foreign trade

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COVER . . . Canada buys in one year nearly 60 million pounds of peanuts like these, to go into peanut butter, confectionery, bakery products, etc. For a feature article on our peanut imports, turn to page 2.
—USDA photo by Forsythe.

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Seven Million in Peanuts

Where does Canada buy the peanuts that become peanut butter, candy fillings, salted nuts, etc.? Here is a composite picture of our import trade in peanuts.

EVERY YEAR Canada's import bill for edible peanuts runs to some seven million dollars. Every year we buy abroad about 60 million pounds of edible peanuts to be turned into peanut butter, candy fillings, topping for cakes, etc., or, roasted and sometimes salted, to be sold across retail counters.

Back in 1938, when there were fewer consumers and not so many industrial users, we spent just short of a million dollars on peanut imports. By 1947, this figure had gone up to nearly $9 million; in the last two years, has kept fairly steady at slightly over $7 million.

Where do these peanuts come from? Over the years, sources have changed as war has cut off one supplier and given another fresh opportunity. In 1938 North China had a commanding lead, sending Canada three-quarters of our total peanut kernel imports. India took second place. The Second World War cut off purchases from China and Canadian buyers turned to India and to a nearer but more expensive source—the southern United States—to fill the gap. At the same time a new supplier appeared—Mexico. Its share of peanut kernel sales to Canada was modest in 1944, as the table below shows:

Imports of Peanuts, Green, Shelled or Not

1944

Country	Quantity	Value
British India*	33,345,522 lb.	$1,984,459
United States	22,633,090	3,545,344
Nigeria	20,831,510	714,697
Mexico	3,492,890	470,129
	80,303,012	$6,703,629

China had scarcely made a market come-back when the outbreak of the Korean war once again cut her off from the Canadian buyer. China's loss became Mexico's gain. In the last two years, all but a fraction of our peanut kernel purchases have been made from Mexico, India, and the United States—as the table illustrates:

* Imports from India in 1944 included a considerable quantity of peanut kernels used in Canada to produce peanut oil.

Imports of Peanuts, Green, Shelled or Not

	Eleven months 1952		1951	
	lb.	$	lb.	$
Mexico	36,544,140	4,526,130	35,947,827	4,626,182
India	17,456,685	1,940,092	14,995,790	1,602,846
United States	703,423	126,316	3,880,598	657,852
China	....	....	2,196,000	243,359
Other suppliers.....	285,185	38,098	144,063	21,084
	55,011,833	6,633,862	57,084,278	7,151,323

In most countries, the peanut crop is harvested in the fall and importers place their orders during the autumn and early winter.

From the offices of the Trade Commissioner Service in Mexico City, Bombay and Washington, D.C., come the following reports that give a picture of the crop, the probable exports, and prices during the harvesting and selling period that is just ending—with some hints on what to expect in the next season.

MEXICO—*A good crop and increased export trade*

MEXICO CITY—Peanut harvesting in Mexico is almost finished; the season started in November and ends late this month. The peanut crop in 1951-52 totalled about 100 thousand tons, according to approximate figures issued by the Secretariat of Agriculture . The 1952-53 crop yield will be considerably smaller, possibly 20 per cent less, but this too is an approximation. It is estimated that one hectare will produce about one and a half tons of peanuts.

Exports of peanuts in 1950 and 1951, in the shell and shelled, are given by the Secretariat of National Economy as follows:

	1950		1951	
	Quantity (gross kg.)	Value (pesos)	Quantity (gross kg.)	Value (pesos)
Peanuts in the shell				
Total	158,784	233,433	41,413	74,501
Canada	158,481	233,056	41,377	74,459
Peanuts, shelled				
Total	9,923,041	17,368,927	15,719,477	28,596,809
Canada	9,528,615	16,653,133	14,725,864	26,906,093
U.S.A.	394,426	715,794	590,385	1,023,684
France	....	....	212,111	339,032
Argentina	....	....	150,000	262,500
Arabia	....	....	21,000	36,750
Belgium	....	....	19,976	27,966

Exports and Prices

Exports of peanuts for the first ten months of 1952 were: shelled: 13,170 metric tons; in the shell: 2,960 metric tons.

Prices during the 1951-52 season ranged as follows:

Peanuts, shelled:

30/34	kernels	per	ounce:	14.00 to 14.75	cents	(U.S.)	per	pound
36/40	"	"	"	13.00 to 13.75	"	"	"	"
40/44	"	"	"	12.75 to 13.50	"	"	"	"
46/50	"	"	"	12.50 to 13.00	"	"	"	"
60/65	"	"	"	11.50 to 12.00	"	"	"	"

Peanuts in the shell: 12.25 to 13.25 cents (U.S.) per pound.

68433—1½

Prices quoted are f.o.b. port or border point of exit. It is expected that, during the 1952-53 season, prices will vary between 12 and 15 cents U.S. per pound for shelled nuts according to size and 12 to 14 cents U.S. for peanuts in shell. The estimated quantity of peanuts which may be sold abroad during 1953 is between 15 thousand and 20 thousand metric tons.

There has been a definite increase in both the growing of peanuts and in the processing industries during the past few years. The area under cultivation has increased by more than 100 per cent since 1947 and the yield per acre has gone up some 25 per cent. Parallel with the agricultural developments, a number of new processing plants and mills have been established and the old ones modernized. Industrial processes have been mechanized to a considerable degree and the former makeshift methods replaced by efficient engineering techniques and specially designed equipment, largely imported from the United States. This trend will probably continue. The export trade in peanuts has increased considerably, although not in direct proportion to the increase in production because the domestic market has also expanded.

—M. T. STEWART
Commercial Counsellor for Canada

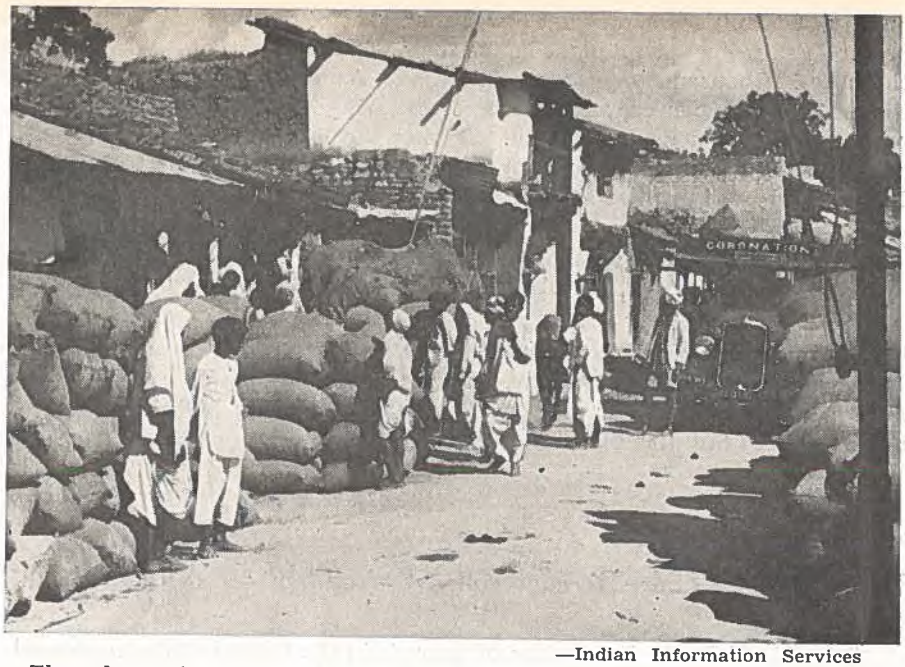
INDIA—*Canada is leading buyer of Indian crop*

BOMBAY—India leads the world in the production of peanuts and normally supplies approximately ⅔ of world needs (including Indian domestic consumption). This season's crop, harvesting of which began in October, is expected to total 1·9 million long tons, somewhat smaller than in previous years. Principal producing areas are the states of Madras and Hyderabad, together contributing 60 per cent of the annual harvest, and Bombay with 20 per cent. Smaller quantities come from the states of Saurashtra and Kutch, bordering West Pakistan, and from West Bengal.

Most of the peanuts produced in India—and the peanut oil and cake, the products of crushing peanuts—are consumed in the domestic market. The oil is used in the making of ghee (margarine), cooking oils, and Indian confectionery, and the pressed cake for fertilizer and cattle fodder. The finest quality nuts for export come from Bombay State; shipments from Madras are mainly in the form of peanut oil, the yield of which is approximately 40 per cent by weight of kernels.

