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# foreign trade

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**cover** West German steelmakers, hungry for raw materials, are taking an active interest in Canada's increasing output of iron ore and stepping up their purchases. As steel production mounts, the great mills of the Ruhr, like the one pictured on our cover, will depend even more upon foreign supplies. For an analysis of this market, please turn to page two.

# West Germany Buys Iron Ore

*Canada's position in this expanding market for iron ore is assured; in fact, we may shortly become the second largest supplier of ore and may one day, if exports rise further, challenge Sweden for first place.*

 S. G. BARKLEY, *Commercial Secretary, Bonn.*

WEST GERMAN IMPORTS OF IRON ORE jumped from 14.3 million metric tons in 1955 to 17.8 million metric tons last year. This ore went to supply the country's expanding iron and steel industry; steel production rose 9 per cent in 1956 to reach 23.2 million tons, or nearly 10 per cent of the world's steel output of 250 million tons. West Germany has replaced the United Kingdom as the world's third largest steel producer after the United States (133.4 million tons capacity) and the Soviet Union (48 million metric tons).

In 1951 Canada was in ninth position as a supplier of iron ore to West Germany, shipping 146 thousand

metric tons. But by last year shipments had vaulted to 1,445 thousand tons and Canada became the third largest supplier after Sweden (7,225 thousand tons) and Spain (1,754 thousand tons). The following table shows the growth of the West German market for iron ore and the phenomenal expansion of Canadian sales.

## WEST GERMAN IMPORTS OF IRON ORE

Main Suppliers	1951	1953	1954	1955	1956
	<i>(in '000's metric tons)</i>				
Sweden .....	4,579	4,721	4,906	6,297	7,225
Spain .....	565	617	435	1,132	1,754
CANADA .....	146	551	724	1,104	1,445
Norway .....	286	750	693	741	913
Spanish Africa .....	55	160	31	303	606
France .....	408	384	237	364	593
Venezuela .....	.....	.....	10	272	591
Luxembourg .....	184	250	90	375	550
Peru .....	.....	.....	.....	98	523
Portuguese India .....	15	366	425	590	511
Algeria .....	32	330	192	719	450
Brazil .....	10	422	238	411	412
Total imports (all sources)	7,371	10,048	8,754	14,325	17,825

Expansion of the West German steel industry in 1955 is reflected in the increased iron ore imports in that year; the rate of expansion in 1956 was slower but still substantial. To help Canadian exporters of iron ore evaluate the possibilities for future expansion of sales, we have included in this report a short survey of the West German steel industry.

### Steel Production Rises Steadily

West Germany's demand for steel continues firm, particularly for heavy products such as sheets for the shipyards. The current heavy demand seems likely to persist for a considerable period with long delivery dates, heavy backlogs, and firm prices. The United Nations Economic Commission for Europe reports that total European crude-steel production in 1956 reached 149 million metric tons, a 7 per cent increase over 1955. The rate of increase, however, is slowing down; there was an increase of 13 per cent in 1955 over 1954. West Germany's rate of expansion last year was 9 per cent and 1957 forecasts indicate a further rise of 8 per cent which will increase output to approximately 25 million tons.

An indication of the phenomenal growth of West German steel capacity is the fact that production of crude steel in this country during 1956 exceeded the best prewar total (in 1938) by approximately 500 thousand tons. The reader will recall that prewar Germany included Silesia, an important steel-producing area now lost, and also the Saar district. The latter again became a part of the Federal Republic this year but its substantial steel output is not yet included in West German statistics.

The accompanying table gives production figures for the main branches of the steel industry in 1956 compared with 1955; it shows that the rate of increase in 1956 over 1955 was lower than that of 1955 over 1954. The reason for this was partly the tighter credit policy of the West German central bank authorities which curbed investment during 1956.

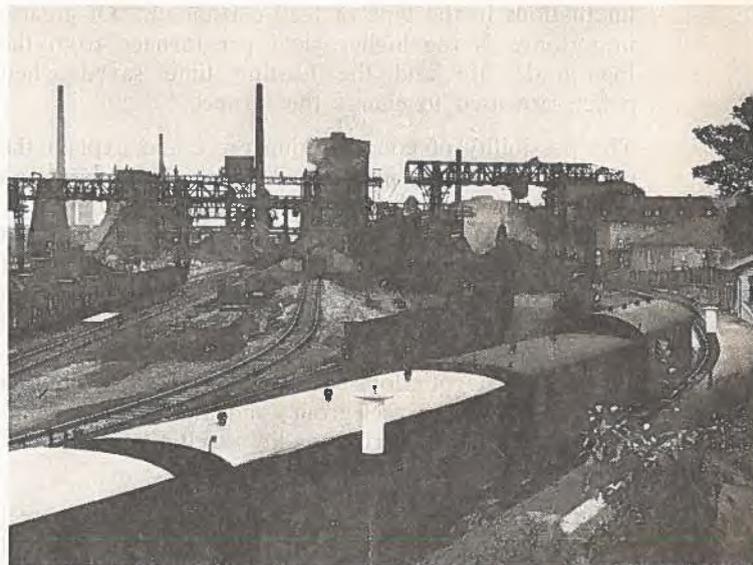
#### PRODUCTION OF WEST GERMAN IRON AND STEEL INDUSTRY

Product	Amount (in '000's metric tons)		Per cent increase	
	1956	1955	1955 to 1956	1954 to 1955
Total raw ore .....	16,928	15,684	7.9	20.3
iron content .....	4,512	4,227	6.8	19.0
Pig iron .....	17,577	16,482	6.6	31.7
Total raw steel .....	23,189	21,336	8.7	22.4
steel ingots .....	22,561	20,758	8.7	22.4
liquid for castings .....	628	578	8.7	21.8
Rolled steel finished products .....	15,621	14,207	10.0	23.9
Total foundry products .....	3,720	3,639	2.2	20.8
cast iron .....	3,194	3,159	1.1	20.6
cast steel .....	349	315	10.6	21.3
malleable cast iron .....	177	165	7.1	24.3

Within the European Coal and Steel Community, West Germany's steel prices are the lowest and they remain relatively rather low on a world basis, even though German costs are rising. In spite of these conditions which favour exports, West Germany in fact buys more steel than she sells to other countries. The industry estimates that West German demand for steel—local or imported—will continue to rise and may reach 29 million tons a year by 1960. Canada sold \$224,273 worth of steel plates, sheets and strips to West Germany in 1956 as against \$136,213 worth the year before. Canadian scrap iron and steel shipments to this country soared from \$3.5 million in 1955 to \$6.8 million during the past year.

#### Needs More Raw Materials

West Germany milled about 28 million metric tons of iron ore during 1956, an increase of 10 per cent over 1955; purchases of foreign ores totalled 17.8 million metric tons in 1956 as against 14.3 million metric tons in 1955. Canadian shipments (as can be seen in the table) have been rising fast: in fact, from 33,000 metric tons in 1950 to 1,440 thousand metric tons last year. The proportion of foreign ores used per metric ton of pig iron increased from 460 kilograms in 1955 to 481 kilograms in 1956; approximately 63 per cent of ore imports came from Europe and 37 per cent from overseas countries. The share of Swedish iron ore declined from 56 per cent in 1954 to 44 per cent in 1955 and to about 40 per cent in 1956. One reason why the percentage of ore



The blast furnace plant and iron ore stockpile at the Kloeckner and Co. steel mill at Osnabrueck. The author visited this huge plant in the course of gathering material.

from Sweden has declined is because this country now sells larger amounts of iron ore to the United Kingdom and Poland.

One problem which continues to confront West German steel producers is the need to buy more coal. They bought 11.6 million tons from the United States alone under the European Coal and Steel Community distribution pattern. Scrap imports, however, declined considerably to 641 thousand tons in 1956 from 1,082 thousand tons the year before; shipments from United States sources dropped markedly. The ECSC control system will probably tend to strike a balance for scrap imports.

Before the war German mills obtained their iron ore from European sources such as France and Sweden and, to a lesser extent, from North Africa. Today imports from those areas are not sufficient to meet the growing demand and the industry has pressed vigorously for exploration of the new deposits in Canada and South America. About 81 per cent of plant costs charged for making pig iron depend directly on how much the raw ore costs. For this reason the industry has focused special attention on exploiting high-quality sources of supply.

#### Prospects Good for Beneficiated Ores

The trend to beneficiated iron ore in West Germany follows from experience gained in North America. The "tailored ore" results from the upgrading of low-grade deposits into high-grade concentrates; in its final pelleted form the product has several advantages. Blast furnace operators like to work with an ore of constant grade because they can avoid wide

fluctuations in the type of feed consumed. Of greater importance is the higher yield per furnace from the high-grade ore and the heating time saved when pellets are used to charge the furnace.

The possibility of concentrating ore could explain the great and growing interest which the West German steel industry has shown in the immense tonnages of low-grade deposits in the Quebec-Labrador trough and the Ungava region. A considerable number of German technical personnel already are familiar with Canadian iron-ore deposits from on-the-ground observations over the past five or six years. The continuing negotiations between Canadian mining firms and German steel groups indicate that new contracts from now on will steadily swell the volume of Canadian iron ore reaching this country.

An unconfirmed report states that one well-known steel firm, Messrs. Kloeckner & Co., will supply a reported \$10 million worth of equipment through its related firm Kloeckner-Humboldt-Deutz to recover a low-grade ore for beneficiation from the alluvial St. Lawrence River sands. Kloeckner & Co., in payment of 80 per cent of the cost of the above equipment, will receive 750 thousand tons of ore a year for five years, starting in 1959.

Much interest has also been shown in the Lake Wabash deposits of Eastern Quebec. A number of German steel operators, including Krupp, are involved and they hope that large-scale operations will permit larger amounts of ore to move to German steel mills. Another important project receiving much attention relates to the very extensive Ungava deposits; a study group, known as the Ungava consortium, is considering how it might beneficiate the low-grade ores in that area and subsequently ship them to Europe. This group includes five of the largest Ruhr steel companies,—Krupp, Huettnerwerk Oberhausen, Bochumer Verein, Mannesmann, and Hoesch—which represent among them about one-third of West Germany's total crude steel capacity. The short shipping season out of the Ungava area presents a formidable problem because Ungava Bay is free of ice only one or two months in the summer. The experts hope that they can surmount this difficulty in various ways, including the use of huge specially-designed ore carriers.

Canadian iron ore shipped to West Germany up to now has come chiefly from the Dominion Wabana Mines on Bell Island, Newfoundland, and from the newly-developed deposits of the Iron Ore Company of Canada through Seven Islands, Quebec. A bright future seems certain for sales of Canadian iron ore in West Germany. Canada may shortly become the second supplier of iron ore to this market and within the next decade may even challenge Sweden for first place. ●

## The Malayan Apple Market

IMPORTS OF FRESH APPLES from Canada into Malaya decreased from 919 tons (\$302,856) in the 1955-56 season (December-February) to 409 tons (\$119,030) in the 1956-57 season. This drop resulted mainly from Canada's short apple harvest in 1956, particularly in certain varieties. Australia is Malaya's chief supplier, but during the southern hemisphere's growing season (November to March) apples from the northern hemisphere are imported. Competition among the northern suppliers increased this year and imports from China, Japan and the United States rose considerably. Hard, green-skinned apples are preferred in Malaya partly because of the tart taste and partly because of the belief that they keep better than red ones. Last season good-quality Japanese (1,214.9 tons worth \$168,311) and Chinese (1,660 tons worth \$164,893) apples were landed in Singapore at a C.I.F. cost of \$2.00 to \$2.60 per box of 44 pounds. This severe competition from China and Japan meant that some importers had to sell Canadian apples at a loss.

Distribution patterns within the market are changing. Increased financial strength of some wholesalers has enabled them to bypass European trading firms which formerly controlled fruit imports. Another significant development is the reduction of Australian marketing controls. A panel of 13 firms continues to control Australian apple imports but there is no longer any limit on quantity nor allocations to any one company on the panel. The panel system may be changed further when its practices are studied more critically.

The marketing system for Canadian apples in recent years has been satisfactory. Competition among international fruit agents (mainly in San Francisco) to place Canadian apples secures good market coverage at reasonable cost. These agents also arrange for shipping space and payments. Adequate at present, this system is being currently reviewed by the growers' marketing organization in the light of changing conditions.

Both China and Japan are making determined efforts to increase apple sales in South East Asia. Japan is improving quality and packing and China's apple exports will likely continue to be offered at low prices. But Canadian apples have a good reputation in Malaya and a promising market if prices can be made more competitive.

—W. G. HUXTABLE,  
*Assistant Trade Commissioner, Singapore.*

# Ecuador: its people and industries

*This background report provides the Canadian exporter with basic information about Ecuador—how its people earn their living, what it sells to other countries, extent and types of industry, and the location of its commercial centres.*

ALFRED SAVARD, *Commercial Secretary, Bogotá.*

ECUADOR'S TWO MOST IMPORTANT REGIONS are the coastal plain centred on Guayaquil (population 260 thousand) and the high Andean plateau around Quito (population 210 thousand). Less important economically are the other two regions, made up of the Galapagos Islands in the Pacific and the eastern slopes of the Andes, including the tropical lowlands.

The coastal plain produces the main export commodities—bananas, a fine cacao, and most of its petroleum. The sierra country produces wheat, supports a progressive dairy industry, and is a textile centre.

As its name implies, Ecuador straddles the Equator and is sandwiched between Colombia on the north and Peru to the south on the Pacific coast of South America. Approximately the size of our Maritime Provinces, it supports a population of about 3.7 million. According to a mid-1955 survey, some 44 per cent of the people live in the cities or suburbs and the working force totals about 1.25 million.

The low coastal plain and the high Andean plateau are the main geographical features and give rise to a temperate climate even on the equator. Three peaks, among the highest in the Andes and all of them close to 20,000 feet, soar to the south of Quito, the capital.

## **Ecuador's Main Industries**

● *Agriculture*—Ecuador because of its topography and climate grows almost all types of agricultural products—from wheat to rice and pears to mangoes.

The highlands produce the grains, fruits and vegetables of the temperate zone; coffee comes from the medium altitudes; the coastal area grows bananas, cacao, rice, sugar and cotton.

The even, cool climate of the high plateaus and the lush pastures found there provide favourable condi-

tions for dairy cattle. Dairying is not extensive by North American standards but the industry has made progress in the past few years. The various herds carry many famous Canadian blood lines.

