foreign trade

VOL. 13 OTTAWA, MARCH 14, 1953 NO. 324

COVER . . . This powerhouse at Cubatao, Brazil, which transmits power to both the Rio de Janeiro and Sao Paulo areas, is typical of the hydro-electric installations which Canada has designed, built and supervised in Latin America. For a story on the technique of finding larger overseas markets for such capital goods, see page two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Exporting Capital Goods

Experience in several countries proves that engineering "know-how" has become a valuable export—and indispensable to increased sales abroad of capital goods.

IN CANADA in the last ten years, technical development has progressed amazingly and Canadian organizations have pioneered much of this activity. In fact there are a number of leading professional service companies capable of making analyses and reports on a proposal that ultimately becomes an economic development. Such action is normally followed by the manufacturer of equipment.

In spite of this, Canada imports each year millions of dollars worth of professional engineering services. The reason is not lack of opportunity for Canadian professional firms but, almost entirely, lack of process knowledge for the preparation of flow charts and the design and development of large equipment for production. In some fields, however, Canadian organizations are as competent as any to undertake engineering work and the basic process development right through to completion of construction and turnover of plant. This is especially true of pulp and paper, hydro-electric power, base metal mining, canals and transportation, and harbour terminals. Canadian organizations have specialized in aerial, geophysical and geodetic surveys and in forest management, but most of these projects have been undertaken in Canada.

Demand from Foreign Countries

The Colombo Plan has stirred up interest among Canadian engineering industries and constructors generally in the need for engineering and capital goods in foreign countries. It therefore seems timely to re-examine the position of the capital goods industries and the services which they may have to offer in fostering foreign business. Among the factors which affect their prospects are technical capacity, competitive pricing, and access to finance. There is a tendency for capital goods exports and foreign investments to go together. Even where this does not hold true, dollar scarcities may continue to be a problem for Canadian export and engineering services, except in hard currency areas or where the United Nations agencies are providing the finance. However, Canadian capital may be interested, in whole or in part, in certain types of projects.

Association of Companies Needed

Experience has shown that the individual specialty consulting organization is not the type of engineering needed for export business. It requires rather a consortium of responsible companies to look after engineering, construction and erection. One organization of this type—the first of its kind for Canada—has already been formed here. Already

it has undertaken an assignment outside Canada, an important project that will benefit Canadian industry to the amount of nearly six million dollars.

Because of the needs of the defence program, little has been done towards developing this type of service for export in the last two years. But if we are to compete in the export market, we must have a consortium of companies organized to meet this situation. Foreign inquiries for plant equipment seldom include prepared drawings and specifications. Often they originate in countries without facilities for design and development and the pattern of the tender calls for not only the sale of blueprints and economic and engineering surveys, but the shipment of tailored plants and machines, erection, supervision in initial operation, and the training of foreign experts.

Exporting Technical Knowledge

Exports of technical knowledge almost always go hand in hand with exports of materials and equipment. Once the technical knowledge has been exported, it will bring recurring orders for products, spare parts, replacements and additional equipment. Technical assistance is exported primarily to nations which are industrializing—some of these nations, especially in Latin America, at a rate comparable to Canada's. It is in this part of the world that Canada has designed, built, shipped, erected and supervised in the early stages large hydro-electric installations. This policy of foreign investment in recent years in Latin America has not only paid off in substantial dividends but has also brought to Canadian industry orders worth millions of dollars.

One Canadian company supplied the generator and another the Francis-type turbine for this Ilha dos Pombos plant on the Paraiba River in Brazil.

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In the United States technical knowledge is now a leading export, exceeding $500 million a year. Literally hundreds of large industrial plants abroad, now in operation, have been built and supervised for a time by American engineering firms and manufacturers. The Americans describe this commodity as "know-how" and the variety of enterprises making up know-how exports is astonishing. These projects range in value from a few thousand to many million dollars. Other American engineers and firms are selling their skills to private companies and to foreign governments striving to modernize and expand their industries.

British Experience

British engineering firms have had experience all over the world and their work is perhaps more diversified than that done by engineering firms of any other country. Their achievements can be seen practically everywhere and include dams and reservoirs, hydro and thermal electric power stations, water supply, irrigation and sewerage schemes, steam and electric railways, harbours and docks, structural work for large buildings, chemical and other industrial plants. A number of British organizations are today carrying out important work both for governments and industrialists in many countries—and they fully understand why the services they have to offer are becoming increasingly necessary.

This is an era of specialization and advice must be obtained from companies which specialize in a particular field of engineering. There are three main divisions—civil, mechanical and electrical—but within these three are further degrees of specialization. Some of the larger firms cover practically the whole field of any one of the main divisions but if so, they contain a number of special departments. Modern engineering is far too complex for any one person, or a small number of people, to have completely up-to-date knowledge of every branch.

Investigating New Developments

In its report for the year 1950-51, the Department of Scientific and Industrial Research in the United Kingdom said: "It appears incontrovertible that, if we are to advance or even to maintain our industrial position, we must as a nation aim at such developments in scientific and industrial research as will place us in a position to expand and strengthen our industries and to compete successfully with the most highly organized of our rivals". This view is still sound.

Many factors are involved in the creation and maintenance of the manufacturing activity of a community. But in these days of scientific development, the practical application of the latest advances, and investigation leading to new ones, become of first importance in building up and sustaining industrial leadership. The British people realize that the way of the exporter is not easy, that the seller's market of the last seven years has gone and that competition has intensified.

It was British engineers who created the steam engine and the first textile machine and who pioneered in the use of coal in the production of iron. As a result of the steam engine, British mechanical engineering received its greatest stimulus, the great railway boom which followed. When the rest of the world wanted railways and docks, Britain was ready with the plant, the experience, the capital and the skill to supply them.

One of Britain's main contributions to engineering recently has been the jet aircraft engine. The United Kingdom holds world patents on it and receives substantial royalties from countries now making this type of engine under licence.

German Engineering Achievements

In Germany, the most important early developments in engineering practice were in the mining and metallurgical industries. The first steam engines outside of the United Kingdom were built in Germany and the rapid increase in the use of steam power was the greatest single factor in the development of industry in the first half of the 19th century. Among important German contributions to railway engineering was a locomotive built in 1904 which attained a speed of over 90 miles an hour. In 1925 Germans produced the first high pressure locomotive using a boiler of 900 pounds per square inch and in 1927 the first turbine-driven locomotive.

Germany pioneered in the production of steel and at the great 1851 Exhibition held in London, Germany showed a solid, flawless ingot of cast steel weighing two tons—and caused a sensation in the industrial world. Soon afterwards, Germany developed welded steel tires for railway vehicles and made great strides in artillery and weapons of war.

Among other great developments in German engineering during the last century was the electrical industry. The many inventions included telegraphic apparatus, insulation for cables, the principle of self-excitation for dynamos. German engineers played an important part in the development of the internal combustion engine and the principal credit for the development of liquid fuel engines, (more commonly known as diesels) goes to German engineers. It is unfortunately impossible to draw any direct comparison between the German engineering industry and those of Great Britain and the United States. Germany, however, has been able to reap a rich harvest by systematic development of design and manufacture of plant. This has enabled the Germans to maintain a large and valuable export trade in this field.

Dutch in the Field

Dutch engineering organizations have for many years placed their knowledge and experience at the disposal of other nations. Dutch engineers have specialized in and gained a unique experience of hydraulic engineering. For years Dutch engineering has been sought for dams and reclamation works, harbours and canal projects and, later, for dredging operations in practically every country. The desire of Netherlands engineering companies to export engineering "know-how" has led to the establishment of Nedeco, the central organization for Netherland engineering consultants. Its job is to study, plan and advise on public and private engineering projects in other countries. Dutch experience includes that gained by Dutch engineers in Indonesia and in the West Indies under tropical and sub-tropical conditions.

