foreign trade

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COVER . . . The Capitol at Washington, with the great dome illuminated against the night sky, serves to introduce a report by the Commercial Counsellor at the Canadian Embassy on the business picture in the United States in 1952—and the outlook for the months ahead. (See page two).

—Harris & Ewing photo

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Reviewing the Business Year

This report from our Washington office reviews major developments in the U.S. last year; takes a look at what 1953 may bring.

WASHINGTON—The year 1952 was one of relative economic stability in the United States. Pressures stemming from the Korean episode subsided and the creation of defence mobilization facilities and defence production were carried on against a prosperous background. That the country has the ability to maintain a high and adequate civilian industrial output to meet the sustained growth of its economy and, at the same time, carry an unprecedented peacetime defence burden, became evident in 1952. That production for national defence is part and parcel of the U.S. economy, possibly for many years to come, is now an accepted fact.

Industrial production, nurtured by defence and industrial expansion, reached a new postwar peak in December. The trend at the year's end was still slightly upward. Stock market prices rose to a new peak. Wholesale commodity prices, however, which reached an all-time high in early January, weakened somewhat and by the middle of December declined overall by about 15 per cent. The post-Korean excess accumulation of materials and inflation of inventories by all branches of trade was liquidated during the year. Fear of a serious shortage, even on a broadened defence production and mobilization base, vanished. Retailers' inventories declined by an average 2·6 per cent during the last half of the year, ranging from 0·1 per cent for hard goods to 8·2 per cent for textiles. As the November election approached, it was apparent (as well as politically expedient) that a large number of the material and price controls could be abolished or modified without undue harm to the nation's economy.

- **INDUSTRY**

One of the astounding developments of the year was the steel industry's resilient rebound to full production following the serious two-month strike in June and July. Even with a loss in production of some 18 million tons of steel, output for the whole year amounted to 93 million tons, as compared with 105 million tons in the record year 1951. The steel industry continued its expansion program towards a capacity of 120 million tons a year.

In the building and construction trades, only commercial construction suffered appreciably in 1952. Following relaxation of credit restrictions, housing picked up toward the latter end of the year and established its second highest record. Official and government building was maintained throughout the year.

FINANCE

Federal financing policy in 1952 brought a further increase in the national debt to meet a deficit of about \$6 billion, which was planned instead of higher taxation to meet expenditures during the fiscal year 1952-53 of \$74·6 billion. Of this amount, \$44·4 billion was earmarked for the military services. Military and economic assistance was budgeted at \$5·8 billion, but actual expenditures are likely to be about \$5·5 billion or 10 per cent higher than similar outlays for the previous year. There was strong evidence, apart from the election results, that under a "guns and butter economy" the taxpayer expects future budgets to be based on a "pay-as-you-go" principle, involving lower government outlays

PRIVATE SPENDING

During the fourth quarter the national income, reflecting the high level of employment and increased wage rates, reached \$300·2 billion. Private spending in 1952 was at about the same rate as in 1951, with a noticeable increase in savings, especially from the third quarter onwards. Consumer credit, however, expanded toward the end of the year following a relaxation in controls; by December 31 it stood at a record level of \$23·975 billion. The greatest increase was in instalment buying credit, especially for consumer durable goods. In spite of such increases, however, 1952 seems to have been a year of caution for the consuming public in general. At the year's end, the evidence concerning future consumer demand was mixed and contradictory.

AGRICULTURE

The 1952 crop production was the second largest in history in spite of drought in many areas of the country. The quality of the principal crops was generally excellent. Grain supplies will be ample to feed farm animals until the 1953 crops are harvested, although there are some shortages of hay.

Farm Population

There were 94 million head of cattle on farms on January 1, 1953, compared with 88 million a year earlier. The present number is an all-time record. Milk cows numbering 24 million head on January 1 represent a 3 per cent increase over January 1, 1952—the first increase since 1945. Milk heifers and heifer calves increased more than milk cows. The number of hogs on farms on January 1, 1953, was 14 per cent less than in January 1952. The 54·6 million head on January 1, 1953, compares with 63·6 million a year earlier and 63·8 million for the 1942-51 average. Sheep showed little change. During 1952, horses on farms declined 11 per cent and mules 8 per cent. This is a continuation of the decreases which have been occurring for many years. On January 1, 1953, there were 8 per cent fewer turkeys and 4 per cent fewer chickens on farms than in the previous year. In spite of a larger aggregate number, the total value of livestock and poultry on January 1, 1953, at \$14·9 billion was 24 per cent below the record value of \$19·6 billion in 1952.

69530—1½

Total assets of U.S. agriculture, including assets of farmers, were valued at about $172 billion on January 1, 1953. This was 2 per cent above the valuation one year earlier but considerably below the increases of 12 per cent in 1950 and 9 per cent in 1951.

The Sales Picture

The volume of marketings of agricultural commodities is running higher than a year ago, but prices are about 11 per cent lower. Large quantities of butter, cheese and dried skim milk are being accepted by the Commodity Credit Corporation, and larger quantities of agricultural commodities are now under government loans than at this time last year.

Total exports of farm products were down about 30 per cent during the second half of 1952, compared with the same period of 1951. This was chiefly the result of reduced exports of cotton and wheat. But exports of fruit, fats and tobacco were also smaller. With larger supplies of farm products and smaller exports, carryover stocks of wheat, cotton, corn and some vegetable oils are likely to increase in 1953.

With prospects of some further easing of prices received by farmers and continued large marketings, the farmers' cash receipts in 1953 are not likely to exceed those of 1952. Cost rates to farmers for most commodities used in farm production and farm wage rates are likely to rise gradually during 1953. Also, interest and tax charges are expected to be higher. As a result, the farmers' realized net incomes are expected to be somewhat smaller in 1953 than in 1952.

• BUSINESS

The most important economic impact of the Presidential election was the renewed confidence which the results brought to a highly taxed and moderately restricted business community. By the end of the year there was increasing evidence of a revival in those few branches of industry which had suffered temporary setbacks during the year.

In spite of the uncertain international outlook, the country ended the year in a more optimistic business frame of mind than it has had for some time. The danger is that business may expect too much too quickly from the new Administration.

Policy Changes

Undoubtedly many changes will take place in Washington in 1953 which will affect the business and economic climate not only of the United States, but of most other countries as well. The President's State of the Union message, delivered to Congress on February 2nd, was the first practical application of the changed political leadership in this country. Aside from the concern and anxiety caused by the President's statement of policy with respect to Formosa, his message to Congress was well received. It was, indeed, far more liberal in its treatment of foreign trade relations than was expected in some quarters. Contrary to expectations, he made specific reference to the necessity of early passage of the Customs Simplification Bill, which has been before Congress for two years, and to the extension of the Reciprocal Trade Agreements Act. The

President's injunction does not necessarily insure either the passage of these important pieces of legislation or that they will be in the most desired form. Hopes for the early passage of these bills, however, have been greatly buoyed.

Ceilings and Controls

One of the first tangible results of the new Administration's policy has been the almost complete abolition of price ceilings and the reduction of the Controlled Materials Plan (CMP) to a mere shadow of its former self. The further relaxation of business controls in the near future and the unlikelihood of the re-enactment of the Defence Production Bill seem assured.

