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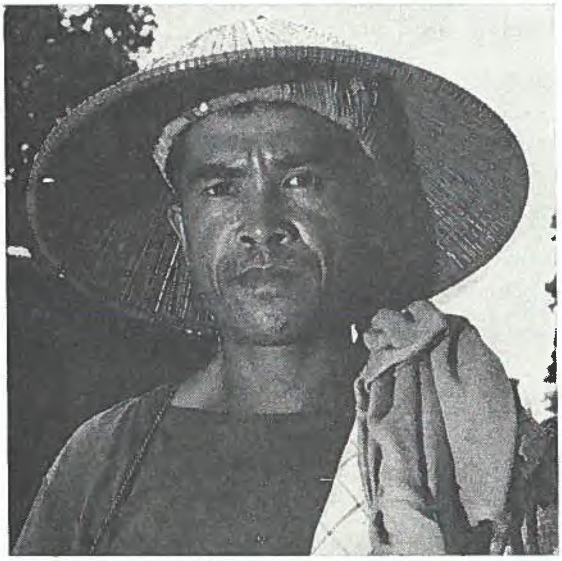
cover A view of part of the sea front at Penang, second largest port in the Federation of Malaya, with the railway station in the background. Penang and Malacca, known as Settlements, are included with nine States in the Federation of Malaya, which achieved its independence on August 31. For a report on the Malayan economy today and its plans for the future, turn to page two, and for a glimpse of her people at work to page twenty.



Malaya

This month the spotlight falls on the Federation of Malaya, newest independent member of the Commonwealth. With its wealth of natural resources, its sound trade balance, and its plans for future development, its progress seems assured. From Singapore comes this picture of Malaya on the eve of Merdeka (Freedom) Day.

M. P. CARSON, *Trade Commissioner, Singapore.*

ON AUGUST 31, 1957, the Federation of Malaya attained its independence within the Commonwealth. Among the world's largest producers of rubber and tin and dowered with other natural resources, Malaya has become one of the biggest earners of foreign exchange within the sterling area. The new member has thus a vital economic contribution to make to the Commonwealth.

Development of this country of about 50,000 square miles—only slightly larger than England—has still only begun. Dense tropical jungle covers four-fifths of it; the only generally cleared parts are the long stretches down the west coast, an area in the north, and a number of open stretches up the principal rivers. The cleared and populated areas contain vast rubber and copra estates, rich rice-producing land, and valuable tin mines.

Rubber Industry Leads

Many people think of Malaya primarily as a rubber producer—and the rubber industry does employ more workers than any other and has become the major source of foreign exchange. Normally it accounts for two-thirds of the total value of the Federation's exports—some M$1,000,349,000 out of total exports worth M$1,432,900,000. (These figures, as elsewhere in this article, exclude Singapore.) And, although the

—U. K. Information Services

Three main groups of people today inhabit Malaya. (Top) The original home of the Tamils was South India, they number about three-quarters of a million; (centre) the Malays, like this fisherman, total about three million, and (bottom) the Chinese total about two and a quarter million.

Joins the Commonwealth

industry has its periods of boom and slump, it makes possible a much higher standard of living in Malaya than in most parts of Asia. Altogether it employs directly over half a million people.

South East Asia produces many raw materials; rubber ranks as one of the most important. Malayan output reached 626 thousand long tons last year—a record surpassed by only one South East Asian country, Indonesia, with 700 thousand tons. The first six months of 1957 saw production in the Federation reach 305 thousand long tons. A wise replanting policy adopted in the postwar years is intended to assure the long-term outlook and by 1960 Malaya is expected to become the world's leading producer of natural rubber. The new strains of rubber trees yield up to 1,200 pounds of rubber per acre, compared with only 400 to 500 pounds for the older varieties. On the large estates, almost 60 per cent of the trees today are of the new, high-yielding varieties. Smallholders are also replanting, encouraged by a government subsidy.

Exports of rubber from Malaya and Singapore are considerably higher than production because of the large volume of Indonesian and Sarawak rubber shipped to Singapore and Malayan ports. In 1956, 983 thousand long tons were exported—or over 50 per cent more than total Malayan production. In the first six months of 1957, 469 thousand long tons were exported.

Other Products Important

Rubber does not exhaust the list of Malayan resources. Next in importance comes tin, which has been mined there for many hundreds of years. Tin exports from the Federation in 1956 reached a total of M$337 million. In third place come vegetable oils (chiefly palm oil and coconut oil) with exports worth M$71.3 million last year. Iron ore has taken on growing importance: in 1956, output was valued at M$50 million. Other leading exports include fruits (especially pineapples), petroleum products, and wood products.

Financial Needs of Federation

The Federation's contribution to Commonwealth resources is a substantial one already and further development will increase it. For this development, Malaya needs carefully-thought-out plans and money to put them into effect—in addition to meeting the usual costs of running the country. Naturally, in the negotiations over the achievement of independence between the Federation and the United Kingdom Government, much time was spent on future financial and economic relations. In the financial field, two basic principles were accepted:

1. The attainment of full self-government implies the principle of financial self-sufficiency.
2. Malaya should approach full self-government in circumstances which will give a fair assurance of its future financial stability.

It was also agreed that financial assistance would be forthcoming from the United Kingdom Government to aid in carrying on the struggle against subversive elements. The willingness of the United Kingdom to help Malaya in raising development funds on the London market was also made clear. To assure a sound and vigorous program of economic and social development, an Economic Committee of the Executive Council was set up to lay a framework for planning.

Priorities in Development

In 1950 Malaya launched a Six Year Plan for development and in the next five years spent some £85 million on various projects. Last year a similar Five Year Plan was blueprinted and approved by the Government in October. It was decided that capital expenditure on economic, social, and administrative programs (but excluding the costs of the Emergency and the Armed Forces) should be allocated as follows:

Sixty per cent to the economic sector
Thirty per cent to the social sector
Ten per cent to the government sector.

Allocation among the ministries of new capital expenditures totalling over M$1,100 million and of new recurrent expenditure totalling about M$90 million per year for the period 1956-1960 was approved. A general statement of objectives and priorities was incorporated into the proposed allocations.

First Priority

(a) *The rubber industry*—by replanting and research to strengthen the country's principal industry and major source of revenue in order to meet the competition from synthetic rubber.

Malaya: Facts and Figures

Area: *50,690 square miles.*

Population: *Over six million.*

States in Federation: *Johore, Negri Sembilan, Selangor, Pahang, Trengganu, Kelantan, Perak, Kedah, Perlis—plus the Settlements of Penang and Malacca.*

Government: *Constitutional monarchy under Paramount Ruler, nominated by rulers of the Malay States. Chief Minister: Tengku Abdul Rahman.*

Capital: *Kuala Lumpur.*

Federal Budget Revenue: *£92 million in 1955.*

Chief Cities: *Georgetown (also known as Penang), Ipoh, Malacca, Taiping, Johore Bahru, Seremban.*

Currency: *Malayan dollar, divided into 100 cents. Worth Canadian $0.3089 approximately.*

Total Imports: *M$1,054,800,716 in 1956; rice, petroleum products, non-ferrous ores, iron and steel were leading purchases.*

Chief Suppliers: *United Kingdom, Thailand, Indonesia, Australia, Japan. Sterling area supplies 49 per cent of imports.*

Total Exports: *M$1,432,883,971 in 1956; crude rubber, tin, vegetable oils, iron ore were main exports.*

Main Markets: *United States, United Kingdom, Japan, West Germany, France. Sterling countries take 27.9 per cent of exports and dollar countries 26.18 per cent.*

(b) *General agriculture*—to reduce the dependence of the country on imported foodstuffs.

(c) *The mining industry*—to encourage more prospecting and the development of new deposits.

(d) *Determination of sound land utilization policies.*

(e) *Stimulation of industrial development.*

(f) *Construction of an adequate port* for the federal capital at North Klang Straits.

SECOND PRIORITY

(a) Implementation of the new education policy.

(b) Basic improvements in health services.

(c) Urgent water supply schemes.

THIRD PRIORITY

(a) Housing programs.

(b) Communications—road, rail, air, telephone, and postal.

(c) Power supplies—this will move up to first priority from about 1958 on.

FOURTH PRIORITY

(a) Government capital program.

(b) Other needs not specified elsewhere.

Financing the Plan

When certain purely financial items are added to the capital works and allied projects, the *total* capital requirements of the Government over the period of the plan aggregate about M$1,358 million. This amount, it is expected, will be financed largely by long-term and short-term borrowings from both local and overseas sources and by drawings on Malayan Government surplus balances. (At the beginning of 1956, the latter amounted to about M$371 million.) National debt and annual debt service charges are not considered high by international standards. With the proposed establishment of a Central Bank in Malaya, it is considered unnecessary to maintain surplus balances at the present high levels. However, it is unlikely that available sources can supply all the capital required during the five years. If the short-fall cannot be covered by raising more local funds from loans or from revenue, then Malaya will have to seek external assistance. Much will of course depend on the general prosperity in the Federation. A sudden fall in the price of rubber would seriously affect this proposed scale of financing.

Central Bank Mooted

The achievement of independence is not expected to bring about any radical changes in the Federation's trade policy. But the establishment of a central banking system to replace the Board of Currency Commissioners set up in 1948 is already being mooted; in fact, discussions are going on in Kuala Lumpur.

Malaya already possesses many of the essentials of a sound monetary and banking system. In a "Report on the Establishment of a Central Bank in Malaya" submitted to the Governments of Malaya and Singapore last year, the main deficiencies noted were:

- The absence of a central institution to help even out fluctuations in the money supply by absorbing foreign exchange arising from a favourable balance of payments and by sterilizing the resultant increase in the cash resources of the banks—and by reversing this operation in times of depression.

- The lack of a money and securities market in which a central institution can operate and in which funds can be placed by commercial banks in liquid form and which also will encourage capital flow into local investment.
- Some over-concentration of both currency and banking reserves in overseas holdings.

The report went on to recommend the appointment of a central banking adviser with wide practical banking experience. Last month, banking circles in Malaya welcomed the Federation Government's action in inviting the Assistant Governor of the Commonwealth Bank of Australia (Australia's central bank) to advise on the creation of a central bank.

Initially at least, no marked departure from the existing pattern of trade regulations and exchange controls is expected.

Canada and Malaya

Canada's trade ties with the Federation and Singapore are important. Last year, according to DBS statistics, we bought over Canadian $28 million worth of goods from Malaya and Singapore ($22 million worth of rubber, $2.9 million tin, $2.7 million palm and palm kernel oil). In the same year, Canada sold to Malaya and Singapore $3.9 million worth of goods, with flour of wheat ($890 thousand), gas engines and parts ($785 thousand), automobiles ($652 thousand) and trucks ($247 thousand) well in the lead.

Canadian exporters should, however, be able to obtain a larger slice of Malaya's purchases from the dollar area. In 1956, the United States sold the Federation M$187.7 million worth of goods and bought M$629.4 million from her. The comparable figures for Canada are M$18.3 million and M$89 million.

More business with Malaya should be possible. Only certain essential products from the dollar area are freely licensed but goods not on Open General Licence lists can be freely imported through Hong Kong. Thus the Malayan importer is free to purchase any Canadian or United States' goods he desires—at higher costs. The exporter must ship goods on vessels sailing via Hong Kong. In Hong Kong, an intermediary must arrange Hong Kong/Singapore bills of lading to cover the shipment to Singapore, although it is unnecessary to unload shipments in Hong Kong. Dollars are purchased in the Hong Kong market to meet the exporters' bills. The costs of all these transactions vary between 4 and 10 per cent, depending on the exchange rate in Hong Kong.

Thus, as Malaya enters the Commonwealth, Canada has a very real interest in its progress and prosperity. ●

New Deputy Minister Appointed

MITCHELL W. SHARP Associate Deputy Minister of Trade and Commerce since 1951, has been named Deputy Minister of the Department, effective August 1, 1957. He succeeds Wm. Frederick Bull, who has become Canadian Ambassador to Japan.

Born in Winnipeg in 1911, Mr. Sharp received his early education there and in 1934 graduated from the University of Manitoba with a B.A. degree. He took post-graduate studies at the University of Manitoba and the London School of Economics.

After several years' experience with the Sanford Evans Statistical Service and as an economist with James Richardson & Sons, Limited, Mr. Sharp joined the Federal Department of Finance in 1942. Five years later, he was made Director of the Department's Economic Policy Division.

In 1951, Mr. Sharp came to the Department of Trade and Commerce as Associate Deputy Minister. Since that time, he has attended International Wheat Conferences as Canadian delegate in London in 1952, Washington in 1953, and Geneva in 1956, and represented Canada at the United Nations Sugar Conference in 1953. He attended the review session of the General Agreement on Tariffs and Trade in Geneva in 1955.

In October 1955 he accompanied the Hon. Lester B. Pearson, then Secretary of State for External Affairs, to Moscow and later led the Canadian delegation during the discussions held in Ottawa in February 1956 leading to a trade agreement between the U.S.S.R. and Canada. Last October he accompanied the Rt. Hon. C. D. Howe, then Minister of Trade and Commerce, on a trade and goodwill mission to Japan.

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U.S. Farm Surpluses—

Can Industry Absorb Them?

Industrial use is the best approach to the problem of farm surpluses, in the opinion of a President's Commission that recently reported its findings, and agricultural materials can compete with non-agricultural products in many fields. In this article, Mr. Stewart points up the significance of the Commission's report as a possible guide to future handling of U.S. farm surpluses.

W. ADAIR STEWART,
Assistant Commercial Secretary, Washington.

IN A FINDING that foreshadows a new era for North American farmers, a commission of five men reported to the President of the United States in June of this year that the potential of the industrial market for farm products is so great its full exploitation would solve the surplus problem.

The report was no offhand opinion nor the result of cursory investigation. In its final form it occupied 250 pages of findings and recommendations—the result of ten months' study and the assistance of nearly 200 of the nation's leaders in agriculture, industry, and science.

Set up under Public Law 540 by the 84th Congress in August 1956 and officially titled the President's Commission on the Increased Use of Agricultural Products, the five-man, bipartisan group was charged with finding the answer to a vital question. This question was: can industrial markets absorb enough excess farm production to minimize, or possibly even eliminate, costly restrictions, supports, and surplus-disposal operations? In mid-June 1957 it replied "Yes", with the proviso that necessary steps must be taken to make possible and encourage such a development.

