foreign **trade**

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OTTAWA
CANADA

Colombia . . . Rice for Export? (page 2)

Foreign Exchange Rates . . . an FT Service

At the end of July a long-standing feature, "Nominal Foreign Exchange Quotations," disappeared from our pages. Almost immediately, protests began to reach us. Readers in many types of business and in many places wrote us that they found the quotations useful and hoped we would consider publishing them again.

The disappearance, we hasten to explain, was never intended to be permanent. In this issue the table re-appears in an expanded and more useful form. It will be brought up-to-date each week, as part of "Foreign Trade's" service to the Canadian businessman.

Authorities in the Department pointed out to us that the old table was unrealistic. Usually only one rate was given, even for countries with a multiple exchange system—and even that was not always the most appropriate trading rate. The new table shows and explains the various trading rates. It includes a multiplier for converting the Canadian dollar equivalent into U.S. dollars.

Before studying the table, we suggest that you turn to page 25 and read the discussion of multiple exchange rates and their effect on trade. We add, too, a few words of caution. First, the rates given in the table are merchandise rates only. Certain countries also have non-trading rates for statistical purposes or for financial transactions. These are not shown.

Second, the multiple rates are of no value unless the user knows to which commodities they apply. For precise information on which rates apply to specific commodities, we suggest that you write to the International Trade Relations Branch of the Department.

—The Editor.

foreign trade

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COVER . . . Rice for export? Yes, this is one of Colombia's agricultural objectives but first she must overcome serious cultivation problems, such as the inefficient manual methods used by farmers like these, working in a rice field near Buga. For a report on Colombia's rice prospects see page 2.

—Photo by Standard Oil Co. (N.J.)

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Rice for Export?

Production of rice for export has become one of the objectives of Colombian agricultural policy but cultivation problems must first be solved.

BOGOTA—Colombia could become one of the greatest producers and exporters of rice in the Americas. According to foreign experts, the extent of its fertile plains, the climate, and the abundance of water for irrigation all favour the growing of rice. But Colombia can only realize this objective by cutting costs of production through increased mechanization, by improving quality through grading, by expanding transport and distribution facilities, and by introducing better farming methods.

Colombia has, at the moment, a one-export-crop economy based on coffee. The price of coffee in world markets can spell riches or poverty. Bearing in mind the wide range of products grown in the tropical belt and in the cooler, elevated areas of the Andes, Colombia has been looking for other crops to supplement her coffee sales abroad. Commodities such as oil are already selling in international markets but, agriculturally speaking, the greatest promise seems to lie in expanding rice production.

The rice crop has more than doubled in six years—from 118,213 metric tons in 1946 to 296,805 metric tons last year. Although most divisions report rice cultivation, the greatest production takes place in the Department of Valle and Cauca on the Pacific, Huila and Tolima in the valley of the Magdalena River, and Bolivar and Cordoba facing the Caribbean. The four departments on tidewater are considered the best potential rice-exporting areas.

High Production Costs

Before Colombia can look forward to large rice exports, the industry must set its house in order. Costs of production are very high—high enough to make Colombian rice uncompetitive in world markets. There is much primitive, inefficient, manual cultivation. In other cases, although machines are employed, the use of this costly equipment must be organized to keep production costs at a reasonable level. All the machinery and practically all the hand tools and fertilizers for the industry must be imported—and Colombia has little or no control over these capital and production costs. However, internal costs can be reduced and efficient mechanization can increase production and cut unit costs. Efforts are being made to extend credit to finance the purchase of needed equipment. Certain Canadian manufacturers of agricultural machinery are active in supplying this market with tractors, rice combines and other machinery.

Internal transport in Colombia leaves much to be desired. Most of the highways are gravel surfaced and not up to accepted standards. The railways are narrow-gauge and not particularly efficient; the rail network is frequently broken by ranges of the Andes Mountains and other natural barriers. As a result, surpluses of rice and other commodities can pile up at one point with no possibility of moving them economically to areas in need. This hampers efficient interior producers such as the Departments of Tolima and Huila in their efforts to compete effectively in world markets. Unfortunate political misunderstandings have arisen in some rice-producing areas and have affected adversely the labour supply and efficient crop production.

Quality and Grading

At present, official classification of rice in Colombia is not compulsory. Production therefore is of mixed variety and grade. Certain areas such as Tolima produce a high-quality crop but there is much more to be done before Colombia can take its place as a great exporter. Efforts are being made to zone the country according to soil, water, climate, and transport and distribution facilities. The National Federation of Rice Growers is working closely with the Government at the fine experimental farm at Palmira, Valle, to produce seeds suited to diverse areas.

Better Farming Methods

Crop rotation must be practised to a greater extent. The taking of two crops a year on the mechanized fincas and the poor and inefficient farming methods on the small manually-worked haciendas and depleting the soil and in some cases encouraging erosion. Cotton, corn, soya, potatoes and fruit (such as the melon) could be grown in rotation with rice. More work must be done on irrigation and drainage to insure adequate amounts of water at all times for healthy growth. The Department of Tolima, using irrigation, produces more quality rice on 14 thousand hectares (a hectare=2·471 acres) than the Departments of Bolivar and Cordoba, which are dependent on "dry" cultivation and capricious rainfall, can grow on thirty thousand hectares.

Imports and Exports

Colombia over the last few years has not exported much rice—in 1950, in fact, none at all. In August of this year some one thousand metric tons of Tolima white rice were contracted for and shipped to Western Germany. The year 1946 saw the biggest export—6,431 metric tons.

Imports of rice in most years outweigh exports. The winter of 1951-1952 brought the worst rice-growing weather for 15 years. To meet local demand, the national government was forced to authorize the import of 50 thousand quintals (a quintal=220·46 lb.). However, there is reason to believe that clandestine imports from neighbouring countries such as Venezuela and Brazil far surpass the authorized amount. These imports are encouraged by the high price and large domestic consumption in Colombia. The Federation of Rice Growers is working on this problem and is hopeful of government assistance in checking imports and expanding exports. Recent export inquiries have been received from Canada, although little or no business has developed. Listed below are some pertinent figures on the Colombian rice picture:

	Production	Export (in metric tons)	Import
1946	118·213	6·431	467
1947	149·614	....	6·102
1948	167·769	....	1·744
1949	207·641	1·501	70
1950	241·058	....	3·750
1951	296·805	....	....

—JOHN E. LANCASTER
Assistant Canadian Government Trade Commissioner

Christmas Trees from Canada

NEW YORK—In millions of United States homes, the family gathers at Christmas time around a fir, spruce or pine tree that grew to maturity in a Canadian forest. Last year, Canada supplied approximately 25 per cent of all the Christmas trees used in the United States. In New York City, two-thirds of the trees came from Canada; Boston, Philadelphia, Detroit and Chicago were also important markets.

In what parts of Canada does this Christmas tree trade flourish? Statistics point to the forests of British Columbia, Nova Scotia, and New Brunswick as the leading producers, with Quebec and Ontario as the runners-up. Here are the production figures for the 1949-50 season:

Christmas Trees—1949-50 Season

British Columbia	1,260,000
Nova Scotia	2,187,000
New Brunswick	2,018,000
Quebec	1,949,000
Ontario	1,833,000
All others	734,000
Total	10,981,000

Canadians like Christmas trees quite as well as their U.S. neighbours do. And it's not surprising that about 3½ million of these trees went to the home market. The rest—about 7·4 million—were sold across the border and brought Canadian exporters the tidy sum of $2·3 million. In 1951, it is estimated, about 650 thousand more trees were sold in the U.S. —bringing the total take in that year to about $3½ million.

Exports by Provinces

	Number	Value
Nova Scotia	2,026,000	$ 612,000
New Brunswick	1,889,000	553,000
British Columbia	1,812,000	386,000
Quebec	1,045,000	418,000
Ontario	536,000	318,000
All others	98,000	30,000
Total	7,406,000	$2,317,000

Most U.S. buyers prefer the balsam fir, and over 50 per cent of the trees shipped are of this variety. Douglas fir (on the West Coast) and spruce come next in popularity. Scots pine, a relative newcomer in the trade, is gaining ground; nearly 60 per cent of Ontario's exports are of this species.

