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COVER . . . This worker at Trail, B. C., holds a chunk of pure sulphur, an increasingly important industrial raw material. Supplies of sulphur have been short in the past few years and producing and consuming countries are pushing projects for improving the long-term outlook. For a report on what Canada is doing in this field, turn to page two.

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Sulphur Supplies: a Long-Term View

Shortage of sulphur during the past few years has focussed attention on what Canada is doing to develop native supplies of sulphur or sulphur-bearing materials, and facilities for their use. Here is an authoritative report on this subject.

SULPHUR IN ITS SEVERAL FORMS has become increasingly important as an industrial raw material over the last 100 years. The world's major sources of supply have been sulphides, usually sulphides of metals (i.e. pyrites), and natural sulphur in the uncombined state. Pyrites occur more generally than native sulphur, which is confined to a relatively few large deposits.

For sulphur in its native form, importing countries have come to depend more and more upon the Gulf coast of the United States, the world's largest source of supply. Rapidly rising peacetime demands, and later, the outbreak of the Korean war, provoked a shortage of native sulphur. As a result, attention became focussed on the world's present supplies and the long-term outlook.

Supply Problem Examined

Producing and consuming countries alike are seriously concerned over the prospects for maintaining production and have embarked upon a multitude of projects designed to improve their long-term supplies. These include both increased use of pyrites and native sulphur, as well as new processes for recovering sulphur from crude oil, oil shale, natural gas and non-ferrous smelter gases.

Canada too is attempting to protect its sulphur-consuming industries by developing indigenous supplies of sulphur or sulphur-bearing materials and creating facilities for utilizing them in this country. Some projects have already been completed; others are still in the construction stage. Still others, though they have been postponed for the time being by what appears to be a short-term improvement in the world's sulphur supply, may be completed over the next five to ten years.

Sulphur Ores Exported

Canada has always exported sulphur-bearing ores, mainly in the form of pyrites and zinc blende. Indeed, up until last year only about 20 per cent was used domestically to produce sulphuric acid, mainly in conjunction with smelter operations at Trail and Sudbury. With the exception of the smelter gas operations at Trail, all of the zinc sulphide ores were exported because there were no other Canadian facilities for extracting their sulphur content. Canadian exports of these sulphur-bearing materials have gone principally to the U.S.

As a result mainly of greater pyrites production and the using of smelter gas, in addition to the elemental sulphur now being recovered from natural gas fields in Alberta, production of contained sulphur in all forms is expected by 1955 to increase by about 60 per cent over 1951.

Production of Sulphur in All Forms in Canada

(thousands of long tons of contained sulphur)

| Source | Actual | | | Estimated | |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| | 1951 | 1952 | 1953 | 1954 | 1955 |
| Natural Gas* ..... | .... | 9.0 | 18.0 | 18.0 | 18.0 |
| Pyrites | 163.3 | 237.0 | 270.4 | 310.5 | 329.0 |
| Zinc Blende | 71.0 | 80.0 | 80.0 | 80.0 | 80.0 |
| Smelter Gas | 150.0 | 157.1 | 201.2 | 201.2 | 201.2 |
| Total | 384.3 | 483.1 | 569.6 | 609.7 | 628.2 |

* No allowance has been made here for additional sulphur which, in a few year's time, may be recovered from the scrubbing of presently capped additional sour natural gas pools in the western provinces.

Some of this "contained" sulphur will, as before, be exported in combined form. The amount likely to be recovered in Canada for Canadian consumption has been estimated below for purposes of comparison:

Consumption of Canadian Produced Sulphur in All Forms

(thousands of long tons of contained sulphur)

| Source | Actual | | | Estimated | |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| | 1951 | 1952 | 1953 | 1954 | 1955 |
| Natural Gas ..... | .... | 9.0 | 18.0 | 18.0 | 18.0 |
| Pyrites | 30.8 | 29.7 | 79.3 | 137.6 | 152.4 |
| Zinc Blende ..... | .... | 4.5 | 11.9 | 12.0 | 12.0 |
| Smelter Gas | 150.0 | 157.1 | 201.2 | 201.2 | 201.2 |
| Totals | 180.8 | 200.3 | 310.4 | 368.8 | 383.6 |

Sulphur recovered from natural gas will be used almost wholly by the West Coast pulp and paper industry and by other industrial plants on the prairies, and the two extraction plants in Alberta will be operating the year round in 1954. Pyrites burned in this country will be used by the pulp and paper industry and sulphuric acid producers in Eastern Canada, where all but one project will be completed and in operation this year. The sulphur content of zinc blende consumed in Canada will be used to produce sulphuric acid in a new plant brought into production last year, and the increase in smelter gas recovery will be used to produce sulphuric acid and sulphur dioxide for the pulp and paper industry. New facilities for the production of the latter at Copper Cliff, Ontario, came into operation in November 1952. This development is one which has had a history of at least five years' experimentation, design and pilot plant operation and Eastern Canadian pulp mills will be able to cut back their imports of elemental sulphur by over 40 thousand tons a year once the plant is in full operation. Incidentally, this is the largest known project of its kind in the free world and is making a unique contribution to the easing of the sulphur problem and the use of waste materials in Canada.

Despite all this, Canada will still probably have to import some 250 to 300 thousand tons of elemental sulphur a year. These imports, when added to Canadian consumption from domestic sources, give:

Total Canadian Consumption of Sulphur in All Forms

(thousands of long tons sulphur content)

| Source | Actual | | 1953 | Estimated | |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| | 1951 | 1952 | | 1954 | 1955 |
| Sulphur as such* | 373.0 | 369.8 | 336.9 | 297.5 | 298.7 |
| Pyrites | 30.8 | 29.7 | 79.3 | 137.1 | 152.4 |
| Zinc Blende ..... | .... | 4.5 | 11.9 | 12.0 | 12.0 |
| Smelter Gas | 150.0 | 157.1 | 201.2 | 201.2 | 201.2 |
| Total | 553.8 | 561.1 | 629.3 | 647.8 | 664.3 |

* Elemental sulphur from the Noranda project is included in pyrites.

It appears that Canadian sources of supply, currently about one-third of total consumption, will be supplying nearly 60 per cent of total consumption by 1955, in spite of an expected overall increase in demand of nearly 20 per cent during the period.

Imports Expected to Decrease

Our requirements of native sulphur, which are wholly met by imports, are expected to decrease by about 80 thousand tons by 1955. This may happen in spite of an expected overall increase in demand for sulphur in all forms of nearly 100 thousand tons by the pulp and paper and sulphuric acid industries. Pulp and paper requirements of imported sulphur as such can be expected to fall off by nearly 30 per cent over the next three years; the acid producers are expected to need about 23 thousand tons less. The increase will be met from domestic sulphur dioxide from the Copper Cliff project, in addition to the supplies to be obtained from natural gas recovery and the burning of pyrites and zinc sulphides by the pulp and paper and acid producers. The sulphur dioxide recovered from pyrites at Welland will also be used in acid production.

