foreign trade

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COVER . . . These tractors lined up on a British dock will soon be on their way to European customers. Exports of agricultural machinery from the U.K. went up by 28 per cent in 1952, though total exports dropped ten per cent. (See story on page two.)
—Photo by U.K. Information Office

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Britain's Export Drive in '52

Though sales abroad slipped ten per cent, partly because of sterling area restrictions, certain types of exports achieved encouraging increases.

LONDON—The total value of United Kingdom exports in 1952, at £2,550 million, was £30 million less than the corresponding figure for 1951. In the first three months of the year, exports were running exceptionally high—11 per cent by value above the 1951 average. In the second half, however, activity fell away and sales overseas were 10 per cent below the previous year's average.

Over the whole year, the volume—as distinct from the value—of exports is estimated to have decreased by 6 per cent as compared with 1951. Prices on the other hand were, if anything, higher.

The decline was particularly noticeable in shipments to sterling area countries whose import restrictions against United Kingdom goods were beginning to take effect.

Distribution of Exports

Exports to non-sterling countries tended to improve and their value (£1,297 million) rose by £30 million. But exports to the sterling area actually fell by £60 million to £1,253 million.

The drive for United States orders continued to yield satisfactory results, with that market taking £144 million worth of United Kingdom goods, £7 million more than in 1951 and the best figure on record. Exports to Canada were not as good; at £127 million, they contracted by £10 million. This added up to a net loss of £3 million in the dollar trade of these two important areas, compared with 1951.

About 90 per cent (£2,281 million) of United Kingdom exports was represented by fully manufactured articles; the remaining 10 per cent consisted of "food, drink and tobacco" and "raw materials and mainly unmanufactured products".

In the fully manufactured category, engineering products provided no less than 40 per cent of exports. Metals accounted for 10·7 per cent and textiles for 15 per cent.

Half of the raw materials exports consisted of coal, which yielded £55 million, or 50 per cent more than in 1951. The quantity rose from eight million tons in 1951 to 12 million in 1952.

Engineering Products

The most important group in engineering products was "vehicles (including locomotives, automobiles, ships and aircraft)", exports of which reached £479 million, practically the same as the year before. Though some markets were held and even extended—the United States took £20 million, or 65 per cent more—there were significant losses in Australia, South Africa and India, and a small decline in sales to Canada.

The value of aircraft exports in 1952 was only a trifle greater than in 1951. The recent large orders from abroad for new jet aeroplanes will have their effect in subsequent years.

Exports of machinery went up by 16 per cent, to £422 million, thanks partly to higher prices. The sterling area (particularly Australia, India and South Africa) and Western European countries plus Turkey, were the most active buyers. Electrical machinery, including generating sets and generators, motors and parts, transformers and switchgear, was the leader in the group, contributing £62 million worth of exports. Textile machinery sales amounted to £50 million; more than half of this was spinning machinery.

The growth of United Kingdom production of excavating and earth-moving, earth levelling and land-clearing machinery, including dumpers and dump trucks, is reflected in a healthy expansion of exports which, at £14 million in 1952, were nearly double the 1950 total. There was also a 28 per cent increase in exports of agricultural machinery, which reached £18 million. Combine harvesters made by subsidiaries of Canadian and United States manufacturers contributed materially to the increase. Machinery items in which export development was less rapid, or in which there were reductions, included prime movers and parts, internal combustion engines, and laundering machinery.

In the "electrical goods and apparatus" classification, exports amounted to £109 million, an increase of 13 per cent as compared with 1951. India, South Africa and Australia were the chief markets. The cable section of the industry, as well as telecommunication, radio and electronic apparatus, showed particularly good results but sales of domestic radio and electrical equipment declined.

This British engineer is working on part of a million volt D.C. super-tension cable testing plant for export to Norway. This same U.K. firm will supply generator transformers for the new Kemano power station in B.C., part of the Aluminum Company of Canada's great Kitimat project.

In 1952, United Kingdom exports of iron and steel and manufactures were valued at £192 million—20 per cent above 1951. This increase stemmed largely from a rise in prices, because the quantity shipped actually fell. Turning to individual lines, sales abroad of plates and sheets increased by 36 per cent to £56 million and of tubes and fittings by 31 per cent to £38 million.

Non-ferrous metals recorded an increase over 1951 of 17 per cent, exports being valued at £82 million. There was a welcome recovery in sales of tin to the United States, which took £12 million worth as compared with £6 million worth in 1951.

Textiles

All textile export industries were hard hit in 1952. Not only was the volume of business smaller but prices dropped. The value of exports of cotton yarns and manufactures was £148 million, as against £209 million in 1951; silk and artificial silk yarns and manufactures, £41 million (against £64 million); and other textile materials (i.e., linen, jute, etc.) £35 million, against £40 million.

Chemicals, Drugs, Dyes and Colours

In this division, exports in 1952 were valued at £138 million, or 3 per cent less than in 1951. Shipments of chemicals alone (£81 million) showed a slight overall improvement. This came chiefly from an increase of 85 per cent in exports of ammonium sulphate, which registered £9·8 million in 1952, and a 30 per cent increase in copper sulphate—£4·3 million in 1952. The scale of exports of sodium compounds (£13 million); drugs, medicines, etc., (£32 million); dyes and dyestuffs (£8 million); colours (£17 million) was a little lower than in 1951.

Pottery and Glassware

Pottery has been a consistent earner of foreign exchange since the industry started up again after the war, but 1952, when exports were valued at £26 million, was not as good a year as 1951, when the value was £28 million. Similarly, exports of glass and glassware (£12 million in 1952) were lower by £2 million than in 1951.

Oils, Fats and Resins

In the manufactured oils, fats and resins group, a substantial increase took place in 1952 when exports topped £62 million, a rise of nearly 50 per cent. The additions to the United Kingdom's refined petroleum production capacity were responsible. Exports of this alone amounted to £52 million, 75 per cent more than in 1951.

Shipments abroad of paper and cardboard fell in value by 8 per cent in 1952 to £39 million, and of leather and manufactures by 23 per cent to £13 million. Exports of plastic materials in 1952 were worth £14 million; of floor coverings, £6 million; of jewellery, etc., £11 million; toys, £5 million. In all cases, however, the figures were less than in 1951. On the other hand, the export performance improved in arms and ammunition (£33 million in 1952); printed matter (£10 million); toilet preparations, etc. (£6 million); and prefabricated buildings (£7 million).

—R. P. Bower
Commercial Counsellor for Canada

New Director of the Trade Commissioner Service

JOHN H. ENGLISH, Commercial Counsellor of the Canadian Embassy at Washington since 1948, will return shortly to Ottawa to become Director of the Canadian Trade Commissioner Service, succeeding George R. Heasman, recently appointed Canada's first Ambassador to Indonesia.

In making this announcement, the Right Hon. C. D. Howe, Minister of Trade and Commerce, referred to the excellent service rendered by both Mr. English and Mr. Heasman, not only in many posts abroad but also in important wartime duties at Ottawa.

During his period as Director of the Canadian Trade Commissioner Service, Mr. Heasman has carried through a pressing postwar program of recruiting and training new personnel, expanding the chain of trade promotion offices abroad, and re-locating many of them to meet the current needs of Canadian commerce. To his duties as Ambassador to Indonesia, Mr. Heasman brings exceptional qualifications as shown by his success as a Trade Commissioner there before the war.