Duty-Free Entry

Canadian Christmas trees enter the United States duty-free; freight charges, naturally, vary with the distance which the trees must travel. Usually the trees are shipped in bundles, as follows:

Height	Trees in Bundle
12 ft. and over	1
10-12 ft.	2
7-10 ft.	3
5- 7 ft.	4
4- 5 ft.	5 or 6
4 ft. and less	10 or 12

Though negotiations for the sale of trees may begin as early as August, about one-quarter of the total volume are exported in November, and the remainder in December. Usually the sales are made directly to importers. The Canadian exporter, however, should have firm orders before starting production and should never ship on consignment.

Green and Silver

One of Canada's leading competitors in the U.S. market is the State of Minnesota. A large Christmas tree company there has found a new way of boosting its sales. From August through to December it cuts about 6,000 small Christmas trees a day and ships them to Duluth. There, in a large warehouse, 40 workers process about 20 trees a minute. The trees—mostly swamp spruce from 32 to 40 inches tall—are treated with a special green, white or silver preservative, given metal bases with a sealed-in, synthetic tree sap, and packed 12 to a paperboard container. They then go direct to wholesalers and supermarkets, or are shipped abroad. Many of these trees have gone to Central and South America and some even to the Far East. It is an idea that certain Canadian exporters might wish to adopt, as the demand for smaller trees is growing.

—A. E. Bryan
Deputy Consul General of Canada
and Trade Commissioner

Tour of Territory

G. A. Cooper, Assistant Canadian Government Trade Commissioner in Guatemala, will leave shortly on a five-week tour of Panama, Costa Rica, Nicaragua, San Salvador and Honduras. Businessmen interested in these areas should write Mr. Cooper at Guatemala City.

61636—2½

Transforming the Thal

Thousands of refugee families are already finding new homes and new hope in the Thal; a vast irrigation project is making the desert fertile.

KARACHI—Sandwiched between the Jhelum and Indus Rivers in Pakistan's Punjab province is a 3,000-square-mile expanse of rolling desert known as the Thal. In the language of the country it means "barren waste". Now the barren waste is being transformed.

The idea of a vast canal system to irrigate and make fertile a large part of the soil under the sands of this area was first conceived in 1870. Work on a dam on the Indus River was actually begun in 1939, while India was still undivided. Suspended during the war, work was later resumed and the dam and several hundred miles of canals completed by the time of Partition in August 1947.

The confused and unsettled conditions in Pakistan's first year as a nation, and the lack of any administrative organization to undertake responsibility for the maintenance of the work already finished, meant that the whole system fell into disrepair.

Development Authority Set Up

In 1949 the Thal Development Authority was constituted as an agency of the Punjab Government. Since then, under the able leadership of its chairman, the canals have been cleared of silt and sand and the whole system restored and maintained. In addition, new canals are being built and more land is constantly coming under cultivation.

As one of the world's largest and most interesting land reclamation projects, Thal is one of the development projects receiving increased attention from various foreign aid programs. Under the Colombo Plan, Canada is giving a much needed and vital 300 ton-a-day cement plant to be erected in the area, near a good limestone region. We are also supplying certain agricultural equipment and machinery for an experimental livestock farm being sponsored jointly with Australia and New Zealand, and we will probably consider giving further assistance to the Thal area in ensuing years. The World Bank has loaned Pakistan $3·2 million for farm machinery for use in the Thal area, and the United States Technical Assistance program is also turning its attention to the needs of this region.

The overall implications of this project, which may be completed by the end of 1955, are vast. According to FAO estimates, over a period of twelve years it will become a paying proposition, giving a return of 4½ per cent on its capital cost of Rs.390 million ($114·3 million). Of this, Rs.150 million ($44·0 million) represents the cost of the irrigation scheme, Rs.160 million ($46·9 million) colonization, and the remainder, roads. The national wealth of Pakistan should be increased by Rs.80 million ($23·5 million) a year, through agricultural crops which will be raised in this area.

A glance at some of the objectives of the Thal development project will give some idea of its vast scope. A total of approximately 1·8 million acres will be reclaimed from the desert. Of this, 660 thousand acres will be brought under cultivation and used to settle 44 thousand families on farms of 15 acres each; 400 thousand acres will be planted with trees; and, on the remaining 740 thousand acres of unproductive land, marketing and industrial centres will be established to settle at least another 10 thousand families. Water to make this development possible will come from the Kalabagh dam on the Indus, through 3,300 miles of canals and 26,400 miles of minor irrigation ditches. The annual crop from this reclaimed land should total 13·7 million bushels of wheat, 135 thousand bales (54 million lb.) of cotton, and substantial amounts of sugar cane and other food crops.

Thousands of Villages Planned

With the proposed construction of eleven townships and about a thousand villages, the Thal will become one of the most thickly populated parts of Pakistan. Seven hundred miles of good macadamized roads will serve the area.

Among the industrial enterprises planned are a woollen mill, four cotton mills, a sugar factory, and a fertilizer plant. Power for these industries and for other uses will come from the Mianwali hydro-electric plant, using water from the Indus River.

This bleak desert land will one day know the shade of many trees. A 50-acre forest in each village is one of the Thal Development projects; here workers lay out a plantation.

61636—3

Steady progress is being made towards achieving these targets. Already 350 thousand acres are under cultivation and as many as 11 thousand refugee families have been settled in the Thal. Model towns are being constructed; tractors and other mechanized equipment acquired and put to good use. Mechanical workshops to keep this equipment in repair are being set up. Over 400 miles of roads have been completed and remarkable progress made on the canals and other channels of the irrigation system.

Of the Rs.390 million ($114·3 million) earmarked for colonization, irrigation, and road-building, about half has already been spent.

The conquest of the Thal desert should bring comparative prosperity to the farmers and refugees who will inhabit the area. It also will stand as a landmark in Pakistan's agricultural and economic progress.

—A. P. Bissonnet
Commercial Secretary for Canada

TRADE COMMISSIONERS ON TOUR

TO familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

F. W. Fraser, formerly Commercial Counsellor for Canada in Melbourne, will complete his Canadian tour in Montreal and vicinity from Oct. 6-16.

Mr. Fraser will become Commercial Counsellor in Stockholm at the end of the year.

C. S. Bissett, Commercial Counsellor for Canada in Buenos Aires, will begin a tour of Canada in Vancouver on November 19. His itinerary follows:

Vancouver—Nov. 19-22	Montreal—Dec. 1-6
Toronto—Nov. 24-29	Ottawa—Dec. 8-11

Businessmen may get in touch with these officers through the Board of Trade in Montreal and Toronto, and the Department of Trade and Commerce in Ottawa (No. 1 Temporary Bldg.) and Vancouver (355 Burrard St.).

FAIRS and EXHIBITIONS

All Space Taken

All available space now allotted . . . is the latest report from the International Cycle and Motor Cycle Show, November 15-22 at Earls Court. One hundred and sixty-one manufacturers of bicycles, motor cycles, components and accessories will be exhibiting. Full information about this show can be obtained from the Press Officer, Hastings House, 10 Norfolk Street, London, W.C.2.

Foods from Canada

The visitor who drops in at the Canadian Showroom, Rockefeller Center, New York, any time after October 15th may feel that he has, by some mistake, strayed into a small but first class supermarket. Around him he will see tempting displays of foods—fresh, canned, frozen, smoked, and even pickled. Crocks of maple butter, smoked hams and bacon, cheeses, canned lobster, and many other products which the supermarket stocks will be on show.

Lending colour and a distinctively Canadian note to the display will be several large sheaves of wheat, houses moulded out of maple sugar, flue-cured, Ontario-grown leaf tobacco, and cereal and forage crop seeds in Ricker mounts. Careful study of the exhibit, designed by the Canadian Government Exhibition Commission, will give visitors a picture of the range and variety of food products and agricultural commodities that Canada produces.

Assembling this particular exhibit—the sixth to go into the Showroom this year—posed some special problems. Fundamentally, the procedure was the same as for the other shows. The Department of Trade and Commerce, which sponsors the Canadian Showroom, dispatched to the industries concerned an invitation to send samples to the Exhibition Commission to be included in the display. (The only cost to the individual company, incidentally, is the shipping charges to and from the Exhibition Commission's offices in Ottawa.)