• PROSPECTS

Efforts to bring the budget more nearly into balance may be offset by Congressional determination to reduce taxes, but a general revamping of the huge government machine, and the elimination of some services and overlapping, will at least reduce government expenditure. The effect of this on business is difficult to forecast. Most observers believe that for the first nine months of 1953 business and economic conditions will remain good, with business activity continuing at or near the high level of the past year. Even though there are encouraging signs of increasing recognition of the more liberal role this country must play—in two-way trade for example—the road in that direction is strewn with obstacles and cluttered with possible detours which may make the going slow.

The year 1953, therefore, may not be an entirely satisfactory one from this point of view. It will be important, however, since the kind of policies which take root will determine the eventual economic health of the free world and condition the background for improved international trade. Much may depend on whether the Government adopts the recommendations of the Bell Committee and others who have advised a broad liberalization of U.S. trade policy.

—JOHN H. ENGLISH
Commercial Counsellor for Canada

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.

Venezuela

The bags slung about this Venezuelan boy's neck contain the popular native cheese. But a taste for imported cheeses is growing.

The Market for Cheese

CARACAS—Venezuelans are eating more cheese; last year's consumption is estimated at 31 thousand metric tons. Of this, an estimated 26 thousand tons came from domestic production, largely of a type which tastes and looks like hard-packed cottage cheese.

Imports of cheese in 1952, according to Venezuelan statistics, increased by about 35 per cent over 1951. Ninety per cent of this came from three countries: 3,000 metric tons from the Netherlands, 1,400 from Italy and 200 from the United States. Canada was one of four other suppliers but contributed less than 1 per cent of imports.

Venezuelan Cheese Consumption*

(metric tons—2,204 lb. each)

Year	Production	Imports	Apparent Consumption
1945	20,000	710	20,710
1947	23,000	1,980	24,980
1949	26,000	2,590	28,590
1951	26,000	3,608	29,608
1951 (6 months)	....	1,900	....
1952 (6 months)	....	3,600	....

* Source: Ministry of Development, Caracas.

Types Preferred

Information from trade sources indicates the following order of preference in the Venezuelan market: Gouda from the Netherlands, Parmesan from Italy and Argentina, Edam from the Netherlands, and processed cheese from the United States. Various kinds of specialty cheeses are also imported, principally from Switzerland.

The Gouda, with 45 per cent butterfat, and Edam with 40 per cent butterfat, arrive on the market in nine to twelve lb. rounds packed six to a wooden crate; Parmesan is shipped in baskets containing two cheeses each, weighing 20 to 25 lb. Processed cheese comes in cartons containing either five lb. blocks or ½ lb. packets. The Parmesan, with a c.i.f. cost of approximately 60 cents a lb., is the most expensive, followed by Dutch Gouda and Edam cheeses at 36 to 40 cents a lb. Processed cheese is landed at about 30 cents a half-pound.

Selling Arrangements

The sale of cheese in Venezuela is usually handled by an agent operating on a 3 to 7 per cent commission, depending on the popularity and volume of the type offered. In many cases the agent also acts as a distributor, as the few large wholesalers prefer to handle products with an established demand rather than to pioneer. Most sales to importers are on sight draft which in Venezuela is interpreted as "sight of goods". Reliable retailers are granted 30 days.

Cheese is generally subject to a gross weight import duty of approximately 16 cents (Canadian) per lb., but under the revised *modus vivendi* signed between the United States and Venezuela in October 1952 Cheddar now pays only 13 cents per lb. However, this rate of duty, with the higher mark-up which prevails in Venezuela, puts imported cheese into the semi-luxury class. As a result, the volume of sales suffers.

Prospects for Canadian Cheese

Canada's best opportunity to increase her cheese sales to Venezuela would be as a supplier of part of the estimated annual demand of 50 metric tons of Cheddar and 150 metric tons of processed cheese. There are several problems, however. Most cheese orders are for small quantities and these are expensive to ship unless they form part of a larger consignment. It is usually necessary to route through New York to ensure the definite arrival date which the trade requires and inland L.C.L. rates add considerably to the marine shipping cost.

Must Be Competitive

Several popular American brand-name processed cheeses enjoy the consumer's preference. Canadian producers would have to advertise considerably or offer a much better price to secure a worthwhile share of the market. In addition, the total demand for Cheddar is small and sales promotion would probably be expensive and results slow.

On the brighter side—the overall demand for cheese is expanding, there are no import restrictions or currency difficulties, and Canada receives most-favoured-nation benefits. If the problems of introduction could be overcome, Venezuela could provide a steady and growing outlet for Canadian cheese.

—D. B. Laughton
Acting Agricultural Secretary for Canada

United Kingdom

The Midlands' Engineering Industry

Steel and pig iron production achieved a record in January, but foreign orders for capital goods and engineering products are falling off.

LIVERPOOL—From the varying reports on conditions in the engineering industries—to which are coupled, of course, both steel and pig iron production—it is possible to note certain trends and changes. Hard-and-fast statements are difficult to make because there are always exceptions, but the following facts and figures indicate how things are moving.

British production of steel and pig iron reached a record in January of this year—an annual rate of 18,009,000 tons. This compares with a rate of 15,234,000 in January 1952. Pig iron production increased to the rate of 11,121,000 tons a year, compared with a rate of 10,281,000 tons in the same period of 1952. The industry has been pursuing a comprehensive development plan in the past few years and its completion is reflected in the figures above. A further rise is expected in February.

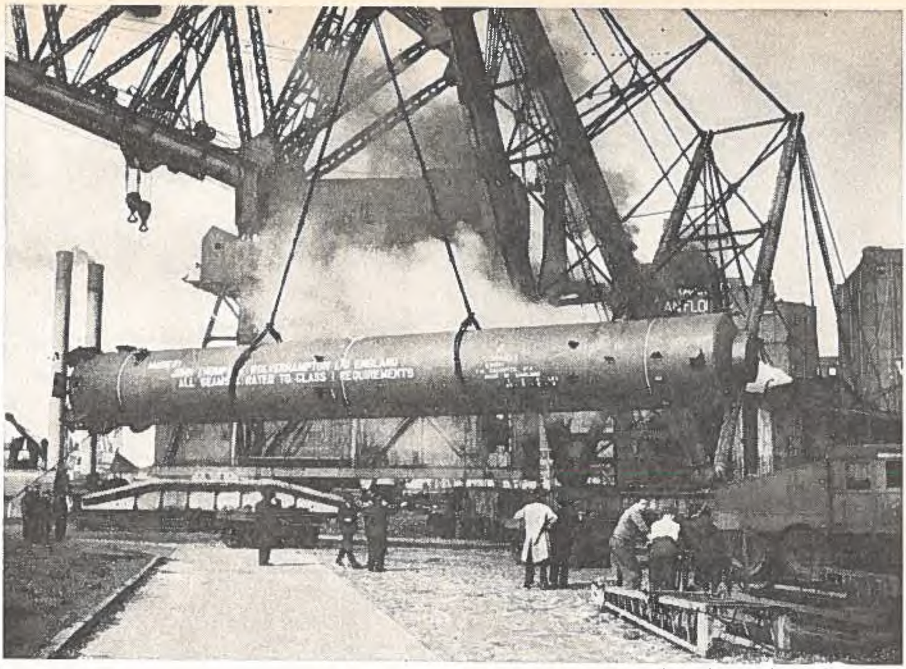
Originally, the steel industry looked for an output of some 17,500,000 tons in 1953, bringing supply and demand into line. Present prospects are that this goal will be reached.