As early as the 17th century, Switzerland was among the most highly industrialized countries in Europe and today industrial products rank high in the expansion of Swiss foreign trade. The late 16th century saw the rise of industrial activity in Switzerland. This expansion ran parallel to the development of foreign trade. Switzerland built up new industry

and expanded old crafts by a policy of taking in French, Italian and Dutch refugees. Switzerland is probably best known for its watchmaking industry introduced by a French refugee but her present production is by no means confined to watchmaking. By adopting new production techniques and gradually eliminating the domestic crafts and tools, Switzerland introduced the universal engineering production which today characterizes her foreign trade.

Swiss Design Outstanding

The Swiss machine tool industry turns out machine tools that are second to none and Swiss design in this field has produced outstanding results. Optimum precision is the most conspicuous feature of Swiss machine tool building practice, perhaps the result of long concentration on watchmaking. Swiss machine tool constructors have worked hard to develop special purpose machines for single operations or a combination of operations, and have evolved original and advanced designs.

Swiss name plates are found on large water turbines throughout the world. Turbine designers have constantly improved their designs, perfecting the details and striving to keep as up-to-date as possible. To test their ideas they have built costly research laboratories where qualified engineers, using modern equipment, apply recent scientific discoveries to turbine design. At the turn of the century, when the construction of piston steam engines in Switzerland was at its peak, enterprising and far-seeing Swiss firms were already designing and building steam turbines and diesel engines. Swiss engineers were working on the gas turbine as early as 1909.

In the electrical field, Switzerland builds large generating units of various types and specializes in equipment which, instead of using atmospheric air, employs hydrogen gas for closed circuit cooling. A number of other engineering companies of international repute make a wide variety of capital goods, drawing on Swiss design and development.

Selling Process Knowledge

Norway, Sweden, Denmark, Belgium, France and Italy also have developed highly efficient engineering industries which contribute in varying degrees to their exports. The geographical position of these countries, and the efficient network of waterways and railways, help to make their products highly competitive. They can compete in world export markets because they have been able to offer exclusive manufacturing processes and can make a direct contribution to the economic and technical development of many other countries.

These examples serve to illustrate the value of the sale of process knowledge, not only to the country giving it but also to the country receiving it. This is a good time for Canadian professional engineering services and capital goods manufacturers to examine the services which they might offer in fostering foreign business in this field.

—E. C. THORNE
Machinery and Metals Section,
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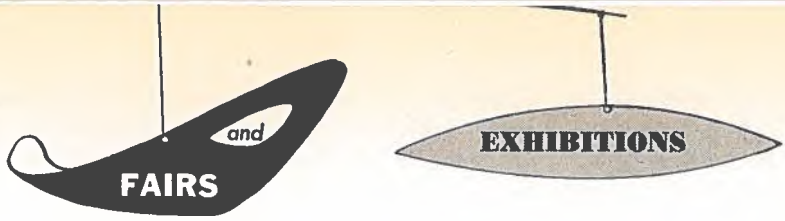

U.S. Exhibits Sell Furniture

DETROIT—The furniture market of the United States falls into two broad groups. The first consists of mass-produced lines to sell in volume at low prices, and the second of quality and specialty items for discriminating furniture buyers. It is in the second group that Canadian goods have the best opportunity of attracting U.S. buyers.

Mass-produced lines are mainly manufactured in the southern and southeast states. North Carolina ranks first and Virginia second in volume of production, but the acknowledged manufacturing and marketing centre for quality furniture is the Grand Rapids area of the State of Michigan.

Grand Rapids Furniture Exposition

The Grand Rapids Furniture Exposition was established in 1878 and since then bi-annual exhibits have won world-wide fame for their leadership in design. This area sets the style for the rest of the American industry and it is often called the "Paris of the Furniture Fashion World".

One unique feature of the January and July furniture shows in Grand Rapids—and one of considerable interest to Canadian manufacturers—is that firms from outside Michigan are welcome to show their wares. On a visit to the 1953 January show I myself found exhibitors from 14 states and from Canada. However, officials of the Grand Rapids Furniture Exposition Association pointed out that they will accept for display only goods of the highest quality, because they are determined to protect the reputation of their show.

One Montreal manufacturer of French Provincial furniture has taken space in the Exposition for the past six shows and reports as a result profitable business in the United States. This company plans to continue exhibiting.

The Grand Rapids furniture shows regularly attract over 3,000 buyers in two weeks. Buyers from every state of the Union, from five Canadian provinces and from several Latin American countries attended the recent January show. The large Canadian department stores send buyers and two of these stores are dealer members of the Grand Rapids Furniture Guild. This is an organization of ten manufacturers formed to assist in displaying member companies' products in retail stores. A similar organization known as the Executive Furniture Guild has at least one Canadian distributor as a member.

The furniture market in the United States is tremendous and the volume and value of merchandise delivered in 1952 reached new highs. Factory sales of furniture to dealers throughout the country in recent years were as follows:

1952	$1,555 million
1951	1,550 "
1950	1,510 "
1949	1,135 "
1948	1,335 "

Furniture buyers at the January show were quite optimistic about the prospects for 1953 and expected a definite upswing in furniture sales for at least the first half of the year.

Canadians Should Exhibit

In selling furniture, there is no substitute for display and buyer inspection. Canadian manufacturers of quality furniture who wish to investigate the United States market are advised to consider the following steps:

- Arrange to exhibit at the Grand Rapids Furniture Exposition. Details on space rental and other services available may be obtained direct from Chas. F. Campbell, Secretary-Treasurer, Grand Rapids Furniture Exposition Association, 427 E. Fulton St., Grand Rapids, Michigan.

- Show only those lines that are distinctive and of the highest quality. It would not be practical to try to compete with U.S. firms in standard and lower-priced items.

- Displays must be attractive. Many of the established firms have permanent showrooms in the exhibition buildings and their dramatic settings set the standard with beautiful accessories, rugs, drapes, and paintings.

- Be prepared to quote prices laid-down in the larger U.S. cities. U.S. manufacturers can quote on an f.o.b. factory basis, but buyers usually expect foreign firms to quote prices that include duty, exchange, and freight to a centre near their place of business. Most wooden furniture enters the United States under Tariff Item 412 at 12½ per cent ad valorem. Chairs are an exception, at 20 per cent ad valorem under the same tariff number, and aluminum furniture at 22½ per cent ad valorem under Tariff Item 397.

Opportunity for House Furnishings

House furnishings such as lamps, draperies, paintings, mirrors and bric-a-brac are also displayed at the Grand Rapids shows, although they occupy only a small portion of the total space. Canadian firms with distinctive or novelty items might consider these shows as a means of testing the United States market.

—J. H. BAILEY
Vice-Consul of Canada and
Assistant Trade Commissioner

What's New in Packaging?

Once every two years, Olympia, in London, is the setting for the National Packaging Exhibition. There the ingenuity with which British industry tackles the problem of packaging everything from biscuits to racing cars get full play. This year's exhibition, the third, ran from January 20-30 and drew thousands of visitors.

Among the more interesting exhibits were:

- A complete plastic envelope for parcelling a racing car before it is crated for shipment overseas.
- An automatic string-tying machine, which adjusts itself to any size or shape of package or bundle and ties the knot in 1½ to 2 seconds.
- A vacuum package within a flexible bag, made by laminating two films of plastic material in such a way that a vacuum is created inside.
- A packing and weighing unit for free-flowing powders, electronically controlled by a photo cell to ensure a steady flow of material to the weighing point.
- A portable paper counter that counts stacks of paper and records the count at a speed of 500 sheets per second.