Few members of the Canadian Trade Commissioner Service are better known to businessmen here than Mr. English, the incoming director. For over 25 years, he has filled a succession of posts which have given him a close insight into Canadian trade on many different fronts. His assignments have included New York, Dublin, London, Johannesburg and Washington. During the last five years, his active promotion of Canadian-American trade has been combined with special calls to represent Canada's interests in the work of many international organizations that have their headquarters in Washington.

The appointment of Mr. English is in line with the traditional emphasis placed by the Department upon lengthy and varied experience in practical trade promotion work as the basic qualification for efficient management of the Canadian Trade Commissioner Service.

Argentina's Agriculture Recovers

Excellent grain crops after three years of drought, the emphasis on agriculture in the new Five-Year Plan, and higher prices in meat contracts are transforming the agricultural picture.

BUENOS AIRES—Agricultural production in Argentina, particularly of wheat and grain, made a spectacular recovery in 1952-53. The wheat, coarse grain and flax crops are the largest in many years, officially estimated at 249 per cent above last year and 47 per cent above the ten-year average ended 1951-52. The wheat crop, at 7·8 million tons, is the biggest since 1940-41 and the fourth largest in history. The production of livestock for domestic consumption and export was maintained, and the supplies of dairy products returned to normal, with substantial export surpluses of cheese, butter and casein.

This revival demonstrates conclusively agriculture's power to recover speedily, given optimum growing conditions throughout the year in the important producing zones and a more liberal government policy. Though the rainfall in many parts was not greater than normal, it was more evenly spaced and came, except for corn, at opportune intervals. Natural pastures were in very good condition all year and, because most areas had a record rainfall in January and some rain in February, good moisture conditions continue in the first quarter of 1953.

Export Surpluses Achieved

All this is in sharp contrast to a year ago when, largely because of drought in the past three years, export surpluses of grain were insignificant. In fact, the wheat crop did not cover home consumption and Argentina imported wheat for the first time in modern history—some 206 thousand tons from the U.S. The export of grain and by-products is vital to the Argentine economy, accounting in past years for up to 50 per cent of its foreign exchange earnings. This year Argentina has substantial export surpluses of all grains, wool, cotton, linseed oil and dairy products. The contract with the United Kingdom will take most of the surplus meat although, to meet the 144 thousand tons of beef specified for 1953, it will be necessary to continue restrictions on home consumption.

The selling of Argentina's principal export products, except wool, continues in the hands of IAPI (Argentine Trade Promotion Institute), the state trading agency. IAPI negotiates government-to-government contracts and barter deals and, though exporters may negotiate sales abroad, they act as agents for IAPI which establishes the price. In some cases, exporters may buy commodities on tender from IAPI and sell abroad, accounting to the Central Bank for the foreign exchange involved.

Although Argentina has a surplus of agricultural products for export this year, there will be no marked improvement in foreign exchange earnings as far as the issuing of dollar import permits is concerned.

Reduced export surpluses over the past few years and particularly last year meant that the country borrowed heavily abroad, not in cash but in goods. Consequently, a large portion of this crop will go towards liquidating the debt. On the other hand, the policy appears to be one of asking higher than international prices for those products being negotiated to debtor countries. In these circumstances, negotiations take time and so far only a fraction of the grain crop has been exported. As the marketing season advances, there may not be enough time to move the surpluses, assuming that they can find a market before the next harvest.

The Government is committed under its agricultural policy to purchase grain crops from producers at the official prices. In view of the large yields, the producer will have more income than at any time in recent years. Some producers have borrowed extensively from government banks under the liberal farm loans, but businessmen in rural towns and cities feel optimistic that business conditions will improve substantially in 1953. This will, in turn, be reflected in all business and industry, still depressed throughout the country.

Grain Production Up

In the 1952-53 crop year the production of wheat, oats, barley, rye and flax was officially estimated at 11,385,200 metric tons, compared with 3,268,900 tons last year and with the ten-year average (ended 1951-52) of 7,755,500 tons. This is the largest crop since before the war and reflects excellent growing conditions rather than a significant increase in acreage. The surplus available for export or carryover is 3·5 - 4 million tons. Last year the crop itself was only 2·1 million tons.

The production of oats, barley and rye is also a near-record. These grains are sown primarily for winter pasture and the acreage to be harvested depends on the condition of the natural pastures during the winter and spring. The rains in 1952 meant good natural pastures and a larger proportion of these grains was thus left for harvest. The producers were also encouraged by the higher and profitable official prices for these crops.

Agricultural Outlook

> *Under a new contract, the United Kingdom will take 144 thousand tons of Argentine beef in 1953.*

> *In wheat, 3·5 to 4 million tons will be available for export or carryover.*

> *The March corn harvest in Argentina is expected to provide exports of about 1½ million tons.*

> *Sales of wool to overseas customers from October 1, 1952, to February 9, 1953, totalled 192,700 bales. The United States bought nearly 50 per cent.*

> *Exports of lamb in 1952 totalled 1·2 million carcasses, a sharp rise over 1951.*

Production of flaxseed at 570 thousand tons, although up from last year's 313,400 tons, is far below previous crops. Heavy weed growth impaired flax yields in the current season. Argentina still has large stocks of linseed oil, privately estimated at about 150 thousand tons at the beginning of the year.

The Corn Crop

Because of drought and reduced acreages, Argentina has had a succession of poor corn crops. This grain is important to the Argentine economy because the hard flint type grown is in demand in European markets. Scarcity and high cost of harvest labour (mechanical pickers are not in general use) have been a factor in reduced corn acreages. The common varieties of corn grown in Argentina are not entirely satisfactory for these machines and most of the hybrid seed is the dent type, mainly for local production. Limited quantities of single cross flint are being grown and this can be satisfactorily harvested by machine.

The production of corn in 1953, harvested in March, is privately forecast at about four million tons, which will provide an export surplus of about 1½ million tons—a considerable improvement over recent years. Although there was heavy rainfall throughout the corn belt from the middle of January, it was too late for early-planted corn which suffered from a hot, dry period in late December and early January. Fields planted later are generally good and will account for the bulk of the crop this season.

Second Five-Year Plan

President Peron's Second Five-Year Plan was passed by Congress and became law on December 21, 1952. The ambitious program for 1953-57 covers every phase of national activity and is divided into five general sections: social, economic, commerce and finance, services and transport, and administrative.

The implementation of the Plan will depend largely on foreign exchange earnings and it is worth noting that the emphasis put on industry in the first Five-Year Plan has been transferred to agriculture, which accounts for more than 92 per cent of the foreign exchange earnings. This more favourable policy towards agriculture was already apparent in early 1952, when the campaign for increased sowings was launched and a back-to-the-land movement was encouraged by higher official producer prices for crops and higher wages for farm labour. According to the Plan, the Government's agricultural policy will be based on "maximum and better production to meet the requirements of the domestic market and provide an adequate exportable surplus, thus contributing to the country's economic independence".

Among the agricultural targets of the Plan are:

- An increase in the area sown to grain and oilseeds of 57 per cent over present figures, by 1957-58.

- A seeded wheat area of eight million hectares in 1957-58, a 33 per cent increase over the annual average from 1947-51, the period covered by the first Five-Year Plan, and 27 per cent above the 1952-53 acreage.

- Flax sowings of two million hectares by 1957-58—double the 1952-53 figure.

- Corn acreage of seven million hectares, compared with 3·3 million hectares for 1942-51, and 6·4 million hectares for 1935-39.

- Acreages of other crops such as cotton, rice, sugar and tobacco to be maintained or increased to become independent of imports and provide surplus for export.

The Livestock Goals

The section on the livestock industry sets out the following goals:

- Stocks of cattle to be increased by 10 per cent.