Ecuador depends almost entirely on its agricultural exports to earn foreign exchange and has become one of the world's largest exporters of bananas, which Canada buys in substantial quantity (\$3.6 million worth last year).

Some of the world's finest cacao comes from Ecuador and coffee also in recent years has become an important agricultural export; Canada bought \$256 thousand worth of cocoa beans and \$511 thousand worth of green coffee beans from Ecuador in 1956.

● *Manufacturing*—Ecuador's two principal manufacturing industries are textiles and flour milling and both to a considerable extent rely on imported raw materials. Canada's principal export to Ecuador is wheat, which millers blend with the local grain to make flour. Food-processing plants account for most of the rest of Ecuador's industry.

## **Channels of Trade**

● *Seaports*—By far the most important and, for most purposes, the only port is Guayaquil, Ecuador's principal commercial centre. Except for border trade with its northern and southern neighbours, most of Ecuador's exports and imports move by sea. The other ports, Esmeraldas and Puerto Bolivar, handle bananas, Manta ships coffee, and La Libertad oil.

● *Air Services*—Ecuador is served by several international airlines, with daily flights from the north and the south to Guayaquil and Quito.

● *Representation*—The highlands and the lowlands of Ecuador form two characteristically different marketing areas. Canadian firms should consider maintaining two agents in Ecuador, one in Guayaquil and the other in Quito. Should you prefer to have only one agent, you should choose a Guayaquil representative, preferably with a branch office in Quito.

The reader who would like more detailed background information on Ecuador should get in touch with the Latin American Area Trade Officer, Department of Trade and Commerce, Ottawa, or the Commercial Counsellor, Canadian Embassy, Apartado Aereo No. 3562, Bogotá, Colombia. ●

# British Farm Output Rises

*Encouraged by guaranteed prices and other long-term farm policies, British farmers have steadily increased output. A surplus of milk and eggs has posed problems but farmers are assured that the Government will not cut guaranteed prices drastically to hold back production.*

B. M. FILLMORE, *Office of the Commercial Counsellor (Agricultural), London.*

BRITAIN'S CROP YIELDS turned out about average last year although the notoriously wet and cold summer at one time threatened disaster. Field crops suffered loss in quality from the waterlogged fields and a late and prolonged harvest, but the weather benefited the root crops. Favourable conditions for growth of grass led to a continued increase in milk production throughout the late summer; the mild winter which followed maintained this high rate. British egg output also set a new record in the 1956-57 season and livestock numbers continued to rise. The Government has laid down a new long-term policy for agriculture to give increased stability in the future and achieve greater

efficiency in production. A rise in output and reduction in costs would lighten the burden of subsidies and economize on foreign exchange.

## Wheat Production and Imports Rise

Wheat production in the United Kingdom totalled 105.6 million bushels last year—25.7 million more than in the previous season but of lower quality. Imports of wheat in 1956 totalled 179 million bushels against 168 million the year before; shipments from Canada rose from 83.6 million bushels in 1955 to 98.4 million in 1956, or 54 per cent of the total. The growth in wheat supplies from France in the past few years reversed itself in 1956 because of poor crops in that country.

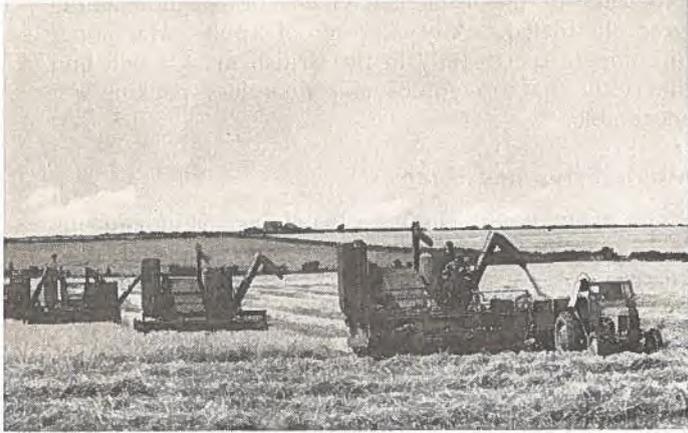
## More Flour Imported

Purchases of wheat flour in 1956 were slightly larger than the year before and totalled 361 thousand long tons; Canada supplied 243 thousand tons, or 67.5 per cent. Latest figures show that Canada maintained its position in the first quarter of this year. Since 1947 British flour production has declined, although a small recovery was evident in 1956. Last year home production totalled 3.9 million long tons; imports added 361 thousand long tons, making available a total

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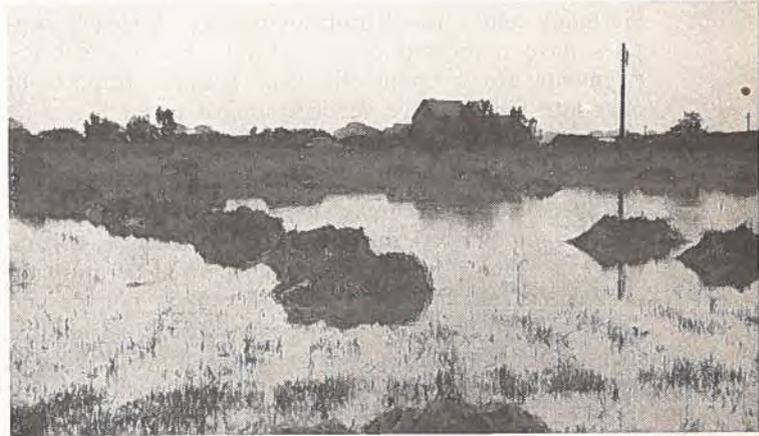
## In 1956 Britain Bought . . . .

- WHEAT—179 million bushels (98.4 million from Canada).
- FLOUR—361 thousand long tons (243 thousand from Canada).
- FEED GRAINS—37.8 million bushels of barley (about 30 million from Canada).  
—1.5 million bushels of oats (197 thousand from Canada).
- EGGS—Britain exported eggs in 1956; imports were almost nil.
- DAIRY PRODUCTS—793 million pounds of butter (mainly from New Zealand, Australia and Denmark).  
—240 million pounds of cheese (10 million from Canada).
- MEATS—A rapid increase in shipments of chilled beef from the Argentine, New Zealand and Australia, at the expense of frozen beef. Local production one-third greater than prewar.
- APPLES—9.4 million bushels (about 770 thousand from Canada).



—“Farmer and Stock-Breeder”.

(Left) Four combines hard at work on a Yorkshire farm are gathering in a good 1956 harvest of barley. (Right) Some areas were not so fortunate; this stooked wheat in the Cayton district of Scarborough suffered from excessive rain that left waterlogged fields behind it, delayed the harvest, and in addition severely affected the quality of the grain.



of 4.27 million long tons. But over the past nine years there has been a steady fall in the amount of flour sold. The 1956 total is 19 per cent less than in 1947 when rationing was in effect. This decline results from the greater variety of alternative foods which the British housewife is now able to buy.

#### Feed Grains Down

Weather conditions lowered the quality of the barley crop last year and production fell by 13 million bushels to 124 million. The oats crop declined by 21 million bushels to 157 million and the quality was also below average. In 1956 barley imports totalled 37.8 million bushels—5.4 million less than the year before. Canada shipped 80 per cent of this total. Imports of oats in 1956 reached 1.5 million bushels, or less than half of the purchases in 1955. Canadian shipments dropped off sharply from 2.8 million bushels in 1955 to 197 thousand in 1956.

#### Dairy Production Expands

Dairy and beef cattle herds in Britain are expanding; the Government encourages beef production but the increasing surplus of milk continues to be a problem. Supplies of milk are now available for manufacturing into dairy products on a year-round basis. Liquid consumption has failed to keep pace with the rise in production in spite of the sustained publicity programs of the Milk Marketing Board and the Milk Publicity Council. The Minister of Agriculture recently warned producers that the milk surplus might exceed the ability of the dairy industry to process it. At the same time, he pointed out that abundant supplies of milk products are available from Commonwealth countries which are better suited to produce them. Most of the surplus is absorbed by increasing the output of cheese, butter and milk powder.

Production of cheddar and dunlop cheese in Britain more than doubled in a year: it climbed from 58 mil-

lion pounds in 1955 to 119.7 million in 1956. There was also a sharp rise in butter production—from 33 million pounds in 1955 to 56 million last year. But imports of butter also rose from 688 million pounds in 1955 to 793 million in 1956. New Zealand, Australia and Denmark were the main suppliers.

#### Demand for Canadian Cheddar

Imports of cheddar cheese into the United Kingdom fell by 1.5 million pounds in 1956 to 240 million pounds; New Zealand and Australia supplied most of it. Canadian cheddar shipments dropped from 13.5 million pounds in 1955 to 10 million last year, although the value of shipments was about the same. The United Kingdom has allocated £1,500,000 to buy natural cheeses in North America for the period July 1, 1957, to June 30, 1958. This is the same as last year's allocation.

Canadian cheddar continues to command the top price on the United Kingdom wholesale markets—up to 368/ for 112 pounds (\$44.02 for 100 pounds) for 1956 white. The nearest competitor, Scotch matured cheddar, is selling at up to 275/ for 112 pounds (\$32.90 for 100 pounds). In the stores Canadian cheddar retails at about 47 cents a pound; some special fully-matured branded Canadian cheddar sells at 80 cents a pound. English cheddar currently sells for about 36 cents a pound. A publicity program is under way to popularize the many varieties of “county” cheeses, such as Stilton, Double Gloucester,

etc., which consumers knew so well before the war. In fact, the British housewife is pressured to buy more of everything—bread, fish, meat, cheese, milk, butter—in the national daily papers and on television.

### **Britain Exports Eggs**

Output of eggs has gone up so much this year that Britain has made substantial shipments to West Germany and other European markets. Heavy supplies have depressed prices severely and the subsidy payments are consequently very heavy. Imports of eggs into Britain have declined almost to nil.

### **Meat Production Still Rising**

The production of carcass meats in the United Kingdom again climbed upward in 1956 after a setback in 1955, when a heavy slaughter followed derationing; production in 1956 totalled 3,351 million pounds and was one-third greater than prewar. The most notable feature of United Kingdom meat imports is the rapid increase in shipments of chilled beef from the Argentine, New Zealand and Australia at the expense of frozen beef; this product is providing growing competition for the British producer in his efforts to attract the consumer.

### **New System for Buying Apples**

The dessert apple crop in Britain in 1956 rose to an all-time record of 13.8 million bushels. In the calendar year 1956 total apple imports reached 9.4 million bushels, compared with 8.9 million in 1955. Australia remained the biggest supplier although the volume only slightly exceeded Italian shipments. Italy has stepped up apple exports considerably in the past few years.

Canadian apples were admitted into the United Kingdom in 1956-57 under a dollar quota, which was a single allotment of £1.25 million for Canada and the United States instead of the 60-40 split of previous years. Under this system British importers were free to spend their licences in either Canada or the United States. From November 1956, when the over-all allocation came into effect, to April 1957, Canada exported to Britain approximately 594 thousand bushels of apples; imports from the United States totalled 402 thousand bushels. This figure compares unfavourably with the previous year when Canada sold 813 thousand bushels and the U.S. 539 thousand. On a percentage basis, Canada's share of North American shipments in this period fell to 56 per cent; in 1955 our share of the market reached 61 per cent. Preliminary figures indicate that Canadian apple shipments in the 1956 crop year totalled 771 thousand bushels, against 943 thousand the previous year.

The new cell-pack for apples was generally well received in Britain. In most cases they shipped well

and some of the usual bad effects of rough handling were eliminated. Any exporter of apples who hopes to compete successfully in the British market will find that only the top grades and first-class packing are acceptable.

### **Maple Syrup and Honey**

After many years' absence, Britain is again allowing imports of Canadian maple sugar and syrup and small quantities of Canadian honey. Wide changes in price structures have occurred since these products last appeared in the United Kingdom, but it seems possible that there may be a market for the top grades in the same way as Canadian cheddar sells at a premium price.

### **Surpluses Create Problems**

Britain's dollar problem remains as acute as ever, particularly in the light of international events of the past six months. Current difficulties of surpluses in British agriculture appear to be, in part at least, the natural outcome of the policy to expand home production, and to cut farm costs and raise efficiency, in order to save foreign exchange.

In the 1957 Annual Farm Price Review the Government took corrective measures by adjusting the guaranteed prices of some products. It cut the price of eggs and allowed only a nominal increase in milk prices. Authorities hoped that rising costs would slow down production. Hog prices remained as they were; production appears to have reached the desired number.

A good deal of last year's home-grown wheat still remains unsold and the Government is striving for a smaller wheat acreage in Britain by reducing the guaranteed price for wheat at the Annual Review. To economize further on imported feedstuffs, the prices for barley and oats were increased.

### **Farmers Assured against Price Drop**

Any reductions in guaranteed prices which the Government proposes must, however, meet the terms of the new long-term assurances given to the agricultural industry. The Government has agreed that the total value of guarantees set at any Annual Review shall not fall below 97.5 per cent of the total value of the guarantees established in the preceding year and the guaranteed price for any given review commodity each year shall not be less than 96 per cent of the price for the previous year. For livestock and livestock products, the total reduction in any period of three years shall not exceed 9 per cent.

With this degree of stability behind him, the British farmer, with greater efficiency and national advertising, will no doubt continue his efforts to secure a larger share of the home market. ●



# Egypt's Cotton Markets Shift

*Until three years ago, Western Europe bought between 45 and 63 per cent of Egypt's long-staple cotton crop. Today over 51 per cent goes to Eastern Europe and Mainland China. Canada seldom buys Egyptian cotton because price and quality do not as a rule meet her needs.*

D. S. ARMSTRONG,  
Commercial Secretary, Cairo.

AUGUST 3, 1957

COTTON CONTINUES TO BE the mainstay of the Egyptian economy, accounting in the postwar years for an average of 80 per cent of the value of her total exports. The country produces only 5 to 6 per cent of total world cotton production but supplies about half the requirements of long (i.e.  $1\frac{3}{8}$  inches and over) staple fibre. The importance of this quality production to the fine textile industries (notably in Western Europe) is out of all proportion to the size of the crop which, at roughly one million bales of 700 lb., is relatively small.

