote economic development of the desert, the French Government established in June 1957 a new organization known as the Common Organization for the Sahara Regions. This organization reports directly to the French Government through the Ministry of the Sahara, a new department established recently. The Minister also serves as Delegate General of the Organization which is made up partly of representatives from the various Sahara regions. It is responsible for co-ordinating a common program of action for the development and control of the area.

Political problems will inevitably emerge which might involve territorial questions and perhaps competition among the various ports which could become the terminals for pipelines. Each will want to make the most of industrial developments and possibly become the site of oil refineries or iron smelters. •

Irish Trade Deficit Shrinks

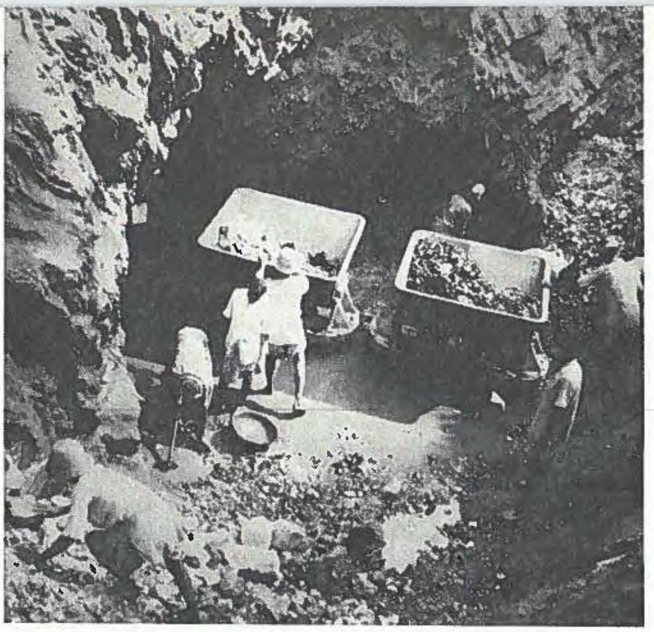
WHEN IRELAND'S TRADE FIGURES for the first six months of 1957 came in, the Government noted with satisfaction that the trade position had improved considerably. Exports rose by £15 million to £64 million and imports fell by £6 million to £92 million, compared with the same period a year ago. And although the deficit reached £28.2 million, this was £21.1 million less than last year's corresponding figure. In fact, it was the lowest deficit for any first half-year since 1946.

All groups of exports showed a general increase but live cattle shipments held the spotlight with a rise of £8 million. Turning to imports, purchases abroad of raw materials and manufactured goods, the largest group, dropped £10.0 million from last year to £68 million; purchases in the other three major categories (live animals; food, drink and tobacco; parcel post and temporary transactions) rose modestly. Sub-groups of the largest category include a wide variety of products under iron and steel manufactures; non-ferrous ores, metals and manufactures; cutlery and hardware; machinery and electrical goods; vehicles; wood, timber and their manufactures; textiles and wearing apparel; hides, skins and leather; rubber and rubber manufactures; paper and cardboard; and miscellaneous articles, raw and manufactured. There was a general decrease in each of these groups but no sharp decline in any one of them. In fact two sub-groups—oilseeds, fats and oils, and fertilizers and chemicals—reversed the trend; imports rose slightly in the first half of this year.

Imports from Great Britain decreased by £7.1 million and Britain's share of the market fell from 55 to 51 per cent; the value of goods bought from Northern Ireland rose £1.2 million. Irish purchases from the sterling area as a whole declined £2.2 million, from dollar countries £1.2 million, and from non-sterling EPU countries £1.2 million; from all other countries there was a reduction of £1.7 million.

Exports to the sterling area rose £12.6 million and included an increase of £4.6 million in shipments to Britain and £3.4 million in sales to Northern Ireland. Exports to dollar countries went up £400 thousand and to non-sterling countries increased £2.1 million. Shipments to the United Kingdom represented 77 per cent of total sales abroad this year, compared with 84 per cent in the first half of last year.

—H. A. GILBERT,
Commercial Secretary, Dublin.



Manganese ore emerges from the main haulage incline at a Bombay State mine. With large reserves of high-grade ores, India today exports more manganese than any other mineral.

India's Manganese Exports Fall

In spite of present marketing difficulties prospects for the industry appear excellent. Domestic demand is increasing steadily and should rise rapidly in the next few years. Indian producers are optimistic that they can maintain India's position as number one exporter of high-grade manganese ore.

T. F. HARRIS, *Trade Commissioner, Bombay.*

INDIAN EXPORTS OF MANGANESE ORE, one of the country's leading earners of foreign exchange and particularly of dollars, have fallen drastically in the past three years. Manganese ore ranks first among the minerals exported from India and normally accounts for 45 per cent of annual earnings from mineral sales abroad. On an average, 90 per cent of the manganese produced is exported; 75 per cent or more consists of high-grade ores containing over 48 per cent manganese.

