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# foreign trade

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**COVER** Moonlight over Great Bear Lake brings into sharp relief the mine buildings at Port Radium, one of Canada's first uranium producers. With other rich mines now being exploited, uranium exports doubled in the first half of 1957 compared with the first half of 1956. For an intensive review of our export and import trade during the period and the part played by other commodities, turn to page two.

—Photo by George Hunter.

# CANADA'S FOREIGN TRADE

**. . . the first six months of 1957  
show exports and imports at a new peak but  
rate of expansion much slower than a year ago.**

MARCEL LANDEY, *Assistant Chief, External Trade Section, Dominion Bureau of Statistics.*

CANADA'S FOREIGN TRADE continued to increase in 1957 and reached a new first half-year record, but the high rate of expansion which characterized external trade during the past two years all but came to a halt. In the first six months of 1957, the value of total exports (domestic exports plus re-exports) rose only 1.2 per cent and the value of imports only 2.1 per cent above the corresponding totals for 1956. Imports continued to be larger than exports and the import balance somewhat exceeded the previous half-year record set in the first half of 1956. The average prices of exports and imports went up moderately in about the same proportion as the value gains, rising twice as much for imports as for exports. Consequently the terms of trade deteriorated slightly. There was no increase in the volume of trade in the first half of 1957.

The recent trends in Canadian foreign trade, on a quarterly basis and with allowance for the seasonal pattern affecting it, are illustrated in the accompanying chart. The seasonally adjusted series indicate that

the upward movement of trade (which started in 1954 following a decline from the previous peak in mid-1953) carried imports almost uninterruptedly to a new high level in the first quarter of 1957 but they fell off in the second quarter. Exports showed a downward trend, following the attainment of a new peak in the third quarter of 1956.

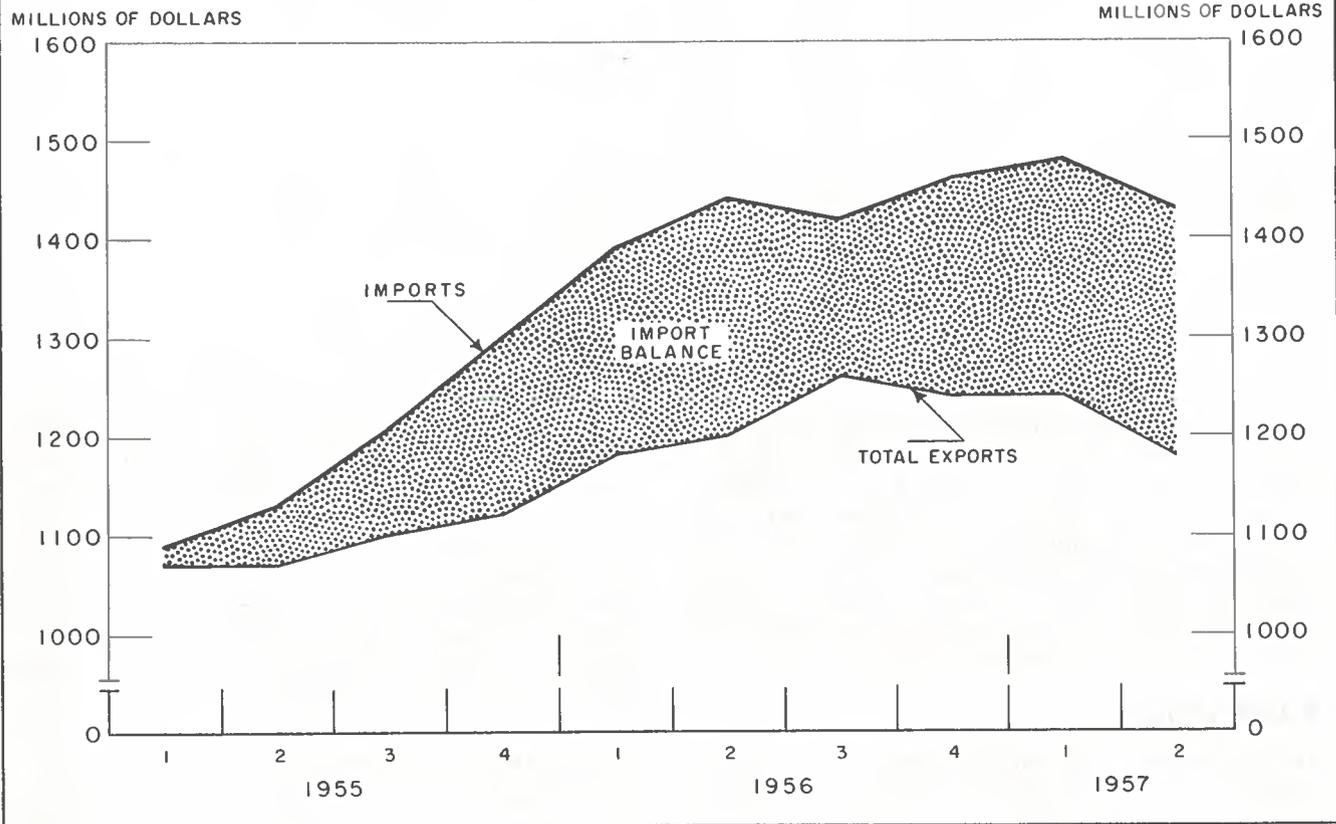
According to the latest international statistics, it now appears that Canada in 1956 was again the world's leader in trade per capita, followed by Belgium and Luxembourg. Canada last held this position in 1953 but yielded it to New Zealand during the next two years. Preliminary information suggests that the increase in Canadian foreign trade in the first half of 1957 was less than that for total world trade, but the data also indicate that the per capita trend has remained unchanged.

## **How Exports Fared**

The main development in the export picture in the first half of 1957 was the reversal of the recovery in wheat sales achieved a year ago; sales declined by over one-third to about the level of the

## EXPORTS AND IMPORTS, BY QUARTERS, 1955-1957

SEASONALLY ADJUSTED



first half of 1955. The outstanding upswing in the first six months of 1956 was due in almost equal measure to new and very high shipments to certain Soviet countries plus increases in sales to most other markets. In 1957 sales to the Soviet bloc declined by about four-fifths, with Poland the only customer, but the remaining countries together accounted for almost two-thirds of the total fall in wheat exports. There were also smaller shipments of wheat flour, barley, whisky, oilseed cake and meal, and rye. But sales of seeds, mostly flaxseed, doubled and there were also sharp gains for tobacco and oats. As a net result of these and other changes, the agricultural products group as a whole lost 70 per cent of last year's advance. The animal products group also declined further.

Exports of forest products, again accounting for close to one-third of total exports, were slightly lower. Planks and boards fell even more sharply than last year, by an amount exceeding the decline for the group as a whole. There was also a marked decrease for shingles and plywoods and veneers and a moderate

one for wood pulp. Newsprint, again the top-ranking export, went up at less than half the rate of increase of a year ago; shipments of pulpwood and pulpboard and paperboard were also somewhat higher.

Non-metallic minerals again showed the highest relative increase of all the major groups, although at a lower rate than last year. This was particularly true for petroleum and asbestos. Petroleum had the largest value gain of all commodities but with only a 75 per cent advance compared with almost 300 per cent last year. The chemicals group more than made up for a slight decline a year ago, with sizably higher exports of synthetic plastics but a small decrease in fertilizers. For non-ferrous metals—the second largest commodity group this year and ahead of agricultural products by a wide margin—the rate of increase was virtually maintained. Uranium exports (all of which went to the United States), again doubled. Exports of aluminum, nickel, zinc and lead also gained markedly in value but copper and platinum metals did not.

Exports of iron ore contributed less than one-tenth to the increase in the iron and its products group, compared with 30 per cent last year. There were sharp

## Summary Statistics of Canadian Trade

	1955		1956		1957	Change	
	1st half	2nd half	1st half	2nd half	1st half	1st half '55 to	1st half '56 to
<b>VALUE OF TRADE:</b>							
			\$'000,000				
Total exports .....	2,063.3	2,288.0	2,304.0	2,559.1	2,330.5	+ 11.7	+ 1.2
Imports .....	2,209.4	2,503.0	2,845.3	2,860.1	2,904.6	+ 28.8	+ 2.1
Trade balance .....	-146.1	-215.0	-541.3	-301.0	-574.1	....	....
<b>PRICE INDEXES:</b>							
			1948=100				
Export prices .....	116.8	118.7	120.9	122.0	122.4	+ 3.5	+ 1.2
Import prices .....	109.9	111.4	113.6	112.6	116.3	+ 3.4	+ 2.4
Terms of trade .....	106.3	106.6	106.4	108.3	105.2	+ 0.1	- 1.1
<b>CONSTANT DOLLAR VALUES:</b>							
			\$'000,000 of 1948				
Total exports .....	1,766.5	1,927.5	1,905.7	2,097.6	1,904.0	+ 7.9	- 0.1
Imports .....	2,010.4	2,246.9	2,504.7	2,540.1	2,497.5	+ 24.6	- 0.3

increases for non-farm machinery, rolling mill products, pigs and ingots, and passenger cars but declines in farm implements, trucks, auto parts and locomotives. In the field of air and water transport, there were two contrasting developments. Aircraft, which a year ago had one of the highest rates of gain among the principal export items, showed the largest percentage drop. But sales of used ships rose fifteenfold, more than any other leading export commodity.

### A Look at Imports

The import picture in the first half of 1957 differed somewhat from a year ago, when substantial gains were widely spread among the major commodity groups. Iron and steel products continued to account for two-fifths of total imports and set a new record for any half-year period. However, the group rose only slightly, compared with a 50 per cent advance a year ago when all the main items showed increases. Non-farm machinery was as usual the leading import and again registered the largest gain in value, exceeding that for the group as a whole. Pipes, tubes and fittings had the greatest relative increase among principal imports and, with non-farm machinery, reached a new record half-year value. There were also larger purchases of rolling mill products, engines, farm implements, tools, and ball and roller bearings. But passenger cars, which fell by one-third, showed the largest drop of all import items; auto parts, tractors, trucks, cooking and heating apparatus, iron ore and scrap iron and steel also showed declines.

The situation in fuels was also mixed, with an increase in bituminous coal but not anthracite, a decline for fuel oils and gasoline, and a gain of over one-fifth in crude petroleum. The chemicals and allied products group advanced slightly. But textiles did not quite hold their own, with lower purchases of raw cotton

and wool and gains in cotton, wool and synthetic fabrics, and miscellaneous apparel. Turning to the other major imports, fruits, vegetables, sugar, rubber (but not its products), tea, nuts, fur skins, electrical apparatus, bauxite and alumina and tourist purchases showed increases. But there were declines in coffee, timber, paper products and printed matter other than books, platinum metals, aluminum manufactures, glass, brick and tile, aircraft, non-commercial items, and refrigerators and freezers.

### U.S. Retains Dominant Role

The United States was, as usual, Canada's leading trading partner, continuing to take about 60 per cent of our exports and supplying close to 75 per cent of our imports. The value of exports to the United States increased at the same rate as did total exports and set a new first half-year record. Forest products was still the largest major commodity group, but its share was reduced somewhat to about two-fifths of total exports to the United States because of a moderate decline to about the level of the first half of 1955. Planks and boards, which had by far the greatest value fall of all commodities, accounted for most of the drop. Exports of wood pulp also went down, but there was an equivalent value increase for newsprint, which remained the top-ranking export to the United States. Export of shingles and plywoods and veneers declined substantially and pulpwood only fractionally. In non-ferrous metals, as usual the second largest major commodity group, uranium accounted for most of the gain. There was a sizable increase in exports of aluminum and a moderate one for nickel and lead, partly offset by declines in copper, zinc, platinum metals and electrical apparatus. Exports of petroleum again showed the greatest gain in value of all commodities. Among some of the other principal exports,

## Selected Export and Import Commodities

### DOMESTIC EXPORTS

	January-June		Change %
	1956	1957	
	\$'000,000		
Wheat	258.3	165.3	- 36.0
Seeds	30.0	57.8	+ 92.7
Fish and fishery products	57.8	53.9	- 6.7
Newsprint paper	345.0	354.5	+ 2.8
Wood pulp	152.5	149.8	- 1.7
Planks and boards	162.0	132.0	- 18.5
Farm implements (ex-tractors)	47.2	40.4	- 14.4
Iron ore	32.3	33.4	+ 3.4
Machinery (non-farm)	19.9	28.5	+ 43.2
Rolling mill products (steel)	11.7	17.2	+ 47.0
Automobiles, passenger	9.4	13.6	+ 44.7
Nickel	114.0	126.7	+ 11.1
Aluminum	98.6	126.0	+ 27.8
Copper	94.3	84.1	- 10.8
Uranium ores and concentrates	22.0	44.7	+ 103.2
Petroleum, crude	46.3	80.0	+ 72.8
Asbestos, unmanufactured	46.9	48.0	+ 2.3
Ships and vessels	1.5	22.0	+ 1,466.7
Aircraft and parts	26.0	10.7	- 58.8
All other commodities	694.3	698.5	+ 0.6

### IMPORTS

	January-June		Change %
	1956	1957	
	\$'000,000		
Coffee	32.2	30.7	- 4.7
Sugar, unrefined	21.8	28.7	+ 31.7
Rubber	21.5	21.6	+ 0.5
Fibres, textiles and products	217.4	216.1	- 0.6
Machinery (non-farm)	309.5	348.6	+ 12.6
Automobile parts	157.5	156.4	+ 0.7
Rolling mill products (steel)	120.8	125.0	+ 3.5
Tractors and parts	90.9	87.7	- 3.5
Pipes, tubes and fittings	57.8	79.3	+ 37.2
Engines, internal combustion	63.5	70.9	+ 11.7
Automobiles, passenger	94.3	63.2	- 33.0
Farm implements (ex-tractors)	43.6	48.2	+ 10.6
Electrical apparatus, n.o.p.	125.8	128.9	+ 2.5
Petroleum, crude	120.1	147.2	+ 22.6
Petroleum products	66.0	57.2	- 13.3
Coal	56.8	55.4	- 2.5
Chemicals and allied products	148.5	150.8	+ 1.5
Aircraft and parts	54.4	51.7	- 5.0
Refrigerators and parts	29.6	22.6	- 23.6
All other commodities	1,013.3	1,014.4	+ 0.1

there were marked increases for non-farm machinery, engines and electrical energy, and moderate gains for iron ore and fresh and frozen fish. Exports of farm implements, asbestos, fertilizers, whisky, barley and wheat decreased.

