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COVER . . . This Libyan well has been fitted with a simple device which helps the farm-hand to draw twice as much water at one time as he could before. This is a simple illustration of the progress being made in the new independent kingdom of Lybia. For the complete story, turn to page two.

—Photo by U.K. Information Office.

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Report on the New Libya

In its 18 months as an independent kingdom, Libya has pushed development projects, with UN aid; has established a new currency and increased its exports slightly.

ROME—Libya has now completed its first 18 months as an independent state with an hereditary monarchy. The new constitution, effective since December 24, 1951, set up a federal government with Benghazi and Tripoli as dual capitals and the administrative centre at Tripoli. The three provinces—Tripolitania, Cyrenaica and Fezzan—were also given considerable autonomy. First elections for the Libyan Federal House and the representatives took place in February 1952.

Developing the Country

During the deliberations in the General Assembly of the United Nations about Libya, it was agreed to further the financial and economic development of the country and FAO, UNESCO and the ILO were all at work there in 1952. The United States Technical Assistance Service also is carrying out Point Four projects. In addition, the Libyan Government has set up the Libyan Public Development and Stabilization Agency and the Libyan Financial Corporation. The last two help to finance approved capital expenditures which normally cannot be undertaken within the Libyan budget. The financing is being arranged by the United Kingdom, France and Italy.

A new Libyan currency was introduced in March 1952, replacing the Military Authority lire, the Egyptian pound and the Tunisian franc formerly in circulation in Tripolitania, Cyrenaica and the Fezzan respectively.

The 1952-53 Libyan budget, approved by the Majlis (the Parliament), estimates expenditures at £4,984,129 and total revenue at not more than £3,600,000. A contribution from the United Kingdom and a smaller one from France will cover the deficit.

The balance of payments position in 1952 was favourable and sterling balances were available. The air base and British military expenditure largely made up the vital difference between the value of imports and of exports.

Imports for the first eight months of 1952 amounted to £5,719,800, compared with £4,473,200 for January to August 1951. Comparative export figures for the same periods were £1,549,300 and £1,609,670.

The individual provinces of Libya enjoy considerable autonomy. Moreover, because federalization is still rather in its infancy, economic information on the two more important provinces, Tripolitania and Cyrenaica, is important in assessing the overall economy.



—U.K. Information Office.

This photograph of Benghazi Harbour, taken two years ago, shows the mole being repaired and strengthened after wartime damage. The port is busy again, but still lacks proper bonded or non-bonded stores.

Tripolitania

With exceptionally good rains at the beginning of 1952, hopes ran high for bumper harvests and surpluses for export, particularly of barley. Unfortunately these hopes were dispelled as, at the end of March, Tripolitania had unusually hot, dry weather. This seriously affected the young crops, ruining an estimated 30 per cent of the wheat and between 10 per cent and 20 per cent of the barley. Olives, vines and citrus fruits were also damaged. In consequence, there were no surpluses for export.

Bad weather prevailed for the rest of the summer and until the end of October; conditions were, in fact, the worst in thirty years. In consequence, the Government imported wheat and flour from Canada to meet local needs. The barley stood up better than had been expected and the local crop supplied the home market largely because a bigger acreage was planted. The citrus fruit crop was below average. Grapes were poor and lacking in sugar content and the season's wine was of indifferent quality.

A poor crop of olives was taken off and the oil yield was low. Probably further oil supplies will have to be imported—perhaps cottonseed oil as a cheap substitute for the use of the poorer inhabitants. Almond production was given a fillip by increased U.K. imports because of restrictions imposed on almond imports from Italy. Prices were excellent and almonds should become a profitable crop; the trend is towards greater production.

An increasing but still small acreage of peanuts was planted and a satisfactory crop gathered. Some peanuts have been going to Europe and are said to have a good oil content. Many farms are experimenting with castor seed and prospects for this crop should be good in a season or two.

With the nationalization of the esparto* industry under the National Esparto Development Corporation, the first season was successful beyond expectations. The United Kingdom took the whole crop at prices ranging from about £40 per ton f.o.b. at the beginning of the season to £19 in the latter part.

The following indicates comparative figures for yields and prices of main agricultural crops in a typical prewar year (1938) as well as the two postwar ones:

Crop	YIELD			PRICE PER TON		
	1938	1949	1952	1938	1949	1952
	Tons	Tons	Tons	£	£	£
Barley	45,000	150,000	60,000	9	14	25
Wheat	13,500	12,000	4,000	19	25	40
Olives	19,700	60,000	5,000	10	25	50
Peanuts	500	3,000	6,000	50	60	90

Wholesale and Retail Trade

The Government introduced some changes in trade policy in March 1952 and this created some uncertainty in trading circles. Regular traders believed their business was being curtailed and were unwilling to sell. This situation arose at a time when the new currency was being introduced and a general rise in prices and a substantial rise in the cost of living followed. Towards the end of the year, to reduce prices the Government relaxed controls considerably on imports of textiles and food-stuffs, as well as on certain other products.

The export of scrap metals has long been a profitable business, but as the source of supply moved progressively farther into the hinterland, the stealing of telephone wires and metal from building and irrigation projects nearer at hand began. In addition, many ignorant persons moving and dismantling bombs and shells found in the desert suffered death or serious injuries. These unexpected factors brought a prohibition of the export of scrap metals of all kinds (except marine scrap) after stocks then held and declared by dealers were shipped. This ban was lifted in August for a three-month trial period but prices fell considerably in the interim. Subsequently, fairly substantial shipments went to both Italy and the United Kingdom.

Construction Industry

There was considerable building activity during the year, mainly to provide accommodation for the UN Technical Assistance staff and also for other organizations, or for persons connected with the air base. The housing shortage, however, continues to be acute. Dealers in building materials, furniture manufacturers, carpenters and allied trades have benefited greatly from construction projects undertaken.

The motor trade and garages and workshops had a profitable year. Demand continued strong for all types of automobiles made on the Continent or in the United Kingdom. Imports of heavy-duty trucks and buses

* Kinds of grass used in papermaking.

were high as well. Leading dealers built modern showrooms and service stations, bringing to the desert signs of the modern age. The secondhand car market and that for high-powered American cars was weakened considerably with the arrival of the new small types from Europe and Great Britain. The foreign colony as well as the domestic buyers showed a preference for these types, especially the fast sports cars.

Transport and Communications

Idris Airport (Castel Benito) reported increasing traffic throughout the year and a number of airlines in addition to those operating there now are negotiating to use it. The port of Tripoli was active and shipping space from Europe and the U.K. was much easier to get than in previous years. There were direct sailings from Tripoli to the United Kingdom but the poor crops prevented exporters, who had long sought such service, from taking advantage of it.

Apart from progress at the air base, the repairs to Tripoli harbour and the general building program there was only a modest amount of development.

The Government is working hard to encourage the tourist trade and is stressing the pleasant winter climate in its advertising in all parts of the sterling area. Cruise ships have begun calling at Tripoli and modern hotel accommodation is rapidly being extended.

Cyrenaica

As in Tripolitania, the 1951-52 crops in Cyrenaica were most disappointing. The excellent prospects up to mid-February changed rapidly with an early stoppage of the winter rains and the intense hot wind which persisted for about ten days in late March and early April. The barley crop in the Tobruk-Capuzzo area was a complete failure and in the Gebel area gave a low yield. The same was true of wheat and the Government had to import to meet local needs. The 1952-53 season, up to the end of the year, was moderately good in the Gebel area where early sowing was possible. To the west of Benghazi and east from Derna prospects were not bright. Heavy rains, however, fell at the end of the year and the situation may improve.

