foreign trade

VOL. 13 OTTAWA, MAY 23, 1953 NO. 334

COVER . . . Bananas from a Guatemalan plantation start their journey to a distant market. Though they still earn large amounts of foreign exchange, banana exports have been decreasing over the years; rank far below coffee sales in both volume and value. For the complete story of Guatemala's export trade last year, turn to page two.

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

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

Guatemala and Its Trade

With coffee exports at a new high and prices good, Guatemala achieved a trade surplus of $12 million in 1952. Here is the trade picture.

GUATEMALA CITY—Guatemala ended 1952 with the highest favourable trade balance in her history. Exports increased in value from $76,085,000 in 1951 to $87,462,000 in 1952, and imports fell from $80,846,000 to $75,362,000. An unfavourable trade balance of $4,761,000 in 1951 was thus transformed into a surplus of $12 million.

To the value of exports should be added the dollars which the United Fruit Company must exchange for quetzales to balance the difference between the company's local expenditures and the total value of its exports, entered at their nominal value in the Guatemalan statistics. In 1951 and 1952 these totalled $10,650,750 and $10,159,000 respectively. On that basis, the total value of Guatemala's exports was $86,735,000 in 1951 and $97,621,000 in 1952.

Export Trade

This more than satisfactory situation may be credited to coffee, exports of which have increased in both volume and value. These exports rose from 1,089,000 quintals valued at $58,465,000 in 1951 to a new high of 1,327,000 quintals at $71,563,000, or 73 per cent of the real value of exports and 82 per cent of the value of exports before adjustment. The previous high for volume was 1,214,000 quintals in 1947, and the previous high for value, $58,465,000 in 1951.

These figures show more clearly than ever that the Guatemalan economy depends on coffee and coffee alone and that a crisis would be inevitable if world prices were to come down or if local production decreased. Coffee is not only the main source of foreign exchange but also an important source of national income—nearly $11 million in 1952.

Bananas

The volume of banana exports, by contrast, has been steadily decreasing for some time because of hurricane damage, the Panama disease and labour troubles. The table below shows how drastically exports have dropped and prices fallen.

	000 Quintals	000 Dollars	Unit price per quintal	Unit price per stem of 52 lb.
1947	6,305	11,686	1·85	0·95
1948	5,944	10,319	1·73	0·89
1949	3,415	7,585	2·22	1·14
1950	3,483	7,648	2·19	1·12
1951	2,698	6,010	2·22	1·14
1952	2,068	4,695	2·27	1·17

(52 lb. was the average weight of one stem in 1951.)

—National Tourist Bureau, Guatemala

A Guatemalan peasant dwelling, near Santiago Atitlan, with the de Fuego volcano looming up in the background.

To the above value must be added the dollars which the United Fruit Company has to convert every year into quetzales for local operating expenditures. Since 1949 these sums have been:

1949	$11,337,000
1950	10,622,500
1951	10,650,750
1952	10.159,900

Bananas are therefore a larger source of foreign exchange than statistics indicate.

Chicle and Essential Oils

Chicle again ranked third among Guatemala's exports not because of an increase in volume and value, but because of a greater decrease in volume and value of essential oil exports, which at one time were expected to become a leading factor in the economy.

Exports of chicle in 1952 dropped to 23 thousand quintals valued at $1,712,000, compared with 27 thousand quintals valued at $2,038,000 in 1951. Exports of essential oils dropped to 15 thousand quintals at $1,260,-000, compared with 18 thousand quintals worth $2,245,000 in 1951. At the moment, the prospects for chicle are much better than for essential oils.

The chicle trees grow naturally and demand a minimum of attention. The production cost is therefore limited to tapping, packing and transfer to a seaport. However, official control of that industry and a heavy export tax (46 cents per kilo) were probably the main causes of its apparent decline.

The essential oils industry—so promising at one time, but only because of a relatively ephemeral opportunity—has sunk so low that the planters of citronella now lose less money by burning their crop in the fields than by harvesting it. For more than a year quotations in world markets have been so depressed, because of the come-back of traditional sources of supply, that the planters who cannot afford to harvest their crop and transform it into oil have to wait so long for an advance in price that inevitably the plants reach the stage when the yield is negligible. Citronella is only cultivated here and there by planters who gamble that the day will again come when Formosa will be unable to compete.

Lemon tea, despite a considerably lower price, is still a remunerative industry. Planters cannot count on the high profits of 1949 and 1950 but they are satisfied with what they get and they do not have to worry so much about competition.

Lumber

Since 1951 lumber exports have been increasing in both volume and value and, if the present rate of increase is maintained, may reach a record in 1953 in volume if not in value.

In 1952 exports totalled 7,499 MFBM valued at $762 thousand. If the exploitation of the forest resources of Guatemala were left (with due conservation control) to private initiative, this industry would probably progress. However, a recent government decision has entrusted the exploitation of the forests to an official autonomous body.

Other Exports

The total value of all other exports rose from $6,735,000 in 1951 to $7,471,000 in 1952. The two main commodities in this group are mineral ores and abaca, a vegetable fibre. Abaca is planted and cultivated by the United Fruit Company, under contract, on lands owned by the United States Government. The crop is the property of the American Government. Abaca exports in 1951 totalled 4,307 metric tons valued at $2,037,462, according to the latest official statistics. Production in 1952, according to the annual report of the United Fruit Company, was estimated at 4,300 metric tons.

Exports of mineral ores (lead and zinc) mainly to Canada and the United States for refining, tripled in volume from 9,846 metric tons to 27,681, but the value dropped from $2,517,672 to $1,780,337.

Trade by Continents and Countries

Guatemala does practically all its trade with two continents—North America and Europe—which are good markets for coffee. It trades very little with its sister republics of Latin America, who are also coffee-producing countries or to whom Guatemala has nothing to offer but coffee.

With the majority of countries, Guatemala's balance of trade is unfavourable, but the United States is such a large buyer of coffee at any price that the total value of exports to the U.S. nearly equals the total imports into Guatemala from all countries—$72,855,122 against $75,721,363. The trade with the United States leaves a balance of $25 million (before adjustment in the price of bananas) which more than balances the deficit in the trade with the rest of the world. The next highest favourable balance is with the Netherlands ($4,202,816) which distributes coffee in that part of Europe. One of the features of the 1952 trade year was the considerable increase in the United Kingdom's purchases of coffee, probably for re-export in competition with the Netherlands.

By continents, Guatemala's trade was as follows:

	1952		1951	
	Imports (c.i.f.)	Exports (f.o.b.)	Imports	Exports
North America...	$53,482,327	$73,705,554	$60,945,755	$68,591,732
Central America..	1,148,717	1,228,216	967,320	464,905
South America...	1,147,971	166,948	805,439	123,018
Caribbean	5,234,141	743,108	3,283,446	315,934
Europe	13,984,665	11,618,741	13,901,435	6,454,791
Asia	639,226	62	898,616	36,936
Asia Minor	26,695	60	18,936	97,666
Africa	41,927	....	24,347	15
Australasia	15,694	....	1,248	....
	$75,721,363	$87,462,689	$80,846,452	$76,084,997

Guatemala's main customers during 1952 were:

COUNTRY	VALUE
United States	$72,855,112
Netherlands	4,855,613
Germany	2,012,910
Belgium	1,849,610
United Kingdom	1,477,811
El Salvador	922,337
Canada	790,629

The leading suppliers of goods to Guatemala in 1952 were:

COUNTRY	VALUE
United States	$47,647,829
Germany	3,922,588
Mexico	3,579,398
Canada	2,239,351
Curaçao	2,095,661
Aruba	2,024,756
Belgium	1,783,430
United Kingdom	1,477,811

The Outlook

The decision of the United States Government to lift price control on coffee was immediately followed by an advance in the price which, if sustained, should assure Guatemala of another good export year. This assumes, of course, that the crop will not be sensibly lower than in 1951-52. And, with coffee playing the usual star part, Guatemala does not have to worry about the performance of her other products.