The pulp and paper industry and the sulphuric acid industry absorb the major proportion of this country's sulphur consumption. Together these two industries consume all but a few thousand tons of the total sulphur in all forms used in Canada. Requirements by the pulp and paper industry are likely to be met from the following sources over the next three years:

Consumption of Sulphur in All Forms

Pulp and Paper Industry

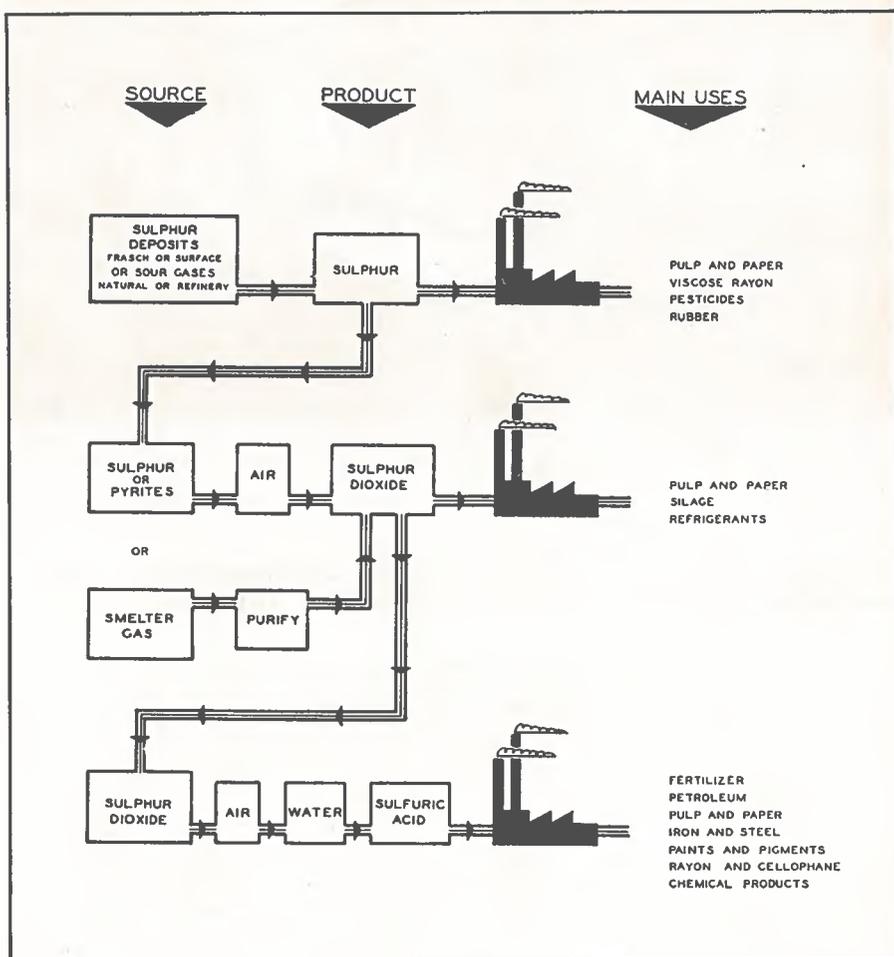
(thousands of long tons of contained sulphur)

| Source | Actual | | 1953 | Estimated | |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| | 1951 | 1952 | | 1954 | 1955 |
| Sulphur as such | | | | | |
| —Domestic* ..... | .... | 4.0 | 13.8 | 13.8 | 13.8 |
| —Imported | 267.7 | 290.7 | 228.6 | 204.8 | 211.0 |
| Pyrites | 3.1 | 4.0 | 25.4 | 59.9 | 64.4 |
| Smelter Gas ..... | .... | .... | 40.2 | 40.2 | 40.2 |
| Totals | 270.8 | 298.7 | 308.0 | 318.7 | 329.4 |

* Elemental sulphur from the Noranda project is included in pyrites.

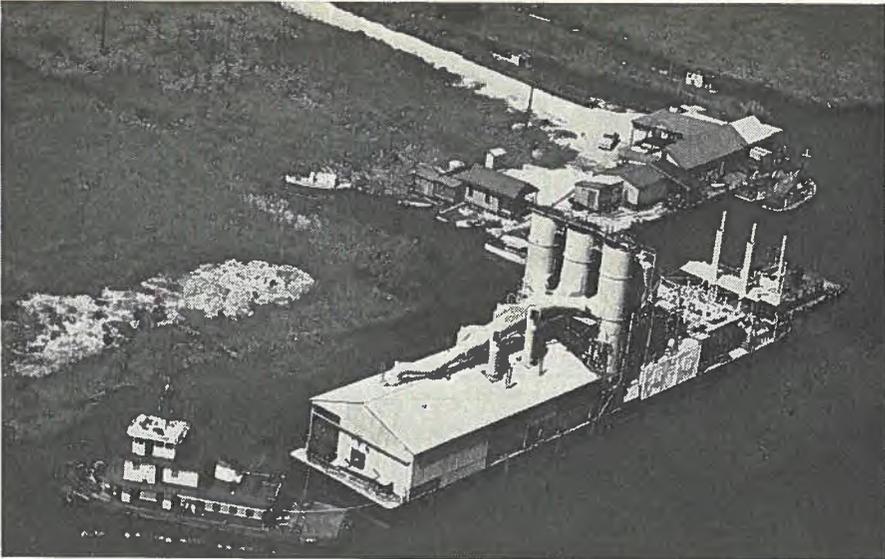
SULPHUR IN ALL FORMS

Flow Analysis



—Dept. Defence Production.

In the past, the pulp and paper industry has relied entirely on imported elemental sulphur, with the exception of one mill at Three Rivers which burns pyrites. This industry accounts for over three-quarters of Canadian elemental sulphur requirements—almost the reverse of the situation in the United States and Great Britain, where the major consumer is the acid industry. The above table points up the tremendous saving on imported sulphur which the pyrite projects, the sulphur dioxide and natural gas projects will make possible. It is impressive, especially because the sulphur equivalent requirements of this industry in 1955 will be about 60 thousand tons greater than in 1951. On the basis of f.o.b. Gulf coast prices, this will represent an annual U.S. dollar saving of nearly \$1.5 million at current prices in this industry alone.



Projects to develop sulphur supplies and facilities for their use will cut down Canada's imports of this material, most of which come from the U.S. Gulf coast, the world's largest source of native sulphur. This sulphur mining plant, built on a barge, is used in the Louisiana marshes.

Equally impressive is increased use of Canadian-produced sulphur-bearing materials by the sulphuric acid industry in Canada.

**Consumption of Sulphur in All Forms
Sulphuric Acid Industry**

(thousands of long tons of contained sulphur)

| Source | Actual | | | Estimated | |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| | 1951 | 1952 | 1953 | 1954 | 1955 |
| Sulphur as such | 78.3 | 71.1 | 71.1 | 55.0 | 48.0 |
| Pyrites | 27.7 | 26.5 | 50.7 | 90.0 | 100.0 |
| Zinc Blende ..... | .... | 4.5 | 11.9 | 12.0 | 12.0 |
| Smelter Gas | 150.0 | 157.1 | 161.2 | 161.2 | 161.2 |
| Totals | 256.0 | 259.2 | 294.9 | 318.2 | 321.2 |

Although producers expect acid production to increase by over 30 per cent by 1955, their imported sulphur requirements are expected to decline by about 40 per cent from the 1951 position. On a dollar basis this represents an additional annual U.S. dollar saving of over three-quarters of a million at current prices, excluding transportation charges.

Expected Production

It is estimated that the above sources of supply for the production of sulphuric acid will be used fully by the acid industry, which foresees an average increase of about 5-10 per cent a year in its markets for sulphuric acid over this period. This is a fairly conservative estimate because acid demand around the world has been growing since the 1930's at a rate of 10-13 per cent a year. Fertilizers, acid requirements for which will increase by about 120 thousand tons by 1955, will be responsible for the major increase in the market. More than half of the increased

production will come from Eastern Canada. The expected marketed production of acid as seen by the acid producers is outlined in the following table:

Canadian Marketed Production

Sulphuric Acid

| Market | Actual | | Estimated | | 1955 |
|-------------------------|---|-------|-----------|-------|-------|
| | 1951 | 1952 | 1953 | 1954 | |
| | (thousand of long tons 100 per cent acid) | | | | |
| Fertilizers | 460.4 | 465.3 | 543.2 | 583.0 | 584.0 |
| Textiles | 24.5 | 26.0 | 38.0 | 40.0 | 40.0 |
| Metallurgical uses | 85.0 | 107.0 | 123.0 | 125.0 | 125.0 |
| Other | 131.1 | 163.1 | 165.8 | 170.0 | 170.0 |
| Total | 701.0 | 761.4 | 870.0 | 918.0 | 919.0 |

The pulp and paper and the sulphuric acid industries account for over 95 per cent of the elemental sulphur used in this country and almost an equal percentage of the total sulphur in all forms used in Canada. The remainder of Canada's sulphur is required by producers of insecticides, special fertilizers, carbon bisulphide and rubber, whose small tonnages of refined sulphur are met almost solely by imports. These requirements are also expected to increase over the next three years and imports will, to a large extent, continue to meet these demands.