From a high of 1.6 million long tons in 1953-54, of which 1.04 million tons went to the United States, Indian exports dropped to 921 thousand tons in 1955-56. This sudden decrease in the volume of exports resulted in the closing down of over 60 of the 200 producing mines, throwing thousands out of work.

The trend in exports to the important consuming countries over the past five years is illustrated in the table on page 23.

Factors Affecting Exports

The decline in export sales is attributed in part to a slump in world demand for manganese. But a more important factor is perhaps the increasing competition from other supplying countries. This competition appears to have affected particularly sales to the United States and the United Kingdom, the two largest consumers. In the United States market, India's main competitors are South Africa, the Belgian Congo and Brazil; in the United Kingdom, Russia and South Africa are the main competitors. Ghana, where the African Manganese Company owns the largest single property of its kind in the world at Nanta, is considered a serious potential competitor.

Government Enters Mineral Trade

In June of last year, the Indian Government entered the mineral trade through the State Trading Corporation, a special government organization set up to trade with countries which have controlled economies. Primary objective of the Corporation is to expand India's exports to such countries. The Corporation has reserved for itself an over-all quota of approximately 25 per cent of the country's manganese ore export trade.

Recently the Government decided to continue the quota licensing of manganese ores for the period July 1957 to June 1958. It will grant movement and export quotas to mine owners and exporters equal to 60 per cent of their exports in either 1955 or 1956, as they choose. Quota holders will have to use at least 40 per cent of their export quotas for ores containing 42 per cent manganese and below. This condition will not apply to small exporters, whose quota for the period July 1957 to June 1958 works

***Exports of Indian Manganese Ore to Main Markets**

*(volume in thousands of long tons, value in thousands of rupees)***

	***1951-52		1952-53		1953-54		1954-55		1955-56	
	Volume	*Value*	*Volume*	*Value*	*Volume*	*Value*	*Volume*	*Value*	*Volume*	*Value*
United States	577	85,663	944	143,415	1,043	164,750	569	78,952	321	40,580
United Kingdom	115	15,643	151	24,366	152	26,338	123	20,755	92	12,559
Japan	130	17,706	46	6,792	120	14,238	66	5,908	125	12,076
Western Germany	145	15,885	147	19,617	78	11,784	40	4,619	38	4,497
France	44	5,912	48	7,038	60	8,164	75	7,192	122	13,492
Italy	48	7,161	23	4,235	22	4,150	32	4,714	39	5,372
Norway	8	1,264	15	2,492	6	983	8	738	12	1,140
Sweden	14	2,090	13	2,476	7	1,407	2	307	2	133
Canada	13	1,586	5	867	9	1,696	....	....	9	970
Other countries	30	4,023	47	6,525	70	8,807	74	6,156	160	16,414
TOTAL	1,124	156,933	1,439	217,823	1,567	242,317	989	129,241	920	107,233

*Figures obtained from accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India, prepared by the Department of Commercial Intelligence and Statistics, Calcutta.

**1 rupee=Can.$0.20 approx.

***Statistical year April 1 to March 31.

out to 1,500 tons or less. Mine owners whose quota during the period July 1956 to June 1957 was 3,000 tons and below are able to claim their quota for 1957-58 on the basis of 60 per cent of their actual exports in 1955 or 1956, or 75 per cent of their quota during the period July 1956 to June 1957.

The export duty on manganese ore was reimposed in September 1956 and amounts to Rs. 10 a long ton on ore containing 38 to 40 per cent manganese, Rs. 20 a ton on ore containing 41 to 44 per cent, and Rs. 30 a ton on ore with more than 44 per cent. Ore containing less than 38 per cent manganese is exempt from export duty.

Production and Reserves

India's production of manganese ore increased from a low of 210 thousand long tons in 1945 to an all-time high of 1.9 million tons in the fiscal year ended March 31, 1954. Production declined to 1.4 million tons in 1954-55 because of the drop in exports but increased somewhat to 1.6 million tons in 1955-56, chiefly in response to higher domestic demand.

India possesses workable deposits of manganese ore in several states but the most important of these, both in quality and quantity, are in Madhya Pradesh. Reserves in this state alone, on the basis of recent surveys, are estimated to be about 100 million tons, of which 55 million are high-grade ore containing 45 per cent or more of manganese. Reserves in the other areas total an estimated 12-13 million tons.

Prospects for the industry appear to be excellent in spite of present difficulties. Domestic demand is increasing steadily and should rise rapidly when the three new publicly-owned steel mills now under construction go into production within the next year or so. Estimates of steel production place present output at 1.5 million tons a year; it is expected to reach six million tons a year by the end of the Second Five Year Plan in 1961. Target for 1966 is 18 million tons.