The total value of coffee exports may increase even if, as a number of the planters believe, the crop is not as large as last year's. Should it increase, it may be that the value of coffee exports will exceed the value of all imports, which are expected to drop in both volume and value.

The value of 1952 imports showed a decrease of $5 million as compared with 1951, despite a substantial increase in imports of building machinery and materials for the construction of the Atlantic Highway and other government projects. It is not expected that the Government will have to place repeat orders for these products during 1953. Moreover, the reduced import of consumer goods which began with the proclamation of the Agrarian Reform Law has not yet reached its low point, because the Government, in order to gather the funds necessary for the new five-year plan, has raised the tariff on some 450 articles so much that a great number of them are now in the luxury class.

Some Items Affected

Among these 450 items are canned goods, textiles, cosmetics, a number of building materials, novelties and bathroom supplies, but not sardines, bought in good quantities by the low-earning class, and automobiles, bought by the more affluent. The tariffs for these articles are bound by the United States trade agreement. The tariffs on such articles as bathtubs, toilet seats, sinks, etc., were increased by 100 per cent but the tariffs on electric refrigerators, stoves, radios, etc., were left unchanged.

Though these tariff changes were made to increase revenues this objective may not be attained because reduced imports would naturally mean reduced customs receipts even if the Government, which imports its requirements duty-free, places large orders abroad for the five-year plan.

These increased tariffs, combined with a 6 per cent port tax applicable to all imports and exports, have already raised the price of a good number of articles to a point where they are beyond the purchasing power of the majority of the population. Importers are already limiting purchases abroad, a policy which dovetails with the preference of local businessmen for selling smaller quantities at higher prices rather than large quantities at lower prices.

—J. C. DEPOCAS
Canadian Government Trade Commissioner

NETMAKERS TO THE WORLD

When fishermen in British Columbia haul in their catch, some of them use nets made in the English town of Bridport, famous for its net and line industry since the days of King John. Ancient records reveal that in 1213 the King sent this order to the Dorset town: "Cause to be made at Bridport, night and day, as many ropes for ships both large and small and as many cables as you can, and twisted yarns for cordage for balistae".

Since then Bridport's nets and lines have earned world fame and most overseas territories are markets for its products, which include every type of sports net and most fishing nets. About 30 per cent of the exports go to dollar countries. A large proportion of the national total of fishing netting and lines, with the exception of hand-made trawls, is produced in Bridport.

South Africa

The Economy Levels Off

The Union has entered a phase of relative stability, the Reserve Bank's statistician reports in his economic review, summarized here.

JOHANNESBURG—After two years of unprecedented prosperity, South Africa's economy has entered a phase of relative stability, according to Dr. T. W. de Jongh, Statistician of the South African Reserve Bank. In his *Review of Economic Conditions in the Union in 1952,* just published by the Reserve Bank, Dr. de Jongh attributes this levelling-off in the Union's economy to certain external and internal conditions.

Lower Foreign Investment

According to Dr. de Jongh, the inflow of foreign capital during 1952 was smaller, largely because international political tensions have meant heavy rearmament expenditures by countries that would normally invest capital in South Africa. The net inflow from all sources amounted to about £58 million in 1952, compared with about £66 million in 1951. About £44 million of this was made up of private capital, including trade credits and drawings under the uranium loans (from the United States and Britain), and £15 million was obtained by the Union Government from the International Bank of Reconstruction and Development in the United States and from banks in Switzerland. One million pounds must be deducted from these figures because the South African Reserve Bank's short-term foreign liabilities declined by this amount during 1952.

Higher Interest Rates

On the domestic front, higher interest rates imposed during the first four months of 1952 slowed up the expansion of local industries and relieved much of the inflationary pressure that has affected the Union's economy in recent years.

One of the casualties of tightened credit was the South African construction industry. After increasing from 105·2 in 1950 to 148·5 in 1951, the average monthly index of the value of building plans declined to 115·1 in 1952. The decline became evident in the second half of the year after interest rates had risen.

Commodity prices continued to rise during 1952 but by the end of the year they were levelling off. The average monthly index of wholesale prices increased by 14·6 per cent. This increase was made up of a rise of 10·5 per cent in imported goods and 17·5 per cent in domestic products. Retail prices also continued to rise, the monthly index going from 121·5 in December 1951 to 129·0 in December 1952. This upward movement was largely the result of higher food prices, and to a lesser degree of an increase of 10·3 per cent in rents. The average monthly index of agricultural prices, with the exception of wool, increased 13 per cent. The average price of wool, one of South Africa's major products, dropped over 42 per cent, causing a decline of about 21 per cent in the average monthly index for all agricultural products.

Export and Import Values Drop

The effect of the fall in wool prices is also reflected in the Union's foreign trade figures. Merchandise exports (excluding gold bullion) fell from a high of about £347 million in 1951 to about £332 million in 1952, principally because the value of wool exports dropped by about £16 million.

Imports also declined from £470 million in 1951 to £420 million. Tightened import controls, especially in consumer goods, accounted for much of the reduction. Their effect is reflected in the following table:

SOUTH AFRICAN IMPORTS

Class of Imports	Increase or Decrease (£ million)
Animals, agricultural and pastoral products	– 1
Food, drink and tobacco	+ 7
Textiles, apparel, yarns and fibres	–59
Metals, metal manufactures, machinery and vehicles	+ 3
Minerals, earthenware and glassware	+ 3
Oils, waxes, resins, paints and varnishes	– 2
Drugs, chemicals and fertilizers	+ 1
Leather, rubber and manufactures thereof	– 6
Wood, cane, wicker, and manufactures thereof	– 2
Books, paper and stationery	– 2
Jewellery, time pieces, fancy goods and musical instruments	– 1
Miscellaneous	....
Total	–59

Trade Deficit Improved

The decline in imports more than offset the decline in exports, thereby reducing the South African trade deficit by £43 million in 1952. Paralleling this improvement in the trade deficit, South Africa's net current deficit with the outside world (which includes invisible items such as dividends, capital movements and payments for military operations in Korea) also dropped last year. After increasing from practically nothing in 1950 to about £104 million in 1951, the deficit declined to £65 million in 1952.

In concluding his review, Dr. de Jongh states: "On the whole it would appear that, in the economic field, the Union entered a phase of relative stability in 1952, compared with the marked expansion in recent years".

—Howard E. Campbell
Assistant Canadian Government Trade Commissioner

The Caribbean Trade in Wood Products

Several weeks ago, Port of Spain was the setting for a conference on "Caribbean Timbers, Their Utilization and Trade within the Area". To the conference came delegates from French Guiana, Guadeloupe, Martinique, Surinam, British Guiana, British Honduras, Jamaica, Trinidad, and the Windward Islands. In addition, Canada, Costa Rica, and British Guiana sent observers and Trinidad provided an adviser. At a time when the conference has focused attention on the trade in wood products in the various Caribbean countries, we are presenting a report on this subject for the information of the Canadian lumber exporter, written by the official Canadian observer at the conference.

PORT OF SPAIN—Since 1938, the total export trade in wood products within the Caribbean area has shown a spectacular increase, jumping from US$1,202,800 in 1938 to US$8,383,600 in 1951. Even when higher prices are taken into account, this record is a good one.

The export trade in planks and boards increased most rapidly—from $378 thousand in 1938 to $4,408,500 in 1951. Import trade, on the other hand, has risen only slightly in the thirteen years—from $9,810,500 in 1938 to $10,051,600 in 1951. Imports of planks and boards fell from $4,719,200 in 1938 to $4,426,700 in 1951, although they were higher in both 1949 and 1950.

Greater use of local timber within each country and the switch to substitutes have played a part in this import decline. These factors will, of course, make it all the more difficult for the Canadian exporter to regain markets in this area, if and when exchange problems no longer stand in the way.

