



foreign trade

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✓ Canada's Trade in 1952	2
The Businessman's Bookshelf	8
South Africa: Slowdown in Asbestos	10
Britain Decontrols the Grain Trade	12
Transportation Notes	
Canada, Guadeloupe, India	15
Japan, Malaya, South Africa, Sweden	16
West Germany's Trade in Agricultural Commodities	17
Commodity Notes	
Brazil, Italy, Japan, Mexico	21
Netherlands, Portugal, Trinidad, United States	22
Greece Introduces Banking Reforms	23
General Notes	
British North Borneo, Cuba, Ireland	24
India, Japan, Portugal, South Africa, United States	25
Trade and Tariff Regulations	26
Foreign Exchange Regulations	28

COVER . . . Wheat took first place among Canada's exports in 1952, with sales abroad reaching a value of \$621 million, a 41 per cent increase over 1951. A record harvest in 1952 helped in this achievement. For the full story on Canada's commodity trade during the past year, turn to page 2.

—NFB Photo

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Canada's Trade in 1952

An export balance of about \$325 million, record sales of grains, imports at an all-time high with machinery leading—these were the highlights of our commodity trade last year.

OTTAWA—Canada's commodity trade with other countries in 1952 was marked by an export balance of about \$325 million, in sharp contrast to the import balance of \$121 million in 1951. Changes in the relative prices of exports and imports were the most important factor influencing the altered trade balance. Record sales of grains and strong foreign demand for metals and newsprint swelled the volume of exports; import volume showed a similar increase under the influence of the defence program, of heavy investment in plant and equipment, and of greater consumption.

Canada's exports in 1952 reached a value of \$4,356 million, 10 per cent above the previous record established in 1951. The new record was achieved in spite of a slight decline in average prices received for exports, because the volume of these shipments went up by 11 per cent or more, according to preliminary calculations. Imports for the year totalled about \$4,031 million, slightly less than in 1951, but their volume was some 12 per cent above that of 1951. A decline in import prices of about the same magnitude prevented this increase in volume from resulting in a higher value of imports.

Price Change and Export Balance

Because the volume of imports showed a similar increase to that of exports, almost the whole of the \$446 million change in the trade balance was due to the change in relative prices of exports and imports. Both export and import prices averaged below those of 1951 but the decline in import prices was much greater. Many important industrial materials imported are brought in highly competitive markets at very sensitive prices. The extremely strong demand of late 1950 and early 1951 caused these prices to skyrocket, but when demand slackened in 1951 and remained soft in much of 1952, these prices collapsed. Contractual arrangements and the desire to maintain good business relations exercised an important restraining influence on fluctuations in the prices of many Canadian exports. They rose less violently than import prices and were therefore in less need of readjustment in 1952.

The effect of the change in the terms of trade (the relation between export and import prices) on the trade balance can easily be illustrated. If there had been no change in the volume of exports and imports in 1952, the change in prices from their 1951 level would have reduced the value of exports to about \$3,925 million and that of imports to some \$3,595

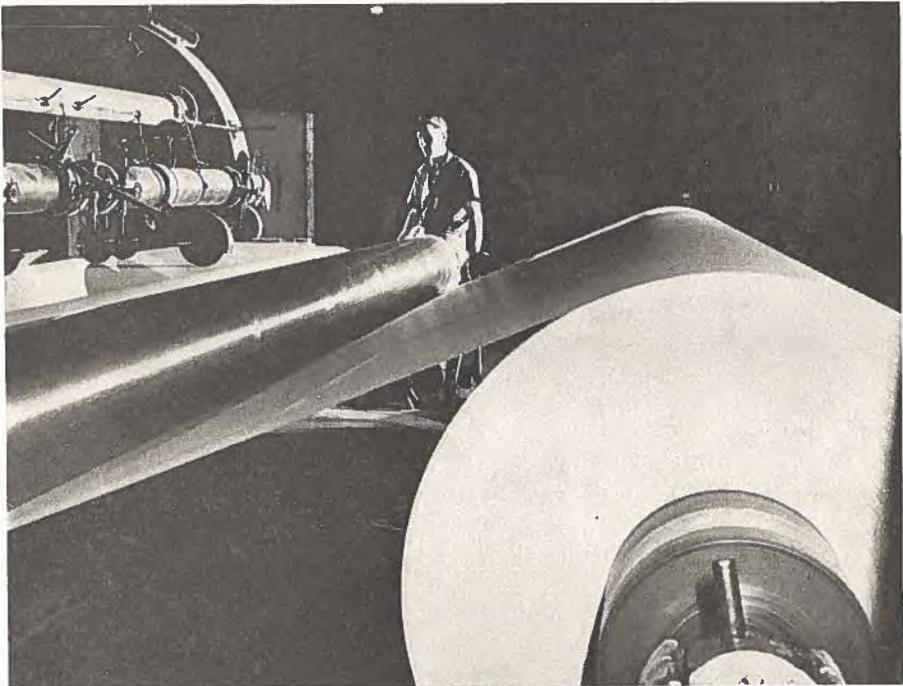
million, creating an export balance of about \$330 million. The actual balance was slightly smaller because the volume of imports increased somewhat more than the volume of exports.

During 1952 the price of the Canadian dollar averaged 7.6 per cent higher than in 1951. As the prices of most important Canadian imports and exports are largely determined in markets outside Canada, or are expressed in foreign currencies in contracts, the appreciation of the dollar had an important influence on the down-trend of international trade prices. Apart from this influence, the decline in import prices from their 1951 average was only about 5 per cent, and export prices averaged some 5 per cent higher than in the previous year. The appreciation or depreciation of the Canadian dollar can do little to influence Canada's terms of trade, however, because export and import prices tend to be almost equally affected by this factor.

The change in the commodity trade balance was the chief factor in creating an appreciable surplus on the current account of Canada's balance of payments. The year 1951 saw a deficit in current account of \$524 million which was offset by a heavy flow of foreign capital to Canada. A similar situation prevailed in 1950.

Greater Exports to Overseas Markets

Overseas markets continued to absorb a growing share of Canadian exports in 1952. The largest increases were in shipments to the United Kingdom and other European countries and grains played an especially



—NFB Photo

In 1951, newsprint ranked as our leading export, with a value of \$536 million. Newsprint exports for 1952 reached \$592 million but took second place as wheat sales, at \$621 million, led off.

important role in these gains. Canada's crops have been exceptionally large in recent years; those in Australia, Argentina and some other important producing and consuming countries have suffered declines. As a result the grain-deficit areas of Europe have drawn more heavily than usual on Canada for supplies. Grains form a smaller proportion of exports to Latin America, the Commonwealth and other foreign countries, and are of only minor importance in total sales to the United States. Canadian exports to these areas have also increased but chiefly because of other commodities.

Imports from most overseas countries except those of Latin America declined in value in 1952. Two important factors influenced these declines. One was the sharper fall in the prices of many imports from overseas than of goods from the United States; the other was the sharper fall in imports of fibres and textiles than of most other goods. The market for textiles and some other goods in Canada in 1952 was limited by the after-effects of the buying splurge which followed the outbreak of the Korean war. Towards the end of the year, this factor became less important.