Beneficiation of low-grade ores is receiving increased attention. A heavy media separation plant at Dongri Buzurg in Madhya Pradesh came into operation in 1953. Three or four other beneficiation plants are in the planning stage, one at the Bharvelli mine in the Balaghat district of Madhya Pradesh will be similar to that at Dongri Buzurg. Researchers in this field continually carry out intensive studies at the National Metallurgical Laboratory at Jamshedpur.

Production of ferro-manganese is expected to rise from the present figure of 15-20,000 tons a year to 100 thousand tons in 1961. The Government has so far sanctioned the erection of six private ferro-manganese plants. One of these, the Ferro-Alloys Corporation's arc electric-smelting plant at Garividi in the State of Andhra Pradesh, will have an annual capacity of 30 to 50 thousand tons of ferro-manganese and other ferro alloys. The Tata Iron & Steel Company, who are now the only regular producers of ferro-manganese, are constructing a new plant in Orissa, 100 miles from their steel mills at Jamshedpur.

The paucity in general of ready stocks and the likelihood that Japan may turn to the Indian market to meet her growing needs for manganese ore have led to an improvement in the quotations for high-grade ores; prices had risen to Rs. 215 a long ton F.O.B. Calcutta by early this year.

Assured of a growing domestic market, Indian producers feel that given the incentive by the Government they can successfully maintain India's position as the world's number one exporter of high-grade manganese ores. ●

Venezuelan Demand Grows

Canada is increasing her large share of the Venezuelan newsprint market and her sales of pulp are rising. With no hint yet of a domestic paper industry, Venezuelans should keep buying Canadian output, despite the stiff competition.

W. G. BRETT,
Assistant Commercial Secretary, Caracas.

CONSUMPTION OF PAPER in Venezuela has kept pace with the steady prosperity of the country. As the population grows and flourishes, the literacy rate increases. This in turn promises well for sales of pulp and paper here.

Canada has an enviable position as a supplier of newsprint to the Venezuelan market which appreciates the quality of the Canadian product. In 1955, over 50 per cent of recorded* imports came from Canada, putting her in first place, as the table below shows.

The market increased significantly in 1956, when imports totalled 23,003 short tons. Canada, shipping 14,113 short tons, more than held her lead.

The figures given for 1956 include some paper that was not used as newsprint. It is impossible to be precise but newsprint does account for the bulk of these shipments. The remainder, finer or special paper, is often supplied by the listed European nations, other than Scandinavian.

Turning from newsprint to pulp, the figures show an increase in the volume of imports in 1956 of about 100 per cent over 1955. Canadian producers sold 1,580 short tons to Venezuela compared with a mere 25 short tons in 1955. But the 1956 shipments repre-

*Paper imported under Tariff Item No. 239B does not appear in Venezuelan statistics for 1955.

Venezuelan Newsprint Imports

1955

Country	*Short Tons*	*Bolivars*
Canada	9,278	4,765,190
United States	7,007	3,270,883
Finland	1,424	548,422
Austria	12	10,918
Czechoslovakia	7	2,874
Denmark	5	4,220
Germany	.5	1,354
Italy	....	3
TOTAL	17,733	8,603,864

1956

Country	*Short Tons*	*Bolivars*
Canada	14,113	6,469,044
United States	6,873	3,421,134
Finland	1,098	619,299
Sweden	498	272,819
Norway	356	166,788
Netherlands	55	34,141
Czechoslovakia	10	3,875
Germany	.7	730
TOTAL	23,003	10,987,830

Venezuelan Imports of Pulp

1955

Country	*Short Tons*	*Bolivars*
Sweden	3,809	1,733,772
United States	2,414	626,667
Finland	165	50,920
Canada	25	168,716
United Kingdom	.2	695
Switzerland	.1	208
TOTAL	6,412	2,580,978

1956

Country	*Short Tons*	*Bolivars*
Sweden	4,831	1,928,626
United States	4,348	1,220,920
Canada	1,580	592,122
Finland	286	114,423
Luxembourg	22	6,968
Japan	3	5,906
Switzerland	2	33,577
Spain	1	11,195
TOTAL	11,073	3,913,737

sent only about 14 per cent of the total market and Sweden and the United States maintained their traditional lead.

Canadian suppliers should keep up the pressure on this market. The door has budged and continuing effort should bring more immediate rewards.

Domestic Industry

Almost every week, new industries are being established in Venezuela and from time to time there are rumours that newsprint will soon be manufactured here. Early in July a Caracas daily carried a prominent story headed "Newsprint to be produced this year from Venezuelan raw materials". On checking, we were told that this was untrue.

There have been attempts at domestic production. One company planned to use sugar-cane bagasse but it is coming to consider bagasse only as an added component. The Faculty of Forest Science of the University of the Andes has made some rewarding experiments with Venezuelan trees. It has produced paper but it is doubtful whether this could be done on an economic basis. The main deterrents are the lack of reasonably homogeneous stands of workable species and of roads for transporting the pulpwood.

The main users of pulp in this market are:

Fabrica de Papel de Maracay, Apartado 301, Maracay.

