CANADA

# foreign trade

Established in 1904

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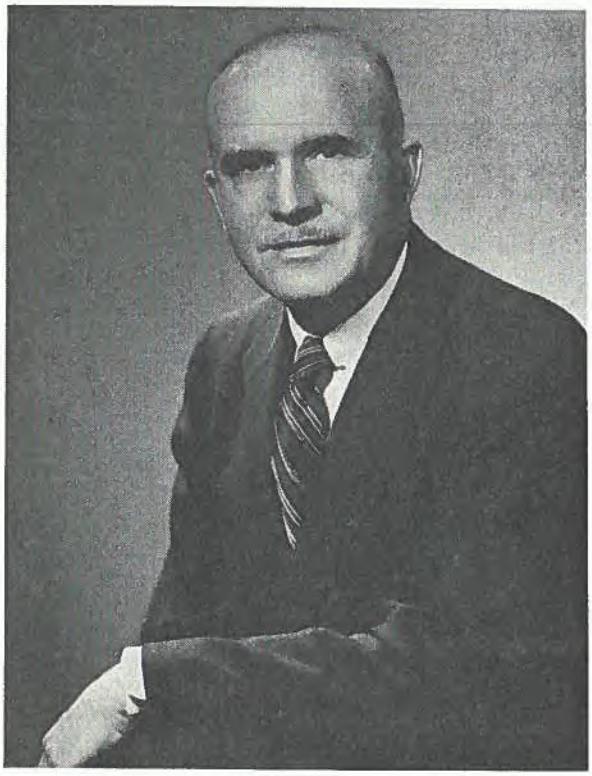
**cover** Both the direction and the composition of Canada's agricultural trade have changed in postwar years—as the interesting study on page two demonstrates. The study brings out many other points about our agricultural imports and exports—raw tobacco, for example, has become one of our leading farm exports to Britain, worth $12.8 million in 1956. The photograph shows tobacco being harvested on an Ontario farm.



*THE HONOURABLE GORDON CHURCHILL, D.S.O., M.A., LL.B., the new Minister of Trade and Commerce, first entered the House of Commons in 1951, following a by-election. He represents Winnipeg South-Centre, in the city which has been his home since high school and college days, and where he has practised law since 1950 as a member of the firm of Haig & Haig, Barristers.*

*Born at Coldwater, Ontario, the son of a clergyman, Mr. Churchill later moved with his family to Saskatoon, to Port Arthur and then to Winnipeg. The First World War interrupted his education and took him overseas as a machine gunner. After the Armistice he graduated from United College, Winnipeg, and the University of Manitoba, and chose the profession of teaching.*

*With the outbreak of World War II he again joined the forces and during the attack on Europe commanded the 1st Canadian Armoured Carrier Regiment in North West Europe and was awarded the Distinguished Service Order. In 1945 he became Dean of the Faculty, Khaki University, England.*

*Following his return to Winnipeg, he sat for four years as Army Representative in the Manitoba Legislature and also undertook the study of law.*

# Canada's Trade in Agricultural Products

*What is happening to Canada's sales abroad of agricultural products compared with prewar years? Have the markets altered in character and in importance, and have the chief products moving to these markets changed? This careful analysis of our agricultural exports answers these questions—and provides a few surprises.*

MARGARET I. DUNBABIN,
*Canada Department of Agriculture.*

CANADA'S TRADE IN AGRICULTURAL PRODUCTS[1] currently reveals something of a paradox. It is declining in importance relative to total trade but, on a volume basis, it has been higher on the average in the past five years than in any similar peacetime period. And in terms of current dollars, it is higher than ever before. Interesting also is the fact that the value of agricultural imports has increased more rapidly than the value of agricultural exports—but imports of agricultural products of a kind not grown in Canada (such as cotton and coffee) make up half this total. Imports which compete directly with products grown in Canada—such as potatoes, soybeans and corn—represent only about one-third, in value, of Canadian exports of agricultural products.

## Size and Composition of Trade

The general position of agriculture in Canada's trade is shown in Table 1, which also gives the principal markets for agricultural exports and the sources of agricultural imports. The table shows that agricultural exports for the five years 1935 to 1939 averaged $307 million, or 33 per cent of total exports, and that the 1952-56 average was $1,006 million which, however, was only 24 per cent of total exports. Despite this relative decline in the importance of agricultural exports and the decrease in the value of money, agricultural exports have risen in absolute terms. By adjusting the value in the two periods to take account of the change in the purchasing power of the dollar, it is estimated that exports in the past five years have been 48 per cent higher, on the average, than they were before the war.

Wheat is the most important single commodity in Canada's agricultural export trade. It is also one of

### Table I

### Canada—Trade in Agricultural Products

| | *1935-39 average* | | *1952-56 average* | |
|---|---|---|---|---|
| | *$ million* | *% of total* | *$ million* | *% of total* |
| EXPORTS | | | | |
| Total commodity exports | 942 | 100 | 4,273 | 100 |
| Agricultural exports | 307 | 33 | 1,006 | 24 |
| Wheat and flour exports | 157 | 17 | 574 | 14 |
| Agricultural exports, less wheat and flour | 150 | 16 | 432 | 10 |
| Agricultural exports to United Kingdom | 191 | 20 | 289 | 7 |
| Agricultural exports to U.S. | 65 | 7 | 245 | 6 |
| Agricultural exports to other countries | 51 | 5 | 473 | 11 |
| IMPORTS | | | | |
| Total commodity imports | 684 | 100 | 4,586 | 100 |
| Agricultural imports | 155 | 23 | 606 | 13 |
| Agricultural imports from U.S. | 62 | 9 | 304 | 7 |
| Agricultural imports from other countries | 94 | 14 | 301 | 7 |

[1] The term "agricultural products" is defined as including (i) agricultural products in their natural state; (ii) foods of agricultural origin; and (iii) industrial raw materials and beverages in the first stages of processing. Raw tobacco is included but pipe tobacco and cigarettes are excluded. Tea, coffee and malt are included, as are textile fibres and hides, but alcoholic beverages, yarns, fabrics and leather are not. The basic statistics are those published by the Dominion Bureau of Statistics in *Trade of Canada*, regrouped by the Economics Division, Canada Department of Agriculture, according to a classification based on the above definition of "agricultural products".

### Table II

### Canada—Exports of Principal Agricultural Products

| *Commodity* | *1954* | *1955* | *1956* |
|---|---|---|---|
| | *million dollars* | | |
| Wheat | 375 | 338 | 513 |
| Wheat flour | 88 | 74 | 72 |
| Oats | 32 | 12 | 9 |
| Barley | 89 | 76 | 95 |
| Rye | 9 | 3 | 14 |
| Flaxseed | 14 | 31 | 44 |
| Oilcake and meal | 8 | 15 | 21 |
| Cattle, live | 17 | 13 | 11 |
| Beef and veal, fresh | 5 | 3 | 4 |
| Pork, fresh | 18 | 15 | 13 |
| Bacon and hams | 9 | 9 | 9 |
| Mink skins, undressed | 16 | 17 | 17 |
| Cheese | 2 | 4 | 4 |
| Whole milk powder | 5 | 6 | 7 |
| Apples, fresh | 6 | 7 | 7 |
| Potatoes | 5 | 5 | 9 |
| Tobacco | 18 | 26 | 17 |
| Total, including items not listed above | 853 | 801 | 1,009 |

### Table III

### Canada—Imports of Principal Agricultural Products

| *Commodity* | *1954* | *1955* | *1956* |
|---|---|---|---|
| | *million dollars* | | |
| Corn | 11 | 7 | 13 |
| Soybeans | 21 | 19 | 24 |
| Oilcake and meal | 5 | 7 | 12 |
| Canned meats | 5 | 5 | 4 |
| Wool in the grease | 6 | 7 | 8 |
| Oranges | 24 | 23 | 25 |
| Grapes | 7 | 7 | 9 |
| Canned fruits | 13 | 12 | 8 |
| Dried fruits | 13 | 14 | 12 |
| Fruit juices | 13 | 15 | 19 |
| Nuts | 23 | 19 | 21 |
| Vegetables (excluding potatoes) | 38 | 43 | 54 |
| Potatoes | 5 | 9 | 9 |
| Raw sugar | 52 | 52 | 56 |
| Cotton, raw | 52 | 61 | 59 |
| Rubber | 20 | 36 | 32 |
| Tea | 24 | 26 | 25 |
| Coffee | 66 | 62 | 72 |
| Total, including items not listed above | 594 | 639 | 690 |

the three most important in exports of all commodities, competing from year to year for top position with newsprint paper and planks and boards. As shown in Table I, exports of wheat and wheat flour have averaged between 50 and 60 per cent of total agricultural exports, with only a small percentage rise from the prewar to the recent five-year period. Table II shows the importance, on a value basis, of the principal products which have gone to make up Canada's exports of agricultural products in recent years. It emphasizes particularly the dominant position of the grains in such trade.

A comparison of values in actual dollar terms shows that agricultural imports increased between 1935-39 and 1952-56 by 28 per cent more than agricultural exports during the same period. The rate of increase was, however, only half that of total commodity imports.

The figures in Table III confirm that a considerable part of Canada's imports of agricultural products is made up of non-competing items. In 1956, for example, out of total agricultural imports of a value of $690 million, tea, coffee and rubber accounted for $129 million and raw cotton for $59 million.

In addition, there are other items which compete to a greater or lesser extent with Canadian-grown products although they are not raised in this country. Outstanding examples are citrus fruits ($33 million), grapes (mainly of the vitis vinifera variety not grown in Canada—$9 million), dried fruits ($12 million), fruit juices ($19 million), nuts ($21 million), and raw cane sugar ($56 million). The total of these totally and partially non-competing items was $338 million—or half of the value of all agricultural imports.

#### Exports Compared with Production

There has been some decline since prewar in the quantity of agricultural products exported in relation to production; the figure for 1935-39 averaged 33 per cent and for 1951-55, 28 per cent. In absolute terms there has been no decline because production was higher than prewar. On the basis of 1935-39=100, the index of physical volume of agricultural production averaged 148.9 in the five years 1951-55. Agricultural exports in 1951-55 were equivalent to 42 per cent of 1935-39 production, compared with actual 1935-39 exports of 33 per cent of production. Domestic disappearance as a proportion of production declined also—from 72 per cent in the prewar period to 70 per cent in 1951-55. However, if production had remained at the 1935-39 level, domestic disappearance in 1951-55 would have been 104.0 per cent of output. That is, without the increase in production Canada would have become a net agricultural importer. Imports of directly competing agricultural products (those of a type or class grown in Canada) have shown little variation in relation to production: the figure was 5 per cent in 1935-39 and 4 per cent in 1951-55.

These are total figures, in which a value at the farm is assigned to all important commodities to reduce them to money terms so that the different items may be totalled. They also include, where possible, calculations of the farm equivalent value of manufactured products, as do the commodity figures quoted in this section. Wheat, for example, includes a calculation of the amount of wheat necessary to produce the flour exported, and the figures for livestock exports and imports include the live animal equivalent of the meat products traded.

The grains, with the exception of wheat, have become very much more important on the export side. Exports of oats, for example, increased from 4 per cent of production in 1935-39 to 12 per cent in 1951-55. Exports of barley were up from 17 to 36 per cent and, even more strikingly, flaxseed exports rose from 3 to 46 per cent. The decline of the United Kingdom market for certain products is indicated by the decrease from 66 to 15 per cent for cheese and 50 to 16 per cent for apples.

There have been striking decreases in imports of flaxseed and corn as a percentage of production: flaxseed from 71 to 3 per cent and corn from 180 to 26 per cent. These are an indication of greatly increased production of these two crops: flaxseed output increased from 1,508,000 bushels prewar to 12,611,000 in 1951-55 and corn from 7,010,000 to 22,071,000 bushels.

## U.K. Market Less Important

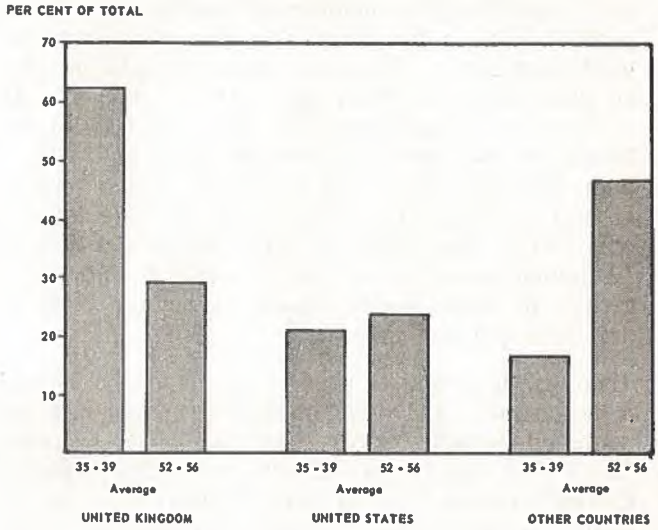
The direction of Canada's agricultural trade differs greatly from prewar. The United Kingdom market is no longer dominant. The United States has become much more important—a fact that is brought out particularly when one considers the markets for products other than wheat and wheat flour. Third countries have also emerged as big markets for Canada's agricultural products. The relative importance of these three markets is shown in the chart on the right.

The decline in the importance of the United Kingdom market partly reflects British balance-of-payments difficulties which have led to the curtailment of imports from Canada of a number of agricultural products formerly shipped in considerable quantities. But Canada's situation holds true of other suppliers—the British policy of government assistance to agriculture through guaranteed prices and subsidies has stimulated domestic production and meant less dependence on imports generally.

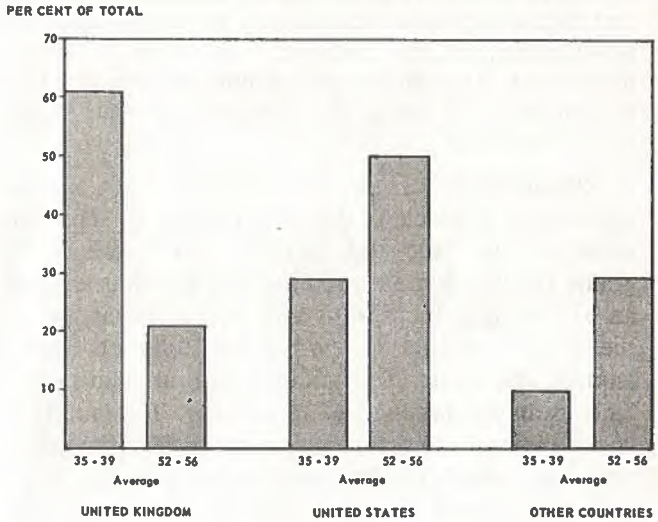
The United Kingdom remains Canada's biggest single market for wheat, taking shipments of wheat and wheat flour in 1956 valued at $197.9 million. Other products for which the British market is of major interest to Canada are barley (exports in 1956 of $37.1 million), oil cake and meal ($20.4 million), flaxseed ($19.8 million), and raw tobacco ($12.8 million). Cheddar cheese and apple exports, for which the

CHANGES IN DESTINATION OF CANADIAN AGRICULTURAL EXPORTS

I – EXPORTS OF ALL AGRICULTURAL PRODUCTS




II – AGRICULTURAL EXPORTS EXCLUDING WHEAT & FLOUR




United Kingdom Government makes special dollar allocations and which were of much greater importance in prewar years, were valued at $3.7 million and $2.3 million respectively.

