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COVER . . . This view of the tulip fields near Lisse serves to emphasize the importance of horticultural products in Dutch agricultural exports. Last year Canada bought more than \$447 thousand worth of tulip bulbs from the Netherlands. For a full report on Dutch agriculture in 1952, turn to page two.

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The Netherlands' Farmer Prospers

Last year saw agricultural and food exports reach a new high, with dairy products in the lead. But flood damage and other adverse factors make predictions for '53 difficult.

THE HAGUE—In 1952, the Netherlands food and agricultural industry experienced its best postwar year. High production in most phases of agriculture, a deflationary domestic policy that checked home consumption and cut imports, and a buoyant and record demand abroad for Dutch food and agricultural exports—all these made this achievement possible.

Best Year since '49

The number of livestock was down slightly from 1951 but gave every indication of recovering and achieving a record in 1953. Milch cows were 50,000 fewer because of liquidation of old stock under the bovine t.b. eradication scheme but heifers increased substantially. Market hogs were down 139 thousand in the May census but a sharp rise in breeding sows to 277 thousand indicated increasing production. This was borne out by the December census, showing 2½ million hogs, compared with under 2 million in December 1951.

Domestic fowl (23·8 million in May) were 1·5 million fewer than in the previous year but by December the 15·7 million approximated the figure of the previous two years. There were fewer ducks than in 1951—and 35½ per cent below prewar. Horses, which have been decreasing since the war, fell to 240 thousand; sheep increased slightly to 360 thousand and appear to have reached a more or less constant level.

Dairy Production

The decline in milch cows and the prevalence of foot and mouth disease in the early months of 1952 brought milk production, at 5·6 million metric tons, down 1 per cent from the previous year. However, the average production per cow increased 50 kgs. over 1951 and the fat content remained constant at 3·65 per cent. Butter production declined drastically in favour of concentrated milk products. Production indices provide the following picture of current trends in the Netherlands dairy industry:

	1938	1950	1951	1952
Milk	100	110	108	107
Butter	100	92	83	73
Cheese	100	101	112	114
Condensed whole milk	100	179	183	233
Milk powder	100	146	121	175

Livestock slaughterings in 1952 varied considerably from the 1951 pattern. More mature cattle went to the packers for both domestic and

export consumption but fewer calves. More hogs were slaughtered for export but fewer for the home market. Sheep slaughterings for both purposes were down.

Fruit, vegetable and nursery crops were generally excellent in 1952. Total fruit production was estimated at 687 thousand metric tons, a 27 per cent increase over 1951 but slightly less than the record year of 1949. Vegetable production, at 960 thousand metric tons in 1952, was 54 thousand tons higher than in the previous year.

Export Balance Improved

Ministry of Agriculture estimates place Netherlands 1952 food and agricultural exports at 3.5 billion guilders in value, or 44 per cent of all Dutch exports. In 1951 the corresponding figures were 3.2 billion guilders, or 43.6 per cent of all exports. A considerably smaller share of the total import bill (1.8 billion guilders or 21 per cent) was for food and agricultural products. This was 570 million guilders less than in 1951—the first contraction in agricultural imports since 1949—and left a food and agricultural export surplus of 1.7 billion guilders, almost equivalent to the whole foreign exchange surplus in 1952. In contrast, total Dutch exports in 1952—including those of agricultural origin—covered only 94 per cent of total imports. This, however, was a marked improvement over 1951, when the proportion of imports covered by exports was only 77 per cent.

Agricultural Highlights of '52

- *Food and agricultural products constituted 44 per cent of Dutch exports in '52.*
- *Livestock and livestock products became the primary source of foreign earnings.*
- *Whole milk powder exports rose by 92 per cent during the year.*
- *United States purchased the largest share of the bulb crop.*

Setting aside such items as fish products, fertilizers and agricultural machinery (not normally considered "agricultural" for statistical purposes) an analysis of Dutch agricultural exports in 1952 shows livestock and livestock products as the primary source of foreign income and worth 1,580.3 million guilders (1951: 1,422.1 million guilders). This was followed by field crop products at 1,106.2 million guilders (1951: 1,088.2 million guilders) and horticultural products, well behind at 495.1 million guilders (1951: 473.7 million guilders).

If, however, products of foreign origin—worth 500 million guilders last year—are omitted and only domestic agricultural exports considered, the importance of livestock and livestock products in the Netherlands economy becomes doubly apparent. Their value last year was just slightly less than that of field crops and horticultural exports combined.

Heading the list of Dutch agricultural exports, as in other years, were dairy products, totalling 380 thousand tons and worth 832 million guilders, compared with 322 thousand tons, worth 706 million guilders, in 1951. Increased volume of exports rather than inflated prices explains the higher total values. Butter and sweetened condensed whole milk were exceptions because exports of these commodities were slightly lower than in 1951. However, higher prices more than compensated for the reduced volume.

Holland's expanding trade in condensed and evaporated milk is underlined by the fact that for the first time in Dutch experience exports by value of these products exported exceeded any other dairy exports, and totalled 263·3 million guilders (1951: 228·9 million guilders). The increase in volume was even more striking—14 per cent higher than in 1951 and 31 per cent more than in 1938. Within this category, sweetened condensed whole milk ranked first, with exports of over 111 thousand metric tons (1951: 114 thousand metric tons) worth 163 million guilders (1951: 161 million guilders). Indonesia, Malaya, Siam, Cuba, Burma and the United Kingdom were main markets, in that order. In addition, smaller shipments were spread over 100 countries and territories throughout the world.

Evaporated whole milk exports jumped from 45 thousand metric tons in 1951 to 69 thousand in 1952, valued at 52 million guilders and 80 million guilders respectively. Belgium, which took 20,000 tons (or 29 per cent) was by far the largest market, followed by Greece, Indonesia, Germany and the United Kingdom. Smaller shipments went to 81 other territories.

Butter and Milk Powder

Despite the decline in volume of butter production and exports, the export value actually increased to 257 million guilders (1951: 238 million guilders). Shipments totalled 50 thousand metric tons (1951: 54 thousand metric tons). The 8 per cent decline in export volume was largely because of smaller shipments to the United Kingdom and to East and West Germany. These were partially offset by increases in sales to France, Italy, Venezuela and Belgium. The latter, with imports of 26 thousand metric tons, retained its leading position as Holland's best butter market, a position held by the United Kingdom until 1950.

Whole milk powder exports in 1952—at 25 thousand metric tons—were 92 per cent higher than in 1951 and more than three times as great as exports in 1938. Sales were concentrated primarily in Belgium, (6,200 tons); the United States (5,600 tons); and Venezuela and Brazil (2,500 tons each). Small quantities went to a large number of markets in Europe, the Middle and Far East, Africa and South America.

Skim milk powder shipments in 1952 were more than twice as great as in 1939 and 63 per cent higher than in 1951. India and Japan were the main outlets, taking 5,400 and 2,700 tons respectively.

Meat and Poultry

The year 1952 also witnessed substantial increases in exports of meat and its by-products. Fresh, frozen and preserved meats, totalling 69 thousand tons, netted over 200 million guilders and more than half of this came from bacon exports to the United Kingdom. Canned meat



Cheese, one of the leading Dutch dairy products, is auctioned at the Alkmaar cheese market in exactly the same way as it was 200 years ago. Tourists to the Netherlands make a point of visiting this market.

exports climbed to 52 thousand tons, worth over 200 million guilders. Again the United Kingdom absorbed over 50 per cent, with the United States in second place with 9,000 tons—largely canned hams.

Poultry products exported in 1952 yielded 279 million guilders, over 85 per cent of which came from exports of 1,397 million eggs in shell, the highest number on record. Germany was again the primary export outlet and absorbed 1,100 million eggs, or 80 per cent.