Foreign Orders Decline

On the other hand, growing export problems are appearing. Outstanding orders, particularly in the Midlands, appear to be falling off and import restrictions imposed by sterling area Commonwealth countries are having their effects. Growing competition from other countries, such as Germany, Japan, France, Italy, the United States and Belgium, is also being felt. If the present trend continues, it will not be many months before the backlog of accumulated orders is filled. This dearth of new orders is fairly general, not only among producers of things such as electric motors, agricultural implements, engines and other machines, but also of the heavy capital goods. With the latter, however, long-term production programs will carry through for some time. Selling conditions have changed radically during the past year and it would not be surprising if output had to be cut down—but only temporarily, it is hoped.

In the heavy electrical engineering industry in this area, the orders on hand in many cases will require two to four years to complete and it is production capacity rather than demand that governs. In the lighter sections of this trade, there has been a falling-off in demand, with some few exceptions. This has brought quicker deliveries.

In the machine tool industry, lack of labour has held production back. Manufacturers of textile machinery and accessories and locomotive builders are feeling the effect of growing foreign competition. Partly because



—U K. Information Office

This great container, made in Wolverhampton and weighing some 68 tons, is seen starting its long journey to India. It is a typical product of the Midland steel industry which is facing reduced export orders.

of this, the supply of certain raw materials and components has improved. This had been one of the industry's major difficulties.

Generally speaking, the feeling in the Midlands is one of uncertainty about business prospects. The more buoyant feeling that was evident toward the end of the year has changed with slackening business. Manufacturers engineering prefabricated buildings, principally for Commonwealth markets, have found things much quieter. Large orders for rolling stock equipment seem lacking and were it not for big ones placed by the Railway Executive, to run over a period of five years, the trade would not be very happy.

In Yorkshire, the picture is somewhat different. There the story is one of increasing activity and expanding output. Though the demand for finished or nearly finished steel has declined slightly, orders for raw and semi-finished steel are increasing. In 1952 Sheffield produced 44 per cent more than in any year before the war.

In a large plant, the blast furnace charging equipment has been mechanized, pig iron production increased, and a new rod and bar mill is being installed. Some of the larger forging plants are active in maintaining and re-building open hearth steel melting furnaces and installing re-heating and heat-treating furnaces. The English Steel Corporation has orders for most sections for many months ahead and the heavy forgings department has work booked into 1956. Satisfactory conditions prevail in the Sheffield area.

—M. J. Vechsler

Canadian Government Trade Commissioner.

Ambassador to Indonesia Appointed

George R. Heasman

George R. Heasman, O.B.E., Director of the Canadian Trade Commissioner Service since 1945, has been appointed Canadian Ambassador to Indonesia and will leave in April to take up his new appointment in Djakarta. Mr. Heasman is not unfamiliar with Indonesia; he was stationed in Batavia (the name by which the former capital of Java was known) from 1928 to 1933. As Canadian Trade Commissioner in Java, Mr. Heasman travelled extensively through Southeast Asia and was directly responsible for the promotion of Canadian trade there.

Born in Ottawa in 1898, Mr. Heasman attended public and high schools in that city and graduated from Queen's University, Kingston, with a B. Com. degree. After four years with the Foreign Sales Department of the Wayagamack Pulp and Paper Company, Mr. Heasman joined the Canadian Trade Commissioner Service and was posted to Batavia in 1928. In 1933 he was transferred to Cape Town and spent the next six years in the Union of South Africa and East Africa.

Mr. Heasman was posted in 1939 to London, England and in 1940 to Chicago. He was recalled to Ottawa in 1941 and prepared a report which resulted in the establishment of the Export Credits Insurance Corporation. He then organized the Canadian Export Permit (licence) Branch of the Department of Trade and Commerce and remained as its chief until the end of the war. He also acted as assistant to the director of the Mutual Aid Board and took a prominent part in organizing and administering this agency, which later procured supplies here for UNRRA.

Mr. Heasman was appointed Director of the Canadian Trade Commissioner Service in 1945. In 1947, he was a member of the Canadian Government Trade Mission to South Africa, East Africa and the Mediterranean countries, a mission which was headed by the Minister of Trade and Commerce and which included Canadian businessmen and government officials. In 1950, he again visited South and Southeast Asia on a round-the-world inspection tour of Canadian Foreign Trade Service offices.

Australia's Steel Industry

SYDNEY—Australia produces the cheapest steel in the world, largely because of modern methods of production and high-grade raw materials situated near economic transport. The total production of steel comes from two plants—Broken Hill Pty. Ltd., at Newcastle, New South Wales, and its subsidiary company, Australian Iron and Steel, at Port Kembla, New South Wales. Both these plants are in coal mining areas and the iron ore (62 per cent iron content) is transported by sea from Whyalla in South Australia and from Yampi, an island off Western Australia. All other materials needed for iron and steel making are also easily accessible. The two plants have each three blast furnaces in operation with a total capacity of 2,288,000 tons a year. Another blast furnace, with an annual capacity of 290 thousand tons, is to be built at Newcastle within the next two years.

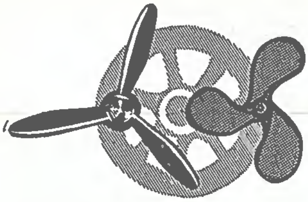
Of recent years, production of iron and steel has been well below capacity because of a shortage of manpower for the mines and steelworks. The result is that steel has been in short supply locally and none has been available for export, except for small quantities allocated for the New Zealand market. During 1952 the labour position improved considerably, record quantities of coal were mined, and by the end of the year the steel industry reached capacity production. Production of steel during the year ended June 30, 1952, was 1,139,000 tons, compared with 1,055,000 tons the previous year. Estimate for the current year is 1,450,000 tons.

Expansion Plans Implemented

Despite the fact that Australian steel is the cheapest in the world, the local industry has been unable in postwar years to supply the demand and has had to import very large quantities from the United Kingdom, the European continent and Japan, at very high prices. In some years imports have amounted to half of local production. Most types of steel are still short and manufacturers are under allocation but 1953 should see a vast improvement. Imports will fall off and when present expansion programs are completed—about 1955 or 1956—supplies should be sufficient to meet domestic requirements and leave a surplus for export. Blast furnace capacity at present exceeds open hearth capacity and supplies of pig iron are available for export. Exports of about 40 thousand tons of pig iron went to the United Kingdom, Belgium and Italy during the last quarter of 1952.

Australia makes all types of finished steel products—with the exception of certain special alloy steels—and the present expansion program includes extending facilities for producing finished steel products of various types. The program embraces also the construction of a tin plate mill, the first in Australia. At present, total requirements of tin plate of between 115 thousand and 120 thousand tons are imported from the U.K. but the new mill will take care of this demand.

—C. M. Forsythe-Smith
Assistant Commercial Secretary for Canada



TRANSPORTATION NOTES

AUSTRALIA

Record Shipping at Melbourne—In 1952, for the first time in its history, the gross tonnage of shipping entering the Port of Melbourne exceeded 15 million tons—more than double the total of the first postwar year. An important feature of the record tonnage was a 10 per cent increase in the volume of interstate shipping. More than 65 per cent of the overseas ships berthing were British and 93 per cent were motor vessels or oil burners—Melbourne, February 21.

