

FOREIGN TRADE

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COVER Canadian
umber from a West Coast
orest begins its long journey
o a foreign buyer. That jour-
ey may end in any one of
54 countries, from Australia to
enezuela. But nearly 49 per
ent of our timber finds a
arket here at home.

—Photo courtesy of
MacMillan & Bloedel Ltd.

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Lumber Goes to Market

Lumbering, like the fur trade in pioneer days and wheat-growing when the prairie yielded to the settler, has long been one of Canada's economic mainstays. The forests were here for the felling; rivers floated the timber out; the coming of canals and railways speeded it on its journey to port or sawmill.

Canadian lumbermen owe to the great Napoleon their first big opportunity in the export market. In 1808, his blockade cut off Britain's Baltic supplies and she turned to Canada for her shipbuilding timbers. In the century and a half since, Canadian lumber has flowed steadily to the United Kingdom market, though in widely varying amounts.

The late 1850's saw the opening up of the great West Coast forests, hard on the heels of the B.C. gold rush. And, as the "square timber" trade with Britain declined, the United States began to buy more and more of our lumber. By the end of the 19th century the American market equalled the British in value.

Today the United States and the Commonwealth together continue to take 97 per cent of our lumber exports. But, in lesser amounts, Canadian timber moves to 31 other foreign markets—as far apart as Norway and Venezuela, Egypt and Hawaii.

This special issue of "Foreign Trade" analyzes, one by one, Canada's main lumber markets. Compiled from reports sent in by 32 Trade Commissioner offices abroad, checked and supplemented by the Wood and Wood Products Section here at home, we present it as a guide to the men who carry on an historic trade.

—The Editor



The Canadian Lumber Industry

THE average Canadian is well aware that Canada possesses substantial forest resources and is a major producer of forest products. He may not, however, appreciate the magnitude of this industry's contribution to the economy. During the past few years, the annual revenue from exports of Canadian forest products such as newsprint, pulps and lumber has accounted for one-third of our total external trade and one-half of our total United States business. In 1951, exports of forest products were valued at \$1.4 billion and lumber alone accounted for about 25 per cent.

The reports contained in this special issue of *Foreign Trade* cover the supply of and demand for *lumber* within the territories under the jurisdiction of our various Trade Commissioners and do not deal with the many other forest products which Canada normally supplies to these countries. The tables on these pages supplement the information contained in the Trade Commissioners' reports and give an overall picture of Canada's export trade in lumber, broken down into the four main consuming groups of countries. Additional figures cover domestic production and consumption and point up the importance of export trade to the Canadian lumber industry.

Production and Distribution of Canadian Lumber

		Average 1936-7-8	1947	1951	1952	
Production	M.F.B.M. ...	3,728,701	5,877,901	6,535,238 est.	6,274,000	est.
	Value \$000's	72,459	322,048	457,300 est.	439,000	est.
Apparent domestic consumption	M.F.B.M. ...	1,966,165 est.	3,257,816 est.	3,226,138 est.	3,081,000	est.
	Value \$000's	40,000 est.	212,000 est.	258,000 est.	246,400	est.
	Including imports but not including variance in inventories.					
Exports						
United Kingdom..	M.F.B.M. ...	990,896	1,121,244	896,041	857,183	
	Value \$000's	20,823	77,791	79,068	82,768	
Other Common- wealth	M.F.B.M. ...	221,967	324,176	239,547	135,293	
	Value \$000's	4,170	30,808	23,749	14,403	
United States ...	M.F.B.M. ...	505,875	1,065,184	2,162,301	2,249,018	
	Value \$000's	13,277	79,771	196,035	190,676	
All other countries	M.F.B.M. ...	134,653	224,423	135,369	95,118	
	Value \$000's	2,717	20,845	12,902	8,963	
Total exports ...	M.F.B.M. ...	1,853,391	2,735,027	3,433,258	3,336,612	
	Value \$000's	40,987	209,215	311,754	296,810	
Total exports expressed as a percentage of production ...		49.7	46.5	52.5 est.	53.2 est.	

Percentage Distribution of Lumber Exports

	Average 1936-7-8	1947	1951	1952
United Kingdom	53	41	26	26
Other Commonwealth countries	12	12	7	4
United States	27	39	63	67
All other countries	8	8	4	3

The tables show that lumber production in Canada has increased approximately 70 per cent from prewar and domestic consumption has grown by some 60 per cent. This emphasizes the importance of the

domestic market, the largest single outlet for our lumber production. It is obvious that our increased production depends upon the ability of the home and United States markets to absorb it, because Commonwealth markets show no gain over the prewar pattern. The table showing percentage distribution of our lumber exports points this up graphically. The United States took 84 per cent of our lumber exports in 1950, when Commonwealth countries were virtually out as customers. This unprecedented movement of lumber to the United States market in 1950 stemmed primarily from the impact of the Korean War and, as the table shows, did not represent the normal annual U.S. requirements for Canadian lumber. Commonwealth countries blame the dollar shortage for their lumber. Commonwealth countries attribute their inability to purchase greater quantities of Canadian lumber to the dollar shortage.

Total Exports of Canadian Lumber, by Species, to All Markets

In thousands of FBM, and thousands of dollars

		Average 1936-7-8	1947	1951	1952
Birch	FBM	91,561	117,525	72,738	58,787
	\$	2,863	10,814	11,802	7,699
Maple	FBM	70,363	25,981	35,409	31,228
	\$	543	2,919	5,149	4,536
Hardwood NOP	FBM	6,609	58,890	40,916	26,931
	\$	356	3,894	3,658	2,462
Cedar	FBM	54,732	155,502	177,797	193,954
	\$	2,232	16,327	26,387	22,547
Douglas fir	FBM	874,399	883,591	1,284,492	1,159,516
	\$	16,338	66,111	110,758	100,521
Hemlock	FBM	190,472	235,818	563,418	515,518
	\$	2,592	18,976	46,072	44,036
Pine	FBM	115,018	198,844	178,478	173,489
	\$	3,841	16,905	18,807	17,877
Spruce	FBM	503,599	1,040,408	1,066,055	1,155,075
	\$	11,779	71,925	88,097	93,189
Softwood NOP	FBM	1,850	18,418	13,935	22,114
	\$	43	1,339	1,024	1,941

The prospects for the overall export sales of Canadian lumber during 1953 appear good. However, information available at the time of writing indicates that exports to the United Kingdom will probably be reduced substantially during 1953. Circumstances contributing to this reduction include the extremely stiff competition from Scandinavia, the Baltic countries and Russia, and the substantial release of Canadian lumber from the U.K.'s strategic stockpile. Other Commonwealth countries should take increased quantities of Canadian lumber during 1953 because their 1952 purchases were down substantially from previous years. The volume of Canadian lumber marketed in the United States still continues at record levels and may possibly increase in 1953 if the forecast U.S. construction program is fully carried out. Markets in countries other than those mentioned shrank considerably during 1952 and it is our belief that additional quantities will be sold to them in 1953.

In conclusion, there is every indication that the reduction in United Kingdom exports will be largely offset by increased domestic and United States sales and, to a lesser extent, by increased exports to other markets. The preliminary estimates indicate that the 1953 production of lumber in Canada will approximate that of 1952.

—WOOD AND WOOD PRODUCTS SECTION
Commodities Branch

The U.S.: the Major Market

The U.S. ranked as Canada's number one lumber market in 1952; sales in 1953 should hold up well, if forecasts of construction activity, both public and private, prove correct.

NEW YORK—Wholesale lumber dealers and the Wholesale Lumber Association seem to be optimistic about sales of rough and dressed lumber during 1953. The volume of sales is expected to reach at least the 1952 level. This conclusion is based on the following analysis of construction activity.

The prospects for new construction in the U.S. during 1953 augur well for lumber sales. In fact, in dollar value, new construction during 1953 will exceed the record high of '52.

During the first eleven months of 1952, \$29.8 billion was spent in the U.S. for new construction. This bears out earlier predictions that the 1952 total would reach \$32.3 billion, or about 5 per cent over 1951. Government economists forecast that the dollar value of new construction in 1953 will probably total \$33.5 billion, because of increased activity in both private and public construction.

Residential Building

It is estimated that private building in 1952 reached \$21.7 billion and that in 1953 it will increase by 2 per cent to a total of \$22.2 billion. More than one million private homes were built in the year recently ended. This number will be exceeded in 1953 because the year saw a larger number of units already under way, thanks to the abnormally large number of dwellings begun in the fall of 1952. About \$10.2 billion will be spent in 1953 on private housing.

On the other hand, it is expected that public residential building will drop off this year by some 11 per cent because of recent legislation tightening the limits on federal subsidized housing. It is estimated that public residential construction in 1953 will total \$573 million, compared with \$643 million in 1952.

Industrial and Commercial Building

For the tenth successive year, public utilities are expected to increase construction activity. Announced expansion goals suggest 1953 utilities construction valued at \$4.3 billion, or 11 per cent over 1952, with the gain largely in the gas, electricity and power groups. Commercial building will probably increase 25 per cent over 1952, reflecting easing of material

and credit controls. But private industrial building is expected to drop 25 per cent because defence plant expansion programs will be nearing completion.

Public school building will continue its postwar expansion into 1953, with an increase of 10 per cent over 1952, bringing expenditures to about \$1.8 billion. Outlays for military and naval facilities will increase by 20 per cent—to \$1.6 billion.

Highway construction will probably reach a record of \$3 billion next year—10 per cent over 1952—thus reflecting the expanding program of federal aid to highway building and state toll-road construction.

The Sales Picture

During 1952, shipments to the United States of rough and dressed lumber from Eastern Canada were somewhat lower than in 1951. This falling off in volume is attributed to reduced production, good prices in other markets and the unfavourable rate of exchange. Overall shipments of Canadian lumber, particularly Western Canadian types, compensated for this loss in volume, especially during the last few months.

In the early part of 1952, prices of Western Canadian rough and dressed lumber moved down. However, low-priced charter freight rates came to the rescue and U.S. lumber importers can now buy Canadian West Coast lumber competitively with domestic production.

Canadian producers are not subject to the Conference Freight Rate which was established by the Interstate Commerce Commission and the Maritime Commission. At the time of writing, the Conference rate on shipments from any West Coast point to Eastern seaboard is \$30.00 per FBM. Canadian producers have been able to charter at rates somewhat below this figure.

Prices Reviewed

Prices of dressed 2 x 2 inch Douglas fir, No. 1 common with 25 per cent No. 2 common were quoted at \$69.00 per FBM at the mill by B.C. producers at the beginning of 1952. By midsummer, the price asked was \$74.00 and at the close of the year, \$66.00.

Eastern Canadian 7-inch spruce boards were quoted at \$108.00 per MFBM delivered Boston at the beginning of 1952 and this price held, with minor fluctuations. The year-end price from eastern Canadian mills was \$106.00. At the same time, U.S. southern pine 7-inch boards were being offered at approximately \$95.00 MFBM delivered Boston.

Eastern Canadian spruce furring remained constant at approximately \$92.50 delivered Boston throughout most of 1952, with the year-end somewhat lower—about \$91.00.

—A. E. BRYAN

*Deputy Consul General of Canada
and Trade Commissioner*

New England

BOSTON—Present indications are that, following the seasonal relaxation in building activity during the winter months, the New England demand for all types of softwood lumber in 1953 will equal or surpass that of 1952. The firm and rising market for birch should continue. It is difficult to make predictions about maple, though the market for the better grades is improving. Overall prospects are bright, though some members of the trade feel that there may be a slackening-off toward the end of the year. Restrictions on scarce building materials were relaxed on January 1st and this should bolster construction activity in the first quarter. In general, construction activity in New England during the year is expected to follow fairly closely the pattern forecast for the rest of the country.

Price Trends in 1952

The first quarter of 1952 was seasonally dull, with dealers buying only for immediate turnover in expectation of higher prices. Unfavourable weather helped to reduce production and shipments and this, coupled with the expectation of defence business, strengthened the market. Prices thus remained firm at or just below the legal ceilings. The appreciation of the Canadian dollar raised the prices paid for Canadian lumber in some instances.

During the second quarter, fewer shipments from the West Coast because of work stoppages gave strength to softwood lumber prices. The residential building program remained active. However, producers of northeastern hardwood lumber had to reduce prices in the face of unsatisfactory demand. Fir and hemlock prices began to ease in late June and early July, at the usual mid-year vacation recession. The settlement of the strike in August eased the market again and, as shipments were resumed, it remained much weaker than it had been earlier in the year. Lowest price levels were reached about mid-October.

Heavy Fall Buying

During October and November, New England ports were choked with lumber as shipments held up by the strike caught up with current orders. Much of this lumber was already sold and the rest went into wholesale storage. More lumber was delivered by cargo to Atlantic coast ports during the last four months of 1952 than for any four months in over a year and a half.

Demand was keen for good assortments of dry eastern spruce and white pine and little of either was obtainable in the local markets. The demand for birch was good with prices strengthening after midsummer as the furniture manufacturers began to show more interest. Canadian maple, however, was weak. The rail market attracted little attention within 35 miles of tidewater because of the volume of water lumber available at attractive prices.