Vegetable Exports

Potatoes and potato products were the major field crop exports with 646 thousand tons, valued at 162 million guilders. These figures included 125 thousand tons of potato starch, exported chiefly to West Germany and the United Kingdom. Seed potato exports were down in 1952 to 202 thousand metric tons because of smaller shipments to Spain, Yugoslavia and Brazil. This emphasized the vulnerability of Dutch exports to the vagaries of weather and crop conditions in other European countries. Belgium remained the principal market for seed potatoes but West Germany, Italy, Switzerland, Czechoslovakia and Egypt all increased their imports from Holland last year. Exports of non-seed potatoes were nearly three times the 1951 figure, with West Germany as the principal market.

Vegetables, fruit and bulbs, as in other years, were primary sources of export income. All were higher in volume than in 1951 and only fruits declined in value due to bumper crops throughout Europe. West Germany and the United Kingdom were the chief markets for fruits and vegetables and for the first time the United States supplanted the United Kingdom as the major bulb buyer.

For the first time since 1949, Netherlands agricultural imports contracted. Of the nine statistical import groups, only two showed minor increases. These were in the dairy products and livestock and meat division, the least important of Dutch agricultural imports.

Dutch Agricultural Imports

	1952	1951
	(millions of guilders)	
Coffee, tea, rice, sugar, cocoa	407	484
Fats, oils and oil seeds	293	639
Feed grains	285	297
Bread grains (including flour)	283	310
Miscellaneous (including farm machinery)	270	380
Fertilizers	123	130
Vegetables and fruit, fresh and preserved	77	78
Livestock and meats	58	56
Dairy produce	5	4
Total	1,801	2,378

Grains, as usual, were the primary imports although they decreased in both value and volume from 1951. Canada secured a larger share of the wheat and barley imports but disappeared entirely from the list of oats suppliers. Imports of rye from Canada were slightly lower than in 1951. Russian wheat, barley and oats were imported in larger volume but imports of rye from Russia were less than a quarter of the 1951 figure. The biggest import decline last year was in the fats, oils and oil seeds group.

Future Trade Prospects

With a successful year behind it, agriculture in Holland can look to the future with some misgivings but largely with confidence. Falling commodity prices, by reducing export earnings in Far Eastern countries, could put a damper on demand for Dutch dairy products. Mounting government-held stocks of dairy products in the United States are casting a shadow over traditional Dutch outlets for similar commodities. The February flood removed from production, or reduced productivity in, some of Holland's best land and will probably cut down flax, sugar beet, fodder beet and grain production in the current crop year. The rapidly expanding population absorbs an ever larger share of domestic production and more and more land is being surrendered every year to the demands of industry, housing and recreation. Many Dutch food and agricultural exports are in the luxury or semi-luxury class and are particularly vulnerable to the economic vicissitudes of Holland's customers. Commodity stockpiles will have to be replenished in 1953 and this suggests an increase in food and agricultural imports.

These are the shadows over Dutch agriculture. But there are compensating factors, such as rising productivity and the ability to compete on world markets in both quality and price. Falling import prices should mitigate the adverse effects of increased stocks on the balance of payments. With greater economic stability than at any time since the war, and fortified by its strategic position, its long tradition of entrepôt trade and its financial experience, the Netherlands can look forward to the rest of 1953 with considerable confidence. Dutch agriculture can be counted upon to play an important role in furthering last year's remarkable economic recovery.

—C. J. SMALL

Acting Agricultural Secretary for Canada

Australia

Wool and Its Competitors

Anxious about growing competition from synthetic fibres, Australia's wool-growers, with government support, are launching a widespread campaign to promote the use of wool.

MELBOURNE—"Australia is carried on the sheep's back", an old saying runs, and through the years the economic fortunes of the country have fluctuated with the rise and fall in the income from the wool sales.

At the moment, the demand for wool shows no signs of slackening off. However, the wool industry in Australia, remembering what rayon did to the silk market, is becoming anxious about plans being made in the United States, Britain, and other countries to increase the production of synthetic fibres. Despite assurances that "there is no substitute for wool", responsible persons in the industry are not treating the matter lightly.

Parliament Takes Steps

Concrete evidence of their concern—and the resolve to do something about the threat—is a Bill introduced into the Federal Parliament about two months ago. The Bill provides both for "improving the production and increasing the use of wool". At the same time, £A2½ million has been transferred to the Australian Wool Board, now to be known as the "Australian Wool Bureau", to be used in promoting the use of wool. This money represents unexpended balances in various funds administered in connection with the wool industry.

The Commonwealth Government supports this vigorous wool promotion program and to ensure sufficient funds for publicity, the wool tax has been increased. At the request of Australian wool-growers, the Wool Board levy was doubled to 4/- a bale this year, which will increase the income to £A700 thousand.

The functions of the Bureau will include taking steps to improve the production of wool in Australia and to encourage research. The publicity drive is to be extended into at least 18 consumer countries, with special concentration on North America and keeping in mind the large sums which manufacturers of synthetic fibres are spending on promotion. The International Wool Secretariat, in which Australia collaborates with South Africa and New Zealand, will continue to conduct the campaign. Australia, as the principal producer, contributes two-thirds of the cost.

The Wool Board states that, although the United States topped the list of wool consumers in 1950 with 637 million pounds, its *per capita* consumption was only 4.4 pounds—tenth on the list. If the United States consumption could be increased by only half a pound per person, this would mean a market for another 80 million pounds a year.

A recent survey of the synthetic fibre industry in America, made by the Textile Economics Bureau, indicates that in the next two years production capacity for staple and tow will probably increase more than 150 per cent. Over the same period, filament yarn and monofilament capacity is expected to increase by about 43 per cent.

This would seem to mean that the future demand for wool will depend on lower prices than those prevailing today and justifies the anxiety being felt in Australian wool circles. There is no doubt that wool, like natural rubber, will always be in demand, but with synthetic fibres performing some of the functions once the exclusive property of wool, price will be the deciding factor.

In assessing the future prospects for wool, Dr. M. Lipson of the C.S.I.R.O. Textile Wool Research Laboratory, Victoria, quoted the following production figures for different fibres:

	Wool (clean basis)	Cotton	Silk (millions of pounds)	Artificial fibres	Total
1920	1,780	9,850	46	33	11,709
1951	2,440	15,730	44	4,218	22,432

The points which these figures emphasize are:

- Total world production of all fibres has almost doubled in thirty years. Man's expanding textile requirements have been responsible for this huge increase. With the world's population increasing by 20 million a year, we can expect to see marked increases in production of the new synthetics to cope with growing demand. In many instances, these synthetics will be blended with wool to yield fabrics having certain advantages over those containing pure wool or synthetic fibres alone.

- Despite the huge growth of artificials (mostly rayon), there has been little decrease in silk output.

Effect on Australian Economy

The importance of wool in the economy of Australia can be seen from the effect which the amount of the wool cheque in different years has on the Commonwealth's balance of payments. For the 1950-51 selling season, the proceeds from the sale of wool were £A636·3 million, compared with £A286·6 million the previous year. Wool exports to the United States in 1950-51 amounted to just over £A115 million and changed a dollar trading deficit of £A5·5 million into a credit of £A92·7 million.

Proceeds from the 1951-52 wool sales were 51·63 per cent below those of 1950-51, at £A307·8 million, and Australia had an unfavourable trade balance of about £A377·2 million, compared with the favourable balance of £A237·9 million in 1950-51.

The price of wool in the current season is up from 5 to 10 per cent over last year and the balance of trade has improved sufficiently to warrant some lifting of import restrictions imposed last year.

Australia is not the only country awake to the increasing competition of synthetic fibres and the United States and Japanese wool industries also plan to spend a larger amount on promoting the use of wool.

—ROY W. BLAKE

Commercial Secretary for Canada

Britain Ends Steel Rationing

LONDON, MAY 7—Yesterday the Minister of Supply announced the end of steel control in the United Kingdom, effective immediately. This is the second time since the war that control over steel has been lifted. First introduced in 1940, steel control was removed ten years later on all forms of iron and steel, with the exception of non-alloy steel sheet and tinplate. The shortages which developed in 1951 as a result of rearmament demands and a falling-off in supplies of scrap forced the introduction of a temporary priorities scheme in June of that year. A full allocation scheme on the original basis was reimposed in February 1952 and has operated ever since. The only exception to the recent ending of controls is tinplate, which will be under a separate allocation scheme until further notice.