- Beef production to provide for rational domestic consumption and leave an exportable surplus of 380 thousand tons, a 52 per cent increase over 1951, when 250 thousand tons were exported.

- Annual production of pork to be increased by 60 per cent to reach 200 thousand tons.

- Production of mutton and lamb to be raised from 140 thousand tons (1947-51 average) to 210 thousand tons and domestic consumption to be increased from 50 thousand to 85 thousand tons.

- Output of wool to go up by 8 per cent to 203 thousand tons a year.

- Dairy cattle to be raised from 3·3 million to 4 million head, to allow for an increase of 41 per cent in domestic consumption of milk.

Wool Carryover High

At the beginning of the wool year on October 1, Argentina's carryover of wool was estimated at 180 thousand metric tons, about double the carryover on the same date in 1951. The new clip was privately estimated at 190 thousand tons, slightly less than the previous year. Domestic requirements are about 50 thousand tons, and this leaves Argentina with an exportable surplus of 320 thousand tons of greasy wool. In July 1952, to encourage exports, the Central Bank modified the exchange rate for the export of wool. The bank provided 50 per cent at the basic rate and 50 per cent at the preferential rate, thus creating the effective rate of 6.25 pesos to the U.S. dollar. At the same time, the 8 per cent sales tax on wool exports was suspended. The special rate (which only applied to exports for payment in dollars and in pounds sterling) was extended on February 12 to payment in other currencies, when official bodies make the purchases.

The local wool market has been more active in recent months than it has been for over a year. According to statistics compiled by trade sources, from October 1 to February 9 the exports of wool totalled 192,701 bales, as compared with only 14,117 bales for the same period last season and 111,907 bales for the wool year ended September 30, 1952. The United States is the principal buyer of Argentine wools with 93,264 bales, followed by the United Kingdom with 44,373 bales.

Because the United Kingdom continues to be the principal market for Argentine meat, local trade circles welcomed the signing of a new protocol to the Anglo-Argentine Agreement. After eight months of negotiations, the contract was signed on December 31. Under it Argentina will supply 238 thousand long tons of meat, including 144 thousand tons of carcass beef, 50 thousand tons of lamb and 10 thousand tons of pork cuts. The United Kingdom will supply essential goods, mainly petroleum and coal. The quantities of each category of meat are specified, whereas previous contracts called for an overall quantity which permitted Argentina to supply mutton and offal and to retain carcass beef for other outlets. Pork is included in the contract—a concession to Argentina to bolster its declining hog industry.

Beef Prices to U.K.

The price for best quality chiller beef sides is 21·9 cents Canadian a pound, 24 per cent above the price established in the last contract. For frozen beef sides, the price is 19·5 cents a pound, or 28 per cent higher than last year; for lamb carcasses 17·9 cents a pound, or an increase of 15 per cent; for pork cuts 31·8 cents a pound.

Shipments against this contract began in January, the first meat shipments to the United Kingdom since June except for a provisional quota in August-September. During the month of January some 271,311 quarters of beef were exported, of which 186,458 went to the United Kingdom. All the lamb exports (110,574 carcasses) went there also.

A review of the monthly shipments of meat during 1952 makes it appear that Argentina is unable to find an alternative market for her surplus meat products. Except for about 4,000 tons shipped in August-September under a provisional contract, the quantities supplied to the United Kingdom were shipped in the first half of the year in fulfilment of the 1951 agreement. In the final months of 1952, although no meat was cleared for the United Kingdom, shipments to other destinations were smaller than in the first half of the year. According to statistics compiled by trade sources, during 1952 Argentina exported 1,500,119 quarters of beef, slightly less than in 1951. The United Kingdom received 51·9 per cent. Exports of lamb in 1952 totalled 1,174,531 carcasses, up sharply from the 788,436 shipped in 1951. The United Kingdom took 94·9 per cent of the lamb in 1952 and nearly all the mutton exports (at 348,543 carcasses) went to the United Kingdom.

Contract Will Be Filled

Trade circles believe that Argentina will be able to fulfil the contract in the calendar year because the period covers the stocks from two flush seasons—the last quarter of 1952 which was held in cold storage, and of 1953 which will be in the contract year. In February, Argentina resumed shipments of chilled beef to the United Kingdom after 13 years. This was a trial shipment and further small quantities will be going later. The last complete year of chilled meat shipments was 1938 and since late 1939, all beef has been shipped frozen.

—W. B. McCullough
Agricultural Secretary for Canada

FAIRS and EXHIBITIONS

Canada at the BIF

A message of praise and homage to Elizabeth II, surmounted by the Royal Cipher, establishes the Coronation motif of Canada's exhibit at the 1953 British Industries Fair in London. A Royal Canadian Mounted Policeman will be stationed near the central panel which bears the message of loyalty, and beside it twelve transparencies in glowing colours will tell the story of the Royal Visit to Canada, province by province.

Photographs, artwork and striking poster-style designs, with concise explanations, are used on panels tracing the development of Canadian agriculture, mining, manufacturing, construction, trade, transport and power during the 15 years since the last Coronation in 1937. The panel on construction, for example, has a cut-out framework of orange girders set against a deep blue background and enclosing photographs of new plant construction. Signs and placards of construction companies decorate the foreground. The mining panel features a large photograph of Canada's atomic reactor and a diagrammatic drawing of the Wabana iron ore mines in Newfoundland, illustrating the new techniques in metallurgy which have opened up frontiers for Canada's mining industry.

A statistical chart of British-Canadian trade, headed "Are You Getting Your Share of Trade with Canada?" and a large wall panel advertising the Canadian International Trade Fair complete the display. A private office and lounge will be set up within the exhibit where Canadian trade officers can talk with business visitors and answer inquiries.

The entire exhibit was prefabricated in Ottawa by the Canadian Government Exhibition Commission for the Department of Trade and Commerce.

Fair Calendar

Saar International Fair, Saarbruck, April 24-May 3.

Brussels and Liege International Trade Fairs, April 25-May 10.

Heavy Industries Fair, Hanover, Germany, April 26-May 5.

Paris International Trade Fair, Parc des Expositions de la Porte de Versailles, May 9-25. Admission cards from Commercial Counsellor for France, 464 Wilbrod Street, Ottawa; Commercial Attache for France, 610 St. James Street W., Montreal and 185 Bay Street, Toronto.

Office Machinery and Equipment Exposition, Boston, May 25-28. Foreign businessmen invited to exhibit in All Purpose Business Show which is part of this event. Apply: Mr. H. F. Grebe, National Office Management Association, 132 Chelten Ave., Philadelphia 44.

International Trade Fair, Barcelona, Spain, June 10-30.

German Transportation Exposition, Munich, June 20-October 11.

