



foreign trade

VOL. 14

OTTAWA, AUGUST 29, 1953

NO. 348

| | |
|--|----|
| Denmark Alters Its Trading Pattern | 2 |
| Softwoods in the South | 5 |
| The Customs Simplification Act | 6 |
| France Produces More Power | 8 |
| Businessman's Bookshelf | 10 |
| Beirut and Its Commerce | 12 |
| Commodity Notes | |
| Australia, Brazil, Japan, Mexico | 15 |
| New Zealand, South Africa, United Kingdom, United States, West Germany | 16 |
| Business in the Belgian Congo | 17 |
| General Notes | |
| Brazil, Chile, France, Netherlands | 20 |
| Nyasaland, South Africa, United States, West Germany | 21 |
| Mexico: The Market for Pharmaceuticals | 22 |
| Trade Commissioners on Tour | 24 |
| Trade and Tariff Regulations | 26 |
| Foreign Exchange Rates | 28 |

COVER . . . This cheerful-looking Dane, on his way to work, is becoming more typical of the Danish economy. Once a nation of farmers, manufacturing is making headway and industrial exports are figuring more largely in Danish export trade. (See story on page two.)

—Photo courtesy Royal Danish Legation.

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

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

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade."

Denmark Alters Its Trading Pattern

The past fifteen years have seen the export emphasis change from agricultural to manufactured products, and Danish goods going to a wider range of foreign markets.

OSLO—At the beginning of this century, agricultural products in their primary state accounted for about 90 per cent of total Danish exports and up to 1914, practically all exports went to two foreign markets—the United Kingdom and Germany. Today the position is vastly changed. The United Kingdom and Germany remain Denmark's most important customers but they absorb only about half of total exports. Moreover, Danish exports of agricultural produce now represent only 60 per cent of the total (instead of the former 90 per cent) and the remaining 40 per cent consists of the products of manufacturing industries.

Emphasis on Quality

This change is all the more remarkable because the country possesses hardly any raw materials. Its manufactured products are based on coal, oil, iron, steel and other metals, raw textiles and so on, all of which have to be imported. Moreover, as a small country, both in size (17,110 square miles) and population (4.2 million), Denmark must exchange many goods with foreign countries, if its industries are to produce on a scale to compete with foreign manufacturers for whose products there is a large domestic market.

Despite these handicaps, by placing the emphasis—both in agriculture and in manufacturing industries—on highly finished and quality products, the Danes, with their technical skill and commercial enterprise, have succeeded in spreading their export trade over an ever-widening range of goods. These in turn are finding their way into an increasing number of foreign markets. Supporting this policy is the Danish merchant fleet, which plays an important role as an earner of foreign exchange.

From Agriculture to Industry

The development of industrial as opposed to agricultural exports in recent years reflects the steadily increasing industrialization of the Danish economy. Increased use of machinery and greater efficiency in the agricultural industries have stepped up their productive capacity and have also diverted labour from agriculture to other forms of activity. Before World War I, Denmark was a typical farming country. Today industry and trade employ more people than farming does.

The following table compares exports of industrial products for 1938 with 1952 and shows clearly the change which has taken place over the last 15 years.

EXPORT OF INDUSTRIAL PRODUCTS

(in million kroner)

| | 1938 | 1952 |
|--|--------------|----------------|
| Machinery, equipment, locomotives | 59.2 | 444.7 |
| Canned meat | 16.0 | 229.0 |
| Miscellaneous iron and metal products | 25.1 | 188.8 |
| Condensed milk, milk powder | 13.1 | 149.6 |
| Ships, new (including wooden ships) | 69.1 | 127.0 |
| Electrical appliances, cables, batteries, radios, etc. | 11.1 | 125.7 |
| Sugar, molasses | 3.7 | 84.7 |
| Medicinal and pharmaceutical products | 9.1 | 59.6 |
| Animal and vegetable oils and fats | 44.8 | 59.5 |
| Cement | 5.6 | 49.6 |
| Beer, liquor, beverages | 4.8 | 49.0 |
| Ships (not new) | 5.2 | 44.8 |
| Chocolate, confectionery, sugar products | 0.4 | 42.6 |
| Dry goods (other) | 5.4 | 40.7 |
| Malt | 2.3 | 35.7 |
| Clothing, footwear, gloves, hats | 3.8 | 35.4 |
| Wood, wood products | 7.0 | 34.6 |
| Paints, lacquers, soap, perfumes | 5.2 | 30.1 |
| Flour, oats, biscuits, prepared cereals | 2.7 | 25.2 |
| Automobiles, vehicles, bicycles | 31.7 | 22.7 |
| Cordage, fishing nets, rubber and balata belting | 1.3 | 21.5 |
| Fish preparations | 0.6 | 21.3 |
| Blood albumen, casein | 0.9 | 10.6 |
| China, faience | 1.6 | 10.0 |
| Silver-, gold- and electroplate | 3.9 | 8.8 |
| Knitting wool, woollen yarns | 1.0 | 6.9 |
| Rubber footwear, rubber articles | 0.5 | 5.3 |
| All other industrial products | 48.5 | 224.0 |
| Total | 383.6 | 2,187.4 |

Detailed statistics for 1952 showing destination of exports are not yet available, but a study of the figures for 1951 shows that Danish industrial exports, which were valued at 2,250 million kroner, were widely distributed. Sales were made not only to neighbouring European countries but also to far distant markets in North and South America, the Far East and the Antipodes, as the summary below indicates.