## Characteristics of U.S. Market

The growth of the United States market for Canadian agricultural products has been aided not only by the high level of economic activity and the rise in the U.S. population but also (probably to a considerable extent not capable of measurement) by the tariff reductions made under the GATT.

The composition of Canada's agricultural exports to the United States varies considerably from year to year, depending on the relative supplies and prices



91117—2½

in the two countries. If the price in the United States is high enough to cover the Canadian price plus duty and freight charges, a number of Canadian agricultural products will, in the absence of restrictions, move to the United States. The cattle and beef trade provides an illustration. In the years 1948 to 1951 Canada made very large shipments of cattle and beef to the United States—over 460 thousand head of cattle in both 1948 and 1951 and nearly 82 million pounds of beef in 1951. In 1956 exports of cattle totalled only 49,000 head valued at $9.4 million and of beef 12 million pounds valued at $3.3 million. For short periods in recent years Canada has actually been a net cattle and beef importer.

There is, however, another point about the United States market—and other markets where imports are permitted without quotas and similar restrictions. This is that a quality product will command a premium. Canada's export trade in pork products is a case in point. Although the U.S. price for hogs has been below the Canadian, Canada has recently enjoyed a considerable market in the United States for pork cuts and bacon and hams because they are quality products which command a higher price. In 1956, the United States took 31.5 million lb. of pork valued at $12.5 million and 10.6 million lb. of bacon and hams valued at $8.3 million.

A characteristic of the U.S. market for Canadian agricultural products is that it is difficult to show any trend, as the cattle and beef situation reveals. The grains (including grain products and byproducts) with an export value in 1956 of $89 million are at present the major agricultural export group, followed by live animals and meats ($42 million) and furs and miscellaneous animal products ($31 million). The individual commodities making a major contribution to the export total are wheat (mainly feed wheat), barley, fresh pork, bacon and hams, mink skins and forage crop seeds.

In this trade a large number of items appear for which the United States provides the principal, or perhaps the only, export market. Exports of many of these reach several million dollars in value each year and are of considerable importance to local areas. Some examples, with the 1956 value of exports shown in brackets, are fresh apples ($4.0 million), fresh and frozen blueberries ($2.2 million), potatoes ($5.7 million), turnips ($2.1 million) and maple products ($5.5 million).

### Exports to Third Countries Growing

The postwar development of Canada's export trade in agricultural products has also been marked by the expansion of trade with countries other than the U.S. and the U.K. Figuring largely in this move towards diversification of Canadian markets abroad are Japan, the Federal Republic of Germany, the Netherlands, Belgium and Venezuela. These countries are markets for a wide range of Canadian agricultural products, the most important of which is wheat. In 1956 Japan bought wheat valued at $56.7 million, barley $10.8 million, and flaxseed $6.3 million. Most important in the considerable range of agricultural products shipped to West Germany were wheat $74.1 million, barley $5.0 million, and rye $4.7 million. Major agricultural exports to the Netherlands included wheat $21.1 million, flaxseed $5.2 million and soya bean oil $2.9 million. Wheat ($29.1 million) and flaxseed ($4.4 million) were the biggest agricultural exports to Belgium. Canada's agricultural export trade with Venezuela follows a different pattern; the two largest items are wheat flour ($8.4 million) and whole milk powder ($5.2 million).

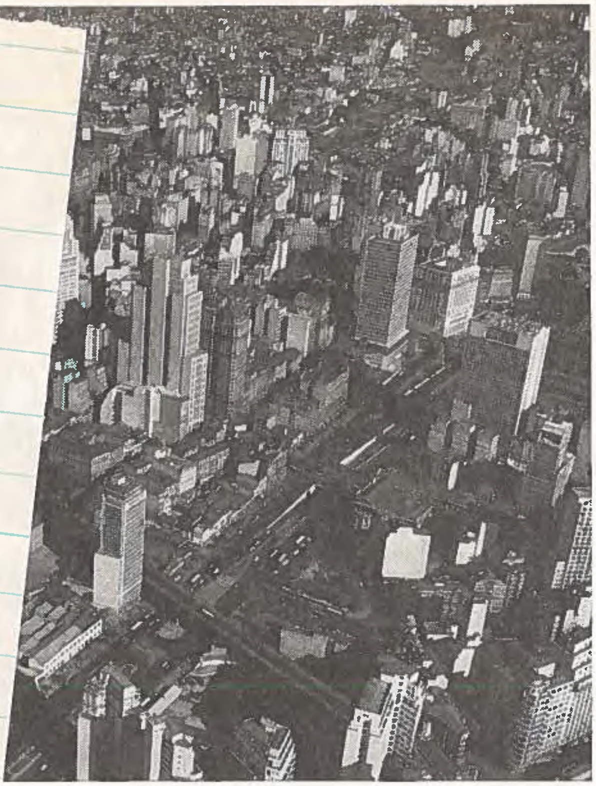
### Agricultural Import Pattern

When we turn to Canada's agricultural imports, we discover that the United States supplies about half of these. The range of products coming across the border into Canada is very wide; some of the more important items, with 1956 values, are soybeans $24.4 million, corn $12.6 million, soybean oil cake and meal $11.5 million, turkeys $5.4 million, fresh citrus fruit $30.7 million, grapes $8.6 million, fruit juices $17.4 million, fresh vegetables $37.5 million, potatoes $9.3 million and raw cotton $29.4 million.

Other countries from which Canada imports considerable quantities of agricultural products include Australia, Brazil, India, Malaya, Ceylon and Mexico. The most important agricultural products imported from Australia are raisins, raw sugar, canned meats and wool. Brazil ships principally coffee, Ceylon tea and coconut oil, India tea, Malaya crude rubber, and Mexico raw cotton.

### Future Trends

As predicted by the Royal Commission on Canada's Economic Prospects, it is to be expected that, with a continuing increase in population and industrial development, the home market will continue to absorb more of Canada's agricultural production and reduce the dependence of agriculture on the export market. Wheat will undoubtedly remain one of Canada's most important exports and outlets will continue to be needed throughout the world. In fact, the Commission foresees wheat exports in 1980 little changed from the present level. In addition, there should be outlets for a wide variety of high-quality products from Canadian farms in a number of countries which enjoy a high level of industrial development. ●



# Sao Paulo Industrializes

*In a two-part article, the Canadian Trade Commissioners in Sao Paulo discuss the meaning for Canadian businessmen of the rapid industrial developments in this region of Brazil. In this first part they make a case for more Canadian investments. Part two deals with how to set up a business in Brazil and will appear in our next issue.*

C. E. BUTTERWORTH,
*Consul and Trade Commissioner, Sao Paulo.*

SAO PAULO CLAIMS TO BE the fastest growing city in the world—a debatable point to some Canadians perhaps—but there is no doubt that the city is large, (over three million people) and expanding rapidly. According to government sources, the population over the last twenty years has almost tripled—from 1.2 million in 1936 to 1.8 million in 1946 and to 3.1 million last year.

Perhaps more significant for Brazil as a whole is the fact that Sao Paulo has become the industrial heart of the nation. This is shown in the following figures published recently by the Federation of Industry of the State of Sao Paulo.

VALUE OF INDUSTRIAL PRODUCTION

*(in millions of Cr.$)*

| | *Brazil* | | *Sao Paulo State* | |
|---|---|---|---|---|
| *Year* | *Cr.$* | *% increase* | *Cr.$* | *% increase* |
| 1930 | 5,907 | 100 | 2,245 | 100 |
| 1940 | 20,963 | 355 | 8,879 | 396 |
| 1950 | 125,000 | 2,116 | 62,500 | 2,184 |
| 1955 | 168,000 | 2,846 | 89,340 | 3,980 |
| 1956 | 255,861 | 4,331 | 135,982 | 6,057 |

Last year in the state of Sao Paulo approximately 50,650 factories employed 897 thousand workers.

Another indication of the fast industrial growth here is the fact that the State balanced its budget in 1956 for the first time in 11 years. At the same time, inflation has continued to be a most serious problem.

### Foreign Capital Flows In

Since January of last year, when the new Government took over, its position has strengthened steadily and it is now quite firmly established. Investors have clearly indicated their confidence in the newly elected regime; there is an increasing tide of foreign capital flowing in.

From the United States alone Brazil received last year (or was authorized to receive) the largest amount of dollar credits ever granted to a Latin American country. Loans, investments and technical aid totalled approximately U.S. $440 million, or roughly equivalent to 30 per cent of Brazil's export earnings during the same year. Export-Import Bank credits which totalled $227 million formed the largest part of the 1956 loans. A further $138.7 million came from the sale of United States surplus wheat and other farm commodities for payment in local currency; approximately 85 per cent of the proceeds go back to Brazil as a loan. In addition, Brazil signed a commodities sale agreement in November of 1955 with deliveries to be made in 1956, and added a further $8.3 million loan in July of that year when the United States sold Brazil 12 coastal cargo ships on credit. United States technical assistance for the fiscal year ended in June 1957 has been authorized at $3.1 million and her private capital investments in machinery have reached an estimated $20 million.

Included in the total of Export-Import Bank loans is $151.7 million for the railroads which has been authorized but not formally contracted for, awaiting passing of legislation to reorganize the federal railroad administration. The Brazilian National Steel Company received $35 million from this source, the railroads $19.6 million, truck and railroad equipment manufacturers $2.4 million, and $10.8 million was set aside to buy aircraft.

Brazil attracts investment from many countries. For example, West Germany has made Brazil her prime target for overseas investments. German statistics show that capital invested in Brazil has reached a total of DM299.3 million ($71.3 million) over the past five years, a greater amount than in any other country.

An impressive list of major foreign companies brought in large amounts of capital during 1956. The list includes ten major United States companies, five firms from West Germany, four from the United Kingdom, two from France and one from Italy. Six of the 22 firms listed make motor vehicles and two are the largest United States automotive companies. Some of the companies already established in Brazil have announced large expansion programs for this year—including five United States firms, three from Japan, and one from West Germany.

### Investors Share in Market

Over the past few years Brazil has experienced foreign exchange difficulties and has slashed imports; for example, the value of our shipments dwindled to $13.01 million in 1956 from $45.09 million in 1954.

Brazil's inability to buy abroad during World War II stimulated rapid industrialization and resulted in the United States becoming her major trading partner. Because of this development, the market will never be the same again and a protectionist policy for local industries will probably be continued.

Many countries were not willing to forget about Brazil when they saw import controls cut into sales. They made the only other decision possible and set up subsidiary plants, on the assumption that the country has a future. Canada does not seem to have kept pace with investments made by other major trading nations such as the United States, West Germany, the United Kingdom, France, Italy, and Japan.

Except for the continued interest of some Canadian companies (notably Brazilian Traction, Light and Power and a few others), Canada from an investment standpoint falls behind its world position as fourth trading nation. Still it is a considerable Canadian achievment that Brazilian Traction produces half of the electric power in Brazil and each year reinvests about $50 million in new developments in the country. It has operated in Brazil for 57 years and is Canada's second largest company after the C.P.R., with assets worth nearly one billion dollars.

### Best Investment Prospects

The best investment prospects lie in the fields to which the Government will pay particular attention in its development program. President Kubitschek has announced a five-year development program, in which Brazil hopes to accomplish in five years what ordinarily would take 25. It emphasizes power and transport, basic materials (steel, cement, aluminum, chemicals, etc.) and food production.

Because power and transport charges are kept artificially low, the actual investment opportunities are in the industries which serve these sectors—that is, in heavy industry in general and in plants producing means of transport, including parts, in particular. Prospects for the chemical industry are also good, but this applies with reservations to the pharmaceutical industry. The outlook for oil refining, the cellulose industry, special papers, quality tools, agricultural machinery and equipment, spectacles, and jewellery all appear favourable.

Development in a number of industries, most of them in the consumer goods sector, seems to have reached the saturation point at least for the present; these fields have less attraction for the foreign investor. They include textiles, especially cottons, shoes, sewing machines, refrigerators and most other household goods, radio and television receivers, typewriters and most other office machinery, antibiotics and bicycles.

Brazil, and more specifically Sao Paulo, is industrializing rapidly. The United States, since the new president took over, has poured money into the country in such large quantities that the five-year development plan appears almost underwritten.

An economy which depends on only one basic commodity is almost always vulnerable; internal inflation continues to rise at a rate of approximately 25 per cent a year. Yet the imposing list of internationally well known manufacturers who have established here seems to indicate that chances for future profitable operation are good. Canada is well represented by the Brazilian Traction, Light and Power Company Ltd. and a few others—but our numbers are small when compared with other countries.

Canadian businessmen who may be considering the possibility of establishing a plant in Brazil will be interested in part two of this article, which explains how to set up a business in this country. It will appear in our next issue. ●

# Fairs and Exhibitions

## Home Show in New York

LEADING PRODUCERS of all home furnishings have been invited to take part in the 8th National Home Furnishings Show, September 12-22, in New York's Coliseum. The invitation includes Canadian manufacturers.

The Home Furnishings Show draws buyers, decorators and the general public from all parts of the United States. Last year 337,676 people attended, and of these 1,284 were decorators. A survey of consumers visiting the show revealed that 46 per cent of them were in the \$5,000-\$10,000 income bracket and 40 per cent in the over \$10,000. Sixty-nine per cent saw things they wanted to buy; those who did not, said they would like to see more contemporary and early American furniture, more bedroom and living room furniture, more kitchens, carpets, decorative fabrics and accessories, and wallpaper.

For full information write the National Home Furnishings Show, 134 Lexington Avenue, New York 16, N.Y.

## Czechoslovakia Shows Machinery

THE WIDE RANGE OF PRODUCTS turned out by the Czechoslovakian engineering industry will go on display with the opening in Brno on September 1 of the Third Czechoslovak Engineering Exhibition. The Exhibition will run until September 22. Last year about two million visitors came to see or to buy, about 10,000 of them from foreign countries.

Displays will cover about 100 thousand square metres and more than 4,000 exhibits will be included. Star of the show will be heavy industry, with about 75 per cent of all products displayed, and skilled operators will be ready to show inquirers how the machinery works. Among the new types of machines slated to be featured are a railway automatic telephone exchange, small-oil circuit breakers for very high tension, an automatic cathex filter for the continuous softening of water in the course of continuous regeneration, the new Skoda 445 passenger car with a Skoda 1,200 engine, a potato classifier, and several newly designed time-measuring systems. The entire work of a television studio will also be on view. For further information, write to the Commercial Section, Czechoslovak Consulate General, 1305 Pine Avenue West, Montreal 25, Quebec.