Imports from the United States rose at half the rate of increase in total imports and slightly exceeded the previous record for any half-year period, set in the first six months of 1956. Iron and steel (as usual the largest major group) again accounted for almost one-half of imports from the United States. However, for the first time since 1954 the group did not quite hold its own, declining fractionally compared with an almost 50 per cent gain a year ago. Of the principal items in the group that went up—non-farm machinery, as usual the leading import, pipes, tubes and fittings, farm implements, tools and engines—none except the last rose at nearly as high a rate. The greatest drop in value among all import commodities was in passenger cars, imports of which, boosted by a temporary shortage of certain makes last year, were cut almost in half. There was also a marked decline for freight cars and moderate decreases for auto parts, rolling mill products, tractors, and cooking and heating apparatus. The largest relative increase among those groups that went up in value was in fibres and textiles, the only group that showed no gain in 1956. This resulted mainly from a 350 per cent upswing in purchases of raw cotton in a virtually complete switch from Mexico; this reversed the situation prevailing a year ago. Purchases of cotton and synthetic fabrics were also larger. Imports of bituminous coal rose slightly but all the other major fuels, such as anthracite coal, petroleum, fuel oils and gasoline, went down.

There were moderate increases in electrical apparatus, tourist purchases, and medical, optical and dental goods, but declines for aircraft, refrigerators and rubber products.

### Trade with Britain

Trade with the United Kingdom continued in the pattern of the first half of 1956. Exports fell again by just over 8 per cent or about twice the rate of decrease last year. Imports went up by 9 per cent, or only at about one-third of the rate of increase a year ago. Consequently the United Kingdom's share of Canadian exports declined to about 15 per cent, and its proportion of our total imports rose to 9 per cent. On the export side, most groups declined. The greatest individual fall, even exceeding somewhat the total export decrease, took place in wheat which, however, retained its rank as the top export. Of the other leading agricultural exports, wheat flour and oilseed cake and meal declined but tobacco, flaxseed and barley showed marked gains. Non-ferrous metals, which fell very slightly, moved ahead of agricultural products by a narrow margin to become the largest major group in the first half of 1957, with declines in aluminum, platinum metals and lead but gains in copper, nickel and zinc. Exports of forest products were again smaller, planks and boards alone falling by twice the amount of the decline for the group as a whole. There was some loss in sales of newsprint but not in wood pulp and pulpboard and paperboard. Iron ore, ferro-alloys, rolling mill products and non-farm machinery also registered increases.

## Direction of Canadian Trade

TABLE I

### TOTAL EXPORTS

	January-June		Change %
	1956	1957	
	\$'000,000		
United States .....	1,373.6	1,391.2	+ 1.3
United Kingdom .....	371.4	341.0	- 8.2
Other Commonwealth and Ireland .....	133.5	118.7	-11.1
Other Europe .....	252.1	259.8	+ 3.1
Latin America .....	81.0	112.8	+39.3
Other Countries .....	92.4	107.1	+15.9

TABLE II

### IMPORTS

	January-June		Change %
	1956	1957	
	\$'000,000		
United States .....	2,117.2	2,139.2	+ 1.0
United Kingdom .....	238.8	260.1	+ 8.9
Other Commonwealth and Ireland .....	98.0	108.6	+10.8
Other Europe .....	128.5	143.7	+11.8
Latin America .....	182.4	186.5	+ 2.2
Other Countries .....	80.3	66.5	-17.2

Imports from the United Kingdom were the highest for any half-year period and were even more concentrated on iron and steel products than a year ago. This group augmented its share of total imports to close to two-fifths and accounted for four-fifths of the increase. Marked gains were registered for non-farm machinery, pipes, tubes and fittings, castings and forgings, wire and products, auto parts, tractors and hardware. The textiles group went up at a considerably lower rate than a year ago, with increases for wool fabrics and noils and tops, cotton fabrics and miscellaneous apparel, but not for cotton yarns, wool yarns, carpets and mats, and coated and impregnated cloth. Aircraft showed the largest gain in value for an individual commodity, and there were also marked advances in non-commercial items and electrical apparatus.

### Exports to Europe Reach Record

Exports to Europe reached a first half-year record, but rose only 3 per cent compared with over 50 per cent a year ago. The greatest change in the first half of 1957 occurred in wheat—as it did in 1956. A year ago, shipments of wheat accounted for close to half of total exports to Europe and almost 90 per cent of the increase. In the current year, wheat fell by two-fifths to register by far the largest individual export decline. Three-quarters of this drop resulted from lower sales to Soviet countries, which in the first half of 1956 contributed about three-fifths of the increase in total wheat exports to Europe. But exports of seeds rose about fourfold, with particularly sharp gains for flaxseed and rapeseed. Aluminum, nickel, asbestos, chemicals and allied products, iron ore and iron and steel products also made notable advances.

Imports from Europe also attained a new first half-year peak with a 12 per cent increase. A year ago import gains were widespread, with particular emphasis on iron and steel products. These more than doubled over the first half of 1955, accounting for about one-third of total imports from Europe and half of the total gain. In the first half of 1957 this iron and steel group became even more important, increasing its share to two-fifths and showing a gain of about the same magnitude as that in total imports. The leading iron and steel items—such as rolling mill products, non-farm machinery, pipes, tubes and fittings and passenger cars—had increases ranging between 40 and 70 per cent. Imports of textiles went up by two-fifths, with a four-fifths advance for wool fabrics. All of Canada's principal trading partners participated in the increase in trade with Europe, especially Italy, France, the Netherlands and West Germany. The latter increased its share of Canadian exports to Europe from one-fifth to a quarter, with a value gain two-thirds as large again as that in total exports to Europe. Germany also increased its share of Canada's imports from this area to close to one-third, contributing two-fifths of the total gain.

### Sales to Commonwealth Fall

Exports to the Commonwealth fell 11 per cent to about the level of the first half of 1955. Planks and boards, the top-ranking export to that area, somewhat more than held their own. But wheat, the second-ranking commodity in 1956, fell by almost three-fifths as a result of the disappearance of shipments to the Union of South Africa. Shipments of locomotives, virtually all to India and Pakistan, which rose fivefold a year ago to make this commodity the third leading export item, ceased almost entirely. Exports of auto parts, mainly to Australia, which in the first half of 1956 were of about the same order of magnitude as those of locomotives, were cut in half. Another drastic decline of 90 per cent following a thirtyfold gain a year ago took place in aircraft and affected almost entirely shipments to South Africa. But exports of aluminum almost quadrupled, those of copper more than doubled, and there were also marked advances in newsprint, wood pulp, passenger cars, non-farm machinery, electrical apparatus, asbestos and synthetic plastics. Total exports to the Union of South Africa and India fell sharply and there were more moderate declines in shipments to New Zealand, Jamaica and Pakistan.

Imports from the Commonwealth went up 11 per cent. The increases in shipments of alumina and bauxite accounted for four-fifths of the total import gain and resulted in a doubling of total imports from Jamaica. Sugar, as usual the leading import from the Commonwealth, went up by two-fifths and the increase was spread among all the suppliers except Fiji. Imports

of tea and cocoa rose but those of rubber and coffee fell.

### Latin American Market

Exports to Latin America went up by almost 40 per cent, and more than half of the gain resulted from sales of used ships to Panama. The rest of the advance was accounted for by the near-doubling in iron and steel products which increased their share of the export total from one-fifth to close to 30 per cent. Except for farm implements, sales of which declined, all the principal items in this category rose very substantially, especially locomotives (mainly to Argentina), non-farm machinery and rolling mill products. There were also marked advances in newsprint, again the leading export to Latin America, aluminum and synthetic plastics. On the other hand, exports of aircraft, mainly to Colombia, were cut by three-fifths and there were further declines in wheat flour and wheat. Panama had the sharpest absolute and relative gain in total exports, with an 800 per cent increase. Exports to Argentina almost trebled and to Brazil about doubled. There were also sizable gains for Mexico, Peru and Chile but substantial declines for Colombia and Ecuador.

Imports from Latin America attained a new peak for any half-year period but rose only slightly. Purchases of raw cotton from Mexico, which a year ago amounted to about four-fifths of total imports of this commodity, were virtually eliminated; this accounted for a 70 per cent decline in imports from that country. But imports of petroleum, all from Venezuela, rose by nearly 40 per cent, accounting for two-thirds of total imports from Latin America. Purchases of coffee were slightly lower, with Brazil, but not Colombia, increasing its share of the total. There was hardly any change for bananas but a sizable redistribution among the individual suppliers, with sharp gains for Costa Rica and Honduras and declines in purchases from Ecuador and Panama.

### Sales to Other Countries.

Canada's exports to the rest of the world rose but imports fell, with Japan accounting for over half of total trade with that group of countries. Exports to Japan went up about sixteen times more in value than imports from that country, with main gains in primary steel, aluminum, lead, wood pulp, flaxseed and barley. There were also sharp increases in exports to Korea, mainly in fertilizers, and to Israel, where wheat sales totalled twice the total export gain. Vat shipments of fuel oil and gasoline from the Netherlands Antilles were lower and imports of petroleum from the Middle East fell by two-thirds. ●

OCTOBER 12, 1957

### Canadian Cattle Top Colombia Shows

EIGHT DAIRY COWS FROM CANADA came through for their Colombian owners to win trophies donated by the Government of Canada for best Holstein herd (four cows) at the Bogotá Agricultural Fair and at the all-Holstein show at Le Ceja. Bogotá winner of the silver tray was Dr. Nemesio, a top breeder of Holstein cattle in Colombia; Canadian cattle predominate in his herd. At La Ceja, four imported Canadian cows owned by Dr. W. Gil Sanchez won the "Trofeo Canada".



*The Canadian Ambassador to Colombia (second from right) presents the silver tray donated by the Government of Canada to Dr. Nemesio, exhibitor of the best Holstein herd (four cows) at the Bogota Fair.*

Canadian Holsteins, either imports or their offspring raised in Colombia, swept the prizes at the Bogotá Fair again this year. Imported Canadian animals entered in the show took five firsts and Canadian gets captured nine firsts in the seventeen classes. Canadian breeding showed up well in the awards, winning the junior champion and reserve junior champion male and female, the senior male and female, the grand champion male and female, and the reserve champion female. At the La Ceja Holstein show 257 entries competed for top honours in 17 classes; Canadian imports took three firsts, and offspring with Canadian sires and dams took five.

Many breeders in Colombia have expressed interest in coming to Canada to buy cattle as soon as current restrictions on imports are lifted; the trophy has served to keep up interest in the meantime.

—W. B. McCULLOUGH,  
*Commercial Counsellor, Bogotá.*

# Japan Buys Farm Products

*Last year Canada sold Japan nearly \$80 million worth of agricultural products, with wheat and barley in the lead. Though Japan is now curtailing certain imports, prospects appear good for continued sales of these two products; demand for oilseeds, however, may drop considerably.*

J. L. MUTTER, *Commercial Counsellor, Tokyo.*

AGRICULTURAL PRODUCTS today represent, in value, anything from two-thirds to three-quarters of total Canadian exports to Japan. In 1954, when our commodity exports to this market reached \$96.4 million, agricultural products accounted for \$70.3 million or 73 per cent; in 1955, out of \$90.8 million, they accounted for nearly 76 per cent (or \$69.0 million) and last year, when our total shipments rocketted to \$127.8 million, they reached \$79.9 million, or 62 per cent.

The most important of our agricultural exports to Japan are:

	1954	1955	1956
Wheat .....	\$ 50,819,253	\$ 52,698,813	\$ 56,677,193
Barley .....	13,081,556	5,779,012	10,762,169
Wheat flour .....	1,539,855	1,361,562	1,311,785
Flaxseed .....	3,760,595	4,923,987	6,307,368
Mustardseed .....	20,686	71,880	2,068,388
Rapeseed .....			686,748
Seeds, n.o.p. ....		2,218,962	
Calfskins and kips, raw .....	260,825	279,751	657,306
Cattle hides, raw .....	434,643	908,537	869,775
Tallow .....	436,649	785,364	622,959
	<hr/>	<hr/>	<hr/>
	\$ 70,354,062	\$ 69,027,868	\$ 79,963,691

The predominant position of wheat and barley is obvious. In 1955, only the United Kingdom bought more wheat from Canada than did Japan. Last year, West Germany was Canada's second best customer for wheat, with Japan third. In both years Japan was our third best customer for barley, after the United Kingdom and the United States.

Our principal competitors in the Japanese market for wheat are the United States, Australia and Argentina,

and for barley, the United States and Australia. Thus, of total wheat imports into Japan in 1956 of 2,277,022 metric tons, the United States supplied 1,080,143, Canada 904,471, Australia 250,000 and Argentina 41,736. Of barley imports last year of 922 thousand metric tons, the United States furnished 400 thousand, Australia 300 thousand and Canada 200 thousand.

## Grain Imports Needed

With her huge population of 90 million and limited land area—less than one-sixth of which is arable—Japan is obliged to import roughly 20 per cent of her food requirements. Rice is the staple food and domestic crops over the past several years have averaged 10½ million tons. Domestic wheat production ranges from 1¼ to 1½ million tons a year; Japanese barley growers over the last five years have delivered to the market an average of 2.4 million tons a year. But this domestic production of cereal grains falls short of requirements by a substantial margin and imports are necessary each year. The volume of these imports naturally varies from one year to another, depending upon local crops, availability of foreign exchange and other factors. But for the fiscal year ending March 31st next, the foreign exchange budget makes tentative provision for the import of 500 thousand tons of rice, 2.4 million tons of wheat, and 880 thousand tons of barley.

During the first half of the fiscal year, April-September 1957, the Food Agency, a branch of the Japanese Ministry of Agriculture which is responsible for the import of all bulk foodstuffs, expects to order 1.2 million tons of wheat, of which Canada will probably supply about half. Barley orders for this period are expected to reach about 400 thousand tons, of which as much as one-third could go to Canada. The foreign exchange budget for the second half of the fiscal year,

October 1957-March 1958, will not be announced until late September. As a result of bad weather, domestic wheat and barley crops are each expected to fall about 200 thousand tons short of average. Thus present indications are that the quantities of wheat and barley imported will be about the same as in the first half, despite measures such as some curtailment of imports which are currently being taken to redress Japan's balance-of-payments position.