Canners, food processors, meat packers, fish packers, producers of frozen foods and of dairy products, tobacco growers, brewers and distillers—all responded to this invitation. Then a problem arose. It is simple enough to dispatch to New York and to display canned fruit, canned vegetables, jams, macaroni or bottles of maple syrup. Fresh and frozen foods are another matter. This hurdle was overcome by asking New York agents of Canadian exporters to provide the proper refrigerated cabinets and to change certain displays (perishable meats, for example) once a week. The exhibit will be open until the end of the year.

61636—3½

Some of the products on show are being selected to appeal to the United States consumer—granulated maple sugar, canned fish specialties, and Canadian cheddar cheese, for example. Others are being chosen with an eye to the Latin American market; purchasing missions from many Latin American countries maintain offices in New York. Thus, though a dozen meat canners in Canada will combine to show the full range of their production, the emphasis will be on canned hams, popular in the South American market.

Dairy products on show will include poultry and eggs; cheddar cheese in smaller packs of five and ten pounds each; canned, powdered, and evaporated milk, and various milk preparations.

For the fish section, the fishing industry from coast to coast was canvassed. Various processors came through with samples of fresh and frozen fillets; canned fish and shellfish; dried, salted, smoked and pickled fish, and various special products.

Rounding out the exhibit will be samples of flue-cured leaf tobacco, a maple syrup and sugar display, and an exhibit of Canadian beer and alcoholic beverages.

Trade inquiries received as a result of the exhibit will go to the Deputy Consul General of Canada and Trade Commissioner in New York, who will put the inquirer in touch with the Canadian producer.

Canadian Knitwear was featured in the Canadian Showroom, Rockefeller Center, New York from September 16 to October 9, and this is part of the exhibit. Some 50 manufacturers, with the co-operation of the Canadian Woollen and Knit Goods Association, displayed their wares—sweaters, knitted suits, sports wear, gloves, scarves, etc. The show drew an appreciative and interested audience.

Israel's Metal Industry

ATHENS—Israel's metal industry is undergoing a rapid and fundamental change. Beginning as a producer of consumer goods, it is now turning more and more to the primary and secondary stages of production. In 1950, it employed some 20 thousand wage-earners whose gross output exceeded I£30 million* in value.

Production of the foundries in 1950 exceeded 5,000 tons, about 30 per cent short of the target set in the Four-Year Development Plan. The 1951 output was expected to reach 8,000 tons.

Production of industrial machinery and implements, though modern plant equipment is still scarce, reached over I£3 million in value in 1950. The two plants for wire drawing produced 6,000 tons and, in turn, supplied the raw material for the local nail and wire-netting factories.

In the non-ferrous branch of the metal industry, Israel so far has no producers of raw materials. There are, however, plants turning out semi-manufactures such as copper and copper alloys, sheets, strips, tubes, rods, etc. The one extrusion plant in Israel produces copper bars and pipes, aluminum window frames, profiles, and irrigation pipes up to 2½ inches. The annual production capacity in two shifts amounts to 900 tons of semi-manufactures of aluminum base alloys, or 3,000 tons of semi-manufactures of copper and copper alloys.

The turn-out of finished non-ferrous articles comprises a large variety of products such as bath stoves and water stoves, domestic cooking stoves, lamps, locks, cutlery, and art and handicraft objects.

Annual consumption of copper and copper alloys in the manufacture of finished articles reached 120 tons in 1949 and 1950. Total consumption of non-ferrous metals included some 3,200 tons of aluminum, 3,500 tons of copper, 900 tons of lead, and 1,600 tons of lime.

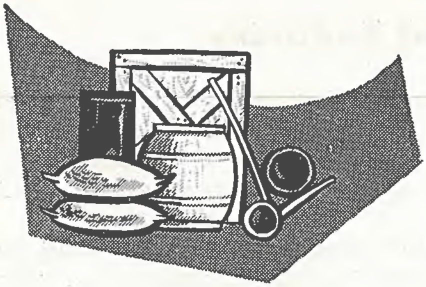
A series of new plants is needed to produce iron and pig from native or imported ores, which can later be refined for use in steel foundries and rolling mills. A steel foundry producing steel castings of parts of machinery is required; so are gray iron foundries for casting machinery and machine tools. In addition, an integrated non-ferrous metals plants for processing copper and aluminum and a lead rolling and extrusion mill are urgently needed.

Production of producer goods and equipment should be increased by the establishment of factories turning out tools and dies of machine tools; gears, files and rasps; drop forgings, etc. Plants for fabricating structural steel and assembly plants for tractors and heavy agricultural machinery, etc., should have a high priority in any expansion program.

The well-informed believe that there is scope in the metal industry for the establishment of more than 50 new enterprises, with an investment of about $30 million. An additional sum is needed to enlarge, re-equip and modernize a number of existing undertakings. It is estimated that these investments could save Israel between $10-$15 million a year.

—T. J. Monty
Commercial Secretary

* During this period, I£1 equalled U.S. $2.80.



COMMODITY NOTES

ARGENTINA

Plywood Grading—The Argentine National Forestry Board has issued new regulations which establish grades and qualities for pressboard and plywood. The regulations now require the stamping of the grade, quality, trade mark and type of wood used on each board produced—Buenos Aires, September 4.

BELGIAN CONGO

New Brewery—The firm "Bracongo" (Brasserie du Bas-Congo) is installing a new brewery in Leopoldville. This firm, with head office in Brussels, is a newly-formed company and has a capital of 130 million Belgian Congo francs. Its main activity is the establishment of breweries and other similar factories in Africa. According to well informed sources they also intend to build a brewery in Matadi, including a large refrigerating plant—Leopoldville, September 15.

BRAZIL

Carnauba Wax—Exports of carnauba wax dropped from 12,758 tons in 1950 to 9,579 tons in 1951. The decline is partially due to the reluctance of United States buyers to import carnauba wax at the high prices currently maintained by the Brazilian Government—Rio de Janeiro, September 10.

JAPAN

Barley—Preliminary negotiations have been held in Tokyo for imports of Australian barley under a three-year contract. It is reported that the Japanese Government plans to buy 50 per cent of Australia's barley exports for the next three year—Tokyo, September 3.

MEXICO

Oil—At a time when production figures of the nationalized oil industry were increasing very slowly, and lagging so far behind domestic requirements that imports of refined gasoline were valued at more than $14 million a year, the discovery of an important new oilfield at Tenixtepec in the State of Veracruz has been greeted with delight in the national press.

Petroleos Mexicanos completed the first well on the Tenixtepec field in June and found gas under high pressure at 1,400 metres. Tenixtepec No. 2, only 500 metres distant from Tenixtepec No. 1, is conservatively estimated to be ready to produce 5,000 barrels of oil daily. Brought in at a depth of 1,596 metres, it is being compared in importance with the discovery of the Poza Rica field in 1931 and with three other major producing wells that were drilled by foreign companies in the 1920's.

By discovering the Tenixtepec field, Petroleos Mexicanos believe that they have tapped a continuation of the "Faja de Oro" (Golden Belt) which enabled foreign companies to set up production records before the industry was nationalized in 1938. Mexican production of petroleum averaged 6,550,000 barrels a month during the first five months of this year, compared with an average of 6,450,000 barrels during 1951—Mexico, D.F., September 20.

NETHERLANDS

Bulbs—Netherlands bulb exports in the first half of 1952 exceeded 5 million kgs, valued at 17 million guilders (Can.$4·3 million), a substantial increase over exports in the same period last year when 4·3 million kgs, worth 13·6 million guilders (Can.$3·4 million) were shipped abroad. Of the 1952 shipments the United Kingdom took the largest quantity but exports to the United States topped the list in value. France, West Germany and Italy followed as major purchasers.

Exports to Canada from January to June, 1952, increased to 109,001 kgs, valued at 339,690 guilders (Can.$85,997) from last year's 58,277 kgs, valued at 277,597 guilders (Can.$70,278). This does not provide a true picture of Canadian bulb purchases because imports normally take place in the second half of the year. In 1951 Canada was Holland's fifth best bulb market after the U.K., U.S., France and Belgium, when Canadian imports totalled 1·6 million kgs, worth four million guilders (Can.$1 million)—The Hague, September 21.