CHILE

Pan-American Highway—Official circles say that the Santiago-La Serena section of the Pan-American Highway, a total distance of 486 kilometres, will be completed in August. Construction has taken six years and has meant the removal of more than 20 million tons of earth. It included two important river bridges and a three-span viaduct 50 metres high—Santiago, February 2.

IRELAND

Air Service to U.S. Postponed—Inauguration of a new transatlantic air service between Boston, New York and Shannon—scheduled to begin in April— has been postponed until 1954. Delay in receiving approval from the United States Civil Aeronautics Board, and modifications to the present agreement between Aerlinte and Seaboard and Western Airlines, have caused the postponement. The C.A.B. has imposed a two-year limit on the agreement. Super-Constellation aircraft for 80 passengers will be used instead of the Skymasters originally planned. Fares will be tourist rate—Dublin, February 18.

PORTUGAL

Merchant Service Expands—The Portuguese Merchant Service is steadily developing and has now under construction in metropolitan Portugal four passenger-cargo ships of 5,500 tons each, one fruit cargo ship of 4,000 tons, and one tanker of 16,000 tons. Foreign shipyards are constructing for Portuguese shipping companies two liners of 10,000 tons, one tanker of 16,000 tons and one modern cargo vessel of 4,000 tons.

Building of these vessels has been stimulated largely by the increased trade between Portugal and her overseas provinces of

Angola and Mozambique. Additional tonnage is contemplated in Portugal's six year plan of development, both at home and overseas—Lisbon, February 5.

SINGAPORE

Shipping Tonnage—During the year ended June 30, 1952, there was a large increase in shipping handled by the port of Singapore. Total tonnage handled was 36·5 million, as compared with 25·5 million in 1948, and 30 million in each of the years 1949 and 1950. In 1951 and 1952, 24,556 merchant ships and native craft passed through the Singapore Harbour Board—Singapore, January 31.

SOUTH AFRICA

New Airport—Opening of the new £6M Jan Smuts airport should take place in April or May, according to the latest reports. If so, the Union's biggest air terminal will begin operations by handling traffic for the Coronation which, according to advance bookings, will be the heaviest in South African aviation history. The main runway (10,000 feet long) and two secondary ones have been completed, and work is now progressing on the terminal buildings and the lighting system. When completed, this new airport will bear comparison in all respects with the most modern anywhere—Johannesburg, February 16.

SWEDEN

U.S. Orders Ships—U.S. representatives and Swedish shipyards are negotiating, it is reported, over the building in Sweden of new-type tankers with a total tonnage of 77 thousand at a cost of approximately $24 million. The vessels will have a speed of 18 knots and will be 2,000 tons deadweight. The bridge on these tankers will be constructed on a pontoon base which, if necessary, can quickly be freed from the hull. There will also be space for the whole crew on the bridge, from which all operations during a military engagement can be remote-controlled. These vessels will be equipped with exceptionally strong pumps so that, if necessary, the oil can be pumped up to an air base ashore. No harbour is necessary for loading and unloading—Stockholm, February 17.

UNITED KINGDOM

Shipbuilding—At the end of 1952 some 336 ships of 2,146,402 gross tons were under construction in the U.K., an increase of 83,920 tons over the September quarter. Of this tonnage, 31·3 per cent is being built for registration abroad; 56·6 per cent represents oil tankers.

Outside the United Kingdom, *Lloyd's Register* reports, steamships and motorships under construction on December 31, 1952, totalled 843 ships of 3,972,183 tons gross, an increase of 169,792 tons compared with September—London, February 25.

United States

The Livestock and Meat Market

The great increase in cattle numbers sets the stage for a year of uncertainties. But no drastic overall changes are expected in the coming months—if the weather is normal.

WASHINGTON—During the 3½ years preceding February 1, 1952, Canada exported to the United States livestock and meat to the approximate value of $450 million. On March 2, 1953, the United States Government removed the restrictions against the import of livestock and livestock products which were imposed on February 26, 1952, because of the outbreak of foot-and-mouth disease in Saskatchewan.

Now the important question is: what effect will the opening of the United States border have on trade in these products and how will it affect the Canadian market? Unfortunately we cannot answer these questions correctly nor can we make predictions. We shall, however, outline the present situation in the American livestock industry and indicate in general terms the developments expected in the year ahead.

Supply—Beef and Veal

The official estimates* indicate that the cattle population increased during 1952 by 5·8 million head to reach a record high of 93·7 million. This compares with only 77 million head on January 1, 1949, and 85·7 million on January 1, 1945. Because cattle cannot be used to build up herds and at the same time be slaughtered for meat, this great increase is evidence that, during the same period, cattle slaughter was rather small. Statistics show that the 1952 slaughter was relatively the smallest since 1933 and in absolute terms the second smallest since 1942. It was, however, larger than the 1951 slaughter and practically all of the increase came in the second half of the year. This background of tremendously increased numbers of cattle and now the swing to increased slaughtering provide the main basis for the official** predictions that (given normal weather) slaughter of cattle and calves, and hence beef and veal production, may increase in 1953 by approximately 15 per cent over 1952. If grazing and feed conditions are good, fewer cattle will probably be slaughtered; if there is serious drought, cattle slaughterings will probably rise. It should be noted that the official predictions were based on an assumed 1952 increase in cattle numbers of only five million head.

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* USDA estimates of cattle population on farms as of January 1.

** "Official" here and hereafter refers to the Bureau of Agricultural Economics of the U.S. Department of Agriculture.

These expectations are supported by the fact that the 5,836,000 cattle on feed*** on January 1, 1953, represented 16 per cent more than the previous year, 35 per cent more than the 1947-51 average and, in fact, the highest on record. Nebraska, Missouri, Iowa, Oklahoma, Indiana, Illinois and Wyoming showed the greatest increases; Texas and some of the far western states showed declines. From the standpoint of meat production, however, some of the increase is discounted by the fact that in the corn belt at least there is a larger percentage of light cattle than last year. These cattle will require more time in the feed lots or will be sold with less finish at lower weights. It is also reported that corn belt feeders intend to market at a faster rate than last year. This leads to the conclusion that the number of fed cattle to be received at corn belt markets in the first quarter of this year will be substantially higher than last year, but that the increases will be confined almost entirely to the lower grades. The corn belt states supply about three-quarters of the fed cattle as defined in the footnote.

Hay and Feed Supplies

On the feed side, the situation for the country as a whole appears to be one of very slightly increased supplies of feed grains and other concentrates per grain-consuming animal unit, and a 6 per cent smaller supply of hay per roughage-consuming animal unit in 1952-53, compared with 1951-52. In addition, the below-average condition of both pastures and ranges last fall has necessitated increased feeding of hay and other feeds. In view of the already high hay prices (8 per cent higher in December than a year earlier) and the expected strengthening in feed prices (led by corn as the effect of the price support program is felt) the feed situation cannot, in our view, be expected to encourage long feeding of cattle. This will hold true especially if, as many are predicting, cattle prices continue to decline.

In certain sections of the South and Southwest, however, the shortage of feed appears to be serious in spite of a government emergency assistance program which gives financial help in the form of a transportation subsidy on hay. Whether or not this program can forestall all emergency marketing of unfinished cattle is not yet clear. The drought continues in the central states, with little relief in sight. January precipitation in the affected states ranged between 30 and 75 per cent of normal.