### **Wheat Consumption Rising**

Over half a century ago a Canadian Government official in charge of a display at the Japan Exposition in Osaka noted that the future for Canadian trade with Japan was bright and that "the Japanese were beginning to eat bread instead of rice". Today, it is probably true to say that their eating habits have altered greatly. Certainly in the last twelve years the consumption of bread has increased substantially, in addition to the traditional consumption of wheat, both domestic and imported, in the form of noodles. This increase is due to a great extent to the institution of the school lunch program which provides a bread sandwich for each of about eight million children every day. This program is one manifestation of the Japanese Government's policy to encourage and increase bread consumption in Japan in the interests of the national health. As the present generation of school children grows up and as new generations acquire a taste for bread, a firm foundation is being laid for a large, continuing and growing market for wheat, in which Canada can expect to participate strongly. Japanese millers are well aware of the high quality of Canadian wheat. Their customers, the bakers, recognize the baking strength of flour milled from it, especially in breadmaking. And in the terms of our Trade Agreement with Japan, the Japanese Government undertakes to accord Canada unconditional non-discriminatory treatment with respect to the import into Japan of nine listed commodities, the first of which is wheat.

### **Opportunities for Barley**

Barley imported into Japan is largely used for the production of a cereal food known as "seibaku". This is produced by hulling the grain, pearling it, steaming it, and rolling or pressing it. To be suitable for this purpose, barley must be uniformly white in colour. The "seibaku" when it is processed resembles rice, is mixed with the latter, and in periods of rice shortage forms an important part of the Japanese diet.

Home-grown barley, on which the "seibaku" process was developed, enjoys first preference in the market, followed by Australian Chevalier No. 3 and Californian. Canadian barley is handicapped in this market because our barley grading system is aimed at supply to maltsters and for animal feed. Because several varieties of

barley can be mixed in Canadian grades, poor uniformity for seibaku processing results. In the 1951-52 and 1952-53 crop years when barley was in short supply, shipments from Canada ran as high as 300 thousand and 450 thousand tons respectively. Since then, and especially last year and the year before when Japan enjoyed two bumper rice crops in succession, the demand for barley has lessened and imports of the Canadian grain have declined accordingly. With this year's domestic barley yield expected to be below average because of poor growing conditions, there is reason to hope that barley shipments from Canada may show some improvement.

### **Wheat Flour Also Imported**

As a wheat-importing country with a flour-milling capacity of about 270 thousand barrels per day, it is noteworthy that Japan currently imports quite impressive quantities of wheat flour—about 32,000 metric tons in 1955 and 46,000 last year. Canada currently obtains about one-third of this business and the United States two-thirds. These imports represent mainly the clear flour requirements of an industry producing monosodium glutamate, a food-seasoning preparation which is used extensively throughout Japan and exported to many countries, especially those of South East Asia.

### **Canada Supplies Oilseeds**

Although Japan is a large producer of oilseeds, she also imports substantial quantities of rapeseed, flaxseed and mustardseed. Japanese statistics show that in 1955 imports of these three types reached 19,000, 58,000 and 10,000 tons respectively. In 1956, they totalled 12,000, 55,000 and 30,000. Of these imports, Canada has provided an important share; in 1956, according to Japanese figures, she sold Japan 8,281 metric tons of rapeseed, 41,000 of flaxseed and 12,600 of mustardseed. The other principal supplying countries are the United States, Mainland China, and Ethiopia.

The trade in flaxseed is particularly important. In 1955 and 1956, between one-sixth and one-seventh of our total flaxseed exports went to Japan and in the three years 1954-1956, Japan bought more flaxseed from Canada than from any other source. The business in rapeseed is spasmodic because foreign exchange is not granted for it unless supplies of edible oil are short. In 1955, however, nearly 80 per cent of Canada's total rapeseed exports went to Japan, filling 75 per cent of Japan's import requirements.

Japan is the second largest direct importer of Canadian mustardseed. Her imports of this commodity last year totalled about 30,000 metric tons, split roughly between Canada and the United States, with about 2,300 tons from Mainland China. Because the bulk of

the mustardseed raised in Canada is grown on a contract basis for United States firms, and because the United States in turn exports substantial quantities to Japan, the Japanese market is clearly an important one to Canadian producers.

Prospects for Canadian rapeseed and mustardseed in this market during 1957 are not bright; in fact, it is doubtful whether there will be any imports whatever, except possibly from Mainland China on a barter basis. This outlook is based on the reasonably promising domestic rapeseed crop estimates and the cutting down of unnecessary imports now taking place to improve the balance-of-payments position. For the same reasons, no import licences for mustardseed have been issued so far in the current fiscal year, although it is believed that some imports during the last quarter of 1957 may be authorized.

### **U.S. Supplies Hides and Tallow**

Japan's imports of hides and skins just now consist of anything from 8,000 to 10,000 metric tons a year of raw calfskins and from 45,000 to 55,000 metric tons of raw cattle hides. The United States is the principal supplier under both headings. Canadian participation in the trade in cattle hides in 1956 was 3,197 tons out of total Japanese imports of 56,772 tons. Of this, the United States supplied over 42,000 tons, followed by Australia with 3,554. This trade has its ups and downs, with importers buying in the best available market.

Slightly over 232 million pounds of beef tallow were imported into Japan last year. Of this, 209 million came from the United States, 10 million from Australia, and 6 million from New Zealand. Canada's share was a mere 7.5 million pounds, but it was valued at \$623 thousand and represented 15 per cent of our total exports of a product for which North American renderers are now actively seeking export markets. This search is spurred by the increasing popularity of synthetic detergents at home and the consequent falling-off of demand for tallow by the Canadian soap industry.

### **Interest in Grade Cattle**

Occasionally Japan purchases a few purebred Jersey cattle from Canada—eleven head in 1955 valued at \$13,000, and three head last year, valued at \$6,500. At the present time, however, the interest here is mainly in grade cattle and in these types Canadian suppliers are unable to compete on a landed-cost basis with Australian, and New Zealand shippers. Earlier this year, it is understood, arrangements were completed for the sale by Australia to Japan of about 3,000 head of Jersey grade cattle, the shipments to be financed by an International Bank loan from Australian sources. ●

## **Japanese Reclaim Land**

AT PRESENT JAPAN IMPORTS about one-fifth of its food requirements. For the fiscal year ending March 1956, nearly 14 per cent (\$532 million) of total imports represented the cost of foodstuffs. A growing food deficit in this country of 90 million people (increasing at the rate of one million a year) can be avoided only by developing unused lands for agriculture. Potentially arable land is estimated at 2.5 million acres. Efforts to reclaim some of this acreage have been confined to settling farmers on the land and supporting them while they attempted to clear and prepare areas for cultivation by hand labour. Now a loan of \$4.3 million from the World Bank will allow an intensive program of reclamation, including imports of dairy cattle. Most of the loan will be used to import equipment to be operated on pilot projects for determining the feasibility of land reclamation by modern mechanical methods.

Reclamation projects are being carried out in three different areas of northern Japan. The completion of work in Kamikita (northern Honshu), the Konsen plain (eastern Hokkaido), and the Ishikari River valley (western Hokkaido) is expected to transform 54,000 acres of uncultivated land into productive mixed-farming land. If pilot studies prove successful, mechanized reclamation will be used on a larger scale in other localities.

A government agency, the Hokkaido Development Bureau, has already started on the general economic development of Hokkaido Island. Earthmoving and construction equipment required for the drainage, top dressing, and irrigation of 30,000 acres of peatlands in the Shinotsu area of the Ishikari Valley will be partly financed by the World Bank loan. If plans are successful, nine million "koku" (1 koku=5.12 bushels) of cereals will be produced in 1961 (7.7 million koku in 1954) and the dairy population should increase to 163 thousand head from 90 thousand over the same period. Similar projects are planned on the main island of Honshu. According to recent reports, priority is to be given this year to the draining of the Hachirogata Lagoon in Akita Prefecture, and of Isahaya Bay in Nagasaki Prefecture. Completion of those two schemes would provide about 50 thousand acres of new farm land.

J. L. MUTTER,  
*Commercial Counsellor, Tokyo.*

*a new approach to . . .*

# Educating the Agent

*Aware of the key role overseas agents play in building export sales, one Canadian company recently organized a head-office conference attended by its agents from sixteen different countries. Here is a report on this imaginative idea and how it was worked out*

WHEN MR. AND MRS. E. OILING of Stockholm, Mr. Peter Lee of Manila, and Mr. and Mrs. Arturo Samudio of Barranquilla, Colombia, arrived in Montreal early in September, they had one thing in common. They had come to Canada to attend, with 25 other persons from widely separated countries, a six-day export representatives' conference—an unusual venture organized by a Canadian company.

Noranda Copper and Brass Limited first conceived this imaginative idea about a year ago. Primarily the company felt that a conference of this kind would help to solve a problem common to most exporters—how to educate good agents in the uses of the product, keep them enthusiastic, and keep them selling. Almost as important was the idea that here was an opportunity to sell Canada, and especially the range and diversity of our industrial production.

Planning for the conference began about ten months ago, directed by the export manager. So attractive was the program laid out and so persuasive the invitation extended that when the conference opened early in September, the company's agents in 16 different countries were on hand—including nine Latin American countries (Mexico, Dominican Republic, Cuba, Colombia, Venezuela, Peru, Brazil, Argentina), Bermuda, Spain, Sweden, Iran, the Philippines, Japan, India, and New Zealand. Twelve of the agents brought

their wives with them and a special ladies' program was arranged for them.

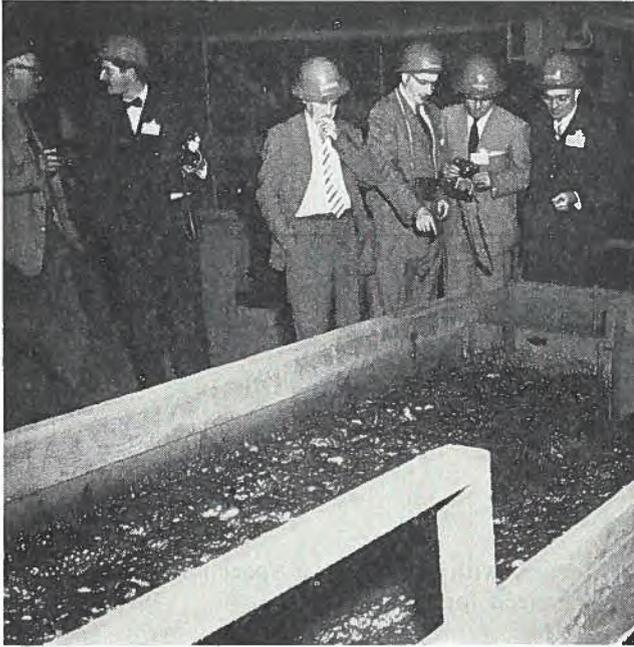
## **Problems Talked Over**

Part of the program naturally consisted of tours of the mines producing the ores and the mills smelting them and fabricating copper and brass products. Particularly useful were the sessions at which agents and company officials sat down to discuss informally uses of these products and problems that crop up in selling them. Each side gained from the exchange of comments and ideas. The export representatives learned about new uses for the products in industries with which they were not familiar. Two of the agents, in turn, told the company of novel end-uses in their countries. Out of this discussion came the suggestion that the company prepare a booklet detailing the end-uses of copper and brass for the guidance of its agents everywhere.

An hour or two devoted to talking about competitive products or substitutes in the agents' home countries and selling conditions in each proved equally stimulating. Sitting in on this, in addition to the export manager, were the top executives—such as the vice-president and general manager, the sales manager, and the credit manager. In fact, the vice-president and general manager attended all the sessions.

## **New Agencies Obtained**

Canadian trade in general should receive a fillip as a result of the conference. Not all the time was spent on Noranda business: at one round-table the agents compared notes on their success in selling a range of Canadian products. A report on the good market for Canadian fine papers in Venezuela, for instance, stimulated other Latin American delegates to look into the possibilities. The program allotted time for investigating these other trading connections. Before the con-



*A group of export representatives attending the conference watch one of the operations at the concentrator at Noranda Mines Limited. They followed with interest the various stages of processing the ore and fabricating end products.*

ference planning was even completed, the export manager offered, with the help of the Montreal Board of Trade, to make initial contacts for agencies in non-competing lines. The delegates were also asked to invite to one of the cocktail parties any persons with whom they hoped to conclude agency agreements. The pleasant, informal atmosphere proved conducive to doing business. The result: a number of the representatives have already taken on three or four new Canadian agencies. Many of them stayed in Canada for a week or more after the conference concluded and then went on to the United States to do further business there.

### **How the Company Benefited**

How does the company itself profit from a venture like this? Undoubtedly, its officials learned at firsthand a great deal about the market in many countries and about competitive conditions in each. They discovered how they could help the agents do a better selling job and what sales aids to offer. As one observer remarked, out of the discussions a "more flexible and effective export sales policy" should emerge. The bond between company and agents was strengthened. Talk of another conference of this type in five years is the best testimony to its value.

### **Points Worth Noting**

To other Canadian companies which might like to plan a similar conference, Noranda's export manager offers a few pointers. The first is to invite the wives to attend with their husbands. This adds immensely to the success and the value of a conference and special

entertainment for the ladies is not difficult to plan. Second, don't be afraid of the language problem; if someone can translate from Spanish into English or French, it usually takes care of the matter. Third, be sure to get the support of top management from the inception of the plan. Fourth, if the problem of cost looms large, it should be feasible for two or three companies in non-competitive fields to plan a conference together and share the expense. The export representatives who came to the Noranda conference paid their way to and from Canada; the company picked up the tab for them during the conference.

When the delegates to this unique conference left for home, they took with them new knowledge of Canadian industry, the Canadian countryside, and the Canadian people. Their visit should bear fruit in the years ahead, not only in terms of increased trade but in greater mutual understanding.

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### **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.*



## Commodity Notes

### Australia

**SULPHURIC ACID**—The first plant in Australia to produce sulphuric acid from oil refinery gases is to be built at Geelong, Victoria. The plant will produce 100 tons of sulphuric acid a day by burning hydrogen sulphide gas. The acid produced by the plant will be sold for use in the manufacture of fertilizers and for other industrial purposes—Melbourne, Sept. 11.