SOUTH AFRICA

High Tensile Wire—The Citrus Fruit Board estimates that a saving of nearly £20 thousand in foreign exchange will be made when more than 40 million feet of high tensile wire is supplied to the South African citrus industry this year by a newly established industry. Up to now, wire of the required specifications could not be obtained in the Union in the quantity needed and had to be imported. A special allocation of steel was granted to the manufacturers on condition that the wire requirements of the citrus industry be met. The wire is required for binding between four and five million boxes of fruit for export each year—Johannesburg, September 10.

SPAIN

Cellulose Acetate—A new cellulose and textile fibre factory has been opened at San Celoni, Barcelona. The plant is already producing 4,000 kilos a day in this preliminary stage and output will be increased later to 6,000 kilos. This plant is the first of its kind to be built in Spain. The cellulose to be manufactured later on will be used as a raw material not only by the textile industry, but also in the manufacture of insulating material for electrical appliances—Madrid, September 6.

Sweden

The Trend in Export Trade

Sales of pulp and paper products in foreign markets fell off in the first six months of '52; iron ore exports rose; engineering products held up well.

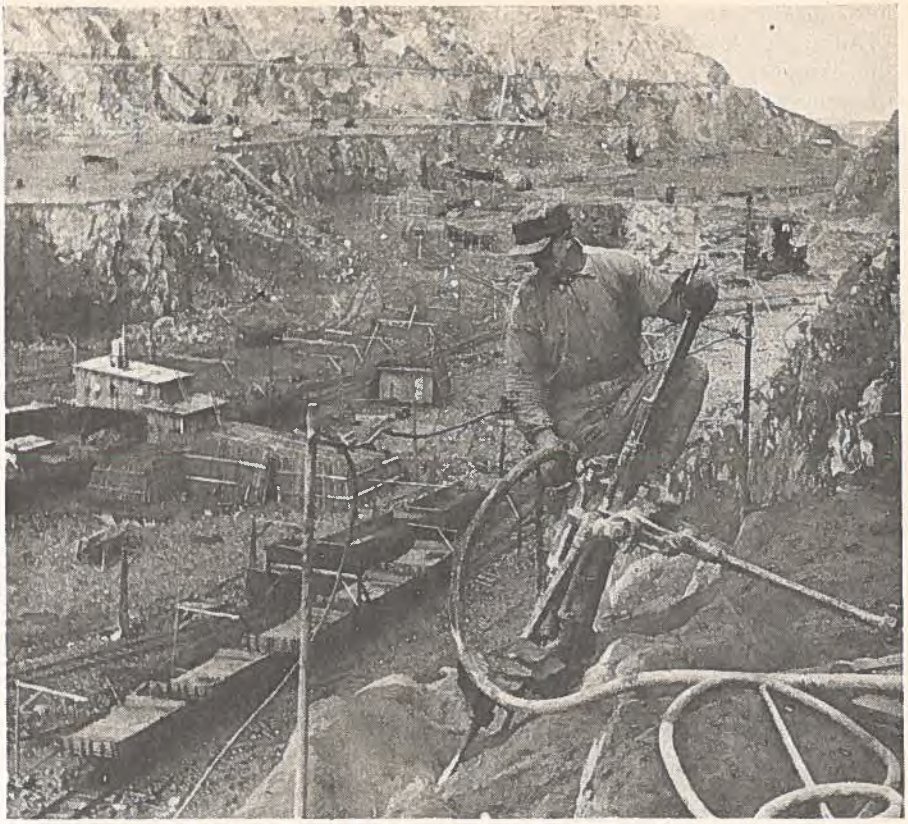
STOCKHOLM—During the first six months of 1952 there has been a gradual decline in some of Sweden's most important exports with the deterioration most marked in pulp and paper products. The following table, covering products that account for about 80 per cent of Sweden's total exports, shows the trend:

Exports	Six Months 1951	Six Months 1952	Per Cent of Total Export Value 1951	1952
	(in million kronor)			
Ores	243	415	6	10
Wood products	333	421	8	10
Pulp	1,207	988	30	23
Paper	468	413	12	10
Steel, etc.	309	384	8	10
Machines	412	550	10	13
Automobiles, etc.	44	88	..	..
Ships	165	177	..	..
Total	4,001	4,238		

Rceord Iron Ore Exports

Lately exports of iron ore have reached a record. In the first six months, they rose from 6·04 to 7·14 million tons, and the value increased from 214 to 377 million kronor, largely because the average price for exported iron ore jumped from 35½ kronor to almost 53 kronor per ton. (The price for June was 61 kronor per ton.)

On the other hand, the export of cellulose decreased from 903 thousand to 629 thousand tons, and the value from 1,125 to 917 million kronor. The average price per ton for cellulose during the first half-year rose from approximately 1,245 to 1,460 kronor, because at the beginning of 1951 the higher prices were not yet current and during the first quarter of 1952 record prices were still possible. The average price per ton for cellulose exports in June 1952 was Kr.1,150 as compared with Kr.1,530 in June 1951. It is expected that this price will fall further during the second half of the year. (The net f.o.b. export price for kraft pulp has already gone down to about 600 kr. a ton.) Even if there is some recovery towards the end of the year, the average export price will probably not



Sweden's iron ore exports have risen to a record figure in the past six months. Ore from these open-cast fields of Kiruna-Malmberget, above the Arctic Circle, have a very high iron content.

exceed 800 kronor per ton. Against the record export of 262 thousand tons during June 1951, only 78 thousand tons were exported in June of this year.

Exports of other pulp and paper products have also fallen, as the table shows:

Product	Exports in Tons First Six Months '51	Exports in Tons First Six Months '52
Paper	351 thousand	274 thousand
Dissolving pulp	190 "	170 "
Paper pulp	713 "	495 "
Newsprint	102 "	100 "
Kraft paper	128 "	101 "
Wood fibre board	86 "	50 "

The export of wood products decreased moderately during the first half year—from 251 thousand to 227 thousand standards. The average price earlier this year was slightly over 1,200 kronor per standard, but during June decreased to approximately 1,150 kronor. (These figures apply only to sawn wood products and do not include planed products.) For the first half year the export of matches increased from 9,400 to 10 thousand tons although for the month of June there was a 1,100 ton decrease.

The export of quality steel, including castings and blanks, from April first on was lower than for the same period last year. Export of commercial iron and steel only, during the first half year, decreased from 75 thousand to 71 thousand tons. The average price of other products in this category, in which prices fluctuate considerably, rose from 1,900 kronor to approximately 2,600 kronor a ton.

Manufactured Products

The export of ball and roller bearings increased from 63 to 65 million kronor, although the quantity exported decreased from 5,467 to 5,101 tons. The average value per kilogram went from about 11·50 kronor to 12·80 kronor but this includes thousands of different price groups. Telephone and telegram apparatus rose from 28 to 41 million kronor. Export of milk-skimming machines went down from about 15 to 13 million kronor, but the Separator Company's other milking machines, and centrifuges, showed a fairly large increase.

The exports of the Swedish General Electric Co. are included under several headings, some of which increased. The same applies to the groups of products including Electrolux exports. Typewriters and office machinery increased from about 23 to 32 million kronor. The export of automobiles and cycles, the group of products which includes exports of Atlas Diesel Co., showed a large increase, particularly for pneumatic machines and drills. Exports of arms and ammunition decreased from 35 to 31 million kronor.

Outlook for Forest Industries

It is interesting to note that during the first half of 1950, forest products represented about 40 per cent of total exports. In 1951 this figure was 52 per cent and for 1952, 44 per cent. This is still relatively high and corresponds approximately to the kronor value of exports for the whole year 1949-50. However, a further deterioration is feared, though some quarters forecast a recovery towards the end of the year. The forest industry's exports during the first six months of 1950, '51 and '52 were valued at 1·0, 2·1 and 1·9 billion kronor respectively. The decrease of 200 million kronor for 1952 as compared with 1951 appears moderate, but during the first half of 1951, the high prices for cellulose, paper and wood products had not yet made themselves felt and during the first quarter of 1952 exports could still be made at almost record prices. For the whole of 1951, exports reached five billion kronor; for the whole of 1952, this figure may be only three billion. Even if there is a continued boom in ore exports, this will not compensate for the decreased income from forest products exports.