Sheep Breeding

Exports of sheep to Greece in the early months of 1952 were good. There was adequate grazing and breeding was satisfactory, so that at the end of the year exporters of sheep were in a sound position and the prospects for 1953 exports are good. Exports of bulls to Malta were satisfactory throughout the season.

The absence of the Greek sponge fishers reduced revenue at the eastern end of the province, but a local company was formed to exploit the sponge fisheries. By the turn of the year the outlook was good.

Benghazi became a more important port of call during the year and, with the diminishing stocks of scrap in the western end of the province, the shipment of scrap through the port of Tobruk increased. This included scrap purchased and some recovered from the Egyptian desert. Reconstruction and development of the port of Benghazi was slow and

proper bonded or non-bonded stores are still lacking. The draught restriction of 14 feet on ships entering the harbour continues and creates obvious shipping problems.

Wholesale and retail markets were greatly affected by the crop and livestock conditions but, despite difficulties, commitments were nearly all met.

Scrap metal shipments, which continued steadily throughout the year, provided the main export. Prices fluctuated throughout the year with a tendency to fall at its close. Nevertheless, there was still profit in the recovery and shipment of scrap. This trade will probably continue good for at least another year but after that will practically disappear.

Main estimated export figures for 1952 were:

Scrap metal	£950,000
Esparto	32,000
Livestock	193,000
Wool	55,000
Hides and skins	15,000

Unemployment Is Major Problem

The road and relief schemes which have been instituted by the authorities over the past several years must be continued by the Libyan Government because unemployment is still rife, especially in the Derna-Tobruk area. This situation will continue until there is some rehabilitation plan. In fact, it probably will become more acute as successful agricultural operations continue to depend on rainfall, and other means of providing water appear a long distance off. During the year, an initial shipment of 1,036 tons of halfa or esparto grass went to the United Kingdom.

—SHIRLEY G. MACDONALD
Commercial Counsellor for Canada

Air parcel post service from Canada to Great Britain went into operation on July first, says a recent announcement from the Post Office Department. The rate: one dollar for the first half-pound and 40 cents for each additional quarter pound. The sender must put a blue airmail label close to the address of every parcel accepted for air transmission and when the address appears in more than one place on the parcel, a blue airmail label must be put close to each one. The general regulations about surface parcel post to Great Britain apply to the new air service—maximum weight and dimensions, customs declaration, export licensing and currency control, etc. Air parcels, however, cannot be insured. They will go to Montreal by first class airmail and proceed from there. The Post Office expects shortly to extend this air parcel post service to other countries.

India and the Automotive Industry

Certain steps recently taken by the Indian Government prepare the way for a domestic automotive industry large enough eventually to supply the entire Indian market.

NEW DELHI—The Government of India recently made an announcement that will have a far-reaching effect on the domestic automotive industry and will radically change the Indian market for Canadian trucks, automobiles and parts. The measures to be taken are a part of, and consistent with, the Five Year Plan for the economic development of India (see *Foreign Trade*, March 21, 1953). The section of the Plan on industrial development underlined the fact that, despite the importance of the automobile in modern transport, manufacture is still in its infancy in India. The Plan emphasized the need for fostering the development of an indigenous automobile industry, instead of merely assembling vehicles from imported components.

New Restrictions in Force

Earlier this year, the Government of India referred this question to the Tariff Commission and its recommendations formed the basis for the decision to restrict the production and marketing of automobiles and trucks in India to five companies who are currently manufacturing or who have plans to manufacture automobiles and trucks within the near future. Firms now engaged in assembly only must progressively diminish their operations and stop them entirely in three years.

Of considerable interest to Canada is the fact that the Indian subsidiary of one of Canada's leading automotive companies, which has been assembling Canadian-manufactured cars and trucks in India for almost 25 years, is directly affected by these new regulations.

Twelve firms are today producing automobiles in India; seven of them are assemblers only, and five have plans to manufacture components and eventually complete vehicles. Two of the latter have made some progress toward complete manufacture. These companies, under Indian management and with Indian capital, are producing automobiles and trucks in conjunction with United States and British companies.

Size of Market

The total annual manufacturing capacity of the twelve units is 84,014 vehicles; the total production in 1951 and 1952 was only 21,577 and 14,873 vehicles respectively.

The number of automobiles registered in India is approximately 380 thousand and the annual demand for all automotive vehicles is estimated at about 25 thousand, excluding defence requirements. Approximately 40 per cent of this annual demand is for trucks. There is a limited demand for automobiles, primarily because of the low standard of living

in India, and the demand is not expected to increase appreciably in the near future. However, the demand for trucks may grow, thanks to the economic development plans in progress in this country and in particular the various transportation improvement schemes.

The Government recognizes that the establishment of an Indian automobile industry forms an integral part of a sound, progressive economy. It sees the following advantages in encouraging domestic manufacture:

- The saving of foreign exchange.
- The opening up of new employment and the provision of skill and technical knowledge for the establishment of other industries.
- The creation of a demand for the products of a large number of industries and an accelerated industrialization.
- In time of national emergency, the possibility of using the industry for defence purposes.

The Tariff Commission in its recommendations to Government stressed that the automobile industry is hindered by inadequate highway development, bad road conditions, and heavy and varying rates of taxation of commercial vehicles by State Governments.

Duties on Parts Lowered

The question of a subsidy to aid domestic manufacture was also discussed but the recommendation was that the rates of duty on parts imported into the country should be lowered. The Government of India has recently reduced duties to a level of approximately 40 per cent on "C.K.D." packs.

The Tariff Commission also recommended that the setting-up of industries related to the automotive industry should be encouraged and that manufacturers should, as far as possible, purchase the products of ancillary industries in India for use as original equipment. At present there is only a nucleus of such industries turning out pistons, rings, cylinder liners, leaf springs, batteries, tires and tubes, other rubber components such as belts and radiator hoses, gaskets, thin wall bearings, paint, light bulbs and lamps, insulated electric cable, bodies for buses, cabs and trucks.

Canadian exports of trucks, automobiles and spare parts to India in 1951 and 1952 had a value of \$3 million and \$1.7 million respectively. In 1948, when demand was keener and import licensing less strict, \$4.3 million worth of Canadian automobiles, trucks and parts went to India.

—R. K. THOMSON

Acting Commercial Secretary for Canada

In the last three years, world agricultural production has increased more rapidly than the population, says a recent FAO report. Food output has risen by about 2 per cent a year; the world population by 1.4 per cent a year. Postwar increase in agricultural output now totals 20 per cent, but this figure does not include production in Soviet Russia or China. FAO stresses that the main need today is to concentrate on agricultural production in the deficit countries, to restore the balance between production and consumption.

Japan: Trade Trends in 1953

Falling exports and rising imports are compelling the Japanese to devise new measures for stimulating their foreign trade.

TOKYO—The trading picture in Japan in the first half of 1953 has been clouded. Foreign trade has not picked up; exports have fallen below the unsatisfactory monthly average of 1952. Foreign exchange holdings have decreased in recent months and sterling holdings have practically disappeared. Domestic business has remained fairly steady but, keeping in mind Japan's dependence on foreign trade, this is not an unmixed blessing because active domestic demand has tended to keep export prices of Japanese products high.

The impending cease-fire in Korea has added to the uncertainty in business circles. The Japanese economy has been geared to dollar earnings from special procurement orders and armed forces expenditures and any appreciable reduction in these earnings would seriously affect the entire trading structure. Until the situation on dollar expenditures in Japan becomes clearer, the unease and lethargy about future domestic and foreign trading is likely to continue. Meanwhile, dollar earnings are reasonably good and import trade continues to be brisk.