**TINPLATE**—Australia's first commercial tinplate plant has been opened for production at Port Kembla, N.S.W. The \$16 million hot-dip plant is designed for an annual production of 72,000 tons of tinplate, nearly 60 per cent of Australia's requirements. The product is expected to be about 9 to 10 per cent cheaper and of better quality than the imported type. Australia may be self-sufficient after 1963, when plans call for a second plant making electrolytically-coated tinplate to be in operation. By 1965 Australian tinplate demand should reach 265 thousand tons per year and the new manufacturing facilities are expected to more than meet the demand—Sydney, Sept. 8.

**STEEL**—Australia's big steel producer, Broken Hill Proprietary Co. Ltd., earned a record profit of £7,531,523 in the year ended May 31, 1957—£742,484 higher than in the previous year and double that of 1954-55. Steel output of the company and its principal subsidiary, Australian Iron and Steel Ltd., has risen 40 per cent to an annual rate of 2,800,000 tons since 1953. Iron and steel exports from Australia for the eleven months to May 31, 1957, have skyrocketed to £23,503,000 from £5,589,000 in the same period last year—Melbourne, Sept. 11.

### Brazil

**CITRUS FRUITS**—During the month of April 1957 the State of São Paulo exported 186,277 boxes of citrus fruits. Of these, 104,710 boxes went to the United Kingdom. Total figures for the first four months of this year show exports at 213,233 boxes as against 70,536 boxes for the same period last year. The present harvest of these fruits has exceeded

expectations and it is hoped that 1957 exports will be greater than those of 1956—915,694 boxes from the port of Santos—São Paulo, Sept. 17.

**SYNTHETIC RUBBER**—Plans to build a synthetic rubber plant near Cubatão, São Paulo, are well advanced. It is hoped that the output of the factory will supplement Brazil's natural rubber production sufficiently to eliminate imports from Malaya and Indonesia, which in recent years have amounted annually to about 10,000 tons—São Paulo, Sept. 17.

### British Honduras

**RICE**—British Honduras consumes three million pounds of rice a year, two-thirds of which is imported. Under schemes in force to encourage rice growing, the Government is providing assistance to small farmers in the form of land-clearing equipment and loans—Belize, Sept. 6.

### Finland

**PAPER MILL MACHINERY**—The Turkish paper company SEKA has placed orders with the Finnish engineering industry for machinery for complete equipment of two paper mills. This is the first order for complete factory equipment to be placed in Finland. The machinery, which is to be delivered in about two years' time, is to be supplied mainly by the Finnish firm Tampella and will be mounted under Finnish supervision—Stockholm, Sept. 12.

### Greece

**KRAFT PAPER**—Further gains in Greece's output of cement have increased the country's requirements of cement-bag kraft paper and imports during 1956 reached 4,000 tons (2,386 tons in 1955), with Sweden and Finland the principal suppliers—Athens, Sept. 2.

### Hong Kong

**FROZEN PRAWNS**—Hong Kong exports of frozen prawns to the United States have increased recently, following the relaxation of United States restrictions on imports from the Colony. Canadian importers of

marine foods have also shown an increasing interest in importing frozen prawns from this area—Hong Kong, Sept. 4.

**RUGS**—Hong Kong is currently manufacturing and exporting good-quality carpets and a new line of top-grade, hand-woven wool rugs will be available shortly. In addition to local demand, substantial exports will be made to the United States and it is hoped to sell some to Canada. The texture, color and styling of locally produced rugs should help them to compete in overseas markets—Hong Kong, Sept. 4.

### **India**

**SULPHURIC ACID AND SUPERPHOSPHATE**—Two new and complementary plants owned by Shaw Wallace & Company Limited near Madras started production in July with a capacity of 25 tons per day of sulphuric acid and 33,000 tons a year of superphosphate. This puts India's target of 60,000 tons of superphosphate per year definitely within reach or already achieved and boosts the drive toward increased agricultural output through higher acreage yields—Bombay, Sept. 7.

### **Jamaica**

**BAUXITE**—Jamaica's bauxite reserves are estimated at between 500 and 600 million tons. Output is expected to increase from the current annual rate of 3½ million tons to 7 million tons by 1960. Exports during 1956 were valued at over £9 million—Kingston, Sept. 13.

### **Norway**

**CEMENT**—The firm A/S Dalen Portland Cement-fabrik at Brevik, East Norway, has received an order for the delivery of 7,700 tons of cement to buyers in the United States. Shipment took place at the beginning of August. The Norwegian cement industry is at present anxious to obtain export orders and can deliver some 50,000 to 100 thousand tons a year for export—Oslo, Sept. 16.

### **Sweden**

**LUMBER**—Total Swedish export sales of lumber by the end of July reached about 820 thousand standards, including 380 thousand sold to Britain, about 160 thousand to Holland, and 90,000 to Germany. These figures indicate that Sweden by the beginning of August had placed nearly 90 per cent of her estimated export offers for this year. During the remainder of the season, the initiative will be left principally to the buyers—Stockholm, Sept. 18.

**WOOD PULP**—During the first six months of 1957 Sweden exported 185 thousand metric tons of

mechanical wood pulp, compared with 163 thousand tons for the same period in 1956; chemical wood pulp exports totalled 968 thousand tons in the first half of 1957 as against 875 thousand tons in the same period of 1956. In comparison with 1956, exports to the United Kingdom, Belgium, the Netherlands and Denmark have remained about the same. There are relatively large increases in sales to France, Germany, Italy, Argentina and Brazil, but decreases for the United States and Spain—Stockholm, Sept. 18.

### **Turkey**

**PAPER**—Paper and cellulose production by 1960 will be increased to 95 thousand tons and 32 thousand tons a year respectively (46 thousand tons of paper and 12 thousand tons of cellulose in 1956), when the new installations at the state-controlled Izmit paper mills are completed. Sponsored by Sumer Bank (Turkey's industrial state bank), the new \$12.5 million project will be carried out by the Finnish Industrial Export Cooperative "Metex" and will be ready in the spring of 1960. Seven million dollars of the estimated cost will be spent in foreign exchange and the remainder in local currency. Imports of paper and paper products during 1956 totalled 18,000 tons, of which over 9,000 tons were newsprint. Austria and the Scandinavian countries were the principal suppliers—Athens, Sept. 14.

### **West Germany**

**PHARMACEUTICALS**—According to the Verband der Chemischen Industrie (Association of the Chemical Industry), imports of pharmaceutical products increased by 63 per cent to more than DM 42.3 million during the first four months of 1957 as against the same period of 1956. Unprocessed products, mainly from Switzerland and the U.S., accounted for nearly three-quarters of the total imports. Exports of both processed and unprocessed pharmaceuticals increased during the first four months by about 23 per cent. Processed products accounted for more than 53 per cent of the total exports of pharmaceutical products—Bonn, Sept. 20.

**NEWSPRINT**—In view of the modernization of newsprint machinery taking place in other countries and the availability of lower-cost newsprint from these countries, two well-known German firms have each decided to convert one of their newsprint machines to other paper during the coming year. This involves a machine in the Reissholz plant of Feldmuehle AG of Duesseldorf with a capacity of 3,000 tons per month and a machine of Papierfabrik Hagen-Kabel AG. The two producers have arranged for Swedish firms to take over their German newsprint contracts—Bonn, Sept. 20.



*Plaza Mayo, in the heart of Buenos Aires, capital of Argentina. To this city on August 15 came delegates from the various countries belonging to the Organization of American States to confer on mutual economic and financial problems.*

*When twenty members of the Organization of American States met in conference in Buenos Aires recently, their discussions centered about economic development and the raising of living standards. Here is a firsthand report of their deliberations, of value to businessmen interested in long-term progress in this area.*

# American Republics

## Discuss Their Problems

R. P. BOWER,  
*Canadian Observer, OAS Conference, Buenos Aires.*

THE ECONOMIC CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES which I attended as Canadian Observer was held in Buenos Aires, Argentina, from August 15 to September 4, 1957. This Conference was the most recent in a series of meetings which the American republics have held over the years to deal with their economic and financial problems. Of the 21 republics in the Americas, all except Venezuela sent delegations, most of them headed by their Finance or Economic Ministers. Canada, which is not a member of the OAS, was represented by an observer. A number of outside countries (including the United Kingdom, France, Germany, Japan and India) also sent observers; so did certain international agencies such as the United Nations, the International Monetary Fund, the World Bank, the International Labour Office, and the Food and Agriculture Organization.

### **Raising Living Standards**

In essence, the major problem of most Latin American republics is to raise the standard of living of their peoples. The Buenos Aires Conference was held to examine the problem and discuss the numerous ideas put forward to help solve it. These included a General Economic Agreement to which all the countries would subscribe; the creation of a Latin American Common Market; the expansion of development capital (private and public); price stabilization schemes, and a host of other suggestions. Progress was made in some spheres, even though it was not up to the expectations of the more optimistic delegations. The following paragraphs cover some of the issues discussed and the conclusions reached.

At the Inter-American Conference on Problems of War and Peace held in Mexico City in 1945, an economic charter of the Americas was approved. Since that time, attempts have been made to secure an Inter-American Economic Agreement that would establish a detailed code of economic behaviour to govern the relations of the American countries in this field. A great number of ideas and amendments have been submitted but it has never been possible to get a document which could be ratified sufficiently to become an actual agreement. One of the main objec-

tives of the Conference at Buenos Aires was to produce such a document. This proved impossible and in its place, the Conference adopted a set of general principles known as the Economic Declaration of Buenos Aires. This declaration committed member states to the following general principles:

1. "An increase in the volume of trade among themselves and with other nations, on a mutually advantageous basis, including the co-operative measures necessary for the achievement of this end.

2. "A reduction in the restrictions on inter-American and international trade, taking into account the measures that are necessary in the light of the conditions and economic needs of every American state or of several of them among themselves.

3. "International co-operation, either by means of inter-governmental consultations or by other arrangements agreed upon with respect to problems concerning basic or primary products whose prices are subject to excessive fluctuations, and with an orderly liquidation of surpluses in such a way as not to cause undue disturbances in world trade.

4. "The adoption of measures to facilitate, for the mutual benefit of the parties, the acquisition of or trade in capital, machinery, raw materials, technical skills and other material elements required to meet their economic and social needs.

5. "The intensification of their efforts, individually or through international credit institutions, to increase the flow of public capital into the countries of America by the granting of credits for the sound financing of investments considered essential for development, and to stimulate private investments in those countries for the purpose of promoting their economic development and strengthening mutually beneficial economic relations among American nations.

6. "The continuation of their efforts to attain sound monetary and financial conditions.

7. "The intensification of their national and international efforts for the effective utilization and development of their means of transportation and communication.

8. "The conclusion of agreements by the interested governments to facilitate free transit for landlocked countries for purposes of trade.

9. "The effective support, through the Organization of American States and the competent international agencies, or directly among themselves, of technical co-operation and scientific programs that, taking the pertinent domestic or regional plans into account, will contribute to the acceleration of economic development and an improvement of the standards of living of the peoples of America.

10. "The strengthening of the Inter-American Economic and Social Council, so that it will be in a position to respond fully to the purposes and functions attributed to it by the Charter of the Organization of American States, function as co-ordinating organ for official inter-American economic and social activities, and effectively attend to the consultations that the states may request of it, in order to avoid difficulties or solve economic problems."

### **Common Market Discussed**

Perhaps the trade issue which attracted the greatest attention at the Conference was that which dealt with common markets. Interest in the subject was quickened by the progress recently made in Europe and a widespread fear that the planned European Common

Market would have an adverse effect on the Latin-American countries. There were two basic fears: first that Europe would curtail purchases from Latin America in favour of buying from colonial possessions in Africa and second, that European investment capital would be deflected from Latin America toward the development of competing resources in Europe or the African Colonies.

There was also a feeling that the creation of common markets would stimulate the volume of inter-American trade, a development considered desirable bearing in mind that in recent years inter-Latin American trade has averaged only about 10 per cent of the total world trade of the area. Furthermore, the rate of growth in inter-Latin American trade has been disappointing. Between 1948 and 1955 the dollar value of total world exports rose by about 56 per cent, but (if Venezuelan petroleum exports are excluded), the rise in the dollar value of inter-Latin American trade was only 7 per cent.

The Conference revealed no unanimity on this issue. Some delegations felt that there should be a Latin American Common Market, with discrimination against imports from outside. Others wanted further study of the problem and a postponement of action until the lines of the European plan became more clearly defined. In the end, the Conference declared the advisability of establishing "gradually and progressively, in a multilateral and competitive form, a Latin American Regional Market". The difficulties in the way of a Common Market for Latin America are immense and it was generally appreciated that much remains to be done before it will take concrete shape. In the meantime, appropriate agencies of the OAS, in conjunction with other bodies, are to continue the necessary preliminary studies.

### **Stabilizing Export Prices**

Another question which received considerable attention was how to stabilize the prices of the principal Latin American exports. Many of the South American republics depend almost entirely upon the export of a single commodity for the bulk of their foreign exchange earnings and hence their ability to import and to develop. Here again, the Conference examined a multitude of proposals but found no acceptable formula. The result was a recommendation that the Inter-American Economic and Social Council establish a Continuing Committee on Basic Products to study the "factors entering into the production, price trends, and the demand for basic products." The Committee would examine the possible impact of the European Common Market and similar groupings upon the prospects for the basic commodities important to the Latin American republics and make recommendations to governments in the light of their findings. It would

also give priority to a study of the problems of the market for minerals and metals. One proposal suggested the establishment of "normal" price levels for basic commodities and an arrangement whereby, when prices fall below the "normal", automatic credits are made available to the affected countries. This would mean that their ability to import and to carry out development programs would not be impaired. Whenever prices went above "normal", a part of the increase would be allocated for repayments on previous credits.

The Conference also acknowledged the problems created by surpluses of certain basic commodities, largely in the United States. It called upon member governments to market these surpluses in an orderly fashion to avoid disturbing unduly price levels and normal trade channels. They urged countries with such surpluses to consult with other interested countries before adopting disposal measures likely to affect them and to take domestic steps to prevent, as far as possible, the creation of these surpluses.

### **Technical Co-operation**

Technical and scientific knowledge is as vital as capital to the economic development of the Latin American countries. An extensive program of such assistance is already in being and the Conference urged that it be accelerated and enlarged. Earlier in the year, the Inter-American Committee of Presidential Representatives recommended that the OAS create 500 scholarships a year as part of its technical co-operation activities. The Buenos Aires Conference recommended that the OAS set up the basis for the creation of a special fund—composed of donations from member states and from other public or private sources—for the purpose of granting loans to universities and research institutions to buy equipment, and to finance special research projects and the exchange of professors. It also recommended that the activities of the OAS be co-ordinated with that of other bodies in the same field.