Research Found Wanting

A new approach to agricultural research, the Commission believes, is the key to the development of industrial uses. The Commissioners envisage a long-range program in basic and applied research on farm products, not just up to the point of production but into end-use as well. Agriculture, they found, has lagged behind industry in this respect. They estimate that industry spends at least $3 billion a year on research compared with $375 million spent for agricultural research, of which only $18 million goes for utilization research.

This inattention to appropriate research, the Commission found, has not only made agriculture fail to find new markets: it has also resulted in serious losses in markets it had monopolized for years. Of this melancholy aspect the report says: "Nearly half the market for natural fibres, cotton, wool, flax, silk, has been taken over by synthetic fibres. Two out of three pairs of shoes are now made partly or wholly of leather substitutes. Two-thirds of the soap has been replaced by detergents, which do not use natural fats. Much of the paint and varnish bypasses linseed and other vegetable oils."

Coupled with this loss of established outlets for farm products is the enigmatic problem of increased efficiency of farm production. Even with a growing population and rising living standards, United States agriculture promises for many years to keep ahead of both, and ahead of effective world demand as well. One farm economist, for instance, puts farm output at 4 to 5 per cent above total demand.

Surpluses Are Expensive

As Canadians are aware, the over-production side of the problem which the Commission was set up to study is the best-known and most controversial. Price supports and disposal programs have caused much discussion in the U.S. and have tangled her international relations. Costs to the U.S. taxpayer have been enormous.

This aspect of the question was discussed in an article in our August 17 issue, "How the U.S. Sells Farm Surpluses."

With a permanent increase in normal commercial exports of farm products unlikely as other countries become more self-sufficient, and with general agreement that American agriculture should be kept at high levels of production and efficiency, the sense of urgency in seeking profitable alternatives on this continent is understandable.

The Commission's Program

Although it is optimistic about what could be accomplished in the field of industrial utilization, the Commission took pains to point out that there are four essential needs to be met:

- "The first is a sufficiently sharp sense, lacking so far, of the importance, the possibilities, and the urgency of the industrial utilization approach to farm surplus problems.

- "The second is a greatly expanded program of fundamental and applied research, physical, chemical, biological and economic, to learn far more about the nature of agricultural raw materials and to determine what existing or new industrial products and processes might profitably use them.

- "The third is to ensure, through fellowships, scholarships, grants and other means that much more scientific talent is trained for and channeled into this neglected field of farm product research and development than it has engaged so far.

- "The fourth is to provide in certain cases suitable financial incentives during a temporary trial or development period. For example, new products or processes that are expensive to launch or that seem less promising than alternatives to risk capital, or that might lead to especially rapid disposal of surpluses."

When these steps are taken there is no reason, the Commission declares, why agricultural materials cannot compete with non-agricultural products in many fields. After all, both are made up of chemical components. Coal and petroleum, in fact, are plants that died a long time ago. Farm materials too can be modified, tailored to particular needs, taken apart and recombined to make new products with new properties —such as plastics, films, fibres, and coatings.

When utilization research in agriculture has had the benefit of adequate expenditures and large teams of workers, the results have been outstanding, as in the case of commercial methods for producing penicillin, frozen concentrated fruit juices, nylon from corn cobs, and various products from soybeans.

There appears to be no lack of fields to conquer. The Commission's report outlines 188 broad areas for research and development, including hundreds of product uses, that seem to promise fruitful results. It sees bright prospects for the use of surplus grain for the manufacture of alcohol for industrial uses, for conversion to butadiene, and for blending with gasoline as motor fuel. Conversion of corn into alcohol with protein as a by-product is another. The protein would sell for food or feed at relatively high prices, so the starch could be sold for alcohol at relatively low ones. New sources of income are envisaged in new crops which might replace, for industrial use, food crops now in surplus supply.

Need for Action

In getting this long-range plan into action, the Commission says, time is of the essence and the place to begin is with sound legislation in Congress.

Two days after publication of the report, 30 Senators put their names to a bill which would set up an Agricultural Research and Industrial Board, an independent agency within the Executive Branch of the Government, with four men appointed by the President with the consent of the Senate and a fifth by the Secretary of Agriculture. It would be charged with carrying out a program along the lines of the Commission's recommendations.

The board would have broad powers to institute research at home and abroad, assist and encourage farmers in trying new crops, and encourage and assist private corporations to carry out trial commercialization of new crops, processes and uses. For a budget it would get 5 per cent of the gross receipts collected under U.S. customs laws in 1958, 10 per cent in 1959, and 15 per cent in 1960 and thereafter.

Passage of the bill this year, its supporters believe, would mark the reaching of a highly significant milestone along the way toward the objective of full farm production without surpluses. Many find it difficult to see results in the near future. They perhaps share the philosophy of the Greek, Philemon, who said: "The farmer is always to be rich the next year."

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, 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.

91120—2½

The Assistant Trade Commissioner at Bombay (centre) stops to discuss a technical point with two employees in the general heat treatment department of an Indian automobile plant.

India Develops

Few good roads, high taxes on commercial vehicles, lack of credit and other limiting factors have prevented development of India's automotive industry. Government policy is now being directed to increased road transport to meet expanding industrial output. Self-sufficiency keynotes the program but a large market for auto parts and accessories still remains open to Canadian exporters.

G. F. MINTENKO,
Assistant Trade Commissioner, Bombay.

THE ROLE OF AUTOMOBILES AND TRUCKS in India's industrial and communications system is relatively small at the present stage of economic development. A population of 380 million supports a motor vehicle fleet of less than 400 thousand units. Canada, in contrast, has some four million cars and trucks for 16 million people. India's truck transport (about 100 thousand units) carries nearly 9 per cent of the country's total volume of surface freight compared with more than 50 per cent in many developed countries in the West.

The automobile industry in India began during the late 1920's when two firms, one American and one Canadian, set up local companies here. Their operations consisted of the assembling of units imported in completely knocked down (CKD) condition. These two firms were later joined by several others whose operations also consisted primarily of assembling cars.

During World War II two companies were formed, one at Calcutta and one at Bombay, with the intention of progressively manufacturing complete automobiles in India. One firm had technical agreements with an American and a British company, the other was collaborating with an American and an Italian manufacturer.

In 1953, the Government of India decided that the development of an indigenous automobile industry should be encouraged, so that an increasing proportion of the value of its output would be made locally. The goal was the complete local manufacture of automobiles. Firms then making cars in India were invited to submit specific proposals for progressive manufacture to the Government. At that time there were twelve firms manufacturing and/or assembling motor vehicles in India. Five of these submitted manufacturing programs to the Government and eventually three other companies came forward with acceptable proposals. The Canadian manufacturer referred to in the second paragraph above was not among them. Of the eight approved manufacturers, six are producing cars and trucks and together have a single-shift assembling capacity of 56,000 vehicles a year. The other two firms are producing automobile diesel engines. One of these has a single-shift capacity of 10,000 units per year, the other a capacity for production of 3,000 units on a double-shift basis.

The Road Haulage Industry

The insignificant part played by road transport in India up to the present time has been attributed to a number of factors. The Government of India's Tariff Commission in its *Report on the Automobile Industry*, prepared in 1956, mentions specifically:

- Inadequate road development and bad condition of roads.
- Heavy and varying rates of taxation of commercial vehicles.
- Restrictions on inter-state movement of commercial vehicles.

The Commission also referred to lack of credit facilities available to transport operators and recommended that the Reserve Bank of India seek a solution to this problem.

Other observers in discussing the road transport industry have referred to a fifth factor which has hindered

Motor Vehicle Industry

its development—the threat of nationalization. Passenger transport in several states has been nationalized and statements made from time to time by government representatives have left operators in doubt about the official policy in this field. The Planning Commission has now clarified the position by directing that no freight transport shall be nationalized during the Second Plan which ends in April 1961.

That the difficulties must be overcome and that road transport will be called upon to assume a larger role in the future is evident to most observers. The extent to which the movement of goods will increase during the coming years is indicated by the Planning Commission's estimate that the net output of factory establishments will increase by 64 per cent during the period of the Second Five Year Plan.

Transport Gap and Highway Operations

The railways, the traditional backbone of India's transportation system, are expected to carry the major share of the resulting increased traffic. Accordingly, the Plan has allotted Rs.1,125 crores, or roughly $2¼ billion, to railway development. However, it is admitted that the gap between the volume of goods offered for movement and the railways' ability to carry the traffic will widen.

Inland waterways and coastal shipping will fill part of the gap but most of this job will fall to highway operators. The Government's development plans accordingly reflect a new emphasis on road transport. In addition to planned programs of road widening and surface improvement, provision is being made for the construction of 37,500 miles of road. The volume of motor vehicle production is expected to reach 57,000 units a year by 1961, made up of 40,000 trucks, 12,000 cars and 5,000 jeeps. Production in 1956 was 32,000 vehicles.

Market for Automotive Imports

The official Indian policy on motor vehicles has been oriented toward industrial self-sufficiency and the import of CKD units has accordingly been restricted to those manufacturers who have progressive programs to manufacture in this country. India remains, however, a considerable market for imported parts and accessories and will probably continue to be for some time. The method of classifying and compiling import statistics is such that it is impossible to discover the actual value of imports of car and truck parts. During 1956, however, imports classified under "parts of mechanically propelled vehicles and accessories other than of aircraft (excluding rubber tires)" amounted to $60 million. It is probable that automotive spare parts made up the great bulk of this total.

Thus, despite the fact that the production of many components has been introduced in India during the last few years, a large spare parts market still exists and the Canadian industry has traditionally enjoyed a fairly large share of it. The value of Canada's exports to India of motor vehicles and parts during recent years has been as follows:

CANADIAN MOTOR VEHICLES AND PARTS EXPORTS TO INDIA

($, F.O.B. point of shipment)

	Trucks	*Cars*	*Parts*	*Total*
1951	607,476	678,548	1,697,122	2,983,146
1952	380,626	166,549	1,167,117	1,714,292
1953	2,135,756	9,561	1,049,141	3,194,458
1954	167,159	4,786	698,792	870,737
1955	1,311	11,355	863,712	876,378
1956	102,325	30,847	741,376	874,548

Current figures are appreciably below those of a few years ago but a levelling-off in the most recent periods is apparent. The drop, as might be expected from the introduction of local manufacture, has been particularly marked in the case of trucks and cars. The big "bulge" in 1953 imports was due to a large-scale, non-commercial movement of vehicles under the Colombo Plan. The more modest increase in shipments of complete units during 1956 is probably due to purchases by diplomatic missions and other agencies to whom the import control policy does not apply in all respects. It may also have been influenced by shipments from their Canadian associates to foreign manufacturers who have technical agreements with Indian firms.

Canadian parts manufacturers interested in gauging the Indian market and who are not sure of the status of their products under the import control policy should contact the Department of Trade and Commerce at Ottawa, the Commercial Secretary, Office of the High Commissioner at New Delhi, or the Canadian Government Trade Commissioner, Bombay. ●

Fairs and Exhibitions

Food Fiesta in New Orleans

"TO IMPROVE AMERICA'S CUISINE . . . to encourage the development of foreign trade in foodstuffs by opening new markets . . . to provide a common meeting place for manufacturers, dietitians, restaurateurs and food editors" . . . this, the sponsors say, is the purpose of the first International Food Fair to be held in New Orleans from September 25 to October 4.

The fair authorities are restricting the displays to foods, beverages, and food-processing equipment, reserving the hours from 9 a.m. to 2 p.m. daily for those with a professional interest in food. They are also charging an admission fee to eliminate the "merely curious."

The fair has been planned for two years and has been endorsed by the State and New Orleans City Governments and by International House. A total of 70,000 square feet of exhibit and demonstration space in the Municipal Auditorium is ready for the exhibitors. Foreign products shown will range from hams, cheese, biscuits and other delicacies to cognacs, wines and olive oil. New domestic food products and food-processing equipment scheduled to go on the market in the fall will be unveiled at the fair. Chefs, restaurateurs, manufacturers, home economists and food editors will meet for informal discussions and demonstrations each morning.

For details, write the Promotion Department, International Food Fair, 1026 Hibernia Bank Building, New Orleans.

Electronics, Nucleonics, Telephonics

THE INSTITUTE OF RADIO ENGINEERS will hold its Canadian convention-exposition in the Automotive Building, Exhibition Park, Toronto, October 16, 17 and 18.

Among the exhibits planned are some showing radically new departures in the manipulation of radioactive materials. The marine radar and television section will demonstrate applications of underwater television designed to give engineers on land continuous visual and photographic records of work proceeding below. Other exhibitors will show compact and full-scale FM two-way communication equipment and the latest Hi-Fi models, telephonic and nuclear instrumentation, microwave, and antenna devices. One manufacturer will present a camera capable of making oceanography and fish studies at depths of 3,000 feet.

The convention program will include a paper outlining our participation in the International Geophysical Year.

For further information, write to the Canadian IRE Convention, 745 Mount Pleasant Road, Toronto 12.

Canada at Chicago

CANADA CAME TO CHICAGO at the Chicagoland Fair, June 29-July 14, and on July 1 was featured in a special way. The 90th anniversary of the founding of Canada was designated "Canada Day" at the Fair and was marked by an appropriate program, including a pageant, a concert by the Canadian Sea Cadet Navy Band, and a luncheon for a group of distinguished Canadian visitors at which Wm. Frederick Bull, Canadian Ambassador to Japan and former Deputy Minister of Trade and Commerce, spoke on trade matters and the St. Lawrence Seaway. Ships' companies of three Canadian Navy escort vessels were reviewed by civic, military and visiting dignitaries.

The Canadian exhibit at the Fair, designed by the Exhibition Commission, drew attention to Canada as a good neighbour, a good place to visit, and a supplier of products needed in the Midwest. The over-all fascia treatment welded into a harmonious whole three displays by provincial governments, three by private firms, and a general one provided by the federal government. One section of the latter featured the varied forest products which Canada sells in the Midwest. Mineral products such as nickel, copper, iron ore, aluminum ingots and granite were shown in another section, and three circular window displays presented food products popular in this market. Selected consumer goods in a special display drew interested inquiries.