Sales to Canada

Canada has been the leading foreign buyer of Indian H.P.S. (hand-picked selected) kernels. Imports reached a value of $1·9 million (9,900 tons) and $1·6 million (7,500 tons) in 1950 and 1951 respectively, and $1·7 million (7,600 tons) for the six months ended June 1952. Other important buyers in recent years have been Switzerland, Norway, the United Kingdom, the Netherlands, West Germany and France.



—Indian Information Services

These bags of peanuts at a village market in India are awaiting transport to the coast. Harvesting of the peanut crop begins in October.

The normal period for shipment of these nuts from India, during which there is maximum freedom from insect infestation and deterioration during the long ocean voyage to Canada, is from December to April.

Canada also from time to time buys peanut oil from India. Canadian imports during 1951 from this source totalled $3·88 million, second only to Burma's purchases which traditionally are the largest.

H.P.S. peanuts are generally of two varieties:

- Bold (containing 55 to 60 nuts per oz.), currently f.o.b. Bombay at £90 ($243) per long ton.
- Java (75 to 80 nuts per oz.), for which the prevailing price is £94 ($254) per long ton.

These prices include export duty at the rate of Rs.150 (approx. $30) per long ton. No duty is charged just now on shipments of peanut oil.

Quantities for Export

Under the export trade control policy recently announced, covering the semi-annual period January to June 1953, H.P.S. peanut kernels may be exported to hard currency countries only—more precisely to Canada and other nations in the dollar area. Export of groundnuts for oil crushing is prohibited. Peanut oil, however, may go to all destinations except the Union of South Africa.

An export quota of 40 thousand long tons in terms of oil has been fixed. Each shipper who establishes an allocation has the option of exporting 15 per cent of his allotment of oil in the form of H.P.S. peanuts to dollar countries. This, in effect, means a maximum of 15 thousand long tons of peanuts will be available for export. However, because many of the exporters who have small quotas (particularly in Madras where the

quality of peanuts is somewhat lower than that of the Bombay crop) may prefer to ship the entire quota in the form of oil, the actual figure will be closer to 13 thousand long tons. Allotments for each shipper are fixed at the rate of 22½ per cent of his exports during the basic year, and the minimum is five long tons of oil. During the first quarter of this year, quotas under 75 tons may be shipped in full but only 50 per cent of quotas 75 tons and over may be shipped during this period.

—W. P. BIRMINGHAM
Assistant Commercial Secretary for Canada

—A cable from the Commercial Secretary for Canada, Bombay, dated January 23, advises that Indian export control authorities are so interpreting the regulations as to permit shipment of entire H.P.S. portion of quotas during the first quarter—Editor.

UNITED STATES—*Acreage controlled and prices supported*

WASHINGTON—Production of peanuts in the United States increased from 383,875,000 pounds in 1910 to nearly 2½ billion in 1948, with the most rapid growth taking place during the Second World War. The area harvested in 1952 was some 1·5 million acres, producing about 1·3 billion pounds. Average acreage harvested from 1941-50 was 2·9 million acres.

Peanuts are grown in sixteen states of the Union. The production by types is about as follows:

- Virginia, representing about one-third of the total acreage—Virginia, North Carolina, Tennessee and most of South Carolina;

- Spanish, representing a little less than one-third of the total area: Florida, Mississippi, Texas, Oklahoma, California, Arkansas, and small areas in South Carolina, Missouri, Georgia, Louisiana, Alabama and Arizona;

- Runner, representing a little more than one-third of the total area —most of Georgia and Alabama;

- Valentia—New Mexico.

The Runner type, which was introduced in recent years, is gaining in popularity in the states where the Spanish type is normally grown. It is easier for the producer to handle, grows faster than the Spanish type, is more productive and withstands adverse weather better.

In recent years, from two-thirds to three-quarters of the peanuts produced in the United States have been used as human food. The rest have gone into production of oil, been used as seed, or are accounted for in shrinkage or wastage. Of the edible product, about 50 per cent is used for peanut butter, 25 per cent for salted peanuts, and the most of the rest for candy.

About 50 per cent of the peanut butter is produced from Spanish, about 40 per cent from Runner and about 10 per cent from Virginia-type peanuts. About 71 per cent of the salted peanuts are of Virginia type, about 26 per cent Spanish and about 3 per cent Runner. Of the peanuts used in candy, about 75 per cent are of the Spanish type, 16 per cent of the Virginia type, and about 9 per cent of the Runner type. The national average yield of all peanuts is about 780 pounds per acre. The Virginia type averages about 1,200 pounds, the Spanish about 550 pounds, and the Runner about 750 pounds per acre.

Support Prices Fixed

Federal legislation provides for mandatory price supports for peanuts. The price is supported at 90 per cent of parity* until the end of the 1954 crop year. The support prices for the 1952 crop are as follows:

Virginia type (65 per cent sound mature kernels) $231 per ton.

Runner type (65 per cent sound mature kernels) $215 per ton.

Southeastern Spanish (70 per cent sound mature kernels) $236 per ton.

Southwestern Spanish (70 per cent sound mature kernels) $232 per ton.

For each one per cent sound mature kernels above or below the base grade of 65 or 70 per cent, the premium or discount (whichever is applicable) shall be as follows: Virginia type, $3.60 per ton; Runner type, $3.30 per ton; Southeastern Spanish, $3.40 per ton; and Southwestern Spanish, $3.30 per ton.

Production Controlled

Peanut acreage is controlled. Every year a referendum is taken of peanut growers in the different producing regions to learn whether they wish to continue acreage allotments. If two-thirds or more of the growers wish to continue acreage control, all of the growers in the region must comply. This government program establishes an acreage for each of the peanut-growing states and this acreage is broken down by counties and then by farmers. Thus farmers who wish to benefit by price support for their peanuts must grow no more than the acreages allotted to them. If a grower plants more, the surplus does not benefit from the support price.

On November 17, 1952, the U.S. Department of Agriculture announced a national acreage allotment of 1,678,481 acres, with an expected production or "marketing quota" for the 1953 peanut crop of 663 thousand tons. The support price for the 1953 production must be announced by August first of this year.

The national marketing quota of 663 thousand tons for 1953 represents the quantity of peanuts equal to the average quantity harvested for nuts during the five years 1947-51, adjusted for current trends and prospective demand.

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* Parity prices are the prices of agricultural commodities which will give them a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period—a period when prices paid and prices received by farmers were in good balance.

The outlook for the 1953 crop cannot be determined at this time as planting does not start until March in the most southerly portion of the United States and later in the more northern states. Dry conditions prevailed in many of the southern states up to February first but these conditions may improve before planting.

Support Prices

Up to 1952, support prices were maintained by the United States Government making contracts with peanut shellers for the purchase of peanuts, and the shellers in turn paying the growers for their peanuts in accordance with the support prices. However, the support prices for 1952 peanuts are maintained principally through loans to peanut growers' marketing co-operatives. Although legislation provides that loans may be made direct to individual growers, few if any have facilities for storing peanuts to meet loan requirements and co-operatives with satisfactory storage facilities have been established in all the producing areas.

Exports Lower

Exports of peanuts from the United States during the year ended June 30, 1952, amounted to approximately 8½ million pounds in the shelled form and 2½ million pounds unshelled—altogether about one-quarter of the quantity exported in the previous year. Record export was the 533 million pounds in 1948. Exports dropped to about 93 million pounds in 1949 and have continued to decline ever since.

Stocks of unprocessed or raw peanuts in the United States on January first were 862 million pounds. These stocks were 14 per cent below stocks of last year and the smallest since 1949. The approximate percentage of the different types were: Virginia, 44 per cent; Runner, 37 per cent; Spanish, 19 per cent.

—W. C. HOPPER
Commercial Counsellor for Canada

SEED POTATO EXPORTS

Canadian certified seed potatoes have been selling well abroad, the federal Department of Agriculture reports. Almost two million bushels of the 1952 crop were exported up to December 31—compared with less than 1·2 million bushels sold for export in the same period of 1951. These potatoes went to nine countries. The United States was the leading buyer, with over 1·1 million bushels; Cuba, Uruguay and Venezuela took substantial quantities; and the remainder went to the Dominican Republic, South Africa, the British West Indies, and Panama.