Direction of Canadian Trade

	United States	United Kingdom	Other Commonwealth and Ireland	Other Europe	Latin America	Others
Total Exports						
1950, calendar year						
Value \$'000,000...	2,050.5	472.5	200.0	191.8	146.6	95.6
% of total	65.0	15.0	6.3	6.1	4.6	3.0
1951, calendar year						
Value \$'000,000...	2,333.9	635.7	264.3	347.4	208.9	173.1
% of total	58.9	16.0	6.7	8.7	5.3	4.4
1952, calendar year						
Value \$'000,000...	2,349.0	751.0	287.6	475.8	273.6	218.9
% of total	53.9	17.3	6.6	10.9	6.3	5.0
Total Imports						
1950, calendar year						
Value \$'000,000...	2,130.5	404.2	241.6	103.1	213.5	81.3
% of total	67.1	12.7	7.6	3.3	6.7	2.6
1951, calendar year						
Value \$'000,000...	2,812.9	421.0	306.9	177.1	273.7	93.3
% of total	68.8	10.3	7.5	4.3	6.7	2.3
1952, 11 mos. November						
Value \$'000,000...	2,711.7	331.7	175.5	139.3	261.7	65.4
% of total	73.6	9.0	4.7	3.8	7.1	1.8

Imbalance of Canadian Trade

These changes in the direction of exports and imports acted to increase the bilateral imbalance of Canadian trade. From the end of World War II until the outbreak of war in Korea the wide discrepancies between exports to and imports from most individual countries were being reduced. In 1951 this process was reversed, as war and rearmament again interrupted the normal flow of peacetime trade. Though the imbalance of Canada's trade was less pronounced in 1952 than in some earlier post-war years, the change since 1950 has been marked.

Generally the same countries played a leading part in Canada's trade in 1952 as in 1951 but their relative importance changed somewhat. The United States, the United Kingdom, Belgium and Luxembourg, and Japan remained Canada's four leading export markets, although sales to Japan (chiefly of grains) increased more sharply than those to the first three countries. Exports to Germany (again chiefly grains) increased even more and that country rose from tenth to fifth place as an export market.

Brazil, India, Italy, Australia, France and the Union of South Africa were next in rank. These same eleven countries were Canada's chief export markets in 1951.

On the import side the United States, the United Kingdom and Venezuela remained Canada's chief sources of imports, according to statistics for the first eleven months of 1952. Brazil, Belgium and Luxembourg, India, and the Federation of Malaya were next in importance, with Malaya down from fourth to seventh place because of lower prices for her rubber and tin. Mexico, British Guiana, Germany and Australia ranked next, with Australia down from fifth to eleventh place due primarily to lower wool prices and sharply reduced purchases of Australian sugar. Complete statistics for 1952 are not yet available, but of the 15 countries mentioned above the trade balances with ten seem likely to be larger than in 1951. Only four balances seem likely to decrease. This illustrates the increased bilateral disequilibrium in Canada's trade.

Some Leading Commodities in Canada's Trade

Domestic Exports

Commodities	1950	Calendar Year	
		1951	1952
		\$'000,000	
Wheat	326	441	621
Newsprint paper	486	536	592
Planks and boards	291	312	296
Wood pulp	209	365	292
Grains (except wheat)	53	129	235
Aluminum and products	107	125	162
Nickel	105	137	151
Copper and products	88	87	119
Wheat flour	94	114	116
Fish and fishery products	113	117	113
Farm implements and machinery	88	106	105
Zinc and products	59	84	97

Imports

Commodities	1950	January-November	
		1951	1952
		\$'000,000	
Machinery (non-farm)	207	304	330
Petroleum, crude	183	213	189
Farm implements and machinery	153	183	183
Automobile parts (except engines)	145	183	174
Coal	163	157	142
Rolling mill products (iron and steel)	86	160	133
Engines and boilers	50	79	127
Electrical apparatus, n.o.p.	75	112	125
Petroleum products, n.o.p.	98	115	120
Fruits	84	87	90
Aircraft and parts (except engines)	10	36	86
Cotton products	61	83	74

Wheat Leads Exports

Changes in the value of leading exports and imports were mixed in 1952. Exports of wheat increased 41 per cent in value to reach \$621 million. The number of bushels exported showed a slightly greater increase and the average grade of exports in 1952 was also higher than in 1951. Newsprint exports gained 10 per cent in value to reach \$592 million—well below sales of wheat. Both commodities were in strong demand during the year but the supply of wheat increased more rapidly. The harvesting of a record wheat crop in 1952 following a large crop in 1951 facilitated the greater increase in wheat exports. It is worth noting

that wheat flour exports were also larger than in 1951 in spite of the increased sales of wheat grain. Exports of other grains, especially barley and oats, also went up considerably.

Other Leading Commodities

Sales of wood pulp and lumber suffered from contracting markets and lower prices in 1952, and their value dropped sharply. Lumber sales to the United States were affected by a lower level of housing construction and exchange problems restricted those to Europe and the Commonwealth (other than the United Kingdom). Exports of wood pulp were affected by lower activity in the synthetic textiles field, by greater competition of other materials with paper in packing and similar uses, and by some decline in total demand for packing materials. Exports of metals held up well, increasing in quantity and value, although the prices of lead and zinc fell off considerably during the year. The most serious export decline was in sales of beef cattle and beef because of restrictions imposed by the United States and some other countries following the outbreak of foot-and-mouth disease in Saskatchewan. A special arrangement with the United Kingdom and New Zealand permitted Canada to ship some beef to the United Kingdom. This eased the beef surplus in Canada, but exports of beef cattle and beef reached only \$32 million in 1952 compared with \$95 million in 1951.

Some Leading Countries in Canada's Trade

Domestic Exports			Imports		
Country	Calendar Year		Country	January-November	
	1951	1952		1951	1952
	\$'000,000			\$'000,000	
United States	2,298	2,307	United States	2,610	2,712
United Kingdom	631	746	United Kingdom	402	332
Belgium and Luxembourg..	94	104	Venezuela	126	124
Japan	73	103	Brazil	37	33
Germany, W.	37	95	Belgium and Luxembourg...	37	32
Brazil	54	81	India	39	26
India	36	55	Federation of Malaya	55	23
Italy	49	53	Mexico	17	22
Australia	49	50	British Guiana	22	22
France	47	48	Germany, W.	29	21
Union of South Africa	53	48	Australia	45	20

Machinery—chiefly industrial machinery—remained Canada's leading import in 1952. But the most noteworthy increases in imports were those in aircraft and parts and in engines and boilers (especially aircraft engines). These imports are directly related to Canada's defence program, and the growth of defence imports accounted for a large part of the increase in our total imports in 1952. These goods are imported chiefly from the United States and did much to increase that country's share in our imports in 1952. Imports of fuels continued to become less important because of the increased production of petroleum in Canada and the increasing displacement of coal by petroleum. No textile fibres appear among the twelve leading imports in 1952—lower prices combined with smaller demand greatly reduced the value of 1952 Canadian imports of both wool and cotton. Sharply lower imports of automobiles—especially in the early months of the year while credit controls were in force—were

an important influence in reducing the share of the United Kingdom in Canada's imports. In this same period exports of motor vehicles, especially to Latin America, were very heavy.