Alberta's Department of Economic Affairs advertised the province's tourist attractions and its expanding public utilities and exhibited samples of its handicrafts and industrial products. The story of British Columbia's new industrial empire was effectively told by an exhibit prepared by the Department of Industrial Development, Trade and Commerce. Grouped around a large legend map were four main panels portraying B.C.'s forests, mining, agriculture, fishing and manufacturing potential. Invitations to visit British Columbia during its 1958 centennial year were prominently displayed. Many tourist and several serious industrial inquiries were received. Manitoba's economic development and potential, particularly in primary resources, was the theme of a large exhibit erected by the province's Department of Industry and Commerce. The main panel consisted of a map and this was flanked by photographs and descriptive panels which told the story of Manitoba as a recreational, agricultural, manufacturing, mining, forest, fur and fishing area.

Private firms exhibiting included Industrial Shipping Co. Ltd., of Mahone Bay, which showed its moulded laminated outboard motorboat hulls and finished watercraft. A two-tone *Paceship* 14-foot runabout won many favourable comments. Essex Packers Ltd., of Hamilton used a brilliantly lighted booth to display its canned hams, bacons, cabbage rolls, salami and canned smoked pork shoulder. A display panel drew attention to the widespread distribution of the company's products in the United States. Trans-Canada Air Lines built its appeal round its "Fin, Fur and Feather Club" providing all-inclusive fishing and hunting holidays in Northern Ontario.

On the closing day, 40,452 visitors helped to swell the total attendance at the first Chicagoland Fair to 613,290. It is still uncertain whether the Fair will be repeated in 1958; the decision will rest largely with the 250 exhibitors drawn from prominent Chicago industries. The exhibits this year, many of them expensive, elaborate displays of interest to the public, filled the north and south wings of the long Navy Pier which juts out into Lake Michigan.

—R. F. RENWICK,
Consul and Trade Commissioner, Chicago.

One portion of the Canadian Government exhibit at the Chicagoland Fair, which featured in part Canada's role as a supplier of products needed in the Midwestern States.

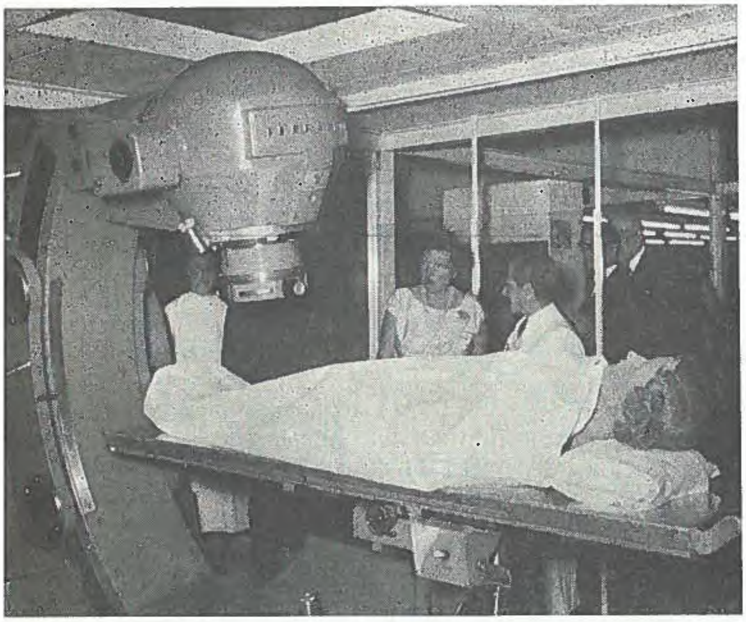
Het Atoom

HET ATOOM (THE ATOM) an international exhibition of the peaceful uses of atomic energy, was opened on June 28 by H.R.H. Prince Bernhard of The Netherlands, the honorary chairman and patron of the venture. The display is sponsored by the City of Amsterdam in collaboration with its Chamber of Commerce, has taken four years to prepare, and cost almost \$2 million. It occupies about 100 thousand square feet of space in a modern building built for it at Schiphol Airport near Amsterdam. It will remain open until September 15.

Het Atoom is believed to be the first major attempt in any country to explain the fundamentals of atomic energy to the layman. The organizers describe it as an "attempt to bring home to visitors the colossal magnitude of the problem of energy supply facing mankind, and to explain how salvation may come from a sensible exploitation of atomic forces." The exhibition traces the development of sources of energy from the days of the caveman, through the coming of waterpower, steam, internal combustion, etc., to the atomic age, and the growth of scientific knowledge from the Greek philosophers and the alchemists of the Middle Ages to Madame Curie. Nuclear fission, isotopes and other mysteries of the atom are depicted by means of coloured lights and simplified models. The exhibits include the raw materials for creating atomic energy, models of atomic reactor stations in the United States, France, England, Norway and Canada, and illustrations of the practical uses of isotopes in agriculture, industry, scientific research and medicine. An amusing touch is the so-called "atomic kitchen", which may not be as fanciful as it seems.

To illustrate how quickly new developments like atomic energy can become familiar, the exhibition includes an excellent historical display of the development of aviation, and another dramatizing the visions of Jules Verne and featuring the submarine *Nautilus.*

The countries which are playing a leading part in atomic energy development were invited to send exhibits illustrating the progress they are making.



Her Majesty Queen Juliana of the Netherlands inspects a "Theratron", a Canadian-made cobalt beam therapy unit at the "Het Atoom" exhibit in the Schiphol Airport near Amsterdam.

Canada is represented by a model of the N.R.X. reactor and by a Theratron (cobalt beam therapy unit) which is realistically displayed in a glass room with a figure representing a patient receiving treatment for cancer.

Altogether Het Atoom is a splendid and entertaining exhibition which should attract a very large attendance from The Netherlands and surrounding countries and from the thousands of travellers passing through Schiphol Airport during the summer months.

—B. C. BUTLER,
Commercial Counsellor, The Hague.

A Reminder . . .

DON'T FORGET THE ATOMFAIR, to be held October 28-31 in New York's Coliseum. At this Trade Fair of the Atomic Industry, sponsored by the Atomic Industrial Forum, many firms which supply equipment and services to the atomic industry will be exhibiting. The general public is not admitted. Potential exhibitors or visitors who wish more information should write to Atomic Industrial Forum, Inc., 3 East 54th Street, New York 22, N.Y.

European Fairs in Brief

12th International Fair of Ghent, Ghent, Belgium, September 7-22—Agricultural machines, foodstuffs, furnishings, building materials, jewellery, heating apparatus, chemicals and pharmaceuticals, crystal, leather, electrical goods, machinery, office and household equipment, textiles, official and semi-official organizations, miscellaneous. For information: 12th International Fair of Ghent, Palais des Floralies, Park, Ghent, Belgium.

38th National Fair (Comptoir Suisse), Lausanne, Switzerland, September 7-22—Machinery—butchers', bakers', laundry, weighing, wood and metalworking; agriculture—chemistry, machines, tractors, dairy products, fruit, viticulture, viniculture, jewellery, art objects, glassware; furniture, household appliances; radios; medicines; sports goods; textiles, ready-made clothing; footwear; foodstuffs; office equipment; luxury articles. For information: First Secretary, Swiss Embassy, 5 Marlborough Avenue, Ottawa.

1st International Plastics Fair (macroPlastic), Amsterdam, The Netherlands, November 13-20 Raw materials, semi-manufactures, machinery for production and fashioning of plastic products, etc. For information: Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue, Ottawa.

Fisheries Fair for Copenhagen

THIS FALL Copenhagen will again play host to an unusual type of fair—the Second International Fisheries Trade Fair, which will open on September 27 and close on October 6. Just one day later, on October 7, the International Conference on Fisheries called by FAO convenes in Hamburg.

This year, as last, the Fair will take place in the Forum, one of the largest exhibition halls in Scandinavia. In 1956, it attracted 25,000 buyers from 33 countries including Canada, and orders totalling D.Kr. 100 million resulted. Already 13 countries (the four Scandinavian nations, the United Kingdom, France, Italy, Portugal, Spain, the Netherlands, West Germany, East Germany, and Poland) have decided to participate. No Canadian firms have yet applied for space but the Fair Secretariat has received requests for information from both Canada and the United States.

Keynote of the exhibition will be the progress made in modernizing the fisheries and making them more efficient. The visitor will see the latest types of fishing nets, navigation equipment, echo-sounding instruments which detect schools of fish, and equipment for magnetic fishing in salt water. Fish products in every form and equipment and machinery made by industries allied with the fisheries will be on display.

Canadian firms interested in this exhibition should write to the International Fisheries Trade Fair, 10 Puggaardsgade, Copenhagen V, Denmark, as soon as possible. The Secretariat will be glad to reserve hotel accommodation for visitors. ●

Brazil

Coffee Season Opens

Opening of new season on July first found Brazil with larger amounts of coffee for export than in the previous coffee year. Prices are down slightly but Government is taking steps to support them.

C. E. BUTTERWORTH,
Consul and Trade Commissioner, São Paulo.

JULY FIRST brought the opening of the 1957-58 coffee season in Brazil. A good deal of the new crop has been harvested and it is proving substantially better than last year both in quality and quantity. The Brazilian Coffee Institute (I.B.C.) conservatively estimates the exportable crop at 17.7 million bags as against 12.7 million bags in 1956.

The breakdown of the present harvest by area is estimated as follows:

ESTIMATED 1957 COFFEE HARVEST

(in bags of 60 kilos each)

State of São Paulo	7,600,000
State of Minas Gerais	3,300,000
State of Parana	3,850,000
State of Espirito Santo	1,920,000
State of Goiás	300,000
State of Bahia	280,000
State of Rio de Janeiro	225,000
State of Pernambuco	220,000
Other states	5,000
	17,700,000

At the close of the 1956/57 crop season (June 30, 1957) it was conservatively estimated that there was a carryover of about six million bags as against last year's 10.5 million. Thus, Brazil has approximately 23.7 million bags of coffee available for export during the current 1957/58 season (July 1, 1957, June 30th, 1958).

During the last week (July 20-27) São Paulo has experienced a considerable drop in temperature and some rain. Reports from the interior state that this may have a slight effect on both the quality and quantity of the current harvest. Continuous bad weather at the present time could result in damage to the current harvest and to next year's production.

Exportable world production is estimated by the Foreign Agricultural Service of the U.S. Department of Agriculture for the present 1957-58 marketing season starting July 1, 1957, at 41,820,000 bags. The following table shows that this is an increase over last year's production:

(millions of exportable bags)

World Coffee	*average 1946-50*	*1953*	*harvests 1954*	*1955*	*1956*	*(estimate) 1957*
North and Central America						
El Salvador ..	1.1	0.9	1.2	1.1	1.3	....
Others	2.9	4.1	4.2	4.7	5.0	....
Total	4.0	5.0	5.4	5.8	6.3	6.4
South America						
Brazil	14.4	14.3	14.2	21.3	12.7	17.7
Colombia	5.2	6.3	5.7	6.1	6.7	....
Others	0.7	0.9	1.1	0.8	1.2	....
Total	20.3	21.5	21.0	28.2	20.6	25.3
Africa						
French West	0.9	1.7	1.7	2.0	2.0	....
Uganda	0.5	0.6	1.2	1.3	1.4	....
Angola	0.8	1.3	1.0	1.2	1.0	....
Others	2.0	2.9	2.8	3.9	3.9	....
Total	4.2	6.5	6.7	8.4	8.3	8.8
Asia & Oceania						
Total	0.3	1.3	0.7	1.2	1.3	1.3
World production ..	28.8	34.3	33.8	43.5	36.5	41.8

World Consumption Trends

Preliminary trade data for the calendar year 1956 indicate that world coffee exports exceeded 38.1 million bags for the year, or 11 per cent more than the 34.4 million bags exported in 1955 and 30 per cent more than the 29.4 million bags of 1954. Despite this 11 per cent increase during 1956, demand for coffee, generally speaking, is not as elastic as production. World consumption—currently calculated at approximately 38 million bags a year—is expected to increase but at a relatively slower rate than present world production. However, for the short term (i.e., the present season of July 1, 1957-June 30, 1958), it would appear that supply and demand are roughly in balance.

91120—3

The present spot price in New York for Santos 4s is 55 cents per pound. In January 1957 it was 60½ cents per pound and currently futures contracts are somewhat less than 55 cents per pound.

Price Supports Introduced

The Brazilian Government has recently introduced a new price support system designed to prevent export prices for the new crop from dropping below Cr$3,300.00 per bag at the port of shipment for Santos No. 4. This guaranteed price corresponds roughly to 56 cents per pound, spot New York. The price support varies, of course, in accordance with the quality and types of coffee. The Government will have the right to sell coffee purchased under this support system.

The new instructions also encourage improved quality because exporters will be paid a special premium on prices of $43.00 per bag for Santos No. 4, F.O.B., and an additional 1 per cent for every dollar above that price. It remains to be seen whether or not world coffee prices will stay close to the new Brazilian support prices.

Outlook

According to one theory propounded by the U.S. Federal Trade Commission, the years immediately ahead promise increasing production and decreasing prices, followed in due course by a reversal of this trend. It is reported that current stocks in New York are quite large and that there is a ready supply from countries producing mild coffee. During the last three months (April, May and June) U.S. dealers have restricted their purchases from Brazil somewhat for these reasons and because they anticipate an abundant crop here.

In years when the supply of coffee exceeds the demand, it is unfortunately true that Brazil, and to a lesser degree Colombia, usually suffer, because of the mixing qualities of the "milds" and the increasing production from Africa. Brazilian export production for the 1958 harvest has already been calculated very roughly at 22.5 million bags. It would appear that, excluding unforeseen circumstances, world production of coffee is increasing faster than world consumption.

Brazil has, of course, lived with this problem for many years. Numerous solutions have been suggested such as the expansion of the consumer market, the establishment of an international agreement among producers, and the improvement of quality. However, unless some or all of these possibilities materialize, the long-term outlook for Brazil will remain uncertain. ●

More Power for South India

ONE OF THE CHIEF OBSTACLES in the industrial expansion of South India has been the chronic shortage of electric power. Recently a project that will ease this problem has been put forward and sanctioned by the Indian Government. It is to use the deposits of lignite near Neyveli in Madras State to support a thermal power station with a capacity of 200 thousand kw.

The planners envisage the production of 3.5 million tons of lignite a year, beginning towards the end of 1960. Total costs of getting the scheme under way is set at Rs. 68 crores, or about $136 million. Included in it are plants to produce carbonized briquettes and fertilizers.