Jamaica Buys Canned Meat

KINGSTON—Imports of canned meat into Jamaica have more than doubled over the past 14 years, rising from 637,850 lb. in 1937 to 1,645,218 lb. in 1951. Canada enjoyed a good share of the canned meat trade during the war and immediate post-war period (273,581 lb. in 1945). Because of present restrictions on dollar expenditure, however, imports from Canada dropped to 15,311 lb. in 1951. The bulk of the imports now come from Australia and New Zealand.

This increase of canned meat imports between 1937 and 1951 came about because of the plentiful supplies available to meet the demands of a rising population, with an improved standard of living. Corned beef comprises about 90 per cent of the meat imported; the remainder is made up of canned sausages, pork, potted beef, lunch tongue, etc.

Oblong Tins Preferred

The local trade prefers corned beef in oblong tapered tins weighing 12 oz. and packed in wooden boxes containing 48 cans. Round or flat tins of any size are unpopular and difficult to sell. There are no special labelling requirements and exporters may use their own discretion.

As a rule, Jamaican importers are the sole agents for overseas shippers and purchase for their own account, cash against documents. Price quotations c.i.f. Kingston are preferred.

Imports from Canada

All types of Canadian canned meat are favoured but imports are restricted to allocations permitted under the B.W.I. Trade Liberalization Plan. Only Canadian firms who sold to Jamaica during 1946-47-48 are eligible to participate and sales are limited to 50 per cent of the average value of their exports during these years.

Purchases from sterling countries enter Jamaica without restriction but those from other soft currency areas are restricted to a maximum monetary allocation granted to individual buyers and based on the value of their 1951 imports.

The very limited quantities obtained from Canada under the Plan find ready sale and, under normal trading conditions, Canadian exporters would have no difficulty in selling much larger quantities of canned meats in this market. But prices, of course, would have to be competitive with those of other supplying countries.

—E. M. Gosse
Canadian Government Trade Commissioner (Fisheries)

The Netherlands

The Floods and the Farmer

How much damage did the recent floods inflict upon Dutch farms, livestock, and crops? This article, dispatched from The Hague on February 19, gives a tentative answer.

THE HAGUE—On the night of January 31 and throughout February high winds buffeted the coasts of Holland and combined with high spring tides to surmount and breach the ancient sea defences. The result was the worst flood in the nation's history. It left in its wake 1,400 dead, 133 thousand hectares of fertile agricultural land inundated, over 65 thousand people homeless, over 100 thousand poultry and nearly 50 thousand head of livestock of all types dead.

Premier Willem Drees, reviewing the disaster in Parliament on February 11, gave his "cautious estimate" of material damage as 1,000 million guilders (about $255 million). But the full extent of the flood's influence on imports and exports, balance of payments, employment, the standard of living and gross national product will be matters of study and speculation for some time.

What the Farmer Lost

Initial reports of damage to agriculture have proved to be somewhat exaggerated. Nevertheless, the Ministry of Agriculture has estimated that 133 thousand hectares of farm land were flooded in the three stricken provinces of Zeeland, South Holland and North Brabant. The flooded area constitutes over 25 per cent of the arable land in the three provinces and 5·7 per cent of the total arable land in the Netherlands. Some 82 thousand hectares of this was devoted to field crops, 41 thousand hectares to grassland and 10 thousand hectares to horticultural crops—8·9 per cent, 3·1 per cent and 9·4 per cent respectively of the total area devoted to these crops in the Netherlands.

In the past this area included some of the most fertile soil in the Netherlands and in 1952 produced 7·2 per cent of Holland's grain, 15·5 per cent of its wheat, 17·2 per cent of its barley, 10·1 per cent of its corn, 25·5 per cent of its sugar beets, 23·5 per cent of its fibre flax, 24·9 per cent of its linseed, 11·5 per cent of its table potatoes, 18·6 per cent of its pulses, and 15·7 per cent of its seed onions.

Winter wheat seeded in the three affected provinces in the fall of 1952 for this year's harvest also suffered substantial losses—about 15·9 per cent of the total Netherlands fall wheat crop was affected.

Losses of livestock in the flood were particularly heavy on the Rhine-Schelde estuary islands of Goeree-Overflakkee, Schouwen-Duiveland and Tholen, where between 75 and 90 per cent of all stock were drowned.

This huge gap torn by wind and water in the sea dike near Kruiningen, on the island of Zuid-Beveland, province of Zeeland, gives some idea of the havoc wrought by the recent floods in the Netherlands.

Preliminary official estimates for the three affected provinces indicate losses of 25 thousand head of cattle, 15-20 thousand hogs, 2-3,000 sheep, 1,500 horses and over 100 thousand fowl.

Evacuating the remaining large numbers of livestock from the flooded areas has proved complicated from a veterinary standpoint. Most of the flooded parts were not free from bovine t.b. and many of the cattle in the emergency had to be shipped to t.b.-free areas, including the South Holland island of Voorne-Putten. In addition, there were a few cases of foot and mouth disease in the three provinces before the flood and it is feared that it may spread somewhat in the coming weeks. To prevent this, free vaccine and inoculations were immediately made available for evacuated livestock.

Though livestock losses are extremely serious for the afflicted areas, their proportion of the national total was small. Thus, although cattle owned in the flood area were 13·6 per cent of existing numbers in the three provinces, the number of cattle drowned represented less than one per cent of the Netherlands total. Similarly, hogs lost represented only one per cent.

Officials are concerned about anticipated losses of agricultural machinery and implements. Based on 1950 census figures (which are known to be well below actual numbers in 1953), 218 combines, or 18 per cent of Holland's total, are in the flooded area. Nineteen per cent of the caterpillar tractors, 10 per cent of the wheel tractors, 8 per cent of the transport trucks, 4 per cent of the farm carts and wagons, 3 per cent of the nation's threshing machines and unknown numbers of implements were likewise affected. These figures are based on the 1950 Agricultural Census and are therefore on the conservative side.

Naturally salvage operations will begin as soon as possible and already radio instructions have been broadcast to the flooded areas informing farmers of the best methods of treating recovered machinery. Much will depend on the length of time the machinery is under water and on how salt the water is.

Some 13,388 farms—or 4 per cent of the national total—are estimated as flooded and about 12 per cent of these may have been demolished and another 30 per cent seriously damaged. Add to these the flooded homes in towns and villages—probably close to 50 thousand—and you get some idea of the great reconstruction task lying ahead.

Commodity Losses

So much for the immediate losses and damage. It is even more difficult to estimate the commodity losses from the 1952 harvest. Agriculture Ministry officials believe that a large part of the 1952 harvest had left the farms before the flood but are uncertain of losses sustained in country storehouses. Destruction of government-owned stocks of grains, feedstuffs and oil-bearing seeds were slight but private losses remain unknown. Part of the potato crop remained in field clamps in the flooded area but some of these and also some of the flax crop may be salvaged. Already potatoes have been lifted from field clamps which were submerged in salt or brackish water for a week or more, dried, hand-cleaned and tested, with favourable results. A trial shipment of these potatoes has gone to France.

Apart from such officially sponsored trial shipments, the Ministry of Agriculture has banned temporarily exports of potatoes, hay and straw to safeguard domestic needs until more is known about losses. In addition, maximum prices have been set for potatoes at all marketing levels to prevent speculation and skyrocketing of prices.

Exports and Balance of Payments

After analyzing the available statistics, the Ministry of Agriculture has concluded that exports for the remainder of the 1952-53 season will not be far below pre-flood estimates. Because so small a proportion of the national production of pig meat, poultry and dairy products originated in the flooded area, exports of these commodities should not suffer unduly. Most of the 1952 crops have probably been marketed and shipped from the area; the products which remained, it is hoped, may be saved at least in part.

This official viewpoint has been passed to the Netherlands representatives abroad, with instructions to counter any false information that normal Dutch exports will be unavailable in 1953. It is being stressed that major export products—bulbs, shrubs, flowers, strawboard, potato flour, eggs, fish, confectionery and, to a lesser degree, dairy products—will be virtually unaffected. Meat supplies may be affected more because the flooded districts were well known for their cattle fattening. But this will exert a greater influence on imports of fat cattle—and on the balance of payments—than on exports of meat products.

The most serious effects on exports and the balance of payments will begin to be felt next fall. Areas inundated by salt water will yield little or nothing this year and, if they continue to lie under salt water beyond April, will probably not yield more than 50 or 60 per cent of a normal crop. Experience gained from the protracted immersion of Walcheren

Island after the last war taught that it takes up to four years to make the soil fully productive again. Much will depend upon the extent of spring rains and on how much gypsum there is to apply to salty soils.