Outlook Encouraging

This derationing reflects the generally improved supply position that has been evident for some time. Production of 16,418,000 tons in 1952 set an all-time record. The target for 1953 is 17,500,000 ingot tons and this, coupled with anticipated imports of one million tons and full stocks in hand at present, should take care of practically all the home market needs and leave enough over to satisfy the bulk of export demands. The only shortage expected is in steel plate. A voluntary distribution scheme administered by the industry, with guidance by a government inter-departmental committee, will achieve equitable distribution.

Export Prospects

The improved supply position will also affect exports, which are expected to rise to 2.1 million tons from 1.94 million in 1952. At present United Kingdom order books for most types of steel are reasonably satisfactory. Plate shipments will be held in check, if only because of the shortage at home. On the other hand, the coming increase in United States steel output and the expected drying-up of American purchases in Western Europe may produce some soft spots in the second half of the year. Such a development would be bound to depress world steel prices.

At present United Kingdom home prices are lower than United Kingdom export prices which means that, to some extent, export sales are subsidizing home industry. Any considerable fall in world steel prices, therefore, could make an upward revision of home prices necessary. This should be possible, however, because United Kingdom home prices are now lower than those in either Europe or the United States.

—R. P. BOWER

Commercial Counsellor for Canada

The Businessman's Bookshelf

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

Four Ways of Doing an Export Business

By Derek Brooks. 10 pages. Free.

ORIGINALLY PUBLISHED in *Exporters' Digest*, these four articles have been reprinted in pamphlet form. The author takes up, in turn, four systems used in promoting exports: appointing a factory export manager; using an independent combination manager; selling abroad through export houses, and forming a subsidiary export company. He presents the advantages and disadvantages of each method and gives useful advice.

Order from: "Exporters' Digest", 170 Broadway, New York 7, N.Y.

Financing New Industries in Canada

Industrial Development Division, Department of Trade and Commerce. 20 pages. Free.

WHERE CAN A BUSINESSMAN obtain the necessary capital to launch a new Canadian enterprise? This practical little booklet answers that question succinctly. In successive chapters it discusses risk capital, loan capital (short, medium and long-term), the building, buying or renting of a plant, and financial assistance from government. There is a useful concluding note on the export of resident capital funds from sterling area countries.

Order from: Industrial Development Division, Department of Trade and Commerce, Ottawa.

International Trade Policy Issues

Foreign Commerce Department, Chamber of Commerce of the United States. 68 pages. Single copies free. 2-25 copies, 25 cents each.

IN THESE PAGES the Canadian reader will find a review of "international trade policy from the point of view of United States legislation". Prepared at the request of the U.S. Chamber by the Professor of Inter-

national Finance at the Fletcher School of Law and Diplomacy and his associates, it was intended to give Chamber members background on some of the important trade legislation now under discussion.

It begins with an outline of the Trade Agreements Act and its operation, including the "peril-point" amendment, the "serious injury" concept, etc. Succeeding chapters discuss trade policy and national security, trade policy and the domestic economy, and legislative and administrative questions. In addition to the concise information it provides, the booklet gives some indication of the attitude of an important cross-section of American business toward trade policies.

Order from: Foreign Commerce Department, Chamber of Commerce of the United States, Washington 6, D.C.

Report on Operations of the International Materials Conference, 1952-53

International Materials Conference. 54 pages. Free.

ORGANIZED IN FEBRUARY 1951 by the nations of the Free World to "examine the critical situation in essential raw materials and to propose means of meeting it", the International Materials Conference has since functioned through a Central Group and seven commodity committees. During the year March 1, 1952, to February 28, 1953, three of these committees ceased to operate but four—Copper-Zinc-Lead; Manganese-Nickel-Cobalt; Sulphur; Tungsten-Molybdenum—continued their work.

This report covers IMC's operations during its second year. Beginning with a summary of the supply position of IMC metals, it goes on to the reports of the various committees. Also included are comprehensive statistical tables on production, consumption, exports and imports, etc., of the materials under allocation.

Order from: International Materials Conference, 1625 I Street, N.W., Washington, D.C.

Canada

Barclays Bank (Canada). 15 pages. Free.

THIS SMALL BUT ATTRACTIVE BOOKLET, its sponsors tell us, "is intended to provide a thumbnail sketch of the Canadian scene as it appears to the rest of the world" and is slanted primarily towards those who are planning a business trip to Canada or those who are thinking of making their home here. It gives a brief account of our primary industries, information on climate, housing, etc. There is also a section for British exporters anxious to enter the Canadian market. An appendix gives statistics on Canadian overseas trade in 1951.

Order from: Barclays Bank (Canada), Montreal, Toronto or Vancouver.

How Italy Rebuilt Her Film Industry

A blend of realism, originality, and imaginative direction has helped to win for Italian films both artistic laurels and commercial success. Today film sales abroad are earning needed dollars.

ROME—One of the dramatic stories to come out of postwar Italy is the rebirth of the film industry and its artistic and commercial success. Last year, the industry turned out 128 feature films and 422 documentaries, compared with 50 features and no documentaries back in 1945. Today Italian films are exported to more than fifty countries. They have earned for Italy badly needed dollars and, equally important, have turned the attention of the world to her films and film-makers.

With its physical properties badly damaged during the war, the film industry went about the rehabilitation job the moment the fighting was over. Very soon it was turning out pictures. A deep understanding of the stark reality of those times and a genuine originality in picturing life in Italy brought about a new style which was named, most appropriately, realistic or neo-realistic. It had its origins in the best documentaries, in Italy's tradition of regional films, and in the French realistic school, and produced such memorable pictures as *Shoe Shine*, *Paisan* and *The Bicycle Thief*. These first films directed by Rossellini and De Sica were followed by many others.

Competing with Foreign Films

No direct forms of protection were adopted to safeguard the industry and actually the Government and the film industry co-operated closely without curbing free enterprise. Foreign films may be imported into Italy freely, without any limitations or reciprocity arrangements. Such protection as Italian films receive comes from two provisions:

- The refunding of 10 per cent of the excise duty on films chosen for compulsory screening. This refund is raised to 18 per cent for films with special technical and artistic qualities. Then there is a 3 per cent refund, which can be raised to 5 per cent, for documentaries and news-reels judged of outstanding quality;
- Compulsory screening of Italian films for 80 days a year and a 20 per cent refund on excise duties to cinema owners showing the films selected for compulsory screening. In addition, a special fund has been set up for loans to the producers of high-quality films.

The present cinema law has confirmed the principle of granting government prizes to outstanding productions because the proceeds from the distribution of films in Italy alone cannot guarantee the repayment of production costs. Calculating the average production cost of a film at 80 million lire, investment in the film industry in 1951 totalled about 8,000 million lire.



—International Film Distributors Ltd.

This is a scene from "Anna", one of the Italian films now showing in Canada and starring Silvana Mangano (right). Films like this have become popular in North America and have built a reputation for Italian movie-makers.

The Government has so far done several things to help the film companies.

- CINECITTA', in Rome, which was damaged by air raids and later turned into a camp for displaced persons, has been completely repaired and, with its 14 studios and relative annexes, all with modern equipment, has become one of the most important film centres in Europe.

- ENIC, another important state-owned film organization, has been reorganized and its circuit of cinemas, the biggest in Italy, has been considerably enlarged and forms the natural outlet for Italian films.

- CINES, reorganized in 1952, has resumed production of films of artistic and commercial importance.

- The Istituto Nazionale LUCE is also about to be reorganized to turn out educational, cultural and scientific films.

- Among the state-owned or state-subsidized film organizations is the Experimental Centre of Cinematography and the International Exhibition of Cinematographic Art in Venice. The Experimental Centre, the main task of which is to train young talent to become film actors or technicians, resumed its activities in 1946.