The Neyveli lignite has a calorific value of about 5,500 BTU per pound, or about 40 per cent of the thermal value of a ton of good steam coal. Because of the weight and high bulk of lignite in relation to its thermal value, the planners propose erecting the thermal plant at the coal deposits, to reduce transport costs to a minimum and relieve the hard-pressed railways of any further strain. Removal of the over-burden is scheduled to begin this month and work will continue throughout the Second Five Year Plan.

The project will contribute to the improvement of the south of India, now relatively depressed, in two other ways. Agriculture will benefit through the 70,000 tons of nitrogen-equivalent fertilizer to be produced each year. (The precise type of fertilizer to be made has not yet been decided.) The scant domestic fuel resources in this region will be augmented by briquettes made from the lignite left after the requirements of the powerhouse and fertilizer plant have been met. It is expected that the project will yield 380 thousand tons of carbonized briquettes a year, the moisture content of which will be brought down to 15 per cent from the original 50 per cent.

The project is under the management of a company wholly owned by the Government of India. Removal of the overburden was scheduled to begin last month and work will continue through the Second Five-Year Plan period which expires in March 1961. In its later stages (the first power plant is expected to be commissioned by mid-1960), the project should give rise to a substantial demand for powerhouse equipment, as well as transmission cable and towers.

—G. F. MINTENKO,
Assistant Trade Commissioner, Bombay.

British Steel Industry Expands

Growth of the United Kingdom steel industry provides an expanding market for Canadian iron ore, scrap iron and steel, and certain alloys; iron ore shipments have more than doubled since 1954. Britain is also a substantial importer of finished steel products but Canada remains a relatively small supplier to this market.

T. M. BURNS,
Commercial Secretary, London.

BRITISH STEEL OUTPUT, which totalled 12.7 million tons in 1946, has risen steadily during the past ten years and reached a new record of 20.66 million tons last year; during the first five months of this year, production rose 4 per cent over the corresponding period in 1956. The industry has announced plans which will boost capacity to 24 million tons by 1958, or nearly double 1946 output, and by 1962 it is expected that the United Kingdom will be able to produce 28 million tons of steel a year. To attain these new production targets, the industry will need to invest about £100 million a year. Expansion will mean that overseas trade, already important to the British iron and steel industry, will become even more so; export markets for direct and indirect sales of its products will have to be found and imports of raw materials will expand.

Iron and Steel Exports Rise

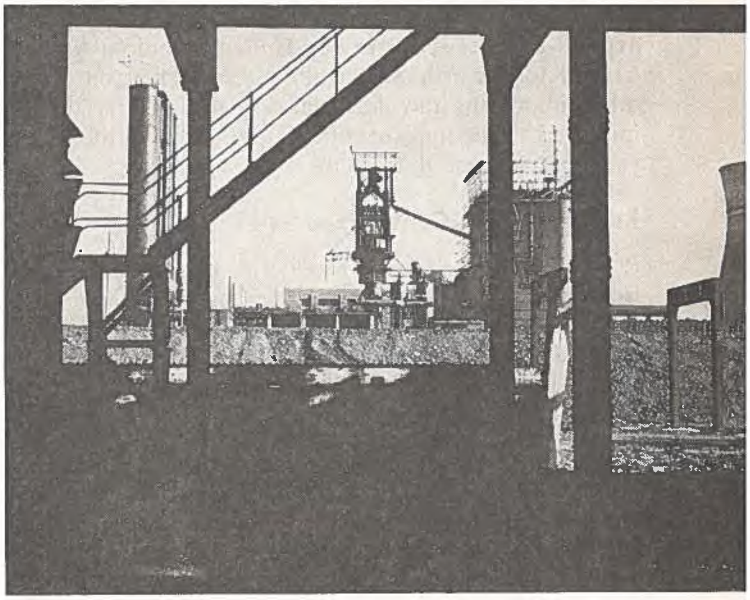
In 1956, direct exports of iron and steel from the United Kingdom totalled 2.8 million tons*, valued at £173.3 million (about $468 million Can.). Sales in the first four months of 1957, the latest figures available, reached £72.1 million, an increase of 27 per cent over the corresponding period last year. Shipments of manufactured iron and steel products, machinery, vehicles, etc., also rose last year. It is estimated that this gain in exports represents an increase of 300 thousand tons in terms of steel.

Major markets last year were Canada (292 thousand long tons, worth £16.8 million), followed by India, Australia, New Zealand, Sweden, the Netherlands and the United States; sales to each of these countries totalled more than £5 million. Commonwealth markets as a whole absorbed over 57 per cent of total United Kingdom direct exports of iron and steel.

The following table shows the quantities of various types of steel which the United Kingdom supplied to Canada in 1956.

	Quantity (long tons)	*Value (£'000)*
Bars, rods, angles, shapes and sections, girders, beams, joists, and rolled pillars	43,672	£2,285.6
Plates and sheets, not coated	61,303	3,783.0
Railway and tramway construction material	30,587	1,214.7
Tubes, pipes and fittings	129,010	7,158.3
Other products	27,818	2,390.4
Total	292,390	£ 16,832.0

Shipments to Canada of tubes and pipes reflect largely the rising demand from the Canadian petroleum and natural gas industries for these products. United Kingdom exports of pipes and tubes to Canada went up from 68,700 tons in 1954 to 129 thousand tons in 1956. In the first four months of 1957, sales of these products to Canada totalled 48,800 tons—a gain of 20 per cent over the same period last year.



—U. K. Information Services

One of Britain's new steel plants is going up at Ravenscraig, near Motherwell, Scotland; will add 400,000 tons to steel output. This picture, taken from inside the partially completed melting shop, shows one of the blast furnaces.

*United Kingdom export statistics on iron and steel include pig iron, ferro-alloys, bars and rods, structural steel, coated and uncoated plates and sheets, railway construction material, wire rods and wire, and tubes, pipes and fittings.

Raw material imports are vital to the United Kingdom steel industry and Canada's share in the market for iron ore has increased rapidly over the last three years. Imports of iron ore in 1956 amounted to 14.3 million tons, valued at £83.9 million; British output totalled 16.2 million tons. The United Kingdom appears to offer an expanding market for imported iron ore; it has been estimated that by 1959 the industry will buy abroad 18.6 million tons of ore a year. The following table shows which countries were the leading suppliers of iron ore last year.

IRON ORE IMPORTS, 1956

Country	*Quantity* *('000 long tons)*	*Value* *(£'000)*
Sweden	4,379	£26,542
CANADA	2,492	14,618
Algeria	1,421	8,227
Spain	827	4,409
Tunisia	799	4,634
Sierra Leone	690	4,074
Other countries	3,744	21,413
Total	14,352	£83,917

Canadian shipments of iron ore were slightly more than one million tons in 1954 but in 1955 they increased to 1.4 million tons and jumped a further million tons in 1956. Last year, Newfoundland supplied approximately one million tons and the remaining 1.5 million came from the new mines in Quebec-Labrador.

Imports of scrap for steelmaking last year totalled 961 thousand tons but the industry bought more than 4.8 million tons from domestic suppliers; the United States was the principal foreign supplier. Last year, Canadian exports of steel scrap to the United Kingdom totalled 61,300 tons worth $3.1 million Can. Pig iron is the other important raw material for steelmaking that is imported. The industry bought 540 thousand tons last year, but Canada did not figure as a supplier.

Purchases Are Centralized

Practically all the United Kingdom's needs for imported iron ore and steel scrap are purchased by the British Iron and Steel Corporation or its affiliate BISC (Ore) Limited. The British Iron and Steel Federation, the main trade association to which steelmaking firms belong, controls these organizations.

BISC (Ore) Limited has built up a fleet of specialized ore-carrying vessels, which it operates on long-term charters. By the end of last year, eleven of these vessels were in service and by the early 1960's this fleet of especially designed ships will be large enough to move about ten million tons of ore a year.

In addition, BISC (Ore) Limited has entered into long-term contracts to buy ore from some overseas suppliers. By the end of last year, contracts to supply ore were in force with mining companies in Canada, Liberia, Venezuela and Brazil.

On the export side, the British Iron and Steel Corporation markets abroad heavy steel products, such as plate, on behalf of the trade association members.

U.K. Buys Finished Steel Products

In addition to its importance as a market for steelmaking raw materials, the United Kingdom is also a substantial importer of finished products. In 1956, finished steel imports totalled 1.4 million tons, worth £79.4 million. The most important imports were uncoated plates and sheets, which totalled 393 thousand tons last year; this was substantially less than the 520 thousand tons bought in 1955. Credit restrictions in the United Kingdom affected industries using sheet steel.

Canada is a relatively minor supplier of finished steel to the United Kingdom. Our most important exports in 1956 were bars and rods, amounting to 6,400 tons worth £1.5 million. However, Canadian exports of ferro-alloys, principally ferro-silicon, were important—43,900 tons, valued at £2.4 million.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often, Canadian businessmen fail to take full advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.

Turkish Mines Buy Pitprops

Underground Turkish coal mines need large quantities of pitprops each year; purchases at present made through the ICA in Washington, which issues international calls for tenders.

LORNE D. R. DYKE,
Assistant Commercial Secretary, Athens.

TURKEY CONTINUES TO BE an important buyer of pitprops for her three main groups of underground coal mines which extend over a total of 280 square kilometres near the Black Sea coast. The mines produce 17,000 tons of coal a day at present and output is expected to rise to 19,500 tons a day over the next three years. Imports of pitprops during the past year exceeded 90,000 cubic metres (3,177 thousand cubic feet) and Finland obtained most of the business. New Brunswick suppliers, who enjoyed two exceptionally good years in the Turkish market soon after World War II, have not taken on new orders for shipment to this market since 1954.

How Imports Are Made

Turkey's purchases of pitprops are financed through the U.S. International Cooperation Administration (ICA) in Washington; the Eti Bank Umum Murdurlugu of Ankara—a state bank which operates the government-owned mines—looks after the actual importing. From Washington, ICA allocates funds for the pitprops and sets out specific and complete specifications for the international calls for bids; these follow much the same outline as this excerpt from a call for tenders on Scots pine:

"A. *Description*: Pinus Sylvestris Redwood or equal (small quantity of whitewood allowed), straight, of good sound merchantable quality, made of fresh trees well manufactured, barked as usual (outer bark to be fully removed, inner bark may remain), free from large and/or projecting knots and undamaged in any way, with ends crosscut square.

"B. *Delivery and Loading*: Bidders have to give information in their tenders regarding approximate dates of readiness, loading places, quantities, and specifications at each place to be declared by latest a month before the beginning of each delivery period. The loading places and ports must have enough depth of water to let the vessels safely load, always afloat. The sellers have to keep ready a minimum quantity of one shipload minimum at two ports of loading. The ships to be chartered and sent must be able to lift 1,200 to 2,000 fathoms (1 fathom of lumber=216 cu. ft.).

"C. *Measurement and Inspection*: To take place by the Buyer's and Seller's representatives simultaneously on land or in trucks at port of shipment.

"D. *Payments*: Payments are made from ICA allocations in U.S. dollars in accordance with ICA regulations by an irrevocable confirmed, transferable and divisible Documentary Letter of Credit, from ICA funds, established in Seller's favour with the banks to be nominated by the Seller against original shipping documents.

"E. *Definitive Guarantee*: Seller to provide, within 10 days of signing of contract, through a chartered bank established in Turkey, in favour of buyer, a definitive guarantee amounting to 5 per cent of the value of the contract. This stipulates that 2½ per cent of each individual delivery will be automatically released as soon as the Bank where the Letter of Credit has been established notifies the Bank that issues the guarantee of the drawings against the L/C. The remaining 2½ per cent are to be released after completion of contract."

Purchases Are Large

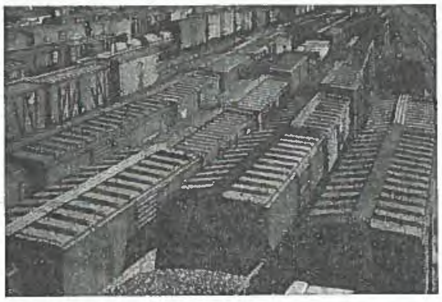
The following statistics indicate the importance of Turkey's pitprop purchases over the past three years:

		Cubic meters	*Turkish Liras**
1954	Austria	3,012	297,000
	Finland	35,186	4,864,000
	Poland	29,748	3,464,000
	CANADA	4,195	415,000
		72,141	9,040,000
1955	Finland	70,990	8,976,000
1956 (9 mos.)	Finland	78,495	5,830,000
	Poland	10,015	906,000
	United States	2,476	207,000
		90,986	6,943,000

*T£ (or lira) 2.80=U.S.$1.00.

(*Source*: Central Office of Statistics of Turkey)

Canadian firms wishing to take part in the next Turkish pitprop tender should get in touch with the Office of the Canadian Commercial Secretary in Athens. •



Transportation Notes

Australia

SHIPS—A big shipbuilding program has been announced by the Broken Hill Proprietary Company Ltd., which plans to increase its fleet of 48 ships to 62 by 1961. Most of these will be built at the company's shipyards at Whyalla, S.A. More tonnage is urgently needed to meet increasing coal and iron ore traffic. The program includes construction of ten bulk ore carriers, mainly of 10,000 tons, and four vessels of 16,000 tons each. Two of the ships will be the largest ever built in Australia and will be used to transport iron ore from Yampi Sound, W.A., to Port Kembla. It is also planned to construct at Newcastle, N.S.W., a new £2 million passenger and vehicle ferry for Bass Strait—Melbourne, July 26.

Canada

TELEGRAPH LINK WITH JAPAN—A new high-speed direct telegraph link between Canada and Japan came into operation at the end of June. This new link is wholly Canadian-owned and provides the only direct telegraph route between the two countries. To mark this new service, rates were reduced by four cents per word on telegrams and about two cents per word on letter telegrams.

AIR SERVICE TO SPAIN—Canadian Pacific Air Lines will begin a biweekly service to Madrid about the end of August; the airline already has a direct flight to Lisbon. A formal pre-inauguration flight was made to Madrid in May—Madrid, Aug. 6.

Cuba

DRYDOCK—A new drydock in Havana Harbour should be ready in 18 months. The $10 million it will cost will be contributed by the Government's Economic and Social Development Bank (BANDES). The dock will be 475 feet long and will be equipped to handle repairs to the majority of the commercial vessels, destroyers and submarines which call at Havana. The local company awarded construction of the project will follow the plans of a Cuban naval architect and a civil engineer, prepared in collaboration with the local company and Frederick R. Harris Inc. of New York—Havana, Aug. 8.