Canadian Self-Sufficiency

On balance, it is estimated that total Canadian production of sulphur in sulphur-bearing materials will increase from about 483 thousand long tons last year to 628 thousand long tons in 1955, without taking into consideration additional recoveries from Canadian natural gas. Over the same period, total consumption of sulphur in all forms in Canada will increase from about 561 thousand long tons to about 664 thousand long tons.

Thus, in spite of a total increase in requirements of sulphur in all forms of nearly one-fifth, imported sulphur consumed in Canada may decrease by about 20 per cent over the same period and will represent by 1955 less than 40 per cent of Canada's total use. This represents a decided improvement in Canadian self-sufficiency in spite of a growing domestic demand, for at present, imported sulphur represents over two-thirds of the sulphur in all its forms which Canada uses.

—J. P. LOUNSBURY
Economics Division
Department of Defence Production

This article was condensed from an Industrial Bulletin prepared several weeks ago by the above division of the Department of Defence Production—Editor.

Norway and the Whaling Industry

Norwegian whalers, long the leaders in Antarctic whaling but now beset with problems, are deeply interested in the International Whaling Conference, opening in London on June 22nd.

OSLO—On June 22, the International Commission for the Regulation of Whaling will meet in London for its fifth conference. During its sessions, the International Whaling Agreement, adopted in 1944, will come up for discussion. This agreement sets an annual limit of 16 thousand blue whale units on the maximum total catch for all Antarctic whaling expeditions and all of the eight countries which participated in 1952-53 whaling expeditions are signatories to it. (One blue whale unit is defined as one blue whale, or two finback whales, or 2½ humpback whales, or six seiwhales.)

The conference serves to focus attention on the circumstances which first made such an agreement necessary and on the Antarctic whaling industry generally, which Norway dominates. Though the catching of whales began as far back as the 12th century, it was not until late in the 19th century that stocks of blue and finwhales in the North Atlantic began to be depleted. It was then that whalers turned their eyes towards the little-known Antarctic.

Antarctic Fishing Begins

In 1890 Chr. Christensen of Sandefjord sent two expeditions down to the Antarctic to investigate conditions. Results then and in the next few years were so promising that in 1905 he dispatched southwards the world's first floating whaling factory, the *Admiralen*, of 1,500 tons. Although it was modestly equipped in comparison with modern ships, the advantages over working entirely from shore stations were at once confirmed and Christensen's example was soon followed by other interested nations.

The processing equipment on board these early factory ships was not very efficient. Much good material was thrown overboard and refining capacity was limited to about 600 barrels a day. Top loading was about 5,700 tons, a weight that appears to have remained standard until the First World War. For refining, open kettles and small pressure boilers were used and it was not until 1912 that the Hartmann boiler, a rotary boiler of superior efficiency, was invented, though it was not generally used until 1925. Its life was short; five years later it was succeeded by the Norwegian-built Kvaerner boiler, operating on the same principle but stronger.

At that time catches in the Antarctic were substantially controlled. All shore stations, on which even the factory ships with their modest capacity had to base themselves, were situated in the Falklands archipelago. Operators had to obtain a concession from the British authorities and only a certain number of permits a year were granted. This, and

strict regulations about the use of the catch, helped to protect the whale stock from extermination. But in efforts to increase production, floating factories took to hunting for whales along the edge of the pack-ice where there was some protection from the weather when flensing alongside and where, for the time being, they did not come under direct British supervision.

Conservation Problem Arises

The latest advance came in 1925. A Norwegian, Petter Sørli, invented a hauling-up slipway and a factory ship belonging to Messrs. Melsom & Melsom of Larvik was at once equipped with this new device. Whales could now be hauled on board complete in the open sea and factory ships could thus be independent of either shore stations or the shelter of the pack-ice. Once outside territorial waters, it was not necessary to obtain concessions and no limit to the number of whales that might be caught. Whale catches rocketed. Within the season 1925-26 to 1930-31 they rose from 14,219 to 40,201.

By 1930 it was obvious that the Antarctic whale stocks were heavily depleted. The next year, when the bottom fell out of the oil market and large stocks of oil remained unsold, the companies agreed among themselves that they would not operate during the 1931-32 season. During this break, in 1932, they reached a general agreement limiting the overall annual production to approximately 2.4 million barrels of oil. At the same time, Norway reduced her expeditions from 27 in the 1930-31 season to nine in 1932-33. In 1937 an international agreement was drawn up and signed by nearly all participating countries, limiting pelagic operations to three months a year.

However, Japan began sending whaling expeditions to the Antarctic in the season 1934-35, to be followed by Germany in 1936-37. In the next few years both these countries made considerable additions to their whaling fleets and, although Germany became partner to the international agreement, Japan declined to do so. Japan therefore operated entirely without restriction in the years immediately before the last war. Soon there were clear indications that, once again, whales were rapidly being exterminated. In the 1937-38 season, with a combined total of only three years' experience behind them, German and Japanese companies were responsible for 745,541 barrels of oil—or nearly one-quarter of the entire production of 3,340,330 barrels.

Agreement Signed

With the war the whales had a well-earned rest. Whale regeneration, however, is slow, because a female bears only one calf every second or third year. In 1944 the present International Whaling Agreement was adopted, with its maximum catch of 16 thousand blue whale units. Upheld at subsequent International Whaling Conferences, these restrictions are still in force and Norway, Britain, South Africa, Japan, the Netherlands, the USSR, Panama and Argentina are all signatories. Among other strict rules, all expeditions must send weekly returns to the Bureau of International Whaling Statistics at Sanderfjord in Norway. Acting upon this information, the Bureau orders each year when operations shall cease.

By the end of the war Norway had lost seven of her floating factories and 39 catching boats and, with the exception of three German factory ships (later allocated to England, Norway and the USSR) all foreign factory ships had been lost. In 1945, all Norwegian whaling companies which had taken part in the 1939-40 season agreed to operate jointly over the period 1945 to 1948 and to use one-half of the operating surplus to restore the Norwegian whaling fleet. Four new factory ships have since been built for Norwegian owners and the Antarctic whaling fleet now consists of 10 factory ships, one land station and 131 catching boats.

During the 1952-53 season, 16 expeditions and three shore stations participated, with a total of 253 catching boats at their disposal. Distribution by countries was:

| | Floating factories | Shore stations | Catching boats |
|---------------------|-----------------------|-------------------|-------------------|
| Norway | 7 | 1 | 102 |
| Great Britain | 3 | 1 | 55 |
| South Africa | 1 | .. | 16 |
| Japan | 2 | .. | 30 |
| Netherlands | 1 | .. | 12 |
| U.S.S.R. | 1 | .. | 15 |
| Panama | 1 | .. | 16 |
| Argentina | .. | 1 | 7 |

This is four expeditions and 38 catching boats less than in the preceding season, a result probably of the fall in oil prices. In January 1952 Norway sold large quantities of oil at £120 per ton, but by June the price dropped to £72.10.0. Later in the year foreign oil was selling at £70. With their present high overhead costs and falling markets, Norwegian companies are unwilling to gamble too heavily and rumours that factory ships will be converted to other uses are prevalent.