There has been a steady increase in the use of shingles, with sales rising from $71,600 in 1938 to $549 thousand in 1951. The plywood trade also increased in value, from $20 thousand in 1938 to $149 thousand in 1951. A valuable trade in gums and resins is also carried on with exports (largely to the U.K.) totalling $332,800 in 1951.

Here are detailed market reports on each territory in this area:

French Guiana

A small amount of timber is imported for furniture making. Exports are negligible and mainly go to the other French colonies. Use of the forests is being given greater attention and it is expected that increasing quantities of wood and lumber will be available for sale abroad.

Guadeloupe

Guadeloupe has no export trade in wood products and though some 10,000 tons of local woods are milled, there is a prejudice against them. Imports amounted to US$576 thousand in 1950 but there are no details on species. The principal source was France, with small amounts from the United States and British Honduras.

Martinique

Exports have been declining during the past three years but the trade has never been large—only $49,500 in 1950. Imports, however, totalled $1,212,000 in 1951 and consisted mainly of lumber from France and the area, and cooperage stock from France, with lesser amounts from the United States and French North Africa.

Surinam

Exports of wood products were valued at $2,702,300 in 1951 and comprised logs and cuttings ($307,700), principally to the Netherlands with some to the area; sleepers and ties ($83,600), to the Netherlands; planks, boards and scantlings ($243,500), mostly to the Netherlands; plywood ($1,517,800), mainly to the United Kingdom and the remainder to the area; balata ($549,400), mainly to the United Kingdom and the United States.

The import trade is very small, consisting of about $38 thousand worth of furniture and other wood manufactures.

British Guiana

British Guiana has a valuable export trade in wood products, worth $1,587,100 in 1951. Export of Greenheart logs and cuttings reached a total of $527 thousand in 1951 and the principal buyers were the United Kingdom ($296,700), the United States ($130,500) and the Netherlands ($86,700). Sales of Greenheart lumber abroad were valued at $377,300, the principal buyers being the United States ($133,300), the United Kingdom ($83,600), the Netherlands ($58,000) and the British West Indies ($53,700). Trade with the area is handicapped by very high freight rates and in many cases the transhipment charges are also high. Imports of timber are largely for special purposes; otherwise British Guiana appears to be self-sufficient.

In 1951 imports of all wood products were valued at $429 thousand. The chief item was cooperage stock valued at $329 thousand, mainly from Surinam. A small amount of pitch pine was purchased from the United States and some pine and spruce from Canada.

British Honduras

This country has a very important export trade but it has reached its maximum unless markets can be developed for lesser known types. At present some supplies of short length mahogany lumber which is cut from trees not suitable as peeler logs are available for export. One serious handicap to the development of export markets has been the high freight rates and the lack of regular shipping facilities.

Total exports of wood and wood products were valued at $3,357,800 in 1951. The trade consisted of mahogany logs and cuttings to the value of $538,700, going mostly to the United States, and mahogany lumber valued at $1,016,800, with the United States taking $465,400 worth, the United Kingdom $240,600, Canada $98,000, and with lesser amounts sold within the area and to Sweden and Denmark. Pine exports are increasing and were valued at $1,002,500 in 1951. This pine was sold mainly in the area, in particular to Barbados ($123,900), Jamaica ($359,200), Trinidad ($254,200) (1950), and to the French Caribbean territories ($401,500).

Jamaica

Except for dyeing and tanning materials, the export trade in wood products is practically non-existent. Jamaica has insufficient forest resources to satisfy her own needs nor is there any prospect of increasing production. Because of the shortage of dollars and rising prices, Jamaica has had to concentrate on the use of available timber in the area and to expand the use of substitute materials such as cement, cement block and tiles. Lower timber prices are essential if this trend is to be changed.

Imports, which in 1951 amounted to $3,198,700, were made up of $1,759,900 worth of planks, boards and scantlings; $363,700 worth of shingles; $20,600 worth of plywood, and nearly a million dollars worth of cooperage stock.

The most important lumber import is pitch pine, valued at $1,501,000 and coming largely from the United States ($206,800), the Bahamas ($356,700), British Honduras ($359,200), Honduras ($201,100), and Nicaragua ($301,700). A very small amount of cedar is bought from Mexico and British Honduras. In 1951, $11 thousand worth of Douglas fir was purchased from the United States and some mahogany comes in from British Honduras. Cooperage stock is important and $911,100 worth was purchased in 1951, mainly from the United States ($583,400), and Canada ($176,100). Some plywood was bought from Surinam ($15,100) and the United States ($3,500).

Trinidad and Tobago

The Trinidad Lumber Association plays a very important part in the marketing of imported lumber. The Association is limited to eight members and normally deals with lumber such as pitch pine, white pine, Douglas fir and Canadian cedar. Some of the members also handle lumber from the area. In effect, the Association has become a purchasing and distribution agency. Prices are fixed on the basis of costs and the profits of the members are controlled. Actual profits work out at about 16 per cent of the cost of the lumber landed in the member's yard. Purchases in the sterling area are encouraged but dollars are spent only when absolutely necessary.

Progress is being made in the greater use of local timbers with the objective of becoming self-sufficient. Because the aim is complete utilization and complete regeneration, exports are a secondary interest. A box-making plant was established some time ago to take care of local needs and exports of wood manufactures to the area, valued at $179,700 for 1950, consist largely of boxes. Exports of other wood products are negligible.

In 1950 imports totalled $1,574,200—principally planks and boards, plywood, and cooperage stock. Trinidad bought $60,800 worth of cedar lumber from Canada in 1950 and $77 thousand worth of Douglas fir. Some $500 worth of Douglas fir lumber also came in from the United States. Pitch pine lumber imports were valued at $785,200 and were bought from the United States ($116,000), Bahamas ($298,200), British Honduras ($254,200), and Honduras ($116,800). Surinam supplied the bulk ($17,100) of plywood imports, valued at $21,600, and Canada supplied $3,300 worth of shingles. Furniture imports were valued at $43,700 and came mainly from the United Kingdom ($10,400) and Czechoslovakia ($18,200). Cooperage stock is still needed from abroad and cost $228,600 in 1950. There were two main sources of supply—the United States ($177,100), and British Guiana ($38,700).

Windward and Leeward Islands

There is an old established trade between the islands and Canada but the islands are so poor that imports have to be limited and supplies have to be secured locally, or within the area, or substitutes found. The inaccessibility of the forests because of lack of roads is a handicap to the development of the local forests but some of the islands are taking steps to develop local timber of good quality. Small amounts of fuel wood and charcoal are exported but there is no real trade in timbers. Imports into this area consist for the most part of planks, boards and scantlings. Canada exports considerable quantities of pine and small amounts of spruce, Douglas fir and cedar.

Windward Islands

Dominica

Imports in 1951 were valued at $182,800, including $17,400 worth of planks and boards (of which $12,800 worth of white pine came from Canada) and $152,200 worth of wood manufactures, mostly cooperage stock, ($149,600). This stock originated mainly in the United Kingdom ($64,900), United States ($37,300), Sweden ($22,400) and Trinidad ($11,700).

Grenada

In 1951 Grenada bought $282,100 worth of wood products, mainly planks, boards and scantlings valued at $252,200. Species are not indicated but the principal suppliers were Canada ($110,100) and the United States ($109,100). Shingles valued at $8,100 came from Canada ($6,200) and British Guiana ($1,900).

St. Lucia

Purchases abroad in 1951 were valued at $85,500 only. Details of the trade are not available but imports of boards and planks n.o.p. are listed at $72 thousand and the principal sources as British Guiana ($29,500), Canada ($19,300) and the United States ($12,700). Shingle imports from Canada were valued at $5,000 and from British Guiana at $6,300.