Finland's Fair

Back in 1920, the first Finnish Industries Fair was held at Helsinki and, year by year, it has reflected Finland's progress. The 1953 Fair, which will take place from March 20-29, will show the ways in which industries in the country expanded under the compulsion of paying war reparations to the Soviet. This was especially marked in the metals industries. Now that the reparations have been completed, Finland is making a new bid for export markets.

Exhibits at the Fair will be grouped under 32 categories, ranging from articles for sports, hunting and fishing, to travelling requisites and vehicles.

Appointment in Sweden

On August 22nd, the eleventh annual St. Eriks Fair will open in Stockholm, Sweden, and will run to September 26. First inaugurated in 1943, the Fair has grown steadily in importance and has attracted more and more exhibitors and visitors. Last year the area taken up by displays was 105 thousand square metres, exhibitors were drawn from 24 countries, and some 401 thousand people visited the fair.

Cost of indoor space will be 50 kroner (about $9.35 Can.) per square metre, including insurance against fire and burglary up to 25,000 kroner for each exhibitor. Open air space will cost 15 kroner (about $2.80 Can.) per square metre, including insurance. It is expected that exhibitors who pay all their expenses in dollars will receive some special treatment in the granting of import licences for items otherwise restricted.

Further details of the fair may be obtained from the Commercial Attaché, Royal Legation of Sweden, 720 Manor Rd., Rockcliffe Park, Ottawa.

British West Indies

Is Federation Closer?

With four of the colonies accepting it in principle, and their representatives slated to meet in London shortly, the BWI Federation seems to be moving a step nearer.

WEST INDIAN FEDERATION, long mooted, moved a step nearer recently when the Colonial Office announced that the legislatures of Jamaica, Trinidad, the Windward Islands and the Leeward Islands (with the exception of the Virgin Islands) have accepted the idea in principle. Within the next month or two, representatives of the legislatures of these four colonies will go to London to discuss the proposed federation in detail. No agenda has been announced but it is assumed that the talks will cover, among other things, timing, planning, financial arrangements, administrative arrangements, and the location of the capital. The problem of a BWI customs union may also be analyzed.

Bermuda and the Bahamas are not included in the federation scheme, and British Guiana and British Honduras have indicated they are not interested. Barbados, east of the Windward Islands, is considering federation but has not yet reached a decision. The Virgin Islands, part of the Leeward group, are opposed to federation but will send an observer to London.

Preliminary Proposals

Various bodies in the islands have already done preliminary work on federation. At a conference on the closer association of British West Indies Colonies held in Jamaica in September 1947, the Standing Closer Association Committee was set up to investigate political federation. In 1950, the committee published a report which went into detail on what a federal government should be enabled to do and with what resources. Where possible, the appropriate constitutional machinery was proposed.

The committee suggested that the power be vested in a federal legislature consisting of a Governor General, Senate and House of Assembly. In general, it agreed that the functions of the various local governments should be defined and that the proposed federal government have residual powers. It recommended that the federation's revenues, until other sources are allocated to it, should consist of 25 per cent of the customs duties levied on imports into the territories, postal duties, and other incidental income.

Another outcome of the "Closer Association" conference in 1947 was the formation of the British Caribbean Customs Union Commission to investigate the establishment of a customs union with the colonies. The Commission published a lengthy report on this subject in 1951. The most important proposals were:

• *That a common tariff be established.* The Commission has set up a confidential list of commodities and proposed common tariff rates which are recommended as the nucleus of the common external tariff. Agreement was reached on 643 tariff items out of a total of 682. The major commodities on which no agreement was reached was alcoholic beverages, tobacco, perfumes, cotton piece goods, petroleum products and matches. It was recommended that the tariffs on these and some other items be left to the individual colonies for revenue. The Commission has established a working average margin of tariff preference based upon the commitment to Canada embodied in the Canada-BWI Trade Agreement of 1925. The Commission recognized that this agreement sets out *minimum* preferential tariff margins for each of the colonies.

• *That a free trade area be set up.* In the absence of political federation, under which all customs duties would be collected by a central authority, the Commission agreed that it is necessary for each colony to obtain its own tariff revenue. The Commission has established a method of achieving this and of minimizing controls over inter-island trade.

• *That the unification of excise duties be postponed* because the colonies differ widely in their dependence on revenue from these duties. The imposition, levying and collection of excise duties would remain a function of individual colonies. Member colonies would also reserve the right to continue levying export duties.

• *That common custom laws be introduced* based on the Model Customs Ordinance of 1938, drafted by the Secretary of State for the Colonies. The Commission has set up a draft of these customs laws. Customs regulations would be standardized among the colonial administrations and would be based on those in force in Trinidad and Jamaica.

• *That a common tariff structure, nomenclature and units of charge be adopted.* The tariff structure is designed also to serve as the structure for a common statistical classification for exports as well as imports. Jamaica would be the centre of the statistical agency.

• *That a central controlling or co-ordinating authority be organized* which, in the event of a political federation, would serve as a Federal Customs Board with absolute powers in tariff-making and tariff agreements. Failing this, a Customs Union Advisory Board should be appointed to forestall customs charges by member governments which might conflict with the ultimate goals of the agreement. The individual governments would retain their sovereignty in customs matters but strive to attain as great a degree of standardization as possible.

In addition to the work done by the Standing Closer Association Committee and the BWI Caribbean Commission, independent action has been taken on the unification of currency. At a currency conference in 1946, a preparatory committee was set up to work out a method for the unification of currency in the eastern group of colonies—Barbados, British Guiana, Trinidad, the Leeward and Windward Islands. As a result, decimal-system notes went into circulation in August 1951 in these colonies. The unit of account is the BWI dollar.

—JUNE CLARKE
International Trade Relations Branch

The Boating Market in '53

With more Canadians taking to the waterways, with new types of craft appearing, and with an enterprising industry at work, sales of boats should soar during the spring and summer.

OTTAWA—As this issue goes to press, the curtain rises on the Canadian National Sportsmen's Show, being held in Toronto from March 13 to 21. This show is looked upon as the watercraft show window of Canada, affording manufacturers of boats, marine motors and accessories an ideal setting for introducing their 1953 models and designs. Last year well over 200 thousand people attended it, including some 1,500 dealers.

This particular time is, therefore, a pertinent moment to ask "What's the outlook for the boating market in 1953?"

Inquiries made of representative boat-builders in all parts of Canada yielded seven answers, all more or less alike.

- Public interest in boating is at an all-time peak. The main factors contributing to this encouraging situation are the adoption of the five-day week by many industries; the migration from thickly populated cities and towns to Canada's waterways to escape summer heat, and the fact that wages and salaries are at a peak.

- This great boating interest is reflected in the slightly upward trend of production, according to figures supplied by the Dominion Bureau of Statistics.

Year	Gross selling value at works
1946	$4,906,259
1947	5,432,514
1948	5,410,426
1949	5,771,913
1950	5,628,858
1951	7,130,624

- Not only do prospects for watercraft look favourable for 1953, but sales of outboard motors and accessories may also outstrip previous records.

- In spite of a scarcity of well-seasoned, indigenous lumber and a dearth of skilled craftsmen, there will be a buyer's market, with aggressive selling by dealers and distributors.

- Several large city stores, especially those in the vicinity of lakes and rivers, have extended their watercraft departments.

- The growing production of boats made of plywood, aluminum, plastic, fiberglas and materials other than wood is adding to the number of boating devotees.

- Increased interest in selling abroad—particularly to the U.S.A. and other dollar markets—is being shown by Canadian producers.

This 27-foot inboard cruiser, made by an Ontario firm, was the largest Canadian boat on display at the National Motor Boat show held last January in New York. Canadian boat-makers are now pioneering U.S. markets.

Selling to the U.S.