## For the Textile Industry

TEXTILE MANUFACTURERS and machinery makers from many countries will converge upon an Italian town, Busto Arsizio, the last week in September for the seventh international exhibition of cotton, artificial and synthetic fibres, and of chemicals and machinery for the textile industry. Although foreign as well as Italian exhibitors are accepted, it seems unlikely that Canadian firms will set up displays. But Canadians in this type of business who are travelling in Europe between September 21 and September 30 might find a visit to the fair useful; the displays cover many new products and processes in the textile field. Fabrics shown range from velvets to plasticized materials, and from sewing threads to table and bed linen, unfinished textiles, and medical products. A special section will be devoted to textile chemistry and to textile machinery. Fashion shows during the fair will feature clothing designed by leading Italian firms.

## JITF in 1957

THE THIRD ANNUAL JAPAN INTERNATIONAL TRADE FAIR, held in alternate years in Osaka, took place in Tokyo May 5-May 19, 1957. The attractive temporary buildings located at Harumi Pier on Tokyo Bay were again the main site of the Trade Fair and provided 355 thousand square feet of exhibit space. Another exhibition area was provided in downtown Tokyo at the Otemachi Permanent Exhibition Building, maintained by the Tokyo Chamber of Commerce.

The standard of design of all of the exhibits was high and in spite of the handicap of two sites and temporary buildings, the Fair can be rated one of the best of its

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Australia was also exhibits of
manufactured goods as roducts.

Visitors during the 15 day ), includ-
ing 1,566 registered forei different
countries. Some 39 Cana ered as
buyers, according to Fair auth re 455
business visitors from the United 5 from
the Philippines.

It is estimated that transactions to some
$20 million were completed—a three over
the last fair held in Tokyo in 1955. ort
contracts involved machinery and —
approximately $3 million and $5 milli y.
Principal buyers were the United States, ,
the Philippines, Formosa, Canada and T

—W. G. P ,
*Commercial Secretary, Tokyo.*

### Brussels Goes Nautical

A MOTOR BOAT finished in two shades of pink and complete with outboard motor—this eye-catcher drew attention to the Canadian display at the 31st Brussels International Trade Fair which closed a few weeks ago. When the visitor attracted by the boat drew nearer, he discovered that the theme of the whole exhibit was nautical. Cheek by jowl with the boat (a Canadian product), were Canadian-made nylon fish nets, nylon rope, fish net floats, marine hardware, Arctic clothing, and canned salmon. Sets of "file-away" cards bearing recipes for dishes made from Canadian canned salmon delighted the householder; about 9,400 sets of these cards were distributed during the Fair. One day was set aside as "Canada Day"; the Canadian Ambassador toured the Fair that morning and a luncheon followed.


*A view of the Canadian stand at Brussels in which 26 companies featured marine equipment, canned salmon and some consumer goods. The fair attracted 900,000 visitors.*

During the sixteen days of the Fair an estimated 900 thousand people visited the 4,199 exhibits drawn from 35 countries. Leading exhibitors were Belgium, West Germany, France, the United Kingdom, the United States, the Netherlands, Switzerland, Italy, Sweden and Japan.

In addition to the official Canadian exhibit, several Belgian agents of Canadian firms took space to display the Canadian products which they handle.

### Specialized Fairs, Europe

*Leather*—XVth International Leather Week, Porte de Versailles, Paris, France, September 7 to 12. Leather manufacturers and dealers from many countries will show their products.

*Plastics*—"MacroPlastic", an international plastics fair, Amsterdam, the Netherlands, November 13-20, 1957. For further information, write to the Department of Trade and Commerce, Ottawa.

### ANUGA on the Rhine

ALLGEMEINE NAHRUNGS UND GENUSSMITTEL AUSSTELLUNG, the General Provisions and Fine Foods Exhibition, opens in Cologne on September 28th and runs to October 6th. With it there will be a special Packaging and Packing Exhibition which will include modern packaging and filling machines for provisions and foodstuffs, novel packing media and materials, and up-to-date shop equipment. This is an international show which in 1955 attracted exhibitors from 39 countries. In that year the exhibitor list totalled 1,682 (820 foreign), and of the 280 thousand visitors, 30,000 came from abroad.

ANUGA extends a cordial invitation to exhibitors and visitors from all over the world. You can find out about exhibiting at or visiting this show by contacting the First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street, Ottawa, or the German Consulates in Montreal, Toronto, Vancouver, Winnipeg and Edmonton.

# Israel Faces Economic Problems

*Heavy military expenses, increased immigration, and a weaker trading position have strained the foreign exchange reserves and compelled strict import restrictions. Purchases from Canada fell last year, with wheat suffering most; sales to Canada rose by 30 per cent.*

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

THE ISRAELI ECONOMY has shown few signs of improvement during the first five months of 1957. Weakened by growing inflation and a worsening of her international trading position, and burdened with heavy military expenditures and increased immigration, Israel has barely managed to weather the economic storm during the past 17 months by continuing to seek protection under the umbrella of foreign aid and by increasing domestic taxes. Export earnings in 1956, at $107 million, were some $17 million higher than the previous year. Canadian exports to Israel in 1956, however, slipped to a low of $2.7 million ($4.6 million in 1955) with a falling-off in wheat shipments.

### Financing the Budgets

The new budget for the fiscal year ending March 1958, originally set at I£849 million in January 1957, was recently passed by Knesset (Parliament) at I£969 million ($538.3 million). The cost of absorbing 100 thousand immigrants expected during 1957 has been estimated at I£250 million ($138.8 million) and cuts in the Ordinary and Development Budgets have been planned to meet these supplementary expenses. Details of the approved amendments to the original draft budget have not yet been released.

Although the Government expects to obtain a good part of the budget revenues from domestic sources this year, foreign assistance will again be vitally important if the state budgets are to be balanced. The new Jewish Agency's own 1956-57 budget (October-September)—financed mainly from funds raised abroad among international Jewry—has been increased to I£251 million ($140 million) ($88.8 million in 1955/56) to meet costs of resettling the new immigrants in agriculture.

Foreign exchange revenues for the fiscal year which ends March 31, 1958, have been placed at $577 million ($511 million in 1956/57); exports are estimated to earn $130 million ($102 million during 1956/57). Gold and foreign exchange holdings at the end of May 1957 totalled about $50 million, or almost 38 per cent of the currency in circulation.

### Balance-of-Payments Problems

With exports paying for a mere 30 per cent of requirements from abroad, Israel continues to lean heavily upon German reparations deliveries, a larger flow of personal restitution payments, U.S. aid, and contributions of international Jewry. The recently negotiated $30 million medium-term French credit for the purchase of food grains and other commodities will also help.

To meet her adverse balance of payments, Israel has been obliged to adhere to a strict regime for imports from the dollar countries. Imports of consumer goods during the 1957/58 fiscal year will be held at $294 million ($319 million in 1956/57); materials for export industries will, it is reported, be increased to $86.5 million ($80 million in 1956/57).

Trading conditions, which have eased somewhat in the last few months, continued in 1956 to be affected by a shortage of working capital caused by bank credit restrictions. Some progress was achieved in the various sectors of the economy, notably in wheat, citrus and industrial crops, irrigation projects, oil drilling, and the expansion and renovation of rail and mercantile marine facilities. Over-all agricultural output was up by 16 per cent and total industrial production in the non-public sector showed a 9 per cent increase at the end of 1956. The first cargo of crude oil to arrive at the reopened and expanding port of Eilat—which provides an outlet to potential export markets in Africa and the Far East—was recently carried by the new eight-inch pipeline to Beersheba in the Northern Negev for onward rail transport to the Haifa refineries. The construction of a thirty-inch oil pipeline, with French financial assistance, from the Gulf of Aqaba through Israeli territory to the Mediterranean and the extension of the Negev rail network from Beersheba to Eilat are under consideration.

Despite the various foreign exchange and bank credit controls, Israel's international trade showed an



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increased tempo in 1956 and during the first four months of 1957. Imports at $364 million during 1956 ($325 million in 1955) resulted in a widening of the trade gap to $257 million, despite the fact that higher citrus prices did much to increase the country's exports to $107 million during 1956. Much of the additional expenditure on imports went for capital equipment, development projects and security needs. The main commodities which registered significant increases during 1956 included agricultural, textile and other industrial machinery; iron and steel materials; aircraft, vessels, rolling stock, vehicle chassis and parts; aluminum; electrical goods and equipment; rough diamonds; chemicals, nitrogenous fertilizers; refractories; ores.

The dollar area's share of Israel's total import trade in 1956 rose by 4 per cent over that of the previous year to 35 per cent. This was almost entirely covered by U.S. government aid (though this was temporarily suspended for a few months) and larger receipts from U.S. Jewry. The U.S. imports into Israel included, for the most part, wheat, millet, barley, raw cotton, oilseeds, hides, tin plates, refrigerator parts, earth-moving equipment, automobiles, insecticides, drugs and medicines.

European countries shipped 47 per cent of Israel's total imports in 1956. Western Germany and the United Kingdom maintained their lead as the most important suppliers, after the United States, of Israel's diversified requirements. Imports from the Communist Bloc countries fell off by 23 per cent during 1956. Lumber, frozen fish, sugar, iron pipes and (until the Suez crisis) crude oil made up the bulk of these imports.

### Canadian-Israeli Trade Depressed

Canada dropped to fourteenth place as a supplier of goods to Israel during 1956 (eleventh in 1955 and fifth in 1954). Actual sales to that market, at $2.7 million, were again down from previous years—$4.6 million in 1955 and $10.2 million in 1954. This reduction resulted primarily from smaller Canadian wheat shipments to Israel (376 thousand bushels against 724 thousand in 1955) following the virtual U.S. monopoly of that market.

A number of other better-selling Canadian products —including canned meats, asbestos fibres and refuse shorts, tissue and wrapping paper, primary aluminum, motor vehicles and parts—suffered setbacks in the Israeli market during the year. Some of these losses, such as for aluminum, were the result of shipping difficulties in the latter part of 1956 following the Sinai campaign. In addition, the previous year's newsprint and flaxseed sales were not repeated, presumably because greater supplies were available from Israel's traditional suppliers. On the other hand, encouraging increases were recorded for Canadian sales to Israel of Douglas fir lumber; iron, steel and copper products; chemicals, drugs and medicinal preparations; raw calfskins and kips, and canned fish.

A 30 per cent rise in Israeli exports to Canada in 1956 brought the year's total to a record $1.5 million. Substantial increases in Canadian purchases of unset diamonds, citrus fruit and plywood accounted for this improvement. A number of new Israeli products also entered the Canadian market in small quantities for the first time last year.

### Prospects for Canadian Trade

Prospects of Canadian firms expanding their present level of trade in Israel will depend largely on the amount of dollar exchange Israel can earn through exports and obtain from the generous support of the Zionist movement in North America. U.S. Government aid, recently resumed, will continue to supply her with the bulk of the wheat and other agricultural products needed. Industrial equipment and raw materials will be covered largely through German reparations (until 1966 at least) as well as through bilateral clearing arrangements with countries which offer markets for some of Israel's slower-moving export products. Sterling receipts from citrus sales will again give Israel an opportunity to buy a fair volume of commodities, particularly agricultural machinery, from the United Kingdom during 1957.

Canada's trade position with Israel would, of course, change appreciably over the next few years if that country could obtain a greater share of Canada's expanding citrus fruit and juice business. With improved shipping space and a well standardized Jaffa orange, the Israelis feel that increased shipments of Jaffas to Canada would help to make foreign exchange available for a great many products which she would like to buy from Canada.

### The Outlook

Israel's ability to earn increased foreign exchange and industrialize the country will depend largely on how she faces some of her pressing domestic problems. Her natural resources are unfortunately few and many raw and semi-processed materials must be imported. With the growth of industry, some of these materials have been brought into the country for processing at a high cost in foreign exchange. Labour costs, which are automatically linked with the cost-of-living index (which increased wages by 14 per cent in 1956), coupled with low productivity and over-employment in certain industries, have resulted in excessive unit production costs. Because of these high prices, Israel's industrial products are meeting stiff competition abroad. Some high-priced products must be channelled into those markets with which Israel maintains trade or barter clearing agreements. Others find an outlet only through the Government's policy of subsidizing exports to avoid a sharp falling-off in shipments. This inflationary trend, if allowed to continue, must be checked by other means, says the Bank of Israel in its most recent report.

# Some Restrictions Removed at GAAT Consultations

***Eight European countries took part in consultations with a special committee appointed by the Contracting Parties to the General Agreement on Tariffs and Trade. During the three weeks' meeting in Geneva a number of the countries announced measures which will further reduce restrictions on imports from dollar countries.***

INTERNATIONAL TRADE RELATIONS BRANCH

THE FIRST ROUND in a comprehensive program for detailed consultations with countries which are participating in the General Agreement on Tariffs and Trade and which are applying import restrictions for the purpose of safeguarding their monetary reserves was concluded in Geneva on June 29. The consultations covered eight European countries: Denmark, Norway, Sweden, Italy, Greece, the Netherlands, Austria, and the Federal Republic of Germany. Consultations with another eleven or twelve member countries will be held in October.

The consultations, which lasted for about three weeks, were conducted by a committee that was specially appointed for this purpose by the Contracting Parties to the General Agreement. Canada is a member of this committee and Canadian representatives took an active part in the proceedings.

## Liberalization Measures Announced

During the consultations, some of the countries announced measures for further liberalization of imports. For example, *Sweden* advised that a number of important agricultural items—wheat and flour, rye, certain seeds, edible offal, soya beans, oil cakes, beans and peas—originating in dollar countries, including Canada, would be exempt from licensing control effective July 1. The free importation of these products from all sources is, however, permitted only as long as prices are within predetermined limits. With this step only a very few items of interest to Canada remain subject to import restrictions in Sweden. *Austria* announced that a new dollar free list, containing a large number of items, was being considered by the Government and was likely to come into force about the middle of July. *Italy* is also taking steps to remove restrictions on an additional list of imports from dollar countries in the very near future. *Norway* indicated that further liberalization measures might be taken shortly.

In the consultation with the Federal Republic of Germany, the GATT committee noted that the strong foreign exchange position of that country no longer justified the maintenance of restrictions for balance-of-payments reasons under the provisions of the General Agreement. The Government of the Federal Republic expressed its firm intention to consider the measures to be adopted in the light of this situation and announced that further liberalization steps would be taken in the near future. In particular, differences now existing in the degree of liberalization applicable to different currency areas (for example, between imports from dollar countries and from those in western Europe) would be gradually reduced.