St. Vincent

Total imports of wood products were valued at $104,900 in 1951. A few poles, posts and piles were purchased but the bulk of the trade was in planks and boards and a small quantity of shingles. Again details on species are lacking. Lumber imports n.o.p. were valued at $95 thousand —with $26,200 worth from Canada, $25,800 from the United States, $20,100 from the Bahamas, $12,700 from British Honduras and further small parcels from the area. Imports of shingles worth $5,000 came from Canada and $1,300 worth from British Guiana.

Leeward Islands

Antigua and St. Kitts-Nevis do a small import business; Montserrat's total imports of wood products in 1951 consisted of $9,000 worth of planks, boards and shingles.

Antigua

In 1950 imports reached a value of $201,400, made up of $11,200 worth of ties and sleepers from British Guiana, and the balance in planks, boards and scantlings. Pitch pine valued at $105,900 was imported from the United States and $73,600 worth of white pine came from Canada.

St. Kitts-Nevis

The latest statistics show imports of $216,800 in 1949, of which $196,800 covered planks, boards and scantlings. Of this amount the United States sent $89,000 worth of pitch pine and Canada $94,500 worth of white pine and $10,700 worth of lumber n.o.p. Shingle imports amounted to $7,100, with Canada supplying $2,700 worth.

Barbados

Barbados has no surplus of timber and is an important market for wood products. In 1951 purchases abroad amounted to $2,128,900. Imports of poles, posts and pilings were valued at $13,700 and came mainly from British Guiana. Fuelwood and charcoal (principally from British Guiana) reached a total of $176,600. Shingles to the value of $167 thousand came mainly from Canada. Imports of furniture amounted to $45,300 and came from the United Kingdom ($14,200), the United States ($7,000), Canada ($6,200), and the remainder from the area.

Planks, boards and scantlings of Douglas fir, valued at $455,600, were purchased from Canada in 1951. Imports of pitch pine were valued at $290,300 and were brought in from the United States ($93,100), Canada ($73,300), and the Bahamas ($123,900). Other lumber n.o.p. was imported to the value of $430,800 and came mainly from Canada ($414,-400). There is also considerable import trade in cooperage stock—worth $359,900 in 1951. The principal suppliers were the Netherlands ($80,800), Canada ($179,800), Denmark ($21,200) and Germany ($78,100).

Puerto Rico

Puerto Rico depends on outside sources for 90 per cent of her timber requirements. With lumber prices rising, there has been a tendency to accept lower grades. Imports of wood products were valued at $9,173,000 in 1950. Poles, posts and pilings were purchased to the value of $161,400 from the United States; sleepers and ties to the value of $118,700, mainly from the United States. Cedar lumber imports totalled $43,900 and came from the United States ($24,300) and Canada ($15,300); cypress to the value of $130,200 was bought from the United States. Douglas fir imports amounted to $1,096,200, from the United States ($838,700) and Canada ($257,500). Mahogany imports worth $383 thousand came principally from the U.S. ($275 thousand) and Mexico ($103 thousand). Imports of Dominican pine were valued at $367,600, from the Dominican Republic ($114,600) and Nicaragua ($253,000). Southern pine imports from the U.S. amounted to $4,050,800. Plywood imports totalled $314 thousand and came from the United States ($242,800) and Mexico ($68,800). Furniture imports were valued at $1,656,400 and came almost wholly from the United States, as did the cooperage stock worth $180 thousand.

—P. V. McLane
Canadian Government Trade Commissioner

FAIRS and EXHIBITIONS

Samples in the South

The International Trade Mart at New Orleans was the setting recently for the Third International Sample Show, in which most countries which maintain trade representatives there participated. The exhibits covered largely giftware, household ware, textiles and handicrafts. Altogether, some 165 buyers from 29 different states registered at the show, which received excellent advance publicity.

The Canadian section featured handicrafts and toys, sent in by twelve Canadian companies or handicrafts associations. Some 40 to 50 people a day visited the Canadian booths and buyers from gift shops seemed especially interested in the handicrafts. In addition, some of these handicrafts were featured on a local television show.

The Well-Dressed Office

What is new and best in office equipment will be displayed for office managers and industrialists when the National Office Management Association opens its International Conference and Exposition in Boston on May 24. The conference will run for three days at the Statler Hotel and the exposition for four days in the Mechanics Building. Exhibits by over a hundred manufacturers will feature the latest in record reproduction equipment, dictating machines, desks and office chairs, accounting machines, calculators, automatic typewriters, newly developed filing equipment, and addressing machines.

Below the Border

The following Fairs are taking place in the United States during the next two months:

Second International Aviation Trade Show, New York, June 9-11.

Exposition of Basic Materials for Industry, New York, June 15-19. Information: Clapp & Poliak, Inc., 341 Madison Ave., New York 17.

Annual World Trade Fair, San Francisco, June 24-28. Information: San Francisco Chamber of Commerce.

International Photographic Exposition, San Francisco, June 30-July 5. Information: International Photographic Exposition, 302 The News Bldg., 814 Mission St., San Francisco.

Fair Calendar

International Trade Fair, Casablanca, French Morocco, May 30-June 14.

Western German Agricultural Fair, Cologne, May 31-June 7.

International Trade Fair, Padua, Italy, June 6-21.

International Trade Fair, Bordeaux, France, June 7-22.

Chemical and Laboratory Equipment and Industrial Control Apparatus Exhibition, Paris, June 18-29.

International Dairy Exhibition, Utrecht, Netherlands, June 19-30.

International Exposition of Communications (Transportation), Munich, Germany, June 20-Oct. 11.

International Agricultural Exposition, Rome, June 27-Oct. 31.

International Footwear and Leather Show, Utrecht, Netherlands, June 29-July 3.

International Sample Fair, Trieste, June 29-July 30.

Canadian Footwear Crosses the Border

Footwear for men, women, children and even infants is attracting attention in New York's Rockefeller Centre. In the Canadian Showroom, 13 Canadian shoe manufacturers are showing their fall and winter lines, including some ski boots, moccasins and casual shoes. The show will continue to the end of June.

The footwear exhibit has been timed to take place when shoe buyers are stocking up for autumn selling. In 1952, 250 Canadian manufacturers produced 37 million pairs of shoes, and footwear exports to the United States last year reached $2 million.

Spotlight on Machine Tools

The Third European Machine Tool Exhibition opens in Brussels on September 4 and continues to September 13, with, so far, 700 exhibitors from 12 countries. Of these, 500 are makers of machine tools and 200 are makers of related material, such as portable machine tools; tooling, measuring and controlling instruments; electrical equipment, etc. Twenty-three hundred machines will be in operation on the 340 thousand square feet of exhibit space.

Services provided for exhibitors include unloading of trucks, transport of goods from railway station to stands, and insurance from warehouse to warehouse. Customs duties are included in the cost of stand rental and the exhibitor need not worry about them.

At Thessaloniki

The 18th International Fair of Thessaloniki, Greece, will open its doors on September 6 and will remain open until the 27th.

The Fair covers a wide category of exhibits, 17 in all, including food, drink, and tobacco, furnishings of all kinds, craftwork, electrical articles, textiles, paper products, machinery, chemicals and agricultural products, as well as exhibits by banks and insurance companies.

Canada's Trade with Belgium

Value of Canadian goods going to Belgium has been rising steadily since 1949, with grains, minerals and automobile parts as the leaders.

BRUSSELS—Belgium's total trade since the war has been constantly on the increase. in both volume and value. In 1951 exports tripled in volume over 1946 and quadrupled in value. In 1952, though the volume of trade surpassed the high '51 levels, the value dropped because of a drop in prices. The following table showing Belgium's total trade for the last few years illustrates this point:

	Imports*		Exports*	
	(Volume in million kgs.; value in million Belgian francs)			
	Volume	Value	Volume	Value
1946	21,030	57,184	7,454	29,836
1950	29,814	97,835	16,376	82,823
1951	38,230	127,202	20,260	132,568
1952	38,885	123,023	20,337	122,550

* Figures cover Luxembourg also, which has been joined to Belgium in an economic union since 1924.