The Venice Exhibition, which also re-opened in 1946, remains the most important of its kind, despite the many exhibitions organized in other countries in recent years. Last year near the Cinema Palace, where the Exhibition takes place every September, a huge open-air arena seating about 2,000 persons was built.

The excellent equipment and the technical and industrial resources of the Italian film industry are more than sufficient for a large expansion of production. Italy now has over 100 film-producing companies and about 30 distribution organizations.

Before the war, Italian producers found it difficult to sell their films abroad. Now, after the resounding success of the first postwar films, the film industry has one of the most flourishing export businesses; between January 1, 1946, and December 1951, 3,733 Italian feature films were sold abroad.

Exports and Imports

The film export policy of the Government constantly runs into two contrasting problems: first, the obstacles which third countries put in the way of Italian exports, and second, the pressure exerted to obtain facilities for importing their films into Italy in exchange.

However it is possible, despite all obstacles, to sell Italian films abroad because of their excellence. It is difficult, however, to satisfy foreign producers' demands for an exchange because often these foreign films do not succeed in gaining a commercial foothold in Italy despite the fact that Italy places no great barriers in their way and even tries to help them. Occasionally these films are even exempted from the compulsory deposit of 2,500,000 lire for the dubbing permit. In 1950, for example, 539 foreign films were granted import permits and in 1951, some 342. Of this latter number, 230 came from the United States, 43 from France, and 18 from the United Kingdom.

Immediately after the war, the Italian market, not adequately supplied by national production, was invaded by foreign films (particularly American) not shown in Italy during the war years. This flood of foreign films was favoured by the progressive increase in the size of the Italian market. The number of cinemas rose from 5,236 in 1942 to over 12,000 in 1951 and box office takings from 13,639 million lire in 1946 to over 70,000 million lire in 1951.

For a number of reasons, imports began to decline in 1949. The war stock of films was exhausted, audiences had new preferences, Italian films had become more popular, and the Acts of July and December 1949 had come into force. These Acts levied a special charge on the distribution of foreign films (compulsory deposit of 2,500,000 lire for dubbing) and also laid down new rules for the production and distribution of Italian films. These included an increase in prizes to producers, a screening quota, a special control system and sanctions against those who failed to observe it, and prizes to cinema owners for the screening of Italian films. In 1951, imports fell to almost half those of 1949.

Agreements with Other Countries

Special agreements were gradually drawn up with several of the most important film-producing countries. The most complete at present in force is the one with France, which provides, among other things, for the co-production of films in dual language—Italian and French. Similar agreements are being discussed with the United Kingdom, Western Germany, Spain, Argentina, etc. Special exchange agreements are in force with Germany (quotas of 30 dubbed films both ways), Austria (25 dubbed films and a special film clearing account for payments) and the United Kingdom (guaranteeing among other things the possibility of distributing dubbed Italian films to the big British circuits).

The most important agreement, both financially and economically, is the one with the U.S. film industry. Because the proceeds accruing to foreign firms for the distribution of their films in Italy have to be paid, in the absence of specific payment agreements between the countries, into untransferable accounts (which are used for special purposes related to Italian film production and exports) very large sums have accumulated in the United States account. In order to prevent too large an accumulation of such sums and achieve a suitable balance between imports and the opportunities of exporting Italian films to the U.S., the agreement provides for the spending of certain sums to finance the launching of Italian films on the U.S. market (dubbing expenses, editing and advertising) in exchange for the unfreezing of part of the accounts. Some of the money is also being spent to produce U.S. films in Italy. Furthermore, the United States film-producing companies have undertaken to limit the number of films they dub in Italian.

Exports have increased consistently since 1946, as the following table—giving the export permits granted to films going to 18 different countries between 1946 and 1951—illustrates.

EXPORT PERMITS GRANTED FOR ITALIAN FILMS

Countries	1946	1947	1948	1949	1950	1951
Austria .....	...	3	2	...	8	32
Belgium	16	7	23	31	29	36
Brazil	16	11	81	69	42	38
Canada .....	...	...	13	1	5	20
Cyprus .....	...	...	...	10	8	25
Egypt	2	45	122	76	66	45
France	13	42	56	40	56	49
Western Germany .....	...	...	2	23	16	50
Greece .....	...	9	38	47	33	21
Holland	8	13	17	29	28	22
Luxembourg .....	...	...	11	...	4	31
Malta	6	...	...	9	188	51
Mexico .....	...	9	2	16	10	22
Portugal	4	10	14	14	30	25
Spain	13	14	40	11	6	17
Switzerland	23	28	75	52	53	74
Turkey .....	...	19	15	10	7	29
U.S.A.	11	53	42	37	36	69
Venezuela .....	...	1	...	...	9	18
Total (including those not listed)	121	354	807	644	849	948

In addition to those listed above, Italian films went to at least 28 other countries in 1951.

The Commonwealth, including Canada, remains a difficult market because of the need for an English sound track. In the East, however, Italian production is gaining a foothold. Some films exported to the United States are later distributed also in Canada.

The Dutch, Portuguese and Swiss markets are increasingly profitable and exports to the United States provide, thanks to the agreement mentioned above, a valuable source of foreign exchange. In the USSR, Italian films ranked third among 1951 imports.

The item "films" is now included in all Italian trade agreements with foreign countries and their economic, cultural and political importance is constantly increasing, thanks to their remarkable artistic qualities.

—SHIRLEY G. MACDONALD
Commercial Counsellor for Canada

Agriculture and Fisheries Branch

New Appointments Announced

THE AGRICULTURE AND FISHERIES BRANCH of the Foreign Trade Service has recently made two changes in the organization of its senior personnel. These changes are designed to strengthen the trade promotion and foreign reporting services of the Branch in the interests of producers and exporters of Canada's farm and fisheries products.

Appointed Chief, Grain Division



Mr. G. N. Vogel, formerly Assistant Director (Wheat and Grain) of the Branch, who has been acting head of the Division since Dr. C. F. Wilson was posted to our Rome office as Agricultural Counsellor in August 1952, has been appointed Chief, Grain Division, Agriculture and Fisheries Branch.

The Grain Division (formerly known as the Wheat and Grain Division) of the Department's Foreign Trade Service is largely concerned with Canada's export trade in wheat, coarse grains and flour. It maintains close co-operation with the Canadian Wheat Board and the Canadian flour millers and their association on the one hand, and with the Canadian Trade Commissioner Service on the other hand, in promoting trade in these commodities.

Mr. Vogel's appointment to this important position derives from his ability and his wide knowledge of the problems in marketing grain and flour.

Becomes Assistant Director



Mr. W. B. McCullough has recently been appointed Assistant Director, after spending twelve years abroad as Agricultural Secretary, mainly in the Canadian Embassy in Buenos Aires. Mr. McCullough has done effective work in the Argentine and Uruguay, particularly in assisting Canada's seed potato exporters with their marketing problems in those countries. He has become intimately acquainted with all phases of production and marketing in that area of South America.

Mr. McCullough's reports on livestock and crops have been outstanding examples of the contributions on foreign economic developments which our Trade Commissioner Service sends in. It is appropriate, therefore, that he will devote much of his time to developing this foreign agricultural reporting service further.

The Irish Linen Industry

Linen must meet the challenge of newer and cheaper textiles, if this long-established Irish industry is to survive and prosper.

BELFAST—The Irish linen industry—that is, the processing, spinning and weaving of flax—owes its concentration in this area partly to favourable climatic conditions and partly to the skill inherited from Huguenot weavers who settled here in the seventeenth century. The industry reached its zenith in the early 1900's, when up to 232 million sq. yd. of linen cloth were exported every year. In 1952 linen cloth shipped to overseas markets was estimated at only 36·9 million sq. yd. The impact of two world wars, fluctuating market conditions, changes in fashion, the substitution of other fabrics for linen in household goods and apparel, and the development of new synthetic materials have all contributed to this decline and to the present difficulties of the industry.