All projects aimed at accelerating development, whether in the form of technical co-operation or public works projects, have to be paid for. The Conference, recognizing that most of its recommendations mean additional expenditures, has called on the member states to submit their ideas on how these technical co-operation schemes can be financed. This, and the actual shortage of qualified men required in the area, are the problems still to be faced.

### **Other Subjects Covered**

The Conference approved a total of 40 resolutions in addition to the Economic Charter of Buenos Aires. Some of the problems covered have been dealt with in the foregoing paragraphs. In addition, there were a larger number of other resolutions, many of them of

minor or local interest as, for example, those dealing with the problems of landlocked countries like Bolivia and Paraguay. Mention of a few of these resolutions will give some idea of the range of issues covered. There was, for example, a recommendation that the Council arrange for the preparation of a draft model treaty on international double taxation, because such an instrument might encourage the flow of foreign private investment capital. Another resolution called for the collection and publication as quickly as possible of statistics from member countries on such matters as balance of payments, production and consumption, demography and migratory movements among the countries, and on the exchange of commodities and services between them. The Pan American Highway system was the subject of another resolution which called on member countries to co-operate in the completion of this major work. A resolution that could have some bearing on Canadian trade dealt with measures to foster low-cost housing. It urged member governments to consider the possibility of reducing or eliminating restrictions on the import of materials used in low-cost housing projects where it could be shown that such restrictions added to the cost of building.

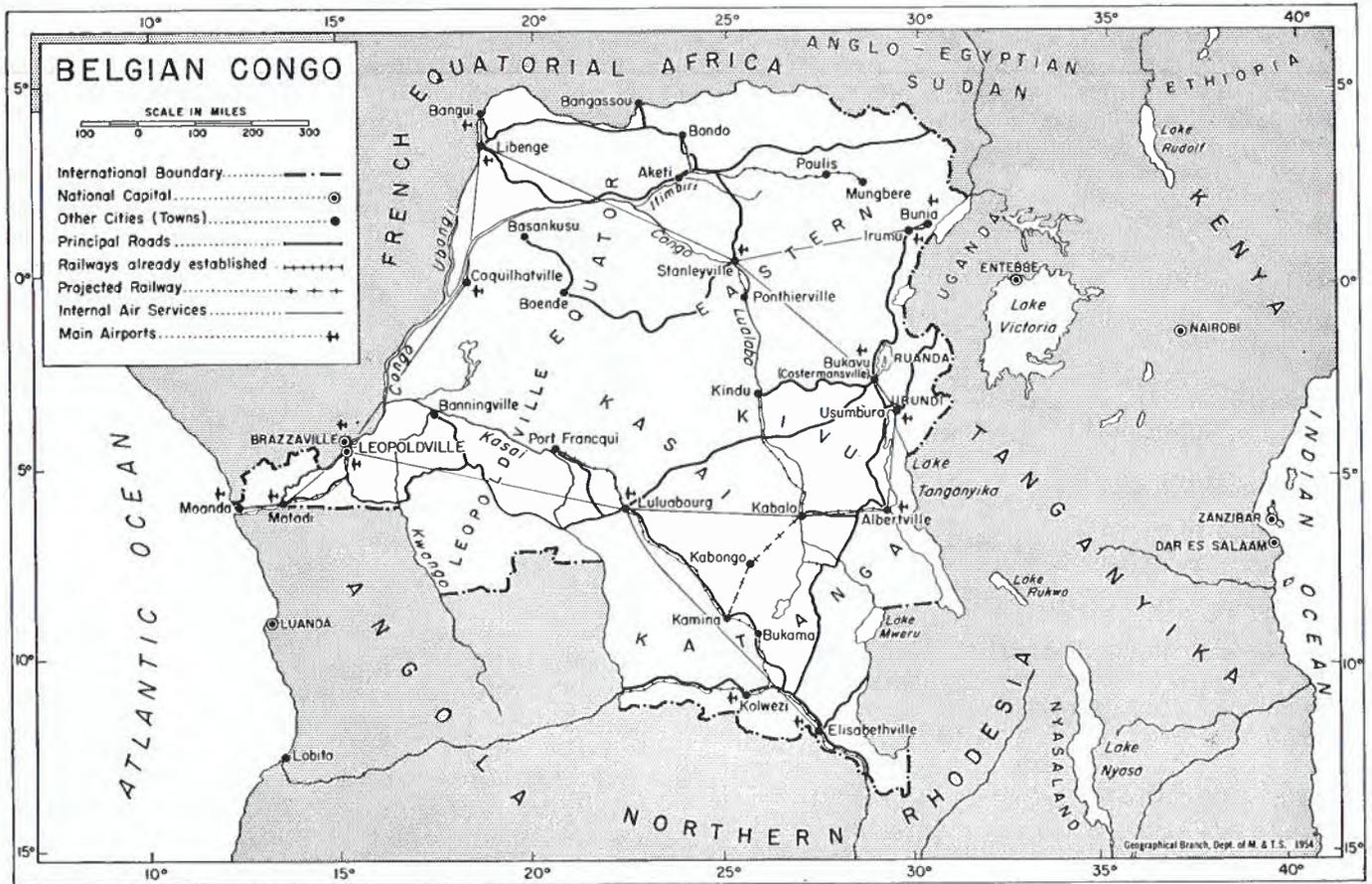
### **Concrete Results**

If the Conference did not come up with a solution to all the problems that confront Latin America, at least it gave all those who attended it a better understanding of current difficulties and the present limits of possible advance. It also indicated the most promising channels for further exploration and initiated some interesting studies that may bear fruit in future conferences. An important resolution recommended to the Council that it promote the holding of periodic meetings of officials of the American countries who are experts in economic problems. At these meetings, delegates would exchange information and opinions on the economic situation and report to the member countries on the measures taken to implement the resolutions and recommendations passed by the Buenos Aires Conference.

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### **First Commercial Safflower Crop**

*The first commercial safflower crop in Canada was grown this summer on about 15,000 acres in the Medicine Hat-Milk River district in southern Alberta. An excellent source of vegetable oil, this dry-land crop has shown promise under test in the West. The current commercial crop reached the blossom stage at the end of July, was reported to be free from disease, and the yield of seed was expected to reach 1,000 pounds an acre. Growers will sell the crop under contract for 2.5 cents a pound.*



# BELGIAN CONGO

*a big open market . . .*

K. NYENHUIS, *Trade Commissioner, Leopoldville.*

THE BELGIAN CONGO, a large free market with no restrictions against dollar goods, is one of the richest territories in Africa. The Colony, with a population of 12.5 million Africans, 97,000 Europeans and 2,500 Asians, covers an area of 902 thousand square miles in the heart of equatorial Africa. Much more densely populated (4.4 million Africans, 6,000 Europeans, 2,500 Asians) but less well-developed, the tiny mandated territories of Ruanda and Urundi (area 20,500 square miles) adjoin the Congo's eastern border and are joined with it economically.

From a narrow neck of land extending to the South Atlantic at the mouth of the Congo River and flanked on the south by Angola and on the north by French Equatorial Africa, the Belgian Congo stretches to Sudan to the northeast, to the string of lakes running from Rhodesia to Sudan on the east, and to Northern Rhodesia on the southeast.

The climate of the entire country is tropical and humid; temperatures range from 60 to 100 degrees F., humidity is about 95, and rainfall averages well over 60 inches a year. Relief from extreme conditions is found in the eastern and southern parts of the territory where the land rises to 2,500 to 4,000 feet. Here the climate is more agreeable.

#### **Economic Conditions Improve**

Economic conditions in the Belgian Congo are improving year by year. Colonial authorities seek steadily to raise the educational and economic standards of the Africans in the Congo and Ruanda-Urundi whose numbers are increasing at a rate of 2 per cent a year. They are thus creating a growing trained labour force and an expanding local market for goods produced in the Colony.

Economic development means much to the Africans in terms of better living standards and greater earning capacity. In 1955, the authorities estimated that 1.18 million Congo Africans were gainfully employed;

industrial crop production absorbed 285 thousand farm workers, 147 thousand found jobs in private industry, construction trades hired 131 thousand, 115 thousand were employed in offices and business, 91,000 were classified as transport workers, and 307 thousand worked at various other occupations. Paid workers comprised about 39 per cent of the total adult male African population in the Congo; the percentage ran as high as 50 per cent in the Katanga and in Leopoldville province and 48 per cent in the Kivu.

Local investment is on the increase, business is consolidating and everywhere in the country new enterprises are starting up, especially those which manufacture goods for home consumption. The Belgian Congo sells raw materials—mainly agricultural products for industrial use and minerals—in world markets to pay for imports of industrial machinery, foodstuffs, and durable consumer goods, the market for which is expanding.

#### **Farms and Mines Pace Production**

Unlike the Belgian Congo, Ruanda-Urundi shows few signs of industrialization. The effective labour force is only about 15 per cent of the adult male population and is decreasing; the trained people, and the prospective workers who leave their traditional hillside farms, are apt to seek more lucrative positions outside of their own country. The chief occupation in the trust territories still continues to be subsistence farming and changes in this way of life come slowly.

The principal products of the Belgian Congo come from her farms and mines. Industrial agricultural crops consist of palm oil, palm kernels, coffee, cocoa, cotton, rubber, rice, tea, sugar, manioc and lumber; all of these, except sugar and manioc, are exported. Chief mineral products are copper, cobalt, industrial diamonds, uranium ore, manganese, zinc, gold, silver and rare earths, and metals such as tantalum, wolfram, cadmium, and paladium.

The country also raises quantities of corn, beans, sweet potatoes and a large variety of fruits and vegetables. Cattle-raising and dairying are on the increase,

*where millions of dollars worth of goods from North America are sold each year though the Canadian share is small. Exporters will have a chance to talk to the author about prospects for their products there as he tours Canada in the next few weeks.*

especially in the eastern part of the Congo. Ruanda-Urundi has always been noted for its extremely high cattle population but the multitude of small herds are largely unproductive at present. Despite increased output from improved strains of cattle, local meat production is far from enough to meet demand and large shipments arrive from French Equatorial Africa, Angola and Rhodesia, as well as from Europe. Breeding stock has not been imported for some time because a successful local breed has been developed from Friesian, Dahomey, Afrikaander and Zebu strains.

The fishing industry is developing rapidly, especially the production of fish from artificial ponds. Africans are learning new methods of river and lake fishing on an industrial scale and the Atlantic fishing fleet, though small, is being equipped with new trawlers.

### Foreign Trade Important

Exports in 1956 reached a record 27,100 million Belgian francs\* and the Congo's main customers were Belgium-Luxembourg, the United States, the United Kingdom and France. A trade analysis using 1955 figures shows that exports of agricultural products (mainly coffee, vegetable oils, and palm nuts) totalled 7,048 million francs and minerals (mostly copper, cobalt, diamonds and ores) totalled 14,312 million francs, out of total shipments abroad worth 23,362 million francs.

Imports for 1956 reached 20,658 million francs and some of the main items were iron and steel products, machinery and machine tools, motor vehicles and parts, electrical machinery and equipment, textiles and food products such as canned meat, fish and flour.

Dollar countries currently supply about 20 per cent of the imports (valued at 3,808 million francs in 1955 out of total imports of 18,721 million francs). The United States does most of this business, selling motor vehicles, mining and electrical machinery, domestic electrical appliances, earthmoving machinery, and a wide range of consumer goods; Canada's share of the market in 1956 was valued at \$2.78 million (DBS figures) and represented 140 categories of goods, with flour (worth \$1.18 million) the best seller. Belgian shippers usually obtain from 35 to 38 per cent of the market and the sterling area about 12 per cent.

Under the provisions of the Congo Basin Treaties, the Belgian Congo does not discriminate against goods from any country in its import duties which are thus uniform for all countries of origin. Duties are moderate, averaging about 10 per cent ad valorem and import licences are granted freely even for non-essential imports. As a result, competition is brisk.

The Ten Year Plan, initiated in 1950, is laying the economic foundations for a modern state. The Plan

\*One Belgian franc=\$0.02 Can. approximately.



*Koenraad Nyenhuis, Canadian Government Trade Commissioner in the Belgian Congo for the past two years, was born in the Netherlands and came to Canada in 1930 after several years in business in Europe. Before the war he held positions in Montreal as sales manager for a steel strapping company and for a firm of importers*

*and manufacturers' agents.*

*Branching out on his own as an importer in 1938, Mr. Nyenhuis was not long in business before the war broke out; he enlisted in the Canadian Army in 1940 and served overseas with the Canadian Army Intelligence Corps in the United Kingdom, France, Belgium, and the Netherlands.*

*Appointed Area Trade Officer for Europe in the Department of Trade and Commerce in 1946, Mr. Nyenhuis held this position for nine years. In 1955 he was posted to Leopoldville, Belgian Congo, as Canadian Government Trade Commissioner. He is now returning to Canada for home leave and tour and is anxious to meet Canadian exporters interested in making sales to his territory; his itinerary appears on page 23. Mr. Nyenhuis will return to his post in the Congo when his tour is completed.*

provides for transport and power projects, social welfare schemes, various public and scientific services, and agricultural development; these projects have stimulated the demand for imported capital goods. Expenditures under the Plan have already doubled the initial estimates and further important loans are needed for building roads and developing hydro-electric power. In addition, many large established companies plan to increase plant capacity and are taking steps to modernize their operations.

### Doing Business in the Congo

The number of direct importers or would-be importers is growing which leads to heavy demand for extended credit both from local importers and foreign suppliers. The banks are trying to check excesses and many small businesses fail, but credit still increased considerably last year.

Canadian goods enjoy a good reputation in this market but our chances are often spoiled by high prices and

a certain inflexibility in quoting prices; C.I.F. Matadi is preferred or F.O.B. Atlantic seaboard.

Communications present a major problem in the Congo. The cities and production centres and the mines are located on the perimeter of the vast tropical rain-forest in the centre of the country. Transporting goods to and from the sea or between major centres often involves a great deal of handling on long circuitous journeys by land or water, or a combination of both. The exporter should keep in mind that cargo handling in the Belgian Congo, except at the port of Matadi, is still apt to be rather rough and ready, especially in the interior. He should make sure his goods are packed with great care.