The discussions also provided an opportunity to explore administrative measures that could be taken by the countries maintaining balance of payments restrictions in order to facilitate the flow of trade and to reduce damage to the commercial interests of trading partners. The representatives of the consulting countries undertook to bring views expressed in this regard to the attention of their governments for consideration and appropriate action. The adequacy of internal corrective measures being taken by the consulting countries was also reviewed, and it was stressed that increasing reliance should be placed on such measures to restore balance of payments equilibrium. ●



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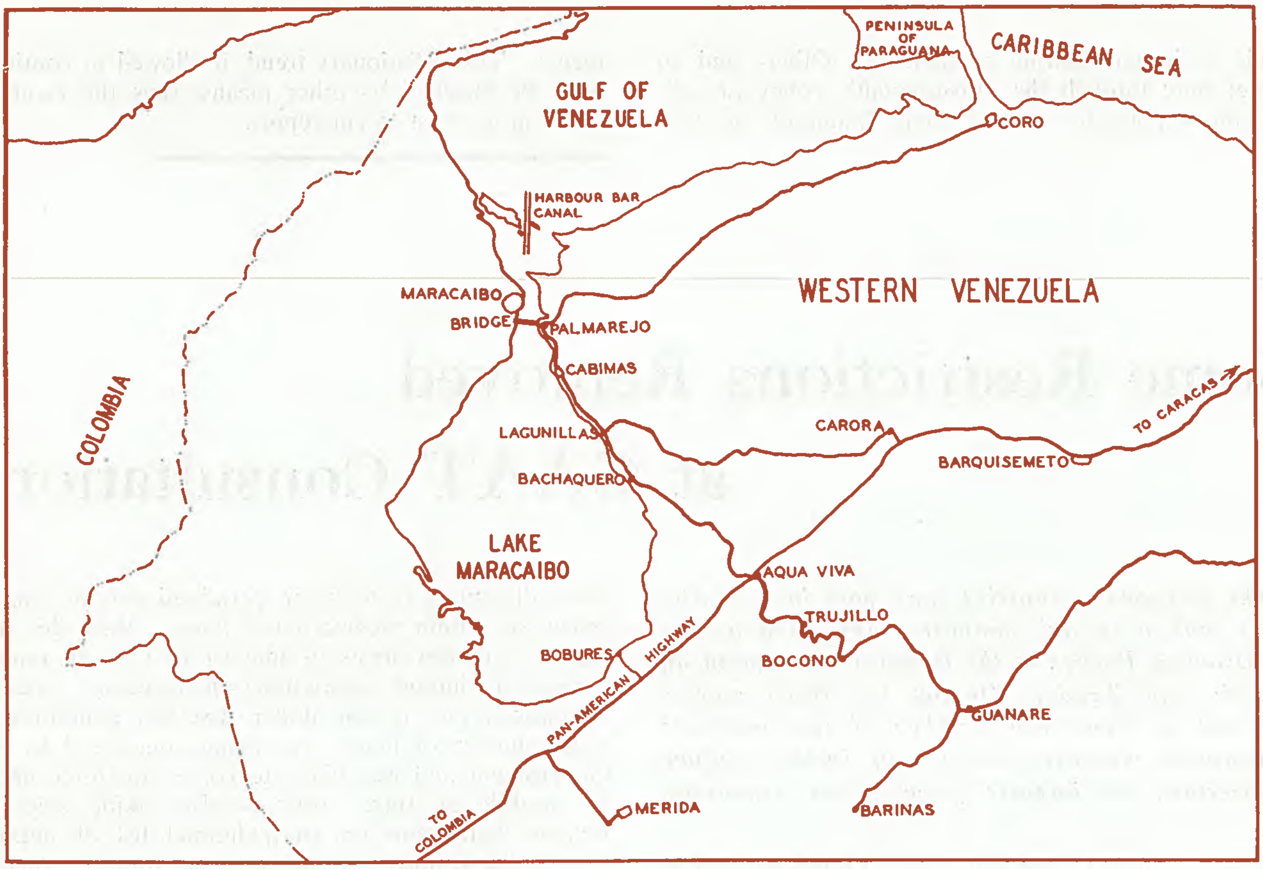



# The Market around Maracaibo

***Improvement in communications, large-scale irrigation projects and industrial advances are stepping up the pace of progress in the western Venezuelan states. Canadian exporters should capitalize on new opportunities arising in this booming area, with Maracaibo as its centre.***

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

ALMOST HALF OF VENEZUELA'S SIX MILLION PEOPLE live in the lowlands about Lake Maracaibo and on the Andean slopes which separate Western Venezuela from the central plains. More and more of these people depend on imports coming through the port of Maracaibo. Throughout the area there has been a rapid and well-founded growth; in 1950, for example, Maracaibo had about 235,750 people; now it has over 389 thousand.

In 1956 the national government spent over $500 million on public works and a good part of this was allotted to works in the western states. The dredging of the harbour bar at Maracaibo, finished a few months ago after four years of steady work, is one of the most significant accomplishments. The canal is 22 miles long and accommodates ships up to 28,000 tons; the outer section is protected by a breakwater two miles long which will effectively bar sand shifting. The cost of this work was $42 million; this will be recovered by tolls (three cents per barrel from oil tankers and 21 cents per ton from general cargo ships). With the present traffic, the enabling bond issue should be redeemed within 18 years. Oil companies will benefit most but this access to the lake will increase the already considerable tonnage of general cargo passing through the port of Maracaibo.

In 1955, Venezuela imported goods weighing 2,226,149,439 kilograms and worth 2,959,632,695 bolivares. Some 20.1 per cent by volume and 17.6 per cent by value passed through Maracaibo; La

Guaira took 45.3 per cent by volume and 54.2 per cent by value. This comparison shows that the nature of the goods imported through Maracaibo differs from those entering at La Guaira. Here are a few typical imports through Maracaibo:

METAL PRODUCTS IMPORTED THROUGH MARACAIBO FEBRUARY 1957

| | *Bolivares* | *Kilograms* |
|---|---|---|
| Barbed wire | 437,772 | 582,867 |
| Aluminum sheets | 116,697 | 194,180 |
| Steel angles | 110,475 | 203,531 |
| Tiles | 86,629 | 235,623 |
| Reinforcing bars | 1,991,220 | 2,943,190 |
| Steel or iron galvanized sheets | 500,067 | 760,039 |
| Tie plates | 83,390 | 128,040 |
| Tubes | 1,501,926 | 3,008,351 |
| Beams | 1,111,163 | 1,537,236 |

OTHER IMPORTS THROUGH MARACAIBO FEBRUARY 1957

| | *Kilos* |
|---|---|
| Barley | 7,744 |
| Cement | 674,723 |
| Cognac | 44,461 |
| Fresh fruits | 53,978 |
| Flour of wheat | 1,328,506 |
| Powdered milk | 453,847 |
| Cotton canvas | 3,721 |
| Cheeses | 19,512 |
| Textiles | 80,855 |
| Whisky | 28,393 |

| | *February Units* | *Jan. & Feb. Units* |
|---|---|---|
| Air conditioning equipment | 84 | 436 |
| Washing machines | 374 | 557 |
| Sewing machines | 281 | 518 |
| Radios | 245 | 413 |
| Refrigerators | 43 | 136 |
| Television sets | 106 | 107 |

Warehousing, hitherto a problem, is being met by two new warehouses and more are on the boards.

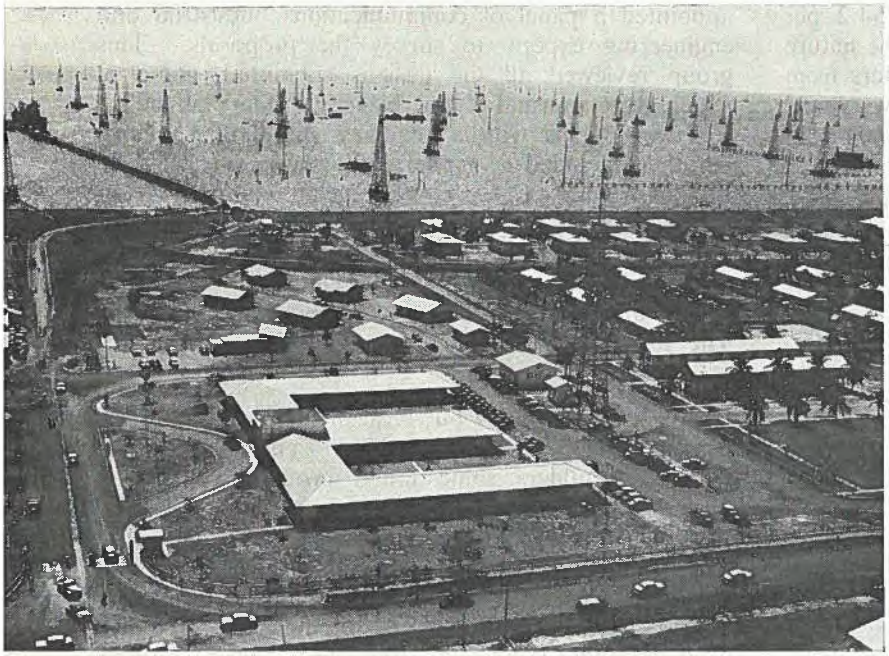
## Communications Being Improved

The fount of the country's wealth, Maracaibo, has meant much in the making of modern Venezuela. A long-sighted government is going far to establish an area less dependent on oil alone. The main latent wealth is the agricultural capacity of the land. The first need for development is communications and the measures taken in this field are indeed dramatic. Probably the biggest project is the bridge which will span the narrows of the lake south of the port. This will connect the port side of the lake with the network of highways serving the eastern shore and the populous Andean states. The Government announced its intention to build this bridge in January 1956 and subsequently received 18 bids, ranging from 147 million to 362 thousand bolivares. The authorities appointed a panel of communications, industrial and engineering experts to survey the proposals. This group reviewed all the designs submitted, some of which were unusual if not bizarre. One plan called for twin pylons with a roadway spiralling up each. Another included a tunnel. However, on May 26 Precomprimido, C.A., a Venezuelan company associated with the German firm of Julius Berger, was awarded the contract on the basis of a fixed bid of 329 million bolivares. The specifications called for a structure of prestressed concrete about 5½ miles long. The main span covering the channel into the lake will be over 500 meters.

Less startling perhaps but basically important are the advances in road-building. The Venezuelan Andes give road-builders some tough problems but these have been met with sustained ingenuity and a truly worthwhile road system has resulted. The spine of the system is the 550 miles of Pan-American Highway stretching from Caracas to the Colombian border. At Agua Viva just east of the lake, this road is joined by a pavement coming in from the northwest directly from Palmarejo, at the lake narrows just opposite Lake Maracaibo. This road passes through the main oil camps along the east shore of the lake—Cabimas, Lagunillas and Bachaquero. These camps are now actually small towns. Two important adjuncts which will extend the area best served from Maracaibo are the roads from Lagunillas to Carora (166 miles) on the Pan-American Highway near Barquisemeto, and from Palmarejo to Coro (150 miles) on the Caribbean coast. Equally useful are the offshoots to the south of the Pan-American Highway which will tap the agricultural production of southern Zulia, a truly fine agricultural area. Over this splendid system Maracaibo will distribute the increased tonnage engendered by the channel improvements and absorb the agricultural products from the fertile hinterland. Only lack of access has denied to Maracaibo the benefit of her own backyard.

Salesmen and tourists covering interior points in Western Venezuela will find comfortable lodging, as this part of the country has fared well in the government-sponsored hotel development plan. This calls for nine new hotels by the end of 1957. Of these, five are constructed or planned for the Western states of Falcon, Merida, Trujillo, Barinas and Táchira.

Now that the lake is navigable for all bottoms, another project is practicable and slated for action this year. This is the construction of a port near the south end of the lake which will mean much to fruitful southern Zulia and the neighbouring foothills. Oil from new producing areas will be loaded directly on large ships. One probable location of this port is Bobures, only a short distance from the Pan-American Highway.



*This photograph of one of the main oil campsites at Lagunillas on the eastern shore of Lake Maracaibo shows how the oil companies have developed their holding into small modern towns. Independent business firms are now taking over many company-managed buying functions and this trend will broaden the market for Canadian goods in the future.*

**Irrigation Project Mooted**

The headline read, "The road to Boconó to cost nearly 40 million Bolivares". We found Boconó on the map, a small town at the western edge of Venezuela's central plains. We read on and found that Boconó was to be connected with La Plazuela, a mere point on one of the offshoots of the Pan American Highway near the mountain city of Trujillo. Why a road to Boconó? Because at Boconó the river of that name will be dammed for the mightiest irrigation project ever undertaken in South America. Over 5,000 square kilometers of llanos land will be watered. Part of this area is exceptionally well suited to some grains and on a large part cattle and other livestock will thrive. This whole area will integrate naturally into the complex we have seen evolving in Western Venezuela. The importance of this project may be judged from the words of the Governor of the State of Portuguesa, Dr. J. Sequera-Cardot. "It is to be expected," he said, "that as soon as we are able to send our products to the international market an advantageous revision of our foreign trade policies will be made. A reduction in the cost of production, once our land is put under irrigation and fertilizers are available cheaply, is far from being a dream."

**Canadian Trade Prospects**

We have traced the main elements in the integration of an independent economic area containing nearly three million people with an urban centre made rich by oil. We have seen its new union with the nearby agricultural lands and its access to the seaways of the world. What does this mean to Canada? About two-thirds of our exports to Venezuela are agricultural products. Doubtless some of these will be displaced by products from the farms of Zulia and the Andean valleys, but the agricultural growth itself creates possibilities for Canadian traders. Canadian exports of breeding stock, which have done very well over the last few years, should increase measurably. Farm machinery offered at competitive prices will find a growing market. Always assuming competitive prices, a whole range of feeds, insecticides, seeds and implements should do well. Most fertilizers will probably be supplied from the government-prompted Petroquímica plant at Moron.

Whatever else it means, the development of this area means more people and more prosperity. This is promising to traders in Canada's traditional exports other than agricultural products. In short, there may well be reverses in some sectors of agricultural exports, notably dairy products, but increases in those agricultural products the Venezuelans cannot produce and in all our non-agricultural lines. Already light industry is being seeded and new raw material needs are felt.

Aside from the general economic advance in this part of Venezuela, there is another development significant to the Canadian trader. This is the changing approach oil companies are taking towards procurement and services. When oil extraction began, there was an obvious need for all-encompassing company operations. It was an under-developed area and everything needed —road-building, hospitals, commissaries, schools and houses—was undertaken by the companies themselves.

They functioned as town managers. Now the area has developed to the point where more normal patterns of life are feasible. The Venezuelan workman has in a comparatively short time become a ready artisan capable of quite specialized tasks. Many company-administered functions can now be better performed by independent businessmen. Oil-company purchasing has always been centered as far as possible in the United States or Europe. Now Canadians will have an opportunity to supply the requirements of these new business houses.

Requests for Canadian products reflect the progress made in this market. Many of these stem from the construction boom. June 1957 saw the start of 48 "bloques", public housing apartment blocks containing up to 250 units. Some Canadian products could be incorporated in these and in other works. Acoustic tile, lumber and aluminum are in demand.