War Increased Difficulties

The 1914-18 war and its aftermath marked the beginnings of recession. A large part of the continental market for fine linen was wiped out and outlets in the United States and Central and South America were affected by the economic depression of the twenties, high tariffs, and internal crisis. Trade with these countries fell drastically and although it recovered a bit between the two wars, it never regained its earlier volume. The Second World War disrupted overseas markets still further and in the postwar period, import controls and tariff barriers closed many traditional markets. During the past eighteen months, sales in Australia and Brazil have also fallen off.

With the lessening demand for linen, manufacturers were compelled to turn to other textiles to keep their factories in production. Cotton weaving had been practised in many mills as an aid in reducing overhead costs, particularly during slack seasons. After the First World War, linen almost disappeared from the shirtmaking industry and handkerchief manufacturers had to turn to cotton for a substantial proportion of their output.

The Synthetics Arrive

The early 1930's marked the introduction of synthetic materials. Many manufacturers extended their production to the making of rayon by minor adaptations of yarn spindles and looms. This was only a temporary expedient, however, and recently textile machinists have developed new and more suitable plant for rayon spinning. Many problems have still to be overcome but a gradually widening range of good-quality cloth is now being produced.

In 1935, 97 per cent of all cloth manufactured by the linen industry was linen or a mixture of linen and cotton (union). In 1949 the percentages were: linen and union, 56·6; rayon cloth, 29·5; cotton and cotton-

rayon, 13·2; other materials, 0·7 per cent. The price of flax, once relatively low both at home and abroad, has increased greatly and, with the higher level of wages and other costs, has put linen goods, in comparison with rayon and cotton, into the luxury class, and thus decreased their selling power and appeal.

The Challenge

These difficulties, and the present high rate of unemployment among textile workers generally, have led to suggestions that the linen industry should be made the subject of a special government inquiry. Many industrialists feel, however, that new uses will be found for linen; that lower costs and improved production (and research on this is constantly going on) will radically alter the whole market situation; and that rather than bewail the loss of markets and changes in public taste, new openings for linen must be sought and found. The future of the industry depends on a realistic approach to the present-day problems of world trade.

In line with this thinking, the Irish Linen Guild will spend £131 thousand on publicity in the coming year—£100 thousand in the United States, £19 thousand in Latin America, and £12 thousand in Canada. Moreover, the Guild is conducting a special Coronation year promotion campaign in the home market with displays of Irish linen featured in some of the large London stores.

The Irish Linen Guild is an organization devoted to the promotion of linen sales. It is financed by the various branches of the linen industry and by a grant from the Northern Ireland Government which, for the coming year, will amount to £60 thousand.

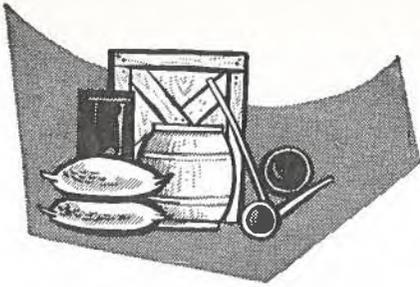
—E. ROY

Office of the Canadian Government Trade Commissioner

Data for Exporters

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

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



COMMODITY NOTES

BRAZIL

Iron and Steel—Official statistics show that in 1952 the government-controlled Cia. Vale do Rio Doce mined 1,794,870 tons of iron ore, 480 thousand tons more than in 1951. Exports also increased, from 1,274,000 tons, worth US\$12.6 million, in 1951, to 1,507,000 tons, worth US\$23.6 million, in 1952. Preliminary figures indicate that the Volta Redonda plant of the Cia. Siderurgica Nacional produced 360 thousand tons of rolled steel products in 1952, compared with 343 thousand tons in 1951—Rio de Janeiro, April 16.

COLOMBIA

Wheat—Colombia's wheat production for 1952 was 140 thousand tons. This was augmented by imports of foreign wheat and flour of 26,391 and 19,646 tons respectively. Because of pressure from local producers, the Government prohibited foreign imports on November 17, 1952, until domestic stocks were materially reduced.

Now, as a result of a meeting between the National Millers' Association and the producers, an agreement has been reached whereby the country's current needs are recognized as 170-180 thousand tons a year, and a joint memorandum has been forwarded to the Government recommending: (a) the complete prohibition of flour imports, and (b) permission to import 20 thousand tons of hard wheat in 1952 for the coastal cities outside the wheat-growing belt, and 10 thousand tons for the millers in the interior—Bogotá, April 23.

FRANCE

Pitprops—French pitprops have traditionally been exported to Wales. Except for some shipments to French North Africa during exceptional periods, England has always taken practically the whole of the French exports. The tonnage exported to Wales during the prewar period increased progressively from about 150 thousand tons in 1933 to over 600 thousand tons during the first year of the war. The postwar period shows a reduction in exports of pitprops, from 122 thousand tons in 1951 to 1,739 tons in 1952.

The sharp decline and near suspension of exports of this product after the war was due mainly to the fact that England did not classify pitprops as a priority item during Franco-British accords. On the other hand France, fearing a shortage in meeting domestic demand during that same period, became an importer of pitprops.

After more than a year's suspension, a contract has been signed between the two countries for the delivery of 25 thousand tons of pitprops to Wales. This new contract apparently will come into effect during the next three months. It is hoped that a prorogation of this agreement will permit similar orders quarterly during the rest of the year—Paris, April 27.

INDONESIA

Rice—The Indonesian Minister for Agriculture expects that rice production this year will increase by about 350 thousand tons. As a result, Indonesia would have to import only 400 thousand tons, as against 600 thousand tons last year. The country needs about seven million tons of rice a year and the failure to meet increasing needs is the country's most serious economic problem. As a long-term project the Government is spending R.2,000 million to develop agricultural resources in the Kalimantan area of Borneo, with the assistance of experts from the United States Technical Co-operation Administration and the Food and Agriculture Organization of the UN—Singapore, April 13.

MEXICO

Cotton—Mexican cotton growers expect a record crop of 1.5 million bales this year. The area sown to cotton totals about 400 thousand hectares (one million acres), as against the 250 thousand hectares sown last year. Northern growers say that unseasonable rainfall last November and December improved the soil, and prospects for the 1953-54 crop are better than in any year since 1948—Mexico, D.F., April 23.

NETHERLANDS

Tea—In response to higher retail prices for tea, Amsterdam tea auction prices rose on April 9 when offerings comprised 4,244 chests of Java tea and 1,430 chests of Sumatra tea. Superior grades brought prices of 1.90-2.35 guilders per half kg., (previous auction 1.90-2.30 guilders). Medium grades remained unchanged at 1.70-1.85 guilders per half kg., and ordinary grades rose to 1.51-1.70 guilders (previous auction 1.40-1.70 guilders)—The Hague, April 28.

SOUTH AFRICA

Maize—The maize crop, it is expected, will exceed last year's crop by about 10 million bags. According to the latest official estimates of the Division of Economics and Markets, the crop this year will total 30,978,000 bags (200 lb.) in comparison with 20,643,000 bags last year. If this estimate is accurate, the crop will be exceeded only by the record crop of 1948 of 32,119,000 bags. At the present fixed price of 32s. a bag, the present crop will, however, realize the record value of about £50 million. South Africa's maize consumption is about 26 million bags a year and the surplus of nearly 5 million bags will be carried forward—Johannesburg, April 17.

Sweden's Wallboard Industry

Today Sweden ranks second among world wallboard producers; but her sales dropped sharply last year because of restrictions in some markets.

STOCKHOLM—Sweden has become the world's second largest wallboard producer, ranking next to the United States, and in 1951 produced over 13 per cent of the total world output. Since 1945 when production began to rise, the capacity of the industry has increased from approximately 230 thousand tons to today's figure of 400 thousand tons a year. Domestic consumption has doubled since 1937 and is now about 140 thousand tons a year. However, during recent years the production increase has largely been absorbed by greater exports.

Exports Fall

Last year the wallboard industry had considerable difficulty in selling its product. British purchases decreased by 50 per cent as compared with 1951, when the U.K. bought over 46 per cent of Sweden's total wallboard exports. Exports to Australia decreased to one-sixth of the 1951 figure. United States purchases, which were exceptionally large in 1951, dropped to almost nothing. The decline in these principal markets has been only partly compensated by larger sales to other countries, and total exports in 1952 were only approximately 105,400 tons, as against 180 thousand in 1951.