Future Uncertain

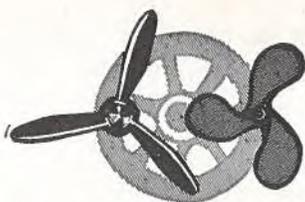
From the beginning of Antarctic whaling operations in 1904 up to the 1951-52 season, some 775,680 whales were caught in that area, and Norwegian expeditions accounted for 386,314. Of the total production of 54,714,049 barrels of whale oil, Norway produced 27,454,733 barrels, or 50.18 per cent. These figures look promising but for Norwegians the future of Antarctic whaling seems uncertain. Increased foreign competition and limited catches mean smaller shares all round and, with high operating costs and falling markets, operators are worried. Should Norway be forced to reduce her fleet, the fate of many trained whaling crews who, specialists at their trade, expect and have so far received high remuneration, will be uncertain. The outcome of this year's International Whaling Conference is certainly awaited with interest here.

—J. L. MUTTER

Commercial Secretary for Canada

TOUR OF TERRITORY

M. R. M. Dale, Commercial Secretary for Canada in Santiago, Chile, will visit northern Chile early in July, including Arica, Iquique, Antofagasta and the nitrate and copper mines. Businessmen interested in these areas should write Mr. Dale at Santiago as soon as possible.



TRANSPORTATION NOTES

CANADA

Venezuelan Shipping Service—The Ahlamann Trans-Caribbean Line will inaugurate regularly scheduled sailings from the Port of Montreal to the northeast coast of South America on June 24th and July 24th and every month thereafter, for a total of six departures during the 1953 season. The line will begin operations with the *M.S. Colonia* and the *M.S. Ciandra*. Ports of call scheduled in Venezuela are La Guaira, Puerto Cabello, Maracaibo and others as cargo offers. The company's vessels can carry twelve passengers and have modern cargo-handling equipment. Shipping Limited are the Canadian agents for the new service.

CEYLON

Air Service Suspended—The Acting Minister of Transport and Works has announced that the government-owned Air Ceylon will cease to operate its international air service from the end of September of this year. The reason given is that the DC-4 Skymasters now used on the weekly international run to London cannot compete with faster aircraft used by other international lines such as BOAC, TWA, Air-India and Quantas Empire Airways.

The losses incurred by Air Ceylon International to date this year are estimated to total a million rupees—(\$200,000), deemed far too large for the country to bear in view of its present economic condition—Bombay, May 29.

CHILE

Jet Plane Service to Great Britain—Officials of the British Overseas Airways Corporation have visited Santiago to study the establishment of a passenger service, using jet-propelled planes, between Chile and Great Britain. Once the necessary information on weather conditions and other operating factors has been compiled, experimental flights will be made—Santiago, May 30.

FRANCE

Merchant Marine Increased—During 1952, the French merchant marine continued to grow both by launchings from French ports and by imports from British, Danish, German, Dutch and Swedish yards. At the end of the year the fleet totalled more than 3½ million tons, a net increase of 230 thousand tons over 1951. The French yards launched 39 ships in all, with a gross tonnage of 213 thousand, nearly

10 thousand tons less than in 1951. Twenty ships were built for France in foreign yards, two in the United Kingdom (3,329 tons), one in Denmark (12,270 tons), two in Germany (4,631 tons), 13 in Holland (31,323 tons), and two in Sweden (15,050 tons). With these additions the French merchant marine is now some 77 thousand tons over its tonnage in 1939—Paris, June 10.

ITALY

Inter-Continental Airport Being Built at Fiumicino—Tenders have now been handed in for the construction of an inter-continental airport at Fiumicino, on the mouth of the river Tiber about 15 miles from Rome, and construction is expected to begin shortly. While work had commenced at this airport more than a year ago, it was soon suspended and an even larger project is now envisaged. Two long, modern runways suitable for the heaviest aircraft are to be built, at an expected cost of 3,000 million lire over an extended period—Rome, May 30.

JAPAN

New International Airport—A new spacious airport will be constructed on reclaimed land in Koto-ku, an eastern district of Tokyo. The new airport will be about twice as large as Haneda Airport, which is now congested, and will be built by both the Government of Japan and Tokyo city at a cost of over \$3·5 million. The project was first begun in 1938 and some areas were reclaimed, but work was suspended during the war—Tokyo, May 30.

NORTHERN RHODESIA

New Railway Line—The International Bank for Reconstruction and Development has advanced £5 million to the Northern Rhodesian Government to finance a three-year program for the development of its overtaxed rail facilities. During 1952 tonnages carried were 70 per cent greater than during 1946; production of chrome ore has consistently exceeded rail capacity, and mine head stockpiles of ore of over 500 thousand tons have accumulated. Pressure on Beira, now the chief port for the Rhodesias, will be relieved by the alternative route being built between Bannockburn in Southern Rhodesia and the Mozambique border. A complementary railway will give access to the port of Lourenço Marques; it will be owned by the Portuguese Government and financed by a loan from the Export-Import Bank. With the establishment of this second major sea outlet for the Rhodesias, the burden of transit cargo over the lines of the South African Railways will be substantially lightened—Cape Town, May 29.

SOUTH AFRICA

Deficit on Transportation Operation—Higher operating costs and declining imports produced an operating deficit of £2·1 million in the seven months to January 1953, for the Transport Department which controls the railways, harbours, steamships, airways and aerodromes. During the same period last year operations returned a surplus of £7·7 million—Cape Town, May 29.

Trends in Food Processing Industries

With consumer incomes larger and food prices slightly lower, domestic food sales should continue high; the export outlook is uncertain.

OTTAWA—During the first quarter of 1953, Canadian grocery and meat stores sold between four and five per cent more food products than they did during the first three months of 1952. This increase in unit volume sales at the retail level was reflected in slightly higher employment and production in the basic food processing industries for the first three months of this year compared with 1952.

The domestic retail picture for the rest of 1953 looks generally buoyant. At the present time, disposable consumer incomes are running higher than last year and with slightly lower food prices prevailing, it is probable that food sales to Canadian consumers, both in volume and in value, will compare favourably with those of last year.

Food Sales Abroad

Foreign demand for Canadian food products is showing mixed trends at the present time. The overall picture for foreign sales of fish products is now reasonably good, although prices are somewhat lower than for the same period of last year. For most dairy products, however, slackening foreign demand and lower prices are evident, as compared with last year. In addition, only nominal quantities of beef have so far been shipped to the important United States market. However, heavy beef marketings by Canadian farmers are expected in the months ahead and this situation could change.

External sales of flour for the first part of the year are running slightly behind those of 1952. Against this background of a generally buoyant domestic demand and a somewhat mixed export picture, trends in some of the more important food-processing industries are considered in greater detail.

Fish Processing

With domestic consumption of fishery products continuing high despite increased competition from meat products, the main problems of the industry are centred around foreign markets, which normally take over 50 per cent of Canadian output. In this export trade, the most significant development in recent months has been the U.K. Government's \$4,250,000 purchase of canned B.C. salmon. With roughly 200 thousand cases of canned salmon expected to be shipped under this agreement, the inventory problem which B.C. salmon canners have experienced since the large 1951 pack reached the market should be considerably relieved.

The U.S. market for fresh, frozen and canned salmon was particularly buoyant in 1952 and helped to provide a strong alternative outlet for West Coast packers at a time when the large traditional market in the United

Kingdom was closed. The level of sales to the U.S. is being maintained at the present time, but the volume of shipments after the second half of the year will be conditioned to a large degree by the size of the fish catch from Alaskan and U.S. coastal waters this season. Prospects for maintaining a good volume of exports of canned salmon to the important Belgian market meanwhile remain encouraging.