Denmark

POLAR FLEET—The polar fleet of Messrs. J. Lauritzen, a Danish shipping company, has been increased by another cargo vessel, M. V. *Helga Dan,* especially built to sail in ice-filled waters by the Stulcken Works in Hamburg. The *Helga Dan* is a sister ship of the M. V. *Thora Dan,* delivered to the company in December 1956.

The *Helga Dan* is 5,050 tons d.w., will be able to do 14.5 knots, and has accommodation for eleven passengers. The bows of the ship are similar to those of ice-breakers and an ice-knife and ice-fins have been installed to protect the propellors. A navigation house has been built into the foremast from which the ship may be navigated when in ice-filled waters.

The company's polar fleet, which this summer will be engaged in carrying lead ore from Mestersvig in Greenland, now consists of five vessels. The intention is to expand it further—Copenhagen, Aug. 16.

Finland

RAILWAY IMPROVEMENT—Plans to modernize the Finnish State Railways include the renewal of rails and road bedding, modernization and replacement of locomotives and rolling stock, and renovation of the signalling system. The ultimate aim is to electrify all the principal railway lines. This will require a total of 50,000 kw. of electric power and take several years to accomplish. In the meantime, steam locomotives are being replaced by diesel-electric engines—Stockholm, Aug. 12.

Greece

SHIPS—Greek-controlled shipping totalled 1,425 ships in 1956 with a gross tonnage of 10,425,813 tons. It represents 15 per cent of the world's tankers and about 45 per cent of the world's tramp shipping.

Greek ships were registered in more than 14 countries. Liberia had 462 ships under her flag, followed by Greece 346, Panama 247, Britain 115, the U.S. 104, and Costa Rica 100. In 1956, 28 ships with a total capacity of 190,921 tons were added to the Greek registry, raising tonnage under the Greek flag to 1,444,904 gross tons in 1956 compared with 1,139,609 tons in 1953. Contracts for 346 new ships (5.6 million gross tons) will be completed by 1960 and may place the Greek merchant marine in second place in world shipping. Valued at $1,200 million, these contracts represent nearly 25 per cent of total current orders at leading world shipyards. Japan has received the largest order (104 ships totalling 1,970,100 gross tons), followed by the U.S. (32 ships totalling 949,500 gross tons), Germany (54 ships totalling 784,400 gross tons), and the United Kingdom (60 ships totalling 639,125 gross tons). Five leading Greek shipowners expect to own half the total tonnage of the Greek merchant marine by 1960—Athens, July 29.

India

RAILWAY MARSHALLING YARDS—Two new railway marshalling yards will be constructed at Bilhai and at Bondamunda, near Rourkela, at a total estimated cost of Rs.68.3 million (Can.$13.66 million approximately). The new yards are needed to cope with the heavy traffic expected from the two new steel plants under construction at Bilhai and Rourkela, and from other subsidiary industries which will probably develop in the vicinity of the steel plants—New Delhi, Aug. 5.

Norway

NEW GREAT LAKES SERVICE—Two Norwegian shipping companies, the Norwegian America Line and the Fjell Line, have agreed to co-operate in sailings between Scandinavian ports and Great Lakes-St. Lawrence ports when the new St. Lawrence Seaway opens in 1959. Modern liners of 7,000-8,000 tons deadweight will be used, with frequent sailings each way during the Lake season. These two companies already have liners in operation which are suited for this trade and similar vessels under construction or on order—Oslo, Aug. 5.

Peru

NEW AIRLINE—For the first time in many years a Peruvian commercial airline is in operation. Aerolineas Peruanas S.A. began operations in May, transporting freight and passengers to Antofagasta and Santiago in Chile. The airline will extend its services to Ecuador, Colombia, Panama and Cuba. Three Curtiss C-46 *Commandos*, with new engines and improved luxury passenger cabins, are being used; more aircraft will be acquired as needed. The *Commandos* have a cruising speed of 185 miles an hour, a ceiling of 21,000 feet and capacity for 36 passengers, and are capable of an 8½ hour flight. The airline is entirely financed by local capital—Lima, Aug. 6.

Rhodesia and Nyasaland

NEW ROAD DISCUSSED—The main subject on the agenda at a recent convention in Salisbury of road experts from all parts of Southern Africa was the building of a good all-weather road from the northern border of the Union of South Africa (the Union has excellent paved highways) through the Federation, Tanganyika and Kenya to Nairobi, a distance of some 1,200 miles. The so-called Great North Road through these territories is mostly gravel and during the five-months rainy season is often impassable. Commerce and industry in the southern part of Africa realize the dire need for a hard-surfaced road right from Cape Town to Nairobi to promote both truck and auto travel, but it is estimated that it would cost $40-50 million to improve the dirt roads. The convention recognized that none of the territories affected has the requisite funds, and that if the project is to be undertaken loans will have to be obtained overseas—Salisbury, Aug. 4.

Singapore

PORT COMMISSION APPOINTED—The Singapore Government has appointed a Port Commission with the following terms of reference:

(1) To examine all port and landing facilities on Singapore Island and make recommendations for their future administration, co-ordination and development, including the form and functions of any organization that may be set up, whether as a single authority or otherwise.

(2) To examine and report on the desirability of establishing a separate dock labour authority to be responsible for the supply of labour for the waterfront and to advise on the organization and functions of any such body.

(3) To examine the financial needs of the port, with special regard to future development plans, and to recommend, if considered necessary and desirable, appropriate measures for increasing the revenue available for the maintenance of the port, either from present or from alternative sources of income—Singapore, Aug. 4.

Sweden

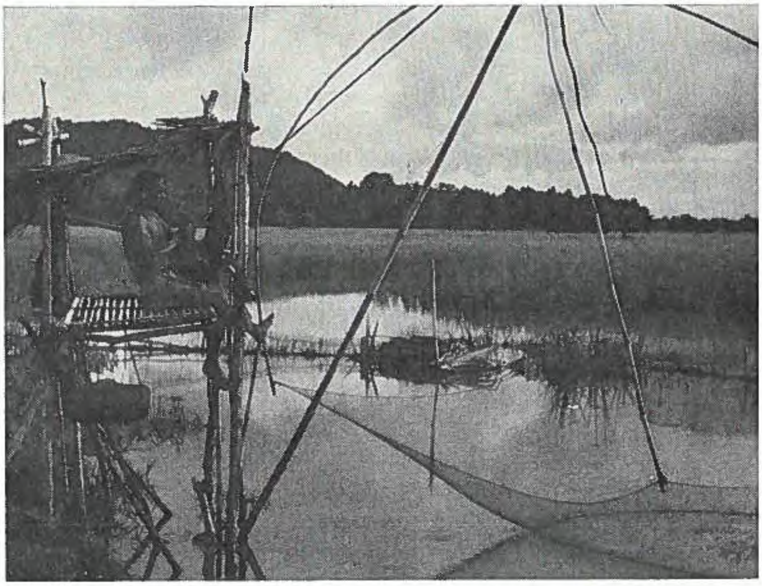
JET PASSENGER PLANES—Scandinavian Airlines System (SAS) has recently signed a contract for six jet passenger planes of the *Carvelle* type. The French manufacturers expect to complete delivery by 1959—Stockholm, Aug. 12.

This Malay woman is busy weaving a sarong. A traditional craft, it flourishes largely in the north-east states of Kelantan and Trengganu and holds a high place among the various cottage industries carried on within the Federation.

Many hundreds of Malayans are employed on a continuing program to improve existing roads and build new ones. Here a stone-crusher is at work on the new Temerloh-Maran road which connects main highways leading to the east and west coasts. East coast roads are less developed.

Malaya's P

Tin mining in Malaya goes back centuries; today about 60,000 tons a year are sold to foreign countries and tin ranks next to rubber in export value. This miner is directing a jet of water under pressure against a mixture of earth and ore.



A Malay farmer in Kedah has just finished his rice planting and is taking time off for a bit of fishing in his private pond. Rice is largely a smallholder's crop; in 1956, 420 thousand tons were produced, but 582 thousand had to be imported. Only about 71,000 tons were sold abroad.

Pineapples have become an important Malayan crop; in three of the states, over 30,000 acres are today devoted to raising pineapples for the canning industry. The picture shows a Malay woman harvesting the fruit on a plantation in Johore, which is by far the leading pineapple producer.

e at Work

With rattan baskets slung on their backs and strapped to their heads, Indian women pick tea leaves on the plantation at the Central Experimental Station, Gerdang. Largely a plantation crop, it is grown on both high and lowlands, with highland varieties bringing smaller yield but higher prices.

These logs felled on a forest reserve have been dragged down the road to the stacking position; now workers are pushing them into position for loading on timber lorries. Timber exports go largely to Britain, Australia and New Zealand.

An Indian woman labourer on a rubber estate carefully taps a tree to extract the liquid latex but not kill the tree. The first rubber trees, saplings sent from London, were planted in Malaya in 1877; it now has over $3\frac{3}{4}$ million acres of them.

Citrus Sales Aid Israeli Trade

Israel offers a good market for Canadian goods but currently she faces a serious shortage of foreign exchange. Her purchases from Canada might increase if she could sell more of her famous Jaffa oranges to Canadian households.

A. B. BRODIE,
Commercial Secretary, Athens.

ISRAEL'S CITRUS FRUIT EXPORTS are vital to her economy because they earn nearly half of the country's foreign exchange. The climate favours citrus production and the soil is suitable. Her Jaffa oranges have won world renown for excellent quality and flavour.

Shamouta Jaffa oranges are the main citrus crop and 70 per cent of the acreage in citrus fruit is planted to this one variety. Valencia-type or Jaffa Lates make up 15 per cent, grapefruit 9 per cent, and lemons, mandarines, etc., cover the remaining 5 per cent of the total acreage.

Production Rising

Fruit-bearing citrus groves totalled only 125 thousand dunams (31,250 acres) when the State of Israel came into being in May 1948; in prewar Palestine they covered 300 thousand dunams (75,000 acres). New plantings have raised the figure to 249 thousand dunams (62,250 acres) and groves are expanding at a rate of 20 thousand dunams (5,000 acres) a year. At present only 129 dunams (32,250 acres) are producing fruit because new plantings take six to eight years to mature. Israel hopes to have 250 thousand dunams (62,500 acres) in bearing citrus groves by 1960.

Picking begins in early November and final export shipments are made in May. Annual yields in recent years have totalled about ten or eleven million cases*. Production is expected to rise to 25 million cases a year by 1965 (prewar Palestine averaged 20 million cases a year) which will provide 17 or 18 million cases for export, two million for local consumption as fresh fruit, and the remainder for processing. Out of the 11.1 million cases produced in 1955-56, Israel exported 7.8 million, consumed 1.4 million at home, and used 1.9 million cases in the by-products industry.

Marketing Is Centralized

The Citrus Marketing Board looks after both domestic and export sales, organizes transportation, supervises picking and packing, controls new groves, and buys fertilizer, crates and materials needed by the industry. The Board sells most of the citrus fruit by auction on consignment to countries such as the United Kingdom, the Netherlands and Belgium; some countries (including the Soviet Union and Finland) negotiate a fixed price for the season. Sweden and Denmark and other countries arrange a price for individual shiploads.

Israel's main customers for citrus fruit are the countries listed in the accompanying table.

	1953/54	1954/55	1955/56	1956/57 (est.)
		(in '000 cases)		
United Kingdom	3,727	2,980	3,106	3,484*
West Germany	287	290	651	700
Sweden	582	514	594	600
Finland	313	444	514	560
France	318	304	423	400
Denmark	316	284	385	390
Netherlands and Belgium	986	758	686	680
Norway	419	378	400	245
U.S.S.R.	607	466	528	?
Eastern Europe (incl. Yugoslavia)	198	313	286	?
CANADA	0.6	15	36	?

*Actual shipments to U.K. up to May 14, 1957.

The unusual frost which did enormous damage to Spanish citrus groves in 1955 has reduced competition for Israel in the European market for some years. At the same time, the United States abolished its subsidy on citrus exports; this aided Israeli citrus growers last season and again this season. Exports of citrus fruit to over 20 countries, including Canada, earned a record $40 million in the 1955/56 season against $32 million the previous season; sales are expected to rise again this year. F.A.S. prices last season reached a satisfactory average of $5.11 a case and were exceeded this season, following particularly good prices paid for citrus in the United Kingdom and West Germany. Export statistics for the past four seasons indicate the importance of the citrus trade to Israel.

*25 cases per ton; 120-150 fruits per case.

1953/54	8.1 million	(record high)	cases
1954/55	7.1 million		cases
1955/56	7.8 million		cases
1956/57	8.1 million*		cases

*Actual figure of 8,058,913 cases up to May 14 is 203 thousand cases higher than in 1955/56.

About one million cases of the 1955/56 export crop were packed in the new locally-produced corrugated board cartons, as part of an experiment to test possible advantages of this type of container over the standard two-compartment wooden crate. During the 1956/57 season some 200 thousand wirebound, wooden slatted "Bruce" boxes proved successful and this form of packing is expected to be used more extensively next season.

Citrus By-Products

After fresh citrus fruit and diamonds, citrus by-products earn an important share of Israel's foreign exchange; receipts from exports in 1956 totalled $3.9 million, and natural and concentrated fresh juices accounted for $2.9 million of this. The figure totalled only $2 million in 1955 ($1.5 million from juices), because of a shortage of fresh fruit for processing in that year. Apart from concentrated and natural juices in barrels, cans and bottles, other products of the processing industry include squashes, fruit segments and slices in syrup, candied peel, pulps, essential oils, hesperidines for pharmaceuticals, etc. Israel is now experimenting with shipping concentrated juices in frozen form; this product has proved a success on the domestic market. The United Kingdom is Israel's best customer for juices and other by-products, and West Germany, France and the Scandinavian countries are also markets which are developing favourably.