Imports Rise in Last Quarter

There were several significant changes in trade trends during 1952. Export and especially import prices declined steadily throughout the first half-year, but in the second half-year they stabilized and import prices made a slight recovery. The terms of trade were consistently much more favourable than in 1951. The volume of exports was higher throughout the year but this lead was more pronounced in the first half-year than in the second. The volume of imports showed little gain in the first half of 1952 but in the second half-year, and especially in the fourth quarter, turned sharply upwards. As a result of these changes the trade balance in the second half of 1952 was lower than in the first, although it is usually seasonally high in the autumn.

Chief Influences

Whether this increase in import volume will continue is uncertain. Though moderate increases in volume characterized many important imports in all groups, a few changes were particularly sharp. Textile imports made an especially noteworthy recovery in volume from the very low level of late 1951 and early 1952. Important also was the increase in imports of several consumers' durable goods after the removal of credit controls in the spring. Tourist purchases too showed a greater increase in the second half-year. A higher level of industrial production and consumer expenditure in the last quarter may have swelled demand for some imported goods. But the forces mentioned at the beginning of this article—the defence program, domestic investment and consumption—seem to remain the chief influences on this record level of imports.

—L. A. SHACKLETON

*International Trade Division
Dominion Bureau of Statistics*

TRANSPORTATION

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

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

The Businessman's Bookshelf

The books and pamphlets reviewed briefly on these pages are selected because we feel that the Canadian importer or exporter will find them helpful. For those who wish to order them, we are including the name and address of the publisher and the price.

Canada Food Directory 1952-53

144 pp. (paper cover) \$5.00.

The latest edition of this directory lists, in section I, brokers; import and export houses (other than wholesalers); wholesalers; chain or department stores handling food; licensed shippers of fresh fruit or vegetables; manufacturers, processors or assemblers of food products. Section II lists products handled by the first three categories in section I, under 13 headings. A brand index, a listing of products handled by categories 5 and 6 above, and a list of branches and subsidiaries complete the book.

Order from: Canada Food Directory, P.O. Box 377, Ottawa, Canada.

Introducing the British Caribbean Colonies

Colonial Office, London. 100 pp. 2 shillings.

This illustrated booklet, one of the "Introducing Series" put out by the Colonial Office, tells of the life and work of the three million people who live in Jamaica, the Windward and Leeward Islands, Trinidad and Tobago, Barbados, British Guiana and British Honduras. Tells something also of the development work in these colonies since the war.

Order from: H.M. Stationery Office, Kingsway, London W.C.2.

Markets After the Defence Expansion

U.S. Department of Commerce. 90 pp. 55 cents.

This is a timely and exceptionally informative study of the United States economy, present and future. As the title suggests, the report was designed primarily to inform the business community on the factors which will affect the level of civilian demand after the present defence program has reached its peak, probably late in 1953, and continued on a high plateau through 1954. The group which undertook this report had at their disposal the extensive research facilities of the Department of

Commerce, the active co-operation of a distinguished group of business economists, and the advantage of first-hand discussions with executives of the leading manufacturing industries in the United States.

While there is necessarily a considerable element of conjecture in the appraisal of future business prospects, there is no question of the usefulness of the wealth of factual information which is assembled in this unique study. Every businessman who is interested in the United States market will find this a most useful report.

Order from: Superintendent of Documents, Washington 25, D.C.

FBI Register of British Manufacturers, 1952-53

Kelly's Directories, Ltd. and Iliffe & Sons Ltd. 22 pp. £2 2s. 0d. post free.

This standard reference work covers a wide range of British products made by different industries. The information is broken down into seven sections: products and services; classified buyers' guide, under alphabetical trade headings; advertisements; prices; trade associations; brand and trade names; trademarks and addenda. Introductory information and instructions on the use of the register are given in French and Spanish as well as English.

Order from: Kelly's Directories Ltd., 186 Strand, London, W.C.2.

Together We Are Strong

U.S. Department of State, 1952. 39 pp. 20 cents.

This little booklet depicts, in a graphic way, how the United States depends upon the resources of other parts of the free world and they, in turn, on the U.S. As an illustration, it tells the sad but imaginary story of Jim Johnson and his family, living in a United States completely isolated from the rest of the world. Makes the point that the "sharing of resources is the backbone of the free world's present struggle to build its defences".

Order from: Superintendent of Documents, Washington 25, D.C.

The Overloaded Economy

The Economic Problems of Great Britain. By Harry G. Johnson. 48 pp. 75 cents.

In these three lectures, written for the general public, the author discusses Britain's economic relations with Canada and with the rest of the world. He deals first with the causes and effects of the overloaded economy, then goes on to examine the balance of payments, and finally takes up the effect of the U.K.'s economic difficulties on the welfare state.

Order from: University of Toronto Press, Toronto, Ontario.

South Africa

Slowdown in Asbestos

After three years of insistent demand and rising prices, the asbestos industry sees the seller's market disappear and the rate of expansion begin slowly to level off.

JOHANNESBURG—Several months ago, asbestos producers in Southern Africa noticed a definite easing in demand for their shorter fibres. As the weeks went by, prices dropped to levels close to those in Canada and the United States. Shingle fibres that used to command £250 to £350 (\$750-\$1,050) a ton are now selling for about £100 (\$270) per ton. The price of shorter grades of amosite (brown) and crocidolite (blue)—which are produced only in South Africa—has fallen over 15 per cent in sympathy with declining chrysotile prices.

The price slump in South African asbestos has dimmed the lustre of one of the region's star mining industries—a star that has been steadily ascending for the past three years. For three years now, overseas buyers have been willing to pay up to twice as much as the going Canadian prices and South African mines increased their output substantially in response to the price boom. In recent years mining men in the Union have opened up deposits previously declared "uneconomical". They had even begun to rework railings of existing mines before prices dropped.

Demand Increases Price

The spectacular growth of the South African asbestos industry is apparent in the following table, giving production figures for mines in South Africa, Southern Rhodesia, Swaziland and, for comparison, Canada:

	1944	1945	1946	1947	1948	1949	1950	1951
	(thousands of tons)							
Union of South Africa*	34	28	20	35	40	66	76	101
Southern Rhodesia....	53	51	51	49	68	79	72	78
Swaziland	30	21	29	28	32	34	33	34
Canada	380	424	506	600	650	522	878	†973

* These are sales figures—production figures are not available, but probably higher.

† Value \$81,500,000.

Before World War II most countries looked to Canada, which produced close to 90 per cent of the free world's chrysotile asbestos, for the bulk of their requirements. During the war, stocks of asbestos were practically exhausted in all countries. When Canadian mines attempted to meet the unprecedented postwar demand they soon found themselves unable to do



—PR Dept. Southern Rhodesia

An aerial view of the Shabanie asbestos mine in Southern Rhodesia. The recent slump in prices for the South African product may eliminate some marginal mines, but the big producers are optimistic about the future.

so and had to ration their entire output among their customers. In the wild scramble for supplies that followed, price, even for the poorer grades, soon became a minor consideration and asbestos producers in this part of the world began to receive offers that were three times those of Canadian mills.