Every manufacturer approached for his views on sales possibilities during the current year emphasized that both domestic and export markets must be tapped to the limit. The tendency today, they say, is to pay increasing attention to the United States market, particularly because of the favourable customs tariff on Canadian craft. In recent months several enterprising Canadian boat builders have taken exhibit space in some of the leading boat shows across the border, such as those in New York, Cleveland and Chicago, to try and get new dealers and distributors to handle their lines.

Sensing the growing interest in Canada's boat industry demonstrated by representative U.S. watercraft sales outlets, four distinctive models from Canadian factories were displayed during January and February in the Canadian Showroom, Rockefeller Center, New York. The four samples (all outboard models of 13-foot length) included a longitudinal cedar strip design, and models in aluminum, moulded plywood and fiberglas.

It is not surprising, therefore, that Canadian boat companies have been making new contacts and developing new sales outlets in the United States. Only recently one Ontario producer received an order for 150 twenty-foot hulls (excluding the engine) from a Buffalo, N.Y., house. The hulls are being built to the American company's specifications and may only be sold through this one outlet. It is said to be the largest single order for inboards ever placed with an Ontario boat builder. Two complete hulls are being turned out each day until the contract is completed.

. A Nova Scotian producer specializing in moulded hulls tried an interesting experiment that seems to be paying off. Some 30 months ago this firm decided to make all its designs available to any plant building boats from their moulded hulls and to offer technical advice and assistance. This service has, they report, become extremely popular and a sort of "community" or "family" of builders has grown up around it. The result has been a striking increase in moulded hull sales to the U.S., and scheduled shipments for 1953 are well ahead of 1952.

To capitalize further on American interest in these moulded hulls, and in their regular line of moulded plywood boats and runabouts, the Nova Scotian company took space at the 1953 National Motor Boat Show in New York. Two other Canadian boat builders were also represented there.

Development Pays Off

Such development work by Canadian manufacturers has achieved results, as the following DBS figures for 1952 show:

Boats, Canoes and Parts	1952 Sales in $
United States	426,203
Mexico	6,539
Belgian Congo	6,510
Venezuela	3,570
Cuba	2,881
British Guiana	1,811
New Zealand	1,292
Leeward, Windward Is.	1,289
Colombia	825
St. Pierre	756
Other countries (seven)	1,579
	453,255
Gasoline Launches and Yachts	
United States	460,916
St. Pierre	206
	461,122

The following table shows Canada's exports of watercraft for the past five years:

	1948	1949	1950	1951	1952
Boats, canoes and parts, n.o.p.	$212,034	$165,104	$224,666	$310,638	$453,255
Gasoline launches	509,460	347,924	245,125	257,263	461,122

The impression gained by Canadian visitors to the National Motor Boat Show in New York was that spending on boats is no longer confined to a few wealthy individuals. Thousands of budget-minded wage-earners now spend comparatively small amounts on this hobby. The same trend appears to apply here in Canada.

To meet this expanding market, boat builders, inboard and outboard engine manufacturers and members of the marine trades in general are developing many new products and offering new services. Very marked is the trend toward mass production of boat kits in knocked-down form, which a buyer can put together with a limited amount of know-how. Recently a new company was formed in Canada to build under licence boat kits manufactured by an American firm. These boat kits comprise a number of models, from an 8-foot seashell pram (some 26 thousand of which are now in use) to outboard skiffs and runabouts in 10, 12 and

14-foot sizes. Moreover, the line includes kits for 18-foot weekend cabin cruisers for outboard power. Each kit is prefabricated and complete building instructions and details come with every one. Another trend is the ever-widening production of standard hulls, prefabricated or moulded of plywood or plastic in a central plant, for completion and refinishing by local builders.

Standard Models Popular

Notwithstanding these new developments, sales of standard and custom-made models, both in inboard and outboard design, also grow from year to year. In fact, well over 225 boat manufacturers in Canada (both large and small) are engaged wholly or chiefly in the production of small watercraft such as rowboats, canoes, sailboats, motorboats, launches and kindred lines. These producers are located in almost all the provinces, with the largest concentration in Ontario, B.C., Nova Scotia and Quebec. The total number of employees in this industry in 1951—the latest year for which figures are available—was 1,531, with salaries and wages totalling $3,132,876. Materials used in the actual construction of boats during that year cost $2,643,394.

A national census of recreational watercraft has not been taken, and therefore it is difficult to gauge accurately the comparative growth of Canadian boating. However, authoritative sources indicate that Canadian waterways are the summer playground for 100 thousand inboard motorboats and half a million outboards and other craft, including canoes, rowboats, sailboats, etc. This means that approximately 600 thousand privately-owned recreational craft operate on coastal waters, inland lakes and rivers during the season—or one to every 24 of the population. In the United States, with the natural increase anticipated this year, there appear to be something over five million privately-owned boats, or one for every 32 persons. On a *per capita* basis, therefore, Canada leads in boat ownership.

Promoting the Sport

Taking an active part in promoting boating in all its ramifications in Canada are two promotional media: *Boating* magazine, published in Toronto, and the Canadian Boating Federation Inc., which was granted its charter in 1950. The objects of the Federation are:

- To promote the use of boats for recreational purposes.
- To safeguard and further the interests afloat of those who know and operate boats.
- To offer rules of conduct for the safe operation of watercraft.
- To govern trials of their speed, their endurance or navigational skill and to formulate rules for such competitions as its members may from time to time desire.
- To foster the development of Canadian waterways and harbours to the benefit of its members and all those operating small vessels on Canadian lakes, rivers and coastal waterways.
- To further the above objects in the marine industry of Canada.

Among those eligible for membership in C.B.F. are any permanently organized Canadian motorboat club, yacht club, boating club, or association of such clubs, with a regular paid-up membership of ten or more; and any Canadian association or organization with more than ten regular paid-up members devoting its attention in whole or in part to the promotion of boating through efforts such as racing motorboats or yachts.

Trade members have been designated as: any Canadian firm engaged wholly or chiefly in the designing and/or building, selling, servicing, repairing, equipping, of pleasure craft, both sail and power, and those manufacturing and selling engines or equipment for use therein.

Canadian boat-owners, according to the secretary of the Federation, have followed the lead of their U.S. colleagues in organizing themselves. The Canadian Power Squadrons are patterned after the United States Power Squadrons, whose help was sought and readily given at the beginning of the first squadron in Toronto. There are now 11 squadrons across Canada with a total active membership of over 400, double that of two years ago.

Licensing of Watercraft

The licensing of small vessels in Canada is under the jurisdiction of the Department of Transport in Ottawa, which administers the Canada Shipping Act. According to the Department, identification of motorboats in Canadian waters is comparable to the identification of motor vehicles on the highways—it protects both motorboat owners and the boating public.

Under the Small Vessels Licensing Regulations it is now necessary to have all motorboats licensed if they are powered by inboard or outboard motors of ten h.p. or more, and do not come under the ten-ton registry requirements. Motorboats below ten h.p. may also be licensed for the owner's protection. Licences are issued without charge. Owners are required to have the customs port number and serial licence number plainly marked on bow and stern of their craft.

Motorboats must be equipped with necessary lifesaving appliances, fire extinguishing equipment, navigation lights and means for making sound signals. Precautions must be taken against fire. Penalties for infraction of the licensing regulations and for failing to carry the proper equipment are provided under the Canada Shipping Act.

Part Played by Dealer

The retailer handling boats and other marine equipment is an important link in the chain of distribution. Some of Canada's leading boat builders have, in recent years, been stressing to the dealer that it is essential to maintain stock at least 30 days ahead of estimated demand. That is because sales are often lost simply because the customer refuses to wait for delivery.

The builders are also emphasizing the need for advertising, promotion, and selling. Most producers do their part by way of publication advertising and by supplying a reasonable selection of promotional literature, sales aids, etc. All this effort, however, is largely dissipated unless the dealer carries the ball from there on, and uses effectively the manufacturer's promotional scheme.