Prices for West Coast fir and hemlock, which have been low since the summer and reached their lowest point about mid-October, have been firming and should improve as the year progresses. Large stocks laid in last fall might have a depressing effect early this year. White pine and eastern and western spruce have been in keen demand and there is little likelihood of any price reductions from current highs. Controls on some scarce building materials were relaxed on January 1 and all price controls are due to expire on April 30th. If they are not renewed by the new Administration, there may be price increases on most lumber products, provided that the 1952 high level of building continues. Hardwoods, principally birch and maple, may show a burst of strength at the same time.

—D. H. CHENEY

Vice-Consul of Canada and Assistant Trade Commissioner

Michigan and Ohio

DETROIT—Michigan and Ohio, both highly industrialized states with a combined population of over 14.5 million, are large consumers of lumber and related products. Total annual lumber business in Michigan is estimated at about \$150 million for 1952, of which approximately 50 per cent is done in Detroit and environs. In Ohio the estimate of total business is about \$190 million, of which just over 20 per cent is done in the vicinity of Cleveland. Roughly 70 per cent of the total business is in residential construction, the remainder is in industrial construction (including packing cases), public works, institutions and engineering projects of various kinds.

Dealers in Michigan and Ohio anticipate a small increase in the overall volume of lumber business in 1953 compared with 1952. Those closest to the trade are not prepared to hazard a guess about the amount of this increase because of the many unpredictable factors.

Residential Construction

Residential construction is expected to be slightly above the 1952 level. A few comments will throw a little more light on this. In the Detroit metropolitan area, for example, the peak year for residential construction was 1950, when 43,800 units were completed. This fell to 31 thousand in 1951 and an estimated 27 thousand in 1952. In 1953, it is expected to be between 27 thousand and 30 thousand.

In the vicinity of all large cities (e.g. Detroit, Cleveland, Toledo, Dayton, etc.) new and suburban communities, with large shopping centres each serving the surrounding residential area, are steadily developing. There is nothing new in this, but their number and rate of growth have both increased noticeably in the past two years. Cleveland, for example, reports a number of such projects planned for 1953 and other centres expect corresponding developments.

In commercial and industrial construction (including engineering, such as bridges, and other government-financed projects) the Association of General Contractors advises that 1953 should at least equal 1952 in volume. A number of new plants and plant extensions are under construction or planned throughout Michigan and Ohio. Some of these are related to the defence program, either directly or indirectly, but it is believed that most are of such long-term, permanent value that there is little likelihood of any change in plans.

For example, the motor car manufacturers are all engaged in plant extensions of one kind or another and some of these have a direct relationship to defence (e.g., jet aircraft, tanks, etc.). Near Portsmouth in Southern Ohio a huge new atomic energy project is under way which, in terms of industrial, engineering and residential construction, makes this section one of the fastest growing parts of the whole country.

It is interesting to note that in the Southern Ohio area, once the largest single market for southern pine, there has been a significant switch to West Coast fir and other varieties. Even at somewhat higher prices for the West Coast woods, the market has expanded considerably. There has also been a remarkable change in merchandising methods, with increased inventories and all the characteristics of business on a larger and more modern scale.

In summary, therefore, the demand for lumber for industrial and related purposes is expected to be well maintained, especially for such things as concrete forms, trim and panelling.

Prices

In general, the demand during 1952 was below that of 1951, causing a drop of from 5 to 10 per cent in prices. Plywood prices showed a greater decline. However, demand became stronger in October and remained stronger to the year's end. This same trend is likely to continue into spring. At the same time, those in the construction business believe that there is an adequate supply of lumber of all kinds available from the West and South and no rise in price is expected.

Many Canadian firms have long-established connections in this area but few new ones have entered this market recently. The trade in this area have expressed interest in receiving Canadian quotations on construction lumber.

—B. C. BUTLER

Consul of Canada and Trade Commissioner

HOW MARKETS GREW

“The timber and lumber trade has reflected vast dynamic changes in the movement of population, and the spread of industrialism. In Canada it responded to the demands of British urbanization in the first half of the nineteenth century, of the United States in the second half, and the demands of the domestic market and the countries of the Pacific in the twentieth century . . . Industrialism has been poured into moulds of wood . . . Because of lumber's bulk and cheapness, its markets were profoundly affected by major improvements in navigation, such as followed the opening of the Panama Canal”—A. R. Lower.

The Southern States

NEW ORLEANS—An examination of construction records in the Southern States since 1946 indicates that this area has had an increasing share of new building in the United States. New construction in the Southern States in 1946 totalled \$8.4 billion, or roughly 28.9 per cent of the U.S. total. In 1951, the value of new construction in the Southern States rose to \$9.6 billion, or 30.9 per cent of the U.S. total. Preliminary figures for 1952 suggest that their share has continued to increase.

Buy from Northwest

This reflects the industrial boom which has been in progress down South since the war. It has resulted not only in new industrial construction but also in more building of homes to meet the needs of the growing industrial population. To date, there is no indication of any slackening in this industrial expansion.

The greater demand for woods should interest Canadian shippers when they realize that the once extensive Southern forests no longer can supply virgin woods. The second and third growths now available fail to meet these new and pressing construction needs. Consequently softwoods from the Northwest are finding wider and wider acceptance. In a retail lumber yard in New Orleans, for example, the following assortment of Douglas fir and hemlock from a well-known United States Northwest shipper were to be found:

- 2 x 4 and 2 x 6 No. 3 dimension green or kiln dried S4S
- 2 x 8, 2 x 10, 2 x 12 select structural woods kiln dried
- 1 x 6, 1 x 8, 1 x 10 and 1 x 12 S4S kiln dried

This dealer also had a supply of western red cedar S4S kiln dried.

Woods in Demand

Canadian shippers will be interested to know that there is evidence of a steady demand for Douglas fir and hemlock, No. 3 dimension stock, and western white spruce and certain forms of western red cedar. Canadian woods are moving in carlots into practically all the Southern States, The two major markets, however, are Texas and Florida, the two states in which industrial development and new building have been particularly evident.

Southern wholesale lumber distributors will be glad to receive quotations from Canadian lumber mills and, in certain instances, from Canadian wholesale exporters. The Consul and Trade Commissioner's office at 201 International Trade Mart, New Orleans, is in close touch with a number of reputable wholesale distributors and will be glad to pass on the names to Canadian firms.

—GERALD A. NEWMAN

Consul of Canada and Trade Commissioner



The United Kingdom Market

LONDON—On November 17, 1952, the British Government relaxed all import controls on softwood lumber. This permitted 600 U.K. timber importers to buy their softwood supplies in any producing country, irrespective of quantity, currency or any other restriction.

A general warning was given, however, that consumption licences would not be increased. If any importer found himself with unsold stocks on hand at the end of 1953, he would not receive relief by way of increased consumption licences to help him liquidate his stocks. By saying this, the Government hoped to curtail erratic buying and to prevent the spending of scarce foreign currencies. At the same time, the relaxation of controls would give importers every opportunity to use their initiative, their buying skill and every other device that they employed successfully in the past, to procure their 1953 supplies to the best advantage.

Quota Regulations Criticized

In 1952 the regulation in force permitted each individual importer to buy, in any market, a quantity based on his prewar imports. These individual quotas were supposed to total only slightly more than the actual requirements of the country for twelve months. This arrangement was not completely fair. Many firms needed a larger quota than they had under the scheme and others had too large a quota for their postwar business. The inevitable result was that those with too much sold their quota to those with too little, for prices as high as £15 per standard for quota only or the right to buy wood.

Early in September 1952, the Timber Trades Federation recommended to the Government that individual quotas be discontinued. In fact, they recommended that all restrictions on buying be removed. The Government, however, felt it could not depend on the trade to hold their purchases within reasonable limits and that importers might spend more foreign currency than the country could afford. A compromise was agreed upon. Individual quotas were discontinued but a quota covering the total import imposed. The effect of this was that every importer was afraid that, if he did not buy immediately, the total imports for 1953 would be arranged for before he had an opportunity to buy what he needed.

Consequently, a great rush of buying started when the Government agreed to license up to 500 thousand standards for import into the United Kingdom in 1953 and permitted the importers to make necessary arrangements for these 1953 deliveries any time before the end of 1952.

By October the whole 500 thousand standards had been purchased and applications made for licences for an additional 175 thousand. It was obvious that, unless something were done immediately, the total requirements of 1,300,000 standards would be purchased before the end of November, or certainly before the middle of December. Such a rush of buying was having the effect of firming prices and, in some cases, of forcing them up. To stop this buying spree, it was necessary to remove from the minds of the individual importer the fear that he would not be able to import all the wood that he needed. On November 17th, therefore, all restrictions on softwood imports were removed.

These instructions have had the desired effect. Buying has slowed up and the importers feel that they can take a breathing space to assess the market a little more accurately. They also feel that they can afford to wait until the spring before renewing their buying on a large scale or filling their final requirements. It is generally expected that year-end prices will hold until the late spring. After that, or perhaps during the shipping season from Baltic ports, sales may hang fire slightly. This should have the effect of reducing prices further and importers are holding off, waiting for that drop.

This anticipated price reduction towards the middle or end of 1953 may be wishful thinking on the importers' part. In October 1952, at the Timber Committee Meeting of the Economic Commission for Europe held in Geneva from October 14-20, it was revealed that Europe's import requirements exceeded quantities available for export by about 200-400 thousand standards. If, as some expect, exporting countries underestimated their export availabilities, this deficit could easily be wiped out.

Purchases for 1953

By December 31, 1952, contracts for the import into the United Kingdom in 1953 of 794 thousand standards has been arranged, out of total requirements of 1,100,000 standards and a possible import total of from 1,300,000-1,500,000 standards. An additional 500-800 thousand standards remain to be bought by U.K. importers for 1953 deliveries.

The following purchases have been made by U.K. importers for 1953 delivery: North America, 127,000 standards; Scandinavia, 500,000 standards; other European countries, 142,000 standards; all other countries, 25,000 standards.

Canada's share of the first 500 thousand standards bought for 1953 was only 47 thousand standards. Prices of Scandinavian woods had fallen as much as £15 a standard below the 1952 peak. Canadian prices, on the other hand, had not declined as much and importers were not willing to pay Canadian producers any more than they would have to pay for a similar article from Scandinavia.

Grading Proves Important

Eastern Canadian spruce, particularly M.L.B. graded, is considered highly desirable for many purposes in this country. On the other hand, certain woods from other parts of the world will take its place in a pinch. Whitewood or spruce from Finland, Sweden, Poland, Yugoslavia or Austria can be bought today at prices below the usual offers for Eastern Canadian spruce. Consequently, importers believe that whitewood from Europe at a few pounds per standard less is a better buy. There is,

however, plenty of scope yet for Eastern shippers to get some U.K. business and practically all East Coast importers would welcome a fair stock of Eastern spruce in their yards by the summer of 1953.

Grade and Quantity

U.K. importers consider Maritime Lumber Bureau grading a valuable part of a spruce contract. Claims for grade or quantity have been practically eliminated by the use of M.L.B. certificates. Though the Timber Trades Federation has never admitted that any certificate issued by any organization is to be considered as final, it gives assurance to importers that the wood they receive will be up to grade. Situations have arisen where stock has been graded and passed by M.L.B. inspectors but has deteriorated in the ship and showed certain defects when discharged, such as bad blueing or the first stages of decay.

Poor condition on arrival is almost always caused by shipping wood green and before it is suitably seasoned. If the defects, such as stain or rot, have developed on passage and are obvious on arrival, it is definitely the responsibility of the exporter and not of the importer. If a claim for such deterioration should go to arbitration, any arbitrator in the United Kingdom would award a claim against the shipper.

Market for B.C. Woods

Thirteen years of selling very random specifications to one buyer, the Timber Control, has resulted in British Columbia shippers and manufacturers neglecting some of the practices they learned between 1930-39 in serving the U.K. market. These practices must be reinstated if the B.C. industry is to be successful in selling to the individual British importer.

Up to the end of 1939, it was quite clear in the mind of every B.C. sawmiller that the United Kingdom required accurately sawn wood. Much of the material that is imported into the United Kingdom is re-manufactured and discrepancies in sawing create difficulties for the re-manufacturer that he does not usually experience with wood from other sources. It must be remembered that all structural timbers throughout the country are used in the rough state and are not surfaced to size as is the custom in Canada and the United States. Accuracy, therefore, is essential to the contractor.

By the end of 1939 Western hemlock shipped dry had an excellent reputation in the United Kingdom. During the war and since, under Timber Control contracts, hemlock has been imported green. Consequently, for thirteen years hemlock has been used by contractors, surveyors, etc., throughout the United Kingdom, with the inevitable result that much of its once general acceptance as an excellent construction material has been lost. It will take some time to reinstate hemlock in its proper place in the U.K. market by the shipment of dry, clean stock.

During the years 1930-1939 great strides were made in developing the U.K. market for British Columbia woods. One of the great advantages of West Coast shippers in this market during those years was cheap wood and cheap freights. Goods could be delivered to the United Kingdom at several pounds per standard below anything available from other markets.