The Congo has only one maritime port, Matadi, 90 miles from the mouth of the Congo River,

which serves Leopoldville and points farther up the river system. The eastern and southeastern parts of the country often bring in goods by rail from Lobito in Angola, Dar-es-Salaam in Tanganyika, Mombasa in Kenya or Beira in Mozambique.

Practically all overseas business is concentrated in two main centres—Leopoldville, for the eastern part of the country, and Elisabethville, for the east and south. Exporters will receive best representation by appointing an agent to cover the whole territory, an entire region or a province. Indiscriminate offerings are to be avoided because responsible importers will lose interest in the goods. French and Flemish are the official languages although French predominates in business; English often serves for correspondence.

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## Coming to Canada on Business

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

### ► from Israel

ZVI ISAKSON, YEHUDI CHORIN and ISAAC ROKACH will come to Canada on a short economic mission on behalf of the Citrus Marketing Board of Israel in the latter part of October. Their forwarding address in Canada will be c/o Rex Brokerage Inc., 1665 Trudel Ave., Montreal 3, Que.

### ► from Hong Kong

JOHN MacKENZIE, Export Manager, Gibb, Livingston and Co. Ltd., Hong Kong, is expected to arrive in Montreal on October 13.

On the export side, he is interested in selling the following Hong Kong goods: wearing apparel, rubber footwear, towelling, flashlights, thermos bottles, fire-works, leather goods and other merchandise. He would like to contact suppliers of polystyrene, tin-

plate, aluminum ingots, bright nickel ingredients (ferrous and non-ferrous metals generally), electroplating materials, cameras, moving-picture film, machine and hand tools. He would also like to meet representatives of any Canadian company hoping to develop a market in Hong Kong for other products.

Mr. MacKenzie will stay in Montreal from October 13 to October 20, return to Toronto on or about October 26, and leave for Winnipeg the next day for a two-day stay. His itinerary takes him to Regina from October 29 to 31, to Edmonton October 31 to November 2, and to Vancouver from November 2 to 10.

Businessmen may get in touch with him through the Boards of Trade or Chambers of Commerce in the above cities, except in Vancouver, where he will make his headquarters at the office of the Western Representative, Department of Trade and Commerce.

### ► from the United Kingdom

J. W. SMITH, executive director, agricultural chemicals division of Vigzol Oil Co., London, will visit Toronto and Montreal in mid-October. He would like to call on firms interested in distributing a crop-spraying machine which he will make available for inspection and demonstration in each city. Mr. Smith may be contacted through J. B. Parkin Associates, 1500 Don Mills Rd., Postal Station "J", Toronto 6, or through the offices of the United Kingdom Trade Commissioner in Toronto or Montreal.



## Fairs and Exhibitions

### British Medical Show

THE MEDICAL PROFESSION will be able to study new products at the 1957 London Medical Exhibition, including several new antibiotics; new medicines for the treatment of epilepsy, asthma, hypertension, rheumatoid arthritis and rhinitis; a group of plastic materials for use in surgery, and new apparatus of particular value in the pulmonary field.

When the exhibition opens on November 18 for five days in the Royal Horticultural Hall, Westminster, 125 exhibitors will be ready to demonstrate and describe the use of their products to professional visitors. Their displays will include drugs and medical specialties; surgical, medical and hospital apparatus and instruments; technical literature, and research apparatus—the widest possible range of medical and allied products.

Professional men and buyers from overseas will be welcome; they may obtain invitations by writing to: The Organizers, London Medical Exhibition, 194-200 Bishopsgate, London, E.C.2. Visitors without entry tickets must produce professional identification.

### Canada's First Show at Vienna

CANADA EXHIBITED for the first time in the 1957 Vienna Fall Fair (September 8 to 15) with a 250-square-metre display in the large Hall of Nations building. The Canadian exhibit featured the products of 18 Canadian firms and told graphically the story of the country's resources and industrial development. Canadian documentary films were shown in a theatre built into the display and they attracted overflow audiences, totalling 8,000, at every performance.

The Vienna Fall Fair, an annual event, was first held in 1921. In size and scope it resembles the Canadian National Exhibition in Toronto and, like the Toronto Exhibition, it is open at all times to the general public. Part of the fair occupies a large area in the Prater near the centre of Vienna where permanent buildings are available for exhibits of all types. In another central part of the city a second section, devoted principally to consumer goods, occupies large premises built

approximately 200 years ago as the stables of the Imperial Household.

The Vienna Fall Fair is largely attended; paid admissions this year numbered more than 650 thousand during the eight days. Because the Hall of Nations is one of the principal attractions of the Fair, most of the visitors saw Canada's exhibit.

Although the Fair is principally designed to show Austrian products, many foreign manufacturers exhibit either directly or through their Austrian agents; some 18 foreign countries had displays in independent pavilions as well as sharing space in the Hall of Nations. Registration showed buyers from 64 countries. The Fair appears to attract foreign buyers particularly interested in Austrian goods but some were also interested in the products of other nations. The Trade Commissioner on duty at the Canadian exhibit found a reasonable interest in the Canadian products and received a number of trade inquiries which may help to increase trade between Austria and Canada.

Vienna also holds an annual Spring Fair which, although equally large and well attended, is less international in scope.

—R. K. THOMSON,  
*Commercial Secretary, Vienna.*

### Boats Galore

DEDICATED to the dedicated boat owner, the Chesapeake Boat Show eschews all fancy touches and gives over its entire space to boats and marine equipment. This policy, the organizers believe, attracts the serious-minded buyer and enhances the value of the show for exhibitors.

The 1958 show will run from February 21 through 26, in the Fifth Regiment Armoury, Hoffman and Bolton Streets, Baltimore. Space rates are: wall booths and other spaces furnished with booths, \$1.35 per square foot; open floor space, \$1.20 per square foot. Signs for booths, standards, and signs for floor space

are provided. Canadian boat builders interested in exhibiting should write to William E. Ames, Managing Director, 1006 Cathedral Street, Baltimore 1.

### Overseas Fairs in 1958

*International Exhibition for the Purification of Water and Sewage*, January 25-February 2, Basle, Switzerland. For information: First Secretary, Swiss Embassy, 5 Marlborough Avenue, Ottawa; Consul General of Switzerland, 1572 McGregor Street, Montreal, and the Consuls of Switzerland in Toronto (600 University Avenue), Vancouver (402 West Pender Street), and Winnipeg (210 Mitchell-Copp Building, 334 Portage Avenue).

*Second Australian Industries Fair*, February 27-March 22, Melbourne. Designed to display Australian achievements in manufacturing, to encourage and develop Australian exports, and to encourage overseas investment in Australia. Foreign exhibitors not accepted. For information: Australian Government Trade Commissioners in Montreal (1255 Phillips Square) and Vancouver (643 Hornby Street).

*Lyons International Fair*, April 12-21, Lyons, France. Information: Commercial Counsellors of France in Ottawa (464 Wilbrod Street), Montreal (1510 Mac-kay Street), and Toronto (185 Bay Street).

*36th Milan International Trade Fair*, April 12-27, Milan, Italy. Canadian firms are invited to exhibit and applications for space should be in not later than November 30. For information: Commercial Attaché, Embassy of Italy, 172 MacLaren Street, Ottawa, or Italian Trade Commissioner, Suite 403, 34 King Street East, Toronto.

### Coming in Canada

*International Plowing Match and Farm Machinery Demonstration*, Simcoe, Ontario, October 15-18. For information: F. A. Lashley, Secretary-Manager, International Plowing Match and Farm Machinery Demonstration, Parliament Buildings, Toronto.

*Canada's Power Show*, Women's Building, Exhibition Park, Toronto, October 21-24. For information: J. Y. Smith, General Chairman, Canada's Power Show, 1957, 199 Bay Street, Toronto.

*Royal Agricultural Winter Fair*, Exhibition Park, Toronto, November 15-23. For information: J. Johnston, Coliseum Building, Exhibition Park, Toronto.

*Automotive Transport Association Exhibition*, Exhibition Park, Toronto, November 23-25. For information: J. O. Goddman, 146 Wellington Street W., Toronto, Ontario.

OCTOBER 12, 1957

### 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:

*M. B. BURSEY*, formerly Commercial Counsellor in Ciudad Trujillo, Dominican Republic:

Vancouver—Oct. 15-18	London—Nov. 6
Calgary—Oct. 21	Hamilton—Nov. 7
Winnipeg—Oct. 22-25	Brantford—Nov. 8
Toronto—Oct. 28-Nov. 5	

On completion of his tour, Mr. Bursey will be posted to Accra, Ghana.

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

Winnipeg—Oct. 15-16	Hamilton—Nov. 15
Windsor—Oct. 18	Montreal—Nov. 18-28
Welland—Oct. 21	Quebec—Nov. 29
Ottawa—Oct. 23-30	Saint John—Dec. 2-3
Toronto—Oct. 31-Nov. 14	St. John's—Dec. 5-6

*H. L. E. PRIESTMAN*, Consul General and Trade Commissioner in Manila, Philippines:

Vancouver—Oct. 7-18	Victoria—Oct. 21-23
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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.

### Tour of Territory

*C. O. R. ROUSSEAU*, Commercial Secretary in Beirut, Lebanon, will visit Amman, Jordan, for three or four days in mid-October. He plans to visit Kuwait on November 12, 13 and 14, Bahrain 15-17, and Baghdad 18-21. Businessmen who would like Mr. Rousseau to undertake assignments for them should get in touch with him at Beirut as soon as possible.

# The BWI Buys Fertilizers

*The trend toward more intensive agriculture in the West Indies will boost demand for nitrogen fertilizers, but will also increase the market for phosphate and potash. Main obstacle to increased Canadian trade in fertilizers with the BWI at present is non-competitive prices.*

R. W. BLAKE,  
Trade Commissioner, Port-of-Spain.

VEGETABLES, LIVESTOCK AND DAIRY PRODUCTS are expected to gain in importance in the British West Indies once the Federation comes into being; the need for chemical fertilizer is expected to rise with this trend. At present the sugar plantations use most of the fertilizer brought into the islands, but this will change as more attention is paid to grassland management and to production of bananas and vegetables. The Federation hopes to diversify the economy of the region and to become more self-sufficient to save foreign exchange; intensive cultivation of new crops in suitable areas for distribution within the group and research in the use of agricultural chemicals suggest a steady growth in fertilizer demand.

The three main Caribbean crops grown for export are sugar, bananas and cocoa, with sugar well in the lead. The sugar crop takes about 80 per cent of the sulphate of ammonia (the chief fertilizer used) currently imported. There is every reason to believe that the general trend in these islands will be toward more intensive cultivation of a wider variety of crops. The need for nitrogen fertilizers will be greatest although purchases of phosphate and potash fertilizers will also rise.

In the past ten years, agriculturists in the British West Indies have gradually become more conscious of the part which agricultural chemicals play in the economics of their business. But a good deal of research is still necessary, especially in the smaller islands, to determine the rates of applications most suitable for the various soil types of the area and the wide range in climate. In Antigua a year of good rainfall (excluding hurricanes), will produce 50 to 60 inches and plants will respond well to fertilizer. In other years the rainfall may drop as low as 30 inches and little or

no increase in yield would result from fertilizer application.

Yield responses to the application of chemical fertilizers to cacao trees in fertilizer trials over the past 15 years have been insignificant. It is apparent that there is at least one factor, as yet undetermined, operating against the effective absorption by the trees of nutrients added to the soil. Perhaps the high incidence of disease affecting the crop may mask any response derived from fertilizer application. If research can unlock the secret of successful fertilization combined with economic disease control, the potential demand for fertilizer for this crop would increase greatly.

## Fertilizer Imports Increase

Imports of fertilizer rose sharply after research workers had established the value of fertilizer in increasing yields of most crops. Between 1936 and 1944 imports into Barbados rose over 60 per cent; imports into Antigua were six times as large in 1943 as in 1933; Jamaica imported 433 tons of fertilizer in 1921, 11,621 tons in 1944, and 25,000 tons in 1954. If it had not been for the difficulty of obtaining supplies from 1939 on, the increase in fertilizer imports would have been much greater in this part of the Caribbean.

Chemical fertilizers have come mainly from the United Kingdom and Western Europe but since the first of this year the United States has shipped a considerable amount; she has abundant supplies on hand and this has resulted in lower export prices.

Imports of ammonium sulphate into the three main markets of the Eastern Caribbean—Trinidad, Barbados and British Guiana—in 1955 totalled approximately 36,250 tons valued at approximately Can.\$2.25 million. The United Kingdom was the main supplier, with Belgium, West Germany and recently the United States also sending important quantities.

Single superphosphate fertilizers (all grades below 25 per cent  $P_2O_5$ ) and double superphosphate (all grades 25 per cent  $P_2O_5$  and over) are used to a lesser extent—approximately 4,400 tons in 1955. Principal suppliers were the Netherlands and Belgium, but with appreciable tonnages coming from the United States in the first five months of 1957. Other types used are imported in smaller quantities: muriate of potash from

France and West Germany; compounded fertilizers, 10/10/10 mixture from West Germany and the Netherlands; 15/10/10—5 per cent MgO from the Netherlands, and 8/10/24 from the Netherlands.

Chemical fertilizers are now on World Open General Licence and can be freely imported from any country. At present, price is the main obstacle in the way of increasing Canadian trade in fertilizers; if Canadian suppliers can overcome the price competition, there is no reason why they cannot obtain a bigger share of this market.

Prices of sulphate of ammonia a long ton C.I.F. Trinidad in April 1957 were as follows, according to a private source:

United Kingdom: £21.2.6 sterling (approx. Can.\$56.40)  
 West Germany: £20.18.0 sterling (approx. Can.\$55.80)  
 United States: \$92.62 BWI (approx. Can.\$51.75)

Present import duties do not give much advantage to Canada, as shown below:

	British Preferential	General
Trinidad .....	Free	Free
Barbados .....	Free	BWI\$2.00 a ton
British Guiana ad val. ....	2 per cent	5 per cent

### To Set Up Fertilizer Plant

A recent development may affect the fertilizer demand. The Trinidad Government and W. R. Grace & Co. of the United States are reported to have reached agreement on the establishment of a fertilizer plant in Trinidad costing BWI \$19 million. The Minister of Industry and Commerce has announced that it has granted the United States firm "pioneer" status for the construction of a complete nitrogen fertilizer plant using local natural gas, now going to waste, as the principal raw material.