Leaders in the industry also consider it vital that dealers keep customer and prospect files. These, they say, should be up-to-date and should show the type or brand of equipment the prospect is interested in, as well as what he owns. A note on his fishing habits may also prove profitable. If the customer uses a boat primarily for pleasure, the dealer should find out the number of persons in his family and their ages. One dealer in Quebec is said to keep a birthday file. He sends the prospect's wife a notice about three weeks ahead of time, suggesting boating items which he knows the man wants.

Actual demonstration is also most important. Construction features and general appearance can be shown in the store but performance is another matter. Anyone who is serious about the boat business should have ample facilities for actual demonstration.

Prompt and dependable repair service is also a must for the dealer who is seeking the customer's goodwill. The best of watercraft are subject to severe wear and tear and the customer whose craft is laid up because his dealer has fallen down on the job will not be long in taking his boat somewhere else for the necessary overhaul.

Sales Research

In the United States a nationally known marketing organization has, it is understood, been conducting research to determine some of the underlying factors affecting boat sales. They have come up with a wealth of information on which the U.S. industry can base its thinking. One of the most interesting points brought out in their research was the relationship between boat and motor sales, and between sales and personal income. The studies revealed the effect of disposable (or spendable) national income on purchases. They discovered too that 75 per cent of outboard motor owners who bought for other than commercial purposes gave fishing as the main reason.

Now that the industry is putting some of these fundamental selling principles into practice, and now that Canada's national income has risen to a new high most Canadian boat producers predict that we are headed into a record-breaking sales year.

—P. Grant Jones
Acting Chief, General Products Section
Commodities Branch

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.

COMMODITY NOTES

ARGENTINA

Rice—The Ministry of Industry and Commerce has announced a provisional export quota for rice from the 1951-52 crop of 5,000 metric tons. The quota for the previous year was fixed at 7,800 tons. The 1951-52 crop of 173,900 tons was a record. In establishing this initial quota, the authorities are ensuring that domestic requirements are fully covered before any is sold abroad—Buenos Aires, February 23.

BRAZIL

Cement—The Companhia Brasileira de Cimento Portland Perus has just received equipment valued at $2 million with which it expects to boost production within 120 days to 700 thousand bags of cement a month. The company's director says that, when these installations are completed, the country will save almost $10 million a year in foreign exchange. By 1954, the firm expects to attain a monthly production of one million bags, making Cimento Portland Perus the largest cement factory in the world—São Paulo, February 10.

COLOMBIA

Asbestos—"Asbestos Colombia S.A.", a firm with a capital of a million pesos, is being formed in Colombia to prospect for asbestos and to exploit the known deposits in the Department of Antioquia. The capital is being furnished by several Colombian firms together with Johns Manville Corporation of New York. This marks the first serious attempt to exploit asbestos in Colombia, although the deposits have been known for many years—Bogota, February 24.

IRELAND

Bacon—A new bacon factory will be built in the near future at Naas, Co. Kildare. Production should begin by the end of October 1953. The factory, which will be run by the newly formed Kildare Bacon Company, will employ 30 people and will process 500 pigs a week. Besides the curing of bacon and ham, sausages will be produced and some of the products will be canned for the home and overseas markets, chiefly Great Britain—Dublin, February 12.

ITALY

Endothermic Steam—Following successful research into the use of endothermic steam, a new well was opened at Larderello near Pisa in September 1952, yielding 100 thousand kgs. of steam an hour. At present a total of 180 million kwh. a year of electric power is obtained from endothermic steam—Rome, February 7.

JAPAN

Titanium—The Osaka Titanium Manufacturing Company plans to double its production of titanium metal from 4·5 tons to nine tons a month. The expansion project will cost about $1·2 million—Tokyo, February 5.

PORTUGAL

Rice—The Minister of Economic Affairs has authorized the export of 11 thousand tons of rice for the year 1953. Exports in 1952 were similar. It is interesting to note that 3,000 tons of this have been shipped to Southeast Asia which formerly supplied Portugal's rice requirements—Lisbon, February 14.

SWEDEN

Pulp—Sweden's share of world pulp production decreased from 15 per cent in 1938 to 10 per cent in 1952. During the same period, sales of pulp to America declined from 40 per cent of total pulp exports to 10-15 per cent. Exports to the European market increased from about 50 per cent of total prewar pulp exports to about 75 per cent in 1952—Stockholm, February 12.

UNITED STATES

New England Potatoes—Estimated 1952 potato production in New England of 57,847,000 bushels is 10 per cent above the 52,746,000 bushels harvested in 1951 but 20 per cent below the ten-year average of 72,130,000 bushels. Yields in New Hampshire at 240 bushels per acre were near the record. In Maine yields were highly variable as a result of unstable weather conditions during the growing season—Boston, February 23.

WEST GERMANY

Beer—German exports of beer rose to a postwar record of 360 thousand hectolitres in 1952, it is reported, earning some 30 million DM (equivalent to slightly over $7 million). This does not include the large sales to Allied military forces in Germany. Previous annual exports were 59 thousand hectolitres in 1949, 105 thousand hectolitres in 1950 and 326 thousand hectolitres in 1951. Ninety per cent of German exports are now in bottles instead of in kegs.

The principal foreign markets are the United States, Belgium, Italy, the Netherlands and France. High duties are said to make sales difficult in Central and South America. Principal competition in export markets comes from breweries in Denmark, the Netherlands and the United Kingdom—Bonn, February 12.

French Agriculture in 1952

The trade in agricultural products showed a deficit in the past year, but several factors indicate a brighter 1953.

PARIS—French foreign trade in agricultural products showed an increased deficit in 1952 but, thanks to the exceptionally good wheat crop last summer, the position should improve in 1953. Until the foot and mouth epidemic can be brought under control, however, the trade in animal products will continue to be a drag on the economy.

Altogether, the 1952 growing season—with the exception of wheat, wine and fruits—was only fair. Extremely hot, dry weather persisted from May to July, followed by heavy rains from August on which interfered with harvesting operations. The continuing rainfall in the autumn, aggravated by early frosts, delayed sowing of winter grains and caused animals to be taken off pasture earlier than usual.

Foot and Mouth Epidemic

The most serious agricultural problem is the outbreak of foot and mouth disease. Gaining momentum from June 1951, the epidemic reached its peak last July when over a million new cases were reported within two weeks. The autumn brought temporary improvement, with new cases running to about 30 thousand a fortnight towards the end of the year. The disease has spread to all the Departments of France but the heaviest contamination has been along the English Channel and southward from Paris through the centre of the country.

Last October, seventeen Departments were declared "disaster areas". This entitles farmers to 3 per cent loans for the reconstitution of their herds where losses have been above 25 per cent. Apart from low-interest loans in cases of high mortality, the present French legislation does not provide for any direct assistance to farmers.

Altogether, slightly over 15 per cent of the total cattle population has been infected with the disease; the mortality rate is 4 per cent for cattle, 2 per cent for sheep and 3·5 per cent for hogs.

The following figures from the French Veterinary Office, just published, illustrate the ravages of the current foot and mouth epidemic in France:

January 1 to November 30, 1952	Sick & exposed animals	Mortalities
Adult cattle	3,436,867	54,387
calves	....	83,794
Sheep and goats	924,771	19,913
Hogs	884,557	31,269

Trade in Agricultural Products

French statistics for the first 10 months of 1952 show that agricultural imports remained at about the level of the same period of 1951—approximately 159 thousand million francs. Exports, however, dropped from

119,900 million to 74,900 million francs, or 36 per cent. There is also a good deal of trade in agricultural products with the French overseas territories, particularly North Africa, but this does not affect the foreign exchange position.

As the table below shows, agricultural products normally account for an average of 15 per cent of foreign trade; for the first 10 months of 1952, the proportion of imports was 16·5 per cent and exports were down to 11·4 per cent.