Today those advantages are lost and the hope is that it will never again be necessary to sell cheaper than anyone else to get the business. It must be remembered, however, that contractors, carpenters, architects and borough surveyors in the United Kingdom favour Scandinavian woods. The ease of working the Scandinavian woods, their condition and manufacture makes this preference quite understandable.

West Coast producers are, of course, favoured when it comes to supplying sizes, lengths and grades that cannot be obtained anywhere else. During the last twenty years the United Kingdom users have become accustomed to the large sizes, clears, etc., that can be obtained and will continue to use them as long as possible. European sources can supply specifications or ordinary building sizes and, therefore, if any are to be supplied from the West Coast, they must be made attractive to the importer in any one or all of the following ways:

- Price.
- Length specifications. The average length of building sizes imported from the Pacific Coast in recent years has been considerably lower than the same specification prewar. A good length specification, including such lengths as 20's, 21's, and 22's for roof rafters, for instance, would make a specification much more attractive to a British importer.
- Condition and manufacture, particularly in hemlock. Shipping dry is essential for the good name of the wood in the future.

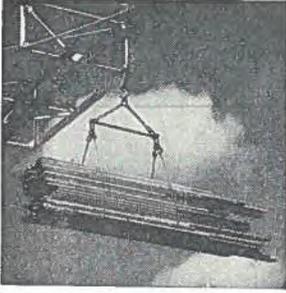
—R. DOUGLAS ROE

Commercial Secretary for Canada (Timber)



—NFB photo

Towed by a tugboat down the Harrison River, British Columbia, a boom of West Coast logs starts its long journey to mill and market.



Markets in the Commonwealth

AUSTRALIA

SYDNEY—Australia has traditionally been one of the principal markets for Canadian lumber, exceeded in importance only by the United Kingdom, the United States, and possibly South Africa. The main items in this trade are Douglas fir timbers; clears for the joinery trade; cedar, chiefly for the venetian blind industry, and fir timbers for the mining industry.

In former years large quantities of hemlock were exported to Australia for the box and case trade. Over the past eighteen months this industry has turned to *pinus insignis* from New Zealand and *pinus radiata* from Australia, because of the lower price and the fact that supplies can be obtained for soft currency.

Except for an occasional small shipment, Eastern Canada has never contributed largely to the timber sold in Australia. It is unlikely that lumber from Eastern Canada will find an increased market in this country because of the obvious advantages enjoyed by the Pacific Coast mills.

Because of currency difficulties Australia has restricted her imports of Canadian lumber since the end of World War II and has, to some extent, been forced to find other sources of supply such as the Baltic, Southern Europe and South America. Despite these restrictions, however, fairly substantial quantities of Canadian rough sawn lumber still enter Australia.

Until the middle of 1951, supplies of softwood timber were tight and merchants could dispose of any available quantity without difficulty. During the latter half of 1951, however, this position was reversed partly because the import licensing procedure was relaxed, thus affecting dollar imports, and also because of a large influx of Baltic timber when Australian merchants over-bought. This trend was further aggravated by the almost complete halt in building operations as the effects of the government credit restriction policy became apparent.

In March 1952 import licences for Canadian timber were tightened again and imports into Australia decreased. The buyer's market continues, however. There are signs of a recovery in the building industry thanks to a relaxation of building and price controls during the last few months, but it appears that the heavy buying of the early part of 1951 will not recur for some time.

The following figures show imports of timber from Canada during the fiscal years ended June 30, 1951 and June 30, 1952.

1950-51
85,829,521 super feet

1951-52
86,360,876 super feet

Imports for the fiscal year 1952-1953 will be considerably below last year—about two-thirds of the volume and about half the value because of a drop in price. Prospects for the year 1953-1954 are difficult to forecast but there should be a gradual recovery. Present indications are that demand will be stronger than during this fiscal year but the ability to purchase Canadian lumber will depend on the exchange situation.

Canadian lumber has a high reputation on the Australian market and, if given the opportunity to compete on the basis of price, quality and deliveries, would certainly claim a larger share of it. With an improvement in the sterling area's dollar position, import restrictions may not play such an important role in the marketing of Canadian lumber as in the past.

—C. M. FORSYTH-SMITH

Assistant Commercial Secretary for Canada

NEW ZEALAND

WELLINGTON—In 1952 New Zealand imported nearly 31 million board feet of lumber. Of this, Canada supplied approximately 13 million FBM, the United States 3 million, and Australia 14 million. North America sends softwoods in large structural sizes and joinery timber and Australia supplies hardwoods in exchange for softwoods.

Although New Zealand has developed her *pinus insignis* softwoods forests to the point where they can take care of domestic requirements for this class of timber and have a surplus for export, the higher quality indigenous forests are in danger of becoming exhausted in twenty years at the present rate of cutting.

New Zealand will continue to depend on her traditional North American markets for large sizes of high-quality timber. Here Canada is in a favoured position because of the bond of goodwill between New Zealand and Canadian lumber interests.

Import restrictions are necessary to make the best use of the limited funds available. However, money will probably be forthcoming to cover all essential imports for urgent commercial construction and major government works, including the housing program.

Japan supplies a substantial quantity of oak and very small quantities of timber are received from South America, Africa, Europe, Scandinavia and the Baltic countries. None of these is likely to supplant Canada in the particular class of timber she sends to New Zealand.

New Zealand prefers Canadian softwoods and will continue to buy as much as possible. Orders will, however, be limited to minimum requirements while dollars remain scarce. Importers there will be forced to bargain hard to get as large a quantity of lumber as possible for the money they have.

—ROY W. BLAKE

Commercial Secretary (Agriculture) for Canada

SOUTH AFRICA

JOHANNESBURG—Timber merchants in South Africa and the Rhodesias expect that local import control authorities will allow them to buy as much Canadian and American timber this year as in 1952. Despite exchange difficulties and high ocean freight rates, over 150 million FBM of North American softwoods were imported into Southern Africa in 1952. Douglas fir accounted for 130 million; hemlock, eastern spruce, red cedar and pine made up the remainder.

The major competitor of Douglas fir in this market is Baltic lumber which is imported from Finland, Sweden, Poland, Russia and Central European countries. In 1952 South Africa, the Rhodesias and Southwest Africa imported 60 million FBM of Baltic lumber from Sweden and Finland and another 10 million FBM from other Baltic countries, including Russia. Quotations for 1953 deliveries, however, are higher than last year and it is doubtful whether the same volume can be maintained in the months ahead.

Sales Prospects

If the export price of Canadian fir is competitive with that of United States mills during 1953, our sales in this area should be close to 100 million FBM. Buyers here prefer British Columbia fir, claiming that the texture is finer than U.S. types. In addition, Canadian mills are willing to quote in multiples of one foot which the trade here demands, whereas United States mills will only supply multiples of two feet.



—Courtesy Central Mining and Investment Corp. Ltd.

These African workers are piling up explosive boxes made from Canadian Douglas fir in a woodworking plant near Johannesburg. Black objects on the right are caskets, also made from Canadian West Coast lumber.

Although Douglas fir is the most popular structural timber here, other Canadian softwoods enjoy a share of the market. Last year imports of western hemlock and eastern spruce increased because fir was hard to get. However, there is little hope of this situation persisting through 1953 and spruce sales are bound to suffer most.

Western Canadian red cedar shingles have long been popular in the coastal districts for roofing, but the demand has fallen off because of the high prices of the better grades up until recently. In addition, the South African authorities are issuing very few import permits for shingles because they feel domestic tiles and slate are suitable for roofing. Canadian hardwood imports have also been hit by competition from local hardwoods. The large quantities of Canadian birch, beech and maple flooring that used to be sold here in past years have given way to lower-priced parquet made from African hardwoods.

For Canadian mills shipping to this market the most significant long-range development is the state plantation program being carried out in the Union. According to recent reports the South African Department of Forestry hopes to expand state plantations to one million acres by planting 30 to 35 thousand acres of coniferous trees each year during the next 12 years. Although this plan will not affect Canadian timber sales during the current year, it is bound to be felt in the years to come.

—HOWARD E. CAMPBELL

Assistant Canadian Government Trade Commissioner

JAMAICA

KINGSTON—Until the restrictions against hard currency purchases were imposed, Canada was the largest single supplier of lumber to Jamaica. This was principally in the form of Douglas fir and white pine. Red cedar shingles also came in, in substantial quantities, from the West Coast.

Average annual consumption of rough and dressed lumber in Jamaica is approximately 14 million feet and for shingles 15 thousand squares.

A Jamaican shipping company transported the bulk of the imports from British Columbia through the Panama Canal, but with the currency restrictions this company ceased operations for want of cargo.

Soft currency sources of supply were developed, chiefly in British Honduras and the Bahamas for pitch pine. The surplus of requirements was made up from the hard currency countries of Spanish Honduras, Nicaragua and the United States. The latest Jamaican import statistics are for 1951. By that time, only small purchases of lumber were being made in Canada, but substantial quantities of red cedar shingles continued to arrive, particularly after the hurricane in August of that year.

Apart from the lack of shipping facilities and increasing lumber prices, the trade has a strong prejudice against woods which are susceptible to termites. For some odd reason, however, red cedar, apart from shingles, has never caught on in this market.

Factors which favour the nearby Central American sources of supply are a good product at prices below those for comparable grades of Douglas fir, and frequent trips by small ships which are able to come alongside the dealer's jetty, avoiding the wharf and delivery charges levied when large ships dock at the public wharf.

Recently Saguenay Terminals inaugurated a service from Montreal to Vancouver, calling at Jamaica, so that freight space again is available.

With competitive prices and an educational program, especially in the case of red cedar, some business with Canada should be possible in 1953. It will, however, continue to be limited by the dollar restrictions and must take into account the ease with which pitch pine can be imported.

—M. B. PALMER

Canadian Government Trade Commissioner

EASTERN CARIBBEAN

PORT-OF-SPAIN—Two salient features are found in Canada's trade with the Eastern Caribbean. One is the British West Indies Trade Liberalization Plan. Through the Plan, Canadian lumber exporters who had a pattern of trade with the British West Indies during the base years 1946, 1947 and 1948 may apply to the Department of Trade and Commerce for an allocation. This enables their agents in the British West Indies to obtain import permits. Some Canadian lumber does reach the British West Indies outside the plan, under the various colonies' dollar program for purchase of essential commodities. A good agent in the territory can keep the Canadian lumber exporter advised of these developments.

The second feature is that the Caribbean area is itself a substantial producer of both hardwood and softwood lumber and a considerable trade between the colonies has developed. Relatively important producers are the Bahamas, British Guiana, Nicaragua, British Honduras, Trinidad, Surinam and others.

Canadian hardwood lumber has a very small sale in this territory, but Canadian softwood lumber has maintained a strong position. White pine, Douglas fir, western cedar and spruce are the principal species. Trinidad, Barbados, the Windward and Leeward Islands, and British Guiana all purchase Canadian lumber.

Sales in Trinidad

Trinidad has a lumber association, formed originally to discuss matters of common interest in the marketing of imported lumber. With the development of currency controls, the association has been forced to extend its activities into bulk purchasing for its members of all the Island's imported lumber requirements. By so doing it achieves a practical distribution of the currency allocation among its members without trouble to the currency control authorities.

The Trinidad Lumber Association normally deals in imported lumber, limited to long leaf pitch pine, Douglas fir, western red cedar and white pine. Its members also handle a little West Indian lumber, including greenheart, but very little in proportion to the quantity imported.

The year 1951 was an exceptional one for lumber imports into Trinidad. The Association imported 15 million FBM in advance of requirements and 1952 imports suffered as a result. Imports into Trinidad last year were about six million feet, of which Canada supplied approximately 27 per cent. It is estimated that 1953 requirements will be 10-12 million feet. Price trends show a slight falling-off in long leaf pitch pine and a more pronounced reduction in Douglas fir and western red cedar.

During the first nine months of 1952 Barbados imported nearly four million FBM of all types of lumber. Canada supplied more than 60 per cent of this and the Bahamas about 18 per cent. Lesser amounts came from the Caribbean area, the United States and the United Kingdom. Other colonies in this territory purchased smaller amounts.

The nine-month total of Canadian sales in the Eastern Caribbean was nearly six and a half million FBM. It is probable that this figure represents the minimum requirements of the territory. With an improvement in the colonies' supply of dollars, Canadian sales might well increase.

—ROGER R. PARLOUR

Acting Canadian Government Trade Commissioner

HONG KONG

HONG KONG—Prospects for the sale of Canadian lumber in 1953 in territory under the jurisdiction of this office are confined to anticipated sales of West Coast softwoods in the Hong Kong domestic market. Present import and exchange controls in Indo-China and Taiwan preclude sales there, and sales to the China mainland are excluded by policy.

In Hong Kong itself the level of sales will probably follow that of 1952, when the local market ordered about five million FBM. As in the past, buyers will probably prefer Douglas fir and western hemlock.