Exports Decline

Japan's export trade averaged \$95 million a month during the first five months of 1953. The average for the first four months was only \$92 million, but the position improved in May when exports to dollar areas reached a postwar high of \$49 million, compared with \$40 million in April. The monthly average for exports is still below the objective of \$100 million.

Though export trade has been disappointing, imports have aggregated \$190 million a month during the first four months of 1953. The planned monthly forecast of imports in 1953 is \$154 million but imports for April totalled \$214 million, a postwar record. The extent of the decline in Japan's foreign trade in 1953 compared with 1952 is shown in the following table:

Foreign Trade of Japan

(in million dollars)

	1953		1952	
	Exports	Imports	Exports	Imports
January	79.6	188.1	107.5	129.4
February	86.9	174.5	126.4	146.5
March	114.5	187.3	122.5	192.5
April	96.1	214.2	114.7	171.5

(Source: Japanese Ministry of Finance)

The Japanese Government is seeking ways and means to correct the now chronic imbalance in the country's foreign trade. Discussions in both Tokyo and London have led colonial governments and independent

countries in the sterling area to relax import restrictions on Japanese goods. The transferability of sterling was also extended to additional countries. The effect of these measures in meeting the sterling shortage brought about by Japan's increased purchases from and decreased sales to countries in the sterling area has not yet become apparent.

Encouraging Barter Trade

The Ministry of International Trade and Industry has decided to allow still further barter trade. The import budget for April-September carries an amount of \$6.5 million for barter trade. The Ministry has broadened the areas with which barter trade may be carried on, but these areas do not include the Belgian currency area, the United States, or Canada. There are no restrictions on commodities which may be imported from Soviet Russia and Red China but barter deals with other countries in raw sugar, cocoa, bananas, pineapple, pulp, raw cotton, raw wool, woollen products, resins, crude oil, heavy oil, and light oil are specifically excluded. Export of commodities on the prohibited list to the Soviet Union and Communist China will be rigidly restricted. Payment for settlement of barter deals is limited to U.S. dollars but if the Government first authorizes it, sterling may be accepted.

Trade with Southeast Asia

Japan will concentrate on improving trade with countries in Southeast Asia, markets which could be considerably developed. Measures proposed include the setting-up of a special council to study development programs in that part of Asia, the opening of consultant offices in India, Pakistan, Thailand, Burma, and possibly Indonesia to promote the sale of Japanese capital goods, and the authorizing of export associations to purchase export commodities in Japan for shipment to overseas markets. This last step is designed to prevent unnecessary competition among export firms, particularly in the Near and Middle Eastern markets. Trade agreements have been concluded with Pakistan, Formosa, Sweden, and Argentina and others will be made as and when the opportunities arise.

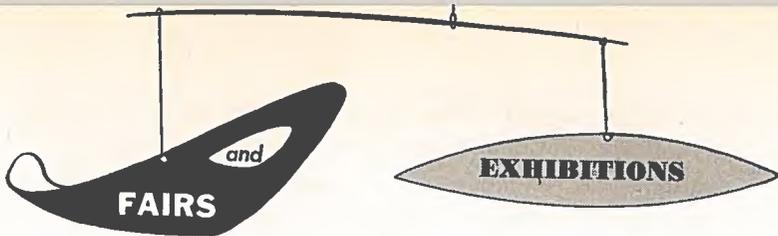
Export Prices High

The recent measures designed to stimulate foreign trade and to rationalize the economy have not proved particularly effective. Present currency, import and other restrictions in traditional markets have nullified Japanese attempts to expand exports.

These impediments to normal export trade have been aggravated by the high prices of most Japanese exports. The decline in the country's foreign trade therefore depends to a large degree on external factors, and no improvement is in sight. The Government is moving to tighten the internal structure, reduce production costs, cut down imports, particularly of non-essential goods, and make greater use of Japanese resources in an effort to achieve a larger measure of self-sufficiency. This action, combined with continued dollar earnings at a reasonable level, should enable Japan to balance foreign exchange receipts and payments during the present year.

—J. C. BRITTON

Commercial Counsellor for Canada



Shoes in Michigan

THREE TIMES A YEAR, the Michigan Shoe Travellers Club sponsors a shoe exhibit in the Hotel Statler, Detroit. The second show of the year is scheduled for July 19-21, and the third for September 12-15. Canadian companies already selling shoes in the United States may find these exhibitions a good way of enlarging their market. Similarly, companies who are thinking about sales south of the border might well visit one of these shows to find out whether they can compete with U.S. manufacturers or to discover suitable agents.

To display at these exhibitions, a Canadian manufacturer or agent must be a member of the Michigan Shoe Travellers Club. The initiation fee is \$20 and annual membership fee \$7.50, and applications should go to Mr. Earl Gregg, 13164 Stoepel, Detroit 4. Membership in the local club automatically makes the individual or company an associate member of the National Shoe Travellers Association and thus eligible to participate in shows in other parts of the country.

The committee organizing the Detroit Shoe Shows charges a ten-dollar fee to cover the cost of printing programs and door cards. Cost of display rooms varies with the space needed, but ranges from \$9.00 to \$18.00 a day. Reservations should be made through the Michigan Shoe Travellers Club.

Lyon in Retrospect

THE 35th LYON FAIR, held at Lyon, France, from April 11-20, proved successful despite the uncertain economic outlook in France just now. Exhibitors numbered 5,400; visitors, over one million. Among the highlights were:

- Exhibits by 974 foreign firms, including one Canadian company. Germany led in this field, with 435 exhibitors, Italy was second with 130, and Switzerland third, with 91.
- Business visitors from abroad were admitted free, as guests of the Fair, and a carefully planned advertising campaign attracted many colonial and foreign buyers.
- Textiles, textile machinery, machine tools and plastics were the four categories of exhibits which attracted most attention and did the greatest amount of business.
- Outstanding among the displays was that arranged by the Lyon silk industry.

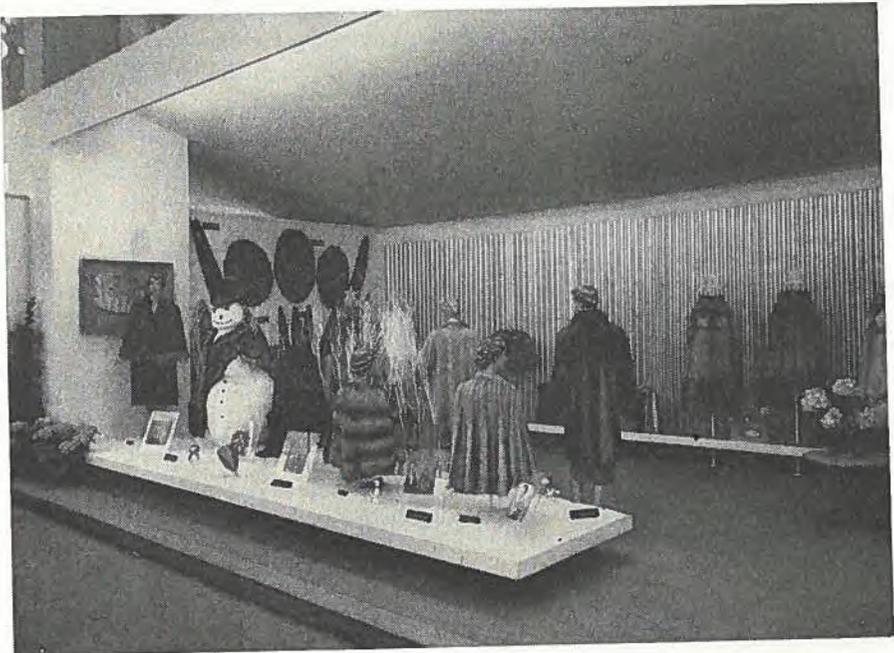
- Canadian Ambassador was guest of honor at the opening ceremonies and spoke at the official luncheon which followed.
- Canadian Government stand, emphasizing possibilities for French exports in the Canadian market, aroused considerable interest.