The following statistics show production of the citrus by-products industry since 1954:

	Unit	*1954*	*1955*	*(11 mns.) 1956*
Citrus squashes and juices	kilo-litre	18,693	21,011	17,278
Canned fruits (incl. citrus)	tons	2,994	2,781	2,583
Jams and marmalades	tons	7,403	7,222	5,044
Essential oils	tons	75	41	40

What Canada Buys

In recent years Canada has become a small but growing market for Israeli citrus fruit and essential oils from lemons and oranges; imports of oranges totalled $123 thousand last year against $59,000 in 1955. The Israelis feel that, given a bigger share of Canada's large citrus fruit and juice business, they could make more foreign exchange available to buy many of the products which Israel would like to import from Canada. We imported $32.6 million worth of fresh citrus fruit and $15 million worth of citrus juices last year; the United States supplied nearly 96 per cent of the total. ●

France Exploits Natural Gas

NATURAL GAS, discovered in 1951 beneath the oilfield at Lacq, near Pau, in southwest France, began to flow through a new scrubbing plant at a rate of 36.4 million cubic feet a day in April of this year. When full capacity is reached in 1962, the plant should supply 141 billion cubic feet of washed gas a year—the equivalent of six million tons of coal, or about 5 per cent of France's present consumption of energy. This development of her natural resources will save the country about $120 million a year in foreign exchange.

In 1956, France consumed in coal, oil, gas and electricity the equivalent of 122 million tons of coal; domestic output equalled 73 million tons and the equivalent of 49 million tons was imported at a cost of nearly one billion dollars. Gas reserves at Lacq are estimated at 180 billion cubic feet and should provide a cheap source of energy for the next 40 to 50 years.

By-products from the washing process will consist of 1.2 million metric tons of sulphur, 80,000 tons of propane and butane, and 20,000 tons of high-quality gasoline a year when the plant reaches full capacity. Sulphur will make an outstanding contribution to the French economy. Output this year will reach a rate of 55,000 tons a year and rise to 220 thousand tons by the end of 1958; by 1961 France will become the second largest sulphur producer after the United States and will have about 500 thousand tons for export. At present France imports 250 thousand tons of raw sulphur, mainly from dollar countries, and obtains a further 300 thousand tons from imported pyrites; 125 thousand tons are derived from local ore. (Canada shipped $287 thousand worth of pyrites to France last year.)

The southwest region has been under-developed and has suffered chronic unemployment in the past; it is hoped that natural gas will encourage established industries to expand and attract new plants to the area. In fact, the Government will rebate approximately eight cents per thousand cubic feet to industries that have new plants in operation in the region by the end of 1961. Established pipelines will feed gas to Toulouse, Bordeaux, Bayonne and Pau in the southwest; later Angouleme, Nantes, Montlucon and Le Creusot, farther north, are likely to be served and possibly Paris or the Lyon-St. Etienne area shortly afterwards.

—J. H. BAILEY,
Commercial Secretary, Paris.

Selling Peat Moss in the U.S.

U.S. imports of peat moss have risen rapidly in the past few years to meet the expanding demand from nurserymen, landscape gardeners and home-owners for this excellent soil conditioner. Canadian producers are in a position to supply the preferred sphagnum moss and can count on a steady market for a quality product.

DALE L. KIRKLAND,
Office of the Consul and Trade Commissioner, Chicago.

CANADA HAS BECOME AN EXCELLENT SOURCE of quality peat moss for the United States market and most of our active and potentially important peat bogs are within easy reach of the principal U.S. buyers. Last year, Canada produced 125 thousand tons of peat moss and shipped 113 thousand tons, valued at $6 million, to the United States; most of it was high-value peat for horticultural uses. It should not be difficult for Canadian producers to maintain the high quality of their peat moss in the export market.

The most important use for peat in the United States is for soil improvement. Peat of any kind tends to improve the physical condition of heavy soil and increases its moisture-holding capacity. Sphagnum peat moss is especially effective for holding water in a form available to growing plants and thus is in demand from nurserymen and landscape gardeners.

Most of the peat from United States bogs is not real sphagnum moss but is more like peat humus. The main U.S. peats hold much less water, contain a large amount of foreign matter, and are apt to be so fine that they will blow away in the wind. Real sphagnum moss, or highmoor peat, is restricted in the United States to an area north of a line reaching from south-central Maine through north-central New York to north-central Minnesota to British Columbia.

Production and Imports

Peat reserves in the United States total about 79 million acres and contain an estimated 13.8 billion net tons; production has risen from 132 thousand net tons a year to more than 240 thousand tons. Bogs in almost any part of the country may contain some sphagnum but, except in the north, it is not likely to be the dominant vegetation in forming the peat; reedsedge mucks and peats are apt to be more prevalent. Bogs are located in the northern Great Lakes States (Michigan, Wisconsin, Minnesota); the New England States, particularly Maine; the dismal swamps of eastern Virginia and North Carolina; the Okefenokee swamps in Southern Georgia and adjacent Florida; the Everglades of Florida; and the Pacific Northwest and delta areas in central California. Other areas are found in New Jersey, Iowa, Illinois, Ohio, and New York.

Although domestic production has expanded, imports have also risen rapidly, as the accompanying table shows.

	1947-49	*1951*	*1952*	*1953*	*1954*
Production (net tons)	131,782	194,416	210,582	204,209	243,257
Imports	88,462	144,390	167,404	199,887	240,940
Consumption	220,244	338,806	377,986	404,096	484,197

West Germany Main Competitor

In 1952, West Germany shipped 91,441 tons of peat moss to the United States and Canada sold 66,643 tons there; in 1954, Canada's share of the market reached 80,028 tons and West German shipments totalled 130,956 tons.

Most dealers say there is little difference between Canadian and German peat. The German peat moss

How Peat Moss Is Used

HORTICULTURE—mainly as a soil conditioner for establishing new lawns and in nurseries; also for packing plant materials, cut flowers and vegetables such as asparagus.

LITTER AND BEDDING—one-sixth to one-fourth of peat used in U.S. is used for poultry litter or animal bedding.

FERTILIZER FILLER—used by manufacturers of mixed fertilizers when they can buy reed-sedge (neutral) peat at realtively low cost. Eight domestic companies supply most of demand—imports from Canada are small.

finds its largest outlet among German nurserymen in the United States, though it is priced slightly higher than Canadian. One distinction often made between Canadian and German peat moss is that the latter has a slightly higher acid content.

Some Marketing Pointers

Trade practice rules for the peat industry were set up by the United States Federal Trade Commission in 1950. They were designed to maintain free and fair competition and to eliminate or prevent deceptive practices in the sale of such products. No national grading standard has yet been attempted because peats vary so much in their state of decomposition, water-holding capacity, and chemical properties. But U.S. Government buying specifications classify peats into types and classes and are a good general guide for exporters to follow.

- TYPE I Sphagnum mosses poorly decomposed, porous fibrous to spongy fibrous and brown in colour, tinted grey, yellow or red; able to absorb 1,100 to 2,000 per cent of its own weight of water.

  Class A (horticultural grade)—finely shredded with particles varying in size from dust up to the size of wheat bran.

  Class B (poultry litter)—medium shredded and can have lumps and pieces as large as walnuts.

  Class C (stable bedding)—coarsely shredded and may contain larger lumps than Class B.

  Moisture content of shipped product should not exceed 35 per cent.

- TYPE II Reed muck or sedge muck—finely divided plant debris in a fairly advanced state of decomposition (peat humus), dark brown to black in colour, granular in form and free from hard lumps, and able to absorb from 100 to 350 per cent of its own weight of water.

  Moisture content of shipped product should not exceed 55 per cent.

- TYPE III Reed peat or sedge peat, moderately decomposed stems and roots of rushes, coarse grasses, sedges, reeds, canes, and similar plants, coarse or finely fibrous and brown in colour, able to absorb from 350 to 800 per cent of its own weight of water.

  Class A—acid grade.
  Class B—nearly neutral grade.
  Moisture content of shipped product should not exceed 50 per cent.

About 15 main brokers handle most of the peat moss in the United States. Because of the vagaries of the market, they often are forced to sell the material wherever they can. Normally, the brokers order slightly in excess of expected demand. Often by the time they receive shipment, the weather has changed, building activity (which greatly affects the market) or other factors have altered, and the broker is left with large quantities on hand.

Selling Peat Moss

Peat moss is generally sold in bales ranging from 4.5 to 7 cubic feet per bale but it is also sold in small bags ranging from 2 to 100 pounds in weight. Although it requires more work and expense, the method of selling peat in small bags can raise its value.

Peat in bales or in cartons is easy for the dealer and customer to handle, but the cost of preparation can become a serious factor. When the material is used as a fertilizer filler, for preparation of large lawns, or in other ways requiring large quantities, the price of packaged peat may be too high. Retail garden-goods stores, landscape gardeners and others frequently buy peat in bulk, shipped in open cars—but not when they buy it from foreign suppliers. This peat is sold in bags in the case of small purchases or in bulk when larger lots are ordered.

At present, peat is marketed extensively in small plastic bags for use in potting plants. The bags do not decompose but are not yet practical for large-scale use. The market for small users is growing. As one large Chicago distributor puts it, "Chicago is an excellent market for peat moss. People are becoming more and more aware of its virtues and it is now being sold in grocery stores, hardware stores, chain stores and even filling stations."

Peats vary in acidity and this is often an important consideration for the buyer. The moisture content is usually relatively low in packaged or baled goods but frequently buyers do not specify the amount. Bulk material is sometimes nearly saturated with water, in which case the broker usually sells by volume rather than weight.

The kind of peat moss used for soil improvement is a seasonal commodity; most of it is purchased in about five weeks in the spring and eight weeks in the fall. Sales of peat moss have shot up in the past few years because of the boom in new home construction. A large number of dealers see no decline in the market; instead, they expect more users for peat moss and increasing sales.

The duty is 25 cents a ton on all imported peat classified as poultry and stable grade; peat moss imported for agricultural purposes enters the U.S. duty-free. ●

New Zealand

The Plywood Market

Buyers appreciate Canadian plywood for its general-purpose qualities and reasonable price, but applications for import licences on behalf of dollar suppliers are receiving less generous treatment than a year ago. Canadian exporters of bonding resins possibly might increase their share of sales to local plywood manufacturers.

JOHN MacNAUGHT,
Assistant Commercial Secretary, Wellington.

THE NEW ZEALAND PLYWOOD INDUSTRY had its beginnings nearly 50 years ago and although its growth has not been spectacular, it has made good progress over the past few years. Today four major mills and a smaller part-time manufacturer make up the industry; these five producers have increased their output by over 75 per cent in the last ten years. Production reached a record 35.6 million square feet in 1955/56—nearly three million square feet more than the previous record reached in 1951/52. Annual consumption of plywood currently totals about 41 million square feet a year. Production thus normally falls short of demand although the installed plant capacity could meet the needs on a volume basis, but not for all grades and types.

Raw materials used in the local industry nearly all originate in New Zealand. Logs from the indigenous forests form the basis for the industry and of the native species rimu is easily the most important. Others such as matai and kakihata are also used to a considerable extent. The exotic radiata pine is being increasingly employed but its use is limited because of the peeler quality of the logs; it is difficult to obtain knot-free lengths.

Plywood factories have never been over-supplied with peeler logs. Logging companies, particularly those cutting indigenous woods, are chary of any temporary disruption of log supplies to their own lumber mills if they sell peeler logs at higher prices to the plywood factories. These logs represent the cream of the cut, to which the sawmillers look for the better grades of lumber.

Another factor which tends to hold production of plywood at less than capacity is price control on the finished product. The Goverment sets up a specific industry price for direct sales from the mills and stipulates the maximum mark-up where resellers are involved. The industry argues that the controlled price, particularly on the smaller sizes, is not attractive enough to encourage maximum production of this range.

Imports Not Large

Even with a normal tendency for local plywood supplies to lag behind demand, imports have never been large. Over the three-year period ending in 1954, they averaged little more than one million square feet a year. In late 1954/55, however, builders and importers made strong representations to the licensing authorities to allow more imports to make up the shortage of smaller thicknesses, especially $\frac{3}{16}$ inch door sizes. As a result, in 1955 imports of five million square feet were permitted and in 1956 four million square feet came in. The main suppliers were Japan and Canada. Japan offered plywood of oak, sen and lauan for use with similar solid timbers and obtained 42 per cent of the market; Canada, in second place with 23 per cent, shipped mostly fir plywood. Fourteen other countries shared in the market.

Imports Subject to Controls

Plywood imports have been subject to varying degrees of import control for 20 years. At present, applications for import licences are considered individually and those on behalf of dollar suppliers receive less generous treatment than a year ago. Some quantities of the larger sizes ($\frac{1}{2}$ inch and above) have entered the market but if imports are to be permitted, local plywood manufacturers would like to see licences restricted to the lighter grades.

The low ceiling price on the lighter New Zealand grades tends to price imported plywoods of this type out of the market. This, the manufacturers claim, has brought about a switch in demand for imported plywoods from the lighter grades to those ½ inch and over, which compete favourably with the New Zealand product. In Wellington, for example, the cost of Canadian ½-inch thick concrete-form plywood delivered "in store" is about $11 a hundred square feet less than the similar grade of New Zealand plywood and for 7/10-inch $13 per hundred square feet less.

In addition, Canadian plywood is considered a superior product and is in special demand for work which calls for waterproof qualities. New Zealand producers turn out a commercial-type plywood for inside work and a type bonded with a waterproof cement for exterior use. Canadian plywood generally has waterproof bonding and is therefore a general-purpose product—a feature which buyers appreciate.

In spite of advantages in price and quality, the effect on the local idustry of quadrupled imports in each of the last two years makes it increasingly difficult to maintain licences at their present level, let alone obtain increases. Local plywood interests claim that they can meet the market demand for all grades. They sell nearly all their production to the domestic market and export less than 100 thousand square feet a year; their arguments are bound to receive sympathetic consideration from the authorities.