The basic factors in the Hong Kong market, not expected to change, are:

- Traditional competition from other softwood sources will be negligible. The China mainland will not be exporting China fir and China pine and the United States will still be loath to grant export licences for lumber from Washington or Oregon.
- Canadian Government policy will continue to restrict exports to those moving into the Colony for assured local consumption.
- The chief competition for Canadian lumber will come from the secondary hardwoods, particularly of Southeast Asia and British North Borneo.

The Hong Kong market will still concentrate its purchases on No. 3 and better Common (N List) or No. 3 Common (R List). It will prefer boards, 1 or 2 inches thick and 12 inches wide, and planks 2 up to 6 inches thick, with widths 4 to 12 inches; lengths always to be 8 feet or more.

Some scantlings and a limited quantity of squares will be sought; occasionally local dockyards will order better quality lumber for decking. The boards will mainly be used in construction work as concrete moulding forms. The planks will be resawn locally and used largely for making packing cases, but also in construction work or as unseen components of teakwood furniture. The squares will go mostly to dockyards or heavy construction projects and some may be resawn locally.

The secondary hardwoods are all imported in the log and sawn in the Colony. These hardwoods will not compete too severely with Canadian lumber in construction work as they warp in use. However they will be used extensively to make packing cases. They are cheaper; current prices c.i.f. Hong Kong per cubic foot are HK\$4.00—with allowance for sawing costs, about HK\$5.50. Current Douglas fir/western hemlock prices average HK\$0.58 per FBM c.i.f. Hong Kong, roughly equivalent to HK\$7.00 per cubic foot. Hong Kong statistics reveal imports for the first nine months of 1952 of such secondary hardwoods amounted to about 4.8 million FBM, with re-exports negligible.

Recently Canadian prices have eased slightly—probably largely because of the downward trend in the cost of the U.S. dollar in Hong Kong's open money market (now HK\$6.08 to US\$1.00)—and the Canadian supply, particularly of boards, has improved. These two factors may lead to increased purchases from Canada. There will probably be no change in prices or availability of the secondary hardwoods.

—T. R. G. FLETCHER

Canadian Government Trade Commissioner

CEYLON

COLOMBO—Although Ceylon is comparatively small, only 25,330 square miles, a large proportion of it is heavily wooded, with mixed but valuable stands of both hard and softwoods. Many of the hardwoods are of high quality but the forests are usually so inaccessible that logging operations prove unusually difficult and expensive. They are often carried out using elephants, although mechanical devices are gradually being introduced.

Despite its timber resources, Ceylon cannot yet meet domestic requirements for wood in various forms. This is illustrated by import returns for 1951 which show a total value for the trade in logs, scantlings, boards, ties and miscellaneous lumber of some \$1.8 million. The more important items in the trade were teak logs (\$720,000), imported mainly from Thailand and Burma; other logs (\$16,350) originating in Nigeria and North Borneo; scantlings (\$265,700), mainly from Thailand; ceiling and flooring boards (\$265,700), principally from Sweden; railway ties (\$408,000), chiefly from Canada; and miscellaneous lumber (\$102,200), mainly from Thailand. The predominance of Thailand in Ceylon's lumber imports reflects both the common demand in this country for hardwoods resistant to tropical conditions and the attacks of termites, and the general preference for wood of this type for building, furniture manufacture, ship repair work and similar uses.

But it should be noted that there is a demand for "pine boards", usually tongue and groove and planed on one side at least, for use in tea factories and other industrial establishments. Specifications are usually 1 by 6 inches by 10 to 20 feet in random lengths and with a small number of knots allowed. These boards come largely from Sweden but some business in Canadian Douglas fir boards has developed and shows reasonable signs of increasing. Canada has also played an outstanding part for several years in the import trade in railway ties, cut to local specifications from both Douglas fir and hemlock and supplied creosoted.

Ceylonese producers cannot meet local demand for railway ties and it appears likely that Canada may be asked to supply from 100,000 to 150,000 ties a year to this country for an indefinite period—about one or two ships' cargoes a year. This represents approximately one-half of the annual demand.

The other outstanding opportunity for business in lumber is increasing sales of ceiling and flooring boards but this trade must meet competition from Swedish exporters. Canadian prices have on occasion been competitive at \$115-125 per thousand FBM c.i.f. Colombo. But the recent rise in export quotations, based mainly on high ocean freight rates, associated with the higher exchange value of the Canadian dollar, have produced a situation where, at the time of writing, Canadian offers are not always in line with Swedish prices. Any depreciation in the exchange value of the Canadian dollar or other basic reductions in export offers will, however, encourage a resumption of this business.

Canadian trade in this product is encouraged by a British preferential tariff of 25 per cent, as compared with the general rate of 30 per cent. One handicap, however, is the local trade's insistence on "clear" or closely similar grades of lumber. This generally costs more than the ordinary run of Scandinavian stock which is suitable for local use. There is the further point of dollar expenditures by Ceylon. Competitive quotations in soft currencies present fewer difficulties in trade with other countries interested in this business.

—PAUL SYKES

Canadian Government Trade Commissioner

CANADA SELLS LUMBER TO . . .

United Kingdom
Ireland
Gibraltar
Malta
Belgium
Netherlands
France
Switzerland
Italy
Norway
Sweden
West Germany
Australia
New Zealand
Fiji Islands
British Oceania
French Oceania
U.S. Oceania

Israel
Lebanon
Syria
Iraq
Egypt
Anglo-Egyptian Sudan
Northern Rhodesia
Southern Rhodesia
Union of South Africa
Portuguese Africa
India
Ceylon
Hong Kong
Malaya
Azores
Greenland
Alaska
St. Pierre

United States
Bermuda
Costa Rica
Panama
Cuba
Puerto Rico
Jamaica
Barbados
Bahamas
Leeward & Windward Is.
Virgin Islands
Trinidad
British Guiana
Netherlands Antilles
Bolivia
Peru
Venezuela
Hawaii

INDIA

NEW DELHI—Apart from small quantities of hardwood and spoolwood, there appears to be little scope for Canadian lumber sales to India. India grows a variety of hard and softwoods of many different types on the lower slopes of the Himalayas and in the large tracts of jungle throughout the country. European sawn softwoods are imported into the country through United Kingdom export firms. The softwoods brought in are described in the statistics as “deal and pinewood” and the main distributing centres for the trade are Bombay, Calcutta and Madras. India also imports a considerable quantity of teakwood from Burma, mainly for the furniture trade.

Imports of deal and pinewood in the last few years were:

1948-49	2,348 tons (50 cu. ft. per ton)
1949-50	1,517 “ “ “ “
1950-51	1,172 “ “ “ “
1951-52	1,899 “ “ “ “

These figures do not include Douglas fir, about 2,000 tons of which are imported either from the United States or Canada each year. The import of lumber is at present under open general licence, which means that it may be imported from any source, including Canada, except for certain varieties such as sandalwood, sagarwood and taparwood, which India produces in great quantities.

Since the plywood industry was established, just about the time of partition in 1947, several good grades have been developed and India is now practically self-sufficient in plywood. The Indian tea-chests, which use the major part of the production, now compare favourably with the imported product and complaints about the quality are lessening. Nevertheless, India could consume about 40,000 tons of plywood logs a year from abroad if the price were competitive.

—RICHARD GREW

Commercial Counsellor for Canada

PAKISTAN

KARACHI—Pakistan’s lumber consumption is small when compared with that in most other countries. Because forests comprise only 4·2 per cent of the whole area, indigenous lumber has never been available in large quantities. Building and other normal construction work has therefore relied on an absolute minimum of wood. In addition, the climate and insects often make it impractical to use lumber.

In West Pakistan softwood—sometimes locally known as dealwood—is concentrated mostly in the Jammu district and is used for box-making, packing and, to some extent, for building. Teak grows in East Pakistan but not in sufficient quantities to have commercial importance.

A considerable part of Pakistan's lumber needs, particularly of hardwood, has to be imported. Absence of statistics makes it difficult to estimate what percentage of total requirements is imported—probably a minimum of 80 per cent.

The most important lumber import is teak, used for furniture making and for doors, windows, etc. The largest supplier of teak is Burma, which in 1951-52 (April to March) exported 3,753 long tons valued at about \$753 thousand. It is shipped in the form of logs and cut sizes called Burma squares. Other important suppliers of teak to Pakistan are India, Thailand, Singapore and Hong Kong. A total of 5,041 long tons of teak valued at \$970 thousand came into Pakistan from these countries in 1951-52.

Softwoods from Scandinavia

Past patterns of imports show that softwood is generally imported from Sweden, Finland and Poland. It is usually sawn and used in building construction. A small quantity is dressed, such as tongued and grooved, but it is estimated that the quantity of dressed lumber imported is less than 10 per cent of the total amount coming in from those countries.

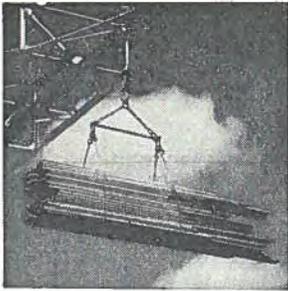
From April 1951 to March 1952, Pakistan imported softwood from Sweden to the value of about \$60 thousand. For the April-June period of 1952, imports of lumber from that country were valued at about \$124 thousand. The 1951-52 imports of lumber from Finland were \$8,800 and from Poland \$2,145. There is no record of any lumber imports from the latter two countries so far for the year April 1952-March 1953. The lumber trade shows a marked preference for Swedish soft lumber because of its quality and price.

Ties and Rifle Butts

Although the possibility of marketing Canadian lumber in Pakistan has never been good—largely because of import restrictions which Pakistan has been obliged to enforce to save foreign exchange—substantial orders of Douglas fir creosoted railway ties have been shipped to the Pakistan Railways since partition in 1947. More are being sent by Canada under the Colombo Plan. There have also been some shipments from Canada of dressed walnut butts for rifles for the Pakistan armed forces. At the moment this need is being met from home sources.

For the present, Pakistan should not be considered a good market for Canadian lumber. Exchange restrictions, difficult import regulations (at the moment lumber is not licensable from the dollar area), and the general characteristics of the market indicate that Canadian exporters can look only for occasional special sales in this market.

—A. P. BISSONNET
Commercial Secretary for Canada



The Markets in Europe

REPUBLIC OF IRELAND

DUBLIN—For many years the Republic of Ireland has been a good and constant customer for Canadian lumber, particularly spruce. At present, the timber trade is holding considerable stocks of Canadian spruce, the result of stockpiling which was thought desirable a year or two back.

Some time ago a marked recession in the construction industry began, due in some measure to increased rates of interest on building loans and the Irish banks' refusal to grant advances for house-building. Back of this is the basic fact that the incomes of the middle bracket wage-earners have not kept pace with the rise in the cost of consumer goods and services. As housing is needed primarily for this group, especially in the Dublin area, speculative building has practically ceased. These factors have adversely affected the sale of lumber and stocks on hand will not be disposed of as quickly as was once expected.

Lumber Imports 1951

Raw or Simply Prepared	Country of Origin	Cubic feet	£
Hewn-hard	Canada	2,797	679
	U.S.A.	44,399	38,061
	British West Africa...	16,213	13,830
	Total Imports	85,771	74,527
Hewn-soft	Sweden	865	21,737
	U.S.A.	3,477	105,738
	Yugoslavia	2,807	81,259
	Canada	2,677	60,025
	Finland	953	29,926
	Czechoslovakia	1,153	23,136
Total Imports	12,598	336,198	
Sawn-hard	Canada	81,552	44,967
	U.S.A.	146,984	111,821
	Japan	120,134	99,792
	Thailand	17,591	39,986
	Philippines	66,884	35,241
	British West Africa ...	45,736	50,690
Total Imports	564,157	439,226	
Sawn-soft—deals, planks and boards..	Canada	55,286	1,107,791
	Finland	65,971	1,662,485
	Sweden	63,944	1,567,601
	Czechoslovakia	15,071	334,420
	U.S.S.R.	5,084	151,382
Total Imports	213,713	5,007,987	

Raw or Simply Prepared	Country of Origin	Cubic feet	£
Sawn-soft—other sorts.....	Canada	4,084	82,653
	Czechoslovakia	2,515	64,447
	Sweden	2,920	64,501
	Austria	2,211	45,749
	Total Imports	12,899	294,213
Ties	Canada	258	7,625
	France	19,416	425,875
	Total Imports	21,301	459,677

There appear to be plentiful supplies of a variety of Baltic timbers on offer to this market. Present Canadian c.i.f. Dublin quotations for rough spruce are about £77 per standard; Finnish and Swedish c.i.f. Dublin quotations for deals are about £84 per standard. Supplies of Canadian maple flooring appear to be scarce in Ireland and Japanese maple flooring strips, 4 inches x 1 inch, in the rough, are being imported. Under normal conditions, the trade here prefers to have lumber stocks on hand roughly divided in the following proportions: one-third Canadian spruce and two-thirds Baltic white. At the moment, these proportions are reversed.

The outlook for possible imports of lumber for 1953 are not good because of trading and general deflationary trends. All signs indicate a general slowing-down until present stocks are exhausted and building conditions improve.