Seller's Market Ended

Last April the chairman of the South African Asbestos Exporters' Association warned local producers that "the seller's market in asbestos is over". He was ridiculed by local mining men at the time but his prediction that "asbestos cannot escape the general softness now developing in world commodity markets" has been borne out by recent developments.

The downward adjustment in prices does not appear to have alarmed major asbestos producers here. The managing director of a local mining group, currently spending over a million pounds sterling for the purchase and development of asbestos claims in Southern Africa, recently expressed the sentiments of most producers when he said, "Asbestos production in Southern Rhodesia and the Union will continue to expand despite the recent fall in prices—lower prices will merely reduce the rate of expansion and eliminate a few of the marginal mines".

—HOWARD E. CAMPBELL

Assistant Canadian Government Trade Commissioner

United Kingdom

Decontrolling the Grain Trade

When price controls on and rationing of cereals, flour and feedingstuffs end at the next harvest, how will this affect British farmers, consumers, and traders in grain?

LONDON—The United Kingdom Government has decided to end the rationing of and price controls on cereals, flour and feedingstuffs by the autumn of this year. Last December the Government announced that it was consulting farmers' representatives, the trade and other interests about the possibility of removing the controls and returning imports to private hands, after careful consideration of the possible effect of these measures on agriculture and on the price of bread. In the light of these consultations, the decision was taken to bring these controls to an end at the next harvest.

Some Subsidies to Go

In a White Paper outlining its plans, the Government pointed out that the removal of controls on cereals and the handing over of imports to private firms will involve the abolition of the existing subsidy on flour and of the restrictions on the type of flour which may be produced.

A National flour of 80 per cent extraction will continue to be manufactured and the subsidy on bread made from this flour will be maintained but modified to take account of the disappearance of the flour subsidy. The price of this subsidized National loaf will remain controlled. Bread made from whiter flour of lower extraction will not be subsidized nor will the price be controlled. This whiter flour will be fortified to bring it up to the nutritional equivalent of 80 per cent extraction. Calcium—which is already added to the National flour—will also become a compulsory component of free flour.

Price Adjustments

The White Paper states that the methods of adjusting prices for the flour cereal crops will have to be altered somewhat from year to year. Under the Agriculture Act, the Government guarantees these prices to the farmers. They are now assured that the Ministry of Food will continue to buy supplies offered from the 1953 harvest and thereafter until new methods have been settled. Discussions on this with the farmers' representatives are already under way.

After the annual fixing of farm prices in 1952 the Government made it plain that, although the feedingstuffs subsidy would be kept on for a further year, it could not be maintained indefinitely. The removal of controls now makes it impossible to continue any remaining subsidy and it will be withdrawn from April 1, 1953.

Naturally, it will be necessary to maintain control over imports of cereals from outside the sterling area to safeguard the balance of payments. The Government intends, however, to give importers the greatest freedom possible, consistent with balance of payments needs, to purchase their requirements under the most favourable commercial conditions. The Government's control will ensure that non-dollar supplies do not tend to command a premium over dollar supplies and that the country will not be dependent on any one source.

Under rationing it has been essential to carry reserves sufficient to ensure meeting the ration at all times. With the abolition of rationing, it will no longer be necessary to carry such a reserve stock which would overhang the market. Satisfactory stocks for trading purposes will be available at the time of decontrol.

Maintaining Feedingstuffs Supply

The rate of imports authorized after decontrol will be sufficient to maintain the present supply of feedingstuffs. The Government expects that farmers will increase their production of animal feedingstuffs and is assuming that these increases will take care of the required expansion in livestock production. In this event, during the first year after the end of feedingstuffs rationing, the Government will be prepared to consider authorizing additional imports if they are needed to prevent serious rises in prices and to maintain an expanding livestock population.

The White Paper concludes with the statement that there will be further discussions of the detailed arrangements with all the interests concerned. Meanwhile, the feedingstuffs rationing scheme will continue in force.

Effects of the Move

Although it has been known for nearly a year that such a step was contemplated, it is not possible to forecast accurately what the effects will be because several factors still remain to be settled. The housewife will have the choice of the National loaf, which will remain at its present subsidized price of 7½d. per 1¾ lb. loaf (8½ cents), or the whiter loaf at a free market price (possibly 11 cents), depending upon her pocket and also upon the demand. There are, nevertheless, many kinds of fancy breads already on sale and it remains to be seen whether the arrival of the whiter loaf, even after 14 years' absence, will have any great impact on the consuming public. The price of flour products such as cakes and biscuits should not rise because manufacturers' flour is not subsidized.

The trade will welcome the degree of freedom which has been missing since 1939. Importers will be able to buy from the most competitive sources, including the dollar area, but "watched over" by the Ministry of Food to safeguard the balance of payments. The rate of extraction will depend on the type of trade which the miller caters to and bakers—hitherto tied to millers by statutory order—will be able to deal with whom they wish. The percentages of nutrients to be added to the whiter flour to replace those lost by the higher extraction rate remain to be fixed by statutory order.

Despite the assurance to them contained in the White Paper, farmers have received the announcement critically. The National Farmers' Union asserted that although, after the next harvest, farmers may buy whatever feedingstuffs they like where they like, the freedom of purchase will be restricted by their ability to pay the market price. With the removal of the subsidy, they argue, production costs will rise, with consequent increases in the prices of the farmers' end products. The small farmers, dependent upon purchased feedingstuffs, would be the hardest hit.

Prices May Rise

When the subsidy is removed on April 1, it is possible that prices may rise by £2 or £3 per ton. The Government has, however, specifically stated that this will be taken into account at the next annual farm price review. Imported barley is costing the Ministry of Food more than the home-grown product. As a result, with a free market the home farmer may stand to benefit. The removal of restrictions may permit the expansion of pig herds and poultry flocks, because the rationing scheme limited the activities of many producers. Larger farmers with surplus supplies will be able to sell to their neighbours instead of to the "pool", thereby making farm-to-farm sales more economical.

Benefit to Taxpayers

The taxpayer seems likely to get the benefit of some savings on subsidies and administrative costs. The discontinuation of the feedingstuffs subsidy will save £30 million a year. The flour subsidy, which was paid at the milling stage, cost £10 million a year but the White Paper indicates that there will be some adjustment to allow for the continuation of the National loaf. The reduction of staffs in local food offices will save £100 thousand a year, in addition to the £40 thousand a year paid by the Ministry of Food to leading members of trade associations whose services have been used by the Minister. The Ministry of Agriculture will save about £360 thousand a year in staff reductions, making a total estimated economy of approximately 40½ million pounds, or 110 million dollars.

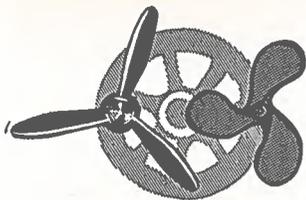
—D. A. B. MARSHALL

*Commercial Secretary for Canada
(Agricultural)*

Data for Exporters

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

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



TRANSPORTATION NOTES

CANADA

New Shipping Service—A new shipping service is scheduled to begin when navigation opens on the St. Lawrence waterway system and will link the lower Great Lakes ports with Newfoundland. Two motor vessels owned by the Constantine Canadian Services, a subsidiary of the Constantine Company of Middleborough, England, will operate a regular cargo passenger service plying between Hamilton, Toronto, Montreal and St. John's. Eventually, the Constantine Company plans to extend its activities to additional Great Lakes and St. Lawrence River ports. Saguenay Terminals Limited will be the agent.