Canada's share in Belgian total trade, by value and according to Belgian statistics, is relatively small. In 1946, it was 2·72 per cent of the whole, in 1951, 2·2 per cent, and in 1952, 2·5 per cent.

Trade Is Expanding

Canada provided 3·8 per cent of Belgian imports in 1946, 3·2 per cent in 1951, and 3·5 per cent in 1952, and thus her share has kept pace with Belgium's growing trade. Canadian figures for the last few years indicate how trade with Belgium has been expanding.

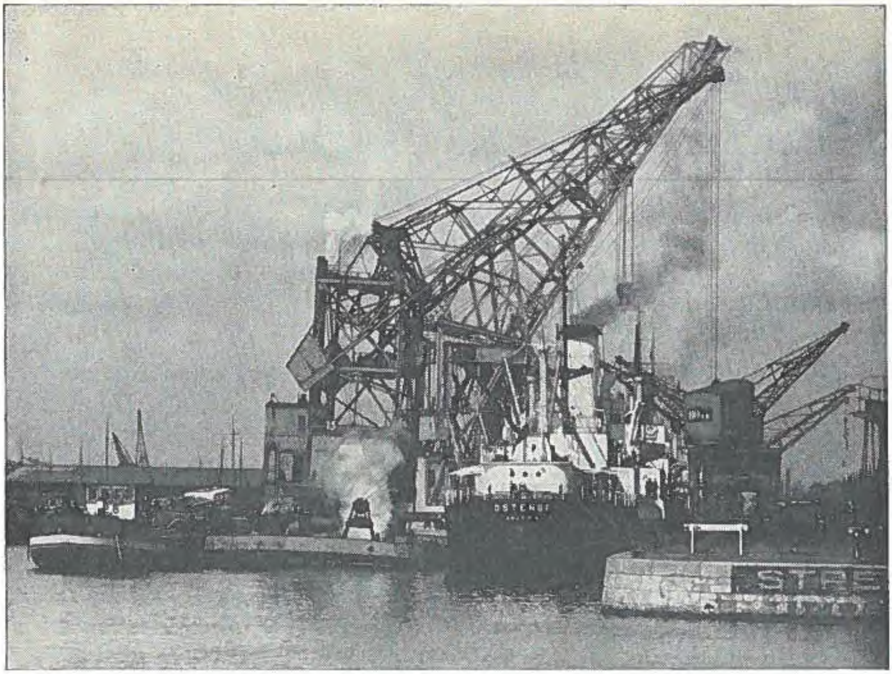
	Canadian Imports from Belgium	Canadian Exports to Belgium
1949	$19,021,599	$ 56,525,332
1950	22,794,903	66,350,580
1951	39,095,024	94,457,390
1952	33,215,969	104,376,217

It should be noted, however, that the Canadian figures given above include export trade which is shown as destined to Belgium, but which is, in effect, in transit through Belgian ports to other destinations.

The following Belgian figures may therefore give a truer picture:

	Belgian Imports		Belgian Exports	
	Metric tons	1,000 B. Frs.	Metric tons	1,000 B. Frs.
1949	484,647	2,367,243	125,993	924,727
1950	605,245	2,942,658	142,896	1,073,627
1951	843,758	4,096,221	269,350	1,494,238
1952	898,702	4,425,283	267,795	1,560,362

Note: 1951 conversion: 1 Belgian franc equals Canadian $0·02073.
1952 conversion: 1 Belgian franc equals Canadian $0·01966.



—Belgian Foreign Trade Office

Floating cranes in the port of Antwerp swing heavy machinery and parts, made in Belgium, aboard waiting vessels. Iron and steel and manufactures play an important role in Belgian trade.

These figures show that the growth of our trade with Belgium has been constant both in volume and in value. They also show that we export to Belgium more than we import from that country—in fact, nearly three times as much in value and over three times as much in quantity.

What We Sell Belgium

The following table gives a quick appreciation of Belgium's main imports from Canada, by categories, with Belgian francs converted into Canadian dollars.

Section	1951	1952
II—Vegetable products	$59,000,000	$63,000,000
V—Mineral products	6,960,000	8,160,000
XVII—Transport material (mainly auto parts)	866,200	6,356,000
Total	66,826,200	77,516,000
Balance, other imports	15,098,220	10,989,660
Total imports	81,924,420	88,505,660

It is worth noting that in 1952 the *vegetable products* category, amounting to $63 million, accounted for over 71 per cent of imports. Wheat alone constituted 34 per cent of this, barley 21 per cent, and linseed and oats another 15 per cent. *Mineral products,* mainly asbestos, lead and zinc ore, constituted over 9·2 per cent of Belgian imports from Canada in 1952. *Transport materials,* largely automobile parts, comprised over 7 per cent of Belgium's total imports from Canada.

These three categories combined make up the major part of the imports—87½ per cent. This means that, apart from cereals and grains, ores and automobile parts, only 12½ per cent of our trade is made up of the whole remaining range of exports of certain raw materials and of manufactured and semi-manufactured products. This means, therefore, that whatever restrictions still apply to dollar area imports into Belgium actually affect only the 12½ per cent of total imports.

It should be added, however, that if there were no restrictions, there is little doubt that imports of the 12½ per cent group of commodities would tend to increase.

The following tables list the most important Belgian imports from Canada in both the 87½ per cent and the 12½ per cent categories. Some changes have occurred from year to year but the pattern remained much the same in 1952 as it was in 1951.

Leading Imports into Belgium from Canada

(in Canadian dollars)

	1952	1951
Wheat	30,100,000	32,500,000
Barley	19,000,000	15,170,000
Linseed	10,820,000	6,960,000
Asbestos	3,720,000	3,187,000
Lead ore	2,660,000	1,890,000
Parts of automobiles (coach work)	2,340,000	338,000
Oats	2,420,000	2,160,000
Zinc ore	1,640,000	1,405,000
Internal combustion engines	1,180,000	170,000
Parts of automobiles (rear axles)	550,000	48,000
Total	74,430,000	63,828,000

Other Imports into Belgium from Canada

	1952	1951
Canned salmon	2,260,000	1,540,000
Chemical pulp	1,130,000	2,040,000
Natural and synthetic rubber	764,000	616,000
Special steels	640,000	298,000
Fish oils	540,000	760,000
Antibiotics	390,000	383,000
Mechanical pulp	380,000	149,000
Aluminum, unworked	340,000	470,000
Coniferous lumber	260,000	1,020,000
Washing machines	190,000	266,000
Bolts, nuts, screws	170,000	22,000
Horsemeat (pickled)	160,000	177,000
Leaf tobacco	150,000	12,400
Plastic materials	150,000	178,000
Iron and steel bars, n.o.p.	134,000	220,000
Total	7,658,000	8,151,400
Balance, other imports	6,417,660	9,945,020
Grand total imports	88,505,660	81,924,420

What Belgium Sells to Canada

The following table shows the ten most important Belgian exports to Canada, constituting 90 per cent of exports in 1951 and 87 per cent in 1952.