—T. G. MAJOR
Commercial Counsellor for Canada

BELGIUM

BRUSSELS—The basis of Canadian lumber sales to Belgium is that of filling the gap left by Scandinavian and other European suppliers. In other words, we sell in this market sawn lumber of a thickness, or of a width, or of a length which the Scandinavians either do not possess, or do not export. Our chief competitor for the business thus afforded is the United States. Lumber imports from the dollar area are subject to licence but so far licences (which automatically give the right to the necessary foreign exchange) have been freely granted.

Types and Prices

The principal gaps in the Scandinavian pattern filled in part by Canada are for coniferous sawn lumber measuring 4 to 8 inches in thickness by 6 inches and up in width, averaging 10 feet in length (flitches) and for coniferous lumber measuring 3 x 9 inches, with lengths varying between 20 and 40 feet, but averaging 28 feet (deals). A third but proportionately much smaller gap is that for Douglas fir edge-grain lumber (rifts).

THE NETHERLANDS

THE HAGUE—The serious dollar shortage in the Netherlands has meant smaller postwar imports of lumber from the dollar area compared with prewar. These imports are confined mainly to Douglas fir.

Apart from currency difficulties, in recent years lumber has often been replaced by other materials because of generally high prices. Another handicap is high ocean freight rates from Pacific ports to this country. For these reasons, prospects for Canadian lumber sales in the Netherlands during 1953 are not bright.

Most Dutch lumber importers have already made purchasing arrangements for delivery in 1953. The main suppliers will be Sweden and Finland and an order for 10 thousand standards has been placed in Russia. A total of 50 thousand standards of Russian lumber is available for shipment to the Netherlands and it is possible that this quantity will be taken up.

Imports of Canadian lumber depend on the amount of dollars allocated by the Netherlands authorities. Upon receipt of the allocation, lumber importers are free to purchase in the United States or Canada, whichever offers the lowest price. At the end of 1951 the following dollar allocation was still available: (U.S. currency): \$33,900 for clears and \$10,000 for merchantable. Early in 1952, \$97 thousand was allocated for clears and \$48 thousand for merchantable. In addition, an allocation was granted in so-called "free dollars"—\$174,500 for clears and \$86,500 for merchantable. These free dollar currency licences have not yet been entirely taken up. The 1953 allocations have not been announced, but it is expected that they will be roughly the same as last year.

Generally speaking, Netherlands lumber importers prefer Canadian lumber to the U.S. product and in some instances they are willing to pay a slightly higher price for Canadian Douglas fir. Local importers say, however, that Canadian suppliers find it more difficult to satisfy Netherlands specifications than do U.S. shippers.

—W. G. PYBUS

Assistant Commercial Secretary for Canada

NORWAY

OSLO—This country is no longer an important lumber exporter because the policy in recent years has been to increase the production and export of refined wood products, such as pulp and paper, rather than to export lumber in its more natural state. The great demand for wood by Norwegian pulp and paper mills, and the great domestic need for lumber for building purposes, brought export control on October 16, 1950. Since then, export licences have been required for wood of all kinds. Because all applications for licences have been automatically refused, except where the terms of existing trade agreements are involved, this export control in practice amounted virtually to export prohibition.

Back in 1912, Norway exported 346 million FBM. In 1951, her exports totalled only 53 million FBM, of which 20 million FBM went to the United Kingdom, 16 million to Australia, 6.8 million to the Netherlands and 6 million to South Africa. During the first eight months of 1952, Norway's total exports of lumber and timber were valued at \$4.6 million, as compared with \$4.1 million in the corresponding period of 1951. Of this, \$3.1 million represented hewn and round timber, \$0.3 million sawn timber, \$0.9 million, planed timber and \$0.6 million box boards. The United Kingdom was by far the most important market, exports to that country being valued at \$3.3 million. (Exports of refined wood products such as pulp and paper in the same periods of 1952 and 1951 were valued at \$101 million and \$111 million respectively.)

In recent years Norway has had to import considerable quantities of wood from Sweden and Finland to meet the constantly increasing demands of the pulp and paper mills. In the first eight months of 1952 these imports consisted of hewn and round timber to a value of \$8.4 million and sawn timber valued at \$8.3 million. The corresponding figures for 1951 were \$6.5 million and \$1 million respectively.

The recent slump in world market prices for wood, including pulp and paper, and the increased demand and higher prices for Scandinavian timber on the British market, coupled with Norway's record production of timber during the season which closed on June 30, 1952, induced the Norwegian Lumber Association at the beginning of November to request the Government's Lumber Committee to lift the export embargo.

The decision of the Government Committee to maintain, until further notice, the control of timber exports caused serious disappointment in the lumber industry. It contended that, with her present large stocks, Norway could sell substantial quantities to a number of foreign markets at higher prices than obtain in the domestic market. Recently word was received that Norwegian authorities will permit the export of 9,000 standards (18 million board feet) of timber.

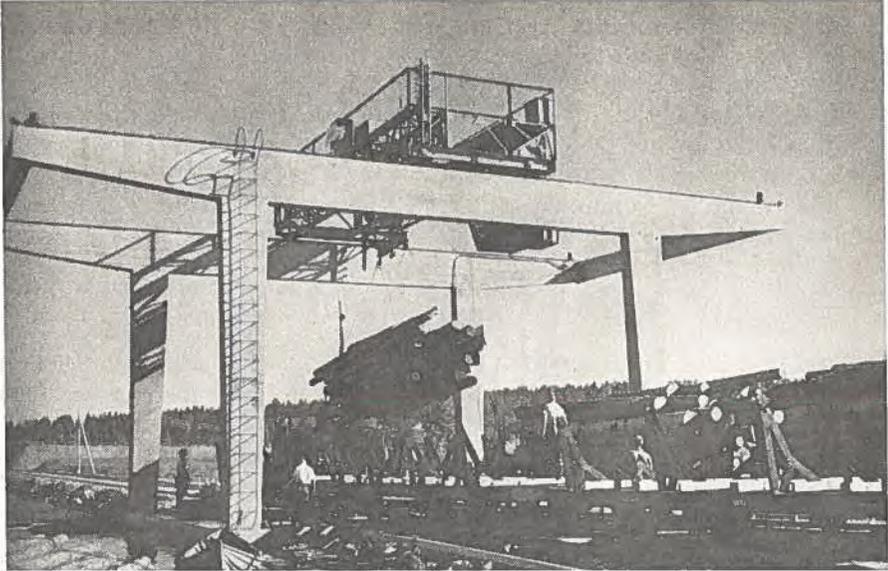
—J. L. MUTTER
Commercial Secretary for Canada

Denmark

OSLO—Denmark has very limited forest resources and therefore imports rather large quantities of lumber. Principal suppliers are Sweden and Finland. During the first nine months of 1952, Denmark imported boards, planks and deals to a total value of \$14.7 million, of which Sweden supplied \$9.6 million and Finland \$5 million. The corresponding figures for 1951 were \$21.6 million, \$10.8 million and \$10.4 million respectively.

—J. L. MUTTER
Commercial Secretary for Canada

FINLAND



—Finnish Paper and Timber Journal

This timber elevator forms part of a unique system of portaging lumber from one Finnish lake to another. The crane lifts bundles of lumber from the water onto special railway cars, which carry them to Lake Oulu. There the cars run downhill into the water until the bundles float off.

STOCKHOLM—Finland exported 608 million board feet of lumber during the first eight months of 1952, compared with 864 million for the same period in 1951. Her two largest customers in 1951 were the United Kingdom and the Netherlands; in 1952, the United Kingdom and Russia. By November 1952 Finland had sold 356 million board feet of sawn lumber to the United Kingdom for 1953 delivery. The decreased shipments in 1952 were compensated for to some extent by the higher prices obtained when the contracts for this were negotiated in 1951.

The volume of Finnish exports of sawn lumber cannot be much increased because of the need to modernize present methods of production. Capital for this modernization and expansion has been lacking over the past ten years, and it has not been possible for Finland to keep pace with world technical progress. In some respects the industry has slipped back because of the heavy demand of war reparations on Finland's resources. Perhaps the greatest single factor was the loss of Karelia to Russia in 1940.

As in Sweden and Canada, forest products are vital to Finland's economy. The attraction of capital to the lumber industry will depend upon the extent to which Finnish trade agreements can guarantee stable foreign lumber markets. The current agreement with Russia, which expires in 1955, calls for 254 million board feet of lumber, plus 850,000 square metres of prefabricated housing. This, with the U.K. market, should provide the necessary incentive to attract capital investment to the lumber industry.

—KENNETH G. RAMSAY

Assistant Commercial Secretary for Canada

SWEDEN

STOCKHOLM—About half of Sweden is covered with forests and the export of forest products has always played a vital part in the country's economy. In fact, nearly 50 per cent of Sweden's export earnings come from the sale of forest products. Silviculture has been studied intensively since the beginning of the century and Canadian foresters visiting Sweden have found Swedish forest conservation methods most interesting.

The annual cut of timber—of which about 33 per cent will become lumber—is limited by the State to the annual re-growth, thus assuring a sustained yield.

Forecast for 1953

In 1951, Sweden exported 1.6 billion board feet of sawn lumber and in 1952 an estimated 1.25 billion board feet. The latest forecast for 1953 exports of sawn lumber is also 1.25 billion board feet. Sales to all foreign markets for 1953 delivery amounted to 460 million board feet as of November 1952, with 340 million of this purchased by the United Kingdom. Swedish lumber merchants have been, and still are, speculating about the effect of the British Board of Trade's announcement on November 17 that in 1953 the United Kingdom Government would control only the consumption of lumber, not its import. Since October 31, 1952, Swedish exporters no longer require export licences for lumber. Prices in the coming year will probably be lower but most companies, it is felt, will be able to survive. The number of companies that fail will depend upon the degree to which labour costs remain stable.

—KENNETH G. RAMSAY
Assistant Commercial Secretary for Canada

PORTUGAL

LISBON—Portugal, with about 25 per cent of her total land area covered with forests, is one of the most heavily wooded countries in Europe. Consequently the country has enough softwood lumber for its own needs and can export considerable quantities. For many years Portugal has realized the value of her forests and reforestation has been practised long and diligently.

Pine constitutes the major part of the Portuguese lumber industry. Considerable quantities of hardwoods have to be imported. However, Portugal is fortunate too in having available large quantities of various types of hardwood in her overseas provinces. They, together with Brazil, supply practically all her needs for imported timber.

Prices of both local and imported timber have been fairly stable during the past year and no great change is expected within the near future.

Because of Portugal's position as a producer and the present restrictions against imports from the dollar area, it appears unlikely that any opportunity will present itself in the near future for the sale of Canadian lumber.

The main Portuguese export markets during the past year have been the United Kingdom and the Portuguese overseas provinces. Exports to the United Kingdom consisted principally of rough lumber and logs.

The recently announced Six Year Plan and the amount of construction forecast in it, may mean that Portugal will look elsewhere for the additional material, rather than deplete her own forests. If this should be the case, sales opportunities for certain quantities of Canadian lumber might develop.

—H. M. MADDICK

Assistant Commercial Secretary for Canada

YUGOSLAVIA

ROME—With 29 per cent, or 8·3 million hectares, of the entire land area forested, and with an additional 1·4 million hectares of denuded lands primarily suited for forestry, the importance of that industry to the Yugoslavian economy is evident. Eighty per cent of the forests consist of beech and oak; the remainder of fir and spruce. Slavian oak commands a premium price on world markets and exports of softwood constitute an important element in the country's balance of payments position. Timber is thus the leading export, representing in 1951 and 1950 some 30·4 per cent and 32·7 per cent respectively of the total value of exports.

Production

Total fellings amounted to 8,820,000 cubic metres in 1951, of which 3,822,000 cubic metres* were softwood. The comparative figures in 1950 were 10,270,000 cubic metres and 4,886,000 cubic metres respectively. Output of forest products other than plywood and building boards was also lower in 1951 than in 1950, as the following table indicates:

Product	1951 (in thousand cubic metres)	1950
Pitprops	445·8	621·6
Sawn softwood	1,462·0†	2,351·0
Sawn hardwood	579·0†	609·0

Consumption

Sawn softwood consumption averaged 34 FBM *per capita* in 1938, falling severely during the war years but rising thereafter to a maximum peak of 57 FBM in 1949. In keeping with reduced production, the *per capita* consumption fell to 42 FBM in 1951 and a further reduction occurred during 1952. Canada's *per capita* consumption is approximately 230 FBM.

* 1,000 cubic metres=approx. 424 thousand FBM.

† Not including local production, which in 1950 amounted to 16,000 cubic metres of sawn hardwood and 437,000 cubic metres of sawn softwood.

In 1951 sawn softwood represented 41.8 per cent of the value of timber exports, compared with 37 per cent in 1950. Restrictions on fellings, which largely accounted for the reduced overall production and consumption of timber, also had repercussions on sales abroad, especially of rough timber and semi-manufactured products. The total exports of forest products (other than plywood, veneers, wood pulp, pulpwood, building board and paper) were:

Product	1951 (in thousand cubic metres)	1950
Fuelwood	149.7	263.0
Poles, posts and piling	4.3	2.1
Hardwood logs	9.8	29.1
Pitprops	22.5	113.6
Ties	44.4	67.6
Sawn softwood	631.7	737.2
Sawn hardwood	256.6	261.3

Sawn soft- and hardwoods held the most important place among these exports. The main markets for these two items in 1950 and 1951 were the United Kingdom, Italy, Western Germany and Egypt. The following tables give the breakdown.