In terms of foreign exchange earnings, cotton exports between 1948 and 1956 have brought in, on the average, £E.121.7 million per year out of total exports valued at £E.151.2 million, or Suez Canal receipts of £E.32.2 million in 1955, or the tourist trade estimated to be worth £E.20 million per year. These three are Egypt's chief sources of foreign exchange.

## Dates from 1860's

Although cotton cultivation is almost as old as the Pyramids, its present importance to Egypt dates from the American Civil War (1861-65) and the resultant world shortage of cotton. It is grown under irrigation in the narrow valley of the Nile and in the Nile Delta between Cairo and the Mediterranean. A good climate and low-cost labour contribute to quality production because fine lint or staple can best be produced by hand picking. Intensive research into better types, improved methods of cultivation and the use of fertilizers, as well as constant improvements in irrigation engineering, have all played their part in building up the cotton industry.

Egypt has developed a sizable cotton spinning and weaving industry which consumes about 275 thousand bales per year. In 1956 there were 11 large spinning mills with more than a million spindles and employing upwards of 50,000 workers. Recent modernization, new machinery and foreign technicians have established Egypt's reputation in markets abroad for quality products. Yarn exports reached a record of 11,305 tons in 1956; production of cotton materials and piece goods of mixed cotton and artificial fibres reached 473 million metres last year.

## Markets Have Shifted

The last three years have seen a marked change in the direction of Egypt's raw cotton exports. Before the 1954/55 season (the cotton season runs from September 1 to August 31) Western Europe always took at least 45 per cent and as much as 63 per cent of Egypt's exportable surplus. The United Kingdom and France were the main customers, buying up to 325 thousand bales between them. Until the current season, Asian countries (excluding Communist China) took between 16 and 22 per cent of total exports. This

year, however, India's purchases up to the end of April dropped to 19,500 bales from 96,500 bales last season because she obtained her requirements from the United States on long-term credits. An Egyptian trade delegation visited India early in the year and reportedly offered cotton for payment in blocked rupees to be used for imports of Indian products. Despite this and other inducements, results so far have been negligible. Sales to Japan, on the other hand, have kept up well and a new triangular deal involving Ceylon tea in payment for Egyptian cotton has recently been announced.

Although the United States is by far the world's largest cotton producer, there has traditionally been a market there for the long-staple, fine-quality cotton fibre produced in Egypt. Since 1950/51, the United States has bought between 33,300 and 66,500 bales a year. For the current season, however, exports to the U.S. are running at a yearly rate of only 26,400 bales.

Since World War II, Canada has purchased very little cotton direct from Egypt, apparently because long-staple fibre is of too high a quality and is too expensive to compete in Canada against American and Mexican types. Only when Egyptian cotton prices have been very low have sales been made to Canada.

### **Eastern Europe Buys More**

The big shift in the direction of Egypt's cotton trade has been towards Eastern European countries and Communist China. Egyptian cotton has always commanded a market in these areas (particularly Czechoslovakia) but up to 1953-54, shipments rarely exceeded 20 per cent of her exportable surplus. However, after the first trade agreement was negotiated with Czechoslovakia in 1954, exports increased from 31.5 per cent in 1954/55 to 40.5 per cent in 1955/56 and as of April 30, 1957, stood at 51.2 per cent. Although the percentage of exports has increased, 23,000 fewer bales have been shipped this year than in 1955/56. Market reports predict that this drop will be made up as the current season advances and if this proves to be the case, purchases by Communist countries will probably go well over 60 per cent of the total.

Last year Czechoslovakia was Egypt's best customer, taking 157,600 bales compared with an average of 36,000 bales in previous years. This season Czechoslovakian purchases have dropped to an annual rate of just over 57,000 bales.

Sales to Russia in past years have been spotty—nothing in some seasons and up to 45,000 bales in others. Last year Egypt exported 36,500 bales to Russia but this season shipments have been running at an annual rate of almost 100 thousand bales.

Communist China has been a traditional user of Egyptian cotton but shipments have declined rapidly in recent years: 73,000 bales in 1954/55, 50,000 bales in 1955/56 and this season an annual rate of 37,000 bales.

### **Some Shipments Resold**

There is, of course, nothing new in Egypt's increasing trade with Iron Curtain countries. Cotton is used to pay for armaments, oil, wheat and other commodities as well as to repay loans made by these countries (e.g., China granted Egypt a loan of 20 million Swiss francs last year). However, one interesting question arises—how can these countries use double or triple the quantities of cotton they purchased previously? The answer appears to be that they can't. They sell Egyptian cotton to Western European countries at prices lower than those quoted on the Egyptian market, presumably to build up their foreign exchange assets.

Egypt is anxious to trade with all countries (except Israel) both Eastern and Western, Communist and non-Communist. There are signs of concern in both official and business circles at the drop in cotton exports to traditional customers and steps have been taken to regain these markets. The delegation to India is a case in point. Bonuses of up to 25 per cent are being offered to exporters who sell for currencies that are particularly scarce, thus, in a sense, competing with re-exports from Iron Curtain countries. What the effect of these efforts and inducements will be on this vital sector of Egypt's economy remains to be seen.

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### **Tours of Territory**

*R. W. BLAKE, Trade Commissioner in Port-of-Spain, Trinidad, will visit St. Vincent, Dominica, St. Lucia and Grenada from August 9-21.*

*H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, will visit Nassau, the Bahamas from August 4-10.*

*H. W. RICHARDSON, Trade Commissioner in Guatemala City, Guatemala, will visit Panama, August 1-11, and El Salvador, August 12-16.*

*Businessmen who would like these officers to undertake assignments for them should get in touch with them at their posts as soon as possible. Mr. Blake can be reached through his office in Port-of-Spain, Mr. Campbell at Kingston, and Mr. Richardson at Guatemala City.*



## Australia

**MINERALS**—The Australian Minister for Supply recently forecast that the income from the production of minerals in Australia will soon exceed the wool cheque. The value of Australia's mineral production has risen from £26.6 million to more than £200 million in 50 years. The wool cheque last year was £352 million. A great increase in minerals output is expected to follow the development of uranium deposits at Rum Jungle and Mary Kathleen, copper at Mt. Isa and bauxite in the Cape York Peninsula—Melbourne, July 5.

**PHARMACEUTICALS**—Two prominent companies with world-wide connections in this field have recently invested in manufacturing facilities in Australia. One of them has purchased a large factory in Richmond, Victoria, as headquarters in that state for its pharmaceutical, hospital, surgical and rural divisions. This company manufactures a wide range of products both in Australia and overseas, including penicillin, insulin, saccharin and sheep dip. The other firm has set up a \$250 thousand plant at Moorabbin, Victoria, designed to turn out more than £1 million worth of pharmaceuticals and toilet preparations a year—Melbourne, July 5.

## Chile

**SULPHUR**—Figures available for the period January-November 1956 reveal a very unfavourable picture of the volume of Chilean exports of sulphur. In 1955, 48,464 metric tons of whole, ground and sublimated sulphur were exported. The total volume of shipments effected during the first eleven months of 1956 reached 24,050 tons, showing a decrease of 45.9 per cent. According to estimates by the trade, the outlook for exports in 1957 is not encouraging—Santiago, July 3.

**FISH-MEAL FLOUR**—The new fish-meal flour factory at Dichato, southern Chile, will begin production soon, according to local press reports, and annual output is expected to reach 64,000 tons. The machinery is of Danish origin purchased at "privi-

## Commodity Notes

leged" rates of exchange under a compensation scheme between Chile and Denmark. (This scheme has since been revoked because Chile has relaxed import and export restrictions.)—Santiago, July 3.

## Cyprus

**LUMBER**—Most imports of lumber into Cyprus consist of softwood. Last year imports of softwood lumber rose to 2,145 thousand cubic feet valued at £1,150 thousand as against an average of 1,480 thousand cubic feet valued at £740 thousand for the two preceding years. Main suppliers are Rumania, Sweden, Austria, Finland and Czechoslovakia. Supplies from Canada were valued at £5,400 in 1955 compared with £600 in 1954. A small lot of 100 cubic feet of Canadian hardwood lumber was supplied in 1955 out of U.K. stocks. The authorities granted import licences worth \$100 thousand in 1955, but there were no buyers because freight charges make Canadian offers non-competitive with European suppliers—Cairo, July 4.

## French Equatorial Africa

**OIL**—The first tanker load of 16,000 tons of crude oil from French Equatorial Africa was shipped to French refineries in May and two more loads were expected to follow.

Eight large storage tanks have been constructed, currently holding 35,000 cubic metres of oil. Three other tanks with a total capacity of 20,000 cubic metres are under construction. With full storage capacity and completion of all technical installations, it will be possible to ship 100,000 tons of oil a month. A high degree of rationalization has been achieved: the monthly storage and shipping of 100,000 tons of oil will require only ten specialists. The great efficiency of operation of the enterprise from its inception is apparent when it is realized that the first oil gushed in February 1956. Personnel, capital and materials used are exclusively French.

Simultaneous with the bringing into production of the Ozouri and Pointe Clairette deposits, the Societe des Petroles de l'AEF (SPAEF) is prospect-

ing the sedimentary basin some 35 miles south and southeast of Port Gentil. At M'Bipale, oil and gas are indicated at 1,650 metres; borings at Aximba, four miles northeast of Ozouri, also revealed oil. Borings continue at Pointe Clairette and a test boring is being made at Tchengué, between Ozouri and Pointe Clairette—Leopodville, July 6.

### Israel

**RAYON**—Construction has begun on a \$20-million rayon plant in Israel, designed to compete in world markets with such established producers as the United Kingdom, West Germany, Japan and The Netherlands. American capital will provide \$13 million and the remainder will be underwritten by the Israeli Government.

The plant will have an annual production capacity of four million pounds of tire cord, and five million pounds of high-quality rayon textile yarn used in suitings, upholstery, draperies, carpets, etc. Up to one-half of total output will be earmarked for export. In addition to meeting the needs of the Israeli textile industry (up to two million pounds), the plant plans to supply the yarn requirements of the two large domestic tire factories which currently import over one million pounds a year.

Construction will be in two stages. On completion of the first stage in the middle of 1958 the plant will be ready to process into finished products semi-finished materials including single-thread cord rayon and textile yarn filament (supplied by the U.S. parent plant). Within three years the plant will be able to produce the finished materials itself from imported pulp and local sulphuric acid and caustic soda. The rayon to be produced is of a new type patented in the U.S. and now also produced under licence in Italy and West Germany—Athens, July 3.

### Italy

**FOOTWEAR**—More than 3.3 million pairs of leather shoes, valued at approximately nine billion lire, were exported from Italy in 1956. This total does not include the very large quantity of footwear purchased by the millions of tourists who visit Italy each year. Exports last year rose sharply, especially to the United States and Canada, where the volume of sales of Italian leather footwear is increasing rapidly; the 1956 figures are almost double the 1955 export of 1.7 million pairs with a value of 4,650,000,000 lire—Rome, July 15.

### Norway

**CANNED HERRING**—Norwegian producers of canned herring are planning an extensive advertising campaign in England in an attempt to increase

Norway's exports of canned herring to that market. There will be advertisements in the largest English daily newspapers and trade magazines and on television. The whole campaign will cost about three million Norwegian kroner. Before the war Norway shipped about 212 thousand cases of canned herring to England annually, but in 1956 exports were down to about 25,000 cases—Oslo, July 11.

### Rhodesia and Nyasaland

**COPPER**—The copper mines of the Federation, according to the *Year Book of the Northern Rhodesia Chamber of Mines*, just published, contributed an estimated 37.5 per cent of the federal revenues in 1956. This contribution is made indirectly through the industry's employees, and directly through taxation derived from royalties originating in the copper mines. The value of copper produced in Northern Rhodesia in 1956 was £121 million and the average salary of the 6,850 European miners was £2,295 (approximately \$6,200)—Salisbury, July 11.

### Sweden

**LUMBER**—Swedish export sales on the world market at the end of the first six months of this year amounted to about 750 thousand standards compared with 575 thousand standards for the same period last year. Total sales for the whole year are now estimated at 925 thousand standards, a somewhat larger figure than was previously estimated. As there has been a decrease in production throughout the country, particularly at the smaller and medium-sized mills, it will be necessary to deplete stocks if the above export figure is to be attained. Stocks are reported to be sufficient, particularly of the lower qualities—Stockholm, July 11.

### Uruguay

**WOOL**—Latest returns show total exports of wool from October to May 31 at 127,766 bales, compared with 185,552 bales shipped in the same period of the previous year. The principal destinations were: The Netherlands 51,262 bales as against 57,072; United States 12,503 bales as against 35,092; United Kingdom 18,674 bales as against 20,468, and Italy 11,593 bales as against 12,465. (Uruguayan bales range in weight from 400 kilograms to 500 kilograms—hence an average of 450 kilograms to work out tonnage.)

Although the bulk of the crop was sold early in the season at what are considered remunerative prices, there are still some 40,000 bales of the inferior type unsold. The market shows no indication that this remnant may be disposed of in the near future as foreign demand is negligible and the market on the whole is very inactive—Montevideo, July 5.

# Setting Up a Business in Brazil

*This is the second of two articles written to help Canadian firms decide whether they should make their product in Brazil. The first, published in the July 20 issue, dealt with the industrialization of Brazil and São Paulo in particular. This article explains some of the governing capital investment regulations, the tax structure, and the three main types of business organization.*

G. F. OSBALDESTON, *Vice Consul and Assistant Trade Commissioner, São Paulo.*

A SHORTAGE OF FOREIGN EXCHANGE is the main reason why many Canadian companies which formerly shared in the Brazilian market are now excluded. The foreign exchange control system which the Government has adopted favours the establishment of national industry. Brazil is now committed to a program of industrialization and there can be no turning back; it is probable that, to assist in developing local industries, she will continue to limit imports of foreign products.

Under these circumstances, many Canadian firms may wish to consider manufacturing their products in Brazil. The following brief summary explains the three kinds of Brazilian business organizations, the tax structure, and the exchange controls on capital investment, as an aid in making this decision.

A foreign company which wishes to set up its own operation in Brazil has three main possibilities. It can set up a branch; it can form a "sociedade por quotas de responsabilidade limitada" (a type of partnership); or launch a "sociedade anonima" (the equivalent of a limited liability company).