Wallboard Production and Exports

(thousands of tons)

Year	Total Production	Total Exports	Percentage Exported
1938	81.4	22.3	27.4
1939	123.9	43.3	35.0
1940	78.5	22.2	28.2
1941	88.9	17.0	19.1
1942	108.1	12.9	11.9
1943	88.2	5.7	6.5
1944	126.1	10.1	8.0
1945	161.7	16.9	10.5
1946	227.9	69.5	30.5
1947	234.6	73.6	31.3
1948	248.0	97.3	39.2
1949	228.5	96.4	42.2
1950	279.5	138.5	49.6
1951	328.5	180.3	54.9
1952*	227.0	105.4	45.6

* 1952 figures are preliminary.

The deterioration in the export market in 1952 has curtailed operations. On an average, the wallboard industry has worked to only 60 per cent of its total capacity, surplus labour being used for other lines of production. Export prices have fallen 25 to 30 per cent since the summer of 1951, when the peak was reached.

Production began some five months ago in the new 15-thousand-ton wallboard factory at Vrena. The factory is 535 feet long and is equipped with six defibrators, a high-pressure press, and a combined

humidifying and heat-hardening plant. The hydraulic press can take 4 by 18 foot boards in charges of 24 sheets; the press plates are heated by super-heated water of 200 degrees Centigrade. The automatic steam plant, said to be the first of its kind in Sweden, can use either oil or solid fuel and needs only two men to operate and supervise it. Production will be mainly of hardwood fibre boards to be sold under the name of "Holmenboard".

Swedish industrial circles feel that, on a long-term basis, the demand for wallboard will increase. They point out that present market difficulties are not the result of non-competitive production but of import and building restrictions in several of their markets.

—E. M. PARTRIDGE

Office of the Commercial Counsellor 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.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began a tour of Canada in Vancouver on May 8. His itinerary follows:

Ottawa—May 24-30
Toronto—June 5-17
St. Catharines—June 18-19

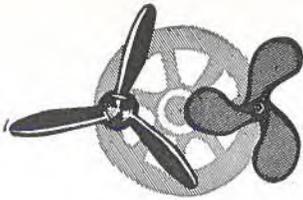
Hamilton—June 20-23
Windsor—June 24-25

M. T. Stewart, Commercial Counsellor for Canada in Mexico City, began the second part of his Canadian tour in Windsor and Walkerville on May 4. His itinerary follows:

Ottawa—May 18-22
Toronto—May 25-June 6
Montreal—June 8-20

Quebec—June 22
Saint John—June 25-26
Halifax—June 29-30

Businessmen may get in touch with these officers through the Board of Trade in Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Windsor, St. Catharines and Hamilton; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Ottawa.



TRANSPORTATION NOTES

FRANCE

Railway Equipment—French production of railway equipment declined in 1952. The average monthly tonnage built last year was 7,310 tons, against 8,110 tons in 1951. This reduction is mainly the result of a decrease in the construction of freight cars and passenger coaches.

Exports of this type of equipment also dropped in 1952. The average monthly tonnage exported amounted to 6,625 tons as compared with 11,470 tons in 1951—Paris, April 28.

JAMAICA

New Airfields—A new airfield is proposed at Boscobel in the parish of St. Mary, and an old airstrip at Braco in Trelawny will be reconditioned. These improved facilities will encourage internal plane services and benefit the tourist trade on the north coast of Jamaica. The Braco field was constructed during the war by the United States authorities—Kingston, April 20.

JAPAN

Freight Agreement Abolished on Ten Items—The Trans-Pacific Freight Conference of Japan, at a meeting in Tokyo, voted to declare rates on ten tariff items open from midnight on March 11, subject to the tariff rule covering booking period of not more than 60 days in advance. The Japan-Atlantic and Gulf Freight Conference took similar action. The items on which freight agreement has been abolished by the two conferences are artificial flowers, bamboo ware, canned goods, iron and steel products, novelties, steel pipe and oilwell casings, porcelain ware, toys, wooden ware, and Christmas ornaments—Tokyo, April 16.

UNITED STATES

Inland Waterways—The U.S. Army Corps of Engineers reports that the traffic on the inland waterways is growing every year. Inland freight loadings in 1951 totalled 325,433,581 tons, compared with 297,696,209 in 1950. This inland freight is of the greatest importance to the port of New Orleans, which ranks second among American ports in dollar value of exports and imports and is the receiving centre of the Mississippi Valley River System. In 1951, the domestic barge traffic overtook the combined tonnage of foreign and coastal commerce. That year, 51 per cent of the total tonnage (19,464,500 tons) handled by the port was moved in barges on the Mississippi River and the gulf intra-coastal waterway and its connecting channels—New Orleans, May 4.

United States

Locker Plants for Frozen Foods

Technical advances in frozen food processing, new equipment, and better design have sparked a big increase in the number of locker plants, especially in rural areas.

WASHINGTON—One of the more spectacular developments in the storing and processing of food since the late 1930's has been the rapid growth in frozen food locker plants, especially in the rural areas. Back in 1938, there were only 1,269 in operation in the United States; by 1950, this had jumped to 11,596, with plants reported in every state. After 1950, a few inefficient plants ceased to operate and on July 1, 1952, the total stood at 11,427.

As early as 1917, locker plants for frozen foods began to appear but not until the thirties were plants designed to offer modern services actually constructed. They appeared more commonly in the rural areas, where they served producers who grew their own products—and this still holds true. City dwellers make less use of locker plants—perhaps because many of them have their own home freezers.

The first locker plants provided frozen storage only but now most plants have facilities for slaughtering livestock, the curing, grinding, and wrapping of meat, and the dressing of poultry, as well as for the manufacture of edible and inedible by-products.

Freezing Methods Improve

One of the main reasons for changes in design and scale was the consumer's recognition of the higher-quality products which have resulted from advances in freezing methods. More sanitary processing and freezing, improvements in refrigeration especially adapted to small-scale units, advances in automatic controls, and the development of relatively small-scale compressors have also contributed to these desirable changes. Recently a pea and bean sheller and corn cutter were placed on the market. These are designed primarily for locker plants and community canning. Scalding equipment, hand tools and mechanical aids such as slicers and pitters have been designed to simplify preparation of the food for storing.

Other Services Offered

As the number of home freezers has increased, the tendency in recent years has been for locker plants near large towns to buy carcasses of meat and sell the meat by the quarter, half, or whole to owners of home

freezers or to locker renters. The locker operator cuts and wraps the different cuts for his patrons. Although plant operators usually charge a small handling fee, most of the income from this type of operation comes from charges for cutting, wrapping and freezing. Many locker plants buy poultry and commercially processed foods and sell them at some discount to owners of home freezers. In fact, they derive a large part of their income from this type of business. Some plants engage entirely in this operation and do not rent locker space.

In 1952, beef, pork, lamb and poultry represented about 93 per cent of the products processed and stored in food locker plants. The remaining 7 per cent was fruits and vegetables.

Methods Used

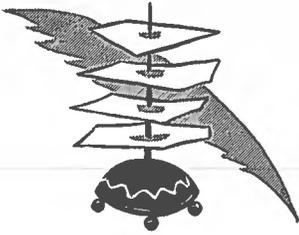
The technology of freezing is practically the same for different sizes and types of locker plants. Plants differ, however, in the way in which operators and space are organized, in management practices, and in the services offered. Cost-volume relationships of locker plants vary according to size or capacity of the plant in terms of the number of lockers, degree to which capacity is utilized, ratio of locker space to total space, time period, the number of years the plant has been in operation, and the number and variety of services offered. Studies which will be made in the future will undoubtedly take all of these factors into account and the results will provide locker plant operators with a basis for comparing their operations with those of other plants.