Exports of Sawn Softwoods

(In thousand cubic metres)

Destination	1951	1950
Western Germany ..	74.4	11.4
Italy	88.6	51.0
United Kingdom ...	333.0	447.2
Egypt	35.0	48.6
Latin America	33.9	104.0
Other countries	66.8	75.0
Total	631.7	737.2

Exports of Sawn Hardwoods

(In thousand cubic metres)

Destination	1951	1950
Italy	62.1	44.3
United Kingdom ...	116.3	134.6
Egypt	17.1	18.3
Netherlands	23.4	29.3
Other countries	37.7	34.8
Total	256.6	261.3

Estimates recently made by Yugoslavia officials indicate an anticipated total export of about 120 thousand standards (240 million FBM) of sawn softwood for both 1952 and 1953, as compared with normal exports of about 100 thousand standards, (200 million FBM) a figure which was topped by some 35 thousand standards (70 million FBM) in 1951. In that year the effect of the required reduction in fellings was not fully felt, as it was in 1952 and will be in 1953.

In 1951, timber prices were freed to find their own market level. Average prices during that year, based on the International Monetary Fund's authorized rate of 300 dinars to U.S. \$1.00, are as follows:

Dinars per cubic metre

Sawlogs	
Fir	4,200
Beech	4,800
Oak	7,500
Pitprops	
Fir	4,000
Beech	3,400
Oak	4,200
Sawnwood	
Fir	10,000
Beech	16,700
Oak	25,400

Prices firmed considerably in 1951 as they did throughout the world but this was offset early in 1952 by severe price reductions. Since then, Yugoslav export markets have been somewhat stronger and prices steadier and higher. The considerable fluctuations of 1951 and early 1952 will probably not occur in 1953 as, with controls removed on exports and a more settled outlook in the importing countries, stabilization seems more likely than at the beginning of either 1951 or 1952.

Outlook

The measures taken towards freeing trade have, during recent months, been somewhat curtailed. Consequently, before the removal of these controls really had a chance to operate and thus enable one to predict trends, much of their effectiveness was nullified. Nevertheless, the general tendency is to allow markets more and more scope whenever possible. At the same time, the decontrolling of prices for certain products and the gradual disappearance of government distribution, except in the case of a few basic commodities, does not imply any abandonment of the system of planned economy in Yugoslavia.

—SHIRLEY G. MACDONALD
Commercial Counsellor for Canada

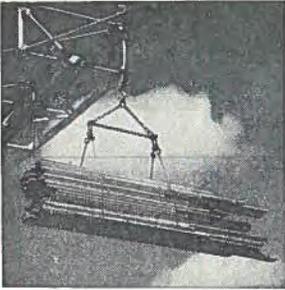
GREECE

ATHENS—Lumber importers here do not expect to do any business with Canadian firms in the near future. The current import program makes no provision for construction lumber from the dollar area. Scandinavia, Austria and Yugoslavia are at present the principal sources of supply and it is unlikely that Greece will turn to dollar sources unless these traditional suppliers cannot meet its needs.

Current Prices

Prices of "Levant type" construction lumber are currently running at about \$230 per standard, cost and freight Piraeus. Swedish firms are landing their mixed grades here for about \$224 per standard (i.e., 4.63 cubic metres). Total annual requirements now run at about 180 thousand cubic metres. This figure is substantially below annual requirements from 1947 to 1951, principally because of the suspension of the housing program.

—H. W. RICHARDSON
Commercial Secretary for Canada



Markets in Latin America

MEXICO

MEXICO CITY, D.F.—Canada has not been an important supplier of rough and dressed lumber to Mexico, which purchases her needs principally from the United States. Mexican lumber imports consist mainly of rough and dressed pine and spruce for construction purposes.

Mexican rates of duty on construction timber are:

Tariff No.	Unit	Specific rate (in pesos)	Ad valorem	Official Valuation (in pesos) *
2.50.31	100 gross kilos	1.00	10 per cent	39.15
2.50.34	" " "	0.30	10 " "	45.70
2.50.43	" " "	3.00	10 " "	37.55
2.50.31—Ordinary construction lumber of pine and spruce, rough or dressed, in boards, planks or beams not exceeding 55 mm. thick and 3.25 meters long.				
2.50.34—As above, thicker than 90 mm.				
2.50.43—As above, not exceeding 55 mm. thick and longer than three meters.				

* One peso=approximately 11 cents Canadian.

The ad valorem portion of the duty is levied on the Mexican official valuation or the invoice value, whichever is the higher.

Mexico can get her supplies of rough and dressed lumber easily from the United States and from the Scandinavian countries and there are no import restrictions on this category of forest products. Prevailing prices in Mexico for No. 1 common and better grades of hardwoods from the United States, on the basis of one thousand FBM c.i.f. warehouse, are:

	(in pesos)
Red oak and white oak	2,000 to 2,500
Hickory	2,500 to 3,000
Beech	2,000 to 2,500
Poplar	1,600 to 2,000
Ash	2,000 to 2,500
Maple	3,000 to 4,000

There are substantial stands of timber in Mexico and the cut for the past ten years has averaged approximately 1 billion FBM a year, including logs, firewood, rough and dressed lumber. However, many stands are inaccessible. Near cities and where transportation has been available, Mexicans have ruthlessly exploited their timber resources,

principally for charcoal and firewood. The Government has now undertaken an extensive reforestation program and is limiting the annual timber cut.

With no restrictions on the import of rough and dressed lumber, Mexican imports in these categories are expected to increase during the next few years. Provided Canadian sources are competitive in landed price with suppliers from the United States, Mexico warrants thorough investigation as a market which is limited neither by import controls nor by exchange restrictions.

—S. G. TREGASKES

Assistant Commercial Secretary for Canada

EL SALVADOR

GUATEMALA CITY—El Salvador is practically without forest resources and, out of a territory of 13,176 square miles, only about 400 square miles has trees. The outstanding species is balsam, from which a valuable resin is extracted. Its wood is also suitable for furniture-making, for agricultural tools and for rollers for sugar mills.

There has been considerable construction of late years, and consequently imports of lumber touched a new high during 1952. The building boom shows no signs of declining and lumber imports during 1953 should hold up well.

Imports of Lumber

	1945		1946		1947		1948	
	MFBM	\$	MFBM	\$	MFBM	\$	MFBM	\$
United States	77	8,188	66	6,946	225	32,642	12	5,473
Guatemala	233	15,789	149	8,139	10	578	58	3,411
Honduras	16	726	207	9,184	1,278	60,344	454	40,932
Nicaragua	82	3,358	85	3,005	114	5,926	321	6,334
Canada .....	...	...	...	...	...	...	21	6,564
Mexico .....	...	...	...	...	6	14,953	...	...
Total	408	28,061	507	27,274	1,633	104,443	866	62,714

	1950		1951	
	MFBM	\$		
Canada	4	594	(not available)	
Costa Rica	2.9	180	"	"
United States	27.8	5,184	"	"
Spain .....	.9	407	"	"
Guatemala	18	3,162	"	"
Honduras	6,426	273,882	"	"
Mexico	12.0	2,247	"	"
Nicaragua	919	43,502	"	"
Panama	7.5	1,952	"	"
Total	7,418.1	331,110	6,791	554,444

—J. C. DEPOCAS

Canadian Government Trade Commissioner

GUATEMALA

GUATEMALA CITY—Guatemala is a country rich in timber, notably mahogany and cedar. It also produces natural chicle on which, with Mexico, it has an effective world monopoly. The forests are in the northern provinces where vast areas (especially the Peten) are still unexplored.

The actual production, however, is out of proportion to the potential, because the accessible zones have been unwisely exploited and there is no effective reforestation program. Lack of transportation facilities acts as a permanent barrier to commercial exploitation of the inaccessible areas. According to a survey made by the Instituto de Fomento de la Produccion (INFOP), Guatemalan forests cover 65,683 square kilometres, of which 35,000 square kilometres are inaccessible. The State owns 37 per cent of the forests in the country, the same survey reveals.

Guatemala could therefore become a large exporter of fine woods and remain self-sufficient in the common woods for construction, etc. For the time being, both exports and imports are small. This is normal for imports but indicates a reduction in exports.

In 1946 exports were valued at \$882 thousand. In 1947 they dropped to \$758 thousand, in 1948 to \$517 thousand, and in 1949 to \$161 thousand. In 1950 exports were valued at \$150 thousand and in 1951 at \$45 thousand.

Mahogany and cedar are the principal species which Guatemala offers to the export trade; the United States is the chief buyer of the small quantities available.

—J. C. DEPOCAS

Canadian Government Trade Commissioner

HONDURAS

GUATEMALA CITY—Honduras used to enjoy a good export trade in lumber. In recent years there has been a sharp, almost vertical drop in the volume and value of exports because most of the accessible timber has been cut. Reserves of fine timber are still large and with the opening of new roads it is expected that this trade will soon revive.

According to the latest statistics available—for the fiscal year July 1, 1950–June 30, 1951—exports of all species totalled only 7.9 million FBM, of which 6.7 million was pine. There were no imports during this period.

The principal species produced are pine, mahogany and cedar. Main markets are the United States for mahogany, and Cuba and other neighbouring countries for pine and cedar. In addition to the lumber exported, substantial quantities of logs are also sold, principally to the United States.

—J. C. DEPOCAS

Canadian Government Trade Commissioner

NICARAGUA

GUATEMALA CITY—Lumbering in Nicaragua is carried on mainly along the principal rivers flowing eastward to the Caribbean Sea. About 16 thousand square miles of the country's 38 thousand square miles of forests produce usable timber. Mahogany, pine and cedar, in logs or as sawn lumber, are the leading exports. Other species exported include cocobola, laurel, bamboo and oak.

Nicaragua's principal markets for lumber are the United States and neighbouring Caribbean countries. Small quantities are shipped to Europe. Lumber ranks after gold, coffee and sesame among Nicaragua's leading exports. Imports of lumber are negligible.

The value of lumber exports in 1951 was \$1.4 million. Figures for the quantity and value of exports in the years 1945-48 follow:

	Quantity (MFBM)	Value (dollars)
1945	13,359	667,660
1946	19,611	986,864
1947	28,504	1,724,760
1948	20,816	1,330,748

—J. C. DEPOCAS

Canadian Government Trade Commissioner

COSTA RICA

GUATEMALA CITY—About 75 per cent of Costa Rica (14,750 square miles) is covered with forests. Those in the Atlantic region are the largest, but only the more accessible ones on the Pacific are exploited. The most important of the many types of lumber produced are balsa, cativo and cedar. The United States is the largest importer. Costa Rican lumber exports in 1950 were valued at \$223,339, in 1951 at \$332,119, and in the first six months of 1952 at \$109,505.

This country's lumber imports are limited to the species required for building construction, and since 1947 their value has never exceeded \$300 thousand. Canada enjoyed a good share of the Costa Rican market during 1947 and 1948 but has since lost it to Honduras and the United States. The following figures show the value of these imports and the supplying countries:

Costa Rica's Lumber Imports

	1947	1948	1949	1950	1951
Canada	\$113,661	\$ 70,067	.....	.....	.....
United States	137,733	81,732	10,323	3,831	82,505
Honduras	9,667	22,075	118,826	250,510	135,547
Nicaragua	16,934	4,113	.....	.....	.....
Finland .....	.....	1,029	.....	.....	.....
	<u>\$277,695</u>	<u>\$179,016</u>	<u>\$129,149</u>	<u>\$254,341</u>	<u>\$218,052</u>

—J. C. DEPOCAS

Canadian Government Trade Commissioner

PANAMA

GUATEMALA CITY—Panama has over 50 species of commercially valuable timber but her forests have not yet been scientifically exploited. East of the canal, in the Province of Darien particularly, the lack of transportation facilities has retarded forest exploitation. Mahogany is the most important species. It is of a very fine type, particularly in the Province of Veraguas on the Pacific Coast, and is exported mainly to the United States and, to a lesser extent, to Cuba, the Dutch West Indies and Venezuela. Panama can also offer good quality walnut and oak.

During 1950, Panama's exports of mahogany totalled 1,848,376 square feet, valued at \$274,337 and during 1951, 2,246,656 square feet, valued at \$411,401. The 1951 figures reflect an increase both in volume and in unit price. Exports of "other" lumber (mostly pine and cedar) were 3,421,940 square feet valued at \$170,308 in 1950 and 6,037,166 square feet, valued at \$186,486, in 1951. During these same years, imports of lumber for building construction totalled 3,652 MFBM and 3,198 MFBM, valued at \$320,026 and \$315,489 respectively. It is presumed that most of these imports came from the United States, which has replaced Nicaragua and Honduras, the leading supplying countries until 1948. Better shipping facilities between North America and Panama, combined with a reduced supply in Honduras, may explain why this trade has been shifted to the United States.