During the latter part of the year, weather conditions are likely to be exceptionally important. The tremendous numbers of cattle on hand at a time when producers are, according to past cycles, apt to be contemplating some reduction in their herds, coupled with a declining market, produces a situation likely to be unusually sensitive to serious drought or sharp price changes.

Pork Supplies

In contrast to beef and veal, the output of pork is expected to decline in 1953. Latest official estimates set the reduction at from 12 to 15 per cent below 1952—or about enough to offset the predicted increases in beef and veal. These estimates are based on the 11 per cent decline in the 1952 fall pig crop compared with 1951 and the indicated reduction

*** Includes only cattle being fattened for market as a more or less distinct enterprise and excludes small operations incidental to dairying and general farming.

of 13 per cent in the number of sows to farrow in the spring of this year compared with 1952. Another factor is that a larger than usual proportion of the 1952 spring pig crop appears to have been marketed before the year's end. However, because estimates of spring farrowing are based on farmers' intentions on December 1st, they are subject to considerable revision. At least one unofficial forecaster suggests that there will not be as large a decline as officials predicted. Feed prices have changed little since December and hog prices have increased no more than seasonally. On the other hand, the hog-corn ratio is more favourable to the hog raiser than it was a year ago.

Total Supply

Official estimates call for slightly decreased production of mutton and lamb in 1953 and slightly larger supplies of poultry. In summary, therefore, the official forecast is that, given normal weather, the total supply of meat in 1953 will be slightly below that of 1952. On a per capita basis this would mean a reduction of approximately 2 per cent.

During the 6-week period ending February 7, 1953, total meat production has been officially estimated at 2,244 million pounds—or 3·4 per cent higher than for the corresponding period in 1952. During the third of these weeks, total meat production was more than 14 per cent higher than in the previous year and beef production about 34 per cent higher. These very heavy marketings caused widespread concern in agricultural circles and led one leading journal to suggest that the official forecast for the year was too low. During the last of these weeks, however, and in spite of continued high beef marketings (17 per cent over 1952), total meat production was 6 per cent less during the corresponding week in 1952, mainly because of a 24 per cent decline in pork production.

On the whole, therefore, there does not as yet (February 14) seem to be sufficient evidence to suggest that actual production will be seriously out of line with the official estimate. At the same time, the potential for greatly increased marketing of cattle provided by the record high numbers on farms can scarcely be over-emphasized. The same large numbers, plus the timing of the present cattle cycle, suggest that there is much less possibility of actual beef production falling below the official estimate. In addition, the improvement in the hog-corn ratio over a year ago suggests that pork production is more likely to exceed the estimate than to fall below it.

Predicting Demand

Historically, in the United States the relationship between changes in disposable personal income and in the retail value of meat consumed has been exceptionally close. During the years 1940-48 war and postwar influences disturbed this relationship but it now appears to be operating once more. Hence a forecast of the demand for meat may reasonably use as a basis the forecasts for personal income—though these are not necessarily conclusive.

It seems safe to predict that, barring major international developments, there will be no drastic fluctuations in economic activity and personal income in the U.S. in 1953. We may therefore look forward to a year of prosperity and an accompanying demand for meat at least as strong, on the basis of retail value, as in 1952.

Assuming that total meat production during 1953 will approximate that of 1952 and that total consumer income will remain at or near the 1952 high levels, experience indicates that retail consumers will spend approximately the same number of dollars for meat as they did in 1952. Hence the *average* price for all meat may not change greatly. If these assumptions prove correct, and if the historical relationships continue, the question remains: how will these relationships be translated into prices of the different classes of livestock and meats during the course of the year?

Price Changes in Hogs

The normal expectation is for the price of hogs to rise fairly sharply during January, February and March to about the average for the year, lose part of that gain in April-May, rise sharply and steadily to a short annual peak in late summer, and drop to the seasonal low in December. A few of the more obvious special circumstances this year which may be expected to influence the seasonal price pattern are:

- The substantial reduction in hog numbers compared with the previous year, suggesting an upward trend in prices for the year as a whole.
- The reported larger than normal slaughter of fall crop pigs before January, suggesting a smaller than normal decline in spring prices.
- Very heavy competition from large quantities of beef and poultry, combined with a consumer preference for beef and an expected decline in beef prices, suggesting that expected hog price increases may be more moderate than hog numbers would indicate.
- The actual size of the spring, and to a certain extent the fall, pig crops will determine to a large degree price changes in the latter part of the year.

Cattle—the Price Pattern

The normal seasonal price pattern for cattle is a steady climb from below average in January through four or five months to a seasonal peak in May or June, then a gradual drop to about average in July or August. This is followed by a slight recovery of short duration, then a sharp decline to the seasonal low in November and December. It is interesting that the seasonal pattern for prime quality steers in Chicago has been almost the exact reverse of this, with the highest prices received from September to January and lowest prices in May. Prices of stocker and feeder steers, on the other hand, have followed the average pattern quite closely.

Because average cattle prices represent a number of quite dissimilar sub-groups (cows, bulls, feeders and stockers, steers, etc.) more than average hog prices do, the seasonal fluctuations of these averages have not the same significance nor are they of as much general interest as the average hog prices. Furthermore, the complexity of the problem and lack of space prevents us indicating here the normal seasonal price patterns of cattle by sub-groups and discussing those patterns in relation to the special circumstances of this year. But we can draw attention to some of these special circumstances, confirmed or expected, and suggest how they may affect the general cattle price picture.

Factors which may be expected to influence cattle prices adversely in 1953 are:

- The phase of the present cattle cycle in the United States: cattle numbers are at or near a peak and may possibly decline during 1953. In any event, marketings will be larger than in the last few years and could be very much larger. This is undoubtedly the dominant factor in the whole meat price situation.

- One result of this trend of increased marketings and hence lower prices will probably be a tilting downward of the normal January-June price rise and a steepening of the price decline in the fall months.

- Supporting this tendency is the very low prices paid in some instances last fall for feeder and stocker cattle, which will permit feeders to sell fat cattle at relatively low prices and still maintain their profit margin.

- The rather precipitous price decline during January which appears to have levelled off may have carried prices to such a point (27 per cent below last year at the farm on January 15) that, even if a normal price pattern were followed during the remainder of the year, the average price for the year could be very considerably below the 1951 average.

Buoyant Factors

The following factors are among those that may be expected to buoy up cattle prices:

- Economic activity and hence consumer incomes are expected to be maintained and possibly increased during 1953 without any appreciable change in the general cost of living.

- Supplies of hogs, the most direct competitor for the consumer's dollar, are expected to be considerably less than last year.

- The dropping of all controls on livestock and meat on February 6, 1953, is expected by Secretary Benson and the American meat industry to stimulate sales and stabilize the market.

- During 1952, the wholesale-retail margin increased noticeably. Much of the excess in this margin was squeezed out in the January price drop, thus cushioning the effect on the farmer of the severe price drops at the retail level.

- The American meat industry, acknowledging the dangers in the present situation, is organizing a 16-week promotion drive under the aegis of the National Livestock and Meat Board. The drive, which is described as the most comprehensive of its kind the industry has ever scheduled, will cover at least 30 of the largest cities in the country.