Effect on Meat Marketing

From a national viewpoint, local locker plants apparently have not affected commercial marketing of meat products to any significant extent. A recent study makes the following comment: "Meat obtained from slaughter for storage in frozen food lockers is estimated to be equivalent to about 6 per cent of all meat produced by commercial slaughter. The bulk of this amount represents meat that, in the absence of locker plants, would not have been produced by commercial slaughter, but would have been obtained from farm slaughter for home use by farmers. Locker plants have made it possible to shift storage of meat on the farm (as fresh, cured, canned, and smoked meats) to central freezer storages and have likewise enabled farmers around numerous plants to dispense with farm slaughter in favour of slaughter at the locker plant. Such operations in themselves have not lessened to any significant extent the normal volume of livestock flowing into commercial livestock and meat distribution channels. There is some diversion, to the extent that larger numbers of animals are locally killed and processed than before locker plants provided such service and that urban locker renters procured their meat from this source. Such diversion, however, has been very small."

—W. C. HOPPER

Agricultural Counsellor for Canada



GENERAL NOTES

GREECE

Industrial Production Declines—The average index of industrial production compiled by the Federation of Greek Industries showed a slight decline during 1952—124 (1939=100) as compared with 125 in 1951. The index of industrial production, excluding electric power production, was still lower—111 as compared with 114 in the previous year. The group of industries for which the index declined are: textiles, 117 (124 in 1951); foodstuffs, 112 (114); chemicals, 98 (110); paper, 121 (130); wearing apparel, 46 (51); woodworking, 74 (83); and electrical household appliances, 149 (152). On the other hand, advances were made in the metallurgical industry, 170 (140); metalworking, 99·5 (98); building materials, 153·5 (127); leather tanning, 100 (84), and electric power production and distribution, 256 (240). The index for the cigarette industry, at 167, was unchanged—Athens, April 30.

JAPAN

Shares May Be Bought with Sterling—Foreign investors are now permitted to acquire Japanese shares in pounds sterling. Previously, foreign investors were only allowed to acquire Japanese shares with United States dollars. The former restriction limiting the shares to 5 per cent of the total remains in effect—Tokyo, April 30.

MALAYA

Desiccated Coconut Industry—The Malayan Government is investigating the possibility of starting a desiccated coconut industry, in co-operation with the Rural Industrial and Development Authority. There is considerable wastage in the use of coconuts; copra and coconut oil are the only two industries based on this product. There is no domestic market for desiccated coconut and, therefore, a study of overseas demand is being made. If potential markets and costs of production seem promising, a plant costing Malayan \$200 thousand will be built with public money—Singapore, April 15.

NEW ZEALAND

Balance of Payments—For the second time this year New Zealand had a surplus in overseas trading account in February. The favourable balance for January was £N.Z.6,654,000 and for February £N.Z.14,992,000, a total of £N.Z.21,646,000. This goes a long way towards

wiping out the total deficit of £ N.Z.3,441,000 for 1952. January 1952 showed a deficit almost equal to this year's surplus, while the surplus for February is thirteen times that for February last year—Wellington, April 12.

NIGERIA

Economic Survey—The International Bank for Reconstruction and Development has sent an exploratory mission to Nigeria to prepare for an economic survey. The mission is made up of two economists, an industrial engineer and an agricultural adviser. The terms of reference of the economic survey team which will follow are to be drawn up by the exploratory mission, which arrived in Lagos early in May—London, May 7.

SOUTH AFRICA

Imports and Exports—During the first two months of this year the Union's imports fell but its exports rose, as compared with the figures for the first two months of 1952. Total imports for January-February of this year amounted to £ 65 million, as against £ 77 million for the corresponding two months last year. Total exports for January-February this year amounted to £ 57 million as against £ 54 million for the same two months of 1952—Johannesburg, April 24.

SOUTHERN RHODESIA

Adverse Trade Balance—Southern Rhodesia ended 1952 with an adverse trade balance of £ 27 million, about £ 7 million less than at the end of 1951, according to a bulletin issued by the Central African Statistical Office. Records for both imports and exports were broken. Imports were valued at £ 88,475,000 and exports at £ 61,237,000. An encouraging feature of the external trade figures was the comparatively large expansion in the value of exports, accompanied by a more moderate increase in the value of imports—Johannesburg, April 24.

UNITED STATES

Newsprint from Bagasse—Lockport, Louisiana, may have the first U.S. plant to manufacture newsprint and pulp from bagasse or sugar cane waste fibre.

Plans are complete for the Valentine Pulp and Paper Co. to erect a \$2,633,000 plant capable of producing 17,250 tons a year. Part of this tonnage would be in dissolving pulp for rayon, cellophane and plastics. The plan was given an important boost when the Defense Production Administration granted a certificate of necessity to write off 45 per cent of the cost of construction over five years.

Louisiana, which produces 90 per cent of the sugar in the United States, is the natural home for this new venture. It is estimated that within a hundred miles of the plant there is a potential annual supply of 200 thousand tons of bagasse. The state's total production is about 750 thousand tons. The new plant will consume an estimated 36 thousand tons of bagasse to make 17,250 tons of pulp and paper—New Orleans, May 4.

Credit Conditions in Asia and the Middle East

Instability in many areas complicates trading with the Asiatic world and makes it imperative that exporters study the credit standing of buyers before shipping goods.

THE FARTHER EAST the export market lies, the more troublesome the credit problem—experience seems to support this general statement. The Middle East is a more risky trading area than Europe, and the Far East presents even more uncertainties and difficulties for the exporter, largely because of unstable political conditions. Trading with the Asiatic world has its peculiar problems and characteristics, but the specific credit conditions vary considerably from country to country within this area.

Common Characteristics

By modern western standards, Asia and the Middle East are underdeveloped areas. From a credit standpoint, this means that there are relatively few buyers in each country with sufficient means to rank as dependable accounts. Economically it means that the transportation facilities, credit and services offered by the banking system are not organized on a big enough scale to allow delivery of goods or collection of accounts without delays. And delays increase the uncertainties and the risks of trade. Monetary, political and social conditions too are more or less unstable. Against this background, the credit standing of the individual buyer is of paramount importance. Consequently it has become the normal practice to sell to these markets against Letters of Credit, and only in exceptional cases to ship on draft payments of restricted terms.

Government Controls

All these countries have government trade controls of one type or another. The more westernized, better organized and more politically stable countries have the more comprehensive and rigidly enforced systems of import and exchange controls. Japan, the Philippines, and Israel all control the admission of imports closely and regulate the release of foreign exchange in conformity with some form of exchange budget. Indonesia and Egypt have devised highly restrictive import control systems, with exchange available through somewhat complex arrangements rather than by automatic allocation. Iraq, Syria, Lebanon, Arabia and Thailand all enforce import controls without officially channelled foreign exchange for most imports and thus the resources of the buyer and his

ability to procure the necessary exchange are the foremost considerations. Burma, Indo-China and Jordan are so impoverished and short of foreign exchange that trade by individual importers is not flourishing. Iran, now minus her oil earnings, has qualified for inclusion in this group.

The shadow of uncertainty that hangs over the Far East and trading there is more political than economic. Communism has cut off mainland China from the commercial world at large and by its inroads into Indo-China has hindered that country as a sound market. Burma is troubled by internal strife and the threat of Chinese invasion, while even Thailand, unique for her quiet prosperity and exchange sufficiency, stands in danger. Political instability and government policies in Indonesia have undermined that country's credit position. Japan and the Philippines, and to a lesser extent Taiwan, thanks to United States support, and by grace of more stable political conditions, not only boast a better credit status but have more dollars. In the Middle East, Israel and Jordan avoid bankruptcy by a political stability that gives confidence to subsidizing friends abroad. The highly charged political centres are Iran and Egypt, with insecurity increasing in the former and decreasing in the latter. Elsewhere in the Middle East the fairly frequent political upsets seem to have very little adverse effect on commerce, but in these countries the traders are more on their own.