Giftware International

NEW YORK CITY will see something new the last week in August—the first International Gift and Fancy Goods Show ever held in the United States. The place chosen is the Astor Hotel and the time, August 24-30, when the principal buyers of giftware and allied products customarily visit New York.

The show is being produced by the same organization which manages the highly successful National Hardware Show and is open to manufacturers from abroad, importers, etc., who are interested in this market. Booths will rent at \$3.50 a square foot and this includes the usual stand construction—a solid panel background and wood dividing rails. Only trade buyers will be admitted for the first five days; the last two will be public days, when exhibitors may sell their samples to the general public.

For additional information or space reservations write to the International Gift and Fancy Goods Show, Suite 1103, 331 Madison Avenue, New York 17, N.Y.



Canada's exhibit at the Brussels International Trade Fair, April 25-May 10, included this display of fine Canadian furs. Even the snowman (left) wore his silver fox stole with a jaunty air.

Chile Pushes Petroleum Production

SANTIAGO—Chile's first gasoline plant began operations at the end of August 1952. Situated in the Manatiales oil field in Tierra del Fuego it will recover from the gases which accompany crude oil, liquid fuels such as propane, and butane and natural gasoline. Its distillation section is already producing from the crude petroleum enough gasoline, benzine, diesel fuel and kerosene to supply the requirements of Magallanes Province. Another section also in operation uses the stripped gases to repressurize the oil wells. This re-injection maintains the pressure and considerably increases the petroleum production. The absorption and distillation sections produce daily 80 thousand litres of propane, 50 thousand litres of butane, 25 thousand litres of natural gasoline, 30 thousand litres of gasoline, 5 thousand litres of kerosene, and 20 thousand litres of diesel oil.

The total cost of operating the plant is US\$2 million and Ch.\$30 million. These sums will be fully recovered in a short time through production earnings.

The Magallanes refinery reserves 90 cubic metres of the daily crude petroleum production to supply the Magallanes zone with gasoline, paraffin and diesel oil, and this results in an annual saving of US\$500 thousand.

Production Rises

Petroleum production in 1952 reached 145 thousand cubic metres compared with 121 thousand during the previous year, an increase of 19·8 per cent. During 1952 the National Petroleum Co. doubled the number of wells sunk in the Magallanes zones and there are now 40 of them producing. Fifteen of these are in permanent production. The results are considered satisfactory because 50 per cent of these wells produce petroleum and 25 per cent gas; the rest are not being worked at present. Daily production has reached 500 cubic metres a day, that is, 3,100 barrels of crude petroleum. Sales of last year's production to Uruguay benefited the exchange position by US\$2·8 million. The value of 1953 exports is expected to fluctuate between \$3·5 and \$4 million.

An important new oil well, drilled to a depth of 2,000 metres, was reported in the Tierra del Fuego zone last January. In addition, recent borings indicating new sources of oil and gas are expected to give a decided impetus to the industry's development.

The Development Corporation's investment of more than Ch.\$1,600,000,000 has created in Magallanes an oil industry with an important future and one which should soon make Chile self-supporting in oil. Further important sums have recently been authorized to continue explorations in the zone, and geological studies are to be conducted.

The Government is also endeavouring to finance the construction of the proposed refinery in Concon, near Valparaiso. This plant is planned to handle three million litres of crude petroleum a day, enough to supply the whole of Chile with oil products.

—M. R. M. DALE
Commercial Secretary for Canada

The Philippines

Mining: Progress and Problems

Mineral production increased in 1952, but the gold mines in particular operated at a loss. But gold producers have recently won worthwhile tax concessions from the Government.

MANILA—Greater production of base metals and of gold marked the Philippine mining industry in 1952, though many producers felt prices received were too low. The “free market” price of gold declined sharply in the first six months of 1952; prices for lead and zinc dipped towards the end of the year. However, gold prices steadied and eventually lead and zinc prices moved up. And the continuing world demand for copper, chromite and manganese revived interest in unexplored Philippine deposits of these ores.

Mineral Production

Value of mineral production increased by \$13·8 million over 1951 and reached \$72·1 million, though only 31 companies were operating, half the number active in 1940. Of these, 12 were mining gold, 8 manganese, 4 iron, 3 copper, 3 chrome, and 1 lead-silver.

The Bureau of Mines reports that the following prices were received:

Iron ore	9.50 per ton f.o.b.
Refractory chromite	14.50 “ “ “
Metallurgical chromite	28.71 “ “ “
Manganese	31.31 “ “ “
Copper (metal)33 per pound

The problems of the Philippines gold producers and the steps being taken to solve them should be of particular interest to Canadians. But before outlining these steps, some knowledge of the background is necessary.

Gold Producers' Problems

Ever since foreign exchange control was rigorously applied in the Philippines, the gold mines which resumed operations after the liberation have been complaining that they cannot operate at a profit. The first relief obtained was the decision of the Central Bank of the Philippines to allow the mines to sell up to 75 per cent of production on the “open market”. The “official” price remained at \$35 per ounce, but the open market quotations were much higher, at times reaching \$60 and averaging \$50.18 an ounce throughout 1952.

A survey of the combined operations of the ten leading gold mines, recently published, revealed that they operated last year at a total net loss of nearly \$500 thousand. Here is the situation in greater detail:

Total outstanding paid-up capital	\$18,345,542.00
Value of gold produced (at realized prices)	22,724,773.98
Cost of gold produced	23,100,704.26
Net loss for 1952	445,581.04
Total direct taxes paid	3,798,294.62
Total taxes paid (both direct and indirect taxes)	4,749,997.66
Cost of producing one ounce of gold (including taxes)	53.45
Cost of producing one ounce of gold (excluding direct taxes paid)	44.45
Taxes paid per ounce of gold produced (direct taxes only)	8.76
Number of companies operated at a loss	6
Number of companies currently in debt	5
Total amount of indebtedness of these five companies	\$3,000,000.00 plus
Total number of labourers and dependents	100,000

Taxation Protested

The law requiring the payment of a 17 per cent tax on licences for foreign exchange, implemented in 1951, affected the gold mines in two ways—when they purchased replacements or new equipment, and when they remitted dividends outside the Philippines. When, therefore, the mines began to ask for further consideration of their weak financial position, they pressed particularly for relief from this foreign exchange tax, from the compensating tax (a kind of combined sales and luxury tax levied on most imports) and from the ad valorem tax on production. (The latter, for some reason, varied from 1½ to 10 per cent.)

The plan for some relief from these taxes was based on a comparison of taxes being paid by gold mines in Canada and the Philippines. A table prepared in Manila set forth the comparative position as follows:

Taxes	Philippines	Canada*
Income tax	\$2.69 per oz.	\$1.34 per oz.
Ad valorem royalties	2.67 " "	.56 " "
Import taxes (customs, sales & excise taxes) ..	2.825 " "	.36 " "
Balance taxes575 " "	.16 " "
Totals	\$8.760 " "	\$2.42 " "

* (Source: Canadian Metal Mining Association).

From this, it seems evident that the Philippines appeal for relief would not result in equality with Canadian producers. Philippine gold producers would still be paying more taxes per ounce of gold produced than Canadians.