Some of the slack in production, particularly of such crops as onions, pulses and horticultural products, is expected to be taken up by expansion in other parts of the country. However, this cannot be done so readily in potatoes, sugar beets, flax, coarse grains and wheat. Taking as a basis the 1952 production of these crops in the inundated areas, it would appear, after some allowance for return to production in 1953, that extra imports of 50 thousand metric tons of wheat, up to 60 thousand metric tons of coarse grain, up to 100 thousand metric tons of sugar will be needed. Substantial numbers of tractors, combines, threshing machines, wagons, trucks, and a wide range of implements and machinery parts will have to be replaced. Tens of thousands of homes will have to be rebuilt or repaired with materials not readily available in Holland. Of the primary construction materials, only bricks are available in quantity domestically.

Dike Repairs and Reinforcement

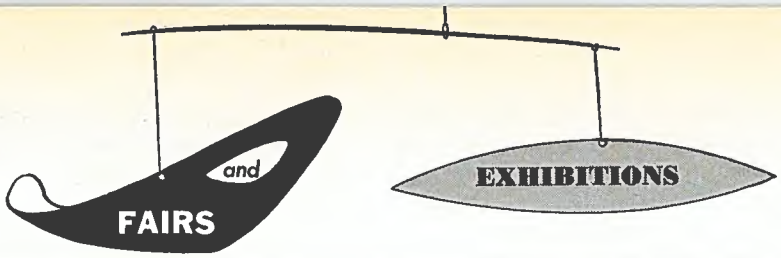
The islands in the Schelde and Rhine estuaries have been gradually reclaimed from the sea in the past five centuries by a patient process of diking off small areas and pumping out the water to leave habitable sections of land known as polders. Adjoining polders were added gradually by extending outward a maze of secondary dikes, often employed as roads and surfaced in modern times for heavy transport. Beyond these dikes are the great sea dikes—breached over 1950 times in widths ranging from 10 to over 200 yards—and now being feverishly repaired. They have been constructed in more recent times and faced with stone. In the recent storm, both seawalls and inner dikes in many cases were overflowed and eroded, and weakened within by seepage water.

Experience gained in reclaiming Walcheren Island following the war will be invaluable in speeding recovery in the months ahead. Already experts with this experience have been summoned from other tasks to take over this one supremely important one. The Prime Minister has announced in Parliament that reconstruction from flood damage will be placed on the same footing as war damage repairs. Government decrees announced include:

- Immediate organization of dike repair.
- Immediate investigation of methods to prevent repetition of such a calamity.
- Improvement of flood warning and aid services.
- Presentation to Parliament of an emergency bill regulating central responsibility for dike repairs.
- Possible slowing down of the great Zuiderzee project, if necessary, to repair the damage in Zeeland.

For many years a project to enclose the Rhine-Schelde estuary islands with a great seawall has been under discussion. Now people are urging that serious study be undertaken immediately to initiate this project as soon as possible, although the tremendous cost involved is still in doubt.

—C. J. SMALL
Acting Agricultural Secretary for Canada



Britain at the CITF

Enrolling under the banner "Trade not Aid", United Kingdom firms are booking an impressive amount of space at the coming Canadian International Trade Fair. Pride of place at this stage goes to the British Machine Tool Trades Association. Its member firms will be exhibiting machine tools and equipment, marking and woodworking machines, jigs and fixtures, heat treating equipment, etc.

Not far behind come two other trade associations—the Federation of British Hand Tool Manufacturers and the National Federation of Engineers' Tools Manufacturers, which first exhibited as a group in 1950. This year their composite display from some 32 firms (and other individual stands) will cover tools for gardeners, bricklayers, carpenters and mechanics; small tools for engineers; gauges, and precision instruments.

That's not all. U.K. manufacturers of construction, mining and other heavy equipment, of electrical equipment, of office and household machinery and equipment have also reserved space to show their products and thus, they hope, enlarge their markets. Dates of the CITF, June 1-12.

Rhodes Centenary Exhibition

The Rhodesias will mark the 100th anniversary of the birth of Cecil Rhodes by holding a Central African Rhodes Centenary Exhibition in Bulawayo during June, July and August of this year. The Exhibition will be officially opened by Queen Elizabeth, the Queen Mother, who will be accompanied by her daughter, the Princess Margaret.

Every country south of the Sudan will be represented at the Exhibition and most of the major industries in Africa will display their products. Included in the list of exhibitors are the Transvaal Chamber of Mines, General Motors, British Small Arms, Ford Motor Company, Anglo-American Corporation (diamond and copper pavilions) and the Governments of Uganda, Belgian Congo, Tanganyika, Angola, Mozambique, Madagascar, the Rhodesias, and South Africa.

A unique feature of the exhibition will be the holding of three "Periodic Exhibitions", or trade shows, during the main exhibition. An exhibition of Light Industries is scheduled from June 1 to June 20, one of Medium Industries from July 6-July 25, and one of Heavy

Industries from August 10 to August 29. These are for the benefit of firms, especially those from a distance, who cannot spare skilled personnel to man booths for the full period of the exhibition. Space rentals for these trade shows is fixed at one-half the rate for the whole exhibition. The charge for light and medium industries is $2.00 per square foot; for heavy industries, $1.35 per square foot.

Southern Rhodesia is prepared to grant a total of £5,000 in permits for any goods from any non-sterling country and these goods may be sold in the local market after the exhibition ends. Canadian firms interested in exhibiting at either the main exhibition or the trade shows can obtain complete details from the General Manager, Central African Rhodes Centenary Exhibition Ltd., P.O. Box 974, Bulawayo, Southern Rhodesia.

Plastics and Their Applications

The 2nd British Plastics Exhibition and Convention at Olympia, London, will open on June 8 instead of June 3, as previously announced, because of the Coronation. The show will run to June 18. Details can be obtained from *British Plastics,* Associated Iliffe Press, Dorset House, Stamford Street, London, S.E.1.

The convention, running concurrently with the Exhibition, will cover all the most recent important developments in plastics technology and application.

Fair Calendar

Canada

National Motor Show, February 14-21, Automotive Bldg., Exhibition Grounds, Toronto. Also February 28-March 8, Show-Mart Bldg., Montreal.

Automotive Service Show, March 11-14, Automotive Bldg., Exhibition Grounds, Toronto.

Canadian National Sportsmen's Show, March 13-21, Coliseum, East and West Annex, Exhibition Grounds, Toronto.

National Home Show, April 10-18, Automotive Bldg., Exhibition Grounds, Toronto.

Canadian International Trade Fair, June 1-12, Exhibition Grounds, Toronto.

Overseas

London, England: Ideal Home Exhibition, March 3-28, Olympia.

Utrecht, Netherlands: 60th Royal Netherlands Industries Fair, March 17-26.

Lyons, France: 35th International Fair, April 11-20.

Basle, Switzerland: 37th Swiss Industries Fair, April 11-21.

London and Birmingham, England: 32nd British Industries Fair, April 27-May 8, Earls Court and Olympia, London, and Castle Bromwich, Birmingham.

United States

How Agricultural Price Supports Work

Keeping food and fibre production in step with growing needs—that is the U.S. agricultural objective. The means: price supports to ensure an adequate return to the farmer.

WASHINGTON—One of the major components of present U.S. federal agricultural policies is price supports for agricultural commodities.

Supporting the price of farm commodities is said to be essential because food and fibre needs are growing every year as the population of the United States increases at an annual rate of 2½ million. Unless the prices of commodities which farmers produce are maintained at a sufficiently high level, production will not be kept up, domestic consumers will suffer, and exports will decline.

The extensive price support programs of the U.S. Department of Agriculture are carried out by the staff of the Production and Marketing Administration of the department, assisted by the Commodity Credit Corporation and the PMA State and County Committees in all parts of the United States.

Three Classes of Commodities

In implementing the price support legislation, commodities are divided into three classes:

1. Basic commodities. Supports are mandatory at 90 per cent of parity*.

2. Designated non-basic commodities. Supports are mandatory but the Secretary of Agriculture determines the levels.

3. Other non-basic commodities. Supports, if any, are determined by the Secretary of Agriculture.

The four principal methods of maintaining prices at support levels are: one, loans to producers; two, purchase agreements between the United States Government and farmers; three, purchases by the United States Government; four, combinations of one, two and three.

The 1952 support levels, their percentage of parity and the announced levels of support for 1953 for each of the three groups are shown in the table following:

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* Parity prices are the prices of agricultural commodities which will give them a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period—a period when prices paid and prices received by farmers were in good balance.