Future Prospects

Sweden's exports are declining in value faster than her imports can be controlled. The discrepancy is most marked in Sweden's trade with the United States; trade with Canada is more or less in balance. Stricter import restrictions on goods originating in Canada and the United States can be expected in 1953, accompanied by greater efforts to encourage manufacturers to export to Canada and the United States.

—Kenneth G. Ramsay
Acting Commercial Secretary for Canada

GENERAL NOTES

AUSTRALIA

Bank Interest Rates Raised—The Commonwealth Bank has announced that it will increase its standard overdraft rate to $4\frac{3}{4}$ per cent a year, an increase of $\frac{1}{2}$ per cent from August 1st. Private trading banks will also raise interest rates on overdraft from $4\frac{1}{2}$ per cent to 5 per cent. This change is made possible by the revocation of regulations whereby the Commonwealth Bank fixes rates of interest to be charged by the trading banks. The raises are made necessary by the fact that the yield on Government securities and semi-government loans has increased appreciably, and this move brings the rates more in line with market rates—Sydney, September 6.

CEYLON

Balancing Trade with Canada—In line with the overall trend in Ceylon's foreign trade for January-June, 1952, imports from Canada increased from Rs.5·2 million in 1951 to Rs.23·4 million in the same months of this year. Simultaneously, Ceylon's exports to Canada declined from Rs.45 million to Rs.35·1 million. At this rate, Canada assumes a position among Ceylon's overseas suppliers of considerably more importance than usual and it is notable that there is a much better balance in the trade between the two countries than is normally the case. In many years the ratio between Ceylon's exports to and imports from Canada has been as high as three or four to one. Practically all imports of any importance have shown increases over 1951. Substantially increased values have been reported for flour, fish, lumber, agricultural machinery, newsprint and other papers, motor vehicles and parts, batteries, tires and clocks and watches. The only instance of a notable decrease was for milk foods. In the case of Ceylon's exports to Canada, the tea trade has been maintained at an even level and there was some increase in shipments of desiccated coconut. On the other hand, exports of rubber and coconut oil declined badly—Colombo, September 5.

COLOMBIA

Aluminum Plant—According to a usually reliable press source, an agreement has been signed between a group of Medellin (Colombia's second city) industrialists and the Reynolds Metal Company of the United States to build a plant for the lamination of aluminum. At the start, the Reynolds Company is to supply five million pesos in the form of machinery while the Colombians will provide an equal amount in cash, making an initial capital outlay of ten million pesos, which it is expected will be increased to 15 million in two years. It is claimed that this will be the first industry of its kind to be established in Latin America. Production is expected to begin in the summer of 1953—Bogotá, September 3.

IRELAND

Meat and Bone Meat Factory—A new factory for the manufacture of meat and bone meal is to be established at Passage West, Co. Cork, within the next six months. This private enterprise was registered in July 1952 with a nominal capital of £60 thousand. The total outlay on the factory is estimated at £35 thousand and it will employ about 20 workers. The raw materials will be obtained from Cork meat factories and, because of the shortage of animal proteins in the Republic, it is anticipated the entire output will be absorbed by local farmers—Dublin, September 17.

PAKISTAN

Favourable Trade Balance—For the first half of 1952 official Pakistan trade statistics show a favourable balance of sea-borne trade for private account with the rest of the world of 2·1 million rupees, (approximately $700 thousand). The total sea-borne imports for the first half of 1952 were 961·8 million rupees (approximately $320·6 million), against 963·9 million rupees for exports (approximately $321·3 million)—Karachi, September 7.

SCOTLAND

New Food Factories—A Barrhead firm of food processors propose to establish food factories in south-west Scotland, and as a first step have bought 45 acres in Ayrshire. The project is being supported by the Ayr County Council. Full development will take about 20 years. The organization will process agricultural and fishery products, including canning, bottling, quick-freezing, curing and open-pack manufacture. They will also manufacture animal feeding stuffs, pet foods, foam compounds and pharmaceutical products from the by-products of the livestock industry—London, September 27.

SOUTHERN RHODESIA

Record Imports—Southern Rhodesia's imports last year reached the record value of £85·7 million, an increase of £26·9 million (46 per cent) on the 1950 figure. Exports were valued at £51·8 million—an increase of £3·5 million over the previous year—but the volume was 15 per cent lower. The poor tobacco crop was the main factor which depressed the volume of exports—Johannesburg, September 15.

THAILAND

Plan Increased Rice Production—Thailand hopes to increase rice production from 1·6 million tons to 3 million tons over the next five years by modernizing agricultural methods, using higher yielding grain, and other technical assistance. Since Burma and Indo-China have been unable to bring production up to prewar levels and since consumption has increased appreciably, a serious shortage of rice has developed in Asia. It is hoped a steady increase in Thailand's annual rice crop will help to relieve the shortage—Singapore, September 8.

Italian Handicrafts

ROME—Italy has developed and recognized the importance of her handicraft industries since the Middle Ages and the beginning of the Renaissance, when the handicraft guilds were instituted in Florence and Venice, and Italian artisans and their creations were sought after the world over. Even in those days, when menial work was so greatly despised, a special dignity was attained by the "maestri" in the various handicraft fields who had their "bottega" and their apprentices after the style of the famous sculptors, and in many cases were not far behind them in their ability to express beauty in form and colour.

The handicraft industries thrive throughout Italy and each section of the country has its own specialty—the embroideries and puppets of Sicily, the glass of Murano, the rugs and carpets of Puglia and Sardinia, the wooden sculptures of the Alpine valleys, the inlaid wooden work of Sorrento, the corals and cameos of Naples, the lace of Burano and Liguria, the leather work of Florence, the filigree of Abruzzi and Sardinia, the straw work of Leghorn, the ironwork of Sienna, the mosaics of Rome, the ceramics of Umbria, the goldsmiths' and silversmiths' work, the toys and the furniture.

Such a large and highly developed industry, with all its possibilities for domestic and export trade, was bound to interest the Government. In fact, the Ministry of Industry and Commerce has a Handicrafts and Small Industries Branch with divisions covering professional schooling; technical problems relating to production, plants, and distribution of raw materials; commercial activities, fairs and exhibitions; financial concessions, taxation provisions; and an office for general matters and legislation.

ENAPI Promotes and Develops

A special technical body designed to promote and develop the handicraft and small industries in Italy was formed in 1925 and three years later its bylaws were approved by Royal Decree. It is called the ENAPI—Ente Nazionale per l'Artigianato e le Piccole Industrie (Handicraft and Small Industries National Administration)—and is an independent body under the supervision of the Ministry of Industry and Commerce. Summarized, the purposes of this organization are:

- To promote relations between handicraft and small industries and dealers and agents, both in Italy and abroad; to assist in the economic and technical development of workshops; to make and set up stands for handicraft and small industry products at fairs and exhibitions both in Italy and abroad, and to defray the greater part of the expenses connected with such exhibits; to maintain permanent sample showrooms in Italy where Italian and foreign buyers can become acquainted with the full range of Italian handicraft production; to study market conditions and supply commercial information.
- To assist in instituting handicraft schools and workshops and to organize special handicraft courses; to deal with patents, trademarks, etc.; to give technical information.
- To improve and develop production and help to maintain the local character of the products; to organize competitions for new products; to publish booklets on the decorative arts.

ENAPI itself was unable to continue after 1944 because of the situation in Italy at that time and the lack of funds. But somehow the organization managed to survive and on July 1, 1950, having arranged that the Government's annual contribution to its funds be brought more or less into line with prevailing conditions, it resumed its activities. This government contribution (lire 60 million a year) constitutes almost the whole of the funds at ENAPI's disposal. All its services are free of charge.

The report for the year 1950 shows that during that year ENAPI participated in seven fairs and exhibitions, among which are the Canadian International Trade Fair in Toronto, the Milan Fair and the Chicago Fair; subsidized nine workshops; contributed, in various ways, to the setting up of three handicraft schools and workshops; promoted, financed and organized 11 handicraft courses.