Papeles Venezolanos C.A., Apartado 4317 del Este, Caracas.

Manufacturas de Papel C.A., Apartado 2046, Caracas.

Carton de Venezuela S.A., Edificio Roemen 5º piso, Sta. Capilla a Mijares, Caracas.

Corrugadora de Carton S.A., Apartado 5486 del Este, Caracas.

Industrial del Carton C.A., Camino Nuevo a Moreno 49, Caracas.

Of the above, the last three produce cardboard only. A new company, Venepal C.A., Edificio las Fundaciones, Avenida Andres Bello, Caracas, plans to begin production early in 1958. The management hopes to start with a monthly production of 40,000 tons of kraft paper and corrugated cardboard.

Trading Conditions

The bulk of Venezuelan paper imports enter without duty under Tariff Items 469 and 470:

Tariff No. 469: "White paper without glue or gum, uncalendered, weighing more than 50 grams per square metre, *destined to the printing of newspapers, magazines and books of a cultural nature*—Duty free."

Tariff No. 470: "White dull finish paper, weighing more than 60 grams per square metre, destined to the printing of newspapers, magazines and books of a cultural nature—Duty free."

These duty-free imports must be covered by a special licence issued by the Ministry of Finance to the individual publishing firm.

Venezuela's renown as an importing nation has made it the most sought-after market in Latin America. There are no trading restrictions other than import licences applied to some commodities. This has resulted in strong competition and has made the Venezuelan importer very sensitive to a good deal. Terms always interest buyers in Venezuela. Many exchange-hungry nations have made terms a main element in sales promotion, and they are particularly important in this country of high interest rates.

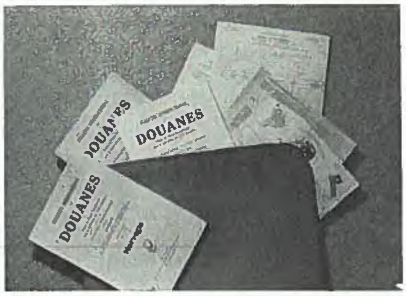
While primarily a price market, it is also quality-conscious. There is little hesitation in cutting orders from a firm when quality is not up to scratch.

Documentation too must be given close attention. The ports here are very busy and the slightest flaw in the papers can cause goods to pile up and this results in fairly heavy fines. This is only one of the reasons for making sure of your agent and complying scrupulously with his instructions.

Agents here have become quite specialized. They select a spectrum of related products from the wide range of Venezuelan imports and build up firm contracts with customers. In such a specialized and well-serviced market it is not easy for new agents, whatever their energy, to get established. Caracas and Maracaibo are the places to have agents; Maracay, where the paper processors are centered, is easily covered from the capital. Papers published in the smaller towns in the interior also are usually covered from Caracas. Many of these use sheet newsprint.

Future of the Market

Venezuelans are busy exploiting the riches of their soil and subsoil. Frequently we hear of rich mineral strikes, now from the upper Orinoco, now from the Guayana highlands or the Andean slopes. Agriculture is developing under the guidance of the Government. Industrial areas are growing up in many parts of the country. However, there seems to be no immediate prospect of a basic paper industry. Until this situation changes, Venezuela will remain a growing market for Canadian suppliers. Canada should continue to lead in newsprint sales and her pulp sales should increase. ●



Trade and Tariff Regulations

Australia

"IMPORT REPLACEMENT" SYSTEM ADOPTED—The Australian Department of Trade has abandoned the "sales replacement" principle which was to apply to 56 major import commodities in favour of an "import replacement" system which, it is hoped, will simplify licensing procedures.

The sales replacement principle was designed to give licences to importers equivalent to their proven sales in each four-month licensing period. To establish the extent of sales, it was envisaged that importers would be called upon to furnish statements.

The new system is based instead on the extent to which importers used their licences in the preceding licensing period. As the Customs authorities themselves are aware of this position, the need for statements from importers will be obviated—Sydney, Oct. 10.

Indonesia

NEW EXCHANGE SYSTEM—In the August 3rd issue of *Foreign Trade,* it was reported in an article describing new Indonesian import and export controls that the Indonesian Ministry of Finance imposed a tax of 20 per cent on the sale of the B.E. (exchange) certificates. New information on the exchange system now in operation in Indonesia discloses that this levy of 20 per cent of the cost of the B.E. certificate is not in the nature of a tax. It constitutes an integral part of the rupiah equivalent for foreign currencies, so that it applies to all transfers of foreign currencies, including gold bullion, and including transfers arising out of transactions in commodities or services.

Another recent change concerns a reduction in the validity period of B.E. certificates from two months to six weeks.

Rhodesia and Nyasaland

CANADIAN CONTENT FOR PREFERENTIAL TARIFF TREATMENT—The Federation has announced recently some changes in the regulations. The new regulations provide that preferential rebates of duty will apply if not less than 30 per cent in the case of goods falling under tariff items 73(a), 75(i) and 76, and 25 per cent in the case of all other goods, of the factory cost of the goods in their finished condition is represented by the labour, or the material and labour, of the specified country in which the last process of manufacture was performed.