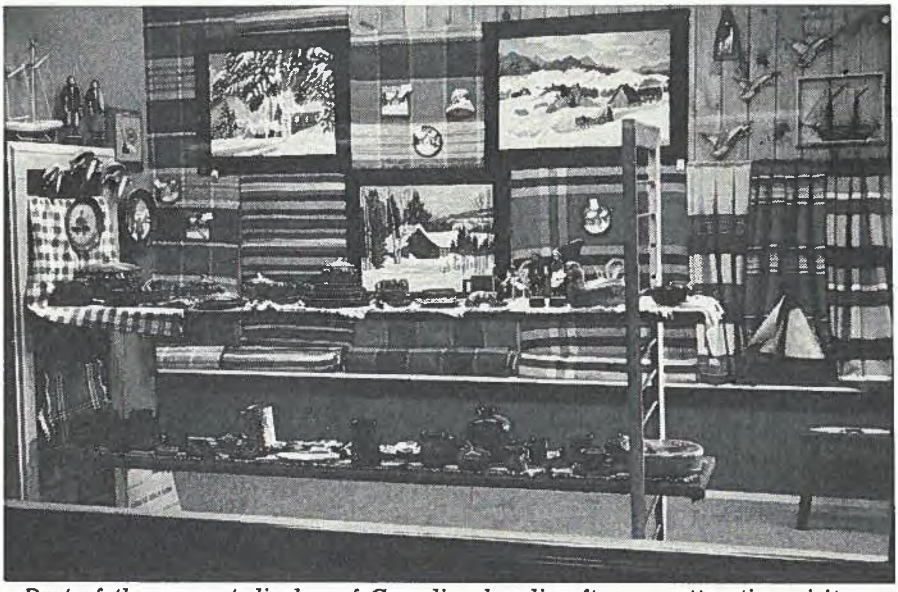
International Trade Fair, Izmir, Turkey, August 20-September 20.

Fifth German Watch, Clock and Jewellery Fair, Frankfurt Fair Grounds, August 22-25. Information: Fair Authorities, Schumannstrasse 27, Frankfurt am Main.

New York Sees Canadian Handicrafts

Americans are flocking to the Canadian Showroom at Rockefeller Center in New York to admire the display of Canadian handicrafts which opened on March 9. The exhibit will run throughout April. The many retailers and wholesalers visiting the show see—and are buying— a variety of creations by Canadian artists, including handwoven textiles, in the piece and in skirts, stoles and coats; hooked rugs and pictures; ceramics; wrought iron work; wood carvings of typical scenes in provincial life, and of animals; hand-carved wooden lamps; model fishing schooners, jewellery, and lace.

Many of those who visit the handicrafts show will spend their holidays in Canada, and the attendants at the display can tell them in what Canadian towns and cities they may buy the craftwork shown.



Part of the current display of Canadian handicrafts now attracting visitors to the Canadian Government Showroom at Rockefeller Center, New York.

Japan Shapes a Trade Policy

. . . designed to cut production costs and make exports more competitive. Government loans will assist industries and trading firms.

TOKYO—The Japanese Government has formulated long-range plans to bolster the country's declining export trade—plans based largely on increased reciprocal trading with countries in Southeast Asia and the Far East. Chief among these plans are:

- Diversion of purchases of foodstuffs and raw materials, where possible, from present suppliers to countries in Southeast Asia.
- Raising of exports of textiles, chemicals, heavy industrial products, plant and machinery and sundry goods to nations in that area.
- Co-operation in the joint development of resources and industrial projects in the region.
- Achieving of lower production costs on coal, steel and heavy chemical products.
- Expansion of the Japanese Merchant Marine and formation of import and export associations.

Trade Representation Extended

Although increased trade in Southeast Asia is stressed, Japan will endeavour to foster economic co-operation with other countries also. Treaties of commerce and navigation are to be concluded with friendly trading nations to ensure the conduct of Japan's international trade on the best possible terms. The Japanese Government regards participation in the GATT as an integral part of its trade program. It intends to conclude new trade and/or payment agreements and to revise existing trade agreements, some 30 of which are now in effect. Trade and diplomatic representation abroad is to be expanded to make possible thorough trade surveys in potential markets; trade missions will also be dispatched to important overseas markets. There are, in fact, a number of Japanese trade missions visiting potential overseas markets at the moment and additional ones will set out in the near future.

Lowering Production Costs

Because the prices of a number of their key industrial products remain above international levels, the Japanese are taking active steps to reduce production costs. This is to be accomplished by eliminating wasteful practices in basic industries—particularly coal, steel and heavy chemicals. Industries may be diverted from thermal to hydro-electric power to ensure an adequate power supply. The Government proposes to spend Yen150,000 million in the forthcoming fiscal year to develop electric power projects. This represents an increase of Yen30,000 million over the preceding year. The objective is 5½ million kwh at the end of five years. It is planned to reduce coal prices—which are well above world levels—by modernizing productive facilities, e.g., introducing shafts in mines. Colleries will receive tax relief and other financial assistance to enable them to lower costs. Iron and steel manufacturers will get long-term, deferred payment loans to help them modernize the steel mills. This is expected to bring down steel prices and enhance Japan's competitive position not only in steel but also machinery and plant, which are important Japanese exports.

Trading Companies Aided

Japanese trading firms engaged primarily in foreign trade will be strengthened when the proposed revision of the anti-monopoly law is passed. A number of coming financial measures will improve the competitive position of these firms, which still handle the largest percentage of Japan's foreign trade. Their outstanding short-term debts are to be converted into long-term loans, and special taxation arrangements will cover expenses of establishing overseas branches. Trading firms are also to be encouraged to increase their capital, presumably by amalgamation.

Government Funds for Industry

Japanese industrial and trading firms are in a period of financial stringency, and the proposals for expanding foreign trade and economy will thus be carried out by decreased taxation and active use of government funds. The 1953-54 budget contains an appropriation of Yen151,300 million to step up production of foodstuffs, rehabilitate disaster areas, and undertake flood control and other public works. This sum is in addition to investment and loans for the development of electric power resources, shipbuilding, railways and other industrial projects. The additional funds required to implement this expansion will be raised by national savings bonds.

Summary

The measures to increase Japan's foreign trade and strengthen its competitive position in world markets are being taken at a time when dollar earnings are relatively high because of special procurement contracts and spending for the armed forces. The impediments to the movement of Japan's products to export markets, including the prohibition on the shipment of strategic items to China and import restrictions in sterling markets, pose acute problems. The slump in export trade, if continued, could seriously impede the country's economic recovery. There are no signs of immediate improvement in export trade; export validations for the month of January 1953 dropped to $81·8 million, the lowest figure since January 1951. Japan is strongly pressing for relaxation in sterling area import restrictions. The current trade policy is not expected to produce any startling immediate results, but it is realistically designed to correct the present unfavourable position and eventually to restore Japan's trading equilibrium.

—J. C. Britton
Commercial Counsellor for Canada

COMMODITY NOTES

BRAZIL

Cocoa—Brazil's 1952 crop amounted to 158 thousand tons, worth Cr.$1,304 million. Production in the State of Bahia amounted to 152 thousand tons. Although there is a ready market for cocoa at compensatory prices, business during recent weeks has been quiet. Producers and exporters are unwilling to sell and are retaining stocks in the hope of obtaining better prices from the U.S. A few lots have been sold at about US$36 per 50 kilos f.o.b. Arrivals at ports of shipment are still at the rate of approximately 10,000 bags a day; on January 28 the accumulated stocks totalled 225 thousand bags. Weather conditions have been favourable and a large mid-crop is expected to arrive early this year. December prices were Cr.$140 for superior, Cr.$135 for good and Cr.$130 for regular, all per 15 kilos. Shipments in 1952, at 964,409 bags, were considerably below the 1·6 million bags in 1951—Rio de Janeiro, March 19.

ITALY

Batteries—Production of portable batteries for trains, automobiles, etc., increased in 1952 to approximately 11 thousand tons, valued at 6,000 million lire. Production of fixed batteries was approximately the same as in 1951 and was valued at 2,000 million lire. Lead batteries are mainly used; they make up 90 per cent of the total production. The industry is operating at about 60 per cent capacity and supplies all domestic needs—Rome, March 12.