French Agricultural Trade

	IMPORTS (thousand million francs)			EXPORTS (thousand million francs)		
	Total	Agric.	%	Total	Agric.	%
Year 1938	34·3	5·4	15·8	22·2	3·1	14·0
" 1947	301·8	53·1	17·6	130·3	18·6	14·3
" 1948	482·2	93·8	19·8	241·4	31·8	13·2
" 1949	682·5	115·7	17·0	455·9	65·1	14·3
1st ten months 1950	638·1	101·7	15·9	528·4	85·7	16·2
" " " 1951	1,033·7	158·3	15·3	781·8	119·9	15·3
" " " 1952	967·9	159·8	16·5	657·5	74·9	11·4

Bread Grains

Grain imports in 1952 showed a sharp increase because of only fair crops in the summer of 1951; wheat imports alone up to the end of October totalled 632,475 metric tons, of which over half was financed by Mutual Security Agency funds. The position promises to be reversed during 1953. Last summer's wheat crop reached 8·4 million metric tons, 18 per cent above 1951 and the highest since 1938. It also surpassed the goal of eight million tons set by the Monnet Plan in 1948.

The yield of 19·6 quintals per hectare was the highest ever recorded and compares well with the average of 15·4 for 1930-39. The area sown to wheat appears to have stabilized at about 4·3 million hectares and, although this is about one million hectares below the area sown in the thirties, satisfactory production can be maintained because of higher yields. To date this year, only 3·7 million hectares has been sown, some 300 thousand hectares less than at the same date last year. If spring weather is good, sowings and yields should rise.

The Year in Retrospect

- *Foot and mouth disease affected 15 per cent of French cattle; some improvement noted in the fall.*
- *Agricultural imports into France remained about the same as in 1951; agricultural exports dropped 36 per cent.*
- *Wheat crop, at 8·4 million metric tons, was largest since 1938.*
- *Wine industry had a good year and quality is high.*
- *Exports of beef and pork went below those of '50 and '51 and imports rose in first ten months.*

Coarse Grains

The 1952 production of coarse grains, at 6·2 million metric tons, is slightly below the 6·8 million produced in 1951, either because of reduced plantings or because of the dry summer. Certain trends are noticeable. The area sown to barley has been rising steadily over the past few years and in 1952 was 1·08 million hectares, 44 per cent above the 1930-39 average. In contrast, the area seeded to rye, 524 thousand hectares, was down 23 per cent from the 1930-39 average and oats, at 2·2 million hectares, were down by 33 per cent. Production of both barley and oats is expected to increase in 1953.

The dry summer also cut corn production to two-thirds of the 1951 crop, even though the area planted was greater. This is particularly important to French foreign trade because only an estimated 275 thousand tons can be obtained from soft currency sources in 1952-53 and the bulk of imports will have to come from the United States. The French Government hopes in time to reduce dependence on foreign supplies by using hybrid seed and extending areas of cultivation.

Another crop which has recently gained momentum is rice, supplies of which have been affected by the war in Indo-China. Rice plantings were begun in Southern France during the last war and production rose to an estimated 80 thousand metric tons in 1952, just about enough to cover French consumption.

Oilseeds

Metropolitan France produces only a small proportion of the vegetable oils consumed in the country and recently the area sown to oilseeds has been declining. The only oilseed of any importance now grown is rapeseed which, after making rapid strides up to 1948, is registering a slow decline; production, at 195,490 metric tons, was above 1951 only because of the extremely high yield of 16·4 quintals per hectare. Most of this deficit is made up by imports from the French overseas territories but substantial quantities from foreign sources are also needed.

Wine

The year 1952 was a good one for the French wine industry. Production, at 51·2 million hectolitres, was slightly below last year but the quality is a great deal better, with a higher alcoholic content. Exports of quality wine may be larger this year.

Fruit

Fruit production, at 6·6 million metric tons, was double that of 1951. All stone fruits gave higher yields but the main increase in production came from cider apples, output of which reached 5·3 million metric tons. This tremendously heavy crop caused serious marketing problems and there are various schemes on foot to dispose of them. The best part of the surplus, however, is taken over by the State in the form of industrial alcohol, thus affording a support price.

Root Crops

All root crops were down in 1952 as a result of the dry summer. Sugar beet production, at slightly over nine million tons, is down almost 30 per cent from 1951 and the lowest since 1948. This, however, is only a temporary setback because the current acreage is running about 100 thousand hectares above prewar and, with price support for growers, production should be maintained or even expanded.

Beets for fodder were also affected by the adverse growing conditions and this will increase demand for other types of feed. The area sown to this crop and other roots for forage has been declining over the past few years.

The main fall crop of potatoes, at 10·1 million metric tons, declined 10 per cent from 1951. Yields were below normal. However, the area planted to potatoes has steadily decreased and, with the lower harvest in 1952, imports were brought in from the Netherlands in the fall.

Livestock Market Weak

Market entries of livestock during the last quarter of 1952 have been heavy and prices weakened very considerably. At the end of November the wholesale index for meat stood at 118·6 as compared with 143·6 last January, a decline in value of 18 per cent.

Though the normal fall run accounts for this in part, in 1951 there was no such slackening of prices and, in fact, prices continued to climb in keeping with the general inflation of that period. Various reasons for heavier market entries have been advanced. Because of the dry summer and early frosts, stocks of fodder are not high and oilcakes have been

—French Information Service

This French village in Haute-Rhin, pictured with its surrounding vineyards, was entirely destroyed during the recent war, but has since been rebuilt.

difficult to obtain as a result of a ceiling price imposed. Furthermore, the foot and mouth epidemic has encouraged farmers to cull their herds and farmers also appear short of cash.

Foreign Trade in Meat

The meat trade generally has blamed the Government's policy of "shock" imports during the early fall for the drop in meat prices and it is true that prices strengthened after the suspension of beef and pork imports in early December. However, the effect was mainly psychological because actual imports were not high.

Figures issued by the Ministry of Agriculture for August to November show that the average monthly rate of imports in 1952 was only 1,270 tons for beef compared with 2,430 tons in 1951, and for pork only 550 tons in 1952 compared with 3,160 tons in 1951. This average monthly import figure is equal only to an average Monday's entries at La Villette (the Paris livestock market) and constitutes a very small percentage of the 62 thousand tons of beef and 65 thousand tons of pork consumed every month in France.

As the following table shows, imports of beef increased for the first 10 months of 1952 and pork imports were lower. Exports of both beef and pork show a reduction from the past two years.

	IMPORTS		EXPORTS	
	Beef	Pork	Beef	Pork
	(metric tons)		(metric tons)	
10 months 1950	165	15	9,377	8,506
" " 1951	5,126	21,724	7,918	2,065
" " 1952	9,745	3,971	1,676	92

Meat exports normally move to neighbouring countries according to changes in price and supply. Imports come from Belgium, Denmark, the Netherlands and, to a lesser extent, from South America.

Dairy Products

Imports of dairy products and eggs increased during the year and exports decreased. By the fall, output of dairy products was down by an estimated 20 per cent and for the year 1952 total milk production will probably reach about 150 million hectolitres, compared with 160 million in 1951. In October, the Ministry of Agriculture forecast import requirements of 25 thousand tons of cheese and 15 thousand tons of butter. Though substantial quantities of cheese went to North Africa, France has over the past two years become a net importer of this product, buying from Switzerland, Denmark and the Netherlands.