Permanent showrooms for handicraft and small industries were established in Florence (Via dell'Oriuolo 43) in 1930. The purpose of these showrooms is to offer Italian and foreign dealers an up-to-date view of all Italian handicraft and small industries production. They are open only to businessmen and orders may be sent directly to producers or through ENAPI.

ENAPI has 18 offices throughout Italy in the various production centres. Its register of handicraft and small industries at the end of 1950 included 9,811 firms. The address of ENAPI is Via della Consulta 50, Rome.

Another organization, which originally emanated from ENAPI but is now independent, is the Ente Autonomo Artigianato Mostra Mercato (Crafts Exhibition and Fair) of Piazza della Liberta, Florence. Its purpose is to organize a yearly exhibit of handicraft products in Florence. While participation in this exhibit is also open to foreign firms, the number of foreign exhibitors is very limited and it must therefore be regarded as a national show.

There are also various Confederations for handicraft and small industries with head offices in Rome, all independent and with the character of Trade Unions: These are:

For handicrafts

Confederazione Italiana dell'Artigianato, Piazza S. Silvestro 13, Rome.

Confederazione Generale dell'Artigianato Italiano, Via del Plebiscito 102, Rome.

Confederazione Nazionale dell'Artigianato, Via del Bufalo 126, Rome.

Centro Nazionale dell'Artigianato, Via dell'Umilta 36, Rome.

For small industries

Confederazione Nazionale della Piccola Industria, Largo Tassoni 323, Rome.

Comitato Nazionale Piccole Industrie, c/o Confederazione Generale dell'Industria, Piazza Venezia 11, Rome.

These confederations operate on the subscriptions of their members and have offices in most cities and towns.

—MARIA D'AMICO JOHNSON
Office of the Commercial Counsellor for Canada

TRADE AND TARIFF REGULATIONS

ARGENTINA

Exchange Rates for Meat Exports—The following modifications have been announced in recent weeks on the rates at which exchange accruing from certain exports may be negotiated.

Cured or salt beef has been changed from the "preferential" rate of 7·50 pesos to the U.S. dollar to 50 per cent of the exchange being converted at that rate, and the remaining 50 per cent of the "free" market rate which oscillates around 14·00 pesos. Canned meats and canned poultry, formerly in the "preferential" group, have been moved to the "free" market category, and bones and bone meal have been transferred from the "basic" rate of 5·00 pesos to the dollar to the "free" market rate.

The exchange rate on the export of fresh meat remains unchanged at 5·00 pesos to the U.S. dollar—Buenos Aires, September 22.

CAYMAN ISLANDS

Customs Exemptions for Cannery Materials—The Government of the Cayman Islands (political dependency of Jamaica) has passed a law which exempts from import duty and tonnage tax a number of items imported into the Islands for use in a recently-built cannery. The items include, among others, cartons, labels, flour, rubber hose, spare parts for machinery, and timber—Kingston, September 29.

CEYLON

Intensified Import Controls—The Ceylon authorities yesterday announced new restrictions on imports from non-sterling sources designed to save some Rs.75 million (about Can.$15 million) in the import control year ending June 30, 1953.

Imports from dollar countries of beer, whisky, passenger motor cars, and some other goods of a luxury type, already subject to individual import licence, will be further curtailed, and a few additional items brought under individual licence. This action supplements the transfer on August 25 from Open General Licence to individual licence of some nineteen commodities from dollar sources, including various textile goods, gloves (other than rubber), wireless apparatus, and refrigerators. (See *Foreign Trade,* September 13, page 23.)

From September 23, a group of goods comprising mainly beer, whisky, textile goods, clocks and watches, and passenger motor cars, formerly under Open General Licence from non-dollar countries, became subject to individual licence when imported from countries in the European Payments Union (Austria, Belgium, Luxembourg, Denmark, France, Iceland, Western Germany, Greece, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey) or Japan.

From the same date, margarine, refined edible oils and fats, and animal lard, formerly under Open General Licence from all countries (except Australia), became subject to individual licence.

It is stated that this is a further step to correcting a downward trend in the country's financial position resulting from reduced revenues from exports, notably rubber, and increased imports following relaxations in import controls in mid-1951—Ceylon, September 25.

CUBA

Stamp Tax on Documents—By a decree published April 25, a stamp costing 20 cents U.S. must be affixed to all visas, certificates, affidavits, and any other documents or attestations issued by Cuban consuls. The Cuban Director General of Customs has instructed customs officials in Cuba to refuse acceptance of any such documents which lack this stamp—Havana, September 23.

FRANCE

Tax on Imports and Exports—On July 10 the French Government instituted a tax amounting to 0·4 per cent ad valorem on all imports into France and on all exports from France, effective on August 6, 1952. The revenue from this tax has been allocated to the national fund set up to provide old age pensions for agricultural workers. This tax does not apply in Algeria or in the Overseas Department of French Guiana, Guadeloupe, Martinique and Reunion. No tax will be levied on amounts of less than 1,000 francs—Paris, September 21.

(This note corrects the General Note of the October 4 issue of *Foreign Trade* referring to a "Foreign Trade Tax" of 4 per cent on all import or export transactions—Editor.)

GREECE

Machinery and Equipment Duty—New Greek industries to be established outside the Athens-Piraeus area may import machinery, equipment and parts at one-half of the established customs duties, dues and taxes payable, according to a decree-law promulgated on August 6, 1952. The same concession is granted for a five-year period to existing industries outside the capital area on similar imports for replacement of obsolete plants, or for extending their installations.

The alleged purpose of these regulations is to encourage industry to spread over the whole country. Sixty per cent of Greek industrial undertakings are now concentrated in the Athens-Piraeus area.

Other measures taken in order to achieve the desired decentralization include an embargo on new industries in the capital area for five years, preference in government purchases to items produced in the provinces, and a provision for reductions in sales tax for provincial manufacturing concerns—Athens, September 24.

HAITI

Trade Agreement with France—A new trade agreement between France and Haiti was signed in Port-au-Prince on July 12 and came into force provisionally on that date, pending ratification. The agreement is valid for six years and is renewable automatically for successive one-year periods.

Provision is made for tariff concessions by Haiti on a number of specified items, including cosmetics, perfumes, wines and liqueurs, silk cloth and clothing, and certain food specialties. Substantial tariff reductions are accorded by Haiti on the scheduled items.

In exchange, the French government has undertaken to grant licences for the purchase from Haiti of up to 4,000 tons of coffee each year. It has also agreed to authorize dollar exchange purchases on the official market to pay for these coffee imports.

The agreement further provides for the liquidation of the Haitian-French financial account arising out of the Convention of 1938. Certain facilities for the encouragement of French imports from Haiti are also envisaged.

While the tariff reductions granted by Haiti under this agreement are in most cases of limited interest to Canadian exporters, the new Haitian rates of duty apply automatically to like goods of Canadian origin by virtue of the General Agreement on Tariffs and Trade, to which both Canada and Haiti subscribe. Details on these tariff reductions can be obtained from the International Trade Relations Branch.

PHILIPPINES

Exchange Law Amended—Since March 29, 1951, the Philippine Government has levied a special excise tax of 17 per cent of the peso value of foreign exchange sold. This tax did not apply to exchange sold for certain specified remittances. Furthermore, under conditions outlined in the original law, refunds could be applied for when foreign exchange was used to pay for imports of certain enumerated commodities.

On July 15, 1952, the law covering this exchange tax was amended. Briefly, the amended law provides for a continuation of the 17 per cent exchange tax until June 30, 1953, with the tax dropping to 12½ per cent from July 1 to December 31, 1953. Also, the system of tax refunds has been abolished. In future this tax *will not be levied* on a list which corresponds closely to the list of items previously entitled to refunds. Included in this list are such items as rice, flour, canned milk, cattle, beef, canned fish, butterfat, chocolate, malt, industrial starch, tapioca, vitamin concentrate, fertilizers, poultry feed, newsprint, book paper, book cloth, chip board, anaesthetics, antibiotics, certain drugs and medicines, and agricultural machinery and parts—Manila, September 26.