MEXICO

Sulphur—Sulphur production in Mexico this year should exceed 50 thousand metric tons. Production will soon be started in the State of Vera Cruz by the U.S.-owned Mexican Gulf Sulphur, with an anticipated output of 40 thousand metric tons a year in the immediate future. Deposits of some 800 thousand tons on the Island of Socorro, in the Revillagigedo group, also will be worked for the first time this year. Production at existing mines in the central State of San Luis Potosi was scheduled to be increased to 35 thousand tons this year, from recent annual averages of 10 thousand tons—Mexico, D.F., March 13.

SWEDEN

"Kraftfoil"—A new packing material, "Kraftfoil", has recently been introduced by a Swedish firm. It consists of a layer of reinforced paper, which protects against mechanical strain, and a layer of aluminum foil for isolating moisture. Asphalt is used to bind these two together. The material has been produced with an eye to the needs of the export trade for tough, damp-resisting packing material—Stockholm, March 10.

UNITED KINGDOM

Aluminum—The U.K. aluminum industry has been experiencing a trade recession during the past six or eight months. Various factors have contributed to this. Rearmament demands caused an acute shortage of fabricated aluminum about the middle of last year.

Manufacturers, unable to foretell the duration of this, tended to overstock. The supply position is easier now but, at the same time, the revised rearmament program has resulted, temporarily at least, in reduced aircraft orders. Restricted export markets have also had a bearing; exports of fabricated material and products manufactured from it have been reduced. The trade feels the situation is temporary, though the year is expected to be a difficult one—Liverpool, March 20.

UNITED STATES

Certified Seed Potatoes—The 1952 production of certified seed potatoes in the United States was 42,755,620 bushels, according to information received by the Bureau of Agricultural Economics from certifying agencies in 30 states. This is 17 per cent above the 1951 production of 36,630,815 bushels and 16 per cent above the 1941-50 average of 36,722,400 bushels, but 16 per cent below the record 1950 production of 51,071,441 bushels.

The increase in the 1952 production over 1951 was entirely the result of larger acreage. The yield of 321 bushels per acre in 1952, although above the average of 262 bushels, was smaller than the 1951 yield of 333 bushels. The total of 133,140 acres harvested in 1952 was 21 per cent larger than the 109,995 acres in 1951, but 5 per cent below the 10-year average of 140,245 acres—Washington, March 25.

WEST GERMANY

Nickel—West Germany has taken further steps to restrict the domestic use of nickel. Regulations effective January 28, 1953, state that the use of nickel and nickel alloys with a 6 per cent or greater content of this metal is either not permitted or is limited for a wide range of products. Use of stainless steel with a nickel content of 2·5 per cent or more is also curtailed. A few of the products affected by this order are: automobiles, bicycles, tricycles, dry cleaning equipment, agricultural machinery, ship fittings, radios and other electrical equipment, musical instruments, novelties and many others—Bonn, March 6.

The West German Chemical Industry II

Prewar, Germany was the world's leading exporter of chemicals. Despite an astonishing revival in the chemical industry since 1950, West Germany now ranks third as an exporter.

BONN—Perhaps the best index of the development of the chemical industry in any country is the extent of its production of sulphuric acid. Of the total of 36 sulphuric acid plants, with a capacity of over 20 thousand tons, in production in Germany before the war, 23 were in what is now the Federal Republic of Western Germany. To a large extent these factories were undamaged and though their technical processes may be somewhat antiquated, they have contributed substantially to the general increase in production.

The following table gives some indication of the revival of sulphuric acid production in Western Germany and its position relative to the four other major producers. The production figures from 1946 to 1951 indicate the trend and rate of the recent revival fairly clearly.

Production of Sulphuric Acid

(by main manufacturing countries and % of world production)

(1,000 metric tons)

Year	U.S.A.		Germany*		U.K.		Soviet Union		Japan	
1938	3,799	26·6%	2,272	16·0%	960	6·7%	1,500	10·5%	2,139	15·5%
1939	4,350	28·6	2,716	17·9	1,086	7·1	....	....	2,155	14·2
1941	6,142	40·9	2,362	15·8	1,219	8·1	....	....	2,235	14·9
1944	8,384	54·5	2,199	14·3	1,289	8·5	1,100	7·1	1,214	8·0
1946	8,349	56·0	342	2·2	1,349	9·0	....	....	573	3·8
1947	9,779	54·6	517	2·9	1,354	7·6	....	....	925	5·2
1948	10,393	51·7	814	4·0	1,577	7·8	....	....	1,217	6·1
1949	10,371	48·9	1,139	5·4	1,687	8·0	2,500	11·8	1,613	7·6
1950	11,663	49·4	1,446	6·1	1,832	7·8	2,800	11·9	2,030	8·7
1951	12,103	46·9	1,703	6·6	1,606	6·2	3,200	12·4	2,366	9·2

Source: Ungewitter "Chemie in Deutschland", UNO—Jahrbuch 1951, Koehler "Wirtschaft des Ostblocks".

* 1938 to 1944 German "Reich", 1946 and 1947, American and British Zones, since 1948 area of the Federal Republic.

Other Chemicals

Of the 22 alkali plants producing soda ash and electrolytic caustic soda prewar, 16 were in the Western zones. Of the 22 nitrogen plants, 15 were in Western Germany; of the 15 carbide plants, 10 were in the Western zones. Some 14 out of 20 pharmaceutical factories were in Western Germany, though these do not, in the main, produce basic chemicals. In fact, Western Germany emerged from the division of the country in possession of the greater portion of the chemical production facilities.

Table II gives some indication of the production of basic chemicals during the years 1950 and 1951. In every case, a trend towards increased production is apparent and this trend is most obvious in soda ash and caustic soda production. German production of calcium carbide now approximates domestic requirements of about 650 thousand metric tons a year. The increase was to be expected because difficulties—such as restrictions on production ordered by the Allied High Commission, recurrent power and raw material shortages, and marketing problems—which, individually or in combination, tended to hinder production, have gradually become less important.

Table II

Production of Basic Chemicals

West Germany, 1950 and 1951

(000's of tons)

Commodity	1950	1951
Soda ash	247·2	278·3
Caustic soda and lye	111·5	159·9
Nitrogen fertilizers N*	147·6	160·4
Phosphate fertilizers P_2O_5*	118·3	128·3
Calcium carbide	210·8	217·1
Synthetic fibres†	54·4	61·0

* By chemical content.
† Cellulose fibres and artificial silk.
Sources: "Boersen-und Wirtschafts-Handbuch 1951", "Wirtschafts-Jahrbuch 1952".

The production position of Germany compared with other countries has, however, seriously deteriorated since 1938. Germany then was the second largest producer of chemicals in the world, exceeded only by the United States. The German industry turned out slightly more than $\frac{2}{5}$ of U.S. production and more than double that of the United Kingdom. In 1951, Western Germany was fourth as a producer, turning out approximately $\frac{1}{8}$ as much as the U.S., $\frac{1}{2}$ as much as the Soviet Union, and only $\frac{2}{3}$ as much as the U.K.

Foreign Trade in Chemicals

In studying German foreign trade in chemicals, it is interesting to compare the industry's present and its prewar position in world export trade. Germany has fallen from first to third position and the United States, in the period 1938 to 1951, has attained a commanding lead in exports which will be difficult if not impossible to overcome.

In terms of dollar volume, the German share of world exports declined from approximately 24·4 per cent for the whole of Germany in 1938 to 12·1 per cent for Western Germany in 1951. These percentages alone are misleading. This decline provides only a surface indication of the country's deteriorated position. The production of the Soviet Zone is to a large degree siphoned off to Iron Curtain countries and no reliable statistics about this zone's imports and exports are forthcoming. In addition, no statistics show the degree of control which has been lost to the German chemical industry.