GUADELOUPE

Harbour Improvement—Plans for Pointe-a-Pitre will include widening and deepening of the channel and the provision of two new mooring berths and two warehouses. These warehouses will provide silo facilities for the bulk loading of sugar and will also accommodate the whole banana crop. At present, shipment of the production of the southern and western areas is made at Basse-Terre—Port of Spain, February 5.

INDIA

New Air Route—According to the terms of an agreement recently reached under the auspices of the International Civil Aviation Organization, Indian civil aircraft will be permitted to fly a more direct route over Pakistan territory to points in Afghanistan. Thus the five-year old dispute between Pakistan and India about air traffic rights has been resolved.

The present devious route between India and Pakistan was pioneered by Himalayan Aviation Limited which two years ago established a monthly DC-3 service from Ahmedabad to Kabul, via Karachi, Pakistan, Zahidan, Iran, and Kandahar, Afghanistan, thus skirting Pakistan. In November 1952 the Indian terminus of this service was transferred from Ahmedabad to Bombay, with weekly departures from Bombay at 3 a.m. Monday and from Kabul at 6 a.m. Tuesday, weather permitting, on the approximately 13-hour flight.

The new route, arrangements for which have not as yet been finalized with the Government of India, should considerably reduce the flying time between these two centres through the use of Lahore, Pakistan, as a stop-off point. The agreement provides for the opening

of two 20-mile wide corridors from Karachi and Lahore airdromes to points in Afghanistan. At these intermediary points in Pakistan, Indian planes may make refuelling stops but the present restrictions against off-loading of passengers and cargo will continue—Bombay, January 22.

JAPAN

New Airline—Osaka is to be the headquarters of the new Kyokuto Koku (Far East Airways). The firm is capitalized at 50 million yen, which will be increased to 200 million yen in the spring. Kyokuto Koku plans to operate domestic flights for the time being; eventually will extend its services to Okinawa, Thailand, Korea, and Indonesia—Tokyo, January 20.

MALAYA

Rail Freight Rates—The Malayan Railways, whose freight business has suffered drastically because of bandit activities in the Federation, announced recently that exceptionally cheap freight rates would be offered to firms who would contract to ship all goods by rail. These freight rates are cheaper than those offered by road transport companies and have brought back to the railways between 45 and 50 per cent of the business enjoyed before the emergency—Singapore, January 19.

SOUTH AFRICA

Central African Railway Unlikely—Plans for a middle African rail network joining the Rhodesias and British East African Lines and involving construction of 1,100 miles of main line at a cost of £33 million will probably lapse because of the unfavourable economic report on the project by the Central African Rail Link Development Survey. Dealing with the main line linkage between Rhodesia and Tanganyika and the five principal feeder lines, the report finds that, with the exception of southwest Tanganyika which has minerals, freight tonnages must be based on agricultural products—Cape Town, February 5.

SWEDEN

Transport Problems—At discussions in Stockholm between representatives of the various branches of transport, it was stated that the high cost of road transport, which in Sweden is not government-controlled, is mainly the result of bad roads which ruin even first class lorries. The larger type of lorry is now preferred to the medium size, but there is also an increasing use of the smaller lorries for parcel transport. The state railways are in financial difficulties and no solution seems likely in the near future. Goods traffic has decreased heavily since May, primarily because of effective competition from road transport and the 18 per cent increase in freight rates. On the bright side, Scandinavian Airlines System's new tourist class service is expected to become a popular form of travel, both cheap and safe—Stockholm, January 30.

West Germany

The Trade in Agricultural Commodities

Agriculture in Germany has made a remarkable come-back, but substantial imports of foodstuffs continue. The dollar shortage and good domestic production may cut down food imports from hard currency countries in 1952-53.

BONN—West Germany's production of food has shown a remarkable postwar recovery. All major branches of agriculture have, during the past two years, either approximated or substantially surpassed their 1935-38 levels. There is still room for expansion, but at a much slower rate. However, as and when there are increases, there is likely to be an offsetting drop in imports because consumption, now practically equal to prewar, is showing a resistance to increase, particularly at prevailing prices.

The dairy industry—and, correspondingly, beef supplies—has a good chance for continuing to develop without stepping up feedstuff imports because it can at the same time intensify grassland production. Growth in the major hog industry, on the other hand, would mean increasing Germany's dependence upon grain imports which already constitute the largest single dollar expenditure. And it should not be forgotten that favourable weather conditions with resulting heavier than average yields have played a most important part in the good crops realized, particularly in the past two years.

The loss of the Eastern Zone has certainly contributed substantially to the quick rehabilitation and increased intensity of agricultural production in Germany. At the same time, it is also the underlying reason for the higher level of essential imports.

Consumption Practically Static

Consumer rationing has disappeared; the only remaining control is on sugar, which is released from processing mills on a quota basis. Consumption has been left to find its own level in relation to price and available supplies. With the elimination of food shortage on world markets, the consumer pattern has reshaped itself on the prewar model. The per capita consumption of such high starch content foods as bread and potatoes has fallen from the immediate postwar high. Bread consumption has gone considerably below prewar. Fruit consumption is higher and the amount of dairy products used (except butter, which is in short supply) is comparable with 1935-38.

Meat consumption is a notable exception; in 1951-52 it amounted to only 38.3 kg. per person, compared with 51.0 kg. during 1935-38. With small increases in consumer purchasing power, minor increases will prob-

ably take place in the amounts of higher protein foods used. However, there is no scarcity of food in the German market and an appreciable increase will come only if prices fall—and such a fall would be stoutly resisted by farm groups.

Imports and Production

Like all countries without a freely convertible currency, Germany has a vast array of controls governing the levels of trade and the currency areas with which trading is carried on. In addition agriculture, because of variations in production and sensitiveness to over-supply, has secured legislation designed to achieve "order in the market" (Marktordnung). This influences profoundly not only domestic but also import policy on foodstuffs.

The "Marktordnung" legislation, which covers all major agricultural commodities except fruits and vegetables, exercises that measure of control over supply and price needed to ensure orderly marketing. Prices payable to domestic producers can be established. A plan of supply (the outline of which must be made public at the beginning of each economic year starting in July) balances import needs against available domestic supplies in relation to consumer requirements. Commodities can be imported at one price and put on the domestic market at another, with the Government absorbing the profit or loss. In addition, the Government is authorized to carry out storage programs including either domestic and imported foodstuffs or both. The operation of this legislation must of course be fitted into other measures governing Germany's foreign trade, but the "Marktordnung" legislation is distinct from that on general trade policy. It is not unrealistic to assume that, even if a policy towards freer trade develops, this basic agricultural legislation may be continued.

Germany's importance as one of the leading world exporters of industrial commodities is recognized. It is, however, less often emphasized that her ability to import agricultural commodities for domestic consumption is an essential factor in determining the export volume. During the first 10 months of 1952, of Germany's total imports amounting to \$3,113 million U.S., 37.2 per cent consisted of agricultural commodities, other than those primarily for use in industry, such as cotton. Conversely, although during the same period total German exports amounted to \$3,289 million U.S., agricultural exports only totalled \$74 million U.S., or 2.2 per cent.