## Setting Up a Branch

A branch plant is generally considered the least favourable method for a foreign company to adopt in Brazil; the Brazilian authorities also seem to prefer the other two forms of organization. The foreign company which sets up a branch must appoint a representative with sufficient powers to accept all the

conditions under which the Government grants permission to operate through a branch. The representative must be resident in Brazil although he need not be Brazilian, and in actual practice he will have wide powers. Removal of the representative by the board of directors of the company requires steps to revoke his power of attorney and necessarily involves delay. Selecting a good representative from the start is a primary consideration if this procedure is followed.

## Forming a Partnership

When it comes to forming a partnership of persons or companies, the liability is a joint and several one in the sense that a partner or partners who have subscribed their share of capital in full must pay up in full for any other partner who fails to raise his share of the capital.

Although it is the simplest form of organization, its desirability depends to some extent on the size and objectives of the business and on how big the

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## Forms of Business Organization

*A foreign company that wishes to set up operations in Brazil can follow three main procedures:*

- Branch company—*considered the least favourable method; the resident representative will have broader powers than the company's board of directors.*

- Sociedade por quotas de responsabilidade limitada—*formed by two or more persons and/or companies joining in a partnership; liability of partners is joint and several. This is the simplest form of organization.*

- Sociedade anonima—*the Brazilian equivalent of a limited liability company.*

future operations will be. Firms which intend to set up factories in Brazil and which may need public financing will probably avoid the partnership form; a "sociedade por quotas", however, can be very simply transformed into a "sociedade anonima" at a later date.

The law does not limit the number of partners but a minimum of three is advisable to provide against death or retirement, or to provide the necessary majority to change the articles of formation if this is permitted.

### **Establishing a "Sociedade Anonima"**

The "sociedade anonima", or the Brazilian form of the limited liability company, may be financed by public or private subscription. The two methods of subscription involve different procedures of establishment; formation by private subscription is much simpler.

### **Brazilian Income Taxes**

It is not possible, of course, to treat fully the subject of taxes in a short article; here we can only describe the principal features of the Brazilian income tax law.

Tax on profits of all businesses in Brazil is payable at the current standard rate of 20 per cent on returns exceeding Cr.\$500 thousand and over and an additional 4 per cent for the 1957 fiscal year, or a total of 24 per cent.

In addition to this 24 per cent income tax on business profits, the Government imposes a 20 per cent non-resident income tax and this applies to bonus nominal shares transferred to non-residents; there is a 28 per cent income tax on dividends from bearer shares and on bonus shares to bearer. A further tax of 15 per cent has to be paid during the present fiscal year on all these amounts of tax payable.

The corporation law stipulates that financial reserves shall not exceed issued capital; the penalty tax is 30 per cent on any company which ignores this provision. As a result, companies have tended to increase their capital from reserves or other sources whenever it appeared that this tax would be imposed. During the fiscal year 1957 a tax of 3 per cent has to be paid on the undistributed reserves and profits held by companies since 1951.

### **The Excess Profits Tax**

This tax is levied on profits which exceed the amount of 30 per cent of the capital actually invested in the business. It is collected as follows:

—20 per cent on that part of the profit that does not exceed 50 per cent of the basic profit allowable.

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## **The Brazilian Tax Structure**

- *All three forms of business organization pay the standard rate of 20 per cent, plus the surcharge of 4 per cent.*
- *They also pay the additional surcharge of 15 per cent on the amount of tax payable above.*
- *Only the "sociedade anonima" pays 3 per cent on the amount by which reserves, excluding statutory reserves, are increased each year.*
- *Only the "sociedade anonima" pays the penalty tax of 30 per cent on the reserves, including undistributed profits, that exceed the registered capital.*
- *When the three types of organization distribute earnings to non-residents, the Government imposes a non-residents' tax of 20 per cent plus a 15 per cent surcharge.*
- *Various other taxes are incurred by residents when profits are distributed.*

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—30 per cent on that part between 50 and 100 per cent.

—40 per cent on that part between 100 and 200 per cent.

—50 per cent on that part which exceeds 200 per cent.

These are the basic stipulations of the excess profits law but there are a number of circumstances under which the full force of this tax is softened.

### **Making Technical Arrangements**

Many companies arrange for the exploitation of their patents, inventions, designs or technical know-how in Brazil. A company usually pays a lump sum for such service in the form of full-paid shares in an existing or new business organization. Often the payment is coupled with royalties on sales or production. When possible, make sure that the royalty is expressed in percentage terms; agreements to pay royalties in other than Brazilian currency are void. The non-resident tax applies on payments received for technical services.

### **Exchange Control and Remittances**

Foreign capital is divided into three categories to control exchange and regulate remittance of interest, dividends or capital. First, capital invested in public utilities or government-backed development projects is

registered at the official rate of Cr.\$18.82=U.S.\$1.00; remittance of interest and dividends at the official rate up to 8-10 per cent a year is allowed and is cumulative if no payment is made in any year.

Second, capital invested in projects which the President of Brazil pronounces as of special interest to the country is registered at the average free rate of exchange of Brazilian currency in the month before the licence is granted (example: average free rate for March, Cr.\$66.50=U.S.\$1.00). Authorities will allow investors to remit interest and dividends up to 10 per cent of the capital registered. In both the first and second categories the guaranteed remittance is subject to the availability of exchange.

The third category is capital to finance private undertakings; if the investment is a financial one, there are

no restrictions whatsoever. The investor will have complete freedom to bring capital to Brazil and to remit interest or dividends thereon or the capital itself in the free market. If the capital investment is in the form of machinery or equipment or even replacements, the investor who wishes to bring in the goods without going through the regular exchange auctions must receive the approval of the currency and credit authorities.

Before entering into any venture in Brazil the Canadian businessman should secure the services of a reliable law firm and accountancy firm. The office of the Consul and Trade Commissioner in São Paulo or the Department of Trade and Commerce, Ottawa, can supply more complete details on this subject.

## Ireland

# The Market for Canned Goods

*Canada's sales of canned fruits, juices, soups and vegetables in 1956 fell to less than half of the 1955 total; sales of canned fish declined from 459 thousand to 64,000 pounds. Yet United States sales of tinned fruits last year totalled more than six times those of Canada, in spite of the British preferential tariff in our favour.*

GEORGE SHERA,  
*Office of the Commercial Counsellor, Dublin.*

IRELAND'S SPECIAL IMPORT LEVY, imposed in March of 1956, was designed to restrict imports of luxury and semi-luxury goods. This levy, which is in addition to other duties already charged, applies to canned fruits and juices and canned fish. Canadian sales of these products totalled \$203,397 in 1955 but declined to \$36,680 last year—possibly as a result of these new levies.

AUGUST 3, 1957

Canned fruits, juices, soups and vegetables from Canada did not appear in Ireland's 1954 statistics but 1955 DBS figures show that we shipped 327 thousand pounds of these products valued at \$42,437. Last year Canadian shipments fell to 155 thousand pounds valued at \$18,873.

Imports of canned salmon from Canada have fallen off drastically over the last three years. In 1954 Canada sold 7,782 cwt. of canned salmon to Ireland valued at \$274,298 but in 1955 sales fell off to 4,594 cwt. worth \$160,960. Last year shipments declined even more sharply to only 233 cwt. valued at \$8,211. However Ireland did take 398 cwt. of Canadian sardines worth \$9,500 in 1956; no sardines were shipped in 1954 or 1955.

### Prospects for Canned Fruits

The larger stores in Ireland usually carry a plentiful supply of fresh fruit the year round but in spite of this, people also buy substantial amounts of a variety of imported canned fruits.

Last year imports of tinned fruit in syrup totalled almost 71,000 cwt. valued at £467 thousand; other preserved fruit and preparations reached 25,000 cwt. valued at £184 thousand and included substantial quantities of preserved peel. Canada's share of the canned fruit trade reached only £6,484 last year; shipments from the United States totalled £408 thousand and from Japan £33,177. A prominent Irish canning firm currently imports Italian pears under refrigeration and cans them locally. The demand for unsweetened tomato juice is growing.

In general, the Irish housewife looks for a quality product and she quite consistently chooses pears, peaches, apricots, fruit salad, fruit cocktail, pineapple; imports follow this pattern. United States shipments here are generally packed as follows: 24/2½ (29 oz.); 24/303 (16 oz.); 48/8 oz.; 12/46 oz. The 12/46 oz. size is usually reserved for grapefruit segments, orange juice, etc., as is 6/A10 which contains 105 oz. The demand for baby foods is also increasing.

### Duty on Canned Fruits

The duty on imported fruit in syrup in sealed tins is 2d. a pound for shipments from Canada and the United Kingdom; for all other countries the rate is 2 2/5d. a pound. The special import levy adds 3 1/5d. a pound on fruit from Canada and the United Kingdom, and for fruit from all other countries adds 3 4/5d. a pound. Pears preserved in water are liable to duty at the rate of 2½d. a pound from Canada and the United Kingdom and from all other countries 3d. a pound. Pears are not liable to the special import levy. Tinned fruits of all kinds are exempt from package duty.

Unsweetened tomato juice is not liable to customs duty nor the special import levy, but importers must pay a package duty of 1d. a pint or fraction of a pint. The import regulations covering fruit and vegetable juices are involved and exporters who desire further information should write to the Commercial Counsellor for Canada, Dublin.

### Good Demand for Canned Fish

There is a steady demand for good-quality canned salmon, lobster and sardines; some Canadian salmon and sardines are on sale at present. The supplies of Canadian salmon here are running out; Canadian canners have offered only small amounts to this market. Red and pink salmon both sell well, usually in 8 oz. sizes, and sardines in 3½ oz. tins packed in pure olive oil are much sought after.

Imports of fish in sealed tins are liable to a flat rate of 1d. per container (including contents) when the container and the contents together do not exceed one

pound in weight. When the container and contents together exceed one pound in weight, the flat rate of duty is 1d. a pound or part of a pound for each container. The 25 per cent ad valorem special import levy (for the United Kingdom and Canada) must be added to the above, and for all other countries 37½ per cent ad valorem. Canned fish is not liable to a package duty.

### How to Sell in Ireland

The present Government hopes to abolish the special import levy and recently issued a list which exempts certain goods. So far canned goods have not benefited and it is not clear how long the levy will remain. However the Canadian exporter should not presume from this that Ireland offers no opportunity as a market for his goods. DBS statistics show the following Canadian sales of these products to Ireland in 1955 and 1956:

#### EXPORTS OF CANNED GOODS TO IRELAND

	1956		1955	
	Quantity	Value (\$)	Quantity	Value (\$)
Canned fruits (lb.) ....	113,834	13,760	291,122	39,439
Canned juices (lb.) ....	20,653	1,586	31,667	2,205
Canned soups (lb.) ....	20,250	3,470	3,923	768
Canned vegetables (lb.)	163	57	72	25
Total .....	154,900	18,873	326,784	42,437
Canned fish (cwt.) ....	638	17,807	4,594	160,960

Most importers prefer to deal through a commission agent or broker and the latter may buy and stock goods on his own. By following this method, the importer feels that he can first view a sample and if anything goes wrong, he can iron out the difficulties with the resident agent. The commission paid to agents or brokers is usually a matter of agreement with their suppliers. In rare cases some of the chain stores buy on their own account, but this practice is not general.

Any Canadian exporter interested in selling any of the above canned goods should get in touch with our office here, supply prices C.I.F. Dublin, and state what commission he is prepared to offer. We can pass the information on to interested local agents.

### Direct Shipping Possible

Two steamship lines provide direct service between Canada and Ireland—Head Line and Irish Shipping. Information about these services may be obtained from their respective representatives in Canada, McLean Kennedy Ltd. in Montreal or Saint John, N.B., and Shipping Ltd., Montreal; Kane Agencies, Saint John, N.B.; Mathers and Co. Ltd., Halifax, N.S. ●

# Switzerland's International Intermediary Trade

*Swiss firms engaged in international intermediary and transit trade today carry out business transactions worth about one billion dollars a year. Canadian exporters may be able to use their services in trading with certain markets which are hedged about by restrictions.*

BRUCE I. RANKIN, *Commercial Counsellor, Berne.*

SWITZERLAND IS ALREADY WELL KNOWN as an international financial centre and source of capital for investment abroad. Less well known, but no less important, is the role that Swiss world-trading firms play in international intermediary trade. Although there are comparatively few firms of this type, their turnover exceeds S.Fr. 5,000 million per year.

Despite import restrictions, quotas, exchange controls and the like in other countries—or perhaps because of them—the volume of business of Swiss firms primarily engaged in the international intermediary and transit

trade is estimated to be three times as large today as it was twenty-five years ago. Before the war, the annual turnover of Switzerland's world-trading firms represented only 15-20 per cent of the total value of her foreign trade, compared with 40 per cent today. This growth indicates the skill of Swiss world traders in concluding linked transactions and otherwise overcoming the obstacles in the path of free world trade which have developed in the postwar period. It also indicates the skill and the knowledge Swiss traders put to work in virtually every market in the world.

The Swiss transit and world-trading concerns are not numerous but their staffs in Switzerland alone number about 3,000. They employ almost 1,000 Swiss nationals in their numerous branches on every continent, plus some 16,000 persons of other nationalities.

## **List of Goods Extended**

These Swiss trading firms buy goods in one country and sell them in another without the goods ever necessarily passing through Switzerland. About 70 per cent of the total turnover is in foreign commodities and only 30 per cent in products of Swiss origin. Thirty years ago more than 85 per cent of the goods involved were of foreign origin.

The intermediary trade extends all over the world and covers mainly the following commodities: cotton, wool, silk, ramie, hides, leather, grain, oil, cocoa and coffee, chemical raw materials and semi-finished products. Transactions also extend to manufactured products from various countries—such as machines and machinery, automobiles, chemical products, industrial equipment, watches, household appliances, and a wide range of other goods.

Swiss firms have gradually extended their markets and increased the list of goods in which they deal. It is estimated that at present they have stocks valued at approximately S.Fr. 750 million, only part of which are held in Switzerland.

Many of the firms engaged in the international intermediary trade also import into Switzerland a wide range of raw materials and semi-manufactured goods which, after further processing, conversion or assembly, are intended for export to third countries. Such imports in 1955 were valued at approximately S.Fr. 60 million. In the same year, such goods on export were valued at approximately S.Fr. 107 million.