At this time it is extremely doubtful if even the most extensive analysis could determine the economic loss which destruction of the I. G. Farben combine has caused. The removal of the central control exercised by this organization has resulted in some cases in cut-throat competition where products, in a relatively short period, have come into abundant supply. It has also removed the industry's ability to present a united front to all purchasers by establishing a set selling price for particular items. This has placed the onus on individual firms to be economically competitive or, alternatively, to disintegrate slowly. Uneconomic firms do not have, in most cases, the financial resources to operate at a loss over a long period. When they were members of a combine, it could, in the interests of control, offset the losses of one factory or plant against the profits accrued by another.

To obtain a picture of the relative importance of basic sections of the German chemical industry as far as Germany's export trade is concerned, it is interesting to review the export figures over the last 20 years. Table III provides an indication of the relative trend of some basic segments from 1933 until the present, and is based on years which might be considered normal. This table shows that heavy chemicals, both organic and inorganic, have been predominant, with coal tar dyes and associated products a very close second.

Table III

German Exports of Chemical Products
by commodity groups

	1933*		1937*		1951†	
Total chemical exports (excluding rubber and potassium fertilizer)..	749·2	100 %	839·4	100 %	2,063·8	100 %
Heavy chemicals (organic and inorganic)	177·0	23·6	176·6	21·0	532·9	25·8
Nitrogen fertilizers	52·7	7·0	60·0	7·2	166·7	8·1
Tar dyes and associated products....	136·7	18·3	151·6	18·1	306·1	14·8
Mineral dyes and paints.............	57·2	7·6	57·3	6·8	208·6	10·1
Pharmaceutical products	105·8	14·1	139·8	16·7	185·1	9·0
Chemical fibres (artificial silk and cellulose fibres)	30·7	4·1	25·7	3·1	198·1	9·6

* Reichsmarks.
† 1951 Federal Republic in Deutsche Marks.
Source: "Wandlungen des Welt-Chemiemarktes" (Export Edition), Volume 4, 1952.

The relative trend of exports of more specialized groups is shown in Table IV, which also covers the same period.

Table IV

German Exports of Important Chemical Products
in million RM/DM

Product	German Reich 1936	1946	Federal Republic of Western Germany 1949*	1950	1951
Heavy chemicals†	235·1	181·6	77·6	279·6	532·9
Ferro alloys and compounds	16·1	12·5	0·1	0·6	3·6
Nitrogen fertilizers	48·9	19·4	2·8	112·3	166·7
Phosphorous fertilizers	2·8	1·8	1·2	4·2	5·8
Coal tar dyes & intermediate products	138·2	98·5	65·2	177·7	306·1
Mineral colours and paints	68·2 (with varnish)	49·0 (with varnish)	47·3	99·7	208·6
Varnish, lacquers, etc.			0·9	2·9	11·5
Explosives and detonating chemicals..	23·2	17·9	2·4	5·2	12·8
Pharmaceutical products	111·0	91·6	27·3	90·6	185·1
Essential oils	9·7	7·1	0·7	6·4	11·4
Cosmetics	5·4	4·0	0·3	2·7	7·9
Soap and washing materials	11·0	9·3	0·8	5·9	16·0
Glue and gelatine	7·7	6·0	2·8	7·3	9·9
Tanning agents	1·7	1·3	0·7	2·1	3·7
Artificial silk	27·8	17·9	22·7	45·5	91·0
Artificial staple fibre	1·9	1·2	0·7	38·5	107·1
Plastic extrusion and forming materials	16·2	21·0 (with other plastics)	2·4	14·2	68·2
Other plastic materials	11·1		2·3	9·9	29·6
Photo-chemical products	31·0	15·4	3·3	10·1	26·1

Sources: Ungewitter: "Chemie in Deutschland".
Federal Statistical Office.
"Deutschlands Chemische Industrie".
The figures for the year 1936 are estimates.

* 1st to 3rd quarter British and U.S. zones only. 4th quarter Federal Republic of Western Germany.

† As "heavy chemicals" cannot be precisely defined, the values provided in this group, compiled from different sources, cannot be used for comparison without certain reservations.

The West German chemical industry, although now faced with a very high degree of competition in foreign markets and with many other problems, has largely regained confidence in its ability to overcome its difficulties. As further controls are relaxed, it seems inevitable that a greater degree of co-ordination between the activities of various producers will take place. Such co-ordination, with the realization that a laboratory research program is necessary if new and useful chemical compounds are to be found, make it appear inevitable that the industry will continue to grow both in strength and influence. A large portion of present research is in synthetic fibres and petrochemical development, although other chemical subdivisions (such as plastics) are not being neglected. Experts here are predicting that Germany, within the space of the next few years, will enter foreign markets with new products and procedures. They support this view by referring to procedures of German origin perfected many years ago which are still in general use throughout the world. They also refer pointedly to the extensive German experience in the chemical field and to the lower relative costs in Germany of hiring expert laboratory technicians and subsidiary staff.

—W. Jones
Assistant Commercial Secretary for Canada

TRADE COMMISSIONERS ON TOUR

To familiarize themselves with conditions in this country and the special requirements of businessmen, Canadian Trade Commissioners return to Canada periodically. Exporters and importers are invited to discuss with the Trade Commissioner the markets and sources of supply in his territory.

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the first part of his Canadian tour in Victoria, April 3-4. His itinerary will be:

Edmonton—April 13 Calgary—April 16
Winnipeg—April 20

Businessmen may get in touch with Mr. Stewart through the Department of Trade and Commerce, 355 Burrard Street, in Vancouver, the Board of Trade in Calgary and the Canadian Manufacturers Association in Edmonton and Winnipeg.

GENERAL NOTES

FRENCH MOROCCO

Trade Balance—French Morocco's trade balance was very unfavourable during 1952, with exports accounting for only 52 per cent of the value of imports. This is perhaps normal for a country undergoing rapid development, but it meant an additional drain of almost 23·5 billion francs on the foreign exchange assets of the franc area.

The deficit with the dollar area, although relatively small in proportion to the total value of trade, is the most critical, with exports paying for only 17 per cent of imports. A favourable balance of trade with the sterling area was maintained, although exports to that area fell by almost 30 per cent of the previous year's value. Trade with the sterling area and the EPU countries taken together came very close to balance—Paris, March 18.

GREECE

Trade Balances Improved—According to trade figures just released by the Greek Ministry of Commerce, Greece's foreign trade gap narrowed during 1952 because of a decrease in merchandise imports and an increase in exports. The net foreign trade balance during 1952 stood at $226·4 million, as compared with $296·7 in 1951. Total imports for 1952 amounted to $346·3 million, as contrasted with $398·3 in 1951. Exports, on the other hand, increased slightly, reaching $119·9 million as compared with $101·6 million in the previous year—Athens, March 20.

JAMAICA

Foreign Investments—Foreign investment in Jamaica under "approved status" can in future be repatriated in full, including any capital gain, it has been announced. Application for approved status is granted by the authorities on the basis of whether the investment will be a dollar earner, a dollar saver, or provide the colony with some economic benefit.

If an investment is not given approved status, only dividends may be repatriated (to the country from which the investment comes). Should the investment be liquidated, accruing funds are placed in a blocked account. However, such funds need not be left dormant but may, for example, be used to buy local securities, etc.—Kingston, March 20.

NEW ZEALAND

Bridge Project—The long anticipated building of a bridge to link the city of Auckland proper with the so-called North Shore residential area received a severe setback when the raising of a £4 million sterling loan was not permitted. The total cost of the bridge will be about $30 million, and it is possible that an attempt will be made to interest Canadian investment capital and engineering skill in the project—Wellington, March 25.