—VIVIAN F. WIGHTMAN
Office of the Commercial Counsellor for Canada

GENERAL NOTES

ARGENTINA

Chilled Beef for U.K.—Argentina is preparing to resume exports of chilled beef to the United Kingdom after an interval of 13 years. The first shipments will be experimental and small, 170 tons being scheduled on a ship to load shortly and small lots on two subsequent ships. Under the Anglo-Argentine protocol signed on December 31, 1952, the price for chilled beef shipped chilled is £181 per long ton f.o.b. (22 cents Can. per lb.), and shipped frozen is £161 per long ton f.o.b. (19 cents Can. per lb.). The contract for 1953 calls for 144 thousand long tons of chiller carcass beef to be shipped either chilled or frozen. The last complete year of chilled beef shipments to the United Kingdom was 1938 when 330,703 long tons were exported—Buenos Aires, February 13.

CUBA

Newsprint from Bagasse—The Economic Advisory Board of the Cuban Government has submitted for the consideration of the President and his cabinet its final recommendations on the possibility of manufacturing pulp and newsprint from sugar cane bagasse, based on the process patented by a Cuban engineer. The Government would contribute technical and financial assistance. A working group has already been formed, with representatives of the various government departments concerned, the National Bank of Cuba, the Agricultural and Industrial Development Bank of Cuba, the various sugar industry groups, the labour federation, the Cuban Manufacturers Association, and the Economic Advisory Board—Havana, February 20.

PHILIPPINES

Barter Agreement with Japan—The barter trade agreement between the Philippines and Japan has been extended for four months to May 31, 1953. The agreement provides for $50 million in exports to and imports from Japan. The original agreement was concluded between the Philippines Government and SCAP. It terminated when the Peace Treaty with Japan took effect on April 28, 1952, but was extended several times.

Principal Philippines' exports are abaca, logs and lumber, iron ore, copra, molasses, manganese ore, chrome ore, hides and maguey. Sales of these commodities to Japan since the agreement was first concluded in 1950 up to December 29, 1952, totalled $83·3 million.

Imports from Japan, principally machinery, equipment, metal manufactures, fishing and plumbing supplies, cement and textiles, totalled $57·5 million. The Philippines therefore had a favourable balance of $25·8 million in its trade with Japan during this period—Manila, February 2.

SOUTHERN RHODESIA

Exports Rising—Although the value of the Colony's exports continues to expand, exports of no fewer than eleven of the principal commodities were lower in the first nine months of this year than in the same period of 1951.

The value of chrome ore exports dropped by £288 thousand to £1·5 million; steel windows, doors and parts by £11 thousand to £97,079; cattle hides by £955 thousand to £947,022; fertilizers by nearly £3,000 to £129,972; groundnut oil by nearly £28 thousand to £120,255; unmanufactured wood by £32 thousand to £207,448; and footwear by well over £5,000 to £256,856.

These decreases of more than £2 million altogether were more than compensated for by the increased value of other exports, notably manufactured tobacco which rose by nearly £5 million to £16·6 million, and raw asbestos which increased by more than £1·5 million to £5·6 million. A sharp increase in bacon and ham exports to Britain brought this figure up to £329,411, compared with last year's £81,622—Johannesburg, February 17.

UNITED STATES

Car Market Distressed—Distress signals are being hoisted in some sections of the automobile industry as used car stocks back up on new car dealers. There is also a more than seasonal drop in prices and a delay in the usual spring strengthening of used car values. February usually brings an influx of buyers from the Southern States who want to buy used cars in wholesale lots. This year the out-of-town buyers have not materialized. Because Detroit used car prices set the pattern for prices across the rest of the nation, dealers in all parts of the country are anxiously watching these storm signals—Detroit, March 3.

WEST GERMANY

Cold Rolling Steel Mill—A leading German producer of steel sheets for motor car manufacturing, at Bochum in the Ruhr, is constructing a continuous cold rolling strip mill. The principals have announced that finances for the project, 43 million D marks, have been arranged. The strip mill is expected to be in operation by January 1955. The new plant, which will be completely mechanized, represents a revolution in German plate production. Capacity of steel sheets of the Bochum steel works, presently 8,000 tons a month, will be increased to 17,000 tons monthly. Cold rolling of steel sheets was developed in America and has proved to be a more economical process than the hot rolling formerly used—Bonn, February 24.

Credit Conditions in Latin America

THE MANY SEPARATE MARKETS that together make up Latin America do not reflect any common credit conditions and collective experience. In judging specific countries, it is necessary to separate the two aspects of credit conditions—payments by buyers and exchange transfers through the controlling bank.

The Main Factor

Several important markets in Central and South America and the Caribbean have no exchange restrictions to impede collections. These are Mexico, Cuba, Venezuela, Peru, Dominican Republic, El Salvador, Guatemala, Honduras, Haiti, Panama. The fact that these countries have consistently maintained a good postwar collection record with only a few exceptions demonstrates the overriding importance of transfer delays as a cause of slow payments to foreign suppliers.

Of the other Latin American countries, all of which employ exchange controls, Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay experienced transfer difficulties to varying degrees in 1952. Colombia, Costa Rica, Ecuador and Nicaragua did not delay remittances because of exchange shortage. Collection problems arising from exchange difficulties are basically related to the foreign trade and overall balance-of-payments situation in these countries. Drought meant short crops and lower exports from Argentina, Brazil, Paraguay and, to some extent, Uruguay. Falling world prices for major export commodities lowered income for Argentina, Bolivia, Brazil and Uruguay.

Individual Factors

The other main factors that affect collections spring more immediately from credit conditions within the individual countries, although these influences can very easily reflect on trade and exchange developments. The first of these, the political element, was seen in various ways in Latin America during 1952:

- Elections in Mexico and Chile meant pre-election slackness and hesitancy, leading to a purely temporary credit softness.

- The Venezuelan election and subsequent developments did not produce very noticeable weakness.

- The Cuban change of government had little more significance for collections.

- The Bolivian changeover produced an outbreak of nationalization which has seriously undermined foreign faith and domestic business security.

- The Guatemalan political situation led to a definite credit weakness in that country.

Some weakness in general business conditions in Argentina, Bolivia, Brazil, Chile, Cuba, Guatemala, Haiti, Paraguay and Uruguay reflected trade, exchange, drought, commodity market, or political difficulties of one kind or another. Haiti was a different case. Disappointing production and prices for agricultural commodities were at the root of softness there. Panama is another country where business conditions are not too prosperous. Credit and collections cannot be good for any extended period in a country where important recessionary influences, either domestic or foreign, take hold.

Record of Experience

Unfortunately Canada has no clearing house for collection experience on export credits to Latin American countries similar to the Federal Reserve Bank of New York. The compiled experience of 18 member banks of the Federal Reserve system covers a very high percentage of total U.S. draft collections on Latin America. The only Canadian institution with continued and extensive experience of Latin American collections is the Export Credits Insurance Corporation. This government agency has records of a good representative share of export drafts. These Export Credits Insurance Corporation records for 1952 would rate the countries with delayed payments on a scale running from serious to less serious in this order: Brazil, Uruguay, Bolivia, Mexico, Chile, Guatemala, Ecuador, Peru, Colombia.

The table below summarizes experience in 1952 and indicates the outlook for 1953.

Experience in '52—Prospects in '53

COUNTRY	EXCHANGE POSITION	1952 BUSINESS CONDITIONS, COLLECTIONS	CHANGE DURING YEAR	1953 PROSPECTS
Argentina	difficult	slow	weaker	better
Bolivia	difficult	fair	weaker	difficult
Brazil	difficult	fair	weaker	uncertain
Chile	fair	fair	improvement	uncertain
Colombia	good	good	improvement	satisfactory
Costa Rica	good	good	improvement	good
Cuba	excellent	fair	weaker	not so good
Dominican Republic	excellent	good	no change	good
Ecuador	fair	good	improvement	satisfactory
Guatemala	good	fair	weaker	uncertain
Haiti	fair	fair	weaker	uncertain
Honduras	good	good	no change	fair
Mexico	good	good	no change	satisfactory
Nicaragua	fair	good	improvement	fair
Panama	good	fair	improvement	fair
Paraguay	difficult	difficult	weaker	difficult
Peru	good	good	improvement	good
Salvador	good	good	no change	good
Uruguay	difficult	fair	weaker	better
Venezuela	excellent	good	no change	good

TRADE AND TARIFF REGULATIONS

ARGENTINA

Exchange Rate for Cheese Exports—The Argentine Central Bank announces that effective February 21, 1953, 60 per cent of the exchange accruing from the export of cheese will be negotiated at the official "free" market rate of around 15 pesos per U.S. dollar and the remainder at 7.50 pesos, the "preferential" rate on exports. Other dairy products continue to be exported at the rate which has prevailed since February of last year, with 40 per cent of the exchange convertible at the free market rate and 60 per cent at the preferential rate—Buenos Aires, February 25.