TURKS AND CAICOS ISLANDS

Surtax Imposed—The Government of the Turks and Caicos Islands have imposed a surcharge, to be effective from June 7 to March 31, 1953, of 2½ per cent ad valorem on foodstuffs, beverages and tobacco; and of 5 per cent ad valorem on all other goods imported into that political dependency of Jamaica.

This surcharge is levied on the cost of the goods at the place of shipment plus import duty and tonnage tax, but exclusive of shipping and any other related charges.

The Act stipulates that the surcharge is not to be passed on to consumers—Kingston, September 29.

UNITED STATES

Customs Rule on Classification Change—The United States Customs state, in T.D. 53093 of the Weekly Treasury Decisions of September 4, 1952, that, heretofore, whenever it has been necessary to issue an administrative ruling imposing a higher rate of duty or charge on an imported article than was assessed under an established and uniform practice, the higher rate has been effective only after the expiration of 30 days after date of publication.

The Customs now announce that it has been concluded that a period of 30 days is not sufficiently long, and accordingly the period is extended to 90 days.

Customs Regulation for Alloys—The attention of exporters of steel alloys and aluminum alloys is directed to the new United States Customs regulation on invoicing requirements for certain of these products, as set forth in T.D. 53092 of the Weekly Treasury Decisions of September 4, 1952, which states:

"In order to assist collectors of customs in properly classifying the iron and steel articles provided for in the paragraphs enumerated in paragraph 305, and the aluminum and alloys containing aluminum provided for in paragraph 302(j) and 374 of the tariff act, except the coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares specified in the last-mentioned paragraph, customs invoices for such products shall contain, in addition to all other information required by law or regulations, a statement of the percentage by weight of any metallic element used as an alloy in the articles.

"This requirement shall be effective as to certified or commercial invoices filed after the expiration of 30 days after the publication of this ruling in the weekly Treasury Decisions."

TRANSPORTATION

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Why Multiple Exchange Rates?

See Page 28

This explanation of why certain countries establish multiple foreign exchange rates, and of how they work, gives an insight into the new foreign exchange table following.

THE existence of multiple exchange rates in certain countries is one of the many complexities facing international traders today. Fortunately, most of the principal trading nations have not resorted to their use. In countries where they are maintained, however, the problem of checking prices in international trading becomes more difficult.

A number of exchange rates for the currency of a country may apply to either imports or exports, or to both. When applied to exports, the exporter is required to sell his foreign exchange proceeds at rates fixed by the exchange control authorities of the country involved. The rate which normally applies depends on the commodity exported. These rates are generally referred to as the "buying" or "export" rates.

On the import side, the exchange control authorities sell foreign exchange to the importer at various rates, depending on the commodity imported. These are called the "selling" or "import" rates. The terms "buying" and "selling" refer to the exchange control authorities.

Governing Principles

With imports, the principle underlying these practices is the maintaining of a favourable rate for imports considered essential to the economy of the country and, conversely, discouraging the use of foreign exchange for less essential imports. Thus, Chile maintains a selling rate of 31·10 pesos to the U.S. dollar for imports of wheat, but exchange for certain less essential imports is sold at a rate of about 130 pesos to the United States dollar by the exchange control authorities.

In countries which also have multiple buying (export) rates, the return to exporters for a given amount of foreign exchange earned normally varies with the commodity exported. Thus in Argentina exporters of meat receive five pesos for every U.S. dollar or its equivalent sold to the Central Bank. On the other hand, exporters of leather manufactures receive about 14 pesos for every U.S. dollar earned from exports. This permits the sale of leather manufactures on foreign markets at competitive prices and provides a profitable return to the producer. Thus lowering the exchange rate can mean lowering the export price and maintaining the return to the exporter in his own currency. Presumably, meat exports are competitive at the higher rate of exchange and the return to the exporter—five pesos to the U.S. dollar—adequate.

Although under most multiple exchange rate systems the rate applicable depends on the commodity traded, in some countries the buying (export) rate depends on the exporter or on the currency area to which exports have been made. Thus in Chile, the large foreign-owned mining companies receive fewer Chilean pesos for exchange earned in export than do the small mining companies. In Indonesia, the use of dollar certificates gives a larger return from exports to hard currency than to soft currency countries.

All this means that in countries maintaining multiple exchange rates, it is usually necessary to know the rate applicable to the commodity traded before the cost to the foreign importer, or the return to the foreign exporter, in terms of his own currency, can be determined.

The Tables Explained

The revised table of foreign exchange rates in this issue takes multiple exchange rate practices into account. However, they are included more as a warning than as a guide, because the rate for a specific commodity must be known for practical application. Further, the table, in general, can serve only as an aid in checking prices. *The rates quoted must not be used as a basis for entering into any firm financial arrangements for the purchase or sale of commodities.*

In the revised table, the quotation of a number of rates for the currency of a single country is intelligible if one has a general understanding of multiple exchange rate systems. But the peculiarities in the exchange regulations of some countries, and certain particular features of the table itself, require further explanation.

Exchange taxes:

Exchange taxes, where they are noted in the table, affect selling rates only. They are paid by the foreign importer when he purchases foreign exchange, and his costs increase by the amount of the tax.

Argentina: Additional buying rates result from the mixing, in varying proportions, of the rates quoted. These are in effect for only a few export items.

Bolivia: Effective rates for various Bolivian exports arise from the mixing of the rates quoted, and through exchange operations of the Banco Minero. On the import side, special Banco Minero selling rates for certain imports create additional rates.

The Bolivian exchange tax is fixed at three bolivianos per U.S. dollar or its equivalent. The tax has been converted to percentages in the table for ease of application.

Brazil: Exchange purchases for specified essential imports are exempt from the Brazilian exchange tax of 8 per cent.

Chile: Other fixed rates and various mixed rates apply to some imports and exports. The Chilean exchange system is particularly complex at the present time.

France: The exchange rate for the French Metropolitan franc applies to Algeria, Tunisia, French Morocco, French Antilles, and French Guiana. The rate for the French African franc applies to French Equatorial Africa, Cameroons, French West Africa, Togoland, Reunion, Madagascar and St. Pierre et Miquelon.

The French Pacific franc applies in New Caledonia, New Hebrides, and French Oceania.

Iceland: The special buying and selling rates for the krona result from the use of exchange certificates. These apply to certain fish exports and to specified imports.

Indonesia: Indonesian exporters to the dollar area receive, in addition to rupiahs at the basic rate of exchange, dollar certificates of a nominal value equal to 70 per cent of their exchange proceeds. To import from the dollar area, Indonesian importers must obtain dollar certificates of a nominal value equal to their exchange requirements.

Paraguay: Exchange subsidies for imports of wheat, wheat flour, certain petroleum products and antibiotics create an effective selling rate of 9 guaranies to the United States dollar, or its equivalent in other currencies, for these goods.

Peru: There are actually two exchange rates in effect in Peru—the certificate rate and the draft rate. There is no substantial difference between them.

Philippines: Exchange purchased for certain essential imports into the Philippines are not subject to the 17 per cent exchange tax.

Portugal: The rate of exchange for the Portuguese escudo is approximately the same as that for the currencies of most of Portugal's dependencies, including the angolar of Portuguese West Africa.

Spain: There are currently six effective buying rates of exchange applicable to Spanish exports. These arise from the mixing of the basic and free rates in varying proportions, depending on the commodity. A number of fixed selling rates ranging between the basic and free rates apply to various imports into Spain.

Thailand: Mixed rates apply to exports of tin and rubber. The official rate applies to export of rice. Exchange proceeds from all other exports are subject to the free rate. All imports other than petroleum products must be paid for at the free rate.

Uruguay: A few exports are currently subject to mixed buying rates.

—R. E. LATIMER
International Trade Relations Branch

Foreign Exchange Rates

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

Conversions into Canadian dollars 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 equivalents multiply by 1·041.