## **May Help Canadian Traders**

Because there is no comparable Canadian network of international trading firms, Canadian exporters selling many types of goods may be able to make use of Swiss organizations to enter or re-enter markets from which they are currently excluded by licensing or exchange restrictions.

The Commercial Section of the Canadian Embassy in Berne has compiled a list of the approximately twenty most important Swiss world-trading organizations, complete with the types of goods each mainly handles and the areas in which each is predominantly engaged. In writing for the names and addresses of such firms,

Canadian businessmen should specify what goods are offered for export and indicate the markets of principal interest to them.

*Similar networks of intermediary trading firms are found in some other countries, such as the United States and the Netherlands—Editor.*

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## General Notes

### Belgian Congo

**ELECTRIC POWER DEVELOPMENT**—The period 1950 to 1956 in the Belgian Congo saw an increase in coal and liquid fuel consumption and a substantial rise in electric power production. Latest definite figures available (1955) show an installed combined thermal and hydro-electric capacity of 431,400 kw., (187,900 kw. in 1950) of which 86 per cent is produced by hydro-electric stations. Installed hydro-electric power has more than tripled over the last five years, due largely to the opening in 1956 of the "Le Marinel" station in Katanga Province (capacity 248,300 kw.). Power installations nearing completion at Bukavu and Albertville under the Ten Year Plan, and several privately-owned plants under construction in Katanga Province, should increase this power capacity substantially. Cost of electricity per kilowatt hour after development of the Inga hydro-aluminum project is expected to be near or definitely under the lowest prices obtained anywhere in the world—Leopoldville, July 2.

### Brazil

**BUDGET FOR 1958**—The budget of the Brazilian Government for 1958, presented to Congress during May, shows a deficit of approximately 9½ billion cruzeiros. The Executive hopes to cover the deficit with earnings resulting from the Customs tariff reform scheduled to become law later this year. Increased earnings from these sources are expected to amount to approximately Cr.\$10 billion. Total expenditure is estimated at approximately Cr.\$39 billion, or 32 per cent of the total budget; will be used mainly for economic development. Cr.\$2½ bil-

lion will be allocated for highway development, Cr.\$1½ billion for ports, rivers and harbours, Cr.\$3½ billion for power development and Cr.\$530 million for communications—Rio de Janeiro, July 5.

### Chile

**FOREIGN EXCHANGE**—The Ministry of Economy has calculated that foreign exchange earnings for the current year will be \$30.5 million lower than originally estimated as a result of the decline in the world price of copper. Earlier estimates had been based on an average price for copper of 35 cents per pound. The new figures are computed at a price of 30 cents per pound—Santiago, July 8.

### Ireland

**EXPORTS RISE**—Preliminary figures for April of this year show that exports rose more than £3 million from the total for April in 1956; imports fell £800 thousand and the trade deficit improved by almost £4 million. In the first four months of this year exports have risen nearly £12 million to £42.4 million and imports have declined £5.7 million to £61.2 million; the deficit fell to £17.6 million from £35.2 million at the end of April 1956—Dublin, July 17.

### New Zealand

**RECORD TRADE WITH AUSTRALIA**—New Zealand's exports to Australia in 1956 set a new record of £8.4 million. This total represents an increase of

£1.7 million or 25.5 per cent over the previous year. Exports of pulp and paper, including newsprint, made up most of the increase although exports of fish and miscellaneous products also rose. In the first nine months of 1956, New Zealand imports from Australia reached £24.1 million which represents an increase of 7.3 per cent over the same period in 1955—Wellington, July 8.

### Pakistan

**NEW SCHEME TO BOOST EXPORTS**—To encourage Pakistan's exports the Government has introduced a new scheme, effective June 1, 1957, under which it may grant special import licences for necessary raw materials and packing materials to manufacturers of certain exportable goods on application. This plan allows potential exporters to purchase materials abroad in addition to their normal industrial quotas. Regulations will ensure that such imports actually are used to produce goods for export—Karachi, July 3.

### Rhodesia and Nyasaland

**TRAVEL ALLOTMENT**—The allotment of dollars equivalent to £100 per year per person for travel in Canada and the United States recently announced in Great Britain has also been extended to residents of the Federation. As the return fare can be paid in sterling, each person is left with approximately \$270 to spend during the course of his visit. The

office of the Canadian Trade Commission in Salisbury will be glad to put travel agencies in contact with agents in the Federation—

**NEW WAY TO EXTRACT GOLD**—The new process for extracting gold from standard mill-run ores using ion exchange resins is being tested in pilot-plant tests at the Phoenix mine in Southern Rhodesia. It is expected that the process, which originated in British Columbia, will be used for extracting gold by conventional methods—Salisbury, July 10.

### United Kingdom

**EXPORTS REACH RECORD**—Total United Kingdom exports, including re-exports, valued at £11.8 billion, reached a new record in May. Imports also rose substantially and totalled £10.2 billion, which resulted from the closing of the trade balance reaching a deficit of £1.6 billion in May and for the first five months of the year. The deficit has grown to £309.8 million higher than at the end of May.

Exports to Canada in May declined to £24.6 million from a peak of £24.6 million in April. However, the April trade returns in excess of £6 million, which represents the newly completed ocean liner *The Empress*—London, July 19.

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## 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:

Sarnia—Aug. 6	Halifax—Aug. 27
Hamilton—Aug. 7-9	St. John's—Aug. 29
Toronto—Aug. 12-22	Saint John—Sept. 3
Kingston—Aug. 23	Montreal—Sept. 4-13

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

Vancouver—Aug. 26-30	Victoria—Sept. 3
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**B. A. MACDONALD**, formerly Commercial Counsellor in Bonn, West Germany:

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.

# Cuba Studies Bagasse Processing

*Printing and kraft papers, paperboard, solvents and plastics, cellulose pulps and even a synthesized protein cattle feed are some of the products which research scientists and new processing plants are making out of Cuba's vast resources of sugar-cane bagasse. As developments continue and new plants are completed, the market for Canadian processing and mill machinery and for industrial chemicals should expand.*

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

CUBA, THE WORLD'S LEADING PRODUCER OF SUGAR, may some day become equally well known for the variety of useful products made from its sugar-cane bagasse, until recently considered a useless by-product of the sugar factories. Research and new processing plants are bringing the day closer when sugar-cane pulp will possibly make an important contribution to the economy.

Cuban sugar factories could supply from five to six million tons of residue or bagasse a year on a dry-weight basis; bagasse is the mass of fibre and pith left after the juice is squeezed out of the cane. Two-thirds of the world's sugar comes from sugar cane, a large perennial plant containing 12 to 15 per cent sugar by weight, but up to now the vast quantities of cane pulp have found little use commercially. Until recent years, most of the bagasse was used to fire the boilers in the sugar mills. It was cheap fuel and available at the same time as the sugar-cane juice which it was used to boil down; burning was also the most convenient way to get rid of the refuse. Today, with advances in bagasse-processing techniques, the picture is changing.

## **Bagasse Gains in Importance**

Viewed from the point of view of availability alone, bagasse represents a far larger yield of fibre per acre than any other agricultural residue. It is available in substantial quantities at all large cane-sugar factories, and it is cheap; the costs of harvesting, transporting and preparing the cane have already been charged against the sugar output.

The basic problem with bagasse is that it consists of two different substances—about 75 per cent fibre and

25 per cent parenchyma or pitch. Together they are valueless except as a low-grade fuel, but separated they have more potential value than the sugar itself. Large sums have been spent on research aimed at an efficient and economical way to separate the two substances mechanically. Recent advances in this field have been rapid, and a Cuban scientist's prediction 15 years ago that the roles of sugar and sugar cane might be reversed and sugar become a by-product of sugar cane does not seem as far-fetched now as it did then.

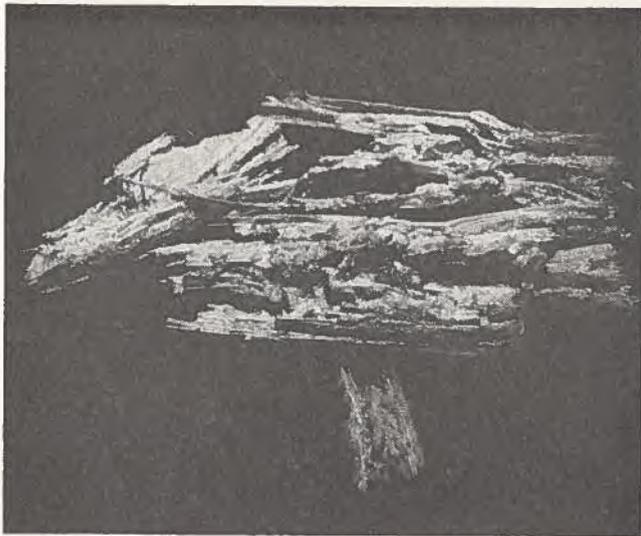
For a country such as Cuba that depends on sugar and whose population is outstripping employment, the prospect that sugar mills could continue grinding right on into summer is a vital consideration. Yet this could happen if the mills became more interested in supplying bagasse as a raw material for the new industries.

## **Large Sums Invested**

It is unthinkable that Cuba, the world's leading cane-sugar producer, would suddenly switch over to concentrate on bagasse production. However, the world demand for sugar is relatively inelastic and Cuba's problems of population and employment and the need for industrial diversification have spurred her interest. With some participation by United States investors, Cuba has staked \$30 million over the past two years in new plants to make bagasse products.

At present these plants mainly turn out unbleached and dissolving pulp, hardboard and insulating board, paper, cardboard, tissue and newsprint. For making paper, bagasse becomes an economical substitute for wood only in countries short of wood and when there is a world shortage of paper. On the other hand, when it comes to making particle board of various kinds, bagasse is now considered superior to wood; in the opinion of a Canadian researcher in Cuba, this product is likely to prove the most valuable made from sugar-cane fibre.

Under construction at Cardenas and scheduled for operation in 1958 is a newsprint mill with a capacity of 100 tons a day; two insulating and hardboard plants are under way—one at the Francisco sugar mill on the coast south of Camaguey, the other near Cienfuegos. Prospects for sales of the termite-proof building and structural board and eventually of the laminated products which these plants will make from the bagasse are good.



(Top) Crude bagasse as it comes from the cane crushers consists of 75 per cent fibre and 25 per cent pith; mechanical separation is difficult and costly. (Middle) Bagasse pith separated by a new process developed by a Canadian researcher in Cuba promises to become a low-cost raw material for large-scale production of livestock feed. (Bottom) Bagasse fibre after the pith is removed is said by researchers to make a superior termite-proof particle board.



Two paper plants which will turn out most grades of printing and kraft, including tissue—but no newsprint—are expected to begin operations in 1958 at Havana and Cotorro, a nearby town. A cellulose pulp plant of about 10,000-ton capacity is expected to start up by 1959. Of special interest to this pulp plant was a recent announcement that a Cleveland firm had produced a satisfactory rayon pulp from sugar cane; Cuba's modern rayon industry may soon make clothing from bagasse.

### Solvents and Plastics

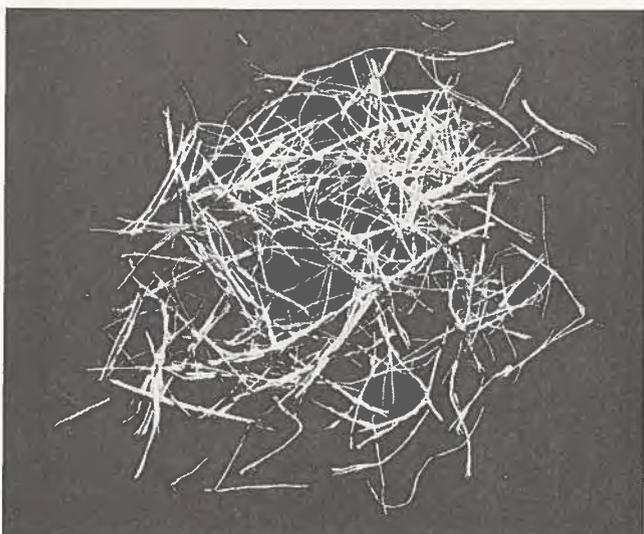
Bagasse is a source of furfural, an excellent solvent, and considered a building block in organic chemistry. It is used in refining wood rosins and lubricating oils, it is a component of thermosetting plastics and adhesives, and a butadiene solvent and an important source of adiponitrile—an intermediate in nylon production. New methods, now under study, to prepare a dry pulverized bagasse may make it competitive with corn cobs in furfural production.

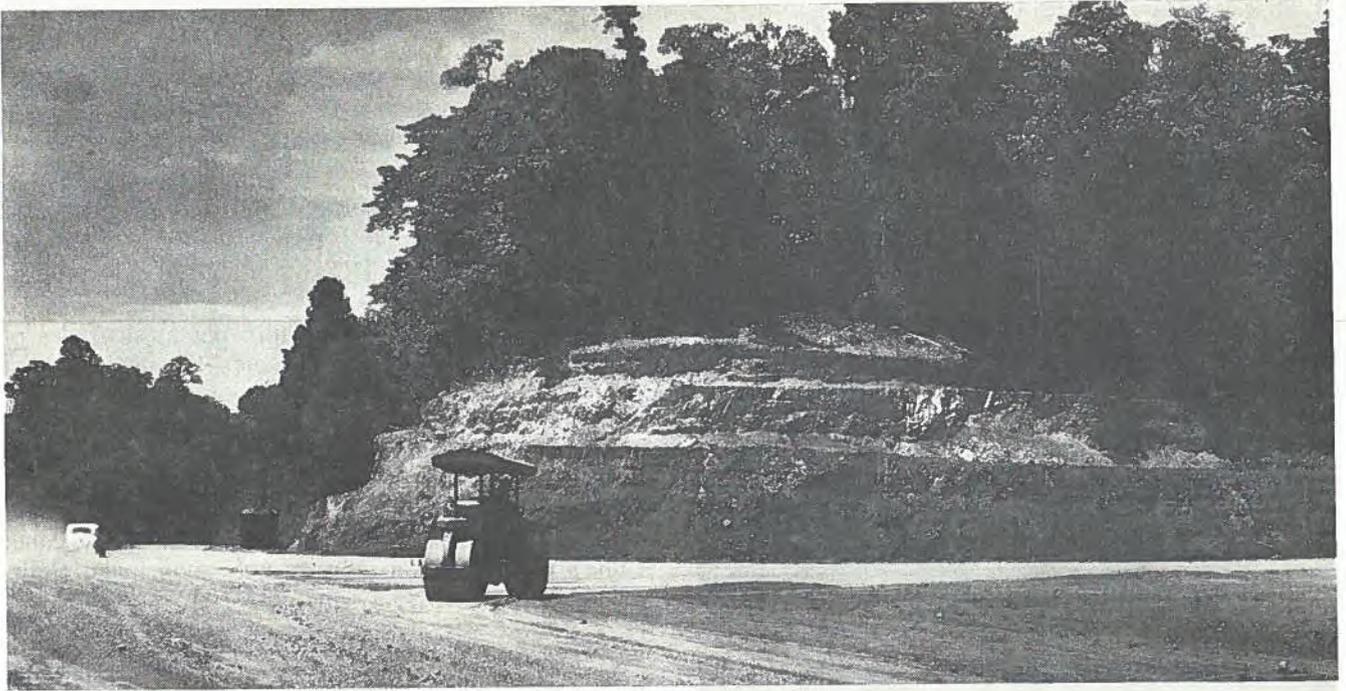
Fifteen years ago the first practical commercial plastics moulding compound was developed from bagasse in Louisiana. Today the prospects for making commercial plastics from bagasse in Cuba appear good.