In each of the last five years the sale of air-conditioning units has doubled. With the resulting sealing-off of cool spaces, businessmen see possibilities for sales of inter-communication devices for both home and industrial installations. The increase and concentration of population is heightening demand for mass-consumed goods such as newsprint. Lakeside dwellers, especially the numerous North American residents, are beginning to show a keen interest in boating. Because of a destructive water worm, aluminum hulls will probably be preferred. This market is just on the point of development and if it fulfils its potential there should be an interesting trade in small boats and marine gear.

### Trading Techniques

The general rules of trading apply to Western Venezuela also. The price must be right and to meet competition, credit should be judiciously extended. There should be rigid quality control and scrupulous attention to documentation. It is very important that one's agent be located in Maracaibo and no attempt made to cover the market from Caracas. The "Maracucho" is very much aware of himself as such and often resents the unrealistic view that Maracaibo is just beyond the western suburbs of Caracas. We have seen that this port is able to serve more and more inland points quite handily. In future there will probably be merit in the appointing of agents elsewhere in the area. Personal visits to the market are, of course, very important. The men of the Foreign Trade Service at the Caracas Embassy plan more frequent trips to Maracaibo and will, upon request, survey agency possibilities for any particular line. A market as attractive as this is patently competitive but there is no reason why Canadian traders should not obtain a rewarding share of it. •

## Swiss Set Up Business School

CONSCIOUS OF THE GROWING COMPLEXITY of operating large enterprises, the world-wide firm of Nestlé has established a Management Development Institute in Switzerland under the patronage of the University of Lausanne. Set up with the purpose of training young executives to assume heavier management responsibilities, the school will open in September.

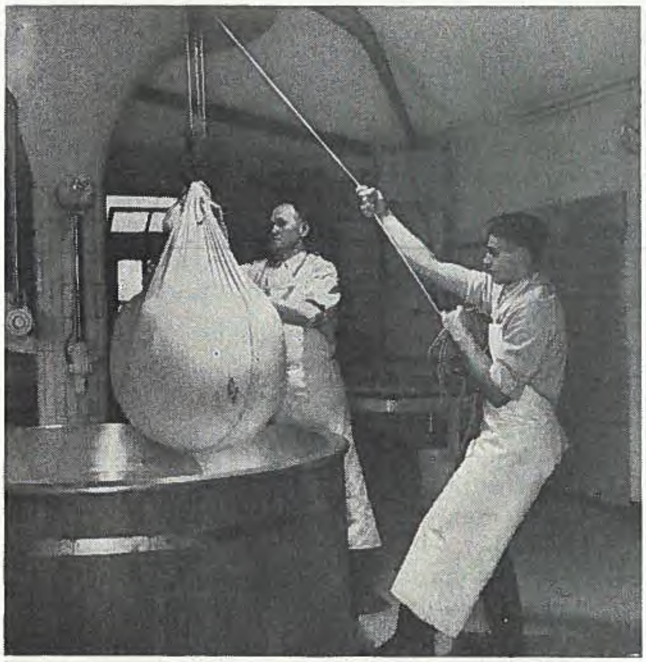
The 40 to 60 young executives who will take the first eight-month course will gather at the Bellerive estate at Ouchy, one mile from Lausanne on the shores of Lake Leman, on September 17. Most of them are expected to be between the ages of 28 and 38, with a good cultural and business background. For the most part, they will be men already holding responsible positions, with the expectation of rising in management ranks in the not too distant future. Those planning the course feel that it is desirable that participants have a university degree. However, candidates without a degree but with general aptitude and good business experience will be accepted. Because the teaching and discussions will be carried on entirely in English, every student must be proficient in that language.

In the main, the school will be the Swiss equivalent to and will follow the pattern of the Harvard Graduate School of Business Administration. Teaching will follow the case method and the Harvard Business School has agreed to make the necessary material for the discussion of cases available. In matters related to teaching, the council of the Institute will be assisted by three Harvard University professors; all seven members of the faculty have been on the staff of the Harvard Business School at one time or another.

In general, the curriculum will correspond to the Harvard Middle and Advanced Management courses, and will cover such subjects as finance, marketing, sales management, international trade, production, human and labour relations, business policy, control, and general management. Tuition charge will be about Can.$1,120, covering books, supplies and use of the library. Board and lodging are not included in this fee.

Anyone interested in further information about this course should write to the Director, Management Development Institute, Bellerive Estate, Ouchy, Switzerland.

—B. I. RANKIN,
*Commercial Counsellor, Berne.*



*The cheesemaker and his helper hoist a cloth filled with cheese curd from the "kessi", or vat, in which the milk has been coagulated and the gluten cut and heated. The cheese-maker scrupulously follows all the rules of modern hygiene and technology but he also applies the wisdom of an ancient craft to bring out the best qualities of the young cheese.*

# Swiss Cheese in the Making

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

CANADIANS ARE DEVELOPING A TASTE for the specialty foods of other lands—foods like processed cheese from tiny Switzerland. Last year Canadians at parties, for dessert or snacks munched through 882 tons of cheese imported from Switzerland; most of it was the creamy, delicately flavoured process type which generally is sold in sealed-in-foil wedges packaged in small round boxes.

Switzerland's cheese production in 1955 totalled 60,300 thousand metric tons. Over half of this was Emmenthaler, a traditional hard cheese, and originally a product of Alpine farm dairies; today it is made in central factories, and exclusively in eastern Switzerland. Another important hard cheese is Gruyere, which in flavour resembles Emmenthaler; annual production totals about 10,000 tons of which 150 to 200 tons are exported. Sbrinz is probably the oldest Swiss hard cheese but it requires a curing period of two to three years compared with eight to 12 months for Gruyere. Annual production reaches 1,500 tons of

*The young cheese from the vat is placed in this wooden mould and a press used to squeeze it in. In the mould the cheese acquires its familiar cartwheel appearance and superfluous liquid squeezed from the cheese drips off. The cheese is turned several times and wrapped in fresh cloths; after 20 hours the press is removed and it is ready for curing.*

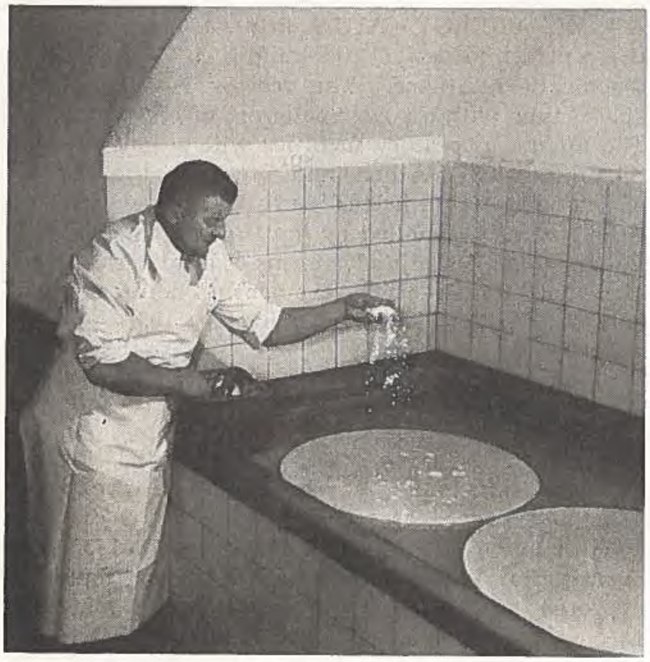
which 300 tons are exported. Schabzieger or Glaris Green Cheese is the fourth original hard cheese exported; 400 to 500 tons are produced each year and half of the output is sold abroad.

The Swiss processed cheese or cheese in boxes so familiar in Canadian food markets usually uses as base Emmenthaler, Gruyere, Sbrinz, Tilsiter and Schabzieger, although soft cheeses are sometimes employed. Switzerland has exported this type of cheese since 1925.

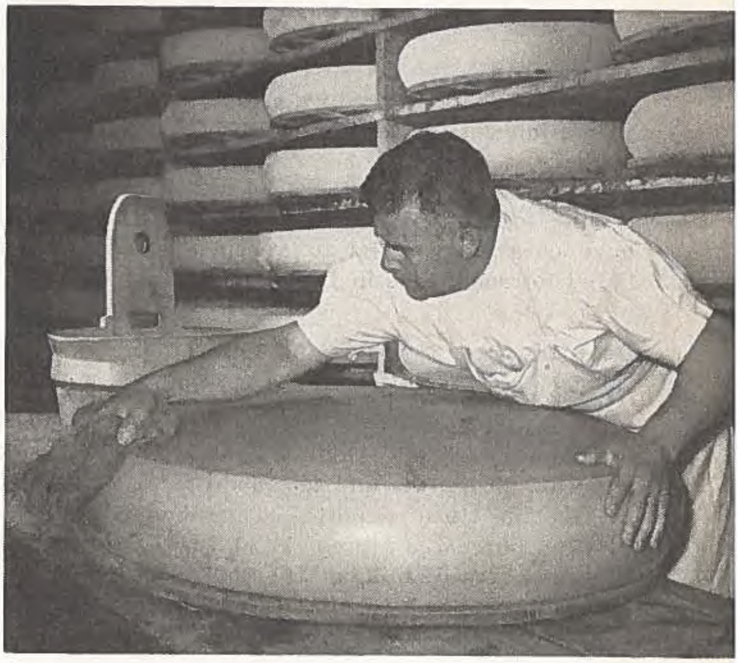
The Swiss sell abroad about 40 per cent of the cheese they produce; in 1956 exports totalled 24,381.6 metric tons valued at S.Fr.127.5 million (about $28.4 million Canadian). Hard cheese and processed cheese together account for some 98 per cent of total exports and the most important customers are Italy, France, the United States, Belgium-Luxembourg, West Germany, Canada, and the United Kingdom. The first three countries alone purchased 74 per cent of Swiss cheese exports in 1956.

*This is the Emmenthal, a mountain valley in the Bernese Alps where Emmenthaler cheese originated. About 150 years ago valley dairies throughout eastern Switzerland started making the cheese in large loaves weighing as much as 100 kilos. Operations today are highly centralized and the cheese factories contract for milk from the producers at set prices.*

*Fresh from the cheese press, the cartwheel first cools, then the cheesemaker plunges it into the salt bath, where it remains for two or three days. The saturated salt solution promotes the formation of a crust on the outside within two weeks. This crust will prevent escape of gases during fermentation; while it forms the cheese remains in air-conditioned vaults.*



*The final stage has arrived. Here the cheesemaker cleans a fermenting cheese loaf in which holes are forming during the eight weeks it spends in the fermentation vaults. Two or three times a week each cheese is taken down from the shelves, turned, cleaned, salted and re-stored. After fermentation, the cheese will ripen in a special storage room.*



# Commodity Notes

### Brazil

NICKEL—The Japanese firm Taiyo Bussan Co. of Tokyo and the Sabamil Mining Co. of Sao Paulo have signed a contract for a Brazilian firm to develop a nickel mine located some 50 miles inland from Santos. It is understood that the Japanese Government is planning active financial and technical assistance in the hope that this mine will prove a new source of nickel for Japanese industry. The first shipment of 260 tons of nickel ore from Brazil arrived in Japan early in May—Sao Paulo, June 20.

MOTOR VEHICLES—The recent announcement that Ford Motor Company will invest $16 million and General Motors $10 million in the manufacture of trucks in Brazil brings the total number of firms up to 33. Some of the larger firms now manufacturing motor vehicles include Mercedes-Benz, Willys Overland, Romi, Volkswagen, Vemag and the National Motor Factory. Some Brazilians have expressed the opinion that the country cannot provide a market for such a large number of firms. After some amalgamations, it is predicted that only about 20 per cent of them will remain—Sao Paulo, June 20.

### Chile

NITRATE—Nitrate production in Chile in the year 1956 totalled 1,159 thousand metric tons—the lowest in the past 11 years— according to an official statement issued by local authorities. They attribute the decline to the fact that some of the small plants have closed down and to a general strike which lasted for some time in 1956—Santiago, June 17.

### Denmark

AIRCRAFT—In 1956 Denmark's imports of aircraft exceeded all previous records: 35 aircraft worth a total of 112.8 million D.kr. (Can. $17.8 million) were imported during the first ten months.

Of the 1956 imports, Scandinavian Airlines System purchased three DC-7C's, each costing between 14 and 19 million D.kr., and three *Metropolitan* aircraft at seven million D.kr. each (Can. $970 thousand). The remaining 29 aircraft were bought for military, ambulance, and private purposes—Copenhagen, June 25.

### France

LUMBER—The value of Russian shipments of softwood to France has risen steadily since France signed a commercial agreement with the U.S.S.R. in November 1954. The value of these imports totalled the equivalent of $5.2 million in 1955 and rose to $5.7 million in 1956. Last year the imports from Russia consisted of 41,141 tons of sawn lumber, 2,039 tons of logs for lumber and 32,352 tons of pulpwood. France has renewed the original agreements and it is expected that imports of Russian softwood will continue to increase; during 1957, it is estimated that imports of sawn lumber will total 32,000 cords and of pulpwood 28,000 cords. These totals are expected to increase about 10 per cent in both 1958 and 1959—Paris, June 27.

### Greece

ATOMIC ENERGY—A U.S. firm has been awarded the contract to design and build a nuclear research reactor near Athens. The reactor will be of the "pool" type with a power potential of one megawatt. The atomic laboratory facilities will be operated by the University of Athens and will be at the disposal of industry for nuclear research. Fuel for the reactor will be supplied by the United States Atomic Energy Commission under terms of a bilateral agreement with the Greek Government. The reactor will be in operation by the spring of 1958—Athens, June 10.

### Kenya

TEA—The Kenya Tea Board announces that favourable weather conditions and increased production from new areas has resulted in a record crop for 1956 of 21.2 million pounds, against a 1951-55 crop average of 15.9 million pounds. This figure is expected to rise as new areas reach maturity. Licensed acreage at the end of 1956 totalled 67,674 acres of which 27,029 were in tea. Principal buyers of licensed exports in 1956 (15,044,913 pounds including a carry-forward from 1955) were the United Kingdom (10,005,194 pounds), the U.S. (1,870,203 pounds) and Canada (1,166,676 pounds). About 70 per cent of the 1956 crop was exported. The crop and price outlook for 1957 is bright. In March alone export licences were issued for 1,409,614 pounds of tea at an estimated value of £255,189—Salisbury, June 20.

### Norway

TITANIUM—The Norwegian company Titania A/S, a subsidiary of the National Lead Company in the United States, has been granted a concession by the Norwegian Government to exploit the extensive titanium ore deposits in the Jossingfjord district in the southwest of Norway. It is estimated that these deposits contain some 350 million tons of titanium ore. The Norwegian company intends to spend Norwegian kroner 75 million on the plant and the equipment required to exploit these deposits. At present Titania A/S produces about 180 thousand tons of ilmenite concentrate per year. As the new deposits are developed, the output is first to be raised to 300 thousand and later to 400 thousand tons annually—Oslo, June 21.