Record of Experience

The Export Credits Insurance Corporation has had experience with exports and collections in most of these eastern countries but only on a comparatively limited scale, because much of this trade is financed by Letters of Credit. Generally, this credit experience has been favourable, but in that case insured exporters and the Corporation itself have exercised constant watchfulness over the credit standing of buyers in these rather hazardous markets.

EXPERIENCE IN 1952—PROSPECTS IN 1953

Country	Exchange Position	1952 Business and Credit Conditions	Change during Year	1953 Prospects
Arabia	Good	Good	Improvement	Good
Burma	Difficult	Difficult	No change	Uncertain
China	Difficult	Fair	No change	Uncertain
Egypt	Difficult	Difficult	Weaker	Better
Indonesia	Fair	Fair	Slightly weaker	Fair
Indo-China	Difficult	Difficult	Weaker	Difficult
Iran	Difficult	Difficult	Little change	Uncertain
Iraq	Fair	Good	Improvement	Good
Israel	Difficult	Good	No change	Difficult
Japan	Fair	Fair	Weaker	Uncertain
Jordan	Difficult	Difficult	Weaker	Difficult
Lebanon	Fair	Fair	No change	Fair
Philippines	Fair	Fair	Slightly weaker	Fair
Syria	Fair	Fair	No change	Fair
Taiwan	Manageable	Fair	Improvement	Fair
Thailand	Good	Good	Slightly weaker	Satisfactory

TRADE AND TARIFF REGULATIONS

AUSTRIA

Currency Devalued—Effective May 4, Austria devalued the schilling rate applicable to payments for exports and imports from 21·36 to 26 to one United States dollar. An Austrian currency reform in October, 1950, which had made the rate of 21·36 schillings to one dollar applicable to all payments relating to foreign trade, also retained a premium rate of 26 schillings to the dollar for such purposes as travel and financial remittances.

Under the new system, rate of 26 schillings to one United States dollar applies to all transactions. The corresponding exchange rate of the schilling in terms of Canadian currency is about 3·831 cents.

GREECE

Customs Duties Revised—Effective April 29, Greece increased all specific customs duties by one-third by raising the "additional coefficient" for tariff conversion from 225 to 300. This step was motivated by the devaluation of the Greek currency on April 10. As the devaluation amounts to 50 per cent, the tariff increase of 33½ per cent leaves the incidence of specific duties considerably lower than before devaluation.

On a small list of essential items, including wheat, cod, herring, cheese and frozen beef, the effect of this increase was almost entirely eliminated by a reduction in the basic tariff structure.

The commodities shown in the following table illustrate the results of the devaluation and of the subsequent changes in specific most-favoured-nation customs duties which apply to imports into Greece from Canada and from most other important trading nations. In the case of essential goods of interest to Canada, such as wheat, cod, herring, beef and cheese, special reductions are provided:

Commodity	Duty in '000 drachmas per 100 kg.		Equivalent in dollars per 100 lb.	
	Pre-devaluation	Present	Pre-devaluation	Present
Aluminum, primary...	45	60	1·35	·90
Spectacles and lenses...	2,430	3,240	72·75	48·50
Wheat	11·8	12·6	·35 (bushel ·21	·19 ·11)
Cod, dried and salted and herring	9·9	10·8	·30	·16
Frozen beef	67·5	72	2·02	1·08
Cheese, hard, in loaves	50·6	54	1·52	·81

Ad valorem duties, which apply to relatively few imports into Greece, are now based on the new exchange rate of 30 thousand drachmas to the United States dollar and thus reflect the full amount of devaluation. However, the duty on sulphamides, antibiotics and

vitamins was reduced from 6 to 3 per cent ad valorem in order to keep the net duty chargeable on these drugs at the old level—Athens, April 29.

Exporters may obtain information on Greek rates of duty on individual commodities under the new system from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

IRELAND

Import Customs Duty on Paper—The Government has restored, effective April 17, 1953, the import customs duty mentioned at Irish Tariff Ref. No. 168/5 on imitation parchment paper, and has extended the scope of the duty mentioned at Irish Tariff Ref. No. 169/5 on unprinted paper. The current ad valorem rates are under Tariff Item No. 168/5—Canada and United Kingdom, 33½ per cent; all other countries, 50 per cent; under Tariff Item No. 169/5—Canada and United Kingdom, 28½ per cent; all other countries, 45 per cent. A basic revenue duty of 5 per cent is also applicable in addition to the above.

A special licensing provision exists whereby newsprint intended for use in the printing of newspapers, periodicals, etc., may be imported free of all duty.

There is also a duty free licensing provision applicable in the case of Item No. 168/5—Dublin, April 30.

Valuation of Imported Goods—The Revenue Commissioners, Republic of Ireland, have issued new regulations regarding the valuation for duty purposes of imported goods. From June 1, any person making entry for imported goods on which duty is chargeable by reference to their value may be required by the Commissioners to produce a declaration made by the importer giving particulars necessary for a proper valuation of the goods. Customs officers will also be empowered to demand the production of account books or other documents in connection with the valuation of imported goods.

Briefly, the value of imported goods is the price the goods would fetch at the place of importation on a sale in the open market at the time when they are entered for home consumption (or, if they are not so entered, at the time of importation). Freight, insurance, commission, and all other costs, charges and expenses incidental to the sale of the goods and their delivery at the port or place of importation (except any duty chargeable) are included in the value.

NEW ZEALAND

Dollar Import Licences—The New Zealand Department of Customs has announced that the existing allocation in respect of artificers' tools of the approved types from Canada or from the United States is increased from 50 per cent of 1951 licences to 66⅔ of 1951 licences.

Details of the approved artificers' tools may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

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 1.0041.

Country	Unit	Type of Exchange	Canadian dollar equiv. May 8	Notes (See below)
Argentina	Peso	Preferential buying .....	.1327	
		Basic buying .....	.1992	(1)
		Preferential selling .....	.1992	
		Basic selling .....	.1327	
		Free .....	.07169	
Austria	Schilling .....	.....	.03831	
Australia	Pound .....	.....	2.2415	
Belgium-Luxembourg & Belgian Dependencies ..	Franc .....	.....	.01999	
		.....	.01660	tax 5% (1)
Bolivia	Boliviano	Official .....	.00991	tax 3% 2
		Differential .....	.5837	(3)
British West Indies	Dollar .....	.....	2.8019	(4)
		Pound .....	.7004	
		Dollar .....	.05383	tax 8% (2)
Brazil	Cruzeiro	Official .....	.02268	
		Free .....	.2101	
Burma	Kyat .....	.....	.2101	
Ceylon	Rupee .....	.....	.03207	(1)
Chile	Peso	Official .....	.01658	
		Commercial .....	.00905	
		Free .....	.3984	tax 3% (2)
Colombia	Peso	Basic .....	.4296	
		Coffee buying .....	.1774	(5)
Costa Rica	Colon	Official .....	.1482	*April 15
		Free .....	.9959	tax 2%
Cuba	Peso .....	.....	.01992	
Czechoslovakia	Koruna .....	.....	.1442	
Denmark	Krone .....	.....	.9959	
Dominican Republic	Peso .....	.....	.06640	(6)
Ecuador	Sucre	Official .....	.05764	
		Free	2.8599	
Egypt	Pound .....	.....	2.5242	
Fiji	Pound .....	.....	.00433	
Finland	Markka .....	.....	.00284	
France	Franc .....	.....	.00569	
French Africa	Franc .....	.....	.01565	
French Pacific	Franc .....	.....	.2371	
Germany	D Mark .....	.....	.000033	
Greece	Drachma .....	.....	.9959	
Guatemala	Quetzal .....	.....	.1992	
Haiti	Gourde .....	.....	.4980	
Honduras	Lempira .....	.....	.1656	*April 24
Hong Kong	Dollar	Free .....	.06115	
		Official .....	.04711	
		Special buying .....	.03818	
		Special selling .....	.2101	
Iceland	Krona .....	.....	.08736	(7)
		.....	.00185	*April 15
India	Rupee .....	.....	
Indonesia	Rupiah	Basic		
		Dollar certificate		

* Latest available quotation date.