From Dollar Area

In 1951, Germany purchased \$381 million U.S. worth of agricultural commodities from dollar countries, or 27 per cent of her total agricultural imports and 46 per cent of the amount spent on all imports from hard currency areas.

Despite the many restrictions against dollar imports and the tendency towards increased exports to this area, Germany still has a pronounced dollar gap. In the period from January to August 1952, imports totalled \$310 million more than exports. Within the limits of continued control over the type and amount of commodities imported, Germany has been able to satisfy her major dollar import needs. In this, two factors have helped materially—U.S. aid and her overall favourable balance of trade, which has allowed her to augment purchases from the dollar area via

transit trade. Thus, without using dollar currency she has been able to obtain appreciable additional quantities of commodities from this area through other countries, which have made them available in most instances at a currency premium. The official statistics show these transit imports as totalling \$45 million U.S. in 1951 and \$51 million U.S. in the first eight months of 1952.

The range of agricultural commodities imported from the dollar area is very limited. Basically, of course, the reason is that the world supply of food is better than the supply of many industrial raw materials. In addition, Germany's ability to export depends directly upon the securing of raw materials so that these have a high priority in the demand for dollar exchange. Grains are at the very top of the list of foods secured in large quantities from dollar sources. Despite increased grain production in soft currency areas, this dependence is likely to continue. Vegetable oils and more limited quantities of animal fats constitute practically the entire remaining agricultural purchases.

Trade with Canada

Canadian export statistics show that trade with Germany has been increasing rapidly during the past few years. In 1950, direct exports from Canada reached \$8.9 million; in 1951, rose to \$37 million, and in 1952 to \$94.8 million. On the other hand, German exports to Canada have been running much lower: \$11 million in 1950, \$30.9 million in 1951, and \$18.2 million in the first ten months of 1952. Agricultural commodities make up a considerable proportion of Canadian exports to Germany—some \$14.6 million in 1951 and \$46.3 million during the first nine months of 1952. Barley, rye, wheat and wheat flour provide the bulk of these exports but alcoholic beverages, seeds, vegetable oils, tobacco products, furs, lard, honey and sausage casings are also included.

The foregoing figures include only those goods shown as having been exported to Germany. In addition, a considerable quantity of commodities originating in Canada enter Germany as a result of trade via third countries.

Trading Connections Essential

The German policy of limiting dollar spending to essential commodities unobtainable elsewhere makes the continuity of business relations extremely difficult. This is particularly true of food and agricultural commodities because, contrary to the industrial situation, no commodity comes in under a system of open general licence. Every import must first receive governmental approval. For this very reason, if Canadian exporters are interested in taking advantage of business opportunities in Germany as they arise they must have trading connections which will keep them informed.

Association with German import firms is, of course, the first requisite. As mentioned earlier, many German imports originating in Canada enter via the account of some third country. This may (depending on the commodity) make it desirable to have connections with firms in countries bordering Germany which specialize in the handling of transit trade.

Prospects for greater sales of agricultural commodities to Germany from the dollar area in the near future are not very bright. On the contrary a number of factors suggest that these purchases may decline.

Germany is finding it less difficult during the present economic year, 1952-53, to secure adequate food supplies to cover any increase in consumption than she has in any of the postwar years. First, the yields of grain and root crops have been exceptionally good, though forage crop production has fallen somewhat lower. During 1951-52 the Government particularly, and also industry, undertook heavy expenditures to raise reserve stocks of agricultural commodities to adequate levels. Present indications are that, for most commodities, stocks will be somewhat reduced during the current year.

Import Program 1952-53

Total agricultural imports are therefore likely to be lower during 1952-53, particularly as there is great internal pressure against any volume of imports that might threaten the domestic farm price structure. Supplies on the world markets have increased and prices have softened. This means that Germany's combined smaller needs can probably be filled with less buying from the dollar area than was necessary a year ago. At the same time, Germany's dollar position appears adequate not only to purchase those quantities unobtainable elsewhere but also additional amounts—if the price differences between the dollar and other currency areas are sufficiently great to justify this action.

Meat Imports

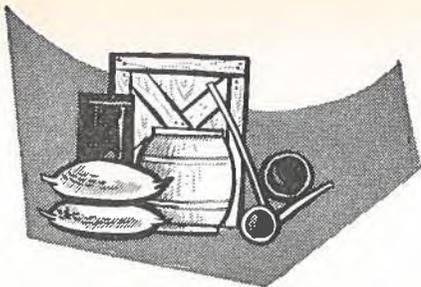
The entry of meat imports, to which Germany is committed under bilateral agreements, has been postponed and an attempt is being made to reduce volume in the new agreements being negotiated. This applies particularly to pork; anticipated beef requirements, although lower than a year ago, are not yet fully secured under agreements. The possibilities for volume sales to Germany from the dollar area are, however, small.

—W. VAN VLIET

Agricultural Secretary for Canada

MERCHANT FLEET GROWS

According to latest statistics, in July 1952 gross world tonnage of merchant ships was 90,180,000 tons, an increase of 2,935,000 tons over the previous year. The largest expansions during the year were in Japan, Italy, Germany, Liberia, France and Sweden. *Lloyd's Register* figures show that the wartime building program is still reflected in world tonnage by a preponderance of the six to eight thousand ton group, but a large proportion of this is not in commission. Of ships built since the war, the largest volume of tonnage now falls in the ten to fifteen thousand ton group. The marked increase in this group since 1951 is the result of the construction of oil tankers—London, February 10.



COMMODITY NOTES

BRAZIL

Castor Seed—The demand for castor seed, both from local factories and abroad, is strong but the crop has ended with very little in the hands of exporters. Oil factories, however, have sufficient stocks until the end of the year. The United States is the largest buyer but France has entered the market lately, quoting higher prices. The f.o.b. price (bagged) was US\$210 per long ton at the end of October, compared with US\$170 on September 30. The mid-crop due in January is expected to be a bumper one as climatic conditions have been favourable—Rio de Janeiro, January 22.

ITALY

Iron and Steel—During the first nine months of 1952, the total output of the iron and steel industry amounted to 2,634,019 tons, as compared with 2,235,762 tons for the same period in 1951. The increase has taken place almost every month as compared with the same month in the previous year, but the statistics for September indicate the greatest advance. In that month pig iron increased to 101 thousand tons from 95,205 tons in September, 1951; steel to 313,214 tons from 258,190 tons in the same month in the previous year; and rolled iron and steel to 224,320 tons from 202,003 tons in September 1951—Rome, February 6.

JAPAN

Steel—Yawata Iron and Steel Company brought into operation on December 24, 1952, the last unit of its seven open-hearth furnace expansion program, boosting monthly production to 51 thousand tons—Tokyo, January 22.

MEXICO

Petroleum—Mexican petroleum production will be more than doubled under a six-year plan that was put into operation by the national oil administration, Petroleos Mexicanos, at the end of 1952. Average daily production of crude oil was scheduled to increase from the

current 220 thousand barrels to 460 thousand barrels by 1958. Between 400 and 450 new wells will be drilled each year. Exports are expected to increase by 20 per cent a year to 221 thousand barrels a day in 1958, and domestic consumption of oil and derivatives by 7 per cent a year to 217 thousand barrels a day. This expansion of the industry will call for new investment of not less than 2,000 million pesos—Mexico, D.F., January 30.