### Cattle Feed a Possibility

Some researchers working on bagasse feel that the use of the bagasse pith, a pure and remarkably absorbent carbohydrate, in the manufacture of cattle feeds will prove even more lucrative than structural board made from the fibre. For this purpose the pith is superior to and easier to treat than corn cob; much is expected from an ammoniated 40-60 molasses-pith mixture which gives a fixed nitrogen equivalent of 10 to 12 per cent protein. Laboratory results with a new bagasse-treating machine indicate that large-scale production of a low-cost livestock feed may be on the way; this particular phase is under the direction of a Canadian researcher working in Cuba.

These developments should have meaning for Canadian export business. The Cuban market is certain to expand for such obvious Canadian goods as paper-makers' felts and machine clothing, screens, and paper and board mill equipment and supplies. When the plants described come into production, Cuba's need for various industrial chemicals and other process-related products will also expand. ●





*This photograph of the junction of the New Maran Road and the Jerantut Kuantan Road, Temerloh, Pahang, shows the progress Malaya has made in improving her highways. The need now is to develop the east coast highway system to equal that on the west coast, and to extend feeder roads to open up relatively undeveloped areas in this part of Malaya.*

## Malaya Improves Communications

*From the bustling port of Singapore to highway improvements and the building of feeder roads, the expansion of airlines, and the conversion of railroads to diesel equipment, Malaya is busy extending and modernizing its communications system. Canadian suppliers of transportation equipment and related products may find sales opportunities there as a result.*

W. G. HUXTABLE,  
*Assistant Trade Commissioner, Singapore.*

*"The Port of Singapore is a free port and the trade thereof is open to ships and vessels of every nation free of duty, equally and alike to all."—Sir Stamford Raffles—1819.*

**THIS PRINCIPLE** stated by the founder of modern Singapore has been the key to the island's present prosperity.

Its strategic location on world shipping routes and its proximity to the rubber and tin-producing areas of

Malaya and to other South East Asian countries are the foundations of its flourishing entrepôt trade. These advantages are now reinforced by main internal transportation arteries in Malaya, by coastal shipping services, and by Singapore's inclusion in international airline, cable and radio communications systems.

The transportation system in Malaya runs mainly north and south on each side of the central mountain range dividing the narrow peninsula. The main network is complete but branch routes and feeder routes must be developed to cover the whole country.

### **Singapore's Port Services**

Singapore has the largest port in South East Asia and, after London, the second largest in the Commonwealth. The Singapore Harbour Board administers premises covering 917 acres, including over 2½ miles of wharves and 40 acres of covered storage space. Ten thousand persons are directly employed. The Board has its own 330-man police force to enforce its bylaws and prevent pilfering. It also maintains its own fire brigade.

The port also consists of other anchorages. There are three rivers partly navigable for small boats in Singa-

pore and two oil installations on offshore islands, all administered separately but, with the Harbour Board, under government control.

Stevedoring services, provisioning, water supply and coal and oil bunkering are all efficiently organized by the Harbour Board, the Malayan Coaling Agency, and private firms.

With the aid of mechanical equipment, the Singapore Harbour Board handled a record 5.6 million tons of cargo last year, 3.7 per cent more than in the previous year. Total tonnage handled in the port of Singapore alone was 17.4 million tons in 1956, up 5.7 per cent over 1955.

In addition to the ordinary repair and service facilities, there are six drydocks in Singapore. The largest, recently completed, can accommodate vessels of 21 thousand gross registered tons. A new passenger terminal is under construction. Plans have been drawn up for the building of three new deep-water wharves as soon as further expansion is required.

#### **Other Malayan Ports**

There are two important ports in the Federation of Malaya: Port Swettenham, near the capital about midway on the west coast, and Penang, an island off the northwest corner of the peninsula. Both are connected with the rail and road systems of Malaya. Port Swettenham serves the central states and last year handled 1.5 million tons, 8 per cent more than in 1955.

Penang, like Singapore, is a free port and serves as an entrepôt for northern Malaya and southern Thailand. It is a lighter port with good anchorages in deep sheltered water, a two-berth wharf, lighter basins and lighter landing stages. It is connected by ferries with Prai, the railway port on the mainland opposite. Cargo handled in 1956 reached 2.0 million tons, up 14 per cent from 1955.

Several fleets service the coastal shipping requirements of Malaya, as well as the entrepôt trade with other South East Asian countries. The largest of these fleets, that of the Straits Steamship Company and subsidiaries, consists of 56 vessels totalling 43,000 gross registered tons.

#### **Connections with Canada**

Singapore and Malayan ports are served regularly by four shipping lines loading in Eastern Canadian ports; transit requires a little over two months. Four lines load at Vancouver and arrive in Singapore about six weeks later. Freezer space and refrigerated space are available from both eastern and western Canadian ports. Transshipment, if necessary, can be arranged with little difficulty at Japanese ports, Hong Kong, Bombay or Colombo.

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Both Singapore and Kuala Lumpur now have airports capable of handling long-range, high-speed international aircraft. The Singapore airport opened two years ago has an 8,000-foot runway which can be extended to 10,000 feet. In 1956 a total of 233,775 passengers, over 50 thousand more than in 1955, used the new airport. Singapore is served by ten overseas airlines as well as by Malayan Airways which connect important points in the Federation, Sarawak, North Borneo and Brunei. The Federation Air Service, operated by the government-owned Malayan Railway, serves main towns and townships of the Federation.

#### **Railways and Highways**

The Malayan railway system, metre gauge, connects the main towns of the Federation with Singapore and Thailand. In addition to an extensive freight and passenger service, the main lines have air-conditioned modern sleeping coaches and buffet cars. The system is being converted to operation with British-made diesel electric locomotives. The first of 23 diesel electric main-line locomotives arrived from the English Electric Company in May. Plans for the introduction of automatic signalling in heavy traffic areas and for the use of articulated single diesel cars on short routes are being studied.

The highway system of Malaya is best developed on the western side of the peninsula, with 6,200 miles of paved roads linking the larger towns, including the ports. A 1½ mile causeway at the tip of the peninsula connects Singapore Island with the mainland. The peninsula's east coast highway system is still relatively undeveloped. It is now recognized that more feeder roads are needed to open up undeveloped areas. Present plans for highway development call for widening of main roads, replacement of some ferry crossings by bridges, and gradual extension of feeder roads.

#### **Telephone and Telegraph**

An efficient telephone and telegraph system serves Singapore and the Federation and is connected with world-wide radio-telephone and cable services.

The modern Malayan telephone system includes multi-channel very high frequency radio links and line carrier systems supply internal trunk and junction circuits between exchanges. The Singapore telephone system is completely automatic and comprises eight exchanges. Four new exchanges are under construction. The average daily number of calls exceeds one million.

#### **Canadian Equipment Used**

Canadian products play a minor but important role. Beaver aircraft are used by the Federation Air Service for flying into small fields on scheduled and charter flights. Present plans call for their eventual replace-

ment by highly manoeuvrable, twin-engined aircraft from the United Kingdom. Canadian-made trucks are used for the handling of heavy timber, rubber and other produce, and automobiles made in Canada find a place in luxury and long-distance travel. Small quantities of Canadian Douglas fir are used in ship

repairing. Opportunities for other Canadian equipment in the transportation field are likely to remain limited by currency controls. Only essential goods which cannot be obtained within the sterling bloc may be purchased directly from dollar countries, including Canada.

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## India Provides Credit for Industry

*India will soon have a Rs.385 million (Can. \$77 million) fund to back medium-term bank loans to private industry. Firms will be able to borrow up to Can.\$1 million for periods of three to seven years. The new institution fills an important gap in the country's financial structure.*

JOHN H. NELSON,  
*Assistant Commercial Secretary, New Delhi.*

PRIVATE INDUSTRIAL ENTERPRISE in India has received substantial encouragement with the Indian Government's announcement that it will shortly set up a Refinance Corporation. Its purpose: to provide facilities for medium-term credit for Indian industries privately owned.

The new institution will supply a long-felt need. Several financial organizations are now meeting the long-term credit demands of industry and the banks carry a considerable volume of short-term loans. These are renewed periodically and thus virtually become medium-term loans. But at best this is a makeshift arrangement. The Refinance Corporation will take over medium-term lending and thus will fill the gap in India's credit structure. The new service will be furnished to industries with capital below Rs.2.5 crores\* (Can.\$5 million).

### Sources of Corporation's Capital

Initial share capital in the public limited company will total Rs. 12.5 crores (Can. \$25 million) and most of it will come from the government-operated Reserve Bank of India (Rs.5 crores), State Bank of India (Rs.2.5 crores), and the Life Insurance Corporation of India (Rs.2.5 crores). A number of private banks will also subscribe a total of Rs. 2.5 crores. In addi-

tion, the Government will make an interest-bearing, 30-year loan to the Corporation of about Rs.26 crores (Can.\$52 million).

The money for this loan will come from the counterpart funds from the sale of U.S. surplus agricultural commodities under the terms of an agreement signed with the United States in August of last year. The agreement provides for the sale over a three-year period of U.S. \$306 million worth of U.S. surplus agricultural products under P.L. 480.

Commodities include wheat worth \$200 million, rice \$26.4 million, cotton \$70 million, tobacco \$6 million, and dairy products \$3.5 million. Proceeds from the sale of these products are credited to a U.S. Government rupee account; 80 per cent of the funds are available to the Government of India to assist in meeting the objectives of the Second Five Year Plan. The United States will use the rest of the fund to meet its obligations in India. The Rs. 26 crores loan for the Refinance Corporation is a part of the 80 per cent in counterpart funds.

### Lending Regulations

The commercial banks will make the loans and discount them with the Refinance Corporation which will charge 5 to 5½ per cent interest. The banks will be allowed to charge borrowers 6½ to 7 per cent and they will assume the full credit risk on loans. The regulations will permit a firm to borrow up to a maximum of Rs. 50 lakhs \*(Can. \$1 million); the loan period will not be less than three years nor more than seven years.

Each of the commercial banks will receive a quota from the total funds of the Corporation which it may use for re-discount purposes. To encourage the banks to support the scheme, those banks which choose not to participate will have their quotas transferred to those which do. ●

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\*One crore (a unit of measurement)=10 million.  
One rupee=Can.\$0.20 approx.

\*One lakh (a unit of measurement)=100 thousand.



## Trade and Tariff Regulations

### Belgium

**SALES TAX ON IMPORTS REVISED**—Effective July 1, various changes have been made in the list of products subject to the import tax which is levied on certain imports into Belgium, in addition to the basic transmission (or sales) tax applicable both to Belgian products and to imports. The new measure exempts the following products from the import tax: oilcakes, newsprint, various other types of paper, bolting cloth.

An import tax, at the rates shown, is now levied on the items listed below which had not been subject to this tax:

Tin solder (2 per cent), refined sulphur, carboxymethylcellulose, lead and tin tubes for paints and other products, certain steam and gasoline engines, static converters, telegraph apparatus (3 per cent), lead oxide in powder form, leather gloves, certain iron and steel pipes and tubes, certain electric motors and rotary converters, electric signalling and safety apparatus, gramophones, dictaphones and phonograph-type transcribing machines, small glassware (4 per cent); transfers (decalcomanias) for industrial purposes; transformers (5 per cent), and iron and steel springs (6 per cent).

The tax, at the rates shown, is levied on the duty-paid landed value.

The tax was increased from 5 per cent to 6 per cent on inking ribbons for typewriters, calculating and similar machines.

On sheets or plates of iron and steel less than  $\frac{1}{2}$  millimetre thick, the import tax has been suspended until December 31, 1957—Brussels, July 5.

### Ceylon

**TARIFF AMENDMENTS INTRODUCED UNDER THE BUDGET**—The Ministry of Finance of the Ceylon Government introduced in Parliament on July 5 a resolution providing for the amendment of the rates of duty on some 45 commodities imported into Ceylon. Of these amendments provided under the Budget Proposals, at least 21 rates of duty are increased and 13 are decreased. A few items appear to be additions to the tariff. The commodities affected under the Budget are given below.

Commodities on which the rate of duty is increased include:

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Beer, ale and porter and all other malt liquors; biscuits; cakes; playing cards; gasoline; food and drink, not otherwise specified; silk, artificial silk and nylon hosiery; complete air conditioners and parts; aluminum holloware; certain motor cars, engines and chassis; apparel and bed, table, toilet and kitchen linen of mixed materials; apparel and bed, table, and kitchen linen and broadstuffs of natural silk; unmanufactured tobacco; preserved and tinned vegetables.

Items on which the rate of duty is decreased include:

Camphor; pepper long; shellac; sugar-making machinery and parts; certain motor vehicles, engines and chassis; linseed oil; packing material for drugs and pharmaceuticals; chemicals for the manufacture of drugs and pharmaceuticals; woodworking machinery and parts; turpentine.

New items to be incorporated into the tariff include:

Corn flour and maize flour imported in bulk; nylon apparel and piece goods.