—J. C. DEPOCAS

Canadian Government Trade Commissioner

COLOMBIA

BOGOTA—Colombia has vast forest reserves capable of tremendous exploitation and a tropical climate which ensures continuous heavy growth. The Republic, larger than the Province of Ontario, should be able to meet its own lumber requirements and have a healthy surplus for export. But there are many problems to be solved before large-scale export can be expected. These include the difficulty of access to certain forest areas because of mountainous terrain, the hard climate, and the problems of exploiting various types of trees which do not appear in clear stands as in Canada. However, in spite of these obstacles, local production is expanding and is showing great promise.

Not only does there now appear to be sufficient domestic production to meet local demand but there is a small surplus available for export. Shipments have been made to the U.S., Germany, Puerto Rico, Cuba and Uruguay. Foreign interest in investing in forest production here is increasing. A recent press report indicated that the International Bank for Reconstruction and Development is anxious to exploit the forest areas around the Gulf of Tumaco. Plywood factories protected by high tariffs

have been opened in Cali and Bogotá. There is talk of an integrated wood pulp mill which, with allied lumber products, may go far to meet domestic requirements.

Imports and Exports

According to the latest available Colombian Government figures, imports and exports of rough and dressed lumber during the year 1951 were as follows:

Type	Imports		Exports	
	Net kilos	Value c.i.f. (pesos) *	Net kilos	Value f.o.b. (pesos)
Raw logs	315,644	75,473	3,427,689	217,310
Logs squared, rough	25,304	8,133	.....	.....
Sawn logs	782,819	180,855	1,159,266	212,788
Processed and dressed wood, etc.	253,494	108,212	.....	.....

* One peso equals approx. 39 cents Canadian.

Most lumber products are not on the prohibited import list and tariffs on them have not been raised as they have on many other items.

The outlook for sizable exports of Canadian lumber to this market is not promising. Although prices for the local products are showing a tendency to rise as more forest areas are exploited, increasing competition from local producers and the high internal costs of transportation here militate against large-scale imports. Colombia offers a relatively small market because of the variety of substitute materials available. It is not a quality market and the lower grades appear to meet the domestic consumer's requirements. There would seem to be some sales possibilities on the Atlantic coastal region centering on the port city of Barranquilla. Large-scale construction work such as the building of camps by oil companies and the creation of huge companies with large construction projects, such as the Paz del Rio steel company, may provide further openings for alert Canadian lumber exporters.

—JOHN E. LANCASTER

Assistant Canadian Government Trade Commissioner

VENEZUELA

CARACAS—Venezuela is a lumber importer in spite of the fact that forests cover about two-fifths of the country's area. This situation is likely to continue for some years because the forests near the urban areas have been depleted and the remaining timber stands are in remote regions with no communication with the principal consuming centres.

The chief demand is for second-grade lumber suitable for cement forms. Local brick and cement are more popular than wood as construction materials, because of the tropical climate and the destructive insects. First-grade lumber is generally used for special structures such as bridges, flooring in oil derricks, and drydocks.

Venezuela lumber imports are now close to 24 million FBM a year. Approximately 90 per cent of this is pitch pine, which comes principally from the southern United States, and in smaller amounts from Honduras,

Nicaragua, and Guatemala. Douglas fir makes up most of the remaining imports and in 1951 the United States supplied 2.1 million FBM and Canada 350 thousand FBM.

White pine, pitch pine and Douglas fir enter Venezuela duty-free, provided that they arrive as timber measuring more than 25 centimeters (approximately 10 inches) in thickness at both ends. The import duty of approximately \$3.20 Canadian per 100 lb. on lumber less than this size has proved sufficiently high to ensure that timber rather than sawn lumber are brought in, and the local sawmill industry is protected. Imported timbers average 10 to 20 feet in length.

The Outlook

There are no import restrictions on lumber entering Venezuela and the prosperity of the oil industry indicates that there will be ample foreign exchange for many years. Construction activities are continuing at a high level, and imports of rough lumber in 1953 should be 15 per cent greater than last year. The exploration program being undertaken by the oil companies and the requirements of the iron ore industry should increase the demand. Canadian shippers could obtain additional business if they were able to compete with the price now being quoted for pitch pine, from US\$120 to \$125 c.i.f. La Guaira. It is essential also to meet the prevailing terms, which are payment of freight and insurance by sight draft, with value of shipment payable within 60 to 90 days.

—J. A. STILES

Consul of Canada and Trade Commissioner

BRAZIL

RIO DE JANEIRO—The four southern states, São Paulo, Paraná, Santa Catarina and Rio Grande do Sul provide Brazil with commercial timber for both the domestic and the export market. In 1951 these four states produced approximately 1.3 billion board feet of pine and 318 million board feet of other woods. Paraná, producer of the pine which commonly carries the name of the state, leads in the production of this, the most important wood exploited commercially in Brazil.

The following table shows Brazilian production of sawn lumber for the years 1945 to 1951 inclusive:

Year	(millions of F.B.M.)	
	Pine	All other species
1945	600	326
1946	563	404
1947	662	377
1948	639	339
1949	795	264
1950	983	276
1951	1,329	315

The commercial development of the pine lumber industry began before World War I when Brazil was a large importer of softwoods, chiefly from Canada and the United States. To a limited degree North American methods of logging and sawing, etc., were introduced and World War I gave the industry a period of comparative prosperity. Imports declined and a pattern of export trade, mainly to other Latin American countries, was developed.

Many difficulties faced the industry during its early years of export trade. Destruction of the forests, lack of adequate planning and poor transportation were the major ones. In 1941 the Federal Government passed a law founding the Pine Institute, with the following basic objectives:

- To improve production methods by using modern machinery and techniques, and modern transportation methods.
- To standardize and classify the different variety of woods.
- To disseminate information on reforestation.
- To develop domestic and foreign markets.

The reforestation efforts of the Pine Institute are now bearing fruit. There are eight forest reservations containing 20 million pine trees and over 100 thousand trees of other species. Private industry is becoming acutely aware of the need for reforestation and private initiative is giving the Pine Institute much assistance.

Export Boom

During World War II, Brazil experienced another boom in export of lumber, largely, as might be expected, to River Plate markets. After 1945 the industry's export business increased remarkably and, in addition to Argentina and Uruguay, European countries began to purchase from Brazil. But as U.S. economic aid to Europe was cut down, European purchases fell off. The United States and Canada import some pine. The following DBS figures show Canadian imports of Brazilian white pine since 1950:

	Value	Million FBM
1950	\$ 38,904	327
1951	503,162	3,855
1952 (9 months)	380,993	3,012

Export figures supplied by the Brazilian National Pine Institute are as follows:

	1948		1949		1950	
	Million FBM	Thousands \$	Million FBM	Thousands \$	Million FBM	Thousands \$
Argentina	402	33,652	265	23,500	207	16,300
Australia	7	682	11	1,220	26	1,942
United States ..	14	1,365	2	236	53	3,334
United Kingdom	10	1,128	4	315	82	4,804
Uruguay	37	3,360	35	3,150	37	3,386
Totals	470	40,187	317	28,421	405	29,766

Barter deals abroad were attempted and some were consummated with Canadian firms. However, in general Brazil has considered these unsatisfactory.

Prices Out of Line

In the face of declining world prices for pine lumber, the southern Brazilian states are threatened with a serious decrease in foreign business. In the first four months of 1952 pine lumber exports were down about 10 per cent from the comparable period in 1951, although the value in cruzeiros showed an increase of 10 per cent. Southern producers have apparently been unable to bring prices into line with world prices because of high production costs and inadequate transportation facilities.

When the objectives of the Pine Institute begin to have some effect on production methods and transportation, Brazil may expect to increase her export trade in lumber and to take greater advantage of the commercial possibilities of lumber production in the Southern States.

—M. P. CARSON

Vice-Consul of Canada and Assistant Trade Commissioner

CUBA

HAVANA—Cuba is a good market for rough lumber because local production meets only a small part of the country's needs. Imports in 1951 averaged over six million board feet a month, a total of 74 million board feet with a value of \$8.7 million. (Value in 1950 was \$7.7 million.) This volume of imports was maintained in 1952. Canada supplied only \$136 thousand worth last year as compared with \$6 million from the United States and \$1 million from Honduras. (The latter are the two principal suppliers.) The remaining supplies came from other countries in the Caribbean area.

Cuba uses wood chiefly for construction and furniture-making. Although in former years Canada supplied considerable quantities of lumber for box-making, the wooden box has been replaced by the corrugated cardboard container.

Breakdown of Imports

A study of the varieties of wood imported shows that the great bulk of rough lumber is southern yellow pine, followed by cedar, tropical gum-woods and mahogany. The 74 million FBM of lumber imported last year was made up as follows:

	Board feet
Southern yellow pine	61,831,658
Cedar	6,241,059
Sap gum and tupelo	2,838,645
Mahogany	753,316
White pine	275,537
Douglas fir	42,012
Maple	24,372
Creosoted poles	2,031,729

The termite is endemic to Cuba and there is, therefore, a natural preference for termite-proof woods in building construction and furniture manufacture. The other important factor, of course, is price. The proximity of the United States and Honduras, with their ample supplies of Southern yellow pine, has given them a commanding position in the Cuban market. This is particularly true of the United States because the freight car ferry between Palm Beach and Havana permits cars loaded in the southern states to unload directly in the Cuban merchant's own yard. This means a substantial saving in costs. Furthermore, the Cuban tariff favours American rough spruce and all dressed or further manufactured lumber. Because of these facts, there appears to be little possibility of Canada obtaining a substantial share of this market.

—A. W. EVANS

Commercial Secretary for Canada

DOMINICAN REPUBLIC

CIUDAD TRUJILLO—The chief problem delaying lumbering operations in the Dominican Republic is the lack of roads and transportation. The best and most accessible timber has already been cut and getting the logs out from the mountainous interior is extremely difficult. There are eight to ten large sawmills in the Republic and some forty to sixty small ones.

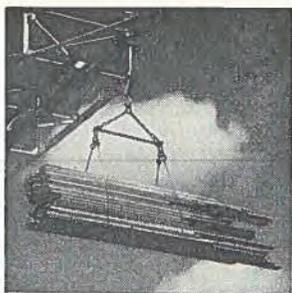
Pine ranks first in the production of lumber, closely followed by green ebony. These trees are found, although not in great numbers, on the rugged slopes of the Cordillera Central. Satinwood grows in the hills and there are also certain quantities of mahogany and dyewoods. Mahogany is sold rough and production is scattered. To make up a truckload, buyers sometimes have to purchase from a number of different producers. Lignum vitae, a hard and heavy wood used for many purposes, occurs in most parts of the country and was once exported in considerable volume.

The demand is good and because of the local prices there is little incentive to export. Indeed exports are discouraged and are subject to permit. At present wholesalers pay US\$128 per thousand feet and the consumers as much as US\$145-\$150. In August 1953, a new law will come into force, requiring all lumber to be dried in kilns. This will again increase the local price.

Imports are few and are confined to dry white pine from the United States. Duties are high and eventually, it is expected, imports will disappear completely. Because of the local demand and the opening of new roads the industry is developing, but the chances of lumber achieving any prominent place among Dominican exports are rather slim.

—R. E. GRAVEL

Canadian Government Trade Commissioner



The Other Markets

JAPAN

TOKYO—It seems probable that Japan will gradually increase lumber imports from British Columbia and the Pacific Northwest. Imports from that area have been relatively small since the end of the war because Japan's lumber needs have been supplied principally from domestic sources.

The Japanese Government imposed cutting restrictions on softwoods at the beginning of 1952. This reduced stockpile of domestic lumber at the end of the year and prices were 30 per cent below those of a year ago. The market for both domestic and imported lumber has been inactive in recent weeks because of the tight money supply. However, there were fairly heavy purchases of West Coast lumber in September and October.

More Lumber Used

The postwar consumption of lumber in Japan has been particularly heavy. The country has needed substantial quantities for reconstruction, for housing a steadily increasing population, for transportation and for industry. The Korean war brought additional demands for the UN forces and Korean rehabilitation. These combined demands have made serious inroads on Japan's previously depleted timber resources which have an estimated life of ten to fifteen years.

Imports Rise

There is a large potential demand for lumber for housing in the leading industrial centres throughout Japan. Price will determine the extent to which the housing needs can be met. Because Japan has a substantial sawmill capacity, the emphasis will be on logs rather than lumber. The extent of annual imports will depend on domestic supplies and prices. Domestic lumber for building purposes was quoted at approximately \$69 per MFBM at the end of the year. This price was slightly higher than the ruling rate on imported lumber. Lumber and log imports into Japan from the Pacific Northwest from January-October, 1952, are listed below.

Squares	3,660,593 FBM
Flitches	1,388,688 "
Logs	2,003,576 "
Pilings	630 pcs.

Other lumber and log imports in the same period included approximately 160 million board feet of logs from the Philippines and 21,285 cubic feet of teak from Thailand. Imports from the West Coast during the first nine months of 1952 were well above those of the preceding year.