Items 73(a), 75(i) and 76 relate to the following goods:

- 73(a) Towels, towelling napkins, and towelling in the piece.
- 75(i) Piece goods, canvas, not less than 10 oz. in weight per square yard.
- 76 Piece goods, woven, knitted, crocheted or felted, not elsewhere enumerated.

Specified countries includes countries within the British Commonwealth and the Republic of Ireland.

Under the old regulations the minimum qualifying percentage related to the combined specified country content and was 25 per cent (on a factory cost basis) for all goods. The new regulation alters this by relating the minimum percentage to a single country (the country where the last process of manufacture took place) and also by increasing the percentage to 30 per cent in the case of goods falling under tariff items 73(a), 75(i) and 76.

Exporters should note, when completing certified invoices in the future, that the bracketed words "(together with material produced and/or labour performed in any other Specified Countries)" appearing in paragraph 5(c) of certificates of origin are no longer applicable. The words should accordingly be deleted when certified invoices are being completed.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The following representations have been received by the South African Board of Trade and Industries respecting increases in the tariff:

Bringing into operation of the suspended duty on:

Linerboard to the extent of 10 per cent ad valorem (the suspended duty, if put into effect, would be additional to the existing duty of 5/8 d. per pound plus 10 per cent ad valorem).

Withdrawal of the rebate facilities on:

Linerboard for the manufacture of corrugated cardboard and corrugated cardboard containers under item 356(14) (wrapping paper the weight of which at a size of 29 inches by 45 inches, or its equivalent, exceeds 105 pounds per ream of 480 sheets for the manufacture of corrugated cardboard and corrugated cardboard containers is at present subject to rebate of the whole duty).

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

United States

TARIFF QUOTA ON POTATOES ANNOUNCED—The tariff-rate quota of 37½ cents per hundred pounds for imports of the first 36 million pounds of white or Irish potatoes (other than certified seed potatoes) during the 12-month period beginning on September 15, 1957, has just been confirmed.

According to treasury decision 54466 of October 17, 1957, this quota may be increased in any year in which the U.S. Department of Agriculture estimates that on September 1st U.S. production of white or Irish potatoes, including seed potatoes, is less than 350 million bushels. The U.S. Department of Agriculture has now estimated that 1957 production will be 383,828,333 bushels and therefore there will be no increase in the low tariff quota this quota year.

The U.S. tariff on table potatoes is 37½ cents per hundred pounds on 36 million lb. quota if entered between September 15th and November 30th. Imports during that period in excess of the quota are dutiable at 75 cents per hundred pounds. However, if the quota of 36 million pounds is not reached until the period beginning December 1st and ending on the last day of February, imports over that amount and up to 60 million pounds will be dutiable at 60 cents per hundred pounds, and of course 75 cents per hundred pounds on the excess over 60 million pounds. After March 1st through September 14th the rate structure reverts to 37½ cents per hundred pounds if imports have not yet reached 36 million pounds, and 75 cents per hundred pounds on any excess over 36 million pounds.

FOREIGN SERVICE FORM 129 ABOLISHED—United States Foreign Service Form 129 (Invoice of Returned American Goods and Declaration of Foreign Exporter) has been required on all shipments of returned American goods valued at over $500, on which a claim for duty-free entry under U.S. tariff paragraph 1615 has been filed in accordance with U.S. Customs Regulations, section 10.1.

Treasury Decision 54462 of October 15, 1957, abolishes the use of this form because certification by American consular officers has been discontinued. In its place a declaration by the Canadian shipper is required, as follows:

I, ..., declare that the articles herein specified are, to the best of my knowledge and belief, the growth, produce, or manufacture of the United States; that they were exported from the United States, from the port of........................ on or about ...., 19....; that they are returned without having been advanced in value or improved in condition by any process of manufacture or other means.

Marks	Number	Quantity	Description	Value, U.S. Coin
....	....	....	....	....

....
(Signature)

....
(Capacity)

....
(Date)

....
(Address)

Uruguay

IMPORT PROHIBITION—According to a cabled report of October 18th from C. B. Birkett, Commercial Counsellor in Montevideo, all imports have been prohibited until further notice because of a serious imbalance of foreign trade and the fact that wool producers have refused to sell under the present exchange rate system.

Tour of Territory

V. L. CHAPIN, Commercial Secretary in Rio de Janeiro, Brazil, will visit Salvador, Bahia, Recife and possibly Belem during the last week of November and the first week of December. Businessmen who would like Mr. Chapin to undertake assignments for them should get in touch with him at Rio de Janeiro as soon as possible.