A very sharp decline in herring oil prices on the world market in 1952 precipitated a price dispute in the B.C. herring industry that resulted in a tie-up of the herring fleet and the elimination of the 1953 winter herring catch. As a result, no herring oil or meal was produced on the West Coast in the 1952-53 season.

Salted and Frozen Fish

On the East Coast, exports of salted groundfish to many of Canada's important export markets were larger in volume during the first quarter of 1953 than in the corresponding period of 1952. Shipments to countries in the Caribbean area, especially Puerto Rico, have been encouraging in the first part of this year and indications point to favourable sales prospects in this area for the rest of the year. Norwegian production of salted cod may be considerably below that of 1952 because of the adverse weather conditions which its fleet encountered during the early part of the 1953 season. Accordingly, Brazil and some countries in Southern Europe may have to increase their purchases from other sources. However, exchange difficulties in Brazil have prevented that country from resuming its normal purchases of Canadian salted cod so far this year.

Although year-end inventories of frozen cod fillets in the Atlantic provinces were high, increased exports should see these stocks returning to a more normal level later this year. Reports indicate that holdings of frozen cod fillets in the United States are being reduced at the present time. Shipments of Canadian cod to this market have been higher this year, although prices have been somewhat lower.

Considerable stocks of last year's output of hard cured bloaters and some varieties of pickled fish are currently on hand on the East Coast. Production of these two forms of fish was fairly high in 1952, but normal quantities are expected to be marketed in 1953.

Fruit and Vegetable Canning

Present stocks of canned vegetables are considerably above holdings at the same time last year. Domestic demand remains strong, with slightly lower prices than during 1952. However, the large carry-over from the 1952 pack may result in reduced activity in the vegetable processing industry during this year. Current inventories of canned fruit are slightly lower than at the same time last year. With prices down slightly, a good sales volume is expected to continue throughout the year.

Dairy Products

During the first quarter of 1953 production of most milk products (with the notable exception of evaporated milk) was higher as compared with the same period of last year. Output of creamery butter was up by 24 per cent, cheddar cheese production by 20 per cent, and condensed milk, whole milk powder, and other milk products were up substantially. An open winter and larger dairy herds increased milk supply.

This greater production has taken place in the face of declining export markets for some dairy products. In many cases this has resulted in the accumulation of domestic stocks, with the Federal Government undertaking subsequent support measures. Stocks of creamery butter in Canada on May 1st were over 50 per cent higher than on May 1, 1952, representing about five weeks' supply. Recently it has been announced that butter will be supported at 58 cents per pound basis in storage Montreal and Toronto for two years, effective May first.

Cheese and Milk Powder

Recent increased deliveries of cheddar cheese to the United Kingdom, now largely completed under this year's small five million pound contract, have held stocks close to last year's high level. However, the absence of secure export markets, combined with increased domestic production, has made it necessary for the Federal Government to buy surplus stocks from domestic cheese producers.

Exports of most other milk products are running below those of last year although shipments of evaporated milk in unit volume terms are up considerably. This general downward trend in export markets, together with present higher production rates, has meant a substantial increase in domestic stocks with some downward revisions in price. As a result the Federal Government has also agreed to purchase 10 million pounds of skim milk powder from the domestic dairy industry this year.

The surplus dairy product position has recently been influenced also by action in the United States, which changed quota restrictions on dried whole milk, dried cream, and dried buttermilk to outright embargoes. Exports of dried skim milk and butter to the United States had been banned previously. Because there is a considerable surplus of dairy products in that country at present, it may be some time before exports to the U.S. improve.

Slaughtering and Meat Packing

Current reports from stockyards in Canada indicate that a trend towards heavier marketings of cattle and calves in 1953 is rapidly becoming established. Stockyard receipts of cattle and calves during the first four months of 1953 were over 40 per cent above receipts in the comparable period of 1952. Even discounting the disruption of normal marketing patterns that followed the outbreak of hoof and mouth disease in Western Canada in February 1952, the increase in marketings this year points to some effort by Canadian cattle producers to reverse the trend towards larger cattle holdings, evident for the past few years. This higher level of cattle marketings has more than offset a decline in hog deliveries, so that employment in Canadian packing houses has been running above that of last year.

Current inventories of dressed beef at wholesale levels are not considered unmanageable at the present time because of strong domestic demand, but a continued movement towards heavier receipts, combined with normally higher marketings in the fall, could lead to a surplus beef position. If so, some downward pressure might be exerted on domestic beef prices and this might permit a resumption of exports to deficit beef areas in the United States.

Farrowings of hogs in the fall of 1952 and the spring of 1953 were down significantly from the previous year. The effects of a smaller pig crop are now being felt in a lower level of hog slaughterings and an upward movement in prices for live animals and dressed meat. However, the upward pressure on pork and pork product prices could be tempered by the larger supplies of beef and veal.

Grain Mill Products

During the first few months of the year, production of grain mill products was running slightly below that of early 1952. Most of this decline was associated with a lower domestic demand for ground feed products and slightly lower exports of wheat flour and oatmeal products.

Prospects are encouraging for the maintenance of foreign shipments of Canadian wheat flour near 1952 levels for the rest of the year. Accordingly, with a strong domestic demand, current high levels of activity in that branch of the industry are expected to continue. On the other hand, feed mills may continue to find some slackness in demand for some months because of the reduced swine and poultry population currently being held on Canadian farms.

Beverages

Levels of employment in distilleries and breweries at the moment are above those of last year. Not only does this reflect high domestic sales, but in whisky at least, substantially higher exports. Employment in carbonated beverage plants and wineries is also up over that of last year. Because of the high levels of current income, these trends in the beverage industries may be expected to continue.

—ECONOMICS DIVISION

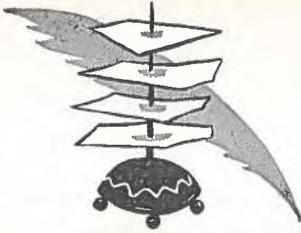
Department of Trade and Commerce

—For a similar review of other consumer goods industries, see "Foreign Trade" of June 6, 1953.

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.



GENERAL NOTES

BRAZIL

Export Marks—According to recently approved instructions on the marking of Brazilian goods shipped abroad, all boxes, sacks, bales, crates and other containers in which goods are exported must be marked as follows. The container must display either the contours of the map of Brazil, with the word “Brazil” printed in capitals in the centre of the map horizontally; or a rectangle containing a lozenge obtained by linking the centres of the sides of the rectangle by straight lines, with the word “Brazil” printed horizontally in capitals in the centre of the lozenge, with two small circumferences. On top of the contours or lozenge, one of the following expressions must be printed: “Procuizado no Brasil”, “Made in Brazil”, or “Produit du Bresil”—Rio de Janeiro, May 30.

FRANCE

Banking Business—The year 1952 witnessed a large expansion in almost all sectors of banking business in France. Banking deposits increased by around 12 per cent and reached an all-time record. Private capital issues rose from 66,000 million francs during 1951 to 170,000 million francs in 1952, and the official discount rate remained at 4 per cent during the year. Commercial and industrial demands for banking credits were lively and on many occasions banks had difficulty in meeting them because of insufficient liquid resources and the credit restrictions imposed by the Central Bank—Paris, June 11.

TRINIDAD

U.K. Loan Received—Trinidad’s outstanding loan of \$22 million to be floated on the London market will likely be raised towards the end of the year. Of this amount \$10 million will be devoted to the island-wide electricity scheme, now estimated to cost a total of \$18 million by 1957—Port of Spain, June 2.