Resins May Sell

There is a slight possibility that Canadian suppliers of resins could increase their share of the raw material market. Of the adhesives used, casein is obtained locally but New Zealand must import other resins such as phenol and urea formaldehyde (valued at about £40,000 a year). Australia and the United Kingdom are the major suppliers of adhesives, although small quantities are imported from Canada and the United States. Synthetic resins for adhesives when imported from both British preferential or most-favoured-nation sources (such as the United States or West Germany) are subject to a duty of 3 per cent. Import licences are also required for imports from dollar countries. To receive favourable consideration, the Canadian exporter has to demonstrate a definite price and/or quality advantage. ●

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:

Saint John—Sept. 3
Montreal—Sept. 4-13

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

Victoria—Sept. 3

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

Edmonton—Sept. 23-24
Regina—Sept. 25

T. J. MONTY, Commercial Counsellor in Brussels, Belgium:

Fergus, Brantford—Sept. 18
Hamilton—Sept. 19-20
St. Catharines—Sept. 21
Welland—Sept. 23
London—Sept. 24
Windsor—Sept. 25-26
Winnipeg—Sept. 30-Oct. 1
Vancouver—Oct. 3-11

P. A. SAVARD, Commercial Secretary, Bogota, Colombia:

Toronto—Sept. 3-17
Hamilton—Sept. 18-19
St. Catharines, Welland—Sept. 20
Windsor—Sept. 23
London—Sept. 24
Woodstock, Kitchener—Sept. 25.
Brantford—Sept. 26
Guelph, Galt, Fergus—Sept. 27
Vancouver—Sept. 30-Oct. 2
Winnipeg—Oct. 3

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.

Commodity Notes

Finland

VISCOSE FILM—In February of this year, production of viscose film for use in packaging was begun at a new factory in Valkeakoski. The film will be sold under the trade name "Sellofilm". Annual production is estimated at about 1,000 tons, 75 per cent of which will go to the export market. Finnish domestic consumption of viscose film amounts to only 300 tons—a comparatively low figure compared with consumption in other countries with the same standard of living. Consumption in Norway, for example, totals about 800 tons a year and figures for Denmark, Sweden and Switzerland are much higher. Natural markets for the Finnish product are Denmark and Norway, which do not produce any themselves. However, the first large export contract was with China for 100 tons—Stockholm, Aug. 8.

Greece

CURRANTS—A bumper currant crop of 60,000 metric tons (42,000 in 1956) has prompted the Greek Government to support prices by authorizing the purchase of 10,000 metric tons of Sultanas No. 4 Grade by the state-controlled Sultana Office at Drs. 8 per oke ($0.095 per lb.) Sultanas are one of Greece's more important agricultural exports; during 1956 shipments abroad totalled 33,128 metric tons and earned the equivalent of $10 million. West Germany, Britain and the U.S.S.R. were the principal buyers—Athens, Aug. 12.

India

MANGANESE ORE—The Government of India has announced that the quota licensing system for the export of manganese ore will continue for the period July 1957 to June 1958. Quotas will be granted to shippers and mine-owners equal to 60 per cent of their exports made in 1955 and 1956, whichever is higher. Quota holders will be required to use at least 60 per cent of quotas issued to them for export of ore containing 42 per cent manganese and below, unless it is established by a mine owner that a mine does not produce ore containing less than 42 per cent manganese. Shippers and mine owners who are exporters will also be exempt if they have outstanding commitments for higher grades.

The State Trading Corporation of India (Private) Ltd., a government-owned and controlled corporation, will continue to be allocated an adequate quota to enable it to make maximum exports of manganese ore. The Corporation has been instructed to co-operate with established trading and mining interests to make the licensing system a success—New Delhi, Aug. 12.

CASHEW NUTS—Cashew nuts are expected to be a big dollar-earner for India in 1957. The hundred or more processing plants, mostly in the State of Kerala, are geared to handle the usual 60,000 tons of raw nuts grown on the Malabar Coast of South India and an estimated 80,000 tons of nuts imported from British and Portuguese East Africa (about 10,000 tons more than were imported from Africa in 1956).

African and Indian nuts are processed as one crop and practically the entire pack is exported. Canada bought cashew nuts from India in 1956 to a value of $1,061,885, compared with U.S. imports valued at $22,716,064. This adds impetus to India's plans for increasing its annual domestic cashew crop from the present 60,000 to 106 thousand tons—Bombay, Aug. 14.

Italy

AUTOMOBILES—Italian automotive production in 1956 passed the 300 thousand mark for the first time in its history. A total of 315,793 vehicles of all types were manufactured in 1956 for a 15 per cent increase over the previous year.

New records were also set in automotive exports which absorbed 28 per cent of the year's production and totalled $98 million, an increase of 20 per cent over 1955. Spare parts exports increased from $24 million in 1955 to $45 million in 1956.

Germany was Italy's best customer, followed by North and South America, which each bought

12 per cent of Italy's exports, as did Asia. The continental areas of Africa and Oceania took 5.9 and 1.3 per cent respectively.

A general increase in the production and export of automobiles and parts seems likely in the first few months of 1957. New models are expected to appear shortly and a drive for North American markets with these and existing types is now being mounted—Rome, Aug. 8.

Jamaica

BANANAS—Jamaican exports of bananas to the United Kingdom in the period January-June 1957 totalled 5,889,157 stems, compared with 5,837,102 in the corresponding period of 1956. It is expected that exports for the year will reach 13 million—a postwar record—Kingston, Aug. 10.

Norway

MINING—It is expected that coal-mining operations at King's Bay, Spitzbergen, will begin in the autumn of 1958. The annual output is estimated at about 200 thousand tons. The large deposits of sulphur pyrites at Grong which represent about 30 million tons will also be exploited. According to analyses recently carried out, this ore contains slightly more than 40 per cent sulphur, nearly 40 per cent iron, and small proportions of zinc, copper, lead and cobalt, as well as slight quantities of silver and gold—Oslo, Aug. 9.

Rhodesia and Nyasaland

TEA—Some 175 miles from Salisbury at the foot of the Inyanga Mountains of Southern Rhodesia a tea industry is developing which is likely to become important to the Federation. It is a long-term project which over the next ten years will involve an investment of $8 million. Some 5,000 acres comprising four to five individual estates will be brought into production and each will have its own tea factory. The climate is considered ideal for tea-growing and the ultimate annual production of tea from these factories may reach about nine million pounds. Cropping is expected to begin in a small way this December and a pilot plant is under construction to process the leaf. The capital behind the project is British—Salisbury, Aug. 9.

TOBACCO—Next to copper mining, the growing of flue-cured tobacco in Southern and Northern Rhodesia is the most important industry in the Federation. So far this season the tobacco farmers have been paid £9.5 million for 58 million pounds of tobacco, £1.5 million more than for the same amount of tobacco last year. This year's estimate of the crop is 141 million pounds (or 30 million pounds less than in 1956) but with prices averaging 7d. per pound more than a year ago, the income from tobacco is expected to be as good or better than in 1956. Despite the smaller crop, with a steadier market and better prices tobacco men are infinitely happier than they were last year. They claim that higher bids for lower grades are responsible for the improved market—Salisbury, Aug. 7.

Spain

FERTILIZER—The Estarreja fertilizer factory is being extended to produce 90,000 tons a year of ammonium sulphate and it is hoped that the Uniao Fabril do Azoto factory will be enlarged to the same degree. Present production does not exceed 90,000 tons in both factories. It is also proposed to establish by 1959 a factory for the production of nitrogenous fertilizers from petroleum refinery by-products—Lisbon, Aug. 10.

Venezuela

MANGANESE—Upata Mines, which works the manganese deposits in Upata, State of Bolivar, has announced that it has put into operation a sifting-plant washer and mineral selector. This equipment was imported from the United States at a cost of 1,500,000 bolivars. Construction of a dock at La Groa, near San Felix, expected to cost three million bolivars, is to start soon. The company estimates it will shortly be producing 15,000 tons of manganese per month—Caracas, Aug. 8.

IRON ORE—Following his return from the United States, the President of the Orinoco Mining Company of Venezuela disclosed that his company is actively working on the project to enable the Orinoco Mining Company to produce 15 million tons of iron ore a year by 1958—Caracas, Aug. 8.

Tour of Territory

W. J. MILLYARD, Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland, plans a tour of British East Africa during which he will visit Mombasa on September 9-10, Nakuru (Kenya) September 12-13, Kampala (Uganda) September 16-18, Kilembe (Uganda) September 19-21, Dar es Salaam, September 26-28, and Zanzibar September 29-30. Businessmen who would like Mr. Millyard to undertake assignments for them should get in touch with him at Salisbury as soon as possible.

Trade and Tariff Regulations

Australia

IMPORT LICENSING—Australia has announced changes in import licensing regulations effective August 1st. The principle of licensing imports on a world basis has been extended to more commodities. The aim of this system is to allow importers to make the greatest use of the allocations granted to them by purchasing from the most competitive source, irrespective of whether the goods are obtained from dollar or from non-dollar countries.

The number of items licensed on a world basis will be extended in two ways. First, certain items will be licensed on a quota basis; these include chemicals and other materials used to make sensitized metal and processing chemicals for the X-ray and photographic industries; graphite electrodes including nipples; welding rods; greases, including axle grease and inedible tallow; emery oil and whetstones; boric acid; matrices; Mexican fibre; rosin and bentonite. Second, certain items will be transferred to World Administrative Control and applications for licences by importers will be considered in the normal way. Such items include bacteriological products; staves, shooks, casks and vats; last blocks, lasts and trees; elastic and corset cloth; orlon and other synthetic tops; and empty gelatine capsules.

Australia also announced that 56 commodities would be licensed on the basis of sales replacement as from August 1st, in order to provide safeguards against the import of some goods in excess of current needs. The changes introduced are designed to achieve greater flexibility and a more normal trade pattern. Only a few products (cash registers, pulp for paper manufacture, raw cotton, ferrous alloys and abrasive grains) imported from any country are affected by the change to a replacement basis. Australia will make a comprehensive review of imports at the end of November.

Brazil

NEW CUSTOMS TARIFF INTRODUCED—On August 16 a new Brazilian tariff law came into force after approval by the Brazilian Congress and on publication in the Diario Oficial. The new tariff consists basically of ad valorem rates which apply equally to imports from all countries. Ad valorem rates of duty will be levied on the C.I.F. value of goods at Brazilian port of entry. The value of the cruzeiro for duty purposes will be 70 cruzeiros per $1.00 U.S. for the month beginning August 16.

Further details may be obtained from the International Trade Relations Branch.

France

IMPORT AND EXCHANGE CONTROLS—A further measure in a series of steps which have been taken by France to meet a serious decline in its gold and foreign exchange reserves was announced on August 10th.

Effective August 11th, all imports into France and payments for all invisibles were made subject to a tax of 20 per cent. As an exception, imports of coal, petroleum products, steel, sulphur and textile raw materials are exempt from the payment of the tax. On the export side, the system of fiscal and social rebates was replaced by a 20 per cent exchange premium on the surrender of all foreign currencies in France. Re-exports of the basic items noted above will not benefit from this export exchange premium.

As a result of these measures the effective rate of exchange for the French franc is now 420 to the U.S. dollar or its equivalent in other currencies.

With these new measures, the 15 per cent compensation tax which has applied to a wide range of imports into France has been discontinued.

India

IMPORT TRADE CONTROL POLICY—On July 29 the Government of India announced the new Import Trade Control Policy for the quarter, July-September, 1957. With the new policy the Government of India has decided to modify the current practice of using the calendar year as the basis for formulating and announcing the half-yearly import licensing policies. In future, the import trade control policy will be related to the financial year and the two licensing periods will run from October 1 to March 31 and April 1 to September 30. This new system will help bring about better correlation between foreign exchange control and allied fiscal and import control procedure. The detailed licensing policy for October 1, 1957, to March 31, 1958, will be issued towards the end of September.

The policy for the current quarter, July-September, is very restrictive. Because of the large number and substantial value of licences outstanding for the import of plant and machinery, metals, raw materials and other essential items, the Government feels that the change will not cause undue difficulty or shortage. The intervening time will provide a clearer picture of foreign exchange resources available to sustain imports during the new licensing period.

Under the current import trade control policy, the period of validity of all licences for the licensing period January-June 1957 will be extended upon application three months from the expiry date. Holders of utilized or partly utilized licences may apply to the licensing authority to transfer unused portions of licences to import goods adjudged to be more essential to the economy of the country. Imports against such validation, however, will not qualify for future quotas. Applications for licences to import machinery will be valid to import spare parts.

Open General Licences applicable to imports and expiring on June 30, 1957, will not be renewed. Importers of such goods are now required to establish quotas with the licensing authorities based on their best financial year between 1952-53 and 1955-56. With a view to ensuring a steady flow of certain raw materials for essential industries formerly under Open General Licence, the licensing authorities will issue licences on the merits of the individual application to established importers who have applied for quotas. These items include lead, zinc, tin, copper, nickel, silver, taper bearings, tanning extracts, hides and skins, sulphur, trade catalogues and circulars and books. Applications from scheduled industries and actual users will be issued after due scrutiny for certain items including ferro-chrome, certain types of scrap metal, metal alloys, manufactures of metals, electrodes, machinery, refractories, rock phosphate, wood pulp, raw asbestos, synthetic resins.

For other commodities, the Indian Government desires that industrial production be maintained at a high level and no shortages develop in any essential commodity needed to sustain industrial production. Applications from actual users to import essential items of raw materials will be granted for reasonable values. The import of commodities which are locally available or are required for embellishment will not be permitted and actual users must show that they are exercising economy and improvise wherever possible.

As in the January-June licensing period, import licences for capital goods and heavy electrical plant will continue to be issued only when suitable terms of deferred payment have been arranged or when the value of the imported plant and equipment is covered by the inflow of fresh capital. (See *Foreign Trade*, May 11, 1957, page 31). Licences will be granted only for projects which will save or earn foreign exchange either by reducing imports or by increasing exports. Import licences for machine tools and spare parts will be issued on the merits of the individual application.

Industries engaged in the export trade and desirous of obtaining import licences for raw materials under the Export Promotion Scheme must register with the licensing authorities. Applications for import licences will be verified and licences issued when necessary.

New Zealand

IMPORT QUOTA FOR MOTOR VEHICLES—Cabled advice has been received from the Canadian Commercial Counsellor, New Zealand informing us that the New Zealand Government has announced an allocation of £17½ million for imports of motor vehicles from all sources during 1958. The quota for the dollar area remains unchanged from that in force in 1957. Commercial vehicles from the sterling area are now exempt from import licences.