Transportation Notes

Australia

STANDARD-GAUGE RAILWAY—Construction of a standard-gauge railway from Melbourne to Wodonga in Victoria (189 miles), about to begin, will provide Australia with an unbroken stretch of 4 ft. 8½ inch gauge track from Melbourne through Sydney to Brisbane. To cost an estimated A£10 million (about Can.$21.7 million), the new line will save considerably on inter-gauge transhipment charges between New South Wales and Victoria. The route linking Melbourne and Adelaide is not standard gauge nor is the line from Adelaide to Port Perie. The transcontinental line from Sydney through Broken Hill and Port Perie to Perth in western Australia is standard gauge, except for a stretch between Peterborough and Port Perie and Kalgoorlie and Perth. State railways have either 5 ft. 3 in. gauge or 3 ft. 6 in., except for New South Wales which has all standard gauge. At present 6,034 miles are 5 ft. 3 in. gauge, 13,099 are 3 ft. 6 in., and 7,441 are standard—Melbourne, Oct. 20.

Belgium

TO EXPAND MERCHANT FLEET—Since 1954 the Belgian Government has granted over $26 million to renew and expand the merchant fleet. The present fleet is almost 50 per cent larger, at 518,717 tons, than in 1938 and 20 ships totalling 278 thousand tons are under construction.

Belgium also plans to expand Zeebrugge into a port capable of berthing 100 thousand-ton unladen ships built there and to make the port accessible to ships of up to 80,000 tons. Similar studies are under way to make Antwerp, claimed to be the world's fourth largest port, capable of handling ships of up to 50,000 tons—Brussels, Oct. 14.

Italy

SHIPBUILDING—Construction of two new shipbuilding yards is under way at La Spezia and at Leghorn. The yard at La Spezia will occupy an area of 500 thousand square metres and will contain a floating dock of 360 thousand cubic metres, with five drydocks. Construction of the first of 12 small oil tankers (20,000 tons) was to begin this fall; super tankers up to 100 thousand tons will be built when the yards are completed in three years' time.

At Leghorn, the yards will cover 121 thousand square metres and the capacity of the floating dock will be 229 thousand cubic metres; ships of up to 50 thousand tons will be built there. The yards should be finished in August of next year. Another shipbuilding yard for ships up to 120 thousand tons is planned for Leghorn—Rome, Oct. 17.

Netherlands

POLAR AIR ROUTE—KLM Royal Dutch Airlines will start a service between Amsterdam and Tokyo over the North Pole in October of 1958. Dutch and Japanese delegations recently negotiated an agreement which provides for a KLM service from Amsterdam over Iceland, Greenland, Alaska, Aleutians, and Tokyo to Biak—The Hague, Oct. 10.

Peru

RAILWAY DEVELOPMENT—One of the largest financing organizations in Japan has offered the Peruvian Government a loan valued at US$15 million to build a railway from Puno in southern Peru to a point on the Bolivian border. The offer covers study of the project and purchases of rolling stock and maintenance equipment. The same firm has offered a further loan of U.S.$15 million to build additional railways in Peru at a later date—Lima, Oct. 19.

West Germany

MERCHANT MARINE—Currently, West Germany's merchant fleet totals 3.84 million G.R.T. consisting of 2,301 freighters (3.1 million G.R.T.), 99 tankers (397 thousand G.R.T.), and 87 passenger ships (54,000 G.R.T.). In comparison, Norway's merchant marine totals 8.5 million G.R.T. and Sweden's 3 million G.R.T.—Bonn, Oct. 14.

foreign trade service abroad

*** No Foreign Trade Officer at this post.** **Bentley's Second Phrase Code is used by Canadian Trade Commissioners**

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
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Egypt Aden, Sudan, Cyprus, Ethopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Secretary	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor for Canada A. L. Neal Attaché J. H. Bailey Commercial Secretary	3 rue Scribe PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	J. A. Stiles Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire Consul J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Greece Israel, Turkey	A. B. Brodie Commercial Secretary L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner R. M. Dawson Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, China, Laos, Vietnam, Macao Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner W. M. Miner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	B. A. Macdonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India Goa	T. F. Harris Canadian Government Trade Commissioner W. J. Collett Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	J. E. P. Lancaster Commercial Secretary	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Ireland	H. A. Gilbert Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel..* 44251