The British West Indies, British Guiana and British Honduras are to have first chance to buy the ammonium sulphate and urea which the plant will produce; these fertilizers are now imported in large amounts. It is understood that Trinidad has granted no special concessions to the firm other than those usually made under the Aid to Pioneer Industries Ordinance.

The plant will consist of several units making both finished and intermediate products, the most important of which are a natural gas reforming plant, ammonia synthesis, and production of sulphuric acid, ammonium sulphate and urea. The new industry is scheduled to begin operations toward the end of the year. ●

NOTE: Statistics showing imports of ammonium sulphate and other nitrogen fertilizers, phosphate, potash, and mixed fertilizers for Trinidad, British Guiana, Barbados, Jamaica and a number of small islands in the Eastern Caribbean may be obtained from the Chemicals Division, Department of Trade and Commerce, Ottawa.

### South Africa's Farm Exports

AGRICULTURE CONTRIBUTES more to the national income of South Africa than the mining industry does—including proceeds from its famed gold mines and diamond diggings, other precious and non-precious metals, and the rapidly-rising value of classified materials such as uranium. Returns from agriculture are, in fact, second only to those of industry.

South Africa exports about one-third of her agricultural production which reached S.A. £343.3 million in value last year. Crops contributed S.A. £179.0 million to the total and livestock products S.A. £164.3 million. Main agricultural exports (in millions of S.A. £) were wool (62.0), fruits of all kinds (27.9), corn (16.4), hides and skins (12.5), wattle bark and extract (6.5), sugar (5.1), preserved vegetables (.9).

Wool, the largest farm export, is exceeded only by gold in the list of export commodities. Though in sixth place as a wool-producer, South Africa specializes in merino fine wool; current world demand is high and prices firm. When the present wool year ends in June, it is expected that wool sales will exceed 300 million pounds and bring in an estimated S.A. £70 million. Canada has an interest in this trade and, according to DBS, bought \$743 thousand worth last year.

The value of South Africa's peanut and sunflower seed crops is now 20 times what it was just before the war and sales of peanuts to Canada in 1956 exceeded even wool sales. According to DBS, we bought about \$930 thousand worth of South African peanuts last year. Our purchases of fruits (such as pineapples and grapes) and other commodities such as raw sugar, lamb and sheepskins, brandy and wines totalled \$940 thousand.

The contribution of the increasing value of agricultural exports to the over-all improvement of South Africa's balance-of-payments position should be noted. The weighted average increase of agricultural production rose to 165 per cent last year from the 1937-39 base period. Crops have shown the greatest percentage gain (178 per cent), particularly corn for export, wheat to meet the growing demand of the Bantu population for bread, and citrus fruit which enjoys a good market overseas. Output of citrus this year is expected to double last year's 8.7 million cases. A record 6.6 million cases were exported.

—K. F. NOBLE,  
 Trade Commissioner, Johannesburg.

# Indonesia Attacks Its Problems

*Continuing economic and financial problems, the result of wartime dislocations, are impeding Indonesia's progress. Government has taken action to hold down imports and step up exports, but improvement appears to be slow.*

J. E. LANCASTER,  
*Commercial Secretary, Djakarta.*

THE TWELFTH ANNIVERSARY of Indonesia's independence, celebrated on August 17, found the country faced with serious economic and financial difficulties. Abroad, her credit is low; at home, inflation persists.

How does a country like Indonesia, with rich natural resources, come to be in this position? Basically, her difficulties result from World War II and the war for independence, with all the destruction and turmoil which they entailed. Eventually the agrarian economy of Indonesia was cut adrift from the metropolitan economy of the Netherlands. Formerly, agriculture and mining were emphasized rather than secondary industry. Today Indonesia has the task of supporting an estimated 82 million people, increasing by 1.2 to 1.5 million a year, and must rely mainly on the production of primary products. And at the moment, conditions in the world market for the output of her fields and mines are adverse. This, in essence, is her problem—that the economy is not sufficiently developed to support the growing population at the desired level.

During 1956, for example, 65.6 per cent of Indonesian exports consisted of natural rubber (25.4 per cent) and oil and oil products (40.2 per cent). When prices of natural rubber declined 25 per cent by the end of the fiscal year in March 1957 compared with March 1956, the impact was serious. This drop in price coincided with a fall in rubber production which threatened Indonesia's pre-eminent position as a producer and cut down foreign exchange income. Domestic rice production also fell short of needs. Once a net exporter, Indonesia has become a large importer. She imported 815 thousand metric tons of rice in 1956 and the 1957 figure will probably be only slightly smaller.

Over-all exports in 1956 decreased a little but imports rose from 6,247 million rupiahs (Can. \$521 million) in 1955 to 9,389 million (Can.\$782.5 million) in 1956. By March 31, 1957, the adverse balance of trade reached 1,112 million rupiahs (Can.\$93 million). As a consequence, the foreign exchange reserves reached a new low of 1,296 million rupiahs (Can.\$108 million) by that date.

## **Budget Deficits Growing**

The budget deficits of the Central Government have added to Indonesia's problems. The major portion of its revenue comes from customs receipts and indirect levies and with the increase in imports, including the revenue from T.P.I.'s (import surcharges), government income expanded. But expenditures rose even faster. The resulting deficit contributed to the substantial increase of notes in circulation; gold cover for the currency decreased and inflationary pressures strengthened. At the same time, political conditions in the outer areas of the Republic became unsettled. These outer islands—which include Sumatra and the Celebes (Sulawesi)—provide an estimated 73 per cent of the foreign exchange earnings through their sales of oil, rubber, copra, bauxite, and tin, and the unrest was thus of great concern to the Central Government. Direct trade has been going on between these islands and world markets and foreign exchange proceeds and customs revenue which would normally have accrued to the Central Government have therefore been lost.

Eventually the country's financial position was so weakened that the Government decided to take forceful action. On June 20th, it introduced a new trade control system (the B. E. system)\* designed to reduce imports and save foreign exchange and also to provide incentives for boosting exports. The immediate effect of these regulations was a sharp fall in imports. This in turn led to a drop in government revenue but gold and foreign exchange holdings rose slowly. So far, exports have not been stimulated to the hoped-for degree. The outer regions have not, by and large, accepted the scheme and separate trade is apparently still flourishing. The business community has adopted a wait-and-see attitude in the face of what it considers

\*See *Foreign Trade* of August 3, 1957, for details.

complicated and cumbersome regulations, the future of which is not clear. As a result, business is slow.

In addition, the new regulations appear to have an inflationary effect; the growing shortage of goods because of curtailed imports, combined with the increased money supply, is pushing up internal prices. The full effect of this development is still not certain. However, there is a danger that a rise in internal prices above the world level will impair Indonesia's ability to compete in world markets.

### A Look Ahead

Inflation, the fall in export earnings, and internal political and economic problems place Indonesia in a particularly difficult position. The new import-export system upon which the Government is relying to correct the adverse trading position has yet to prove its effectiveness. A national conference is being called in Djakarta for the purpose of resolving the current

differences between the Central Government and the regional authorities. The outlook nevertheless is clouded and there have been few indications so far of any economic improvement.

These circumstances make any great expansion in Canadian trade with Indonesia improbable in the near future. But Indonesia is basically a rich country and the world has increasing need of the goods which it can provide. Canada and Indonesia already support a continuing, if modest, two-way trade with each other. We sell the Indonesians chiefly manufactured or semi-processed goods; they sell us largely foodstuffs and tropical raw materials. In the longer term, with future improvements in the Indonesian economy and with the various forms of assistance, such as the Colombo Plan, whereby Canadian capacities and production can become better known and appreciated in Indonesia, further trade opportunities should be revealed.



## Trade and Tariff Regulations

### Australia

**TARIFF BOARD INQUIRIES**—The Australian Minister for Trade and Customs recently referred to the Tariff Board for inquiry and report the question whether assistance should be accorded to the production, through tariff action or otherwise, of the following goods:

Tractors—item 177 (B)  
Waterproofed cotton piecegoods—item 105 (A) (4)  
Waterproofed canvas and duck—item 130 (A)  
Artificial silk yarns (other than staple fibre yarns)—  
items 392 (D), (G), or (H)  
Working chisels—item 219 (C) (2) (b)  
Hammers—item 219 (C) (2) (a)  
Mallets—item 303 (A).

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

*Rates of duty on these products may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.*

### Benelux

**ADDITIONAL DOLLAR IMPORTS LIBERALIZED**—Effective September 11, 1957, the products listed below are exempt from licensing requirements when imported into Belgium or Luxembourg from practically all countries, including Canada. Since licences for most of these products are being granted automatically under the common Benelux import procedure, the main effect of the removal of licensing lies in a simplified administrative procedure.

Mutton; certain types of fish simply salted, dried or smoked; horticultural slips and graftings, certain fresh vegetable and garden plants, fresh quince; gluten; wines and must of grapes; all varieties of sands; gravels; coal briquettes, and similar fuel; lignite and lignite agglomerates; cokes and semi-cokes of coal, lignite and peat;

trisodium phosphate; developed cinema film with a sound track; colour substances (other than indigo) derived from coal tar; nitrocellulose; gunpowder, explosives, matches; sole leather, leather from large animals, simply tanned but not curried; soles, heels, counters—even processed; certain types of firewood; wooden furniture and parts thereof; cotton prints; various items of clothing for men and women; underclothing for men and women of cotton, linen or other textiles; flowers, leaves and artificial fruit; other articles manufactured from minerals; unspecified refractory bricks and construction elements other than magnesite; ceramic tiles; non-textile fibres (glass wool) and manufactures thereof; precious and semi-precious stones; various cast iron articles or manufactures; motorcycles and motor bikes; tow vehicles; vessels for inland navigation (freight).

*Newly subject to licence*—At the same time, a number of items were added to the list of products subject to licensing requirements; these include the following:

Barley, oats, corn, buckwheat, millet and other grains; all cereal flours; rolled oats, semolina and grains hulled or husked; malt; vegetable waste for animal feed, and feed preparations containing molasses.

### Finland

**MARKKA DEVALUED**—On September 15 the Bank of Finland announced a devaluation of the Finnish markka by approximately 39 per cent. The Finnish markka now exchanges at the rate of about 332 to the Canadian dollar, instead of about 240 at the previous rate. Special rates for tourists and for certain export products have been eliminated.

In addition, the Government announced the freeing from import control of 76 per cent of Finland's imports from Western countries, and the reintroduction for such imports of the automatic licensing system in place of the existing system of global quotas. This liberalization does *not yet*, however, extend to imports from dollar countries. The Finnish Minister of the Interior stated that the Government did envisage the possibility of making dollar imports easier.

### Israel

**HIGHER CUSTOMS DUTIES ON PLASTIC AND RUBBER RAW MATERIALS, TOOLS AND MACHINERY**—Two new customs regulations which increase the duty on raw materials for the plastics and rubber industries, and on tools, were announced by the Ministry of Finance on September 9.

A duty of 65 per cent will be levied on raw materials for the plastics industry and of 35 per cent on raw materials for the rubber industry, with the exception of rubber for tires. Both these items were previously exempt from duty.

Duty on certain tools is increased from 50 to 100 per cent, and on unspecified non-industrial machinery from 35 to 50 per cent.

Ministry of Finance officials expressed the opinion that the increase in duty, which is coupled with a policy of import licence liberalization, will not result in higher prices to the consumer. They believe that the higher duties will be absorbed by present high profit margins.

The official argument is that during a period of import restrictions importers do not charge cost plus a reasonable profit, but the maximum price obtainable in the market. With imports liberalized quantitatively, they maintain, these higher duties should lead to a reduction in profit margins—Athens, Sept. 18.

### South Africa

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

*Increase of duty on:*

1. Knitted piecegoods containing more than 50 per cent by weight of wool, including worsted, to 30 per cent ad valorem.
2. Electric motors, three-phase, from 350 to 1,000 horsepower, to 30 per cent (intermediate rate).
3. Socks for ladies and children, from various rates of duty to 33½ per cent ad valorem (intermediate rate) with the following alternative specific duties:—
  - (a) For ladies—9s. per dozen pairs (intermediate rate);
  - (b) for children, being knitted of cotton, rayon or cotton and rayon mixtures—5s. per dozen pairs (intermediate rate); and
  - (c) for children, other than of cotton, rayon or cotton and rayon mixtures—7s. per dozen pairs (intermediate rate).
4. Oil-burning lamps, from 5 per cent to 30 per cent ad valorem.

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 is for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally reviewed soon after the announcements are made, it is advisable that interested Canadian firms take action as soon as possible.

### United States

**IMPORT DUTY ON CASEIN SUSPENDED**—Public Law 85-257, which was approved by the President on September 2, 1957, provides for the suspension of import duties until March 31, 1960, on casein or lactarene and mixtures of which casein or lactarene is the component material of chief value. Until this suspension was announced these items were dutiable under U.S. tariff paragraph 19 at 2¼ cents a pound.