Further details will be published in "Foreign Trade" when they are received, if necessary.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—It was announced recently that the South African Board of Trade and Industries had received the following representations respecting the tariff:

Increase of Duty on:

1. Men's socks of cotton, rayon and nylon, by the provision of an alternative specific duty of 9s. per dozen pairs in the intermediate column of the tariff.
2. Wool felt hoods, from 15 per cent ad valorem to 3s.6d. each.
3. Wool felt hats for men, from 20 per cent or 9s. per dozen (intermediate rate) to 3s.6d. each.
4. Shoulder pads, from free of duty to 25 per cent ad valorem.
5. Wallets, purses, note cases, writing sets, photograph albums, loose covers for books, notebook

covers, cheque book covers and pencil cases, made of leather, plastic and other leather substitutes, from 10 per cent ad valorem to 25 per cent ad valorem.

6. Staples, from 10 per cent and 15 per cent ad valorem to 50 per cent ad valorem.
7. Bitumenised paper (the extent of the increase desired was not stated).

Bringing into operation of the Suspended Duty on:

1. Gummed and Waxed Papers, to the extent of the whole suspended duties, provided for in item 295 (h) and (i), namely 15 per cent.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally taken under review soon after the announcements are made, interested Canadian firms should take action as soon as possible.

United Kingdom

MARKS OF ORIGIN REQUESTED ON CERTAIN IMPORTED APPAREL—The Board of Trade (a Department of the United Kingdom Government) announced on July 29 that it has referred to the Standing Committee appointed under the Merchandise Marks Act 1926 an application for an Order-in-Council under the Act which would make it necessary for certain imported articles of apparel made from woven cloth to bear an indication of the country of their origin. The apparel in question comprises:

Men's and boys' shirts and pyjamas;

Men's, boys', women's and girls' aprons and overalls, including overall jackets, overall longcoats, overall trousers, boiler suits and bib and brace overalls;

Men's and boys' long trousers of cotton, including jeans and slacks, but excluding trousers imported as part of a suit, and excluding shorts;

Women's and girls' cotton trousers including slacks and jeans, but excluding shorts.

A public inquiry will be held by the Standing Committee at a date to be announced but not earlier than September 9 which is the expiry date for representations opposing the application (e.g., re-export interests).

An Order has been in effect in the U.K. for some years requiring an indication of the country of origin on imported women's and girls' garments of woven fabrics of certain descriptions. Information about this may be obtained from the International Trade Relations Branch.

West Germany

MANY CUSTOMS DUTIES TEMPORARILY REDUCED—Customs duties on most imports into West Germany were reduced for the period from August 20 to December 31, 1957. The reductions are based on the rates existing on August 20. Accordingly, temporarily reduced rates in force on that date have been cut still further. Similarly, the reductions apply also to the rates on which Germany granted concessions under the GATT. The scale of reductions is as follows:

(a) Rates from $1\frac{1}{2}$ per cent to 2 per cent of the value of imports to be reduced to 1 per cent of the value;

(b) Rates from $2\frac{1}{2}$ per cent to 21 per cent of the value of imports to be reduced by 25 per cent of the duty.

The fractions of the tariff rates reduced pursuant to letter (b) above shall be rounded off to the full lower figure up to five-tenths and to the full higher figure above five-tenths.

The above-mentioned reductions do not apply to the following: agricultural products; goods falling within the scope of the European Coal and Steel Community; fiscal duties; specific duties (expressed in D Marks per unit of weight, etc.), and certain specified products in the non-agricultural sector. The latter category comprises the following products; certain chemical elements (tellurium, arsenic, silicon and boron); silicon carbide; glucose; lactose; casein; dextrins; certain vegetable glues; thread and cord of unhardened vulcanized rubber; dressed sheep and goat leather; leather of bovine cattle and other animals, undressed or dressed; patent leather; building board of wood pulp, vegetable fibre or of paperboard; yarn of wool, of continuous synthetic or artificial fibres, of flax and ramie, not put up for retail sale; hemp yarn; woven fabrics of wool, fine animal hair, synthetic or artificial textiles, flax, ramie and jute; wool velvets and plushes; embroidery and handmade lace; twine, cordage and rope; travelling rugs and blankets; glass beads and similar articles; certain ferro-alloys; certain springs of iron or steel; hand-operated lawn mowers; calculating machines, printing or not; parts and accessories of bicycles, even with auxiliary motor—Bonn, Aug. 15.

Information on the effective rates of duty on individual and particular items going into West Germany may be obtained from the International Trade Relations Branch of the Department of Trade and Commerce, Ottawa.

foreign trade service abroad

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

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
Denmark Greenland, Poland	C. F. Wilson, Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City address) *Cable:* CANADIAN *Tel.:* Tria 1602
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor J. J. B. Mountain, Assistant Commercial Secretary (Fisheries)	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith, Commercial Secretary for Canada A. L. Neal, Attaché J. H. Bailey, Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	Commercial Counsellor S. G. Barkley, Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire, Consul J. M. T. Thomas, Vice Consul	Canadian Consulate, 69 Ferdinandstrasse, HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Greece Israel, Turkey	A. B. Brodie, Commercial Secretary L. D. R. Dyke, Assistant Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner R. M. Dawson, Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong 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	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Commercial Secretary J. H. Nelson, Assistant Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India Goa	T. F. Harris, Canadian Government Trade Commissioner W. J. Collett, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	J. E. P. Lancaster, Commercial Secretary	Canadian Embassy, Djl. Budi Kemuliaan No. 6. DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Ireland	H. A. Gilbert, Commercial Secretary for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel:* 861-951

Territory	Officer	City Address	Mail and Cables, Office Telephone
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor K. F. Osmond, Commercial Secretary (Fisheries) J. G. Ireland, Assistant Commercial Secretary	Canadian Embassy, Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 861-951
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner M. S. Strong, Assistant Trade Commissioner	Barclays Bank Building, King Street, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	C. O. R. Rousseau, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	C. J. Van Tighem, Commercial Counsellor A. A. Lomas, Assistant Commercial Secretary	Canadian Embassy, Melchior Ocampa 463, 7th. Floor MEXICO 1, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 46-99-00
Netherlands	B. C. Butler, Commercial Counsellor W. R. Hickman, Assistant Commercial Secretary B. Horth, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 5-7, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	H. J. Horne, Commercial Secretary J. D. Blackwood, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	D. H. Cheney, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35 *Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Addre[illegible] *Cable:* CANADIAN *Tel.:* 53117

Territory	Officer	City Address	Mail and Cables, Office Telephone
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Offices 110-113, Central Africa House, Corner First St./Gordon Ave., SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner I. V. Macdonald, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House, The Foreshore, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	B. I. Rankin, Commercial Counsellor N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies, Guadeloupe, Martinique	R. W. Blake, Canadian Government Trade Commissioner P. T. Eastham, Assistant Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, 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	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	H. A. Gilbert, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Minister (Commercial) Dr. W. C. Hopper, Agricultural Counsellor Wm. Jones, Commercial Secretary W. A. Stewart, Assistant Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.059.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent August 19	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05247	19.06	(1)
		Free	.02168	46.13	
Austria	Schilling		.03632	27.53	
Australia	Pound		2.1030	.4755	
Belgium, Belgian Empire and Luxembourg	Franc		.01875	53.33	
Bolivia	Boliviano	Free	.0001117	8952.6	
British West Indies	Dollar		.5477	1.83	(2)
	Pound		2.62875	.3804	(3)
British Honduras	Dollar		.65719	1.52	
Brazil	Cruzeiro	Effective selling*			
		*Category I	.0127	78.70	*July 31
		Category II	.0106	94.52	
		Category III	.0079	125.95	
		Official buying	.0517	19.36	(4)
Burma	Kyat		.1983	5.04	
Ceylon	Rupee		.1972	5.07	
Chile	Peso	Free	.001574	635.3	(5)
Colombia	Peso	Free	.1879	5.32	
Costa Rica	Colon	Official	.1682	5.95	
		Controlled free	.1422	7.03	
Cuba	Peso		.9444	1.06	tax 2%
Czechoslovakia	Koruna		.1312	7.62	
Denmark	Krone		.1367	7.32	
Dominican Republic	Peso		.9444	1.06	
Ecuador	Sucre	Official	.06296	15.88	
		Free	.05449	18.35	
Egypt	Pound	Official	2.7118	.3688	(6)
El Salvador	Colon		.3778	2.65	
Fiji	Pound		2.3682	.4222	
Finland	Markka		.004106	243.5	
France, Monaco and North Africa	Franc		.002249	444.6	(7)
French Colonies in Africa	Franc		.004498	222.3	(8)
French Pacific	Franc		.01237	80.84	(9)
Germany	D Mark		.2248	4.44	
Greece	Drachma		.03148	31.77	
Guatemala	Quetzal		.9444	1.06	
Haiti	Gourde		.1889	5.29	
Honduras	Lempira		.4722	2.12	
Hong Kong	Dollar	Free*	.159	6.29	*August 9
		Official	.1643	6.09	
Iceland	Krona	Official	.05799	17.24	(6)
India	Rupee		.1972	5.07	
Indonesia	Rupiah	Free*	.051	19.61	*August 8
Iran	Rial	Certificate	.0125	80.21	
Iraq	Dinar		2.6443	.3782	
Ireland	Pound		2.6288	.3804	
Israel	Pound		.5247	1.91	
Italy	Lira		.001516	659.6	
Japan	Yen		.002623	381.2	

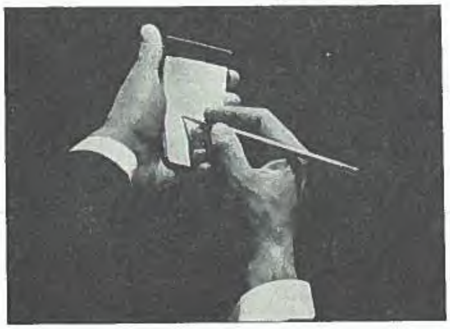
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent August 19	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.2969	3.37	
Mexico	Peso		.07555	13.24	
Netherlands	Florin		.2466	4.06	
Netherlands Antilles	Florin		.4969	2.01	
New Zealand	Pound		2.6288	.3804	
Nicaragua	Cordoba	Effective buying	.1431	6.99	
		Official selling	.1339	7.47	
Norway	Krone		.1322	7.56	
Pakistan	Rupee		.1972	5.07	
Panama	Balboa		.9444	1.06	
Paraguay	Guarani	Official	.01574	63.53	(6) (10)
Peru	Sol	Certificate	.04970	20.12	
Philippines	Peso		.4722	2.12	
Portugal & Colonies	Escudo		.03296	30.34	(11)
Singapore & Malaya	Straits dollar		.3067	3.26	
Spain & Dependencies	Peseta	Controlled free	.02249	44.46	(6)
Sweden	Krona		.1826	5.48	
Switzerland	Franc		.2204	4.54	
Syria	Pound	Free	.2639	3.79	
Thailand	Baht	Free	.04580	21.83	(6)
Turkey	Lira		.3373	2.96	
Union of South Africa	Pound		2.6288	.3804	
United Kingdom	Pound		2.62875	.3804	
United States	Dollar		.944375	1.06	
Uruguay	Peso	Free	.2314	4.32	
		Basic buying	.6211	1.61	(6)
		Principal selling	.4506	2.22	(12)
Venezuela	Bolivar		.2819	3.55	
Yugoslavia	Dinar		.003148	317.6	(6)

*Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Brazil: 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.
5. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
6. Additional rates are in effect.
7. France: rate applies to all imports and exports except certain basic raw materials. Territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 guaranis per U.S. dollar.
11. Portugal: approximately same rate for Portuguese Territories in Africa.
12. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports are divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.



General Notes

Cuba

NEW HOTEL—Sparked by tax exemptions and financial assistance, hotel accommodation is growing rapidly, particularly in the Havana area. The newest addition is the Havana Riviera Hotel, a joint United States-Canadian enterprise scheduled for completion by the end of the year. With an ideal ocean-front location, this Y-shaped, fully air-conditioned, deluxe hotel will be 19 stories high, have 400 rooms, and will cost $14 million. It will contain swimming pools, cabanas, gardens, open-air dining terraces, ample parking space, bars, coffee shops, conference halls, cocktail lounges, and a night club—Havana, Aug. 5.

Egypt

SUEZ CANAL PIPELINE—A pipeline is to be built from Suez to Port Said along the Suez Canal. The Egyptian Economic Organization, a semi-government entity, together with the Suez Canal Authority, will hold 51 per cent of the total capital; the remainder will be subscribed by foreign investors, chiefly Greek tanker operators. With the building of super-tankers of more than 60,000 tons which, fully loaded, cannot go through the Canal, it becomes economical to pump part of their cargo through a pipeline and reload at Port Said.

International tenders for the building of the pipeline, storage tanks and other installations will be published in the near future. Plans call for the construction of a pipeline with a capacity of 50,000 barrels a day and a diameter of between 22 and 26 inches—Cairo, Aug. 12.

El Salvador

DRY MILK PLANT—The Instituto Salvadoreno del Formento de la Produccion (INSAFOP) is studying the possibility of granting a loan of ₡750 thousand on a long-term basis to the Eastern Dairy Cooperative to build a dry milk plant. The installation of this factory is based on a co-operative plan in which UNICEF, the Government of El Salvador and the dairy producers will share.

UNICEF has already given to the Government of El Salvador for this plant equipment to the amount of ₡350 thousand (₡2.50=US$1.00) and the dairy producers have put up ₡150 thousand—Guatemala City, Aug. 8.

Mainland China

TOURS—The local office of the China Travel Service indicated recently that ten different tours are being offered to visitors to Mainland China. Chinese Communist authorities appear receptive to tourists, presumably to earn much-needed foreign exchange.

The tours will take the visitor to most parts of China with the exception of Yunhan, Sinkiang, Inner Mongolia or Tibet. The longest trip lasts for about five weeks and, beginning at Canton, costs approximately Can.$300—Hong Kong, Aug. 4.

Sweden

LARCH TREES—One of the leading Swedish wood pulp mills is planting larch trees for further use in the production of pulp. The reason for introducing larch is that a larger amount of pulp is obtained per cubic foot of larch than from spruce and pine; the larch also has more resistance to disease and insects, and grows rapidly on good land. But it cannot be floated and as auto-transport would be too expensive, large processing plants would have to be situated 60 to 70 miles at most from the pulp mills—Stockholm, July 4.

Thailand

TELEVISION—Pye of the United Kingdom has received an order worth approximately $450 thousand for a complete television station for Thailand, to be situated at Bangkok. Bangkok has had a television service for about three years, operated by the government administration which controls radio, and using an RCA transmitter. There are about 9,000 receivers in use—Singapore, Aug. 5.