Table I—Farm Price Supports, 1952 and 1953

	Announced 1953 levels		1952 levels	
	Support price to farmers (national average)	% of parity	Support price to farmers (national average)	% of parity
BASIC COMMODITIES:				
(Mandatory 90 per cent support)				
Wheat, bu.	$2·21	90	$2·20	90
Corn, bu.	1·59 *	90	1·60	90
Cotton (upland) lb.	·308*	90	·309	90
Rice, cwt.	4·93 *	90	5·04	90
Tobacco, flue-cured, lb.	·493*	90	·506	90
Peanuts, lb.	·119*	90	·12	90
DESIGNATED NON-BASIC COMMODITIES:				
(Support mandatory but level is determined by the Secretary of Agriculture)				
Wool, lb.	·528*	90	·542	90
Mohair, lb.	·58 *	78	·542	75
Honey, wholesale, lb.	(to be announced in Mar.)		·114	70
Butterfat, lb.	(" " ")		·692	90
Milk, mfgd., cwt.	(" " ")		3·85	90
Tung nuts, ton	(" " Aug.)		67·20	65
OTHER NON-BASIC COMMODITIES:				
(Support, if any, is determined by the Secretary of Agriculture)				
Barley, bu.	1·24	85	1·22	80
Oats, bu.	·80	85	·78	80
Rye, bu.	1·43	85	1·42	80
Grain sorghums, cwt.	2·43	85	2·38	80
Flaxseed, bu.	3·79	80	3·77	80
Soybeans, bu.	2·56	90	2·56	90
Hairy vetch seed, lb.	·12	..	·1475	..
Ryegrass, com., lb.	·065	..	·07	..
Rough peas, lb.	·06	..	·06	..
Crimson clover, lb.	·165	..	·165	..
Cert. reseeding crimson clover, lb.	·19	..	·19	..
Blue lupine	None	..	·035	..
Common vetch	None	..	·06	..
Williamette vetch	None	..	·06	..
Olive oil	(to be announced in Aug.)		2·50 per gallon	
Hay and pasture seeds	(now in process)		various levels	
Beans, dry edible, cwt.	7·79	87	7·87	85

* Estimated on basis of present parity prices.

Supporting Wheat Price

As an illustration of the methods used to support the price of a commodity, let us examine briefly how wheat prices are supported.

Wheat producers may obtain a loan from the United States Government through the Commodity Credit Corporation, on the basis of the loan value of their wheat. For the crop years 1953 and 1954 the support price or the loan value for wheat is 90 per cent of the parity price. Legislation passed in 1952 fixed this level of support. The Republican Administration which took office in January 1953 has announced that it will continue the legislation which established support prices for all basic commodities—wheat, corn, cotton, rice, tobacco and peanuts—at 90 per cent of parity for the crop years 1953 and 1954.

The support price to farmers of $2.21 per bushel of wheat in 1953 is a national average price for No. 2 wheat. The support price varies from 15 to 20 cents above and below the national average in different localities.

Wheat which has been inspected and held in sealed storage on a producer's farm is eligible for a loan at the full support price level for the particular quality of the wheat and the location of the farm. A wheat producer may also get a loan on his wheat which is stored in a country or terminal elevator. In such cases, the loan is made at the support price less the costs of storage. Each loan has a fixed maturity date and this date is the same for all wheat loans. Loans are made only to the original wheat producer.

Loans Guaranteed

To a large extent the lending agencies of the area where the wheat is located, such as a local bank, make the loan and the interest rate is 3½ per cent a year. The U.S. Government guarantees such loans; the bank gets 2 per cent and the Government 1½ per cent. Banks or other financial agencies using government money may act as agents for the United States Government in granting loans on wheat.

The local Production and Marketing Administration (USDA) County Committee, which is composed of farmers elected to serve on the committee by the farmers of the county, must approve all loans. This committee may make direct loans to wheat farmers of the county by drawing a sight draft on CCC, which constitutes the third method of financing wheat loans to farmers.

A farmer may sell his wheat on which he obtained a loan at any time by paying the principal and interest, or he may turn the wheat over to the Government at the maturity date in full settlement of his indebtedness.

Purchase Agreements

Another device used to support the price of wheat is purchase agreements made between the Commodity Credit Corporation and a wheat producer. Usually it is wheat producers who do not need the cash or who cannot meet storage requirements for loans who use this method of price support. The agreements are made at stated prices, which are at comparable levels to the loan values. Under this arrangement, the producer agrees to deliver a certain quantity of wheat of a certain quality at the maturity date of the agreement. However, the producer may sell the wheat at any time before the maturity date. The Government takes no responsibility for the wheat in purchase agreements. In loans, the Government takes the major risk and responsibility for quality and quantity remains with the producer. Purchase agreements must also be approved by the PMA Committee for the county in which the wheat is located.

Loans and purchase agreements are used in supporting the prices of the other basic commodities—corn, cotton, rice, tobacco and peanuts. Loans and purchase agreements with farmers' co-operatives are most important in supporting the prices of rice and peanuts. No loans are made direct to tobacco farmers, but only to tobacco producers' co-operatives.

Loans are also made to producers of wool, mohair and honey, to support the prices of these commodities which are not considered basic commodities. Loans and purchase agreements are also made with producers of other non-basic commodities such as barley, oats, rye, grain sorghums, flaxseed, soybeans and various kinds of seeds. The Secretary

of Agriculture determines the level of support. The national support price levels shown in Table I for these non-basic commodities were established because of the need for them as feed or for seed.

Government Purchase Programs

For maintaining the prices of perishable commodities at levels which will encourage farmers to continue their production, the Commodity Credit Corporation makes direct purchases from time to time. As indicated in Table I, support prices of butterfat and manufactured milk are mandatory. This is accomplished by actual purchases of butter, cheese and non-fat dry milk solids at the following prices:

Butter:	U.S. Grade A or higher....	67·75 cents per lb.
	U.S. Grade B	65·75 " " "
Cheddar cheese:	U.S. Grade A or higher....	38·25 " " "
Non-fat dry milk solids:	Spray process	17·00 " " "
	Roller process	15·00 " " "

The Commodity Credit Corporation must buy when these dairy products are offered to it at these prices.

The Department may buy other commodities for which price support is not mandatory. It usually makes such purchases when there is a burdensome surplus of a commodity which, if not marketed, would result in a much depressed price to the producers. Usually the purchases are made on a national scale when the producers of a commodity petition the Department of Agriculture to undertake a purchase program. PMA officials study the request and, if they think a purchase program justified, the CCC is given authority to buy.

Buying Methods

Two methods of buying may be used:

- The Department will offer to buy the commodity and the sellers make bids to sell at stated prices.
- The Department will offer to buy the commodity at a certain price.

In 1952, shell eggs, dressed turkeys, canned cherries and certain pork products were purchased in this way. These commodities were turned over to the National School Lunch Program, charitable institutions serving needy persons, or to persons certified by welfare agencies as eligible for relief. The funds for these purchases were obtained under authority of section 32 of Public Law 320 of the 74th Congress. This law provides that an amount equal to 30 per cent of the gross receipts from custom duties of each calendar year shall be made available: (a), to encourage domestic consumption by buying surplus agricultural commodities; (b), to encourage exports; and (c), to increase the use of agricultural commodities by diverting them from the normal channels of trade and commerce.

Indirectly, purchases of agricultural commodities under section 6 of the National School Lunch Act assist in supporting the prices of these commodities. Naturally, the commodities purchased are those with high nutritional value. In 1952 the U.S. Department of Agriculture bought canned peaches, canned tomatoes, canned string beans, peanut butter, cheese and dried beans under section 6.

Export subsidies have been provided by the use of section 32 funds, and these have resulted in raising the volume of exports of certain agricultural commodities. This has indirectly assisted in keeping up the prices of the commodities subsidized. During 1952, for example, subsidies were made available to increase the exports of citrus fruits and dried fruits.

The purchase of agricultural commodities for the benefit of foreign countries through Mutual Security Agency funds has also helped to maintain prices of agricultural commodities.

Administration's Policy

In his State of the Union Message to Congress on February 2, 1953, President Eisenhower referred to the slow, irregular decline in farm prices which has been going on for two years and promised that prices of basic commodities will be supported at 90 per cent of parity until the end of 1954.

He said also—

"We should begin now to consider what farm legislation we should develop for 1955 and beyond. Our aim should be economic stability and full parity of income for American farmers. But we must seek this goal in ways that minimize governmental interference in the farmers' affairs, that permit desirable shifts in production, and that encourage farmers themselves to use initiative in meeting changing economic conditions.