The net effect of all these factors upon actual livestock and meat prices in 1953 is beyond our ability to predict. It seems safe to suggest, however, that the size of actual cattle marketings and beef production will be of prime importance. This in turn will be affected by the actual, as opposed to estimated, numbers on farms, by the availability of feed as influenced by the weather, particularly in the second half of the year, and by a variety of psychological factors.

—W. F. Hillhouse
Assistant Agricultural Secretary for Canada

GENERAL NOTES

BRAZIL

New Aircraft Factory—The Air Minister has signed a contract between the Brazilian Government and the Fabriek Fokker Airplane Company of Holland to manufacture aircraft for civil and military use. The factory will be constructed at Galeao airport in Rio de Janeiro—Rio de Janeiro, February 16.

BRITISH EAST AFRICA

Oil Search—The Anglo Iranian and Royal Dutch Shell companies are making a joint geological and geophysical search for oil fields in East Africa. An aerial survey of Tanganyika is under way, and will be followed by examination of structures in Zanzibar, the Pember Islands and Kenya. Ground surveys already begun in the coastal area are working inland—Cape Town, February 16.

CUBA

Sugar Bag Weight Reduced—Because of pressure applied by labour, the Cuban Government has ordered that the 325-Spanish pound bag used for packing raw sugar be replaced by a 250-Spanish pound bag. This substitution will take place gradually as follows. Beginning with the 1953 sugar crop, mills must pack a minimum 25 per cent of their output in 250-lb. bags; from the 1954 crop, 75 per cent, and the entire output of the 1955 crop and future crops. In paying taxes, freight charges, wages and handling at mill, warehouses, docks and ports, charges for which are stipulated in terms of 325-lb. bags, sugar packed in the new 250-lb. container will be considered as having been packed in the larger bag. In this way, tax, handling, transportation, warehousing and shipping costs will not be increased—Havana, February 20.

INDIA

Machine Tool Factory—The Government of India and a Swiss firm, Messrs. Oerlikon Machine Tool Works, Buerle & Co., have signed articles for the establishment of the Hindustan Machine Tools Ltd. The authorized capital of the company is Rs.120 million, and its production program covers the manufacture of high-speed lathes, heavy-duty drilling machines, shaping machines and milling machines.

Construction of the factory near Bangalore is progressing and some of the capital equipment has been installed. It is expected that the factory will go into full production by the end of this year.

The Swiss firm is also responsible, in association with the Ministry of Defence, for the construction and equipment of the Ambernath machine tool factory which was officially opened recently.

As soon as the Hindustan Machine Tools Limited is in full production, it is anticipated, India will have attained self-sufficiency in high-quality, general purpose machine tools—New Delhi, February 10.

ITALY

Iron and Steel Plants—The first complete cycle set of plants to be built in Italy for the working of iron and steel will be in operation near the end of 1953. One of the two giant blast furnaces in the plants has recently been inaugurated. These plants were first planned and their construction begun in 1936-37. They are said to be among the biggest and most modern plants of their kind in the world and will permit production of iron and steel products at costs similar to those in the leading metal-producing countries. The plants are conveniently situated near the quay at Cornigliano-Genoa and comprise 30 buildings and 40 kilometres of railway track. Facilities for the unloading of ore and coal from large tonnage ships and storage for 100 thousand tons of coal are provided. The gas extracted from the coal will be stored in two gasometers, the largest of which has a capacity of 150 thousand cubic metres, sufficient for the domestic use in a city of two million inhabitants. The two blast furnaces, 35 metres high with a capacity of 750 tons each, will require 1,500 tons of coke a day. Each iron casting will be of 150 tons with a daily output of 750 tons. The total output of the plants initially is expected to be about 600 thousand tons of raw steel a year, and an increase to one million tons a year is anticipated within a few years—Rome, February 14.

UNITED STATES

Business in the Detroit Area—A recent report of the Detroit Board of Commerce summarized the current business activity of the area in the following terms:

"Factory employment reached a record of 736 thousand in January. Non-manufacturing employment also reached a record 619 thousand. Weekly earnings of factory workers in November averaged $90.69, 19 per cent higher than the weekly average for 1951. The local cost of living is only 4 per cent over the 1951 average. Bank clearings of $3 billion in January were 7 per cent above the best 1952 month. Car and truck production, an excellent economic indicator in Detroit, also show an increase over last year. January production this year was 7 per cent over December and 49 per cent over January 1952 (577 thousand units this year as against 389 thousand units in January 1952)"—Detroit, February 16.

The Farmers' Year

OSLO—Of Denmark's total area—approximately 16,560 square miles—73·3 per cent is today under cultivation and about 25 per cent of her total population of 4½ million is employed in agriculture. A 1949 census showed 206,635 farms, including small holdings. The average size was about 37 acres, with small and medium-sized holdings predominating.

The most recent agricultural census, taken on July 12, 1952, showed that, of the 7,726,817 acres under cultivation, 42·4 per cent was devoted to grain, 18·6 per cent to potatoes and other root crops, 2·8 per cent to seeds and allied crops, 23 per cent to grass land in crop rotation, 13 per cent to permanent pasture, and 0·2 per cent to fallow. As compared with 1951, when the total was 7,775,210 acres, grain growing increased considerably at the expense of the other crops. Incidentally, Denmark has the largest grain yield per acre of any country.

Mechanizing the Farms

The number of farm labourers in Denmark has declined steadily from year to year as a result of more modern farming methods and the increased use of mechanical equipment and implements. In July 1952 the number of farm labourers was 201,500, a drop of 13 thousand in one year.

The following table illustrates the remarkable growth in the use of modern equipment on Danish farms in the course of one year.

	12/7/52	14/7/51	1949
Number of farms with tractors	30,118	23,176	4,184
Number of tractors	32,407	25,317	....
Number of farms with milking machines	105,885	91,084	30,402
Number of threshing machines	800	426	308
Number of farms with silos and pits for ensilage	93,407	85,293	....

Of the total number of farms in Denmark, 45·4 per cent had silos or pits for ensilage in 1952, as compared with 41·4 per cent in 1951.

Livestock Raising

The livestock census in 1952 yielded some interesting results when compared with the 1951 figures.

	12/7/52	14/7/51
	Head	
Horses	423,000	465,000
Cattle	3,057,000	3,110,000
Of which milch cows	1,473,000	1,584,000
Pigs	3,632,000	3,189,000
Of which sows	439,000	339,000
Fowls	23,411,000	22,250,000
Of which hens	9,668,000	9,766,000
Other poultry	639,000	606,000

The pig population increased during the whole of 1952, reaching 3,909,000 early in November.

Record Harvest

Denmark had a record harvest in '52, according to official reports. Figures for the various yields, calculated in crop units according to fodder value (one crop unit equals the fodder value of 100 kilograms of barley) show that the 1952 harvest amounted to 135·7 million crop units, or 6·7 million more than in 1951. The previous record, set in 1949, was 132·5 million crop units. The preliminary grain crop figures for 1952, as compared with 1951, are shown below:

	1952	1951
	metric tons	
Wheat	275,000	277,000
Rye	335,000	269,000
Barley	1,965,000	1,748,000
Oats	910,000	829,000
Mixed grain	755,000	670,000
Total	4,240,000	3,811,000

The potato crop in 1952 was reported as normal (equals 100 according to the international percentage scale). The 1951 crop, which totalled 1,952,000 metric tons, is described as an international percentage of 93.