*The complete schedule of import duties introduced under the Budget Proposals may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.*

### Indonesia

**NEW EXPORT-IMPORT AND EXCHANGE CONTROLS**—In substitution for earlier regulations, the Government of Indonesia has introduced new export-import measures to encourage exports by Indonesian exporters. Under these measures the exporter receives a *Bukti Ekspor* certificate (a B.E. certificate) equivalent to the value of his exports. An importer, before he can import, must purchase a B.E. certificate from an exporter after first acquiring an import licence from the Indonesian Government licensing authority.

The Bank of Indonesia sets the daily rate applicable to the B.E. certificate on the basis of supply and demand. Consequently, trading in the B.E. certificates is transacted through the Foreign Exchange

Bank of Indonesia, according to the price on the day of the transaction. The price which the importer is required to pay for the B.E. certificate will thus incorporate the premium that the exporter receives in rupiahs from the sale of his produce and, of course, will raise the price of imports by a similar amount. A B.E. certificate is valid for a period of two months.

Imported goods, formerly divided into nine categories, are now listed under six different categories for the purpose of determining and collecting additional import surcharges. These import surcharges previously ranged from nil to 400 per cent, and now range from nil to 175 per cent. Moreover, import duties will in future be calculated according to the warehouse value, consisting of the value of the B.E. certificate at the time of purchase increased by the special import surcharge rates. A list of commodities falling within the various groups has not yet been received, but the information will be available following its publication from the International Trade Relations Branch.

The Indonesian Ministry of Finance has imposed an additional tax of 20 per cent on the sale of B.E. certificates. The Indonesian exporter selling a B.E. certificate is thus obliged to pay the Indonesian Government 20 per cent ad valorem of the selling price. In view of this tax, export duties are temporarily suspended. Similarly, an importer, when he submits an import application, is required to deposit guarantee money for the benefit of the Foreign Exchange Fund to the amount of 20 per cent of the c. and f. value of the goods according to the parity value. This guarantee money will belong to the Foreign Exchange Fund should a foreign exchange licence not be utilized within a certain period of time to be determined by the Indonesian authorities.

## Italy

**FURTHER DOLLAR IMPORTS LIBERALIZED**—The Government of Italy issued a decree effective June 28, 1957, which frees from import restrictions and licensing requirements an additional list of imports from dollar countries, including Canada. This step is one of the liberalization measures that various European countries announced during the recent GATT balance of payments consultations on which we reported in *Foreign Trade* of July 20.

The new list supplements two earlier dollar import liberalization measures which Italy implemented in August 1954, and in April 1956, with the result that the list of liberalized products is now quite extensive. Nevertheless, such major Canadian exports to Italy as wheat, coarse grains, primary aluminum (except scrap), polystyrene and flaxseed, are still subject to import control and licensing requirements.

Among the dollar products newly liberalized, the following appear to be of interest to Canadian exporters:

Sausage casings, dried or salted  
 Glands of animal organs n.o.p. for the preparation of organo-theurapeutic products, fresh, frozen or preserved.  
 Barley, two-rowed, cleaned, for beer-making  
 Meat flour, not fit for human consumption  
 Residues from the distillation of alcohols  
 Gluten, wheat or corn  
 Nickel sulphate  
 Radioactive elements and their organic and inorganic compounds  
 Cortisone and hydro-cortisone  
 Methyl-cellosolve (monomethylic ether of ethylene glycol)  
 Ethers oxide, aromatic, and their halogenated, sulphonated and nitrated derivatives  
 Essence of pearls, natural and synthetic  
 Lenses for eye-glasses and optical use, unfinished optically  
 Silver and its alloys  
 Gold and its alloys  
 Iridium for pen points  
 Ferro-silicon (5 per cent to 95 per cent silicon content)  
 Ferro-molybdenum (5 per cent to 90 per cent molybdenum content)  
 Certain semi-manufactures of unalloyed iron and steel (bars, rods, sheets, plates, strips etc.)  
 Nickel and its alloys (in bar, rods, sheets, plates etc.)  
 Outboard motor engines, with a cylinder capacity from 700 cubic centimetres up to 1,500 cubic centimetres  
 Piston engines for aviation, of a nominal power on the ground of not less than 300 h.p.  
 Reaction engines and detached parts thereof  
 Combines (mower-thrashers) with a mowing rod of over 3.60 metres  
 Apparatus for poultry-breeding and beekeeping  
 Grading machines for eggs, fruit, tubers and other agricultural products and parts thereof  
 Homogenizers for the dairy industry  
 Machines for the continuous manufacture of paper with a cloth width of over four metres  
 Certain bark stripping machines and splintering machines  
 Certain calculating machines, composing machines and printing machines  
 Mechanical conveyors, continuous action, excluding those operated by cables  
 Various mining machines  
 Electronic apparatus of control and automatic regulation  
 Electrical shears and clippers for animals  
 Certain radio-electrical apparatus  
 Certain types of tractors  
 Invalid chairs and similar vehicles with propulsion mechanisms and parts thereof  
 Certain apparatus for measuring, control, regulation or analysis  
 Certain apparatus for the registration and reproduction of sounds and detached parts  
 Pianos and organs, electronic, radio-electric, photo-electric and similar instruments and parts thereof

—Rome, July 10.

*Information on the status of particular products relative to the Italian restrictive system is available upon request from the International Trade Relations Branch of the Department.*

## Jamaica

**SPECIAL ALLOCATION OF DOLLARS**—The Minister of Trade and Industry, Jamaica, has announced that a special additional allocation of dollars has been made to local merchants to import goods from the dollar area outside the British West Indies Trade Liberalization Plan in 1957.

The additional dollars are to meet the increasing demands of Jamaica's agricultural and industrial drive. After the requirements of these industries have been met, it is understood that consideration will be given to other dollar imports.

## Pakistan

**IMPORT TRADE CONTROL POLICY FOR JULY-DECEMBER 1957 ANNOUNCED**—The import trade control policy of Pakistan for the shipping period July-December 1957 was announced in a public notice dated June 26, 1957. The 214 items in the new list represent an increase of 21 items compared with the list for the January-June 1957 shipping period. Licences will be valid for all countries in the world, except that licences will be issued specifically for single countries to honour existing trade agreements.

Firearms; caustic soda; sulphuric acid; hair clippers; pressure lamps and parts thereof; enamelled ironware, other than domestic; musical instruments, parts and accessories; linseed oil; living plants; vegetable and flower seeds, including onion and potato seeds; sage; artificial silk yarn and thread; umbrella cloth; fents; animals; special types of buttons; all sorts of smokers' requisites; tricycles for children; mechanical and educational toys.

Deletions from the previous list are: mustard oil seed; bookbinding cloth; woven labels.

The general pattern is similar to the preceding schedule and the quotas for the additional items will probably not be very large. The raw material and replacement requirements of existing industries receive priority. The importance of the new policy is the inclusion of the additional consumer goods. East Pakistan's industries will benefit from higher allocations.

*The complete list of licensable goods for the shipping period July-December 1957 is available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.*

## Rhodesia and Nyasaland

**DOLLAR IMPORTS FURTHER LIBERALIZED**—On July 1 the Federation of Rhodesia and Nyasaland further liberalized imports of goods from dollar countries first, by placing all dollar goods for which import licences have hitherto been freely given on

Open General Licence—a move which eliminates "red tape" for the importer—and second, by transferring a substantial number of prohibited items to the Unrestricted List in an effort to increase trade with the hard currency countries.

This is good news for Canadian exporters and is especially noteworthy because the Government of the Federation took this action despite a drastic drop in dollar earnings. The price of copper, the country's most important export commodity, fell sharply last year and an £8.5 million surplus in the Federation's dealings with the dollar countries in 1955 became a deficit of £5.5 million in 1956, with no reversal of the trend so far in 1957. Out of a total of 725 items and sub-items in the tariff, only about 50 are now prohibited from the dollar countries which represents a process of liberalization over a three-year period.

The following are the items which have been freed from restriction:

Tariff Item	Article
49.	(a) Fruit juices, cordials, syrups not exceeding 3 per cent proof spirit. (b) Other kinds n.o.p.
54.	Cigarettes.
57.	(a) Cigarette tobacco. (b) Other tobacco, manufactured.
63. (2)	Lino, cork, rubber and similar floor coverings in the length or in tile or other form.
ex 113.	Locks, all kinds. (Note—In the first half of 1957 a small dollar quota of £10,000 was set up for padlocks only, all other locks being prohibited. Under the new arrangement locks of all kinds may be freely imported from the dollar area without limitation as to the amount.)
160.	Bottles and jars (empty) being ordinary trade packages for the transport of goods, including bottles and siphons ordinarily used for aerated waters and fruit jars, but excluding sparklet and similar siphons.
162. (2)	(b) Adhesives and cements not in bulk.
166.	Diamonds and other gems or precious stones, in their rough state.
203. (1)	Paints and colours. (a) Ready mixed for use, including pigmented lacquers, shellacs and similar preparations n.o.p., enamels, water paints, distemper, colour washes, oil-paints, poster colours and sheep-marking oils.
206.	(a) Soap, toilet, in tablet form containing more than 62 per cent of fatty acid. (b) Soap, other, (excluding detergents and scouring powders).
238.	Toilet preparations n.o.p., including powders, washes, pomatums, cosmetics, dyes, hair oils, but not including tooth powders, tooth pastes and tooth washes.
239.	Perfumed spirits and liquid perfumery.
249.	Tooth powders, tooth pastes and tooth washes.

- 269. Furniture, wooden, wicker, cane and grass.
- 272. Joinery, wooden, including framework of buildings, sills, ashes and lintels, windows, doors and staircases.
- 303. (2) Gramophone records including discs, cylinders, wires, tapes and similar recording media.
  - (a) Scientific, educational or cultural, etc. under such conditions as the Controller may prescribe.
  - (b) Other.
- ex 307. Sporting and athletic goods (articles n.o.p.) used for outdoor and indoor games, not including toys. (Note—fishing tackle and baseball equipment were decontrolled in January 1956).
- 310. Ammunition and explosives.
  - (b) Cartridges.
  - (d) Fireworks of all descriptions.
  - (g) Shot bullets and slugs.
- 320. (1) Field glasses, binoculars, opera glasses and telescopes.
- 325. Public Stores for government use.
- ex 331. (b) Models and wax figures for display and other advertising purposes, also shop fittings.

The Government of the Federation reviews the trade position every six months and liberalizes imports from the dollar countries as the balance-of-payments position permits. In the first six months of 1957, it established definite quotas for a few key commodities and has again authorized the same values for the second half of the year, as follows:

Wheat .....	£ 225,000
Piece goods for clothing manufacturers ..	100,000
Electric stoves and washing machines ....	10,000

(Note—Dollars equivalent to these sterling amounts are available)

In the last half of 1956 and the first six months of 1957, respectively, a quota of £650 thousand was established for the purchase of American and Canadian automobiles, either from plants in the Union of South Africa or directly from Canada and the United States. Formerly, when dealers imported cars from North America assembled in the Union of South Africa, the Federation had to repay the Union for the dollar content. As from July 1, 1957, however, the Union will accept sterling for the full price of cars assembled in that country and accordingly the Federation has reduced its dollar quota for automobiles to £251 thousand. This will still permit distributors to buy direct from North America if they prefer this arrangement. Thus the new regulations protect the interests of Canadian auto-makers who in the first three months of 1957 shipped 72 vehicles worth \$160 thousand to the Federation. Certain right-hand drive models are built only in Canada and not in the United States.

Canadian exporters of any of the above products who would like to appoint representatives in the Federation should airmail their catalogues and price lists to the Office of the Canadian Trade Commissioner in Salisbury.

—WILEY J. MILLYARD,  
Trade Commissioner, Salisbury.

## Sweden

**ADDITIONAL DOLLAR IMPORTS LIBERALIZED**  
—We reported in the July 20 issue of *Foreign Trade* that various European countries, including Sweden, announced measures for further liberalization of imports during the recently concluded GATT consultations on import restrictions. The Swedish measure has now been officially brought into force, with effect from July 1. It exempts from licensing requirements imports of the following agricultural products from dollar countries including Canada, provided that their domestic prices in Sweden are within certain predetermined levels. The same provision as to domestic prices applies to the liberalization of these products from non-dollar countries:

Wheat and rye; flour; certain live animals; sugar; copra; salted horse meat; edible offals of sheep, horse, cattle and swine; butter dyes and cheese dyes containing oil; certain sauces; grains other than rice; soya beans, oilcakes, feedingstuffs; beans and peas; olive and cottonseed oil; margarine and other butter substitutes; certain non-edible oleaginous seeds, including rapeseed and hempseed (but not flaxseed), fish oils.

—Stockholm, July 5.