Leading Belgian Exports to Canada

Description	1952 Quantity 1,000 Kg.	1952 Value 1,000 B. Frs.	1951 Quantity 1,000 Kg.	1951 Value 1,000 B. Frs.
Iron, cast iron and steel	115,595	729,674	163,931	967,146
Pearls, precious stones, precious metals and manufactures thereof	....	119,086	....	114,093
Wool and animal hair	720	105,700	668	127,086
Glass and glassware	10,192	105,110	15,344	135,479
Tin	706	94,747	838	121,050
Salt, sulphur, earths, stones, chalk and cement	110,877	77,604	59,215	39,908
Cotton	525	52,738	490	54,672
Fertilizers	21,806	38,790	22,618	35,908
Heaters, mechanical apparatus and machines and their detached parts	450	34,369	317	21,173
Oleaginous seeds and fruit, industrial and medicinal plants, fodder and straw	46	448	14	370
Total	260,917	1,358,266	263,599	1,616,885
Balance, other	6,878	202,096	5,731	177,353
Total exports	267,795	1,560,362	269,330	1,794,238

Some Restrictions Lifted

On February 1, 1953, the Belgo-Luxembourg Economic Union removed many dollar import restrictions which it had applied since 1951. This action was the result of strong representations by Canada and the United States under the GATT. Most Canadian goods may now enter Belgium and Luxembourg free from government controls.

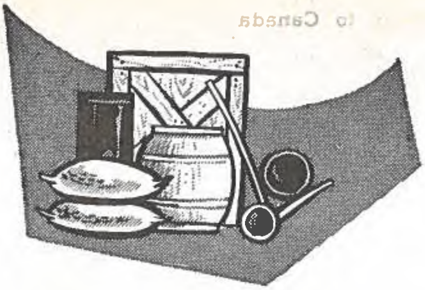
There is, however, a residue of import restrictions applying to dollar imports. Licences must still be obtained on a number of goods, and the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or the Commercial Secretary in Brussels will be glad to supply information on the importing of specific commodities into Belgium.

—T. J. Monty
Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.



COMMODITY NOTES

AUSTRALIA

Acids—At least 48 per cent of all acids made in Australia during the first quarter of 1951-52 came from local materials, compared with 39 per cent in the previous year. The Minister of Defence Production said this was a result of the Government's drive to convert Australian sulphuric-acid making plants to the use of local sulphur-bearing materials instead of imported brimstone.

The conversion program depends mainly on the use of pyrites and output has expanded greatly in Queensland, New South Wales, Tasmania, South Australia and Western Australia. The full effects of the conversion program will not be felt for a number of years, but its importance to the country's economy and security is considerable because sulphuric acid is used in the production of fertilizers necessary for the expanded food production program—Melbourne, April 28.

BRAZIL

Sugar Cane—Sugar cane production in 1952 amounted to 35,798,429 tons valued at Cr.$3,890,517,000. In 1951, the country produced 32,687,184 tons valued at Cr.$3,258,830,000—Rio de Janeiro, May 6.

ITALY

Gasoline—Oil refineries at Cortemaggiore, near Piacenza, now in operation will add considerably to Italy's very limited present production. Only some 6,724 tons of raw gasoline were produced in July 1952. This was, however, a great increase from a total of 220 tons a year earlier. There has also been a modest increase in the production of raw mineral oil—another new postwar development in this country—Rome, May 11.

JAPAN

Cotton Textiles—The Japan Cotton Spinning Association reports that during 1952 Japan exported 761,844,000 square yards of cotton fabrics. This compares with 1,094,503,000 for 1951. Exports of cotton yarn in 1952 totalled 29,575,000 lb., an increase from 28,144,000 lb. in 1951. Asiatic markets absorbed 70 per cent of Japan's total cotton textile exports in 1952, followed by Africa, 13·3 per cent; Europe, 11·4 per cent; North, South and Central America, 3·5 per cent, and Australia and New Zealand, 1·5 per cent—Tokyo, April 30.

NETHERLANDS

Whale Oil—The Netherlands only whaler produced 16,965 tons of oil during the 74-day season which ended on March 16. The figure for last year was 15,500 tons produced in 64 days. The total output had been sold in advance to the Netherlands Government at a price of Fl. 817 per 1,016 kilos—The Hague, May 8.

PAKISTAN

Jute Manufactures—During 1952-53 the secondary jute industry in Pakistan was able to meet all domestic requirements of burlap, hessians, etc. The rate of production of hessians by July 1953 is expected to be approximately 50,000 tons, and by the end of 1953, 75,000 tons a year. There will therefore be a surplus of jute manufactures for export. At the end of 1955 it is expected that there will be 6,000 looms in full production, producing approximately 240 thousand tons of jute goods a year on the basis of double-shift operation—Karachi, April 29.

SOUTHERN RHODESIA

Tobacco—A minimum tobacco crop of 125 million pounds in each of the five years to 1957 is anticipated by the Southern Rhodesia Tobacco Marketing Board, which has completed an agreement guaranteeing a block sale of 90-95 million pounds of leaf to British and Australian tobacco manufacturers. The remainder of the crop, to a minimum of 125 million pounds, will be absorbed by domestic manufacturers, with surplus production to be cleared by sales to Europe, Africa, and Asia—Cape Town, April 30.

SPAIN

Oranges—The latest published figures show that seasonal exports of oranges up to February 22, 1953, totalled 607,156 metric tons. It is estimated that exports this season will reach 900 thousand tons. Home consumption will be about 300 thousand tons, and a further 100 thousand tons will be used for industrial purposes. The total volume of the crop is estimated at 1·3 million metric tons—Madrid, May 7.

UNITED STATES

Poultry—The Detroit market absorbs quantities of Canadian poultry products annually. The Michigan Department of Agriculture reports that total receipts of Canadian poultry products in Detroit during 1952 were as follows: shell eggs, 29,343 cases; dressed poultry, 20,245 lb.; live poultry, 2,010,714 lb.—Detroit, May 15.

WEST GERMANY

Nylon—Rhodiaceta AG, Freiburg-Breisgau, began the production of nylon early this year for the first time in Germany. Initially, production will amount to 50 tons a month. In addition to perlon and "rovyl", fibre nylon has been included in the production program of Rhodiaceta which has an affiliated company in Lyon, France—Bonn, May 11.

TRADE COMMISSIONERS ON TOUR

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, will begin a tour of Canada in Toronto on June 1st. His itinerary is:

Toronto—June 1-12
Brockville—June 15
Montreal—June 16-30
Quebec—July 2
Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

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

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 is:

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 Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John and Halifax; the Chamber of Commerce in Calgary, Kitchener, London, St. Catharines, Windsor, Hamilton and Brockville; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

India's Jute Problem

The picture for both raw and manufactured jute is far from satisfactory; prices have dropped because of slack demand and growers cannot meet production costs.

NEW DELHI—The jute situation in India, both the production of raw jute and the manufacture of jute goods, is far from satisfactory in spite of the agreement recently made with Pakistan. Under this agreement,* Pakistan removed the export licence fee of Rs.2.8.0. per maund (80 lbs.) on raw jute exported to India which did not apply to other countries, and India undertook to license the import of at least 1·8 million bales a year, for a period of three years, beginning in March 1953.

Price to Growers Falls

The price which the growers now receive is so low that they cannot meet the cost of production. At the present time the price for Assam bottoms, one of the principal varieties grown in India, ranges from Rs.17.8.0. to Rs.20.0.0. per maund. During the period of short supply when prices were controlled, the average price for this variety was Rs.35, or approximately double the current uncontrolled price. Because of the difficulties the growers face, some quarters advocate that controls should be reimposed in some form. However, conditions today are vastly different from those which prevailed when prices were controlled. Then, it was a sellers' market. Today, it a buyers' market, both for raw jute and jute manufactures.

Industry Suffers Slump

In fact, the unsatisfactory price of raw jute is the result of the slump from which the jute goods industry is suffering and, because a large percentage of the production of jute goods goes to export markets, the industry itself is not able to offer higher prices for raw jute. It is estimated that, to manufacture 100 yards of 10 ounce 40 inch hessians or burlap at an economic price—taking into consideration current wages—Rs.20 per maund must be added to the cost of the raw jute. During the control period, when the price of raw jute was fixed at Rs.35 per maund, the controlled price for 100 yards of 10 ounce hessian was Rs.55. Today the price for this quality is about Rs.40. The relative difference between the price of raw jute and the manufactured article remains the same, Rs.20. Unfortunately, the price of Rs.20 to the grower is unremunerative.