The production of agricultural produce of animal origin during the first nine months of 1952 and 1951 and for the whole of 1951 is set out in the following table.

Products of Animal Origin	Jan.-Sept. 1952	Jan.-Sept. 1951	1951
		metric tons	
Milk	3,895,000	4,134,000	5,235,000
Butter	119,700	133,800	168,100
Cheese	68,600	60,700	74,900
Pork and bacon	286,200	302,100	395,300
Beef and veal	130,500	141,900	206,600
Eggs	94,600	94,800	122,500

Cheese production achieved a record in 1951 and the 1952 figure will probably be still higher. Statistics for the first nine months of the two years show the 1952 figures as nearly 8,000 tons over that for the same period of 1951.

Agriculture's importance in the Danish economy is reflected in her imports of raw materials required for agricultural production and her exports of agricultural produce. The former totalled almost 10 per cent of total imports and the latter nearly 60 per cent of total exports. The two following tables show the value of these imports and of the leading agricultural exports for the first nine months of 1952 and 1951.

Imports of Raw Materials for Agriculture	Jan.-Sept. 1952	Jan.-Sept. 1951
	million kroner	
Feeding grain, bran, etc.	84·7	94·1
Oil cakes	133·4	174·3
Other feeding stuffs	15·7	47·8
Fertilizers	185·1	159·4
Other raw materials	7·6	10·0
Total raw materials for agriculture	426·5	485·6
Percentage of total imports	8·6 per cent	9·2 per cent

Exports of Agricultural Products	Jan.-Sept. 1952	Jan.-Sept. 1951
	million kroner	
Pork and bacon	773·8	712·1
Butter, not canned	563·7	652·8
Eggs	272·3	212·2
Live cattle, including calves	188·5	282·5
Cheese	177·0	144·6
Beef and veal, fresh and frozen	109·1	18·6
Grain, unmilled	83·9	31·7

Sales to the U.K.

The United Kingdom, the most important market for a number of Denmark's agricultural products, took 137,352 metric tons of pork and bacon out of a total export of 145,945 tons during the first nine months of 1952; 72,218 tons of butter out of a total of 91,788 tons, and 45,343 tons of eggs out of a total of 61,068 tons. Live cattle exports totalled 160,299 head and of this, Germany took 143,403 head. The bulk of Denmark's cheese exports went to Western Germany and the U.K., which took 17,132 tons and 12,244 tons respectively. Exports of beef and veal, to a total of 24,316 tons, found markets mainly in Italy, Western Germany, France and Switzerland.

Bacon Agreement

By the middle of November the new bacon agreement with the United Kingdom had been concluded and, as a result, Denmark's sales to that country should be assured for the next two years. The increase in British hog production—and the difficulties experienced in placing Danish pork and bacon on other markets—gave rise to a number of problems for the Danish representatives during their negotiations with the British authorities. The result was a reduction of 9 per cent as compared with the average price for the last agreement year. However, according to official reports this price was acceptable to the Danish delegates, who seemed satisfied at having achieved results more or less in line with their expectations.

—J. L. Mutter
Commercial Secretary for Canada

COMMODITY NOTES

JAMAICA

Molasses—In 1952 Jamaica exported four million gallons of molasses. Although production will be considerably higher this year, no increase in overseas sales will be considered. Surplus production will be diverted to the manufacture of industrial alcohol for local consumption—Kingston, February 10.

JAPAN

Grain—Japan imported 3,640,000 metric tons of grain in 1952, according to a Food Board survey. This was made up of wheat, 1,680,000 tons; rice, 980 thousand tons, and barley, 980 thousand tons—Tokyo, February 19.

Canned Goods—During 1952 Japan exported 2½ million cases of canned food, a 40 per cent increase over exports in 1951. Shipments of canned fish, such as tuna, sardines, mackerel, etc., amounted to 2,009,000 cases, up from 1,355,000 cases in 1951. The remaining 495 thousand cases consisted mainly of mandarin oranges and bamboo shoots, a large increase over the 395 thousand cases exported in 1951—Tokyo, February 19.

NETHERLANDS

Hay—Serious hay losses in the flooded areas of the Netherlands make it necessary to ban normal exports of hay. Farms in areas not affected by the flood have taken in evacuated cattle for which there is not sufficient fodder. The present order is designed to provide for such cases. In announcing this policy, the Ministry of Agriculture stated that resumption of exports will be considered later—The Hague, February 9.

SCOTLAND

Jute—A well known jute-producing firm has acquired a factory site on Milton of Craigie Industrial Estate, Dundee, and will use it to manufacture jute products for dollar markets. Looms will be taken out of storage and installed in the new factory to meet the demand for specialized Dundee makes of jute cloth. The factory will be producing in a few weeks' time—London, February 10.

Whisky—Scotch whisky exports in 1952 exceeded the target by more than one million gallons and reached an all-time high. The total was 11,520,564 proof gallons, which earned £33,026,966 in foreign currency. About 6 million gallons went to the U.S., worth £18 million. Canada was the next biggest customer, paying £3 million for nearly one million gallons—London, February 14.

SOUTH AFRICA

Titanium—A big deposit of titanium ore has been discovered on the Natal south coast and a South African mining company is carrying out development over a large area. Mining will begin this year. An experimental plant has been installed and samples of the first output sent to the United States. More than one million tons of ilmenite ore containing 50 per cent titanium oxide are said to exist around Umgababa—Johannesburg, February 20.

SWEDEN

Kraft Paper—One of Sweden's largest pulp and paper mills recently installed a new kraft paper machine, claimed to be the country's largest. It will increase their annual production from 42 thousand to 65 thousand tons. The machine has a production capacity of about 30 thousand tons of kraft paper a year, is 100 metres long, nine metres high, and manufactures paper 5·26 metres broad. With the new machine erected in three other mills, Sweden's total production capacity is now 90 thousand tons—Stockholm, February 4.

WEST GERMANY

Toys—West German toy exports totalled approximately 68 million D marks at the end of November, compared with 72 million D marks for the whole of 1951. December 1952 exports are estimated at 4 or 5 million D marks, making a total equal to last year's. Despite foreign import restrictions (e.g. Great Britain) and greater foreign competition (e.g. Japan) the record level of 1951 was maintained. Chief customers were the United States, Sweden, Belgium and Switzerland. Prices were generally regarded as fair—Bonn, February 5.

Pencils—Exports of pencils in 1952 were about 30 per cent lower than in 1951, the result, it is said, of import restrictions in some countries and increasing production in others. Japan especially is producing cheap lead and coloured pencils. Nevertheless, it is felt that German quality products will succeed in holding their own in world markets. The domestic market maintained the level of the previous year and the total assortment has been sold out—Bonn, February 5.

TRADE AND TARIFF REGULATIONS

BRAZIL

Free Exchange Rate—The law creating a free exchange market in Brazil came into effect on February 21, 1953. Exchange operations in the free market have resulted in a rate of about 40 cruzeiro to the U.S. dollar as compared with the official rate of 18·5.

Although exchange earned from Brazil's principal export, coffee, must continue to be sold at the official rate, a percentage of the exchange earnings from minor Brazilian exports may now be sold at the free rate. The percentage ranges from 15 to 50 per cent, depending on the commodity. Among the items accorded the special rates are rice, cocoa butter, shelled brazil nuts, babassu oil, castor oil, cotton linters, cotton textiles, tanned hides and skins, and sisal.