BELGIUM

Export Tax Abolished—In an effort to assist Belgian exports, the export tax which was applicable on a wide variety of exports from Belgium has been abolished by Royal Decree, effective February 26, 1953. This tax was said to have brought in revenue amounting to approximately $15 million a year and to be derived mainly from the steel industry.

A few minor items, such as scrap, rag, waste paper, etc., are still subject to export tax, but this is expected to be removed shortly—Brussels, February 28.

BENELUX

Duty on Canadian Coniferous Lumber Again Suspended—Effective March 16, 1953, the 10 per cent duty on coniferous lumber of larger sizes entering the Benelux area will again be suspended for the remainder of 1953.

Coniferous lumber imported by Belgium, the Netherlands and Luxembourg comes under Benelux Tariff Item 384(a) on which the duty is nominally 3 per cent or 10 per cent according to the size. The larger sizes pay the higher rate. A considerable part of Canadian and United States lumber exports to the Benelux area consist of the larger sizes and would normally be dutiable at 10 per cent. Imports from Scandinavia fall into the category nominally dutiable at 3 per cent.

Throughout the postwar period until December 31, 1952, both the 3 per cent and 10 per cent duties had been suspended. The fact that Canadian and United States type lumber is classified under the item having the higher rate was thus of little consequence. On January 1, 1953, however, the 10 per cent duty on larger lumber was put into force, while the 3 per cent duty on other lumber remained in suspension.

This action placed the Canadian exporter in a very disadvantageous position. Canada immediately lodged a protest with the Belgian and Netherlands Governments, requesting that the 10 per cent duty once again be suspended. They have now complied with this request.

Canadian exporters should bear in mind that the present suspension on all types of coniferous lumber expires on December 31, 1953, unless specific action is taken by the Benelux Governments before that date—Brussels, March 7.

CUBA

Trade Agreement with West Germany Terminated—The trade agreement signed in 1951 between Cuba and West Germany was denounced by the West German Government, and ceased to be in force on January 30, 1953, approximately eleven months before the scheduled date of termination.

Cuban tariff concessions to Germany on about 100 items have been withdrawn. German commitments to purchase sugar and other Cuban products are likewise cancelled. Under the agreement certain German products had been granted reductions in duty by Cuba amounting to the elimination of the United States preferential margin. Among these, the following were of interest to Canada: iron or steel wire and wire gauze, iron or steel pipes, zinc and lead pipe and shot, unmounted optical crystals, electric lamp bulbs, carbon electrodes, writing paper, cigarette paper and wall paper, and pianos. Similar Canadian products which had benefited from the same reduced duties under the most-favoured-nation provisions of the GATT will now be subject to the higher duties prevailing prior to the conclusion of the Cuban-German agreement.

All West German products entering Cuba are henceforth subject to rates of duty outside treaty arrangements.

A complete list of the Canadian products affected and the higher rates of duty to which they will now be subject is available from the International Trade Relations Branch—Editor.

IRELAND

Imports of Hose, Woven Tissues, Cotton Yarns—By three Quota Orders issued under the Control of Imports Acts 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas and quota periods as follows:—

- Hose (other than half-hose) of silk or artificial silk: 200 thousand pairs as against 100 thousand pairs for previous six months' quota.
- Certain woven tissues of wool or worsted and certain artificial silk piece goods: 200 thousand square yards, as against 75 thousand square yards for the previous six months.
- Single yarns of cotton: Two million pounds weight, as against 750 thousand pounds weight for the previous three months' period.

The new quota period covering these items extends from March 1, 1953, to August 31, 1953—Dublin, February 16.

SOUTH AFRICA

Import Quota for 1953—The South African Minister of Economic Affairs announced February 24, 1953, that an additional quota for 15 per cent of 1948 imports will be allocated for consumer goods during 1953.

This places the quota for consumer goods for 1953 on the same level as in 1952, namely, 45 per cent of the value of 1948 imports (for announcement of preliminary 1953 import quota of 30 per cent of 1948 see *Foreign Trade* of October 4 and November 1, 1952).

This additional quota of 15 per cent for imports during the year 1953 is to be split in the ratio of 33⅓ per cent general permits (i.e., valid for imports from all sources but generally applied to dollar imports) to 66⅔ per cent restricted permits (i.e., valid for imports from soft currency countries). The 1952 additional quota of 15 per cent of 1948 imports was based on the ratio of 12½ per cent general permits and 87½ per cent restricted permits.

It is stated that there will be no more automatic quotas for raw materials; however, industry will be looked after on an "ad hoc" basis. In 1952 manufacturers and importers of raw materials were permitted to import up to 75 per cent of the value of their 1951 imports—March 5.

TRINIDAD

Samples—The Comptroller of Customs and Excise, Trinidad, has been authorized to issue licences for the import of cut samples of no commercial value from any source, and it will no longer be necessary to apply for specific licences—March 3.

UNITED STATES

Tax-free Entry of Copper—By Public Law 4, approved February 14, 1953, the United States is continuing to exempt imports of copper from the import tax of two cents per lb., otherwise applicable, until June 30, 1954, with the continued proviso that, should the average market price of copper drop below 24 cents per pound for any month, the import tax shall be reimposed—Washington, February 26.

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.

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 1·01684.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. March 5*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1311	
		Basic buying	·1967	(1)
		Preferential selling	·1967	
		Basic selling	·1311	
		Free	·0708	
Austria	Schilling		·04603	
Australia	Pound		2·2165	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01966	
Bolivia	Boliviano	Official	·01639	tax 5% (1)
		Differential	·00987	tax 3% (2)
British West Indies	Dollar		·5772	
	Pound		2·7706	
	Dollar	Brit. Honduras	·6926	
Brazil	Cruzeiro	Official	·05315	tax 8% (2)
		Free	·02348	
Burma	Kyat		·2078	
Ceylon	Rupee		·2078	
Chile	Peso	Official	·03167	(1)
		Commercial	·01638	
		Free	·00894	
Colombia	Peso	Basic	·3934	tax 3% (2)
		Coffee buying	·4272	
Costa Rica	Colon	Official	·1755	(5)
		Free	·1463	*Jan. 15
Cuba	Peso		·9834	tax 2%
Czechoslovakia	Koruna		·01967	
Denmark	Krone		·1424	
Dominican Republic	Peso		·9834	
Ecuador	Sucre	Official	·06557	(6)
		Free	·05678	
Egypt	Pound		2·8240	
Fiji	Pound		2·4961	
Finland	Markka		·00428	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01547	
Germany	D Mark		·2342	
Greece	Drachma		·000066	
Guatemala	Quetzal		·9834	
Haiti	Gourde		·1967	
Honduras	Lempira		·4917	
Hong Kong	Dollar	Free	·1615	*Feb. 20
Iceland	Krona	Official	·06039	
		Special buying	·04644	
		Special selling	·03773	
India	Rupee		·2078	
Indonesia	Rupiah	Basic	·08627	(7)
		Dollar certificate	·00183	*Jan. 15

* Latest available quotation date.