### Portugal

ALUMINUM—A contract for the concession of the exclusive rights of research and subsequent exploitation of bauxite ores in the Provinces of Angola and Guinea has been signed between the Portuguese Government and the N. V. Billiton Maatschappij, of the Hague. The capital of a new company designed to carry out these plans will be at least 5,000 contos (approx. Can.$170 thousand), of which 60 per cent is being subscribed by Portuguese entities, including the State—Lisbon, June 18.

### Rhodesia and Nyasaland

AUTOMOBILES—The first car to be made in Rhodesia—the tiny German make "Fuldamobil"—is now coming off the assembly line in the Federation. It is produced under licence from Germany by a Salisbury company. Castings for brake drums, front springs and shock absorbers are all made locally. Production averages one and a fifth cars a day at present but will soon rise to two cars a day to meet the demand—Salisbury, June 20.

### Sweden

ADJUSTABLE SCHOOL DESKS—The Swedish Export Association reports that a new type of adjustable table and chair set for use in schools has been introduced to the market. The new design features five different sizes of coupling which can be fitted to the legs of the chair and table to adjust the height for children of different ages and sizes; the back rest can also be set in two positions. The seat and back of the chair are made of birch and the table top of birch, beech, and plastic laminate; both table and chair are equipped with shrunk-on plastic feet. All wooden parts are given a plastic finish—Stockholm, June 25.

### Turkey

OIL—The Turkish Government has signed an agreement with four petroleum companies—British Petroleum Co. Ltd., California-Texas Corporation, Secony Mobil Oil Inc., and the Royal Dutch Shell Group—to build a new oil refinery (Turkey's second) on the Sea of Marmara near Istanbul. It is reported that the new $48 million refinery, which is scheduled for completion in 1960, will be one of the biggest refineries in the Middle East and capable of refining 3.2 million tons of crude oil a year. Last year Turkey produced 305 thousand tons of crude oil which the Batman refinery (capacity 330 thousand tons a year) processed into 52 thousand tons of gasoline, 18 thousand tons of motor fuel, 165 thousand tons of fuel oil and 40 thousand tons of asphalt—Athens, June 21.

### West Germany

BUILDING MACHINERY—The building machinery industry, which increased output from 56,600 tons in 1951 to 161,800 tons in 1955, slipped back in the second half of 1956 because of the decline in construction. In the first half of last year production rose 2.4 per cent over the first six months of 1955 and 40.3 per cent in value but comparative figures for the second half show that output fell 18.9 per cent and value declined 7.2 per cent. Taken as a whole 1956 production was down only 600 tons from 1955 and value increased by 13 per cent from D.M. 578 million to D.M. 657 million; price rises resulted from higher prices for steel and greater production costs. Figures for the first two months of this year indicate that the decline has continued. Production fell 23.4 per cent from the total for the same period in 1956—Bonn, June 28.

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### Correction, July 6 Issue

*To help readers to convert the values quoted in guilders to dollars in the article on Dutch agriculture which appeared on page 19 of the July 6 issue, we added a footnote which showed that one guilder equals approximately Can.$0.05. This was an error; it should have read one guilder equals approximately Can.$0.25.*

# Rhodesia and Nyasaland

# Market for Automotive Products

***A trend to suburban living, better roads and the limited transportation services mean a boom market for automobiles and parts in the Federation. Low-cost economical British cars lead in sales but there are excellent opportunities for Canadian exporters of spare parts and accessories for both cars and bicycles.***

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

THE FEDERATION OF RHODESIA AND NYASALAND is a booming market for automobiles, parts and accessories. One of the main reasons is that the high proportion of suburban living and limited bus services make two cars per household a virtual necessity. The result is that the number of two-car families is considered one of the highest in the world.

So far the Africans have not reached an economic status that permits them to be buyers of cars in any numbers; the market is virtually limited to the white population which totals only about 275 thousand. Yet in 1956 there were 18,487 new registrations of private vehicles and 6,899 of commercial vehicles. It is interesting to note the more popular types:

| PRIVATE | | COMMERCIAL | |
|---|---|---|---|
| Ford British | 4,002 | Bedford | 1,418 |
| Vauxhall | 2,579 | Thames | 995 |
| Morris | 2,129 | Ford | 582 |
| Austin | 1,361 | Landrover | 511 |
| Opel | 1,066 | Morris | 502 |
| Chevrolet | 905 | Austin | 431 |
| Volkswagen | 794 | Others | 2,797 |
| Standard | 760 | | |
| Ford North American | 718 | | |
| Hillman | 696 | | |
| Rover | 421 | | |
| Humber | 381 | | |
| Various | 2,675 | | |
| Total | 18,487 | Total | 6,899 |

There are now about 86,000 private and about 36,000 commercial vehicles in the country.

British cars hold the key position in the market. This is understandable in view of the large proportion of the population which is of British origin and the moderate price of many of the British models (£600-£900). In contrast, a new Chevrolet sells for approximately £1,300 (about $3,600). High prices therefore hinder the sale of more North American cars, although most makes have dealer organizations in the Federation. Lower operating costs of British and European cars are also a powerful sales factor in a country where gasoline prices run high. In the last two years there has been a quota of £1.3 million per year on dollar purchases of cars and no import permits were granted for any car priced at more than £800 F.O.B. factory. In general, this quota has proved sufficient for the over-all demand and most of the lower-priced North American cars can be bought off the floor directly or after a short waiting period.

### Assembly Plants in South Africa

Ford, General Motors, Chrysler and Studebaker all have assembly plants in the Union of South Africa which serve the Federation, although certain makes and models are imported direct. Canadian export statistics show that for the four months ended March 31, 1957, Canadian auto makers shipped 92 passenger vehicles worth $200,109 to the Federation. The Ford Motor Company in Detroit now has a policy that all right-hand drive models are made only in their Canadian plants, but the other manufacturers still offer models with right-hand drive from American as well as Canadian production. Parts for the assembly plants in South Africa are shipped both from the United States and Canada. Several of the well-known American tire and battery manufacturers have branches in the Union which cater to the car assembly plants and to parts and accessory dealers throughout the Union and the Rhodesias as well.

Before the war and in the years immediately following, cars like Chevrolet, Ford and Plymouth enjoyed

*British, European and some North American cars and trucks are seen here on Baker Avenue, a main Salisbury thoroughfare. Cars bought by Europeans and bicycles sold on a mass scale to Africans create a steady market for spare parts.*

great popularity in the Federation because they stood up to local road conditions better than the smaller English cars. In recent years, however, this situation has changed. British models have been made larger and the designs more attractive, while the roads throughout the Federation have improved immeasurably. In addition, an official exchange rate of $2.80 U.S. to the pound sterling makes for very high local prices for North American cars. All these factors have had the effect of putting a brake on the demand for cars from the hard currency countries.

### Big Spare-Parts Market

Despite the fluctuations of the new car trade, because since the 1920's a fairly good volume of North American cars have been in use there has been a brisk trade in spares and accessories. This market has expanded because of the tendency among Federation car owners to keep an old car in use longer than is customary in Canada. Actually there are still excellent opportunities in the parts and accessories field and good local representatives available for any Canadian exporters desirous of entering the market. A fair idea of the trade may be gleaned from the Canadian export statistics which record shipments to the Federation over the past three years as follows:

| | *1954* | *1955* | *1956* | *1957 (Jan.-March)* |
|---|---|---|---|---|
| Auto parts ........ | $ 259,052 | $ 248,577 | $ 121,785 | $ 17,543 |
| Sparkplugs ......... | 16,961 | 20,529 | 50,377 | 22,419 |

For the African population whose earnings are still low, even an old used car is still a luxury. However, in the past ten years the Africans have literally "gone on wheels" on a mass scale by buying bicycles, now easily within their economic reach. In few parts of the world have British bicycle manufacturers reaped as rich a harvest as they have here, where the African population is estimated at over seven million. The latest official figures available (1955) show imports of 158,695 bicycles worth £1.7 million, of which 148,695 came from the United Kingdom. This volume is growing as the African standard of living continues to rise. The business in bicycle accessories and parts is also heavy. The first step in the transport evolution of the African was from foot to bicycle. Already a considerable number of them have motorcycles. As their incomes continue to rise, before many years they may well enter the auto market.

## 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 India

*A. P. JAIN, senior partner, Bishamber Dass and Sons, importers, Delhi, will arrive in Canada some time in August. Mr. Jain wants to buy complete plant and equipment, including electroplating machinery, to make snap fasteners and press buttons. He also seeks raw materials for the operation, such as brass strips and phosphor-bronze wires. His forwarding address in Canada is Mr. A. P. Jain (of Delhi, India), c/o The American Express Inc., 1200 Peel St., Montreal.*

### ▶ from Mexico

*A. P. VAN OS, manufacturers' representative in Mexico City, is in Canada at present and will continue his business tour until the end of August. Purpose of his visit is to meet Canadian manufacturers of consumer goods and specialty food products. He can be contacted by writing to P.O. Box 783, Vancouver.*

# Business Booms in Cuba

*The business trend was upward in 1956 and it is still climbing this year, with sugar selling well and money pouring into new industrial projects. More aggressive selling is needed to boost Canadian sales in this Latin American market.*

G. A. BROWNE,
*Commercial Secretary, Havana.*

BUSINESS IN CUBA LAST YEAR continued to boom and by all indications it was the best year since 1952. Conditions improved steadily in the first three quarters of 1956 compared with the same period of 1955; sugar sales rose in the last quarter, spurred by the Middle East crisis.

The disposal of large reserve stocks of sugar and sale of the 1956 sugar crop at favourable prices sparked this year's marked economic progress. Prospects are that prices for sugar this year will remain high; at the end of May it was selling at 6.05 cents a pound F.O.B. Cuba, compared with 3.31 cents in May 1956. Private construction and the Government's large public works program were important factors in the business surge and large amounts of foreign capital, chiefly from the United States, flowed into Cuban industry and business.

### Production Rises

Agricultural output rose considerably last year compared with 1955. Not only did sugar gain, so did rice, coffee, potatoes, livestock and poultry. Tobacco output went up only slightly.

The brisk pace of mining and petroleum exploration continued and there were large investments in new petroleum refinery capacity at Havana and Santiago de Cuba. The total of new exploration and refinery investment scheduled by the end of 1956 rose to $250 million.

Manufacturing in general enjoyed a good year. The textile industry laid plans to produce new fibres and the clothing, footwear, rubber, house furnishing, beverage and food products industries reported successful operations in 1956. The outlook for 1957 is good and production is holding up well in most fields.

The construction industry reached new highs; the value of building permits approved rose to an estimated $77 million, a gain of 11 per cent over 1955.

### Investment in New Projects

The large private investments first planned about five years ago and now exceeding $720 million will have a considerable effect on the business outlook for this year. Projects announced in the past two years foreshadowed U.S. private investment between 1955 and 1960 of over $200 million. This investment will find its way into many new ventures such as mines and quarries, foodstuffs, beverages, textiles, bagasse products, rubber and tires, chemicals, petroleum and products, non-metallic minerals, metal fabrication, electrical equipment, miscellaneous manufacturing, electricity and communications, and a variety of small specialized light industries.

Transportation services have received a lot of attention and a good deal of money has gone to improve railway tracks and to modernize rolling stock. The extensive public works program has led to marked improvement in the condition of the public highways and to greater use of motor transport. Studies are under way to see if the "piggy-back" principle is feasible for sea-ferry, rail, and truck-trailer transport. New ship purchases have laid the foundations for a Cuban-flag merchant service which should assist Cuban exporters of fisheries and agricultural products.

The public utility company has announced that it will install a 10,000 kw. nuclear power station and the Cuban Nuclear Energy Commission will set up a reactor for experimental research. These units will begin operations in 1959 and will put Cuba in the forefront of nuclear energy development in Latin America.

### Marketing Improves

In both the wholesale and retail fields the 1956 turnover improved over 1955. Retail merchandising in nearly all lines made new gains, reflected in higher automobile registrations and gasoline sales, household appliances, clothing, house furnishings, higher cinema attendance, increased personal travel expenditures, and higher electricity consumption. Although consumer buying rose, total bank deposits also increased and savings accounts showed a small gain. Retailers have held the gain in sales recorded last year in the first half of this year and report that many types of goods are moving in slightly higher volume.

### More Credit Available

Twenty-one new branch offices or agencies of the commercial banks were opened in 1956, bringing the total in Cuba to 256. Commercial loans expanded to $632 million, an increase of $53 million over the previous year. These loans were distributed, on a percentage basis, as follows:

| | |
|---|---|
| Sugar | 26.6 |
| Tobacco | 4.4 |
| Coffee | 2.1 |
| Rice | 2.1 |
| Cattle & dairies | 4.0 |
| Food products | 2.9 |
| Construction | 8.4 |
| Various | 49.6 |
| | 100.0 |

Commercial bank resources at the end of 1956 were the highest in 20 years and bank transactions as indicated by cheque clearings showed a remarkable increase—14 per cent over 1955 and 31 per cent over 1954. Borrowers experienced little difficulty in getting loans for sound commercial enterprises. The most important event in this field during the year was the increase last August in the minimum interest rate from 4 to 5 per cent. The supply of money and credit continues to meet the needs this year; only in the eastern Province of Oriente have collections slowed down.

### Trade Increasing

The dollar value of Cuba's exports in 1956 came close to the all-time record of 1952 and imports reached nearly $649 million as against $575 million in 1955. Led by a marked rise in imports from the United States, purchases from most of Cuba's principal suppliers increased over the previous year; only imports from Mexico, Benelux and Japan showed slight declines.

LEADING SUPPLIERS OF CUBAN IMPORTS*

*(in millions of Cuban pesos)*

| | *1954* | *1955* | *1956* |
|---|---|---|---|
| United States | 427.4 | 449.7 | 511.2 |
| West Germany | 12.1 | 18.3 | 23.0 |
| United Kingdom | 11.8 | 10.8 | 19.2 |
| CANADA | 17.4 | 13.9 | 15.4 |
| Spain | 11.1 | 11.9 | 12.0 |
| France | 6.5 | 8.8 | 11.2 |
| Benelux | 10.5 | 10.0 | 8.8 |
| Mexico | 5.4 | 10.9 | 6.9 |
| Netherlands | 4.5 | 6.6 | 6.2 |
| Switzerland | 3.9 | 4.0 | 4.5 |
| Japan | 3.3 | 4.8 | 3.8 |
| Norway | 2.3 | 2.5 | 2.7 |
| Sweden | 1.4 | 1.6 | 1.8 |
| | 517.6 | 553.8 | 626.7 |

Notes (a*) These totals represent approximately 95 per cent of Cuba's total general imports. Figures are taken from official export statistics of countries shown.