On the import side, Brazil's essential imports will continue to be financed with exchange obtained on the official market. Certain imports may be financed with exchange purchased in the free market. No announcement about what commodities might be so licensed has yet been reported.

INDONESIA

Exchange Rates—The Singapore office advises that Indonesia has reported a modification of the Indonesian exchange regulations which results in an additional effective exchange rate applicable to specified semi-essential imports.

Formerly there were three effective import (selling) rates of exchange and a single export (buying) rate. These various import rates resulted from the use of so-called inducement certificates. Essential imports could be effected at a basic exchange rate of 11·4 rupiahs to the United States dollar or its equivalent in other currencies. Foreign exchange for non-essentials could be obtained at the basic rate subject to the importer purchasing inducement certificates equal to 100 per cent of the c.i.f. value of the import. Semi-luxury imports were effected in the same manner, but in this case inducement certificates were required equal to 200 per cent of the c.i.f. value. This procedure gave three effective import rates—11·4 rupiahs, 22·8 rupiahs and 34·2 rupiahs to the United States dollar.

A new category of imports for exchange control is now reported to have been established. These imports are subject to the basic rate plus an inducement certificate equal to 33⅓ per cent of the value, giving an additional effective rate of 15·2 rupiahs to the United States dollar. A list of the goods subject to this new rate has not yet been received, but it is believed to be made up of certain items previously included in the essential group for which no inducement certificates were required.

The dollar certificate system superimposed on these various exchange rates continues in effect. Under this system exporters whose proceeds are in dollars receive, in addition to rupiahs at the basic rate, dollar certificates equal to 70 per cent of the nominal value of those proceeds. Importers making payment in dollars must, in addition to obtaining exchange at the rates noted above, purchase dollar certificates equal to the full amount of the exchange required. When last reported, the cost of these dollar certificates was 0·25 rupiahs per United States dollar.

PAKISTAN

Import Control Policy Announced—The Canadian Commercial Secretary, Karachi, cables that the Pakistan Government announced its new import policy on March 2. Imports from the dollar area are heavily curtailed and only 53 items will be permitted import from Canada for private account. The most important of these are: non-ferrous metals and alloys; tools; chemicals, drugs and medicines; office machines; tires and tubes; synthetic rubber; four-wheel drive trucks, and auto parts and accessories. Newsprint is not covered by this policy announcement.

The Open General Licence for dollar imports was withdrawn November 23, 1952, and all imports on private account since that date have been subject to individual licence—Karachi, March 2.

UNITED STATES

Opening of Border to U.S. Livestock and Meats—On March 2, 1953, the United States removed its restrictions on the import of Canadian livestock and meats imposed because of the outbreak of foot and mouth disease in Canada. On the same day, Canada removed its import controls on livestock and meats which were imposed in March 1952 to deal with the emergency situation.

The President of the United States has also proclaimed the termination, effective April 1, 1953, of what had been an abnormal situation in respect of cattle and meats. Because of a shortage of cattle and meats in the wartime and postwar periods, the President permitted all such imports to be made at the low rate of duty which normally applied only to fixed quotas.

As a result of this announcement, the tariff quota arrangements negotiated at Geneva between Canada and the United States will apply as of April 1, 1953. The Geneva agreement provides for the annual import from all countries of 200 thousand head of calves and 400 thousand head of heavyweight cattle at a rate of 1½ cents per lb. There is provision in the agreement whereby not more than 60 thousand calves and 120 thousand head of heavyweight cattle shall be imported in any one quarter. Imports in excess of the tariff quota enter at a rate of 2½ cents per lb. As a result of the Geneva negotiations, the world quotas were increased from 125 thousand head of calves and 225 thousand head of heavyweight cattle.

Total imports into the United States from all sources have usually not exceeded the quota. In 1951, the last full year before the embargo was imposed, Canada exported to the United States 124 thousand head of heavyweight cattle and 11 thousand head of calves.

Dairy cows enter the United States at 1½ cents per lb. and pure-bred cattle for the improvement of stock are admitted free. In neither case does a tariff quota apply.

There is no tariff quota on fresh beef and veal. As part of the Geneva agreement, the United States duty on such meats was reduced from six cents to three cents per lb.

Foreign Trade Service Abroad

† Indicates a change since previous publication.
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
Lebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, Beirut	*Mail:* Boîte Postale 2300 *Cable:* Canadian
Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
Netherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, The Hague	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 18-51-06
Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 531 *Cable:* Canadian *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Acting Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, Lima	*Mail:* Casilla 1212 *Cable:* Canadian *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	†Ayala Building, Juan Luna Street, Manila	*Mail:* P.O. Box 1825 *Cable:* Canadian *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., Lisbon	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, Johannesburg	*Mail:* P.O. Box 715 *Cable:* Cantracom *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, Cape Town	*Mail:* P.O. Box 683 *Cable:* Cantracom *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, Madrid	*Mail:* Apartado 117 *Cable:* Canadian *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, Stockholm	*Mail:* P.O. Box 14042 *Cable:* Canadian *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Legation, Thunstrasse 95, Berne	*Mail:* (City Address *Cable:* Canadian *Tel.:* 4-59-17
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	Acting Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1	*Mail:* (City Address) *Cable:* Sleighing *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* Timcom

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	J. H. English, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN †*Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	V. E. Duclos, Canadian Government Trade Commissioner	510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 201 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Acting Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, †Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	†Acting Agricultural Secretary		

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 1·0165.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Feb. 26*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1312	
		Basic buying	·1967	(1)
		Preferential selling	·1967	
		Basic selling	·1312	
		Free	·0708	
Austria	Schilling		·04605	
Australia	Pound		2·2195	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01967	
Bolivia	Boliviano	Official	·01640	tax 5% (1)
		Differential	·00988	tax 3% (2)
British West Indies	Dollar		·5780	(3)
	Pound		2·7744	(4)
	Dollar	Brit. Honduras	·6935	(1)
Brazil	Cruzeiro	Official	·05317	tax 8% (2)
		Free	·02489	
Burma	Kyat		·2081	
Ceylon	Rupee		·2081	
Chile	Peso	Official	·03168	(1)
		Commercial	·01638	
		Free	·00894	
Colombia	Peso	Basic	·3935	tax 3% (2)
		Coffee buying	·4273	
Costa Rica	Colon	Official	·1756	(5)
		Free	·1463	*Nov. 28
Cuba	Peso		·9837	tax 2%
Czechoslovakia	Koruna		·01967	
Denmark	Krone		·1424	
Dominican Republic	Peso		·9837	
Ecuador	Sucre	Official	·06558	(6)
		Free	·05680	
Egypt	Pound		2·8249	
Fiji	Pound		2·4994	
Finland	Markka		·00428	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01545	
Germany	D Mark		·2342	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9837	
Haiti	Gourde		·1967	
Honduras	Lempira		·4919	
Hong Kong	Dollar	Free	·1614	*Feb. 13
Iceland	Krona	Official	·06041	
		Special buying	·04645	
		Special selling	·03774	
India	Rupee		·2801	
Indonesia	Rupiah	Basic	·08629	(7)
		Dollar certificate	·00183	*Dec. 15

* Latest available quotation date.