"The whole complex of agricultural programs and policies will be studied by a special agricultural advisory commission, as I know it will by appropriate committees of the Congress. A non-partisan group of respected authorities in the field of agriculture has already been appointed as an interim advisory group.

"The immediate changes needed in agricultural programs are largely budgetary and administrative in nature. New policies and new programs must await the completion of the far-reaching studies which have been launched."

—W. C. HOPPER
Agricultural Counsellor for Canada

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.

GENERAL NOTES

CHILE

Plan Tractor Manufacture—Establishment of an industry to produce 30 tons of special steel daily suitable for the manufacture of motors and other transport implements is supported by the Minister of Economy. Preliminary talks have been held with a representative of the German Daimler-Benz Company and within two years it may be possible to manufacture low-priced trucks, tractors, jeeps and probably some type of economic automobile. The initial annual production of tractors would be 600—Santiago, February 11.

JAPAN

Higher Income for Gold Producers—Effective February 2, 1953, Japanese gold producers will be permitted to sell two-thirds of their output as non-monetary gold for private purposes. The other third will be taken by the Government at reduced rates. This will reverse the current sales ratio of two-thirds to Government and one-third to the trade—Tokyo, February 2.

NETHERLANDS

Bovine T.B. Control—Holland's five-year plan for eradication of bovine tuberculosis, inaugurated in May 1951, is running well ahead of schedule. Although less than two years have elapsed, over half of the originally infected 9,000 farms have been declared free of the disease—The Hague, February 9.

UNITED KINGDOM

External Trade in January—United Kingdom exports in January (which contained one more than the normal number of working days) were valued at £217·9 million, and imports £290·1 million. Both totals exceed the figures for the last quarter of 1952, when average monthly exports amounted to £209·7 million and imports to £263·9 million.

The surplus of imports over total exports in January was £62·1 million, considerably more than the average of £44·8 million during the fourth quarter of 1952.

Exports to Canada last month decreased by £400 thousand to £11·9 million, as compared with the final three months of last year. Exports to the United States increased by £300 thousand to £13·1 million—London, February 13.

Boston: Nerve Centre of New England

A concentrated population, high purchasing power, great financial assets and a busy port make Boston a customer which Canadian exporters find well worth cultivating.

BOSTON—We Canadians think of Boston as a treasure house of American history and as a focal point for educational, cultural and scientific institutions. But are we fully aware of its tremendous commercial importance? Let's take a second look at some highly interesting facts.

In buying power New England exceeds all but one of the other eight geographical areas of the United States. Boston's effective buying income is more than double the average for 200 of the nation's leading cities; the income of the metropolitan area is three times greater. No community in the country boasts a higher standard of living. Effective buying power per family is $6,034 and per capita bank deposits are 40 per cent above the national average.

The "Multi-Metropolitan" Area

Surrounding metropolitan Boston on three sides are four other sections which, combined with greater Boston, form the multi-metropolitan area with a population of over 4½ million. These are Lawrence-Lowell-Haverhill to the north, noted for textile manufacturing; Worcester on the west, heavy industry and machinery centre; to the south, New Bedford-Fall River, the old whaling and textile area, now experiencing a rapid transition to newer industries; and the Providence metropolitan area, widely known as a producer of tools, precision instruments and jewellery.

This integration of mutually supporting economic communities is the greatest in the country.

Great Wholesale Market

Boston is one of the biggest wholesale markets and distributing centres in the United States. It stands out particularly in sales of fresh fruits and vegetables, manufactured food products, sea food, clothing, shoes, furniture and lumber. It is also active in the distribution of dry goods, machinery, paper products, jewellery, sporting goods and petroleum products. It is a great sugar refining centre and the world's largest wool market. As the marketplace for New England's 9·3 million people, Boston rings up wholesale sales to the tune of $4½ billion a year.

Canadian products passing through this market include newsprint, Christmas trees, vegetables, fruit, fish products, eggs and poultry, hay, handicrafts and novelties, lumber and wood products.

Boston's wholesale trade in food products amounts to over $600 million a year. It is the third largest receiving point in the United States for fresh fruits and vegetables, one of the world's greatest potato markets,

and a leading meat-packing centre. The first cargo of bananas ever shipped to North America was landed in Boston and the city continues to hold its place as a leading banana market.

Boston also leads in the production of bread and bakery products and is the second ranking receiving port in America for fresh and frozen sea fish. The world's greatest cranberry-growing area, producing 60 per cent of the U.S. crop, is within a few miles of the city.

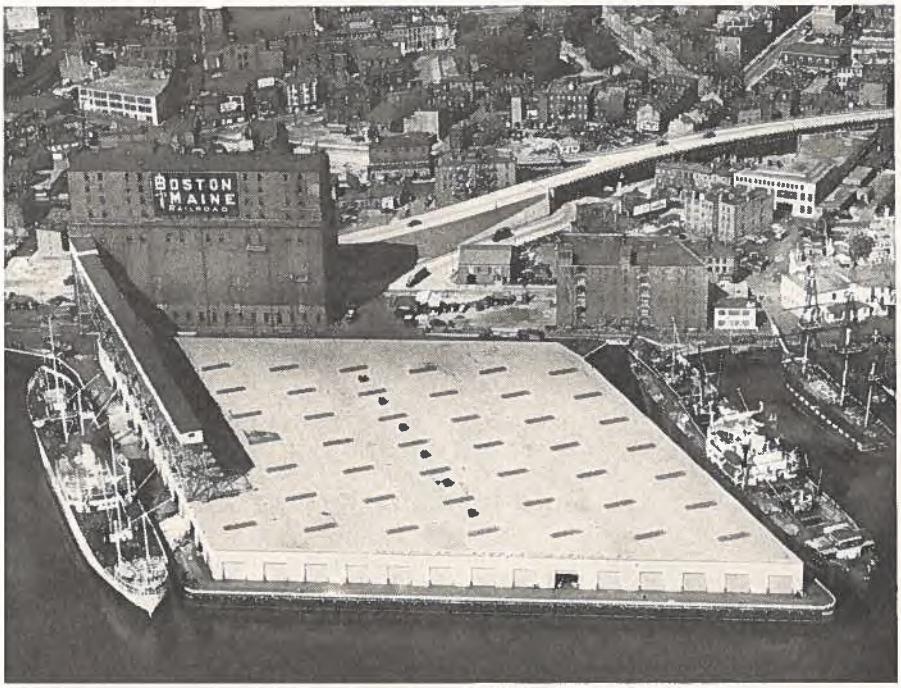
The Boston area is also a leader in the food manufacturing industry, particularly for confectionery, bakery goods, sugar refining, beverages, meat packing and chocolate and cocoa products.

Concentrated Manufacturing Area

A little more than 51 per cent of all Massachusetts manufacturing firms are situated in the Boston metropolitan area. The latest survey reveals some 5,400 manufacturing plants employing over 271 thousand workers. Their payroll totals $753 million a year.

Among the principal products of these factories are: shoes, leather and products; processed foods; electrical and other machinery; printed material, magazines, books; chemicals; apparel; fabricated metal goods; rubber goods; paper and products; transportation equipment, and textiles.

A leading financial centre in pre-Revolutionary days, Boston is still one of the United States' financial strongholds. Today it ranks fourth among American cities in bank clearings and is the headquarters of the First Federal Reserve District. One survey indicated that 30 per cent of the total assets of all investment trusts in the United States are managed



—Lawrence Lowry

Hoosac Pier, in the Port of Boston, was completed about two years ago at a cost of $5 million. It was the first step in a port modernization program.

by Boston organizations. The city now leads the nation as financial backer for research organizations engaged in the development of new processes and products.

Transportation Services

The port of Boston enjoys an unusual advantage because it is near many of the world's trading centres. More than 100 steamship lines operate through this port; it contains 259 piers and docks, equivalent to 30 miles of berthing space.

The Port of Boston Authority has embarked on a comprehensive plan to modernize the terminal facilities. This plan includes five impressive wharf construction projects at a total cost of some $35 million. Two of the projects have been completed and work is well along on a third.

Logan International Airport, within two miles of the main business section of the city, is the major American airport nearest to Europe and is equipped with the longest runways of any commercial airport. Eleven airlines, domestic and international, provide passenger and freight services to all parts of the world. Logan Airport is the southern terminal for T.C.A.'s Boston and Maritimes service.