(b) Cuban official figures show total imports from all countries in 1954, 1955, and 1956, respectively, as $487.8 million, $575.1 million, and $649.0 million.

(c) One Cuban peso=U.S.$1.00.

In spite of much lower sales of wheat flour, seed potatoes, whisky, and aluminum products, Canada's exports to Cuba in 1956 still gained in total value; increases were chiefly in sales of purebred cattle, dried fish and sardines, synthetic yarns, pulp and newsprint, steel rails, farm machinery, office machines, automobiles, ball bearings, railroad track material, electrical equipment, and drugs and pharmaceuticals. Canada showed the smallest percentage increase among the five leading general suppliers and according to many local importers, the main reasons why West Germany, the United Kingdom and France expanded sales more were their favourable prices and more aggressive sales techniques. ●

## U.K. Token Import Scheme

# Unused Quotas Opened to All Exporters

THE UNITED KINGDOM BOARD OF TRADE HAS AGREED that quotas unused at midyear by participants in the U.K. Token Import Scheme may be made available to other exporters during the remainder of 1957. In the following table the dollar value of quota balances unvouchered at June 30 is shown beside the commodity group to which it applies.

| *Balance Available* $ | *Commodity* |
|---|---|
| 2,298.00 | Canned lobster |
| 762,194.00 | Rolled or flaked oats |
| 40,429.00 | Glace cherries, bottled fruits processed for serving with ice cream; jelly powders; pectin (domestic pack) |
| 7,061.00 | Canned vegetables (other than tomatoes and tomato puree but including tomato juice); canned soups; canned macaroni and spaghetti; canned pork and beans |
| 3,632.00 | Pickles, mustard, olives preserved in salt or brine, onion and garlic salt |
| 23,937.00 | Sugar confectionery of all kinds not including cocoa preparations; marshmallow (cooking ingredient) |
| 747.00 | Woven wire cloth, gauze, fabric or meshing |
| 79,460.00 | Nails, tacks and staples of all kinds (including hobnails, boot and shoe studs and spikes), rivets of iron and steel, precision screws and other precision turned parts of metal, bolts and nuts of all kinds other than precision bolts and nuts |
| 4,950.00 | Metal furniture (other than domestic furniture) |
| 8,791.00 | Aluminum cooking utensils, aluminum kitchen utensils, beer barrels made of aluminum and aluminum alloys. |
| 53,906.16 | Ice cream cabinets |
| 15,079.05 | Mechanical valves |
| 3,582.00 | Automatic stokers |
| 2,937.94 | Axes and axe handles, forks for garden and farm use and fork handles, hoes for garden and farm use and hoe handles, rakes for garden and farm use and rake handles, cultivators for garden and farm use, hand seeders for garden and farm use |
| 4,556.00 | Sun goggles and sun glasses, spectacle frames other than of gold or gold-filled |
| 1,014.00 | Locks, padlocks, keys, key blanks |
| 11,091.00 | Pocket watches (except watches in cases made of gold or other precious metals) |
| 340.00 | Safety razors |
| 4,346.00 | Electric light fixtures |
| 37,500.00 | Paper machine wires, papermakers' felts |
| 339.00 | Vacuum cleaners and parts |
| 5,370.00 | Rubber belting other than conveyor belting |
| 233,850.00 | Electrically operated domestic washing machines, including domestic electric dishwashing machines. (An ironer or drier also may be shipped with each washing machine under this commodity group. Not more than one-third of the quota available for this group may be used for shipment of ironers or driers independently of washing machines) |
| 30,621.11 | Wooden picture and mirror frames domestic woodware, wooden spring blinds or shade rollers, filing boxes or filing trays of wood or cardboard, wooden mouldings for picture and mirror frames |
| 7,119.00 | Woven cotton piece goods of all kinds; furnishing fabrics of cotton and cotton rayon mixtures; bed ticking; the following made-up cotton goods: quilts, counterpanes, and other bed coverings of cotton and cotton-rayon mixtures; embroidery and embroidered articles (other than apparel) of descriptions currently manufactured in the United Kingdom for the home market, of which the base fabric is wholly or mainly of cotton; finished cotton sewing thread; cotton ribbons and tapes; trimming of cotton and cotton-rayon mixtures |

| | |
|---|---|
| 6,319.00 | Artificial silk woven fabrics more/less than 12 inches wide |
| 17,746.00 | Men's felt hats lined or unlined; women's hats |
| 32,254.00 | Men's and boys' clothing; men's shirts, underwear of all materials; children's outergarments of all materials; men's outergarments of artificial silk; women's, girls' and infants' clothing of artificial silk; women's dresses other than of silk and artificial silk |
| 52,834.00 | Proofed clothing of all kinds (including baby pants and crib sheets) |
| 255,342.35 | Leather gloves including industrial gloves |
| 174,478.70 | Women's fully-fashioned stockings of silk, artificial silk and silk-artificial silk mixtures; women's and children's stockings other than silk, artificial silk and rayon; men's socks |
| 822,782.20 | Waterproof footwear of all types (including leather footwear with rubber soles) |
| 28,618.00 | Leather footwear |
| 8,251.70 | Rubber heels and soles |
| 126,621.64 | Medicinal preparations packed ready for retail sale under proprietary or trade names; shampoos, non-liquid, in containers holding not more than one ounce; toilet preparations not including perfumery |
| 11,226.00 | Carbon paper; typewriter ribbons |
| 5,338.00 | Adhesive labels; indexing or filing cards, snapshot mounting corners, greeting cards |
| 8,525.00 | Yellow varnished paper |
| 22,777.00 | Dress patterns |
| 3,122.00 | Wallpaper |
| 33,438.00 | Rubber bathing caps, household rubber gloves, surgeons' gloves, rubber hot water bottles, rubber garden hose |
| 24,936.95 | Sporting cartridges, primed, empty; loaded sporting cartridges and loaded shotgun shells; powder for sporting cartridges; fuses and detonators; sporting guns, sporting rifles and spare parts thereof; ice skates, roller skates, ice hockey equipment and other sports equipment (e.g. tennis, badminton, golf, squash, etc.); athletes' supporters |
| 357.00 | Fountain pens and parts, propelling pencils and parts |
| 5,239.00 | Brushes |
| 4,978.00 | Buttons of all kinds other than vegetable ivory and dum buttons |
| 21,835.00 | Rubber bands |
| 48,205.00 | Toys, dolls and parts of all kinds except those made of hemp |
| 2,034.00 | Beehives and frames, bee-veils, bee-smokers and other beekeepers' accessories |
| 4,050.00 | Varnished cambric insulating material |
| 3,545.80 | Imitation jewellery |

Exporters unfamiliar with the United Kingdom Token Import Scheme who would like information about the use of these balances should get in touch immediately with the U.K. Token Import Scheme Section, Department of Trade and Commerce, Ottawa.

The United Kingdom Board of Trade requires a voucher from this department to accompany a commercial application for a licence to import into the United Kingdom under the Token Import Scheme. These vouchers are not transferable between firms or commodity groups. They can be used to obtain an import licence only for the articles described and shipment must clear U.K. Customs before March 31, 1958.

Inquiries will be dealt with on a first-come, first-served basis after July 27. If requests received to begin with exceed the value of balances available, priority will be given to applications accompanied by evidence of an existing order for the goods. Otherwise, the quota will be divided pro-rata among those able to use part balances.

If after July 27 no competing demands for use of a balance have been received, exporters may, on inquiry, have the use of a credit reserved for them while they explore the possibilities of business. Evidence of orders will be required before vouchers are issued.

## Changes in Information Branch

*L. H. AUSMAN, for the past two and a half years Director of the Information Branch of the Department of Trade and Commerce, has been appointed Inspector of the Trade Commissioner Service and will, over a period of time, visit many overseas offices of the Foreign Trade Service. After joining the Service in 1934, Mr. Ausman served abroad in Bristol, New York, Leopoldville and Frankfurt. In 1951 he returned to Ottawa where he was successively Assistant Director, Trade Commissioner Service, and Director of the Information Branch. In the latter capacity he was responsible for the publication of* Foreign Trade *and* Commerce Exterieur.

*T. R. G. FLETCHER will become Acting Director of the Information Branch following a year of study at the National Defence College. Mr. Fletcher joined the Trade Commissioner Service in 1945 and served abroad in Melbourne and Hong Kong.*


# Trade and Tariff Regulations

## Germany

CUSTOMS TARIFF AMENDMENTS—The official German Federal Customs Gazette recently announced various amendments to the German customs tariff.

Under the new rates of duty, items which may now enter Germany free of duty include the following:

Perchlorates except ammonia perchlorate and potassium perchlorate, epichlorohydrin, alpha fleurohydrocortisonacetate, slaughtering and stripping machines for poultry, vacuum pressers for paste wares (spaghettis etc.), paste ware rolling machines and hanging machines, paste ware manufacturing machines for so-called Bolognese articles, drying apparatus for paste wares, feather balls with 14 to 16 natural feathers.

Products which are free of duty until December 31, 1957, include the following:

Titanate of barium and strontium, ferrous phosphide with a phosphorous content of 15 per cent or more by weight and a chromium content of not more than 2 per cent by weight, glass balls not worked (except optical glass), electro strips with a magnetic reversal loss of .75 watts or less per kilogram of any strength.

Products which are temporarily free of duty for an unspecified length of time include the following:

Azelaic acid and sebacic acid and their isomeries, except their halogenated sulphonated and nitrated derivatives and their salts and esters.

The rates of duty have been temporarily reduced on the following products:

Activated kieselguhr; acyclic acid; meat of domestic rabbits, frozen, not cut up; building board totally or predominantly of wood fibres; soup preparations of lobsters; certain artificial plastic materials; hydrolyzed dextrane, suitable for the manufacture of synthetic blood plasma; hard alloy or metal, not cemented-carbide; certain other types of building board; worsted yarns, totally of wool; three-axle dredger chassis without rear axle springs, of a weight between 4,000 and 10,500 kilograms.

The rates of duty have been increased on reinforced ropes and cables of manila hemp and on building board if partly of wood fibres but predominantly of other vegetable fibre.

The rate of duty on ferro-silicum-chromium was reduced until December 31, 1957, but will be increased as of January 1, 1958.

*Exporters may obtain detailed information on specific rates from the International Trade Relations Branch of the Department.*

## India

CINEMATOGRAPH FILMS REMOVED FROM OPEN GENERAL LICENCE—By a notification published in a *Gazette of India Extraordinary* on June 7, 1957, the Government of India has removed cinematograph films unexposed (including nitrate base films) from the Open General Licence No. XLIV, effective immediately.

The effect of this notification is to put the import of unexposed cinematograph films on a quota licensing basis. The policy for quota licensing will be announced separately—New Delhi, June 12.

## Pakistan

IMPORT LICENSING POLICY FOR JULY-DECEMBER 1957 ANNOUNCED—Pakistan announced its import policy for the second half of 1957 (July-December) on June 26, according to a cable from Karachi. Under the new policy 21 new items are added to the list of 193 commodities licensable for the previous licensing period. Of these, firearms, pressure lamps and parts, linseed oil and potato seed are of particular interest to Canada. Beer and marine equipment and spares are now deleted from the previous list. Complete details will be available when the official text is received from Karachi.

## United Kingdom

RESTRICTIONS REMOVED FROM VARIOUS DOLLAR IMPORTS—The United Kingdom Government announced on July 2 the removal of import licensing restrictions from a lengthy list of products. The list covers many items of interest to Canada, including some agricultural products, a wide range of semi-manufactures of metal, various wood products, and certain chemicals. The relaxation will be implemented by extending the range of goods which will be admitted into the United Kingdom under Open General Licence regardless of the country from which they are imported—usually known as World Open General Licence. The new measure will become effective as from August 1.

Canadian products which will benefit by this relaxation fall into two main categories. One of these categories is comprised of those commodities which, when imported from dollar countries, have hitherto been subject to specific licence in respect of individual transactions. The extent (if any) to which licences have been granted varies considerably, depending on the particular commodity. Items in this category, which will be freely importable into the United Kingdom from any country from August 1, include among others the following:

Rye
Pearled barley
Oatmeal; flaked oats; ground rolled oats
Malt
Hops; hop extracts, essences and similar hop preparations

Bladders and casings, natural or artificial
Unrendered pig fat
Gelatine (edible and technical), glue and size
Cod liver oil; whale oil; Vitamin A and D oils and mixtures thereof

Furs and other skins dressed and dyed, not including leather
Dressed or dyed strips, sacs, plates and linings of furskins and other skins
Leather scrap and waste

Canada balsam (resin)

Metallic ores, concentrates and residues: copper, lead, zinc
Ferro-manganese and spiegeleisen
Non-ferrous alloys (a few exceptions, notably aluminum alloys which are already on World Open General Licence)
Metals, excluding alloys, unwrought: antimony, magnesium, platinum, zirconium
Metals in the form of powder: nickel; aluminum

Iron and steel (including alloy steel) and manufactures thereof: ingots; angles, shapes, sections; bars and rods; blooms, billets and slabs; girders, beams, joists and pillars (not fabricated); hoop and strip (except certain bandsaw strip); pipes, tubes, and fittings; uncoated plates and sheets; railway and tramway rails; sheet bars and tinplate bars of steel; wire, wire cable and rope (not insulated)

Manufactures wholly or mainly of non-ferrous metals and alloys thereof (excluding uranium, precious and rare earth metals and alloys containing such metals): castings; tubes, pipes and hollow bars; wire (not insulated); wrought bars, rods, shapes and sections; wrought plates, sheets, strip and foil

Abrasives, crude, ground or graded (including artificial)

Hardwood, not further prepared than hewn, sawn, planed, dressed, tongued or grooved, including: flooring blocks and strips; staves and caskheads
Hardwood plywood

Match splints; heels, shanks, and pegs for footwear
Wood flour; wood wool
Wood veneers with or without paper backing

Chemicals and drugs: about 150 items are listed, including the following:
Ammonia (including anhydrous ammonia)
Calcium cyanamide
Calcium lignosulphonate
Carbon black
Charcoal (other than activated or decolourizing)
Chlorine
Fertilizers: ammonium chloride, ammonium nitrate, and ammonium sulphate
Glycerol (glycerin)
Hydrochloric acid
Lignin
Potassium chlorate
Sodium chlorate
Mono-sodium glutamate
Sulphuric acid
Titanium dioxide (pigment)

Many important commodities have already been admissible from Canada under what are known as Open Individual Licences. These are licences granted to individual traders, usually of a stated validity period and usually requiring periodic returns of imports, but imposing no limit as to quantity or value. The effect of transfer of these commodities to World Open General Licence will be to free the importer from the need for applying for licence, to permit any importer to participate in the trade, and to allow the Canadian exporter to compete on an equal footing with exporters in all other countries for a share of the United Kingdom market. Commodities in this second category include the following:

Barley
Maize
Oats
Wheat

Maize meal, flaked maize and maize starch
Wheat flour
Wheat germ and gluten
Bran, pollards, sharps and middlings

Dried beans; dried peas
Soya beans; rape seed

Linseed oil; rapeseed oil; soya bean oil

Oilseed cake and meal; fish meal

Oleine and stearine
Lard
Cod, herring and pilchard oils

Furskins, raw, dried, salted or pickled

Softwood, not further prepared than hewn, sawn, planed, dressed, tongued, grooved, beaded or V-jointed, including: boxboards; flooring blocks and strips; mining timber; shingles, weatherboards, shiplap and dropsiding; sleepers and crossing timbers; staves and caskhead timbers; telegraph, transmission, ladder and scaffold poles
Softwood plywood

Coated papers and boards

Metals excluding alloys, unwrought: copper, lead, zinc.