Later, a bill was presented to Congress with some confidence, because the employment of some 100 thousand persons was involved. It seemed obvious that the industry needed relief if it was to continue to operate. It was pointed out that one mining company in 1952 had added \$2½ million to the wealth of the Philippines through its gold production and yet this company showed a net loss for the period. Moreover the legislators were reminded that Philippine gold producers had received no assistance from the Government, although almost every other country had been aiding its gold producers in every way possible since 1948.

Congress received the bill for tax relief most sympathetically and ultimately approved:

- Exemption from payment of the 7 per cent compensating tax.
- Exemption from payment of the 17 per cent exchange tax on sales of foreign exchange.
- Exemption of new and of old mines resuming operations from payment of corporate income tax during the first three years of actual commercial production.

One change was made in the ad valorem tax: a flat rate of 1½ per cent was adopted as a royalty on actual gold production. The bill was passed by both Houses on May 21 and was forwarded to the President of the Philippines for his signature.

During the discussion of the bill, the Chairman of the Ways and Means Committee estimated that whereas the old tax schedules resulted in the gold producers paying taxes amounting to \$4,850,000, the proposed changes would reduce this total to \$2 million a year.

The outlook for the future of other sections of the mining industry is also confused. Certain minerals—especially chromite, manganese and copper—will be in great demand and there seems to be an assured market for iron ore in Japan. Uranium deposits are reported. As for gold mining, it remains to be seen how the tax concessions will change the picture.

—FREDERICK PALMER

Consul General of Canada and Trade Commissioner

Italy Assists Its Sulphur Industry

ROME—The Italian sulphur industry, a traditional one in this country, has for a number of years been encountering many difficulties. They have been especially acute since the development in the early part of the century of sulphur deposits in Louisiana and, later, the exploitation of new methods of extracting sulphur located in the Southern States.

Italy's production of sulphur is today about 200 thousand tons a year; present ore reserves are estimated at only one million tons. Consequently, at the present rate of exploitation, the mines now in operation will be exhausted within about five years. An intense effort is being made to locate new mineral deposits and finds are expected not only in Sicily but also in the Romagna, the Marches and the Abruzzo area.

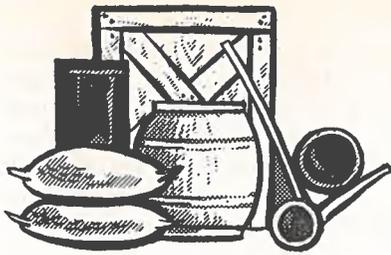
Under a recent law touching the re-organization of mining industries in Italy, the Government has allocated 950 million lire to the Ente Zolfi Italiani—the Italian Sulphur Corporation, a government-controlled body directing the production, sale and export of sulphur in Italy—for development of new mining fields and for research into better and more economical means of exploitation. This allocation will be made for three years.

Under government aegis, the sulphur industry has been examined and this has led to a nine billion lire appropriation. It is, however, clear that the allotment for research and finding of new fields is hardly adequate. It is estimated that the program for Sicily alone would require 17½ billion lire and, for the rest of Italy, about seven billion lire. These expenditures, experts conclude, should be completed within six years.

Now serious thought is being given to the re-organization of the Ente Zolfi Italiani. Opinion is that the industrial companies running the mines, as well as the Sicilian Regional Administration, should be well represented on this body.

—SHIRLEY G. MACDONALD

Commercial Counsellor for Canada



Commodity Notes

BRAZIL

Cocoa—Sales of the 1952-53 cocoa crop now amount to about 600 thousand bags of 60 kilos to the United States, about 400 thousand bags to other foreign markets, and about 300 thousand bags to Brazilian industries. Prospects for the intermediate crop continue good and it is conservatively estimated at 700-800 thousand bags. Recent sales have been small because local industries are paying prices that exporters cannot possibly compete with. The exporters are forced to reduce their purchases and, at the end of March, U.S. buyers withdrew from the market. Until the industry has covered its requirements, there appears to be no prospect for any change in the export situation. Industrial plants can obtain an average rate of exchange for their products of about Cr.\$31 per dollar, whereas exporters of cocoa beans are only allowed the official rate of Cr.\$18.38 per dollar. Recent sales of old-crop cocoa to the U.S. and other markets were made at US\$32.50 to US\$33.50 (or equivalent) per 50 kilos, f.o.b. Small export sales of new-crop cocoa have also been effected at prices ranging from US\$31 to US\$33 per 50 kilos for future delivery—Rio de Janeiro, June 15.

CHILE

Butter—Import of 40 tons of butter from Argentina has been authorized. Shipments are to begin immediately and the amount may be increased to 500 tons if necessary—Santiago, June 16.

COLOMBIA

Animal Feed—Colombia's giant brewery interests, Cervecerias Bavaria, and a group of Colombian financiers have just launched a new company with an initial capital of 1,200,000 pesos (\$480 thousand), which will specialize in making feed concentrates for livestock. The machinery for the plant is being purchased in the United States and production is expected to begin by October 1 of this year, with a volume of 900 tons a month, to be increased later to 1,200 tons. This plant has long been needed for Colombia's expanding livestock industry which has had to depend on imported concentrates or copra cake, a by-product of the lard and vegetable oil plants in Barranquilla. Most of the ingredients to be used by the new plant, such as cotton seed cake, yeasts, corn germ, minerals, and vitamins, are already available in the country—Bogotá, June 22.

INDIA

Raw Jute—According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-Indian final estimate of jute for 1952-53 puts acreage and production at 1,834,079 acres and 4.695 million bales of 400 lb. each, compared with corresponding estimate of 1,951,148 acres and 4.678 million bales respectively, for 1951-52. This represents a decline of 117,069 acres or 6 per cent in area and an increase of 17,413 bales or 0.4 per cent in production—Bombay, June 15.

ITALY

Paper—Estimates indicate Italian paper production in 1952 totalled 564 thousand tons, consisting of 110 thousand tons of newsprint (about a 9 per cent increase over 1951), 160 thousand tons of writing and printing paper (a 2.5 per cent reduction), 134 thousand tons of wrapping and packing paper (a 5 per cent reduction), 70 thousand tons of cardboard (a 2½ per cent reduction), and 90 thousand tons of straw and special papers—Rome, June 24.

MEXICO

Fertilizer—New investments of 60 million pesos will be made in the fertilizer manufacturing industry this year to bring production up to 590 metric tons daily, the Government has announced.

Production of 100 thousand metric tons a year is reported by Guanos y Fertilizantes, a dependency of a government financing agency, Nacional Financiera. Sixty-five per cent of current production is of ammonium sulphate, and 30 per cent of superphosphates—Mexico, June 16.

NEW ZEALAND

Linseed Oil—New Zealand's biggest producer of linseed oil has announced that it will not accept any contracts for the growing of linseed in the coming season because ample supplies of seed and oil are in store—Wellington, June 16.

SWEDEN

Newsprint—Scandinavian newsprint concerns and the British Paper Control Board have agreed on unaltered prices for newsprint, i.e., £48 per ton during the second half of 1953. The British negotiators received a quota of £1,700,000 and contracts have been signed for half this sum. Swedish circles think it probable that this quota may be increased towards the end of the year—Stockholm, June 25.

UNITED KINGDOM

Motor Cars—The United Kingdom has established a £2 million quota for the import of German motor cars in 1953. In return, U.K. cars worth £2.7 million will be admitted into Western Germany. Suitable arrangements for parts are to be made. Up to now, Britain's policy has prevented imports of Continental passenger cars because its own industry was concentrating on exports. Total imports of passenger cars in 1952 were valued at £653,977—London, June 26.

Retaining the Australian Market

Those Canadian companies barred by import restrictions from selling their goods in Australia might consider other ways of retaining their hold on the market in that country.