Three major railroad systems with excellent connections for Canadian destinations provide quick freight and passenger service to and from Boston and throughout New England. Boston's two principal railway terminals handle some 32 million passengers each year.

In keeping with greater Boston's wealth and high living standards, consumer demand is highly selective. The importance of careful pricing, excellent quality and modern and effective packaging cannot be overstressed. Naturally, high quality products from every part of America and from abroad are competing for a share in this enormous market and exporters should be prepared to advertise their products appropriately.

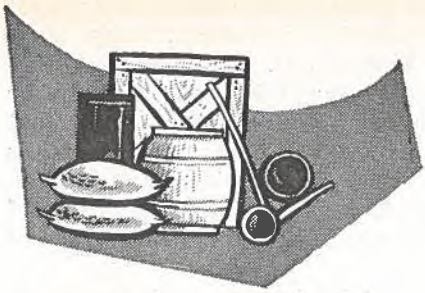
Canadians enjoy an important advantage over their competitors in this market, however, because an estimated 400 thousand people of Canadian origin make their homes in the Boston area. Nowhere in the United States are Canadians better known and understood. There isn't a better or more friendly customer so close to home.

—D. H. CHENEY
Vice-Consul for Canada and Assistant Trade Commissioner

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.



COMMODITY NOTES

AUSTRALIA

Minerals—The Australian mining industry is increasing its production of most metals, though output is still below immediate postwar levels. Exceptions are copper, zinc and lead.

According to the Commonwealth Statistician, gold production for the first half of the fiscal year ending June 30, 1953, increased 2·7 per cent over the same period last year, iron production by 4·5 per cent, silver production by 4 per cent, and the production of tin by 6·7 per cent. Output of copper compared with last year was down by 7·4 per cent, lead by 7 per cent and zinc by 1·9 per cent.

Australia's drive to meet the sulphur shortage for agricultural industries through home production continues successful. For the first half of the current production year, the output of sulphur was 7·8 per cent greater than for the same period of the previous year, and 31·1 per cent above prewar—Melbourne, February 2.

BRAZIL

Penicillin—The largest penicillin plant in South America has been opened at Santo Andre in the State of São Paulo. Controlled by Rhodia Brasileira, the equipment for it cost Cr$40 million and the factory is reputedly one of the best in the world. Production by April 1953 may be one trillion international units and this is expected to cut Brazilian purchases abroad by Cr$200 million a year—São Paulo, February 10.

CHILE

Watermelons—After a series of experiments, a Japanese fruit grower has succeeded in producing a watermelon without pips. A number have been presented to the President of the Republic through the Japanese Minister—Santiago, February 11.

NETHERLANDS

Bacon—Discussions in London on January 30 between the Netherlands Minister of Agriculture, Fisheries and Food and the British Minister of Food were inconclusive. The Dutch Minister pressed for an increase in bacon deliveries to the U.K., pointing out that the Dutch

bacon industry had been expanded greatly since the war to meet British requirements and that any reduction in exports would cause serious economic difficulties in the Netherlands.

The British Minister stated that the U.K. continued to be interested in obtaining as much Dutch bacon as possible, but that British capacity to import depended on her balance of payments position. The British Minister undertook to review the situation later this year with a view to speeding imports if possible, but could promise nothing definite. However, he suggested early establishment of 1954 minimum deliveries.

Although the present bacon contract (which runs until January 2, 1954) was only signed in the first week of November 1952, by the end of January approximately one-third of the total contract of 35 thousand long tons had been delivered. Hog deliveries for bacon production are maintaining the heavy rate of the past few weeks—The Hague, February 4.

SPAIN

Transport Vehicles—The Spanish company, Babcock and Wilcox, Bilbao, has been authorized to manufacture 1,000 trucks a year which will be equipped with four-cylinder 70 h.p. diesel engines and will have a loading capacity of four tons. Production should begin within the next six months—Madrid, February 16.

UNITED STATES

Orange Powder—A new process for making powdered orange juice, announced by the U.S. Department of Agriculture recently, yields a product that stores well under severe conditions and makes an attractive, fresh-flavoured beverage when reconstituted with water. The new product is not yet available commercially.

An attractive characteristic of the new powder is its ease of reconstitution. A measured quantity of the powder dropped into a glass of water (even ice water), dissolves immediately and remains dispersed in the water without settling out. The colour is that of fresh orange juice. Tasters have uniformly praised the flavour as that of natural orange. Nutritive factors, such as vitamins A and C, are well preserved, even after prolonged storage—Washington, D.C., February 20.

WEST GERMANY

Silk—In 1952 production of the West German silk industry amounted to 200 million metres of synthetic and natural silk, valued at 600 million D Marks. Despite the unfavourable market conditions which followed the Korean boom, total production equalled that of the previous year. Earnings, however, decreased by approximately 114 million D Marks as compared with 1951 because in June 1952 prices returned to the pre-Korean price level. Silk exports for 1952 are estimated at at least 50 million D Marks and may reach as high as 60 million, as compared with 50 million D Marks in 1951. A normal business year is expected in 1953—Bonn, February 11.

Japan

The Market for Canadian Wheat

Since 1950, our wheat sales to the Japanese have been growing. This demand should continue as long as consumption outstrips domestic production, but competition is keen.

TOKYO—Today Japan ranks as one of Canada's most important wheat markets, buying Canadian hard wheat in substantial quantities. Many Japanese flour mills prefer Canadian hard wheat and it has already won a good reputation in the baking trade.

The demand for wheat is growing steadily and Canada has an excellent opportunity to step up her sales in this market. The consumption of bread is about three times that of prewar; the consumption of noodles, biscuits and pastry has also grown; flour is being more widely used for home baking. The rising demand for wheat products in Japan stems in part from the rapid growth in population but the changed food habits of the Japanese is the most important contributing factor. The younger adults and the teen-agers have developed a taste for bread and other wheat products and, from present indications, these products will continue to gain in popularity.

Wheat Imports High

Japan's wheat production has gradually increased to the present 1·5 million metric tons a year. This, however, is far short of present requirements of some 3·5 million metric tons a year. Imports now average 1·75 million metric tons a year, considerably over the 600 thousand ton average for 1926 through 1935.

The United States has been the leading supplier of wheat to Japan since the end of the war and wheat imports financed by the U.S. accounted for most of the Japanese wheat purchases in the first four years of the Occupation. As the country's foreign exchange earning capacity grew, she began to buy wheat from other sources. Canada entered the picture in 1950, with substantial sales to Japan.

Imports of wheat into Japan in the years 1949, 1950 and 1951 were:

Country	1949	1950	1951
	(in 1,000 metric tons)		
United States	1,874	966	1,127
Canada	....	125	420
Argentina	....	220	24
Australia	33	209	68
Others	....	25	18
Totals	1,907	1,545	1,657

Wheat imports from the United States for the first eight months of 1952 totalled 1,017,890 metric tons; imports from Canada in the same period, 334,590 metric tons.

Wheat has long been a leading Japanese crop from the standpoint of both production and consumption. Wheat ranks next to rice in importance and the Government in its five-year plan for increased food production, now under way, has given high priority to increased wheat output. The five-year plan proposes to make available additional arable land through irrigation and to intensify cultivation in present wheat-growing areas by using the latest agricultural techniques. The program—which is fairly ambitious and will be costly—seeks to lessen Japan's dependence on imported foodstuffs which currently account for one-third of yearly imports. Until the plan is completed, Japan will continue to import substantial quantities of wheat and barley.

The acreage and production of wheat in Japan during 1949-51 were:

Wheat Production

Year	Acreage under cultivation	Production (1,000 metric tons)
1935-44 average	1,950	1,390
1949	1,624	1,302
1950	1,881	1,319
1951	1,812	1,467

Flour-Milling Capacity

There are more than 3,000 flour mills in Japan with an estimated capacity of over 250 thousand barrels a day. Production ranges from 10 to 6,000 barrels a day. Many of the smaller mills were established in rural areas as a wartime expedient to cope with serious transport problems. These mills are now finding it very difficult to compete with the larger producers. The four leading flour-milling firms in Japan operate a combined total of 32 mills with an aggregate daily capacity of 45,651 barrels. The larger mills have modern milling machinery, storage and unloading and loading facilities. Their operations compare favourably, in efficiency and cost of operation, with leading flour mills elsewhere.

Production and consumption of wheat flour in Japan in 1949, 1950 and 1951 were:

Flour Production and Consumption

Year	Production (in 1,000 metric tons)	Consumption (in 1,000 metric tons)
1949	1,928	1,990
1950	2,203	2,203
1951	2,000	2,300

Flour production for 1952 was about three million metric tons.