NETHERLANDS

Potatoes—The export of all potatoes from the Netherlands has been banned by the Ministry of Agriculture until further notice because of the losses sustained in the catastrophic floods that struck the Netherlands on February 1. The only exception to this ruling is for potatoes which, according to their shipping documents, left their initial shipping point before February 1.

Effective February 4, maximum prices have been set to prevent potato prices from sky-rocketing. Maximum sales prices have been set for growers, country traders, wholesalers and retailers. Retail prices have been established at 0.18 guilders per kg. (Can.\$2.12 per 100 lb.) for clay soil potatoes, and 0.16 guilders per kg. (Can.\$1.98 per 100 lb.) for sandy soil potatoes. Prices of 0.19 guilders and 0.17 guilders per kg. respectively have been set for the Waddensee area. An additional charge of 0.01 guilders per kg. is permissible where potatoes are delivered to consumers. Retailers are obliged to indicate clearly the prices and varieties of potatoes offered. The margin of profit permitted retailers is 0.03 guilders per kg. (Can.\$0.35 per 100 lb.); wholesalers, 0.0275 guilders per kg. (Can.\$0.32 per 100 lb.); and for country traders, $\frac{3}{4}$ guilders per kg. (Can.\$0.09 per 100 lb.)—The Hague, February 5.

PORTUGAL

Raw Cotton—The Portuguese Ministry of Economic Affairs has authorized the export of 3,000 tons of raw cotton to foreign countries because of the expanded cotton production in metropolitan Portugal. It is interesting to note that domestic production is such that, despite an increase in local production of cotton textiles, Portugal is now an exporter and independent of foreign imports—Lisbon, February 12.

TRINIDAD

Grapefruit—First shipment of the 1952-1953 grapefruit crop was made to the United Kingdom on January 26. Of the total estimated record crop of between 500 and 600 thousand cases, 250 thousand cases will be exported. Chief market is the United Kingdom. The rest will be canned—Port of Spain, January 30.

UNITED STATES

Carbon Black—A leading Boston producer of carbon black is experimenting with this material as a soil conditioner. It has been found that the sooty substance increases the soil's ability to absorb moisture and energy from the sun—Boston, February 12.

Greece

Banking Reforms Take Shape

ATHENS—A first and important step towards the re-organization of the Greek banking system has just been announced. In a recent statement Mr. Markezinis, the Minister of Co-ordination, has indicated that it is the new Government's intention to proceed immediately with the amalgamation of the two principal commercial banks in Greece—the National Bank of Greece and the Bank of Athens. The general manager of the Bank of Athens will become governor of the new bank, which will probably be called the National Bank of Athens. It will handle approximately 75 per cent of all the commercial banking business in Greece. The objectives of this amalgamation are to cut administrative costs throughout the banking system and thereby take the first step towards reducing the present high costs of bank credit and services, and, subsequently, to reduce the present exorbitant rates of interest.

Has Mixed Reception

Informed opinion here has received this development with mixed feelings. It is generally agreed that a reform of the banking system was long overdue, but some responsible sources are afraid that the present measures will mean a virtual commercial banking monopoly for the new institution. However, the Bank of Greece will continue as the central controlling bank of the country, and it is hoped that those of its present activities not customarily associated with the role of a central bank will soon be absorbed by the new commercial bank.

Up to the present, the banking system of Greece has not had the general confidence of business or the public and banking accommodation has been extremely high-priced. Interest on commercial loans usually exceeds 30 per cent a year. A high percentage of the money in circulation is in notes of issue rather than cheques and commercial paper.

If this measure succeeds in creating the hoped-for confidence and, subsequently, much lower interest rates, two of the principal conditions of an attractive business framework for private capital investment will be established. The new bank intends to make a concerted effort to reduce operating costs. Several thousand employees will be dismissed and many competing branch offices of the two banks will be closed.

It is expected that other constructive reforms of the new Greek Government will include:

- A new law defining the guarantees and conditions for foreign investment.
- Cuts in the Government's subsidy bill.
- A re-organization of and reduction in the number of government departments and civil service employees.
- Lower interest rates on loans to farmers to purchase agricultural machinery.

—H. W. RICHARDSON
Commercial Secretary for Canada



GENERAL NOTES

BRITISH NORTH BORNEO

Submarine Oil Exploration—The first major submarine oil drilling operation in the British Commonwealth took place in December 1952 from a platform fixed on the bed of the South China Sea about a mile off the coast of British Borneo. Initiated by Shell, the plan is to drill four wells—one will be drilled vertically into the sea bed, the other three deviated to a depth of between 7,000 and 8,000 feet—to find an undersea extension of the Seria oil field. This is the largest single oilfield in the British Commonwealth and has a production of five million tons of crude oil a year.

The drilling platform covers an area of 110 feet by 45 feet and is built on to a jacket composed of 28 24-inch diameter vertical steel guide piles tied together by horizontal and diagonal bracings of angle iron. The jacket rests on the seabed in about 30 feet of water. The drilling platform can support a weight of up to 200 tons. An aerial ropeway to handle lifts of up to five tons and a transporter car for personnel connect the platform to the shore with the aid of six intermediate steel structures—Singapore, January 19.

CUBA

Plastics Industry Discussed—Plans to establish a plastics plant were announced during the visit to the Cuban Ministry of Agriculture of a prominent American chemist in the plastics business. The possibility of using such raw materials as sugar cane bagasse, soybean alcohol and other materials easily obtained in the country will be thoroughly studied. The Minister offered the visitor every facility to further the installation of this new industry—Havana, January 30.

IRELAND

Ground Limestone Factory—A new ground limestone factory will be opened shortly in Laois, Republic of Ireland. It will be the largest and most modern factory of its kind in Ireland. At first the scheme will include 16 acres of ground where the limestone runs to a depth of 50 to almost 500 feet and output is expected to reach about 1,000 tons a week. The limestone to be worked has the highest percentage of calcium to be found anywhere in Europe, it is stated—Dublin, February 10.

INDIA

Export Duty on Cloth—A recent announcement of interest to Canadian importers of Indian cotton textiles has been issued by the Government of India: "In order to improve the competitive position of Indian cloth in foreign markets, it has been decided to reduce with immediate effect (as of January 4, 1953) export duty on cloth from 25 per cent ad valorem to 10 per cent ad valorem".—Bombay, January 30.

JAPAN

New Trade Offices—The Tokyo Metropolitan Government has budgeted ¥200 million to re-open five prewar trade offices in New York, San Francisco, Hong Kong, Karachi, and Rio de Janeiro. These offices are intended to supplement the work of present Foreign Ministry overseas agencies—Tokyo, January 28.

Signatory to Copyright Convention—Japan is now a signatory to the Universal Copyright Convention. The accession took place at UNESCO headquarters in Paris on January 3rd—Tokyo, January 28.