SYDNEY—The signs of improvement in the sterling area's dollar position do not seem to extend to Australia. There dollar trade is still being curtailed and it seems unlikely that the import licensing regulations will be generally relaxed in the foreseeable future. This means that the authorities will grant import licences only for essential goods which cannot be obtained in Australia nor purchased in soft currency countries. This is bad news for Canadian manufacturers of consumer goods who would like to retain or open up markets there.

New Approach Considered

With its population of 8½ million and its relatively high standard of living and of per capita earnings, Australia is a potential market well worth fostering. Australians have, over the past few years, shown definite interest in Canadian and American-type goods and the difficulty of obtaining them because of import licensing regulations has served to stimulate the desire for them. The Australian is an individualist and his tastes are less conservative than those of his English cousins; in fact, he is receptive to new ideas and new products.

Little can be done to increase Canada's direct sale of non-essential goods to Australia for the time being because of import restrictions, but there are opportunities for Canadian companies desiring to enter this market to have their goods manufactured under licence or royalty arrangement. Few Canadian companies have seriously considered this approach, probably because they have kept hoping that the general trade position would improve. Certain companies which have made such arrangements have been able to hold the market and obtain at least some return.

Conditions Suitable

Australia's secondary industry has made spectacular progress since prewar days and now manufactures a wide range of goods. Most Australian manufacturing plants operate efficiently and the fact that a large range of industrial raw materials are close at hand ensures continued growth. Canadian manufacturers who have been hoping for a return to prewar trade conditions would be well advised to explore the possibility of having their products manufactured in Australia. In some cases it would be possible to arrange for the goods to be manufactured on a straight-out royalty basis. In others, investment in branch plants or partnership arrangements with existing Australian manufacturers might bring more satisfactory results. Increasing numbers of British and United

States firms are adopting this method of handling the Australian market and the Australian authorities favour it as a means of increasing self-sufficiency and saving overseas exchange. Canadian firms may also find that they can service the New Zealand and other soft currency markets from Australia. Otherwise, it might well be years before Canadian manufacturers can re-enter these markets with goods made in Canada.

—C. M. FORSYTH-SMITH
Assistant Commercial Secretary for Canada



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.

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4	London—September 24
Ottawa—September 7-12	Sarnia—September 25
Toronto—September 14-19	Windsor—September 26
Guelph: Fergus—September 21	Vancouver—October 5-10
Brantford: Hamilton—September 22	Winnipeg—October 12-13
St. Catharines: Welland—September 23	Ottawa—October 15-17

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Montreal—July 13-17	Toronto—August 10-14
Three Rivers—July 20	Hamilton—August 17-18
Shawinigan—July 21	St. Catharines: Welland—August 19
Quebec—July 22	Sarnia—August 20
Chicoutimi—July 23	Windsor: Walkerville—August 21
Rimouski—July 24	Winnipeg—August 24-26
Fredericton—July 27	Regina—August 27
Saint John—July 28-29	Calgary—August 28
Halifax—July 30	Edmonton—August 29-31
Sydney—July 31	Vancouver: Victoria—September 9-16
St. John's—August 3-4	Ottawa—September 28-October 2

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. He will visit 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, began a tour of Canada in Ottawa on June 29. His itinerary is:

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

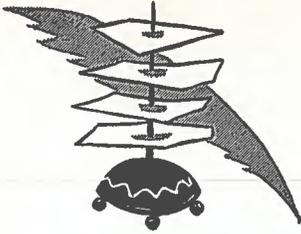
A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

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. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. He will visit Vancouver from July 29-31.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Brantford, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).



General Notes

AUSTRALIA

Trade Balance Favourable—According to a preliminary survey to the end of April issued by the Acting Commonwealth Statistician, Australia had a favourable trade balance of £286·4 million for the first ten months of this year, compared with an adverse balance of £355·1 million for the same period of last year. It is now clear that the trade surplus for the full year, which ends on June 30th, will exceed £300 million.

Overseas trade in April yielded a surplus of £37·9 million compared with a trade deficit of £22·6 million in April last year. April imports totalled £43·3 million, compared with £81·7 million last year. The value of exports for the first ten months of this year is £713·2 million, compared with £564·3 million in the same period last year. Imports for the ten months totalled £426·8 million as against £921·4 million for the first ten months of 1952—Melbourne, June 15.

BRITISH GUIANA

Wage Increases for Sugar Workers—Sugar workers have been granted new bonuses and benefits which amount to a 10 per cent increase in basic wages. This follows negotiations between the Manpower Citizens' Association and the Sugar Producers' Association. The increase will add more than one million dollars to the \$20 million wage bill and come at a time when sugar prices are falling, despite the recent increase granted under the Commonwealth Sugar Agreement—Port of Spain, June 18.

CUBA

Balance of Trade—During 1952 Cuba's balance of trade with her principal trading partner, the United States, was unfavourable by \$54,-776,936, and with Spain by \$423,170. On the other hand, trade with Great Britain yielded a favourable balance of \$41,534,769, and with Japan a favourable balance of \$41,683,382. Sugar and its by-products, at \$579,148,142, were first in value, followed by tobacco, at \$40,-361,523, and mineral products at \$23,657,670—Havana, June 19.

FRENCH EQUATORIAL AFRICA

Foreign Trade—Exports of this territory fell by 6 per cent in value and 8 per cent in volume during 1952; imports rose over 9 per cent in value and fell 1·5 per cent in volume. Exports of oils and oilseeds,

wood, and zinc ore were all lower than during 1951. Imports of foods, petroleum products and steels rose but machinery imports were lower.

The French Union accounted for 32 per cent of total exports, the sterling area, 7·3 per cent and the dollar countries, 0·3 per cent. The French Union furnished 64·3 per cent of total imports, the sterling area 5·7 per cent, and the dollar area 9·5 per cent. The unfavourable balance of trade with the dollar area, from which the French Union as a whole suffers, also shows up in the balance of payments of French Equatorial Africa—Paris, June 26.

NORWAY

New Government Monopolies—The Norwegian Storting (Parliament) recently passed two bills providing for the establishment of two new government monopolies. The first of these bills makes provision for a state monopoly to import fishing gear and raw materials to make it. The second bill, effective from February 6, 1953, approves the establishment of a state monopoly for the import and wholesale distribution of medicines and drugs. The organization which is to deal with this monopoly is to be known as the Norwegian Medicinal Depot—Oslo, June 20.

SCOTLAND

Economic Conditions—During the past twelve months economic conditions in Scotland have tended to be somewhat less favourable than in recent years. The continued rise in unemployment is a distressing feature, particularly in the crofter counties and non-industrial areas. The Scottish iron and steel industry has suffered throughout the year from a shortage of the scrap on which it so largely depends. This, coupled with the increasing scarcity of basic materials, has affected the heavy industries generally. In textiles (apart from jute, where conditions have been more favourable than for some time past) Scottish mills have suffered from the difficult world trading situation. In spite of the large amount of modern machinery put into the mines, coal mining has failed to respond with increased production. On the credit side, agriculture has had a successful year with increased production and excellent crops—London, June 29.

WEST GERMANY

Fisheries Production—The 1952 volume of German fisheries production decreased by 2·5 per cent compared with 1951. Total production in 1952 was 638 thousand tons; in 1951, 654 thousand tons, and the annual average for 1935-38 was 669 thousand tons. Last year was the first year since the war that domestic production failed to increase. Deep trawlers accounted for 74 per cent of total landings; lugger herring fisheries, 9 per cent, and inshore cutter fisheries, 17 per cent. Trawler landings decreased because of unfavourable catching conditions during the fall herring season and the uncertain state of the market. The 1952 herring production of 280,888 tons was about 30 thousand tons below that of the previous year. Red perch catches were considerably larger than in 1951; codfish and saithe production remained unchanged. Haddock production decreased—Bonn, June 25.