The critical food situation after the war was met in part by the import of wheat flour financed by the United States, as mentioned earlier in this article. By 1945 the output of flour in Japan had declined to 59 thousand barrels a day because of war damage and wheat imports had been sharply reduced. The increased consumption of flour and other wheat products, including animal feeds, which developed after the war provided an incentive to the flour mills to rehabilitate their plants. The demand for animal feeds continues to grow because the demand for meat, dairy and packinghouse products is increasing. Japanese flour is also finding a market in Formosa, Korea and Okinawa and Japanese flour producers are endeavouring to fill the needs of the monosodium glutamate manufacturers. The

flour output in Japan will probably be gradually raised to meet the rising demand and the Japanese milling industry seems able to achieve the necessary expansion.

Despite efforts to raise the level of local wheat production, it is doubtful whether the present and anticipated demand can be met from domestic production. Large wheat imports into Japan will probably continue for many years and the prospects for increased sales of Canadian wheat there in the immediate future are bright. Canadian wheat has been competitive in quality and price and the percentage of flour extraction, according to one of the leading mills, is higher than with most other imported wheats. The blending qualities of top grades are described by the milling trade in Japan as excellent, and, because the Japanese type is largely soft winter wheat, blending is an important consideration.

The Canadian exporter, however, should realize that Japan is a highly competitive wheat market and bidding for the available business is keen. Imported wheat purchases are handled by private trading firms but sales are made to one source—the Food Agency of the Department of Agriculture and Forestry, which also controls the distribution of imported wheat to the mills. Though there is a strong demand for Canadian wheat, Japan's ability to purchase depends upon the dollars available. Fortunately at the moment the dollar position is satisfactory.

—J. C. BRITTON
Commercial Counsellor for Canada

TRADE AND TARIFF REGULATIONS

CUBA

Documentation Requirement Suspended—The Cuban Government has extended until May 10, 1953, the suspension of the requirement that all exports to Cuba be accompanied by a copy of an official customs export declaration. In the case of Canadian exports, this requirement would be fulfilled by supplying an extra copy of the Canadian customs form B-13, duly certified by Customs Office at the port of exit from Canada for each shipment and visaed by the Cuban consul at the Canadian port of shipment.

SOUTH AFRICA

Timber and Packing Cases—The South African Government is taking every possible precaution to prevent the introduction in South Africa of the fungus disease of timber known as "white pocket rot". Lumber and crates infested with bark beetles or white pocket rot have been

intercepted at Durban and Cape Town. As a result, there was serious delay in the delivery of the goods with consequent heavy demurrage charges and the added cost of disinfestation of the crates.

The Office of the High Commissioner for the Union of South Africa has asked that the attention of Canadian manufacturers and exporters be drawn to these regulations to ensure that no insect-infested or diseased timber, or timber to which bark is adhering, be exported to South Africa, and that wood of this type not be used in the construction of packing cases or crates. The regulations are of some years' standing but are very specific in stating that timber or wood shall not be introduced into South Africa if there is any bark adhering to it or if there is any infestation with insects or fungi.

TRINIDAD

Licensing Announcement—In a notice of February 5, importers in Trinidad were reminded that the issue of an import or export licence does not exempt the holder of such licence from compliance with the laws of the colony relating to plant and animal protection, dangerous drugs, antibiotics or any other laws.

UNITED STATES

No Tariff Increase on China—The U.S. Tariff Commission has now issued a report on its escape-clause investigation of certain kinds of household china tableware, kitchenware, and kitchen and table utensils. The Commission's report states that imports are not causing or threatening serious injury to the domestic industry producing like or directly competitive products. Therefore the Commission has made no recommendation to the President for the withdrawal or modification of the duty concessions applicable to these products—Washington, February 12.

Imports from Formosa—On February 5, 1953, the United States Treasury Department announced a further modification of the Foreign Assets Control Regulations. The purpose of this change is to facilitate the export of goods of legitimate Formosan origin to the United States and, at the same time, to prevent exports from Communist China entering the U.S. disguised as products of Formosa.

Under an agreement made with the U.S. Treasury, the Chinese Government in Formosa will issue certificates of origin to exporters of goods of Chinese type produced on Formosa which are subject to the Foreign Assets Control Regulations and which might otherwise be barred. Shipments consigned to Canadian importers through U.S. territories will be treated in the same manner as those going to U.S. importers.

At present, the Government of China authorities on Formosa will issue certificates of origin only for water chestnuts and sea-grass squares. However, it is expected that, in the near future, they will be prepared to issue such certificates for other Chinese-type commodities produced on Formosa—Washington, February 10.

VENEZUELA

Cotton Textiles Quota—The Venezuelan import quota for cotton textiles has been announced for 1953 and amounts to 4,250,000 kilograms. The original import quota for 1952 was 3,000,000 kilos, but it was increased in July and October by additional quotas of 500,000 kilos each.

Textile importers are allocated 2,900,000 kilograms and the remainder will be purchased directly by the clothing manufacturers.

Import licences will be issued by the Venezuelan Department of Development to importers of these textiles—Caracas, February 10.

Food Registration Requirement—The Venezuelan Department of Health and Social Welfare has given notice that, as from May 31, 1953, all food products in bulk containers must show on arrival in Venezuelan ports the following information in the Spanish language, either incorporated into the label or firmly attached to the container as an additional sticker or tag:

(*a*) The common name of the product, i.e., flour, oatmeal, spray skim milk powder.

(*b*) The name of the manufacturer, broker, or exporter (this to be interpreted as the name of the company responsible for the product).

(*c*) The net weight in the metric system.

(*d*) The phrase, Registrado en el Ministerio de Sanidad y Asistencia Social bajo el número .....*

The registration required in (*d*) above can be obtained by submitting the following to the Sección de Registro de Alimentos, Ministerio de Sanidad y Asistencia Social, Avenida Bolívar, Bloque Sur, Caracas:

(1) Three samples of the product (for flour, each sample to be two kilograms; for other products, one kilogram).

(2) Three samples of the empty container when it is a paper or cloth sack, or carton. When it is a large wooden, fibre, or steel container, a full description in Spanish in triplicate together with a photo of same will be a satisfactory substitute.

(3) A statement from the Department of Agriculture or the Department of Health and Welfare officials in Canada, that the product is manufactured on inspected premises and can be freely sold in the country of origin.

(4) Three samples of the sticker or additional label if the required information is not shown on the container or normal label.

With regard to the common name in Spanish, there is no need to translate the trade name also, e.g., Black Rose flour may be restricted to "Harina" the Spanish word for flour.

There is no charge for the registration of bulk foodstuffs with the Venezuelan authorities.

* These words, meaning registered in the Department of Health and Social Welfare under number ...., may not be abbreviated in any way according to the new provisions.

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 1·0204.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 19*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1307	
		Basic buying	·1960	(1)
		Preferential selling	·1960	
		Basic selling	·1307	
		Free	·0705	
Austria	Schilling		·04587	
Australia	Pound		2·2110	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01960	
Bolivia	Boliviano	Official	·01633	tax 5% (1)
		Differential	·00975	tax 3% (2)
British West Indies	Dollar		·5758	(3)
	Pound		2·7637	(4)
	Dollar	Brit. Honduras	·6909	
Brazil	Cruzeiro		·05297	tax 8% (2)
Burma	Kyat		·2073	
Ceylon	Rupee		·2073	
Chile	Peso	Official	·03156	(1)
		Commercial	·01632	
		Free	·00891	
Colombia	Peso	Basic	·3920	tax 3% (2)
		Coffee buying	·4257	
Costa Rica	Colon	Official	·1749	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9800	tax 2%
Czechoslovakia	Koruna		·01960	
Denmark	Krone		·1419	
Dominican Republic	Peso		·9800	
Ecuador	Sucre	Official	·06534	(6)
		Free	·05658	
Egypt	Pound		2·8141	
Fiji	Pound		2·4899	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00560	
French Pacific	Franc		·01541	
Germany	D Mark		·2333	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9800	
Haiti	Gourde		·1960	
Honduras	Lempira		·4900	
Hong Kong	Dollar	Free	·1610	*Feb. 6
Iceland	Krona	Official	·06018	
		Special buying	·04628	
		Special selling	·03759	
India	Rupee		·2073	
Indonesia	Rupiah	Basic	·08596	
		With Surcharge I	·04298	(7)
		With Surcharge II	·02865	
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.