The acreage sown to jute in India during the previous season amounted to 1·8 million acres. The sowing season for jute is principally March and April, although it extends into May in some districts. Great

* See article in the May 9 issue of *Foreign Trade*—Editor.

stress has been laid on increased production of raw jute in this country, but perhaps greater emphasis will now be laid on the necessity to produce jute of better quality. At present prices it is evident that the production of inferior grades does not pay, and this may mean a smaller acreage sown to jute during the current growing season.

Agreement Criticized

Because of the growers' difficulties, the recent jute agreement with Pakistan has been criticized. But the facts do not justify the criticism. The jute mills' annual requirements are considered to be approximately six million bales; Indian production is about 4·1 million bales. This leaves a deficit of 1·9 million bales which would have to be imported from Pakistan. Furthermore, according to the estimates of the Five Year Plan, the jute industry will require 7·2 million bales in 1955-56, and the target for Indian production at the end of the same period is given as 5·4 million bales. The deficit of 1·8 million is the quantity that India has agreed to license for import into India from Pakistan each year for the next three years.

The jute goods industry is divided into two broad categories—the manufacture of hessians or burlap, and the manufacture of sacking. Both sections have suffered from poor demand, but it is the lack of markets for sacking which causes the greatest concern, particularly as sacking consumes the largest share of the jute produced in India. A much larger proportion of superior quality Pakistan jute goes into the manufacture of hessians. The export markets for sacking lie mainly to the East and a three-man mission will visit Australia, always an important market, to see if the demand can possibly be increased.

Demand for Sacking Drops

There are a number of reasons why the demand for sacking has fallen off. The high prices which ruled in 1951 when an export duty of Rs.750 per ton was in force not only limited purchases, but also encouraged the establishment of jute factories in other countries such as Germany, Italy, the Philippines, and even Pakistan itself. A good number of these factories manufactured sacking. In addition, high prices gave a fillip to the use of substitutes, the most important of which are perhaps the changeover to bulk handling and the greatly expanded use of paper bagging.

It is only in recent weeks that production of sacking has shown a distinct decline. During the first three months of 1953, production amounted to 96 thousand tons, as compared with 144 thousand tons for the same period of 1952. Stocks during January and February of this year averaged 86,400 tons, as compared with 53,600 tons for the similar period of 1952. The Government, which had earlier reduced the export duty on sacking from a high of Rs.750 per ton to Rs.175, recently made a further reduction to Rs.80 per ton. The effect of this latest reduction is not yet apparent.

The industry's suggestion to relieve the situation was that a proportion of the sacking looms should be sealed off until stocks were reduced. The authorities refused this proposal on the ground that shipments during March had improved and, furthermore, it was too early to assess whether or not the reduction in the export duty to Rs.80 per ton would stimulate demand. The increased March shipments could be attributed partly to the buyers who felt that the export duty was bound to be reduced and held up orders pending the announcement.

The Market for Hessians

Although the market for hessians has not deteriorated to the same extent as that for sacking, the present prices are not considered satisfactory. Production has been more than maintained, with the monthly average for the last six months of 1952 at 26,700 tons, and for the first two months of 1953 at 29,700 tons. Stocks on hand, however, indicate that shipments to overseas markets are slowing up. In October 1952, stocks amounted to 28,900 tons and by the end of February 1953 had risen to 38,600 tons. This is the highest figure for the past three years. In March —although prices remained unsatisfactory—shipments of both hessians and sacking improved considerably. Total shipments for the first three months of 1952 and 1953 are given below:

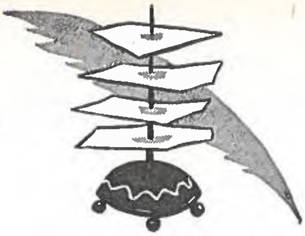
	1952 (tons)	1953 (tons)
January	84,000	47,000
February	52,000	36,000
March	74,000	71,000

The Outlook

Of the March 1953 shipments, hessians account for 38 thousand tons and sacking 32 thousand tons. It is not yet possible to judge whether the improved figures for March indicate an upward trend, or whether the April figures will again reveal a decline. However, the fact that shipments during March were roughly equal to stocks on hand for the month of February may be significant. If this trend continues for a few months the stocks on hand should be reduced to a more reasonable figure.

—Richard Grew
Commercial Counsellor for Canada

Time was when the jewellery and decorative trades were the principal buyers of the platinum metals. Since 1951, sales have taken a utilitarian turn, with the electrical and chemical industries the chief purchasers. Canada has a particular interest in the growing industrial demand for platinum metals because this country produces over half the annual world output, or some 269,900 fine ounces in 1952. These metals are derived as a by-product from the treatment of nickel-copper ores in the Sudbury district, and are refined in a special plant near London, England. Lagest part of the refined metals goes to the United States, the world's largest consumer of platinum metals. In 1951, for example, the U.S. used more than 462 thousand fine ounces.



GENERAL NOTES

DENMARK

Model Farm Established in Italy—A Danish-Italian contract has been signed, providing for the establishment of an experimental farm for Danish cattle some 25 miles outside Rome. A Danish agricultural expert, broadcasting from Copenhagen, reported this farm is intended to become a permanent institution for the exhibition of Danish cattle and other Danish agricultural products suitable for export. The farm will be organized and run on Danish lines and the stock of selected animals will be under the care of a Danish cattleman—Oslo, May 4.

ISRAEL

Crop Losses—The Ministry of Agriculture reports that a serious drought in the Negev desert area of the country has destroyed between 62,500 and 75,000 acres of crops, representing an investment of nearly I£2·5 million. It is estimated that these crop losses will necessitate the purchase abroad of 35 thousand tons of barley at a cost of \$3 to \$4 million—Athens, May 6.

NORTHERN RHODESIA

Hydro-Electric Power—Plans for the Kafue Gorge hydro-electric power project are proceeding, with a budget of £27·6 million. All power from the development, which will be operating in 1959, is already earmarked for the copper mines of Northern Rhodesia and for the Southern Rhodesia Electricity Supply Commission. Power requirements for new industries will be met from the Karriba extension to the project, with first power available in 1961 and adequate supplies by 1962—Cape Town, April 28.

UNITED STATES

Pulp Tonnage Heavy—The volume of wood pulp handled at Boston in January this year was almost one-third of that handled during the whole of 1952. Scandinavian wood pulp amounting to 15,066 tons was received at the Mystic and Hoosac docks during the month. Total tonnage for the same piers during 1952 was 45,958. Last year's relative inactivity is explained by the fact that Scandinavian prices were very high while stocks on hand in New England mills were large. Present prices are about \$150 per ton as compared with \$240 per ton asked at times last year—Boston, May 15.

West Germany

Transactions in Canadian Dollars

New foreign exchange regulations, just announced, permit German foreign exchange banks to settle in Canadian dollars transactions between traders in Canada and West Germany.

BONN—The Bank Deutscher Laender has announced new regulations for transactions in Canadian dollars. These place the Canadian dollar in substantially the same position as the U.S. dollar, and thus constitute a step towards greater freedom in foreign trading operations. They have been welcomed by both bankers and traders.

German foreign trade banks are now authorized to settle in Canadian dollars via Montreal or Toronto (i.e., instead of only in U.S. dollars via New York as heretofore) all transactions concluded between contracting parties in Canada and in the Federal Republic of Germany, including West Berlin, and any other transactions permitted under the German foreign exchange regulations.

As from today, May 11, 1953, the exchange rates for the Canadian dollar may be quoted not only on the Frankfurt financial exchange (Frankfurt is the headquarters of the Bank Deutscher Laender which, as the central bank of West Germany, controls all the internal and external financial policy and operations of the Federal Republic) but also on those at Berlin, Hamburg, Duesseldorf, and Munich.*

How Rates Are Established

The rates are to be established daily by authorized foreign exchange brokers between 13.15 and 13.45 hours on weekdays and between 11.15 and 11.45 hours on Saturdays. The brokers will establish middle, buying and selling rates but only the buying and selling rates will be published, the limits for which will be one-half pfennig** upwards and downwards reckoned from the middle rate.