Credit Conditions in Europe

Europe's credit record to date has been highly favourable; the exchange position, business and credit conditions of these countries in 1952 and prospects for 1953 are here summed up.

CERTAIN CIRCUMSTANCES which have a considerable bearing on credit conditions are, generally speaking, common to all European countries. This continent was the cradle of modern civilization and international trade. Accordingly, the Europeans long ago established the ports, inland communications, banking facilities and commodity exchanges necessary to facilitate business and service their world traders. Custom and experience have bred stable trading practices based on high commercial morality. Foreign trade always has its problems but exporters find the European market less uncertain than many other areas. .

Political Factors

Stability of political institutions is general among the Western European nations and this means a business background that creates confidence. The reverse is true of the Eastern countries in the Cominform group. There are certain exceptions: the insecurity of the French and Greek Governments breeds weakness in their economic and commercial life; the Spanish Government does not always reassure domestic or foreign business interests; the strong challenge of Left Wing elements in Italy presents a possible threat to that country's otherwise stable government. And, on the other side, the Yugsolav independent Communist regime has won increasing prestige. Government regulation of trade through quantitative licensing and exchange controls has been liberal, rational and reliable in direct relation to the degree of political freedom and stability in these countries. In the most prosperous—Switzerland and Belgium—licensing and exchange controls impede trade less and dollar payment is at least as well assured as in other countries where a dependable Central Bank stands behind authorized import licences.

Economic Considerations

The trend of economic fortunes determines in large measure the credit position of countries and of merchants within those countries. A high level of economic activity gives the opportunity to achieve balanced or even favourable external trade accounts. When this is possible without inflation, it means a degree of internal financial stability that strengthens the country's exchange position and its credit structure.

Against these criteria, Belgium-Luxembourg, Denmark, the West German Republic, Netherlands, Norway, Portugal, Sweden and Switzerland all have achieved relatively satisfactory positions. Finland, Iceland, Ireland and Italy each have particular chronic postwar problems but have overcome them sufficiently to maintain a good credit status. Austria has progressively regained economic strength despite the complications of occupation and Greece has lately begun to make a real recovery, so these two promise future improvement. Turkey must solve the high cost of domestic production in order to raise the level of exports, overcome her payments deficit, and liquidate commercial arrears, if she is to regain her credit standing. France has similar problems aggravated by inflation and political uncertainty and reflected in a weakened currency rather than in unpaid foreign accounts. Yugoslavia, with foreign help, is progressing. Spain has not yet discovered the road to recovery.

Record of Experience

The Export Credits Insurance Corporation experience with exports and collections in European countries has been highly favourable to date. No single country and no individual risk has been significantly important in claims paid. Only in Turkey has there been any persistent delay in collections. Buyers in this part of the world tend to maintain good payments records and the countries themselves avoid transfer delays by orderly management of exchange resources, limited as they often are.

Experience in 1952—Prospects in 1953

Country	Exchange Position	1952 Business and Credit Conditions	Change during Year	1953 Prospects
Austria	Difficult	Fair	Slightly better	Fair
Belgium-Luxembourg	Good	Good	Little change	Satisfactory
Denmark	Fair	Good	Improvement	Good
Finland	Fair	Fair	Slightly weaker	Fair
France	Difficult	Difficult	Weaker	Difficult
Germany, Western ...	Satisfactory	Good	Improvement	Good
Greece	Difficult	Difficult	Improvement	Better
Iceland	Difficult	Difficult	Little change	Uncertain
Ireland	Satisfactory	Good	Improvement	Fair
Italy	Fair	Fair	Little change	Fair
Netherlands	Good	Good	Improvement	Good
Norway	Fair	Good	Improvement	Fair
Portugal	Good	Good	Little change	Satisfactory
Spain	Difficult	Difficult	Little change	Uncertain
Sweden	Satisfactory	Good	Little change	Satisfactory
Switzerland	Good	Good	Improvement	Good
Turkey	Difficult	Fair	Little change	Fair
Yugoslavia	Difficult	Fair	Little change	Fair



Trade and Tariff Regulations

BRAZIL

New Import Licensing System—The Brazilian import licensing system for the second half of 1953 was announced by the Bank of Brazil on June 15. Since January in the case of dollar imports, and March in the case of all other imports, no new requests for licences have been accepted. The introduction of the new system means that new applications to import will now be considered.

The essential products for which requests to import will be accepted during the rest of this year are divided into 20 separate groups. Licences for imports of Group I products may be applied for during the period July 1 to July 30. Requests for imports of Group II items may be made during the period July 8 to August 6. Similarly, at weekly intervals a new group becomes eligible and remains in effect for about 30 days.

Not included in this arrangement are applications for: (1) imports of petroleum, wheat and supplies for the press for which special arrangements exist; (2) urgent imports of replacement parts; (3) imports for industrial projects; (4) imports eligible for licensing without exchange coverage. Requests for licences for these items may be made at any time.

New requests for licences must be made even in cases where earlier applications had been accepted. Such new requests can only be made in accordance with the time schedules established under the new system.

The regulations apply to imports payable in any currency. There is no special list of items applicable to dollar imports. However, the announcement states that licences will be granted only within the limit of Brazil's available foreign exchange. In view of the current serious foreign exchange shortage in Brazil, licences for dollar imports will probably be issued for only the most essential items.

Information on the status of particular commodities may be obtained from the International Trade Relations Branch.

NORTHERN RHODESIA

Dollar Allocations—The import control authorities of Northern Rhodesia have announced that the dollar import allocation for the second half of 1953 will amount to £ 619,985. This total is slightly less than that for the first six months of the year, when merchants were allocated £ 720,645. This figure does not include currency allocated to mining companies or any allocation which the Government may itself spend.

The total dollar appropriation is broken down into different categories. The largest allocations are for timber, £ 260,000; machinery spares, £ 116,675, and tractors, £ 100,000. Other allocations include: earth-moving machinery, £ 44,200; dried milk, £ 20,000; tallow, £ 14,500; electric power equipment, £ 12,500; newsprint, £ 10,000; machinery other than agriculture and earth-moving machinery, £ 9,850; agricultural machinery, £ 6,835; drugs, vaccines, serums and soil fumigants, £ 6,700; milk-based infant foods, £ 5,000; bitumen, £ 5,625; mining materials, £ 4,750; hog casings (sausage skins), £ 2,500.

There is a non-dollar, non-sterling currency allocation of £ 336,-850, of which timber (£ 99,000) and iron and steel (£ 86,500) are the most important.

UNITED KINGDOM

Private Trading in Aluminum Restored—Another key material, aluminum, is to be turned back to private trade on July 1st, when the Control of Aluminum Order will be revoked. Consultations have been going on with consumers through the aluminum industry council and details of the licensing arrangements for private imports will be announced shortly.

The agreement between the Aluminum Company of Canada and the United Kingdom Government in 1950 and 1951 secured for Britain substantial supplies for the next 20 years, by firm contract until the end of 1955 and by yearly options thereafter. The Ministry of Materials say that the substantial benefit gained by the United Kingdom under these arrangements will be retained under private trading. The metal will be offered to the industry instead of to the Ministry. The Aluminum Company has, as from July 1st, reduced the contract price by three-quarters of a cent per lb., equivalent to £ 6 a ton. The benefit of this reduction will be passed on to the industry, as the company has agreed not to charge more than the Ministry would have charged. In order that, under private trading, the options after 1955 may be effectively implemented, the Ministry have accepted an obligation for the following five years to buy up to 20 thousand tons a year of unsold metal within the option quantities. The agreement also includes the transfer to the company by the Government of trading stocks valued at about £ 5 million—London, June 23.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, 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.