WEST GERMANY

Establish Foundry in Brazil—It is reported in Bonn that Mannesmann-Huettenwerke of Duisburg-Huckingen (Ruhr) will construct a large steel mill and tube plant at Belo Horizonte, Brazil. Construction will take several years. The plant will be situated approximately 15 kilometres from Rio de Janeiro, close to a power plant which is now being built, and will produce tubes from the smallest size up to eight inches, and also thin steel and wire of 5 to 50 millimetres cross-section—Bonn, June 8.

Brazil's Cotton Problem

Prices above those on world markets cut exports of cotton, brought hardship to growers, and created a difficult situation which the Government is still trying to overcome.

SAO PAULO—Back in the years 1939 to 1944, cotton (including the value of seed) ranked first among Brazil's crops. For most of that time, the state of São Paulo produced about 75 per cent of the total crop.

Since 1944, cotton production has declined steadily, except for the bumper crop last year of 1.8 million bales. Among the reasons given for this trend are the greater attention being paid to more profitable crops such as coffee and foodstuffs and, in São Paulo, the rapid depletion of soil fertility which is one great drawback to the growing of cotton. By 1950, São Paulo was producing only 53 per cent of the total Brazilian crop and even in 1951-52 the quality of the crop was low, with only 12.9 per cent of it classified as "better grades".

Exports Fall

The textile industry in São Paulo uses a large percentage of the longer fibre cotton grown in the north of Brazil as well as some of the local crop. However, for many years São Paulo's share of total Brazilian cotton exports has been well over 90 per cent. In 1952, these exports fell to an all-time low of 28,130 metric tons—compared, for instance, with 352,752 metric tons in 1946 and 143,412 in 1951. This drop has added considerably to Brazil's foreign exchange difficulties and has produced a complicated situation.

Cotton has, in fact, been a very contentious issue in Brazilian financial and commercial circles for many months past and will continue to be in the spotlight until a satisfactory way is found to dispose of the reported 1½ million bales now held by the Banco do Brasil. The Banco do Brasil, by government decree, purchased last year approximately 270 thousand tons of the Paulista crop and some 55 thousand tons in Northern Brazil.

Heavy Futures Purchases

To appreciate the situation, it is necessary to review the conditions which led to this purchasing system. In the latter part of 1951, very heavy purchases of futures in cotton were made on the Cotton Exchanges and prices were, consequently, pushed well above those in other large producing countries. The growers, feeling optimistic, increased the acreage planted to cotton, and rentals for land went up considerably. Although pest control had been neglected for some years, the producers bought large quantities of insecticides at enhanced prices. Obviously they could not correct pest conditions all in one year and the last crop was produced at very high cost to the growers.

At the same time, the textile trade throughout the world went into a severe recession. As a result, world cotton prices fell as demand dwindled. The Brazilian Government decided to assist the farmers to market their crops without loss and the Commission for Financing Production established a minimum price, basis Type 5, for seed cotton and also a price at which the Government would finance or purchase ginned cotton. This proved to be unwieldy and the ginners were unwilling to purchase seed cotton.

Government Price High

The original price to the farmer was unsatisfactory and the President consented to a minimum price of Cr.\$85.00 per 15 kilos of seed cotton "without classification". As cotton of inferior quality was not to be discounted, prices again went up. The growers were anxious to sell at this attractive price, but the ginners refused to buy. The President of the Republic then instructed the Banco do Brasil to purchase seed cotton and to arrange for the ginners to process it on behalf of the Bank at a fixed charge agreed upon by the Bank and the ginners. The Banco do Brasil thus purchased almost the entire crop at prices about thirty per cent above those in other producing countries. Because the Banco do Brasil did not dispose of these stocks, the price differential increased as interest and warehousing charges mounted rapidly. As of February 23, 1953, the Banco do Brasil had invested Cr.\$4,877,000,000 in the purchase, ginning, freighting and warehousing of this cotton. Maintenance charges amount to about Cr.\$40,000,000 a month. Public financing has now been announced for the São Paulo 1952-53 crop.



These cotton pickers are pictured at work in the cotton growing region around Novo Americano, State of São Paulo. Cotton production in this state has declined steadily, as growers turned to more profitable crops.

In September 1952, a German Commission opened negotiations for 30,000 tons but, for competitive reasons, they were unwilling to agree on a price above the world price. Eventually, by adjusting the exchange rate for German exports, a price of 15 per cent above the U.S. price was agreed on. This would allow German spinners to buy Brazilian cotton at the same price as U.S. cotton.

This arrangement fell through, however, because the Banco do Brasil could not assume the loss. (The Banco do Brasil is a joint-stock company in which the Brazilian Government owns less than 60 per cent of the shares.) Naturally, private shareholders were unwilling to assume these obligations. The Ministry of Finance was unable to absorb the loss because Congress had not approved funds to defray such accounts.

Cotton for Jets

In the latter part of 1952, the Brazilian Air Ministry opened negotiations for British jet fighter planes and a tentative arrangement was made whereby Brazil would exchange approximately 15 thousand tons of cotton for 70 jets manufactured by the Gloster Aircraft Co. Ltd. After a great deal of protracted discussion, in early February 1953 the contracts were formally signed at a reported average price for cotton of about 31 pence per pound. Later, a small barter deal was arranged with Spain and limited agreements reached with other Latin American countries.

In December 1952 the President of the Banco do Brasil published a notice offering cotton for sale to national firms for payment over five years at the very low rate of 3 per cent interest a year. This scheme met a great deal of opposition, especially from the Minister of Finance, Sr. Horacio Lafer, and was eventually discredited by the President of the Republic. In the public controversy which followed, the President of the Banco do Brasil, Sr. Riccardo Jafet, resigned.

In January 1953 a second scheme was announced. Brazil's foreign representatives abroad published a notice that the Banco do Brasil would accept bids on lots of not less than 3,000 tons of one or more types to the following countries: United Kingdom, Japan, Germany, France, Belgium, Italy, Portugal, Sweden, Denmark, Finland and Spain. Shipments were to go directly to the buying country and payment could be made in the currency commonly in use in that country.

This offer met with discouraging results; bids were for very small tonnages and prices invariably below world prices for similar grades. The Banco do Brasil announced in February that it was not interested in any of the offers received and that a third disposal scheme was being studied by the Superintendency of Currency and Credit. To date nothing has been forthcoming about alternative plans for the disposal of the large stocks and the problem assumed greater proportions as the new crop was ready for harvest.

Outlook for Next Crop

The São Paulo cotton harvest, which began in March, is taking place more rapidly than last year because public financing was authorized earlier than it was last season. Of the total classified so far, about 81 per cent represented types one to five, as compared with only 29 per cent last year. São Paulo's exports from January 1 to March 31, 1953, totalled

8.7 thousand tons, compared with 6.4 thousand for the same period last year, though prices on type five declined in April to Cr.\$248.00 per arroba from Cr.\$263.52 in March.

It is expected that this coming season, the area planted to cotton will decrease by about 27 per cent, from 550,242 alqueires to 396,740 alqueires. (One alqueire equals approximately six acres.) Brazil's cotton future, in fact, will hinge largely on the methods ultimately devised to dispose of the heavy holdings of the Banco do Brasil. The Free Exchange Bill which became effective in February of this year decreed that cotton exports would continue to be at the official rate of exchange, thereby keeping Brazilian cotton prices well above those on the world market.

—M. P. CARSON
Vice-Consul of Canada
and Assistant Trade Commissioner

Singapore Remills Rubber

Remilling wet slab and scrap rubber, an important industry, last year suffered a setback.

SINGAPORE—The important rubber remilling industry here suffered a severe setback last year, checking a continued postwar expansion. There are now 13 rubber remilling factories in Singapore but today half of them are idle and production in the rest has been reduced. At peak, these plants employed an average of 500 workers each and turned out nearly 15 thousand tons of remilled rubber a month, compared with Malaya's new rubber production of 50 thousand tons a month.