—J. C. BRITTON
Commercial Secretary for Canada

PHILIPPINES

MANILA—The Philippines have large forest reserves and are substantial producers of hardwood lumber and logs. About 80 per cent of the output is consumed locally and 20 per cent exported. The industry has made great strides during the postwar years and production has increased from 14·5 million board feet in 1948 to 252 million board feet in 1951. Output declined, however, in 1952, reflecting a falling-off in both domestic and export sales and increased operating costs within the industry.

During the first ten months of this year, exports of lumber amounted to 55·5 million board feet, or 12 per cent more than the 49·5 million board feet in the same period of 1951. The principal markets are the United States, which took 66 per cent of the exports, South Africa with 12 per cent, and Hong Kong with 5·5 per cent.

Shipments of logs and timber for the first ten months of 1952 totalled 185 million board feet, or 15 per cent below the total of 217 million board feet in the same period of 1951. Japan was the chief market for logs and timber, with 86·2 per cent of the shipments, followed by the United States, with 8·1 per cent, and Formosa and Guam which together took 3·7 per cent.

Outlook for 1953

Because of higher operating costs, the industry foresees a further decline in production during 1953 unless there is a greater foreign demand for Philippine lumber and logs. The trade does not expect much change in overseas sales for the coming year. Shipments of logs and timber to Japan may increase because of the shortage of lumber in that country. Demand from the United States for lumber and logs is expected to remain steady and at about the same level as in 1952. Increased business with South Africa seems unlikely because of the shortage of dollar exchange. For the same reason, little demand is expected from European countries.

—W. D. WALLACE
Vice-Consul of Canada and Assistant Trade Commissioner

ISRAEL

ATHENS—The shortage of dollars and the unfavourable balance of payments will probably force the Israeli Government to continue the present import restrictions. This, and the absence of a published import program, probably means that Israel will buy its lumber requirements during 1953 largely from European suppliers. Many buyers there do prefer the high grades of Canadian lumber, but freight rates on and prices for the Canadian product are currently higher than for North European redwood and Southeast European whitewood. Anticipated price increases for the latter may possibly mean some business in Eastern Canadian spruce. Orders for lower West Coast grades will, however, be more difficult to obtain if freight rates remain at the present high of \$90 per 1,000 FBM. On the whole, the outlook is poor for the sale of Canadian lumber to Israel this year.

During 1951 Israel imported approximately 131 million FBM, including 21.3 million FBM of Canadian West Coast lumber and 2.5 million FBM of East Coast lumber. Total imports were down to 25 million FBM during the first eleven months of 1952 because of large stocks left over from 1951, building restrictions, and the Government's deflationary policy. None of this lumber was obtained from Canada, though a further 11 million FBM of undelivered orders placed late in 1952 include two million FBM of Canadian East Coast lumber.

Main port of supply and transit for lumber going to Israel is Trieste, where present quotations are about \$92 per 1,000 FBM c.i.f. Israeli port (freight rates \$11) for Austrian, Czechoslovakian and Yugoslavian whitewood. Deliveries average 30 to 60 days. Finnish and Swedish redwood are approximately \$135 per 1,000 FBM (freight \$30), 1953 spring delivery.

—H. W. RICHARDSON

Commercial Secretary for Canada

EGYPT

CAIRO—The demand in Egypt for lumber has slackened. In 1950 and 1951 buyers purchased far more timber than they needed, fearing both a shortage because of the Korean campaign and a rise in prices. However, during the past ten months prices have dropped considerably and, so far as sawn Scandinavian redwood is concerned, the local market is firmer. In fact, prices for this variety have recently increased by about \$6.80 per MFBM. This increase is the result of heavy buying, particularly by the United Kingdom.

On October 7, 1952, the Government placed severe import restrictions on all commodities entering Egypt because of the acute shortage of sterling. In spite of an advance release of £5 million recently made by the United Kingdom from Egypt's sterling balances in London, the

country's sterling resources are regarded as insufficient to permit an early relaxation of the general import licensing restrictions. Accordingly the situation for importers has become more complicated than ever.

The market in Egypt for Canadian lumber remains unchanged. The merits of Douglas fir are still not fully appreciated in this country. It is considered too expensive in comparison with prices for Scandinavian redwood. Under normal conditions, East Coast spruce is also considered unsuitable for this market both in size and price.

The dollar shortage is still a problem. However, what is known as the Egyptian Export Account still exists and this means that dollars to pay for certain essentials, (including timber and timber products), are obtained on the free market at a premium of about 12 per cent above the official rate. This type of transaction is permitted by the Egyptian Exchange Control and is not black market trading. However, the price of Canadian products must be competitive to meet this exchange premium.

—W. H. HOPPER

Office of the Canadian Government Trade Commissioner

SAUDI ARABIA

CAIRO—The market for building material in Saudi Arabia is good. Many private residences, public buildings, palaces and government buildings are now being constructed or planned. The extensive building and public works program covers mainly Mecca, Jedda, Taif and Medina in the Hejaz, Riyadh (the capital) in the Nejd, and Dammam, Hofuf and al-Khobar in eastern Saudi Arabia.

Principal imported materials in use are hewn and cut timber, reinforcing iron and steel bars and cement. Local contractors use an abnormally large proportion of wood in their buildings. In Jedda particularly, where coral rock is still widely used and is liable to crush under its own weight, it is common to see a four or five storey house with many hundreds of square feet of reinforcing woodwork in its outer walls alone. Timber is also used extensively for the balconies which often project from every window and on every floor.

Malayan timber is particularly popular and the most favoured sizes (in inches) are 3 x 8 and 2 x 8, (both are frequently used for ceilings, beams and rafters); 1½ x 8, 1 x 8, ¾ x 8 and ½ x 8 are also in some demand. The preference for this width is, however, only a custom. The timber is usually sawn down after receipt.

Import trade in Saudi Arabia is carried out, to a large extent, on the basis of free market dollars. Existing import and exchange controls usually do not interfere with what used to be considered the normal movement of foreign trade. Consequently, Canadian goods which are competitive and in demand can be sold.

—W. H. HOPPER

Office of the Canadian Government Trade Commissioner

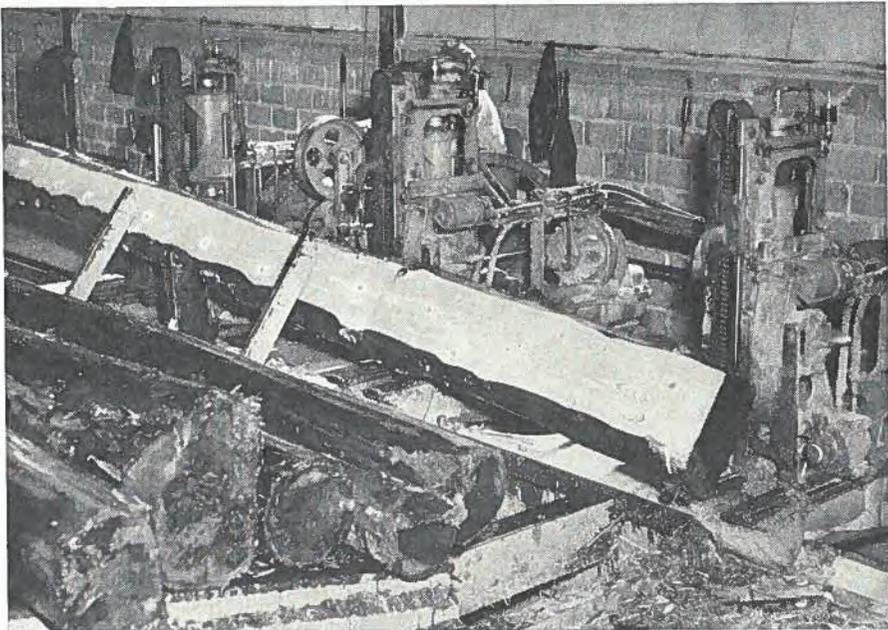
TURKEY

ATHENS—Turkey is currently running its largest balance of payments deficit in history. Under these circumstances, it is most unlikely that it will make foreign exchange available at official rates for Canadian lumber. Clearing agreements and the EPU trade liberalization plan have assisted importers in procuring supplies from European sources. At present, lumber can be imported from Canada only under compensation arrangements which involve a premium of almost 100 per cent for Canadian dollars. When freight differentials are added, it becomes apparent that the prospect of Canadian lumber exporters doing business in Turkey just now is extremely slight.

Sweden, Austria, Finland and Yugoslavia are now Turkey's principal sources of supply. Prices in the domestic market are based mainly on day-to-day quotations from Trieste, the most important lumber entrepôt in this area. C.i.f. quotations Istanbul have been rising in recent weeks. The latest figures available are \$280 per standard (4.63 cubic metres) for redwood and \$230 per standard for whitewood. Supplies are described as adequate.

—H. W. RICHARDSON

Commercial Secretary for Canada



—Price Bros. & Co. Ltd.

A log becomes lumber. This one, from an Eastern Canadian forest, is being turned on the carriage before the second cut is made.

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 1.0309.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 29	Notes (See below)
Argentina	Peso	Preferential buying	·1293	(1)
		Basic buying	·1940	
		Preferential selling	·1940	
		Basic selling	·1293	
		Free	·0698	
Austria	Schilling		·04541	
Australia	Pound		2·1870	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01936	
			·01617	tax 5% (1)
Bolivia	Boliviano	Official	·00965	tax 3% (2)
		Differential	·5695	(3)
British West Indies	Dollar		2·7337	(4)
	Pound		·6834	
	Dollar	Brit. Honduras	·0524	tax 8% (2)
Brazil	Cruzeiro		·2050	
Burma	Kyat		·2050	
Ceylon	Rupee		·03124	(1)
Chile	Peso	Official	·01615	
		Commercial	·00835	
		Free	·3880	tax 3% (2)
		Basic	·4228	
Colombia	Peso	Coffee buying	·1731	(5)
		Official	·1463	*Nov. 28
		Free	·9700	tax 2%
Cuba	Peso		·01940	
Czechoslovakia	Koruna		·1404	
Denmark	Krone		·9700	
Dominican Republic	Peso		·06466	(6)
Ecuador	Sucre	Official	·5607	
		Free	2·7854	
Egypt	Pound		2·4628	
Fiji	Pound		·00422	
Finland	Markka		·00277	
France	Franc		·00555	
French Africa	Franc		·01526	
French Pacific	Franc		·2310	
Germany	D Mark		·000065	
Greece	Drachma		·9700	
Guatemala	Quetzal		·1940	
Haiti	Gourde		·4850	
Honduras	Lempira		·1603	*Jan. 16
Hong Kong	Dollar	Free	·05956	
		Official	·04580	
		Special buying	·03722	
Iceland	Krona	Special selling	·2050	
			·08509	
India	Rupee		·04254	(7)
Indonesia	Rupiah	Basic	·02836	
		With Surcharge I	·00183	
		With Surcharge II		
		Dollar certificate		*Dec. 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 29	(See below) Notes
Iran	Rial	Certificate I	·01121	*Jan. 7
		Certificate II	·01115	*Jan. 7
Iraq	Dinar		2·7337	
Ireland	Pound		2·7337	
Israel	Pound	Basic	2·7160	
		Special	1·3580	
		Investment	·9700	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2715	*
Mexico	Peso		·1121	
Netherlands	Guilder		·2553	
Netherlands Antilles	Guilder		·5144	
New Zealand	Pound		2·7337	
Nicaragua	Cordoba	Effective buying	·1470	(8)
		Official Selling	·1375	
		With Surcharge I	·1205	
		With Surcharge II	·0965	
Norway	Krone		·1358	
Pakistan	Rupee		·2932	
Panama	Balboa		·9700	
Paraguay	Guarani	Basic	·06467	(1)
		With Surcharge I	·04619	(9)
		With Surcharge II	·03233	
		Certificate	·0622	
Peru	Sol		·4850	tax 17% (2)
Philippines	Peso		·03380	
Portugal	Escudo		·3880	
El Salvador	Colon		·3189	
Singapore & Malaya	Straits dollar		·3189	
South Africa (Union of)	Pound		2·7337	
Spain & Dependencies	Peseta	Basic buying	·04429	
		Basic selling	·08645	(1)
		†Basic commercial selling	·05906	
		Free	·02446	
Sweden	Krona		·1875	
Switzerland	Franc		·2261	
Syria	Pound	Free	·2613	*Dec. 15
Thailand	Baht	Official	·07760	(1)
		Free	·05729	*Nov. 28
Turkey	Lira		·3464	
United Kingdom	Pound		2·7337	
United States	Dollar		·9700	
Uruguay	Peso	Official	·6386	
		Basic buying	·5449	
		Special buying	·4127	(1)
		Basic selling	·5105	
		Special selling	·3959	
Venezuela	Bolivar		·2896	(10)
Yugoslavia	Dinar		·00323	

* Latest available quotation date.

† Since the "Basic selling" rate is for State purchases only, we are now also quoting the "Basic commercial selling" rate.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. 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.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to all Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11.