# 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
<b>Argentina</b>	C. S. Bissett Commercial Counsellor	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-8237
Argentina	W. F. Hillhouse Agricultural Secretary		
<b>Australia</b> (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton Commercial Counsellor for Canada  H. S. Hay Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Tel.:</i> BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MU 4716
<b>Austria</b> Czechoslovakia, Hungary	R. K. Thomson Commercial Secretary for Canada	Opernringhof Opernring 1 VIENNA I	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN
<b>Belgian Congo</b> Angola, French Equatorial Africa	G. F. Mintenko Acting Canadian Government Trade Commissioner	Forescom Building LEOPOLDVILLE I	<i>Mail:</i> Boîte Postale 373 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2706
<b>Belgium</b> Luxembourg	T. J. Monty Commercial Counsellor  K. G. Ramsay Commercial Secretary  J. R. Roy Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 11-33-88
<b>Brazil</b>	V. L. Chapin Commercial Secretary  C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Tel.:</i> 42-4140
Brazil	C. E. Butterworth Consul and Trade Commissioner  Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-6301
<b>Ceylon</b>	W. R. Van Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> CANADIAN <i>Tel.:</i> 91341
<b>Chile</b>	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	<i>Mail:</i> Casilla 711 <i>Cable:</i> CANADIAN <i>Tel.:</i> 64189
<b>Colombia</b> Ecuador	W. B. McCullough Commercial Counsellor  P. A. Savard Commercial Secretary	Canadian Embassy Avenida Jimenez No. 7-25 Office 613 BOGOTA	<i>Airmail:</i> Apartado Aerco 3562 <i>Surface Mail:</i> Apartado 1618 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30-065
<b>Cuba</b>	G. A. Browne Commercial Secretary	Canadian Embassy Edificio Ambar Motors Avenida Menocal 16 HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Tel.:</i> UO-9457
<b>Denmark</b> Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads COPENHAGEN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Tria 1602

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>Dominican Republic</b> Puerto Rico	Commercial Counsellor  J. J. B. Mountain Assistant Commercial Secretary (Fisheries)	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	<i>Mail:</i> Apartado 451 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5318
<b>Egypt</b> Aden, Sudan, Cyprus, Ethopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Secretary	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110
<b>France</b> Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor for Canada  A. L. Neal Attaché  J. H. Bailey Commercial Secretary	3 rue Scribe PARIS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> OPEra 42-30
<b>Germany</b> Federal Republic	J. A. Stiles Commercial Counsellor  S. G. Barkley Commercial Secretary  M. B. Blackwood Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Bonn 21971
Germany	E. H. Maguire Consul  J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 326149
<b>Greece</b> Israel, Turkey	A. B. Brodie Commercial Secretary  L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
<b>Guatemala</b> Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner  R. M. Dawson Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	<i>Airmail:</i> P.O. Box 400 <i>Surface Mail:</i> P.O. Box 444 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5590
<b>*Haiti</b>	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	<i>Mail:</i> P.O. Box 826
<b>Hong Kong</b> Cambodia, China, Laos, Vietnam, Macao Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner  W. M. Miner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28336
<b>India</b>	Commercial Secretary  J. H. Nelson Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road NEW DELHI	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 40191
India Goa	T. F. Harris Canadian Government Trade Commissioner  W. J. Collett Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 255154
<b>Indonesia</b>	J. E. P. Lancaster Commercial Secretary	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 1313
<b>Ireland</b>	H. A. Gilbert Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 44251

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>Italy</b> Libya, Malta, Yugoslavia	S. G. MacDonald Commercial Counsellor  K. F. Osmond Commercial Secretary (Fisheries)  J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 861-951
<b>Jamaica</b> Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner  M. S. Strong Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858
<b>Japan</b> South Korea	J. L. Mutter Commercial Counsellor  W. G. Pybus Commercial Secretary	Canadian Embassy Tokyo	<i>Mail:</i> Canadian Embassy <i>Cable:</i> CANADIAN <i>Tel.:</i> 48-4116
<b>Lebanon</b> Iraq, Jordan, Persian Gulf Area, Syria	C. O. R. Rousseau Commercial Secretary	Canadian Legation Alpha Building Rue Clemenceau BEIRUT	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30794
<b>Mexico</b>	C. J. Van Tighem Commercial Counsellor  D. B. Laughton Commercial Secretary  A. A. Lomas Assistant Commercial Secretary	Canadian Embassy Melchior Ocampo 463, 7th Floor MEXICO 1, D. F.	<i>Mail:</i> Apartado 126-Bis <i>Cable:</i> CANADIAN <i>Tel.:</i> 46-99-00
<b>Netherlands</b>	B. C. Butler Commercial Counsellor  W. R. Hickman Assistant Commercial Secretary  B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 18-51-06
<b>New Zealand</b> 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	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
<b>Norway</b> Iceland	J. C. Depocas Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	<i>Mail:</i> P.O. Box 1379—Vika <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
<b>Pakistan</b> 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	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 50322
<b>Peru</b> Bolivia	D. H. Cheney Commercial Secretary  L. D. Burke Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin, LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 72760
<b>Philippines</b>	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	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-33-35

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>Portugal</b> Azores, Cape Verde Islands, Madeira, Portuguese Guinea	Richard Grew Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4 <sup>o</sup> D <sup>o</sup> LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
<b>Rhodesia and Nyasaland</b> Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard Canadian Government Trade Commissioner	Offices 110-113 Central Africa House Corner First St./Gordon Ave. SALISBURY	<i>Mail:</i> P.O. Box 2133 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 26571
<b>Singapore</b> Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner  W. G. Huxtable Assistant Trade Commissioner	Room E-3, Union Building SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30631-2
<b>South Africa</b> (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble Canadian Government Trade Commissioner  I. V. Macdonald Assistant Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	<i>Mail:</i> P.O. Box 715 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 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	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 2-5134/5
<b>Spain</b> Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio España Avenida de Jose Antonio 88, MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 47-54-00
<b>Sweden</b> Finland	A. P. Bissonnet Commercial Secretary	Canadian Embassy Strandvagen, 7-C STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
<b>Switzerland</b>	B. I. Rankin Commercial Counsellor  N. W. Boyd Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-81
<b>Trinidad</b> Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies, Guadeloupe, Martinique	R. W. Blake Canadian Government Trade Commissioner  P. T. Eastham Assistant Trade Commissioner	Colonial Building 72 South Quay PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
<b>United Kingdom</b> (South of England, East Anglia, Scotland), British West Africa (Gambia, Ghana, Nigeria, Sierra Leone)	H. L. Brown Commercial Counsellor  G. H. Rochester Commercial Counsellor (Timber)  D. A. B. Marshall Commercial Counsellor (Agricultural)  S. G. Tregaskes Commercial Secretary	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Whitehall 8701  <i>Cable:</i> TIMCOM
United Kingdom (Midlands, North England, Wales)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625
United Kingdom (Northern Ireland)	H. A. Gilbert Canadian Government Trade Commissioner	36 Victoria Square BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867
<b>United States</b> Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith Minister (Commercial)  Dr. W. C. Hopper Agricultural Counsellor	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011

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

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 1.03626.

# foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent September 30	Units per Canadian dollar	Notes (See below)
Argentina .....	Peso .....	Official .....	.05361	18.65	(1)
		Free .....	.02275	43.96	
Austria .....	Schilling ...	.....	.03712	26.94	
Australia .....	Pound .....	.....	2.1585	.4632	
Belgium, Belgian Empire and Luxembourg ....	Franc .....	.....	.01926	51.92	
Bolivia .....	Boliviano ..	Official .....	.0001142	8756.6	
British West Indies	Dollar .....	.....	.5621	1.78	(2)
	Pound .....	.....	2.6981	.3706	(3)
British Honduras ..	Dollar .....	.....	.6745	1.48	
Brazil .....	Cruzeiro ....	Effective Gen. Category ..	.0133	75.39	*Sept. 15
		Selling Spec. Category ..			
		Official buying .....	.0513	19.50	(4)
Burma .....	Kyat .....	.....	.2027	4.93	
Ceylon .....	Rupee .....	.....	.2024	4.94	
Chile .....	Peso .....	Free .....	.001608	621.9	(5)
Colombia .....	Peso .....	Certificate .....	.1890	5.29	
Costa Rica .....	Colon .....	Official .....	.1719	5.82	
		Controlled free .....	.1453	6.88	
Cuba .....	Peso .....	.....	.9650	1.04	tax 2%
Czechoslovakia ...	Koruna .....	.....	.1340	7.46	
Denmark .....	Krone .....	.....	.1397	7.16	
Dominican Republic .....	Peso .....	.....	.9650	1.04	
Ecuador .....	Sucre .....	Official .....	.06434	15.54	
		Free .....	.05601	17.85	
Egypt .....	Pound .....	Official .....	2.7711	.3609	(6)
El Salvador .....	Colon .....	.....	.3860	2.59	
Fiji .....	Pound .....	.....	2.4307	.4114	
Finland .....	Markka ....	.....	.003016	331.56	
France, Monaco and North Africa	Franc .....	.....	.002298	435.16	(7)
French Colonies in Africa .....	Franc .....	.....	.004596	217.58	(8)
French Pacific ...	Franc .....	.....	.01264	79.11	(9)
Germany .....	D Mark .....	.....	.2297	4.35	
Ghana .....	Pound .....	.....	2.6981	.3706	
Greece .....	Drachma .....	.....	.03216	31.09	
Guatemala .....	Quetzal .....	.....	.9650	1.04	
Haiti .....	Gourde .....	.....	.1930	5.18	
Honduras .....	Lempira .....	.....	.4825	2.07	
Hong Kong .....	Dollar .....	Free .....	.1609	6.22	*Sept. 20
		Official .....	.1686	5.93	
		Official .....	.05925	16.88	(6)
Iceland .....	Krona .....	.....	.2024	4.94	
India .....	Rupee .....	.....	.0127	78.50	
Iran .....	Rial .....	Certificate .....	2.7020	.3701	
Iraq .....	Dinar .....	.....	2.6981	.3706	
Ireland .....	Pound .....	.....	.5361	1.87	
Israel .....	Pound .....	.....	.001549	645.58	
Italy .....	Lira .....	.....	.02681	373.00	
Japan .....	Yen .....	.....	.3098	3.23	
Lebanon .....	Pound .....	Free .....			

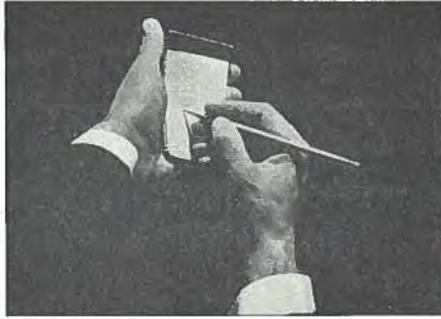
\*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent September 30	Units per Canadian dollar	Notes (See below)
Mexico .....	Peso .....	.....	.07720	12.95	
Netherlands .....	Florin .....	.....	.2522	3.97	
Netherlands Antilles .....	Florin .....	.....	.5082	1.97	
New Zealand .....	Pound .....	.....	2.6981	.3706	
Nicaragua .....	Cordoba .....	Effective buying .....	.1462	6.84	
		Official selling .....	.1368	7.31	
Norway .....	Krone .....	.....	.1351	7.40	
Pakistan .....	Rupee .....	.....	.2024	4.94	
Panama .....	Balboa .....	.....	.9650	1.04	
Paraguay .....	Guarani .....	Official .....	.01608	62.19	(6) (10)
Peru .....	Sol .....	Certificate .....	.05079	19.69	
Philippines .....	Peso .....	.....	.4825	2.07	
Portugal & Colonies	Escudo .....	.....	.03368	29.69	(11)
Singapore & Malaya .....	Straits dollar	.....	.3148	3.18	
Spain & Dependencies ..	Peseta .....	Controlled free .....	.02298	43.52	(6)
Sweden .....	Krona .....	.....	.1865	5.36	
Switzerland .....	Franc .....	.....	.2252	4.44	
Syria .....	Pound .....	Free .....	.2695	3.71	
Thailand .....	Baht .....	Free .....	.04682	21.36	(6)
Turkey .....	Lira .....	.....	.3446	2.90	
Union of South Africa .....	Pound .....	.....	2.6981	.3706	
United Kingdom ..	Pound .....	.....	2.698125	.370628	
United States .....	Dollar .....	.....	.9650	1.03626	
Uruguay .....	Peso .....	Free .....	.2304	4.17	(6)
		Basic buying .....	.6369	1.57	
		Principal selling .....	.4587	2.18	(12)
Venezuela .....	Bolivar .....	.....	.2881	3.47	
Yugoslavia .....	Dinar .....	.....	.003216	310.95	(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: No exchange auctions take place for special category commodities. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
5. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
6. Additional rates are in effect.
7. France: 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.



### Australia

**BANKING REFORM**—The Government recently provided details on the proposed banking reform which will involve a radical revision of the present Commonwealth Bank set-up. The proposals envisage the establishment of a Reserve Bank of Australia to handle the Central Bank functions of the Commonwealth Bank. The Commonwealth Banking Corporation will supervise the Commonwealth Savings Bank, the Commonwealth Trading Bank and a new Commonwealth Development Bank. The proposals, if they are implemented, would bring into being a central banking system very similar to that in both Canada and the United States. At present the Commonwealth Bank functions as a central bank and a private trading bank; it also has a special industrial finance department and a mortgage bank department. These serve private and secondary industries and will, under the proposed reform, form the nucleus of the new Commonwealth Development Bank. A system of reserve deposits is to replace the present special accounts system with the central bank. The Reserve Bank would be empowered to require private banks to deposit with it, at short notice only, 25 per cent of their Australian deposits. The new Reserve Bank could raise the percentage upon giving 45 days' notice—Sydney, Sept. 16.

### Brazil

**FOOD PRODUCTS COMPANY**—An agreement has been signed between the Governments of Japan and the State of São Paulo covering the investment of Cr\$25 million in a Japanese-Brazilian company to produce food products. The Nissho Trading Company of Osaka is supplying the equipment, plans and trained personnel. The new factory is expected to cost about Cr\$50 million and will produce edible oils and flours—São Paulo, Sept. 11.

### Chile

**IRON ORE EXPLORATION**—The well-known Japanese industrial enterprise "Mitsubishi"—according to local press reports—will shortly initiate the

## General Notes

exploiting of iron ore in the northern sector of Chile. Japanese engineers and technicians have already arrived and a report on the results obtained is expected shortly—Santiago, Sept. 14.

### Italy

**INDUSTRIAL PRODUCTION**—Italian industrial production in 1956 increased by 7.6 per cent over the previous year. The increases in various branches of industry were: 29.9 per cent in mining and extraction industries, 7.3 per cent in manufacturing industries and 6 per cent in electric and gas producing industries—Rome, Sept. 18.

### Jamaica

**IMPORTS AND EXPORTS RISE**—In 1956 Jamaican imports totalled £57 million compared with £22.4 million in 1950. Main imports were foodstuffs, agricultural and industrial machines and equipment, clothing, chemicals, fertilizers, and fuel and lubricating oils.

During the same period, 1950-1956, exports rose from £14.8 million to £32.7 million. Chief exports were bauxite, sugar, bananas, rum, citrus, cigars and spices. In recent years the new bauxite industry has contributed substantially to the increase in the value of Jamaican exports; bauxite and alumina exports in 1956 were valued at over £9 million. Canada's exports to Jamaica totalled \$17,222,124 in 1956 and imports from Jamaica reached \$24,632,981—Kingston, Sept. 18.

### Venezuela

**BUDGET SURPLUS**—The Ministry of Finance announced that at the close of the fiscal year on June 30 Venezuela had a budget surplus of Bs.2,062,700,000. This sum was transferred to the Special Reserve Fund which will be used for carrying out extraordinary public works projects and for the purchase of gold bullion. Income during the fiscal period 1956-1957 rose to Bs.6,149,700,000, expenditures totalled only Bs.4,087,000,000—Caracas, Sept. 10.