The German foreign trade banks can exchange Canadian dollars freely against Deutsche Marks and U.S. dollars among each other and with the Bank of Canada and with the following Canadian chartered banks:

Bank of Montreal, Montreal
Bank of Nova Scotia, Halifax
Bank of Toronto, Toronto

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* Similar authority was granted from May 4 for the Belgian franc, the Dutch florin, the French franc and the Swiss franc.

** 100 pfennigs=1 D Mark.

Banque Canadienne Nationale, Montreal
Barclays Bank (Canada), Montreal
The Canadian Bank of Commerce, Toronto
The Dominion Bank, Toronto
Imperial Bank of Canada, Toronto
Provincial Bank of Canada, Montreal
The Royal Bank of Canada, Montreal

as well as with banks in the United States, against U.S. dollars and with their customers against Deutsche Marks.

The B.D.L. will deal with the foreign trade banks, in principle through a broker, at the official daily middle rates. In forward exchange transactions, "own positions" (positions not based on delivery of goods or services rendered) will not be permitted.

The B.D.L. has stated that it will "keep as far away as possible from the forward exchange market" and that it will not quote any forward rates in order that they may develop freely from the play of the market. It reserves the right, however, to intervene if necessary.

Canadian Dollar Accounts Opened

The foreign exchange banks are also authorized to open, as agents of the B.D.L., Canadian dollar accounts with the Canadian banks named above. Such accounts are to be established under the heading "X Bank, as agent of the B.D.L.—Canadian dollar account".

The B.D.L. itself has now established five accounts in Canada—one each with the Bank of Canada in Ottawa, and with the offices of the Bank of Montreal and of the Royal Bank of Canada in Montreal and Toronto.

The German foreign trade banks must report to the B.D.L. once a month the position and turnover of their Canadian dollars, as well as the amounts of the Canadian dollar accounts of resident holders. They must also continue to report all receipts of Canadian dollars from exports and from services rendered.

Authority Given Trade Banks

Finally, the foreign trade banks are authorized to:

- Buy Canadian coins and notes for their own account, to deposit them to their specie accounts and to sell them for tourist needs.

- Trade freely among each other in such coins and notes.

- Send Canadian dollar coins and notes directly to their correspondents for crediting.

This last provision will be welcomed by Canadian travellers and others who have frequently found in the past that Canadian banknotes, and even in some cases travellers' cheques, were accepted reluctantly in Germany (and elsewhere in Europe) because of the difficulty of disposing of them.

—Bruce A. Macdonald
Commercial Counsellor for Canada

TRADE AND TARIFF REGULATIONS

COLOMBIA REDUCES LIST OF PROHIBITED IMPORTS

THE MOST SWEEPING REMOVAL of import prohibitions in the last two years was recently promulgated by the Government of Colombia in their Decree 988, which became effective April 16th. Included in the group are such important items as dried fish, fresh and frozen meat, and motor cars weighing more than 1,650 kilograms.

Such action is indicative of the country's steadily improving financial position as foreign currency and gold reserves have jumped from 202 million pesos* at December 31, 1950, to 303 million pesos at the end of 1952. No small share of the credit for this improvement is attributable to the extensive list of prohibited imports which was introduced on March 20, 1951, and has since played an effective role in conserving exchange. Despite the latest move which reduces the list, 509 tariff items still remain on it and Decree 988 stipulates that the items just released may only be purchased with certificates of exchange which are currently selling at 50 per cent above the official exchange rate.

Specifically the items that have been deleted from the list of prohibited imports are the following:

Fresh, frozen or refrigerated meat, except bacon
Salted, dried or smoked fish
Lobsters, crabs, shrimps, oysters and mussels
Cherries
Sausages of all types
Liverpastes and sandwich spreads
Caviar
Small crustaceans and molluscs, pickled or preserved
Preserved mushrooms
Canned fruits, preserved in alcohol or brandy
Fruit juices with alcohol
Preparations for soups and broths
Pipe and plug tobacco
Perfumes and cosmetics
Playing cards
Natural silk yarn
Plain linen fabrics
Linoleum and similar articles
Dress shirts
Sails for boats
Glass jewels and parts for chandeliers
Stained glass windows and glass mosaics
Uncut precious and semi-precious stones
Articles of nickel, gilded, silvered or inlaid with precious stones and other manufactures of nickel
Table utensils of ordinary metals
T.V. receiving sets and amplifiers of all kinds

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* One peso equals approximately 40 cents Canadian.

Motor cars weighing over 1,650 kilograms (smaller cars are already permitted importation from Canada)
Pocket and wrist watches
Pianos
Gramophones
Spare parts for nickelodeons and juke boxes

—Wiley J. Millyard
Commercial Secretary for Canada, Bogotá

UNITED KINGDOM

Goods Sent from Abroad for Repair—Goods sent to the United Kingdom for repair and immediate return to the senders abroad are, in general, specially exempted from United Kingdom import licensing requirements and customs duties, provided the facts are declared by the United Kingdom importer to the Customs Officers. Senders can assist the United Kingdom importer to avoid delays in clearing the goods through the Customs if they will give him advance notice of the despatch of the goods, together with a full description of the articles and the reason why they are being sent to him. In this way the relevant facts can be brought to the notice of the U.K. Customs immediately the goods arrive and the importer is able to establish his claim to special exemption without delay.

If the goods which are being sent for repair were originally supplied from the United Kingdom, it will also help in Customs clearance if the senders will supply to the importer particulars (e.g., invoice references) of the original exportation from the United Kingdom.

If the goods are sent by post, the label or wrapper of the parcel should be clearly marked "Goods for repair and return" or "United Kingdom goods for repair and return", as appropriate.—(*Board of Trade Journal,* London, April 25, 1953).

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, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

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

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0025.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. May 14*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1330	
		Basic buying	·1995	(1)
		Preferential selling	·1995	
		Basic selling	·1330	
		Free	·07180	
Austria	Schilling		·03837	
Australia	Pound		2·2435	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01999	
Bolivia	Boliviano	Official	·01663	tax 5% (1)
		Differential	·00992	tax 3% 2
British West Indies	Dollar		·5842	(3)
	Pound		2·8044	(4)
	Dollar	Brit. Honduras	·7010	
Brazil	Cruzeiro	Official	·05392	tax 8% (2)
		Free	·02243	
Burma	Kyat		·2103	
Ceylon	Rupee		·2103	
Chile	Peso	Official	·03212	(1)
		Commercial	·01661	
		Free	·00907	
Colombia	Peso	Basic	·3990	tax 3% (2)
		Coffee buying	·4303	
Costa Rica	Colon	Official	·1776	(5)
		Free	·1482	*April 15
Cuba	Peso		·9975	tax 2%
Czechoslovakia	Koruna		·01995	
Denmark	Krone		·1444	
Dominican Republic	Peso		·9975	
Ecuador	Sucre	Official	·06650	(6)
		Free	·05773	
Egypt	Pound		2·8644	
Fiji	Pound		2·5265	
Finland	Markka		·00434	
France	Franc		·00285	
French Africa	Franc		·00569	
French Pacific	Franc		·01565	
Germany	D Mark		·2375	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9975	
Haiti	Gourde		·1995	
Honduras	Lempira		·4987	
Hong Kong	Dollar	Free	·1653	*May 1
Iceland	Krona	Official	·06125	
		Special buying	·04718	
		Special selling	·03819	
India	Rupee		·2103	
Indonesia	Rupiah	Basic	·08750	(7)
		Dollar certificate	·00185	*April 15

* Latest available quotation date.