Department of Trade and Commerce

HEAD OFFICE DIRECTORY

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

No. 1 Building, 375 Wellington Street*

	Gov.	Local
<i>Minister: The Rt. Hon. C. D. Howe, P.C., M.P.</i>		3693
<i>Parliamentary Assistant: G. J. McIlraith, M.P.</i>		7042
<i>Deputy Minister: Wm. Frederick Bull</i>	6748-2326	
<i>Executive Assistant: H. A. Gilbert</i>		2380
<i>Trade Policy Adviser: H. R. Kemp</i>		5151
<i>Associate Deputy Minister: M. W. Sharp</i>	2888-5838	
<i>Economic Adviser: O. J. Firestone</i>		4176
<i>Assistant Deputy Minister: Oliver Master</i>		2421
<i>Comptroller-Secretary: Finlay Sim</i>		2262

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Assistant Director: L. H. Ausman 6800

Area Trade Officers

Asia and Middle East: J. P. Manion 8286
 Commonwealth: A. B. Brodie 2144
 Europe: K. Nyenhuis 0436
 Latin America: A. Savard 7641

Western Representative: H. L. E. Priestman, 355 Burrard St., Vancouver.

Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.

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Special Assistant: A. L. Neal 8269
Administrative Assistant: J. G. MacKinnon 6905

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Director: Acting 6519
B.W.I. Trade Liberalization Plan: J. G. MacKinnon 6905-5670
Token Shipments to United Kingdom: A. E. Fortington 5680

Import Division

Director: C. F. McGinnis 7163
Export Controls in Other Countries: W. G. Hopkins 6552

Transportation and Communications Division

Director: G. S. Hall 6236
Assistant: H. A. Hadskis 2737
Traffic Section: J. H. Longfellow 7835

* Unless otherwise noted, all offices of the Department are in No. 1 Building.

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Textiles, Lumber and Products: K. A. Peaker	5508
Chemicals, Leather, Automobiles and Trucks and Parts: D. Alger	6963

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(Export and Import)

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Automotive and Self-Propelled Construction Equipment:	
Acting	6519
Agricultural Machinery and Implements: G. C. Clarke	3873
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Chemicals and Allied Products: S. G. Barkley	7601
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General Products	
Acting Chief: P. G. Jones	4160
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Logs and Lumber Products: R. Bonnar	5127
Paper, Pulp and Pulpwood: M. N. Murphy	5811

Export and Import Directories

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Animal Products: A. J. Stanton	5859
Fish and Fish Products: T. R. Kinsella	7385

Grain Division

Chief: G. N. Vogel	5830-5648
R. M. Esdale	5830-5648

INTERNATIONAL TRADE RELATIONS BRANCH

<i>Director:</i> C. M. Isbister	2250-4042
B. G. Barrow	2250
European and Latin American Area	
M. Schwarzmann	7594
F. P. Weiser	5642
A. M. Baldwin	8727
R. E. Latimer	8727
Sterling Area	
H. K. Potter	8469
E. J. McMeekin	8727
R. B. Nickson	7594
United States Area	
B. S. Shapiro	8469
B. O'Neill	8469

INFORMATION BRANCH

<i>Director:</i> H. Leslie Brown	2479-6394
Assistant <i>Director:</i> J. Fergus Grant	2186
<i>Editor:</i> Foreign Trade and Commerce Exterieur:	
Miss O. Mary Hill	6588
Advertising: Roy A. Abrahamson	6435

TRANSLATION BRANCH

<i>Chief:</i> J. C. Letellier de St-Just	2760
M. Roy	2760

INDUSTRIAL DEVELOPMENT DIVISION

<i>Director:</i> G. D. Mallory	3819
Assistant <i>Director:</i> B. R. Hayden	7886
Technical Officer: W. J. Moloughney	5909

CANADIAN GOVERNMENT EXHIBITION COMMISSION

479 Bank St.

<i>Director:</i> Glen Bannerman	3558
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EXPORT CREDITS INSURANCE CORPORATION

Birks Bldg., 107 Sparks St.

<i>General Manager:</i> H. T. Aitken	2-4828
Chief Credit Officer: A. W. Thomas	2-4828
Secretary: T. Chase-Casgrain	2-4828

DOMINION BUREAU OF STATISTICS

Parkdale Ave.

<i>Dominion Statistician:</i> Herbert Marshall	6371-2529
Assistant Dominion Statistician: J. T. Marshall	7695
Agriculture Division	
Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	5933
Information Services Division	7544
Canada Year Book and Canada Hand Book	
Director: J. E. Robbins	
Health and Welfare Division	
Director: F. F. Harris	6651
Industry and Merchandising Division	
Director: W. H. Losee	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Public Finance and Transportation Division	
Director: J. H. Lowther	5396
Research and Development Division	
Director: S. A. Goldberg	3071
Special Surveys Division	
Director: A. B. McMorran	5570

STANDARDS BRANCH

West Block, Wellington St.

<i>Director:</i> R. W. MacLean	2132
Assistant Director (Electricity and Gas): E. F. Power	2956
Assistant Director (Weights and Measures): C. S. Phillips	2000
Assistant Director (Precious Metals Markings): W. L. Berry	7075

INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION ("COLOMBO PLAN")

No. 4. Building, Lyon St.

<i>Administrator:</i> Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Technical Co-operation Service	
Chief: J. A. Macdonald	5542
Assistant Chief: J. T. Hobart	8662

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 1.0056.

Country	Unit	Type of Exchange	Canadian dollar equiv. July 2	Notes (See below)
Argentina	Peso	Preferential buying	.1326	(1)
		Basic buying	.1989	
		Preferential selling	.1989	
		Basic selling	.1326	
		Free	.07158	
Austria	Schilling		.03825	
Australia	Pound		2.2390	
Belgium-Luxembourg & Belgian Dependencies	Franc		.01990	
			.00523	
Bolivia	Boliviano	Official	.5831	(3)
British West Indies	Dollar		2.7987	(4)
			.6997	
Brazil	Cruzeiro	Brit. Honduras	.05375	tax 8% (2)
		Official	.02247	
		Free	.2099	
Burma	Kyat		.2099	
Ceylon	Rupee		.03202	(1)
Chile	Peso	Official	.01655	(1)
		Commercial	.00904	
		Free Banking	.3977	
		Basic	.4258	
Colombia	Peso	Coffee buying	.1771	tax 3% (2)
		Official	.1502	
Costa Rica	Colon	Free	.9944	(5)
Cuba	Peso		.1381	*May 15 tax 2%
Czechoslovakia	Koruna		.1440	
Denmark	Krone		.9944	
Dominican Republic	Peso		.06629	(6)
Ecuador	Sucre	Official	.05721	
Egypt	Pound	Free	2.8554	
			2.5214	
Fiji	Pound		.00432	
Finland	Markka		.00284	
France	Franc		.00568	
French Africa	Franc		.01562	
French Pacific	Franc		.2368	
Germany	D Mark		.000033	
Greece	Drachma		.9944	
Guatemala	Quetzal		.1989	
Haiti	Gourde		.4972	
Honduras	Lempira		.1644	*June 19
Hong Kong	Dollar	Free	.06106	
Iceland	Krona	Official	.04704	
		Special buying	.03807	
		Special selling	.2099	
India	Rupee		.08723	(7)
Indonesia	Rupiah	Basic	.00188	*May 15
		Dollar certificate		

* Latest available quotation date.