PHILIPPINES

No New Dollar Quotas—The Import Control Commission has announced that there is no dollar allocation for persons applying to import for the first time in 1953. The total dollar allotment for the first half of 1953 is one-half of actual quotas granted to all importers in 1952—Manila, March 10.

THAILAND

Powerful New Transmitter—A new RCA 50-thousand-watt radio transmitter will be in operation in Bangkok in July. Engineers claim that Radio Bangkok, a government-owned enterprise, will be able to beam broadcasts to Europe and North America, but because signals will have to "bounce" three times between the earth's surface and the heavyside layer, reception in Canada will not always be good. The call letters are KSK9—Singapore, March 6.

UNITED STATES

Consumers' Price Index—The U.S. Bureau of Labor Statistics has issued a new consumers' price index, popularly known as the cost-of-living index, compiled after a three-year survey of consumer prices and spending patterns. The index includes 300 items, ranging from cigarettes to surgery, and represents the "market basket" of goods and services which families of wage earners and clerical workers must buy to maintain their living standards. The previous cost-of-living index included 225 items and was measured by price sampling in 34 large cities. The new index expands the number of items to 300 by adding TV sets, frozen and other foods, and a number of items which are now considered necessities in the clothing, furniture, and other goods and services fields.

The price sampling for the new index was made in 46 towns and cities, including some small representative towns and communities with populations as low as 2,500. The survey showed that the average U.S. family spent 30·1 per cent of its total expenditures for food; 32 per cent for housing; 9·7 per cent for clothes; 11 per cent for transportation; 4·7 per cent for medical care; 2·1 per cent for personal care (such as toilet articles); many other small percentage items; 5·4 per cent on reading and recreation, including TV, and 5 per cent for other goods and services, including tobacco, alcoholic beverages, legal services and burial expenses—Washington, March 19.

Meeting in Indonesia

Several weeks ago, the Economic Commission for Asia and the Far East held its ninth session at Bandung, Indonesia. Here is a brief report from the Canadian observer.

MANILA—Sharp fluctuations in commodity prices, with their disruptive economic effects; the progress of development projects in many countries; the need for increased outside aid in carrying out these projects —these were among the main topics discussed at the ninth session of the Economic Commission for Asia and the Far East (ECAFE). The meeting-place was Bandung, Indonesia; the time, February 1953. Representatives from 21 different countries attended and Canada, several of the UN agencies, and certain non-governmental organizations sent observers.

● Stabilizing the Eastern Economy

Among the many constructive discussions, the most important centred around the topic "the economic situation in Asia". Background material for this discussion was provided in the United Nations' *Economic Survey of Asia and the Far East* for 1951 and 1952, and nearly all the countries agreed with the findings of the UN survey.

Delegates felt concern over the rise and fall in commodity prices. Recent declines in these prices had, they pointed out, affected adversely the terms of trade, national income, balance of payments and foreign exchange reserves in many countries. They also agreed on the need for measures designed to bring about greater stability in commodity prices. In general, the objective should be, the Commission decided, an economy in which the prices of capital goods and other manufactured articles bear an adequate, just and equitable relation to the prices of primary commodities.

The Commission recognized the effect of the changes in the level of economic activity in the United States on the rest of the world. They expressed the hope that the U.S. would continue to consider the needs and aspirations of the Asian and Far Eastern countries, as well as its own enlightened self-interest, in formulating its economic policies.

A discussion of the problems of economic reconstruction and development brought out promising reports on agricultural and industrial progress in many areas. Several of these countries had drawn up and were implementing integrated development plans, in which increased production of food products occupied a key position. On the other hand, some felt anxious about the possibility of being forced to curtail development because of diminished financial resources. The Commission emphasized the need for more external assistance in this region. It also rejected the view that foreign capital is essentially exploitative.

Representatives showed great interest in the establishment of an international finance corporation and of a special fund for grants-in-aid and low interest, long-term loans. They also applauded the proposal to set up in London a Commonwealth Finance Corporation to further development in Commonwealth countries.

• Inland Transport

The Inland Transport Committee reported that railway operating and signalling officers throughout the region had carried out a successful group study tour. They also reported progress on the setting up of a railway training centre at Lahore, Pakistan. They recommended to the Commission that:

1. A standard manual of instruction for automobile drivers and mechanics be completed by the end of 1953. The International Labor Organization has agreed, in principle, to prepare this.

2. A study of the co-ordination of the various means of transport be included in the program of work suggested by the committee.

• Industry and Trade

The useful work done by this committee was commented upon by the Commission. It expressed the view that the working party on "financing international development in Asia" should study closely fiscal and financial measures for economic development and specifically taxation problems. The Commission also requested the ECAFE Secretariat to continue its consultations with governments and with the Colombo Plan Consultative Committee, to develop acceptable techniques for the presentation of data in this field.

• Bureau of Flood Control

The Commission commended the Bureau of Flood Control for its useful work on multi-purpose river basin development. It approved the organization of a training centre on water resources development and the holding of a regional technical conference on water resources development next year. The proposed group visit of experts to Europe and America to study water resources development technique was considered most important.

• Reports on Specialized Agencies

Reports submitted by the Food and Agricultural Organization and the International Labour Organization and a memorandum from UNESCO were reviewed by the Commission. A number of delegations expressed pleasure over the establishment of a joint ECAFE/FAO Agriculture Division at the ECAFE headquarters and gratitude for the co-operation they had received from the specialized agencies.

The report submitted by FAO indicated that, because food production constitutes a large part of the economic activities in the ECAFE region, and because in some countries agriculture is responsible for 40 to 65 per cent of the national income, it must be given a prominent position in any national program of economic development. There has, of course, been some increase in agricultural output but not enough, and FAO is giving every possible assistance in this work.

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

Credit Conditions in the Commonwealth

TRADING WITH THE MANY DOMINIONS, territories, and colonies that comprise the British Commonwealth is still a relatively secure experience amid the complex commercial uncertainties that characterize international trade today. The most comforting aspect of trade with the Commonwealth is the freedom from conversion problems. Despite the acute dollar shortage in the sterling area, the rule that a valid import licence guarantees covering foreign exchange has remained inviolate. The high commercial morality of British traders and the unimpeachable financial respectability of the exchange control mechanism have together built a reputation for responsible behaviour in dealing with foreign credit.

Credit and collection conditions are not identical throughout the Commonwealth. The operating rules of the sterling area, however, shape the exchange conditions that generally prevail. Canada is the only part of the Commonwealth which does not adhere to the sterling area. The Union of South Africa is the only member of the sterling area that does not depend fully on the central dollar pool for its supplies of hard currency. A mutual understanding among the Commonwealth members requires them to turn over their gold and hard currency earnings to the central dollar pool and draw out according to their needs, on the basis of flexible quotas. The resources of the dollar pool have often been strained but exchange commitments have always been met.

Effect of Import Licensing

Each country, colony or territory within the Commonwealth controls its own import licensing system, in conformity with the exchange potential allowed. In some instances, modifications in the import licensing regulations have led to payment problems for Canadian exporters on in-transit or unlicensed orders. India is more prone to frequent changes of import licensing rules for particular classes of goods than other Commonwealth countries and exporters to India thus encounter difficulties more frequently. Elsewhere the changes are more likely to interrupt some traditional lines of trade in a period of dollar stringency (as in Australia, New Zealand, Pakistan and India in the past year) rather than to jeopardize payment for a particular shipment.