PORTUGAL

Cod Fishing Fleet Sails—Twenty-two trawlers of the Portuguese fishing fleet will leave Portugal during the latter half of February for the Grand Banks in Newfoundland. These ships, with a total displacement of 46 thousand tons, will require crews of 1,500 men. The departure of the Portuguese fishing fleet is an annual event of great importance—Lisbon, February 5.

SOUTH AFRICA

Trade Balance Improved—The relation between the Union's imports and exports for the first eleven months of 1952 shows a great improvement compared with the corresponding period of 1951. From January to November 1951, imports exceeded exports by about £123 million. Last year, this figure declined to about £84 million. According to the preliminary trade statement issued by the Commissioner of Customs and Excise, merchandise imports were almost £50 million less in value during the first eleven months of 1952 than during the same period in 1951. Exports, however, also decreased about £11 million, principally because of lower agricultural exports—Johannesburg, January 29.

UNITED STATES

Textile Plants Close—The American Woollen Company has permanently closed two of its large mills in New Hampshire, bringing to four the number of its mills closed in New England during 1952. The two mills employed a total of 2,600 workers. This development is in keeping with the company's shift to the southern states where it can take advantage of lower labour costs. In all, six of its New England mills have now been shut down; 17 are still in operation in the area. Most of the workers have been absorbed by new industries in the region—Boston, February 9.

TRADE AND TARIFF REGULATIONS

CHILE

Preferential Exchange Imports—The list has been published of commodities which may be imported into Chile with preferential exchange of Ch.\$60 per dollar.

The complete list is on file with the International Trade Relations Branch of the Department of Trade and Commerce, but the following items are of particular interest to Canadian exporters: newsprint, wheat, antibiotics, caustic soda, cellulose for paper and rayon, agricultural machinery and tractors, sewing machines, and merchant ships—Santiago, February 12.

JAMAICA

Soap Imports—In a notice of January 31 importers in Jamaica were advised that imports of germicidal and medicated soaps will be permitted only where the importer provides satisfactory evidence from carefully controlled laboratory tests that the soap is effective in causing a significant reduction of bacterial counts under conditions of normal use.

LEBANON

Prior Import Licences—For the commodities specified below, importers are now required to obtain an import licence before placing a definite order or, at all events, before payment is allowed to be made. Canadian firms accustomed to exporting on terms of “payment against documents” or similar arrangement would be well advised to assure themselves that a licence has been granted before making shipments.

The purpose of the new order is to enable the authorities to keep a check rein on imported goods which might flood the market to the detriment of local production. For other commodities the import procedure remains as before, that is, import licences are granted freely at the time of arrival of the goods.

Commodities affected by the new ruling are:

Sesame butter (Tehini)	Edible vinegars
Wheat flour	Oil paints
Confectionery	Eau de Cologne
Chocolate and articles made from chocolate	Matches
Alimentary pastes	Morocco wares and travelling requisites of leather

Biscuits
Jams, jellies, juices and pre-
served fruits and candied peels
Beer
Wines (except fine qualities and
champagne)
Alcohol, ethyl
Tubes, pipes and stoves of cast
iron; brass taps and locks
Machines and equipment for
spinning mills

Rubber soles and heels for
footwear
Cardboard
Yarns of natural silk Nos. 13/15
and 20/22; natural silk textile
crepes, plain or printed; shirt-
ing of natural silk
Worn clothing
Footwear and made-up parts of
footwear.

—Beirut, February 10.

UNITED KINGDOM

Sterling for I.B.R.D.—At the Commonwealth Economic Conference in London, November-December 1952, the United Kingdom announced its intention of discussing with the International Bank for Reconstruction and Development, arrangements for making sterling available for lending by the Bank to Commonwealth countries of the sterling area. Such loans would be designed to improve the sterling area's balance of payments by fostering economic development.

The United Kingdom has now reached agreement with the Bank. The amount of sterling that would be made available is reported to be in the neighbourhood of £ 60 million to be released over a period of not less than six years. Specific loans by the Bank will be made in consultation with the United Kingdom.

UNITED STATES

Mustard Seeds Investigation—The United States Tariff Commission instituted an investigation on February 12, under the authority of Section 7 of the Trade Agreements Extension Act and Section 332 of the Tariff Act, to determine whether mustard seeds (whole) under tariff paragraph 781 are, as a result in whole or in part of the customs treatment reflecting concessions granted on such product under the GATT, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The investigation has been undertaken at the request of the Montana State Farm Bureau on behalf of domestic mustard seed growers—Washington, February 13.

Imports of mustard seeds (whole) under tariff paragraph 781 were subject to a duty of 2¢ per lb. under the 1930 Tariff Act. This rate was reduced to 1½¢ per lb. as of January 1, 1939, and again reduced in 1951 under GATT to the present level of ¾¢ per lb.—Editor.

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 1.0243.

Country	Unit	Type of Exchange	Canadian dollar equiv. Feb. 12	Notes (See below)
Argentina	Peso	Preferential buying .....	.1302	(1)
		Basic buying .....	.1952	
		Preferential selling .....	.1952	
		Basic selling .....	.1302	
		Free .....	.0703	
Austria	Schilling .....	.....	.04570	
Australia	Pound .....	.....	2.2020	
Belgium-Luxembourg & Belgian Dependencies ...	Franc .....	.....	.01950	
		.....	.01627	tax 5% (1)
Bolivia	Boliviano	Official .....	.00971	tax 3% (2)
		Differential .....	.5734	(3)
British West Indies	Dollar .....	.....	2.7525	(4)
	Pound .....	.....	.6881	
	Dollar	Brit. Honduras .....	.0528	tax 8% (2)
Brazil	Cruzeiro .....	.....	.2064	
Burma	Kyat .....	.....	.2064	
Ceylon	Rupee .....	.....	.03144	(1)
Chile	Peso	Official .....	.01626	
		Commercial .....	.00887	
		Free .....	.3905	tax 3% (2)
		Basic .....	.4255	
Colombia	Peso	Coffee buying .....	.1743	(5)
		Official .....	.1463	*Nov. 28
		Free .....	.9762	tax 2%
Cuba	Peso .....	.....	.01952	
Czechoslovakia	Koruna .....	.....	.1413	
Denmark	Krone .....	.....	.9762	
Dominican Republic	Peso .....	.....	.06509	(6)
		.....	.05637	
Ecuador	Sucre	Official	2.8034	
Egypt	Pound	Free	2.4797	
Fiji	Pound .....	.....	.00424	
Finland	Markka .....	.....	.00279	
France	Franc .....	.....	.00558	
French Africa	Franc .....	.....	.01535	
French Pacific	Franc .....	.....	.2324	
Germany	D Mark .....	.....	.000065	
Greece	Drachma .....	.....	.9762	
Guatemala	Quetzal .....	.....	.1952	
Haiti	Gourde .....	.....	.4881	
Honduras	Lempira .....	.....	.1603	*Jan. 23
Hong Kong	Dollar	Free .....	.05995	
Iceland	Krona	Official .....	.04610	
		Special buying .....	.03745	
		Special selling .....	.2064	
		.....	.08564	
India	Rupee	Basic .....	.04282	(7)
Indonesia	Rupiah	With Surcharge I .....	.02854	
		With Surcharge II .....	.00183	
		Dollar certificate .....	.00183	*Dec. 15

* Latest available quotation date.