Country	*Unit*	*Type of Exchange*	*Canadian dollar Equiv. Oct. 3*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1281	
		Basic buying	·1922	(1)
		Preferential selling	·1922	
		Basic selling	·1281	
		Free	·0691	
Austria	Schilling		·0450	
Australia	Pound		2·1430	
Belgium-Luxembourg & Belgian Dependencies	Franc		·0192	
Bolivia	Boliviano	Official	·0160	tax 5% (1)
		Differential	·0096	tax 3% (2)
British West Indies (except Jamaica)	Dollar		·5581	
Brazil	Cruzeiro		·0519	tax 8% (2)
Burma	Kyat		·2005	
Ceylon	Rupee		·2018	
Chile	Peso	Official	·0309	(1)
		Commercial	·0160	
		Free	·0075	
Colombia	Peso	Basic	·3844	tax 3% (2)
		Coffee Buying	·4250	
Costa Rica	Colon	Official	·1715	(3)
		Free	·1453	*July 31
Cuba	Peso		·9609	tax 2%
Czechoslovakia	Koruna		·0192	
Denmark	Kroner		·1391	
Dominican Republic	Peso		·9609	
Ecuador	Sucre	Official	·0641	(4)
		Free	·0552	
Egypt	Pound		2·7594	
Fiji	Pound		2·4133	
Finland	Markka		·0042	
France	Franc		·0027	
French Africa	Franc		·0055	
French Pacific Ter.	Franc		·0152	
Germany	Mark		·2288	
Greece	Drachma		·000064	
Guatemala	Quetzal		·9609	
Haiti	Gourde		·1922	
Honduras	Lempira		·4805	
Hong Kong	Dollar	Free	·1500	*Aug. 11
Iceland	Kronur	Official	·0590	
		Special buying	·0454	
		Special selling	·0369	
India	Rupee		·2018	
Indonesia	Rupiah	Basic	·0843	
		With Surcharge I	·0421	(5)
		With Surcharge II	·0281	
		Dollar certificate	·0018	*Sept. 15

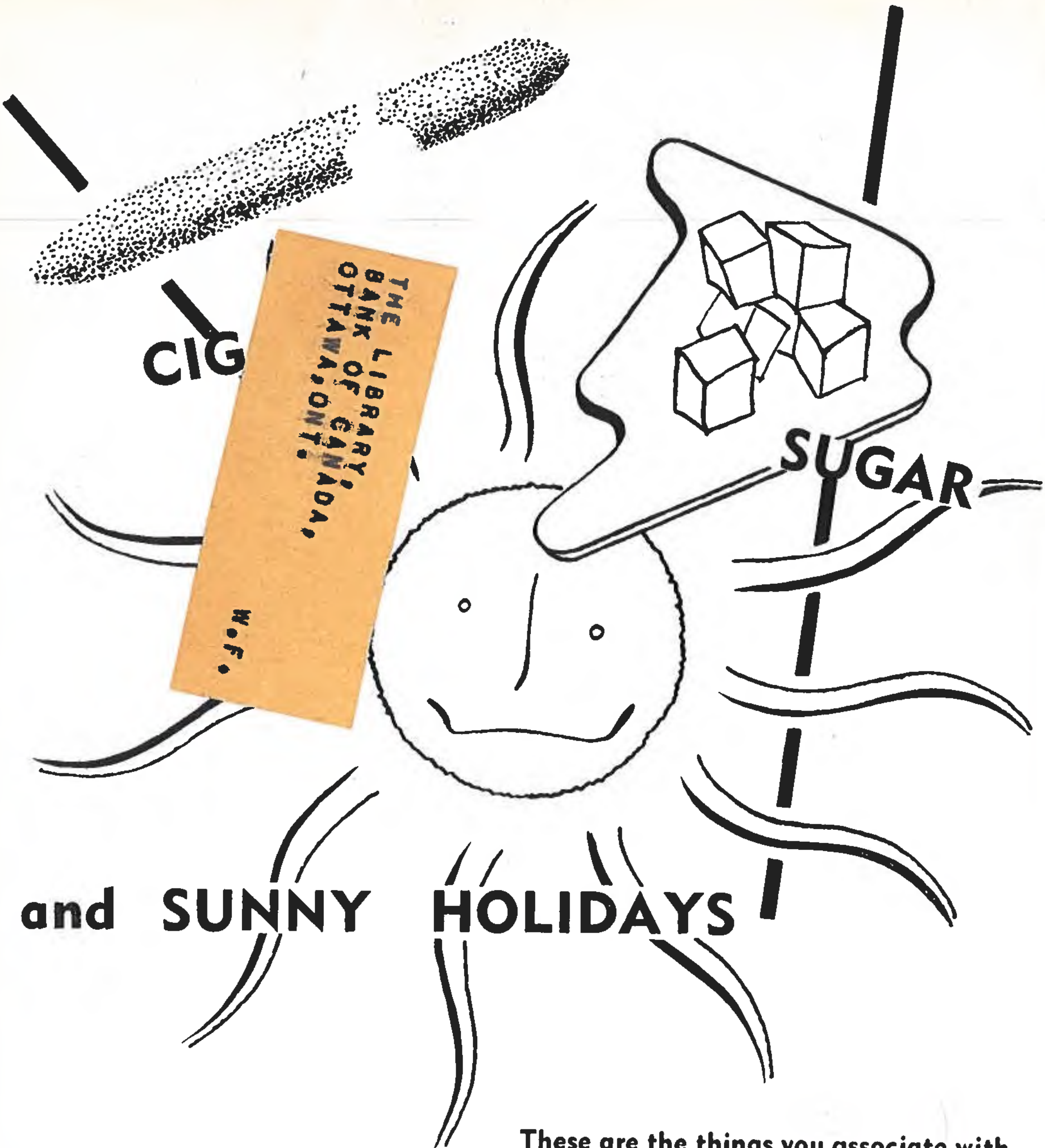
* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar Equiv. Oct. 3	Notes (See below)
Iran	Rial	Certificate I	·0130	*June 30
		Certificate II	·0126	*June 30
Iraq	Dinar		2·6787	
Ireland	Pound		2·6787	
Israel	Pound	Basic	2·6905	
		Special	1·3453	
		Investment	·9609	
Italy	Lira		·00154	
Jamaica	Pound		2·6787	
Japan	Yen		·00267	
Lebanon	Pound	Free	·2701	*Aug. 11
Luxembourg (See Belgium)				
Mexico	Peso		·1111	
Netherlands	Guilder		·2529	
Netherlands Antilles	Guilder		·5095	
New Zealand	Pound		2·6787	
Nicaragua	Cordoba	Effective buying	·1456	(6)
		Official selling	·1363	
		With Surcharge I	·1194	
		With Surcharge II	·0956	
Norway	Kroner		·1345	
Pakistan	Rupee		·2904	
Panama	Balboa		·9609	
Paraguay	Guarani	Basic	·0641	(1)
		With Surcharge I	·0458	(7)
		With Surcharge II	·0320	
Peru	Sol		·0623	
Philippines	Peso		·4805	tax 17% (2)
Portugal	Escudo		·0335	
El Salvador	Colon		·3844	
Singapore & Malaya	Straits dollar		·3125	
South Africa (Union of)	Pound		2·6787	
Spain & Dependencies	Peseta	Basic buying	·0439	
		Basic selling	·0856	(1)
		Free	·0242	
Sweden	Kronor		·1858	
Switzerland	Franc		·2243	
Syria	Pound		·2693	*Aug 11
Thailand	Baht	Official	·0769	(1)
		Free	·0537	*Aug. 2
Turkey	Lira		·3432	
United Kingdom	Pound		2·6787	
United States	Dollar		·9609	
Uruguay	Peso	Official	·6326	
		Basic buying	·5398	
		Special buying	·4089	(1)
		Basic selling	·5057	
		Special selling	·3922	
Venezuela	Bolivar		·2868	(8)
Yugoslavia	Dinar		·0032	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Costa Rica: Official rate applies to all Costa Rican exports.
4. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
5. Indonesia: Effective rate for all Indonesian exports to dollar area is basic rate plus 70 per cent of dollar certificate rate. Cost of imports is increased by full amount of dollar certificate rate.
6. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
7. Paraguay: Basic rate applies to all Paraguayan exports.
8. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.



These are the things you associate with Cuba. But did you ever think of Cuba as a market for your products?

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