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Jamaica Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner M. S. Strong Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan South Korea	J. L. Mutter Commercial Counsellor W. G. Pybus Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	C. O. R. Rousseau Commercial Secretary	Canadian Legation Alpha Building Rue Clemenceau BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	C. J. Van Tighem Commercial Counsellor D. B. Laughton Commercial Secretary A. A. Lomas Assistant Commercial Secretary	Canadian Embassy Melchior Ocampo 463, 7th Floor MEXICO 1, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 46-99-00
Netherlands	B. C. Butler Commercial Counsellor W. R. Hickman Commercial Secretary B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Counsellor J. MacNaught Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
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Pakistan Afghanistan, Iran	H. J. Horne Commercial Secretary J. D. Blackwood Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
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Territory	Officer	City Address	Mail and Cables, Office Telephone
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Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard Canadian Government Trade Commissioner	Offices 110-113 Central Africa House Corner First St./Gordon Ave. Salisbury	*Mail:* P.O. Box 2133 *Cable:* Cantracom *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner W. G. Huxtable Assistant Trade Commissioner	Room E-3, Union Building Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Tel.:* 30631-2
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble Canadian Government Trade Commissioner I. V. Macdonald Assistant Trade Commissioner	Mutual Building Harrison Street Johannesburg	*Mail:* P.O. Box 715 *Cable:* Cantracom *Tel.:* 33-2628
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Switzerland	B. I. Rankin Commercial Counsellor N. W. Boyd Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 Berne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies, Guadeloupe, Martinique	R. W. Blake Canadian Government Trade Commissioner P. T. Eastham Assistant Trade Commissioner	Colonial Building 72 South Quay Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Ghana, Nigeria, Sierra Leone)	H. L. Brown Commercial Counsellor G. H. Rochester Commercial Counsellor (Timber) D. A. B. Marshall Commercial Counsellor (Agricultural) W. Gibson-Smith Commercial Secretary S. G. Tregaskes Commercial Secretary	Office of the High Commissioner for Canada Canada House Trafalgar Square London, S.W.1	*Mail:* (City Address) *Cable:* Sleighing *Tel.:* Whitehall 8701 *Cable:* Timcom
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United Kingdom (Northern Ireland)	H. A. Gilbert Canadian Government Trade Commissioner	36 Victoria Square Belfast	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith Minister (Commercial) Dr. W. C. Hopper Agricultural Counsellor	Canadian Embassy 1746 Massachusetts Ave., N.W. Washington 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States—*con.*	Wm. Jones Commercial Secretary W. A. Stewart Assistant Commercial Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen Deputy Consul General (Commercial) C. R. Gallow Consul and Trade Commissioner H. E. Lemieux Consul and Trade Commissioner	Canadian Consulate General 620 Fifth Ave NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. F. Renwick Consul and Trade Commissioner G. F. J. Osbaldeston Vice Consul and Assistant Trade Commissioner R. G. Woolham Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 1412 Garland Building 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner J. R. Midwinter Vice Consul and Assistant Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	T.M. Burns Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel Commercial Secretary W. G. Brett Assistant Commercial Secretary R. D. Sirrs Assistant Commercial Secretary	Canadian Embassy Edificio Pan American Avenida Urdaneta Puente Urapal, Candelaria CARACAS	*Mail:* Apartado 9277 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.04167.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent October 25	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05333	18.75	(1)
		Free	.02468	40.52	
Austria	Schilling		.03727	26.83	
Australia	Pound		2.1520	.4647	
Belgium, Belgian Empire and Luxembourg	Franc		.01918	52.14	
Bolivia	Boliviano	Official	.0001136	8802.8	
British West Indies	Dollar		.5604	1.78	(2)
	Pound		2.6900	.3717	(3)
British Honduras	Dollar		.6725	1.49	
Brazil	Cruzeiro	General Category	.01034	96.64	(4)
		Special Category	.00540	185.23	
		Official Buying	.05227	19.13	
Burma	Kyat		.2016	4.96	
Ceylon	Rupee		.2018	4.96	
Chile	Peso	Free	.001599	625.39	(5)
Colombia	Peso	Certificate	.1891	5.29	
Costa Rica	Colon	Official	.1710	5.85	
		Controlled free	.1445	6.92	
Cuba	Peso		.9600	1.04	tax 2%
Czechoslovakia	Koruna		.1333	7.50	
Denmark	Krone		.1390	7.19	
Dominican Republic	Peso		.9600	1.04	
Ecuador	Sucre	Official	.06400	15.63	
		Free	.05585	17.91	
Egypt	Pound	Official	2.7567	.3628	(6)
El Salvador	Colon		.3840	2.60	
Fiji	Pound		2.4234	.4126	
Finland	Markka		.003000	333.33	
France, Monaco and North Africa	Franc		.002286	437.45	(7)
French colonies in Africa	Franc		.004572	218.72	(8)
French Pacific	Franc		.01257	79.55	(9)
Germany	D Mark		.2285	4.38	
Ghana	Pound		2.6900	.3717	
Greece	Drachma		.03200	31.25	
Guatemala	Quetzal		.9600	1.04	
Haiti	Gourde		.1920	5.21	
Honduras	Lempira		.4800	2.08	
Hong Kong	Dollar	Free*	.1618	6.18	*Oct. 18
		Official	.1681	5.95	
Iceland	Krona	Official	.05895	17.03	(6)
India	Rupee		.2018	4.96	
Iran	Rial	Certificate	.0127	78.91	
Iraq	Dinar		2.6880	.3720	
Ireland	Pound		2.6900	.3717	
Israel	Pound		.5333	1.88	
Italy	Lira		.001541	648.93	
Japan	Yen		.002667	374.95	
Lebanon	Pound	Free	.3036	3.29	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent October 25	Units per Canadian dollar	Notes (See below)
Mexico	Peso		.07680	13.02	
Netherlands	Florin		.2532	3.95	
Netherlands Antilles	Florin		.5102	1.96	
New Zealand	Pound		2.6900	.3717	
Nicaragua	Cordoba	Effective buying	.1454	6.88	
		Official selling	.1362	7.34	
Norway	Krone		.1344	7.44	
Pakistan	Rupee		.2018	4.96	
Panama	Balboa		.9600	1.04	
Paraguay	Guarani	Official	.0160	62.50	(6) (10)
Peru	Sol	Certificate	.05053	19.79	
Philippines	Peso		.4800	2.08	
Portugal & Colonies	Escudo		.03350	29.85	(11)
Singapore and Malaya	Straits dollar		.3138	3.19	
Spain and Dependencies	Peseta	Controlled Free	.02286	43.74	(6)
Sweden	Krona		.1856	5.39	
Switzerland	Franc		.2240	4.46	
Syria	Pound	Free	.2681	3.73	
Thailand	Baht	Free	.04662	21.45	(6)
Turkey	Lira		.3429	2.92	
Union of South Africa	Pound		2.6900	.3717	
United Kingdom	Pound		2.6900	.371747	
United States	Dollar		.9600	1.04167	
Uruguay	Peso	Free	.2148	4.66	
		Basic buying	.6329	1.58	(6)
		Principal selling	.4566	2.19	(12)
Venezuela	Bolivar		.2866	3.49	
Yugoslavia	Dinar		.003200	312.50	(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. Brazil: Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
5. 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.
6. Additional rates are in effect.
7. France: Territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 guaranis per U.S. dollar.
11. Portugal: approximately same rate for Portuguese Territories in Africa.
12. 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 are divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which 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.