## Data for Exporters

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

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

# foreign trade service abroad

\*No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
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<b>Denmark</b> Greenland, Poland	C. F. Wilson, Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads, COPENHAGEN	<i>Mail:</i> (City address) <i>Cable:</i> CANADIAN <i>Tel.:</i> TriA 1602
<b>Dominican Republic</b> Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	<i>Mail:</i> Apartado 451 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5318
<b>Egypt</b> Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110
<b>France</b> Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith, Commercial Secretary for Canada A. L. Neal, Attaché J. H. Bailey, Commercial Secretary	3 rue Scribe, PARIS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> OPEra 42-30
<b>Germany</b> Federal Republic	Commercial Counsellor S. G. Barkley, Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Bonn 21971
<b>Germany</b>	E. H. Maguire, Consul J. M. T. Thomas, Vice Consul	Canadian Consulate, 69 Ferdinandstrasse, HAMBURG	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 326149
<b>Greece</b> Israel, Turkey	A. B. Brodie, Commercial Secretary L. D. R. Dyke, Assistant Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
<b>Guatemala</b> Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner R. M. Dawson, Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	<i>Airmail:</i> P.O. Box 400 <i>Surface Mail:</i> P.O. Box 444 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5590
<b>Haiti</b>	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	<i>Mail:</i> P.O. Box 826
<b>Hong Kong</b> Formosa, Cambodia Laos, Vietnam, Macao	C. M. Forsyth-Smith, Canadian Government Trade Commissioner W. M. Miner, Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28336
<b>India</b>	Commercial Secretary J. H. Nelson, Assistant Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 40191
<b>India</b> Goa	T. F. Harris, Canadian Government Trade Commissioner W. J. Collett, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 255154
<b>Indonesia</b>	J. E. P. Lancaster, Commercial Secretary	Canadian Embassy, Djl. Budi Kemuliaan No. 6, DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 499
<b>Ireland</b>	H. A. Gilbert, Commercial Secretary for Canada	66 Upper O'Connell St., DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel:</i> 861-951

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>Italy</b> Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via G. B. De Rossi 27 ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 861-951
	K. F. Osmond, Commercial Secretary (Fisheries)		
	J. G. Ireland, Assistant Commercial Secretary		
<b>Jamaica</b> Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Barclays Bank Building, King Street, KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858
	M. S. Strong, Assistant Trade Commissioner		
<b>Japan</b> Korea	J. I. Mutter, Commercial Counsellor	Canadian Embassy, Tokyo	<i>Mail:</i> Canadian Embassy <i>Cable:</i> CANADIAN <i>Tel.:</i> 48-4116
	W. G. Pybus, Commercial Secretary		
<b>Lebanon</b> Iraq, Jordan, Persian Gulf Area, Syria	C. O. R. Rousseau, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	<i>Mail:</i> B6ite Postale 2300 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30794
<b>Mexico</b>	C. J. Van Tighem, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, No. 1, Piso 13, Mexico 1, D. F.	<i>Mail:</i> Apartado 126-Bis <i>Cable:</i> CANADIAN <i>Tel.:</i> 46-99-00
<b>Netherlands</b>	B. C. Butler, Commercial Counsellor	Canadian Embassy, Sophialaan 5-7, THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 18-51-06
	W. R. Hickman, Assistant Commercial Secretary		
	B. Horth, Assistant Commercial Secretary		
<b>New Zealand</b> Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
	J. MacNaught, Assistant Commercial Secretary		
<b>Norway</b> Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	<i>Mail:</i> P.O. Box 1379—Vika <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
	H. J. Horne, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5826
<b>Pakistan</b> Afghanistan, Iran	J. D. Blackwood, Assistant Commercial Secretary		
	D. H. Cheney, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 72760
<b>Peru</b> Bolivia	H. L. E. Priestman, Consul General and Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-33-35
	W. J. Jenkins, Vice Consul and Assistant Trade Commissioner		<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
<b>Portugal</b> Azores, Cape Verde Islands, Madeira, Portuguese Guinea	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>Rhodesia and Nyasaland</b> Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Offices 110-113, Central Africa House, Corner First St./Gordon Ave., SALISBURY	<i>Mail:</i> P.O. Box 2133 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 26571
<b>Singapore</b> Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner  W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building, SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30631-2
<b>South Africa</b> (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner  I. V. Macdonald, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	<i>Mail:</i> P.O. Box 710 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	Canadian Government Trade Commissioner	602 Norwich House, The Foreshore, CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 2-5134/5
<b>Spain</b> Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Espafia, Avenida de Jose Antonio 88, MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 47-54-00
<b>Sweden</b> Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
<b>Switzerland</b>	B. I. Rankin, Commercial Counsellor  N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-31
<b>Trinidad</b> Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies, Guadeloupe, Martinique	R. W. Blake, Canadian Government Trade Commissioner  P. T. Eastham, Assistant Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
<b>United Kingdom</b> (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L. Brown, Commercial Counsellor  G. H. Rochester, Commercial Counsellor (Timber)  D. A. B. Marshall, Commercial Counsellor (Agricultural)  Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Whitehall 8701  <i>Cable:</i> TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625
United Kingdom (Northern Ireland)	H. A. Gilbert, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867
<b>United States</b> Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Minister (Commercial)  Dr. W. C. Hopper, Agricultural Counsellor  W. A. Stewart, Assistant Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
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United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Deputy Consul General (Commercial)  C. R. Gallow, Consul and Trade Commissioner  H. E. Lemieux, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Tel.:</i> JUDson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	<i>Mail:</i> (City Address) <i>Tel.:</i> HANcock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. F. Renwick, Consul and Trade Commissioner  R. G. Woolham, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Avenue, CHICAGO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RANdolph 6-6033
United States (Michigan, Ohio)	M. J. Vechaler, Consul and Trade Commissioner  J.R. Midwinter, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26	<i>Mail:</i> (City Address) <i>Tel.:</i> WOODward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Tel:</i> VANdike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RAYmond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Tel.:</i> SUTter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Tel.:</i> MUTual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7° MONTVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Tel.:</i> 96096
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary  W. G. Brett, Assistant Commercial Secretary  R. D. Sirrs, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Avenida Urdaneta, Puente Urapal, Candelaria, CARACAS	<i>Mail:</i> Apartado 3306 <i>Cable:</i> CANADIAN <i>Tel:</i> 54-3431

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

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

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

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

Rates used exclusively in non-merchandise trading are not included in the table. For conversion to United States dollar equivalent multiply by 1.05229.

# foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 19	Units per Canadian dollar	Notes (See below)
Argentina .....	Peso .....	Official .....	.05280	18.94	(1)
		Free .....	.02256	44.33	
Austria .....	Schilling ..	.....	.03655	27.36	
Australia .....	Pound .....	.....	2.1183	.4721	
Belgium, Belgian Empire and Luxembourg ...	Franc .....	.....	.01896	52.74	
Bolivia .....	Boliviano ..	Free .....	.0001152	8680.6	
British West Indies	Dollar .....	.....	.5516	1.813	(2)
	Pound .....	.....	2.6478	.3777	(3)
British Honduras ..	Dollar .....	.....	.6613	1.512	
Brazil .....	Cruzeiro ...	Effective selling*			
		*Category I	.0158	63.26	*June 28 (4)
		Category II	.0129	77.73	
		Category III	.0090	110.51	
		Official buying .....	.0518	19.32	(5)
Burma .....	Kyat .....	.....	.1996	5.01	
Ceylon .....	Rupee .....	.....	.1986	5.04	
Chile .....	Peso .....	Free .....	.001584	631.31	(15)
Colombia .....	Peso .....	Certificate .....	.1976	5.06	(7)
Costa Rica .....	Colon .....	Official .....	.1692	5.91	
		Controlled free .....	.1431	6.99	
Cuba .....	Peso .....	.....	.9503	1.052	tax 2% (4)
Czechoslovakia ...	Koruna .....	.....	.1320	7.58	
Denmark .....	Krone .....	.....	.1376	7.27	
Dominican Republic .....	Peso .....	.....	.9503	1.052	
Ecuador .....	Sucre .....	Official .....	.06336	15.78	
		Free .....	.05427	18.43	
Egypt .....	Pound .....	Official .....	2.7289	.3664	(6)
El Salvador .....	Colon .....	.....	.3801	2.63	
Fiji .....	Pound .....	.....	2.3854	.4192	
Finland .....	Markka .....	.....	.004132	242.01	
France, Monaco and North Africa	Franc .....	.....	.002716	368.19	(8)
French Colonies in Africa .....	Franc .....	.....	.005432	184.09	(9)
French Pacific .....	Franc .....	.....	.01494	66.93	(10)
Germany .....	D Mark .....	.....	.2262	4.42	
Greece .....	Drachma .....	.....	.03167	31.58	
Guatemala .....	Quetzal .....	.....	.9503	1.052	
Haiti .....	Gourde .....	.....	.1901	5.26	
Honduras .....	Lempira .....	.....	.4752	2.104	
Hong Kong .....	Dollar .....	Free*	.1575	6.35	*July 12
		Official .....	.1655	6.04	
		Official .....	.05835	17.14	(6) (11)
Iceland .....	Krona .....	.....	.1986	5.04	
India .....	Rupee .....	.....	.0484	20.64	*July 18 (6, 12)
Indonesia .....	Rupiah .....	Basic*	.0125	79.71	
Iran .....	Rial .....	Certificate .....	2.6609	.3758	
Iraq .....	Dinar .....	.....	2.6478	.3777	
Ireland .....	Pound .....	.....	.5280	1.894	
Israel .....	Pound .....	.....	.001526	655.31	
Italy .....	Lira .....	.....	.002640	378.79	
Japan .....	Yen .....	.....	.2988	3.35	
Lebanon .....	Pound .....	Free .....	.07603	13.15	
Mexico .....	Peso .....	.....	.2483	4.03	
Netherlands .....	Florin .....	.....			

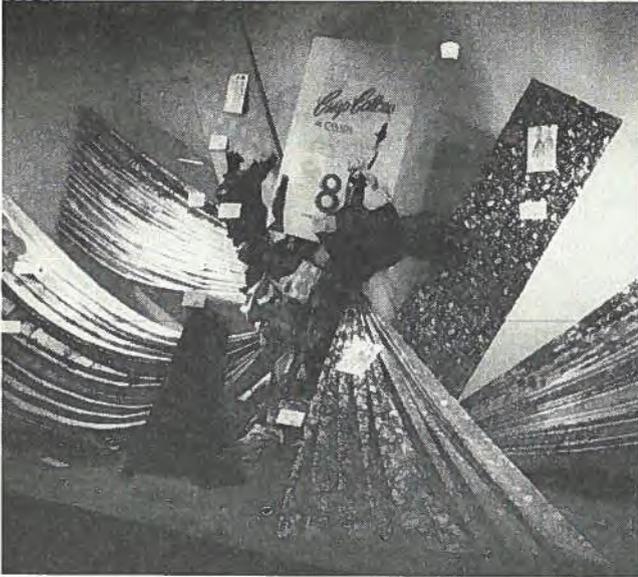
\*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 19,	Units per Canadian dollar	Notes (See below)
Netherlands					
Antilles .....	Florin .....	.....	.5003	2.00	
New Zealand .....	Pound .....	.....	2.6478	.3777	
Nicaragua .....	Cordoba .....	Effective buying .....	.1440	6.94	
		Official selling .....	.1348	7.42	
Norway .....	Krone .....	.....	.1330	7.52	
Pakistan .....	Rupee .....	.....	.1986	5.04	
Panama .....	Balboa .....	.....	.9503	1.052	
Paraguay .....	Guarani .....	Official .....	.01584	63.13	(6) (13)
Peru .....	Sol .....	Certificate .....	.05002	19.99	
Philippines .....	Peso .....	.....	.4752	2.104	
Portugal & Colonies	Escudo .....	.....	.03317	30.15	(14)
Singapore & Malaya .....	Straits dollar .....	.....	.3089	3.24	
Spain & Dependencies ...	Peseta .....	Controlled free .....	.02263	44.19	
Sweden .....	Krona .....	.....	.1837	5.44	
Switzerland .....	Franc .....	.....	.2217	4.51	
Syria .....	Pound .....	Free .....	.2653	3.77	
Thailand .....	Baht .....	Free .....	.04613	21.68	(6)
Turkey .....	Lira .....	.....	.3394	2.95	(6)
Union of South Africa ...	Pound .....	.....	2.6478	.3777	
United Kingdom ..	Pound .....	.....	2.6478125	.377670	
United States .....	Dollar .....	.....	.9503125	1.05229	
Uruguay .....	Peso .....	Free .....	.2324	4.30	
		Basic buying .....	.6250	1.60	(6)
		Principal selling .....	.4525	2.21	(16)
Venezuela .....	Bolivar .....	.....	.2837	3.52	
Yugoslavia .....	Dinar .....	.....	.003167	315.76	(6)

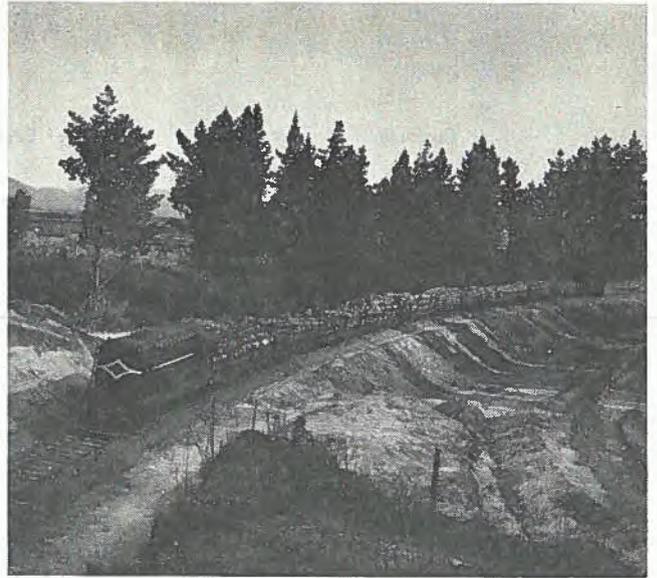
\*Latest available quotation date.

## 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. See Trade and Tariff Regulations.
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.



*In South Africa—Window shoppers in Cape Town should be drawn to this colourful display in one of the city's leading stores. The stores buyer bought the crisp cottons in Canada.*



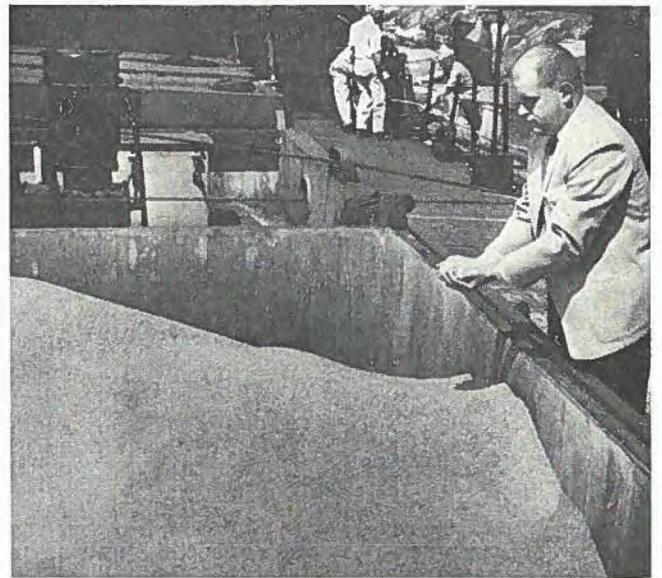
*In New Zealand—This diesel locomotive should feel at home on its new job with a pulp and paper company in the Kaingaroa forest, even though it came from faraway Canada.*

## Canada in Foreign Markets

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



*In Lebanon—There are two reasons for the concentration shown here: one is the Canadian washing machine which the pretty Lebanese actress is buying—the other is obvious.*



*In the United States—An American buyer examines Canadian oats just landed at Toledo; much of this shipment went to Kentucky to help inspire Derby entrants to greater efforts.*