Why Production Has Fallen

- The main reason for the drop in Singapore's production of remilled rubber—from a monthly average of 14,400 tons in 1951 to 8,700 tons in 1952 and 6,700 tons this year—is the drop in world trade and prices for natural rubber. The yearly average price for C blanket crepe was M\$1.2537 a pound in 1951 and M\$0.7386 a pound in 1952 and 1953. In 1951 exporters in Indonesia were able to buy from planters and sell to Singapore remillers on a rising market. Today's falling or steady market conditions make it too risky for Chinese dealers to conduct this business.

- Another difficulty traders must contend with is the system of export duties imposed in Indonesia. These duties are on a sliding scale, based on previous market prices; they are thus proportionately higher on a falling market. The duties also encourage exporters to ship rubber to buying countries direct and bypass Singapore.

- Finally, the Indonesian Government has fostered its own remilling industry to supplement the processing of home-grown raw materials. Despite agitation by commercial and industrial interests in Singapore, it seems likely that the colony will lose this once-thriving entrepôt trade.

The remilling industry depends on imports of wet slab rubber from Sumatra and on scrap rubber, mainly from Indonesia. Wet slab is virgin latex with a coagulant added and it has a strong, unpleasant odour. It is produced on native-owned plantations or smallholdings, and in the jungle where there are no proper milling plants and smoke houses. Chinese exporters in Sumatra ports purchase the slab and ship it in junks or tongkangs to Singapore for remilling. In 1951 over 150 thousand long tons of wet slab were imported into Singapore, but in 1952 imports dropped to less than 95 thousand tons.

Sources for Scrap

Scrap rubber comes from several sources. Before a tree is tapped, there is always a thin strip of dried latex left from the previous tapping. These strips, which contain bits of bark and other foreign matter, are collected with the residue of latex in the cups. On the plantations scrap is also collected in the form of drippings from the ground. In shipping warehouses, gangs of coolies examine each sheet of processed rubber and clip out bits of foreign matter before the sheets are baled and labelled for export. These clippings also make up scrap. Scrap rubber imports into Singapore dropped from 45 thousand tons in 1951 to 14 thousand last year.

Processing Methods

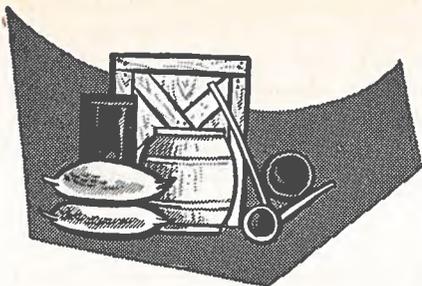
Wet slab or scrap is first washed to remove bark, stones, earth, sand and any other impurities. Then it is mangled, air or steam-dried and, finally, creped. The bulk of production is known as "thick remilled No. 3 crepe" or "C blanket crepe". It has a thick, rough appearance and a dirty brown colour, and must be baled (5 cu. ft., ten bales to a shipping ton) with strip metal for export. Ribbed smoked sheet, on the other hand, is thin by comparison, clear brown in colour and clean in appearance. Because it has adhesive qualities, it can be baled without wire or metal strips. Remilled rubber with a high proportion of impurities is known as flat bark crepe.

Remilled crepe is as good for certain industrial purposes as ribbed smoked sheet and, because it normally sells at a substantial discount, production and shipments bulk large in Singapore's economy. In 1951 exports of remilled crepe totalled 267,772 tons, compared with 754,117 tons of good grade sheet rubber. But in 1952 the drop in exports of blankets, to 154,277 tons, was relatively greater, compared with 628,142 tons for sheets.

—D. S. ARMSTRONG

Canadian Government Trade Commissioner

"Oxygen steel", a product of the Brassert process used in Europe, will soon be turned out in Canada, following an agreement between the Zurich company which originated the process and a Canadian plant. This technique is said to turn out steel for automobile bodies and the making of tinplate at operating costs 25 per cent less than in the standard open-hearth process and 50 per cent less than in the electric furnace method.



COMMODITY NOTES

ARGENTINA

Seed Potatoes—The Argentine Ministry of Agriculture announces that the Central Bank has allocated the sum of US\$1,430,000 for the official purchase of certified seed potatoes from Canada and the United States.

The import will be made next November and the varieties preferred are Katahdin and White Rose. They will be planted in the southeast of the province of Buenos Aires—Buenos Aires, May 30.

BRAZIL

Brazil Nuts—The 1952-53 harvest of Brazil nuts is unofficially estimated at 30 thousand metric tons of unshelled nuts, compared with 17 thousand tons from the 1951-52 crop. However, wholesale and export markets for Brazil nuts have been virtually inactive since mid-January, pending clarification of this commodity's position in the free exchange market. The export of unshelled Brazil nuts under the free exchange market in the 30 per cent classification has now been approved and market activity is expected to pick up again—Rio de Janeiro, May 28.

ITALY

Cement—Domestic production of cement in Italy will not cover requirements in 1953 for the southern half of the peninsula and the Mediterranean Islands. Consequently, clinker will be imported during the first half of the year to provide the additional 200 thousand tons needed. In the latter half of 1953 the output of new factories, stepped-up production in existing ones, and plant enlargements should provide for normal requirements—Rome, June 4.

JAPAN

Iron Ore—The Ministry of International Trade and Industry has allocated \$25,050,500 for imports of iron ore in the six-month period April-September, 1953. Of this total, \$11,257,000 covers iron ore imports from the dollar area, \$7,876,500 from the sterling area, and \$5,917,000 from Open Account countries—Tokyo, May 26.

PHILIPPINES

Coal—An American geologist is exploring coal mining possibilities in the Philippines, under the sponsorship of MSA and the Philippine

Bureau of Mines. Development of a coal mining industry, however, has been retarded by the low grade of much of the coal, geological structures that make mining difficult, and lack of transportation facilities. Mines now operating produce about 300 tons a day, compared with an average daily output of 5,000 tons in most American mines. In addition to assisting in geological surveys, the MSA expert is helping to train native geologists—Manila, May 30.

PORTUGAL

Antibiotics—The Ministry of Economic Affairs has announced a reduction in retail prices of locally-produced penicillin and streptomycin products. The announcement points out that the reduced prices were made possible by a drop in world prices of the raw materials. It is expected that the new prices will mean a saving of some \$280 thousand to the public this year—Lisbon, June 8.

SCOTLAND

Whisky—Scotch whisky exports during the first quarter of 1953 were greater than ever before for the same period and are now running at the highest yearly rate in the history of the industry, according to a recent announcement by the Scotch Whisky Association. Exports totalled 3,202,307 proof gallons and earned £9,114,765. Of this, the U.S. took 1,675,457 proof gallons, valued at £4,828,001. Canada was the next best customer, with 192,604 gallons, valued at £590,850—London, June 12.

TRINIDAD

Cocoa—Planters participating in the cocoa pool are receiving a record dividend of 32 cents per lb. for the April-September 1952 crop. Previous dividend was 18 cents per lb. Price of cocoa in Trinidad rose by \$4 per fanega in November 1952, all grades going from \$36 to \$40, with approved first class plantation getting an extra \$4 as an incentive to crop care—Port of Spain, May 25.

UNITED STATES

Natural Gas—With the lifting of price controls in early February this year, the main natural gas producing states, such as Texas, Louisiana, Oklahoma, Kansas and New Mexico (which provide 90 per cent of the natural gas consumption in the United States) expect a considerable rise in the price of natural gas at the well-head. Large pipeline operators who paid 4.61 cents per thousand cubic feet in 1949 and 6.52 cents in 1952 were paying an average price of 9.43 cents this year. The consumption of natural gas in the United States has increased from seven million people using 2.6 trillion cubic feet in 1942 to twenty million people using 8.5 trillion cubic feet in 1952. This growing demand is exerting such pressure on the prices that operators expect them to reach 15 cents within the year, with possible maximum price of 20 cents in Texas and 25 cents in Louisiana within the next four or five years. This should prove a boon to these states when compared with prices in 1940, when the operators paid one to two cents per thousand cubic feet—New Orleans, June 15.