Businessman's Bookshelf

International Trade 1956

By the Contracting Parties to GATT. 278 pages. $2.00.

RECENT DEVELOPMENTS in the structure and pattern of international trade and commercial policy are reviewed in this book which analyzes world trade in 1956, which reached a record value of $96,537 million, an increase of 11 per cent over 1955.

Statistical tables (which are thoroughly explained) break down the components of world trade under different headings and give a concise picture of trade directions and trends.

Developments which affected trade in one way or another are examined. In 1956, for example, reductions in import duties were more important than increases, and emphasis was put on the reform and modernization of tariff structures and nomenclatures. Tariffs generally were stable and governments continued to use their import tariffs as an instrument of short-term economic policy. Further steps to form larger economic units by the creation of customs unions or free trade areas were taken by the Republics of Central America, the Arab countries, and certain countries in Europe.

The review also contains special studies—for example, one on the long-term markets for primary products in Western Europe and North America—and a review of the 1956 activities of the members of GATT. Anyone who wants to broaden his knowledge of world trade will find this GATT publication interesting and valuable.

Order from: Ryerson Press, 299 Queen St. West, Toronto, Ontario.

Freer Trade in Europe

Information Division of the Treasury and the Central Office of Information. 31 pages. 41 cents, postpaid.

WHAT IS THE PROPOSAL for a European Economic Community and what countries are involved? How does it differ from the industrial Free Trade Area also being discussed? What is Britain's attitude towards both?

In layman's language and making liberal use of charts and graphs, this booklet answers these and other questions. Prepared for the British public by the Information Division of the British Treasury and the Central Office of Information, "it does not argue the case for a Free Trade Area"—as the Chancellor of the Exchequer points out in his introduction. Instead, it analyzes the two proposals and answers pertinent questions ("Would British agriculture still be protected?") about each.

Canadians may well find section three—"Facts about Western Europe"—the most useful. Here are charts comparing various aspects of Western Europe with the U.S. and the U.S.S.R., plus others showing the size of the market for various products in various Western European countries. There is also a valuable short table of tariffs on selected items in eight European countries and another showing progress in the freeing of trade from quota restrictions.

Order from: United Kingdom Information Service, 119 Adelaide St. W., Toronto, Ontario.

Modern Market Research

By Max K. Adler. 155 pages. 10/—

THIS CONCISE STUDY sets out to answer the question posed in the first chapter: "What is market research?"—and to answer it for the benefit of executives who must commission these investigations.

It distinguishes at the outset between internal research, field research (such as product and consumer research), and advertising research, and explains the basic functions of each. It then goes on to examine various techniques used, such as sampling, surveys of several kinds, questionnaires, interviewing, and so on. The question of how the businessman selects a market research organization also receives attention.

Written in England, this book naturally reflects British experience in this field which perhaps lags behind United States practice. Nor does it deal specifically with research into foreign markets. But it does give an excellent introduction to the whole subject in non-technical language.

Order from: Crosby Lockwood & Son Ltd., 26 Old Brompton Road, London, S.W. 7.