Position of Hong Kong

One exceptional trading colony within the Commonwealth is Hong Kong. It is a full member of the sterling area and conforms to the normal pattern for the very limited volume of imports licensed against official exchange supplies. However, most of Hong Kong's import trade is carried on through the free exchange market. A very active trading centre, Hong Kong imports a large volume of goods destined for later re-export. The law of supply and demand governs the operation of the free exchange market, which is the normal source of exchange cover for imports. This means that foreign exchange is always available, provided that the importer is prepared to pay the market price. In such an exchange market of fluctuating rates, collection delays are to be expected whenever the rate of exchange is particularly adverse, because importers are inclined to postpone remittances until the market rate becomes more favourable. But the fairly constant stability of the exchange market in Hong Kong has generally obviated protracted transfer delays.

Monetary Policies Reflect on Credit

Deflationary monetary policies were adopted fairly generally throughout the Commonwealth in 1952. This produced a tighter supply of credit which, in certain instances, made it more difficult for buyers of imported goods to find the means to meet all collections promptly. These policies may have meant hardship for Canadian exporters in certain cases but they were sound and necessary. By creating conditions more conducive to equilibrium in balance of payments, and by denying speculative importers the opportunities to over-extend themselves, this credit tightness will build greater stability in collections.

Political Influences Slight

Political influences had no adverse effect on collections throughout the year. Disorder in Malaya has been brought under better control, creating a more reassuring business environment. The intensity of the South African domestic political differences has so far not affected the business community adversely. India and Pakistan have achieved increasing stability and administrative soundness in handling domestic matters and have, this past year, displayed a more rational and calmer mood in dealings with each other. The political circumstances are not as important as the other factors such as financial, marketing and transportation conditions in India, Pakistan and Malaya, which are making for greater uncertainty in collections, with traditionally more cautious terms of sale to these markets.

Collection Experience

The Export Credits Insurance Corporation, which has had experience with a representative share of collections in the various Commonwealth countries, reports that in 1952 none of these countries or territories produced any serious collection problems. The Corporation's records show only a fairly small percentage of delayed payments from Australia, Ceylon, Rhodesia and South Africa. Experience with the British West Indies is reported as particularly good, considering the high volume of trade insured to this very important market.

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

Country	*Business conditions and collections*	*Economic change in year*	*1953 Prospects*
Australia	good	greater stability	better
British West Indies	good	no change	satisfactory
East Africa	fairly good	no change	satisfactory
Ceylon	fairly good	more difficult	uncertain
Hong Kong	fair	more difficult	uncertain
India	fairly good	improvement	better
Malaya	fair	weaker	fair
New Zealand	good	greater stability	good
Pakistan	fair	weaker	uncertain
Rhodesia	good	no change	satisfactory
Union of South Africa	good	improvement	good
United Kingdom	good	improvement	good
West Africa	fairly good	no change	satisfactory

TRADE AND TARIFF REGULATIONS

BENELUX

Customs Tariff Amended—The customs tariff of Belgium, the Netherlands and Luxembourg has been amended by virtue of a Belgian decree dated March 19, 1953, and by a corresponding Netherlands measure. The amendments consist of decreases and increases in some rates of duty and changes in the wording of certain tariff items.

In the items of interest to Canadian exporters, the following changes came into force on April 1:

	New Rate (in per cent)	Old Rate (in per cent)
Butyl alcohol	Exempt	8
Strands of iron wire for polishing in rolls	4	15
Rough shapes for shoe lasts	6	18
Valves for pneumatic tubes	6	15
Interior cable for flexible conveyors	6	12
Copper machine wire	4	2
Copper bars and wire	6	4
Copper sheets, simply beaten, rolled or drawn	6	5
Stratified artificial resins in plates, sheets, etc., containing paper or fabric	8	3
Copper foil other than "imitation gold"	8	6
Belt fasteners of iron or steel	12	8
Drawing pins of iron, steel or copper	15	8

In addition, the rate of duty on wire of iron or steel for specified industrial purposes will be increased from 1 to 4 per cent ad valorem effective July 1, 1953—Brussels, March 27.

Exporters may obtain information about tariff changes on individual goods from the Foreign Tariffs Division, Department of Trade and Commerce, Ottawa—Editor.

INDIA

Repatriation of Foreign Capital—In June 1950, the Government of India announced certain relaxations in the exchange restrictions on the repatriation of capital invested from non-sterling area countries in industrial projects approved by the Government of India after January 1, 1950. The announcement, however, expressly excluded appreciation in the value of the investment from the scope of the repatriation facilities, except to the extent of the profits of the investment ploughed back into the business with the approval of the Government of India. The Government has now reviewed this policy and, in order to stimulate investment of foreign capital in desirable channels, has decided to withdraw this reservation. Accordingly, the repatriation of capital from the sale proceeds of the investments made by residents of countries other than the sterling area, Norway, Sweden and Denmark will from now on be governed by the following principles:

- Capital invested after January 1, 1950, in projects approved by the Government of India may be repatriated at any time thereafter, together with any capital appreciation in the value of the investment.
- These facilities, however, will not apply to the purchase of shares on the stock exchange unless it is an integral part of an investment project approved by the Government of India after January 1, 1953—New Delhi, March 29.

Foreign Trade Service Abroad

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

TERRITORY	OFFICER	CITY ADDRESS	MAIL AND CABLES, OFFICE TELEPHONE
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor †Acting, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE	*Mail:* Boîte Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Paul Sykes, Canadian Government Trade Commissioner	Galle Face Hotel, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, †Commercial Secretary	†Canadian Embassy Calle 19, No. 6-39, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aero 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, CAIRO	*Mail:* P.O. Box 1770 *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 38927
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian †*Tel.:* 846-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
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 3703 *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 Embassy 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	†P. V. McLane 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 1·01976.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. April 1*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1307	
		Basic buying	·1961	(1)
		Preferential selling	·1961	
		Basic selling	·1307	
		Free	·0706	
Austria	Schilling		·04590	
Australia	Pound		2·2075	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01956	
Bolivia	Boliviano	Official	·01634	tax 5% (1)
		Differential	·00976	tax 3% (2)
British West Indies	Dollar		·5749	(3)
	Pound		2·7594	(4)
	Dollar	Brit. Honduras	·6898	
Brazil	Cruzeiro	Official	·05300	tax 8% (2)
		Free	·02066	
Burma	Kyat		·2069	
Ceylon	Rupee		·2069	
Chile	Peso	Official	·03158	(1)
		Commercial	·01633	
		Free	·00891	
Colombia	Peso	Basic	·3922	tax 3% (2)
		Coffee buying	·4245	
Costa Rica	Colon	Official	·1750	(5)
		Free	·1471	*Feb. 16
Cuba	Peso		·9806	tax 2%
Czechoslovakia	Koruna		·01961	
Denmark	Krone		·1420	
Dominican Republic	Peso		·9806	
Ecuador	Sucre	Official	·06538	(6)
		Free	·05675	
Egypt	Pound		2·8159	
Fiji	Pound		2·4859	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00561	
French Pacific	Franc		·01542	
Germany	D Mark		·2335	
Greece	Drachma		·000065	
Guatemala	Quetzal		·9806	
Haiti	Gourde		·1961	
Honduras	Lempira		·4903	
Hong Kong	Dollar	Free	·1636	*March 20
Iceland	Krona	Official	·06021	
		Special buying	·04631	
		Special selling	·03762	
India	Rupee		·2069	
Indonesia	Rupiah	Basic	·08602	(7)
		Dollar certificate	·00204	*Feb. 16

* Latest available quotation date.