The complete list is on file in the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, and further details may be obtained, on request, from that Branch.

*Leather*—The announcement also stated that the present quota arrangements for imports of leather from North America would be replaced by a global quota covering all dollar countries and amounting to £2 million F.O.B. annually. This was stated to represent an increase of about £1¼ million.

HONEY QUOTA ANNOUNCED—A quota of £40,000 F.O.B. has been announced for import into the United Kingdom of honey from dollar countries during the twelve months beginning July 1, 1957. The quota will not include imports from Cuba, for which separate arrangements have been made.

### United States

QUOTA ON RYE, RYE FLOUR AND RYE MEAL UNCHANGED—In *Foreign Trade* of June 8 notice was given of an investigation by the United States Tariff Commission to determine whether imports of rye, rye flour and rye meal should be controlled after the end of June, when the existing restriction of an absolute quota of 186 million pounds was due to expire.

On June 18 the Tariff Commission recommended to the President that imports be controlled for an indefinite period with an absolute quota of 95,200,000 pounds, 93,296,000 pounds of which would be allocated to Canada.

On June 28 the President limited controls to a two-year period ending June 30, 1959, and maintained the existing quota of 186 million pounds, of which 182,280,000 pounds is allocated to Canada.

LOW TARIFF QUOTA FOR ALSIKE CLOVER SEED INCREASED—In the April 13 issue of *Foreign Trade* notice was given of an investigation to be held by the United States Tariff Commission to determine whether the modification of the trade agreement concession on alsike clover seed would remain necessary after June 30, 1957, when it was due to expire.

On June 26 the President issued a proclamation extending in modified form the tariff quota on imports of alsike clover seed. In accepting a recommendation of the Tariff Commission that the existing tariff quota be extended after June 30, 1957, the President ordered a two-year extension and increased from 2.5 million to three million pounds the annual imports on which the duty will be two cents per pound. Annual imports in excess of that amount will be dutiable at six cents per pound.

*On June 30, 1954, the President established a one-year quota with a two-cent rate applicable to the first 1.5 million pounds of alsike clover seed and with the six-cent rate in effect for annual imports over that amount. In 1955 the President extended the tariff quota for two years, setting the break-point for the higher rate at 2.5 million pounds. On March 14, 1957, the President requested the Tariff Commission to determine whether a further extension of the tariff quota would be necessary. On May 8, 1957, the Commission recommended an extension of the 2.5 million pound tariff quota.*

# Trade Commissioners on Tour

*The following officers of the Trade Commissioner Service are at present on tour in Canada or will begin a tour shortly. The detailed itinerary for each is:*

*RICHARD GREW, Commercial Counsellor in Lisbon, Portugal:*

| | |
|---|---|
| Vancouver—July 16-26 | Toronto—Aug. 12-22 |
| Edmonton—July 29 | Kingston—Aug. 23 |
| Winnipeg—July 31 | Halifax—Aug. 27 |
| Windsor—August 2 | St. John's—Aug. 29 |
| Sarnia—Aug. 6 | Saint John—Sept. 3 |
| Hamilton—Aug. 7-9 | Montreal—Sept. 4-13 |

*D. B. LAUGHTON, formerly Trade Commissioner in Port-of-Spain, Trinidad:*

| | |
|---|---|
| Vancouver—Aug. 26-30 | Victoria—Sept. 3 |

*B. A. MACDONALD, formerly Commercial Counsellor in Bonn, West Germany:*

| | |
|---|---|
| Toronto—July 22-27 | Calgary—Aug. 1 |
| Winnipeg—July 30 | Vancouver—Aug. 5-9 |

*Businessmen who wish to see these officers 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.*

# Foreign Commercial Representatives in Canada

**ARGENTINA**
Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

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

**AUSTRIA**
Ottawa—Minister, Legation of Austria, 445 Wilbrod Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, Room 111, 525 Seymour Street.

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

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

**BOLIVIA**
Montreal—Consul General of Bolivia, 783 Stuart Avenue.

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

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

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

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

**COLOMBIA**
Ottawa—First Secretary and Consul, Suite 29, Roxborough Apartments.
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.
Toronto—Consul General of Colombia, 372 Bay Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

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

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

**CZECHOSLOVAKIA**
Ottawa—Commercial Counsellor, 171 Clemow Avenue.
Montreal—Commercial Section, Czechoslovak Consulate General, 1305 Pine Avenue West.

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

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

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

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

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

**FINLAND**

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

**FRANCE**

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 1510 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.

**GERMANY**

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

**GREECE**

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

**GUATEMALA**

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

**HAITI**

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

**HONDURAS**

Montreal—Consul General, Consulate General of the Republic of Honduras, Apt. 16, 439 Grosvenor Avenue, Westmount.
Vancouver—Consul (Honorary) of the Republic of Honduras, 3789 West 50th Avenue.

**INDIA**

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

**INDONESIA**

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

**IRAQ**

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

**IRAN**

Ottawa—Third Secretary, Legation of Iran, 333 Chapel Street.

**IRELAND**

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

**ISRAEL**

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

**ITALY**

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

**JAPAN**

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

**LEBANON**

Ottawa—Legation of Lebanon, 470 Wilbrod Street.

**LUXEMBOURG**

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

**MEXICO**

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

**MONACO**

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

**NETHERLANDS**

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

**NEW ZEALAND**

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

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

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

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

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

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

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

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

**SWEDEN**
Ottawa—Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Trade Commissioner, Royal Consulate General of Sweden, 1511 Bishop Street.
Vancouver—Trade Commissioner, Royal Consulate of Sweden, Dominion Bank Bldg.

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

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

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

**UNION OF SOUTH AFRICA**
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Drive.

**UNION OF SOVIET SOCIALIST REPUBLICS**
Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

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

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

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

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

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

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

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been 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 1.0495244.

# foreign exchange rates

| Country | Unit | Type of Exchange | Can. dollar equivalent July 5 | Units per Canadian dollar | Notes (See below) |
|---|---|---|---|---|---|
| Argentina | Peso | Official | .05293 | 18.89 | (1) |
| | | Free | .02303 | 43.42 | |
| Austria | Schilling | | .03665 | 27.29 | |
| Australia | Pound | | 2.1280 | .4699 | |
| Belgium, Belgian Empire and Luxembourg | Franc | | .01888 | 52.97 | |
| Bolivia | Boliviano | Free | .0001155 | 8658.0 | (17) |
| British West Indies | Dollar | | .5542 | 1.804 | (2) |
| | Pound | | 2.6600 | .3759 | (3) |
| British Honduras | Dollar | | .6650 | 1.504 | |
| Brazil | Cruzeiro | Effective selling* | | | |
| | | *Category I | .0157 | 63.78 | *May 31 (4) |
| | | Category II | .0119 | 84.08 | |
| | | Category III | .0089 | 112.74 | |
| | | Official buying | .0519 | 19.27 | (5) |
| Burma | Kyat | | .2001 | 4.998 | |
| Ceylon | Rupee | | .1995 | 5.013 | |
| Chile | Peso | Free | .001588 | 629.72 | (15) |
| Colombia | Peso | Certificate | .1983 | 5.04 | (7) |
| Costa Rica | Colon | Official | .1697 | 5.893 | |
| | | Controlled free | .1435 | 6.97 | |
| Cuba | Peso | | .9528 | 1.0495 | tax 2% (4) |
| Czechoslovakia | Koruna | | .1323 | 7.56 | |
| Denmark | Krone | | .1379 | 7.25 | |
| Dominican Republic | Peso | | .9528 | 1.0495 | |
| Ecuador | Sucre | Official | .06352 | 15.74 | |
| | | Free | .05423 | 18.44 | |
| Egypt | Pound | Official | 2.7361 | .3655 | (6) |
| El Salvador | Colon | | .3811 | 2.62 | |
| Fiji | Pound | | 2.3964 | .4173 | |
| Finland | Markka | | .004143 | 241.37 | |
| France, Monaco and North Africa | Franc | | .002723 | 367.24 | (8) |
| French Colonies in Africa | Franc | | .005446 | 183.62 | (9) |
| French Pacific | Franc | | .01498 | 66.76 | (10) |
| Germany | D Mark | | .2268 | 4.409 | |
| Greece | Drachma | | .03176 | 31.49 | |
| Guatemala | Quetzal | | .9528 | 1.0495 | |
| Haiti | Gourde | | .1906 | 5.25 | |
| Honduras | Lempira | | .4764 | 2.10 | |
| Hong Kong | Dollar | Free* | .1543 | 6.48 | *June 28 |
| | | Official | .1663 | 6.01 | |
| Iceland | Krona | Official | .05851 | 17.09 | (6) (11) |
| India | Rupee | | .1995 | 5.013 | |
| Indonesia | Rupiah | Basic | ....... | ....... | (12) |
| Iran | Rial | Certificate | .0126 | 79.50 | |
| Iraq | Dinar | | 2.6679 | .3748 | |
| Ireland | Pound | | 2.6600 | .3759 | |
| Israel | Pound | | .5293 | 1.89 | |
| Italy | Lira | | .001530 | 653.59 | |
| Japan | Yen | | .002647 | 377.79 | |
| Lebanon | Pound | Free | .2987 | 3.35 | |
| Mexico | Peso | | .07623 | 13.12 | |
| Netherlands | Florin | | .2490 | 4.02 | |

*Latest available quotation date.

| Country | Unit | Type of Exchange | Can. dollar equivalent July 5 | Units per Canadian dollar | Notes (See below) |
|---|---|---|---|---|---|
| Netherlands Antilles | Florin | | .5017 | 1.993 | |
| New Zealand | Pound | | 2.6600 | .3748 | |
| Nicaragua | Cordoba | Effective buying | .1444 | 6.93 | |
| | | Official selling | .1351 | 7.40 | |
| Norway | Krone | | .1334 | 7.50 | |
| Pakistan | Rupee | | .1995 | 5.013 | |
| Panama | Balboa | | .9528 | 1.0495 | |
| Paraguay | Guarani | Official | .01588 | 62.97 | (6) (13) |
| Peru | Sol | Certificate | .05015 | 19.94 | |
| Philippines | Peso | | .4764 | 2.10 | |
| Portugal & Colonies | Escudo | | .03325 | 30.08 | (14) |
| Singapore & Malaya | Straits dollar | | .3103 | 3.22 | |
| Spain & Dependencies | Peseta | Controlled free | .02269 | 44.07 | (6) |
| Sweden | Krona | | .1842 | 5.43 | |
| Switzerland | Franc | | .2223 | 4.50 | |
| Syria | Pound | Free | .2660 | 3.76 | |
| Thailand | Baht | Free | .04625 | 21.62 | (6) |
| Turkey | Lira | | .3403 | 2.94 | (6) |
| Union of South Africa | Pound | | 2.6600 | .3759 | |
| United Kingdom | Pound | | 2.6600 | .375940 | |
| United States | Dollar | | .9528125 | 1.0495244 | |
| Uruguay | Peso | Free | .2322 | 4.31 | |
| | | Basic buying | .6289 | 1.59 | (6) |
| | | Principal selling | .4545 | 2.20 | (16) |
| Venezuela | Bolivar | | .2844 | 3.52 | |
| Yugoslavia | Dinar | | .003176 | 314.86 | (6) |

*Latest available quotation date.

# notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. On June 18 Columbia adopted a new exchange system based on a certificate market for all trade transactions at a fluctuating exchange rate.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: New exchange measures affecting the rupiah rate were announced on June 20 by the Indonesian Government. Details, which were not available at date of this compilation, may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.
17. Bolivia: Since December 15, 1956, a unified fluctuating free rate has been in effect. The official rate has little application.

# Businessman's Bookshelf

## Moving Ahead with the Atom

*By Paul F. Genachte, Ph.D. 23 pages. Free.*

THIS ATTRACTIVE, NON-TECHNICAL BOOKLET explains the latest industrial applications of atomic energy, concentrating especially on the dynamic progress made in the United States in the past 2½ years since private industry began to participate in developing the tremendous potential of the atom. The forward looking businessman cannot afford to ignore the atom and how it is likely to affect industry in the years ahead.

Obviously we cannot go on forever using energy from fossil fuels at the equivalent rate of four billion tons of coal a year or more, and it is against this background that Dr. Genachte assesses the importance of the new sources of energy represented by uranium and thorium; known resources of these metals represent 25 times the combined energy reserves of coal, oil and natural gas.

The booklet reports in some detail the latest progress in developing power reactors to meet the growing worldwide demand for electricity. The author also discusses the future possibilities for atomic-powered ships and aircraft and heat reactors for high-temperature industrial processes, and the demand they will create for raw materials and metals, for specialized engineering and construction skills, and for continuous research.

*Order from: The Chase Manhattan Bank, Direct Mail Department, 44 Pine St., New York 15, N.Y.*

## American Goods in Canadian Markets.

*By Forrest L. Rogers for the Canadian Institute of International Affairs. 37 pages. $1.25.*

MOST CANADIANS have become aware in the postwar years of the dominant part that U.S. producers play in supplying the Canadian market. For the past five years, 73 per cent of our imports have come from the United States—and this fact, given wide publicity, has sparked a good deal of discussion.

Mr. Rogers' study will prove helpful in such discussion. He first points out that our purchases from the U.S. run the whole gamut of products. Capital goods are far in the lead and in 1955, 88.5 per cent of our imports in this class came from the U.S., compared with 76.4 per cent of producers' materials and 58.2 per cent of consumers' goods. (In the past five years, the U.S. has supplied 73 per cent of our total imports.) In separate sections, the author comments upon the main types of imports both of goods and of services, the factors influencing the movement, and significant changes in the postwar years (imports of oil and coal, for example, have become less important).

In the concluding section, he introduces the thorny topic of U.S. trading policies and Canadian reaction to any U.S. measures to restrict the flow of our products across the border. This is his conclusion: "A continued increase in such imports from overseas countries may well be hoped for, and in a general way, indeed, should be encouraged. To suggest anything in the nature of a positive policy of discrimination between United States and overseas products, however, is to go against all of the arguments already advanced for keeping the channels of Canadian purchases as free and unimpeded as it is reasonably possible to do."

*Order from: The Ryerson Press, 299 Queen Street W., Toronto, Ontario.*

## The National List of Advertisers 1957

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