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.

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, begins a tour of Canada in Ottawa, July 6-10, and Montreal, July 13-17. His complete itinerary will appear later.

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, begins a tour of Canada in Ottawa, June 29-July 10, and then visits Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

Richard Grew, Commercial Counsellor in New Delhi, India, will begin a tour of Canada in Ottawa on June 29. His itinerary is:

Ottawa—June 29-July 3
Vancouver—July 7-15
Windsor—July 20
London—July 21
Brantford—July 22

Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. His itinerary is:

Montreal—June 22-30
Quebec—July 2-3

Arvida—July 4-6
Vancouver—July 29-31

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

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:

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:

Saint John—June 22-23

Halifax—June 25-26

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, Welland, St. Catharines, Windsor, Hamilton, Brockville and Arvida; 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.).

TRADE AND TARIFF REGULATIONS

CUBA

Documentation Requirements Suspended—A Cuban decree extends for 90 days from May 10, 1953, the suspension of the requirement that exports to Cuba be covered by a copy of the B-13 form certified by the Customs office at the port of exit from Canada, and visaed by the Cuban Consul at the Canadian port of shipment.

The latest suspension period will expire on August 10, 1953.

GREECE

Luxury Tax Reduced—Effective April 29, Greece reduced the rates of luxury tax applicable to certain goods, whether imported or produced domestically, from their former range of 30 to 600 per cent to rates varying between 10 and 50 per cent. The tax is levied on the local wholesale prices as assessed by the Greek customs for each shipment.

Among the articles of interest to Canada, the luxury tax was reduced on jams and marmalades from 60 to 30 per cent, on fountain pens from 45 to 10 per cent, on patent and shaped glove leather from 45 to 25 per cent, on dolls and toys from 45 to 30 per cent, on whisky, gin and raw fur skins from 45 to 40 per cent. Moreover, the former 60 per cent luxury tax on edible substances prepared with meat and on preserved vegetables in containers up to 6.6 pounds gross has been abolished—Athens, May 27.

Information on the rate of luxury tax on individual items may be obtained from the International Trade Relations Branch, Department of Trade and Commerce—Editor.

IRELAND

Import Controls—By three quota orders issued under the Control of Imports Acts 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas for the period June 1, 1953, to November 30, 1953, as follows:

Certain electric filament lamps (100-250 volts 1-1,500 watts): 50,000 articles, as against a similar quantity for the previous six months.

Certain woven cotton piece goods: 1,345,000 square yards. Quota unaltered from previous six months.

Certain woven cotton piece goods: 50,000 square yards. Similar to quota for previous six months.

Certain woven cotton piece goods: 1,140,000 square yards, as against 800,000 square yards for previous six months' quota—Dublin, May 20.

UNITED STATES

New Import Quotas for Dairy and Other Products—According to Presidential Proclamation 3019, published in the *U.S. Federal Register* of June 12, 1953, imports from all countries of the articles listed below shall be subject to quantitative limitations and fees, as follows, effective July 1, 1953:

| Article | Quantity |
|--|---|
| Butter | 707,000 lb. per 12-month period |
| Dried whole milk | 7,000 " " " " " |
| Dried buttermilk | 496,000 " " " " " |
| Dried cream | 500 " " " " " |
| Dried skimmed milk | 1,807,000 " " " " " |
| Malted milk, and compounds or mixtures of or substitutes for milk or cream | 6,000 " " " " " |
| Cheddar cheese, and cheese and substitutes for cheese containing, or processed from, Cheddar cheese ... | 2,780,100 " " " " " |
| Edam and Gouda cheese ... | 4,600,200 " " " " " |
| Blue-mold (except Stilton) cheese, and cheese and substitutes or cheese containing, or processed from blue-mold cheese | 4,167,000 " " " " " |
| Italian-type cheese | 9,200,000 " " " " " |
| Peanuts | 1,709,000 " " " " " |
| | Additional Fee to Be Imposed |
| Peanut oil | 25 per cent ad val. on imports in excess of 80,000,000 lbs. |
| Flaxseed (except flaxseed approved for planting) | 50 per cent ad val. |
| Linseed oil | 50 per cent ad val. |

There is a proviso that this proclamation shall be without force and effect if section 104 of the Defence Production Act of 1950, as amended, is extended beyond June 30, 1953.

Import restrictions have been imposed on the commodities listed above during the last two years, in accordance with the requirements of the Defence Production Act. The above Proclamation will now impose import restrictions on these commodities in accordance with the requirements of Section 22 of the Agricultural Adjustment Act—
Editor.

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 1.00629.

| Country | Unit | Type of Exchange | Canadian dollar equiv. June 11 | Notes (See below) |
|---|-----------------|----------------------------|--------------------------------|-------------------|
| Argentina | Peso | Preferential buying | .1325 | |
| | | Basic buying | .1987 | |
| | | Preferential selling | .1987 | |
| | | Basic selling | .1325 | |
| | | Free | .07153 | |
| Austria | Schilling ..... | ..... | .03822 | |
| Australia | Pound ..... | ..... | 2.2365 | |
| Belgium-Luxembourg & Belgian Dependencies ... | Franc ..... | ..... | .01992 | |
|  |  | ..... | .00523 | |
| Bolivia | Boliviano | Official | .00523 | |
| British West Indies | Dollar ..... | ..... | .5824 | (3) |
| | | Pound | 2.7956 | (4) |
| | | Dollar | .6989 | |
| Brazil | Cruzreiro | Official | .05372 | tax 8% (2) |
| | | Free | .02008 | |
| Burma | Kyat ..... | ..... | .2097 | |
| Ceylon | Rupee ..... | ..... | .2097 | |
| Chile | Peso | Official | .03200 | (1) |
| | | Commercial | .01655 | |
| | | Free | .00903 | |
| Colombia | Peso | Basic | .3975 | tax 3% (2) |
| | | Coffee buying | .4271 | |
| | | Official | .1770 | |
| Costa Rica | Colon | Free | .1502 | *May 15 tax 2% |
|  |  | ..... | .9937 | |
| Cuba | Peso ..... | ..... | .1380 | |
| Czechoslovakia ... | Koruna ..... | ..... | .1439 | |
| Denmark | Krone ..... | ..... | .9937 | |
| Dominican Republic | Peso ..... | ..... | .06625 | (6) |
| Ecuador | Sucre | Official | .05718 | |
| Egypt | Pound | Free | 2.8536 | |
| Fiji | Pound ..... | ..... | 2.5186 | |
| Finland | Markka ..... | ..... | .00432 | |
| France | Franc ..... | ..... | .00284 | |
| French Africa | Franc ..... | ..... | .00568 | |
| French Pacific | Franc ..... | ..... | .01561 | |
| Germany | D Mark ..... | ..... | .2363 | |
| Greece | Drachma ..... | ..... | .000033 | |
| Guatemala | Quetzal ..... | ..... | .9937 | |
| Haiti | Gourde ..... | ..... | .1987 | |
| Honduras | Lempira ..... | ..... | .4969 | |
| Hong Kong | Dollar | Free | .1632 | *May 29 |
| | | Official | .06102 | |
| Iceland | Krona | Special buying | .04701 | |
| | | Special selling | .03805 | |
|  |  | ..... | .2097 | |
| India | Rupee | Basic | .08717 | (7) |
| Indonesia | Rupiah | Dollar certificate | .00188 | *May 15 |

* Latest available quotation date.