This elderly farm woman, wife of a smallholder in central Jutland, Denmark, is pumping water for household use. Time was when the farms provided 90 per cent of Denmark's exports but the trend is changing.

INDUSTRIAL EXPORTS—1951

| Destinations (Europe) | Value (million kroner) |
|---|------------------------|
| United Kingdom | 490·0 |
| Sweden | 228·4 |
| Norway | 219·3 |
| Finland | 176·5 |
| Poland | 96·4 |
| Western Germany | 92·4 |
| France | 85·9 |
| Netherlands | 49·9 |
| Spain | 27·7 |
| Belgium-Luxembourg | 25·0 |
| All other European countries | 150·0 |
| | 1,641·5 |
| Destinations (All Other Areas) | |
| Greenland and Faroe Islands | 67·3 |
| United States | 78·2 |
| Rest of North and South America | 215·6 |
| Asia (including Burma, India, Pakistan, Siam, Indonesia, Indo-China, British Malaya and other British dependencies) | 148·5 |
| Africa (including French North Africa, Congo, British East and West African Territories, Union of South Africa and Egypt) | 84·7 |
| Australia | 14·8 |
| | 2,250·6 |

Processed foodstuffs, technical equipment (including diesel engines, dairy machinery and machine tools) electrical appliances, vegetable and animal oils, and medicinal products are among the most important exports to Denmark's best foreign customer, the United Kingdom. Fifty per cent of exports to the Scandinavian countries—Norway, Sweden, Finland and Iceland—represent machinery, semi-manufactured metal goods and transportation equipment. The Danish metal industries provide about 70 per cent of industrial exports to France, Belgium, Luxembourg and the Netherlands, although these markets also take substantial quantities of beer, medicinal products, and paints and lacquers. Trade with Portugal, Spain and Italy follows a similar pattern.

The most important items shipped to the United States are processed foods, liquors and beverages, technical equipment, fine textiles, furniture and handicrafts. Exports to Canada are somewhat similar; the foodstuffs group predominates among exports to the Latin American markets.

Capital goods, such as machinery and technical equipment, are outstanding among Danish exports to the countries of the Far East, many of which are striving to industrialize their economies. Trade with the British, French and Belgian territories in Africa is largely confined to such consumer goods as canned foods, beverages and medicinal products.

Two Outstanding Features

This brief summary is intended to point up two important features of Danish industrial export trade as it flows today—its wide variety and its spread over a great number of both European and overseas markets. These two features are of great moment to the national economy because exports of farm products, which constitute 60 per cent of total exports, are concentrated on a few main items such as butter, bacon, eggs and cheese and go largely to a single market—the United Kingdom. The range of Danish industrial products and their wide distribution offsets this dependence and should act as a stabilizing influence when the British market for Danish farm produce is depressed.

Possibilities for the future development of industrial exports and for further industrialization are comparatively favourable, but there is a cloud on the horizon. Denmark, like Canada, is largely dependent upon a flourishing foreign trade. She is traditionally a free trade country and her tariffs are the lowest in the world today. At international tariff conferences since the war, Danish delegations have consistently advocated the view that tariffs should be stabilized at the lowest possible level and that customs procedures should be simplified. She has pursued during recent years a policy of trade liberalization which has opened her home market to foreign competition. It is therefore easy to see why she views with misgiving the maintenance in some countries of tariffs which Danish exporters find extremely high if not prohibitive.

—J. L. MUTTER

Commercial Secretary for Canada

Softwoods in the South

NEW ORLEANS—Statistics for the first six months of 1953 show that production, shipments and orders in United States softwoods were well sustained in comparison with 1952. Building interest was strong in most areas, except the Southern and certain Central Atlantic States.

The persistent reports that building interest is slackening in the South led this office to make a quick check on what is happening among leading lumber wholesalers in the South who deal in Northwest and Canadian softwoods.

These wholesalers report an easing in prices compared with last year and most of them say that the general volume of business is tending to decline. Competition is keener. It is surprising, however, that these same wholesalers report an increasing demand for Douglas fir dimension stock. As one firm puts it, the demand has tended to increase over the years and is continuing to do so.

On the other hand, the situation in the less widely known hemlock and western white spruce is confused. Hemlock sales appear to be continuing on a modest scale; sales of western white spruce are few. There is some demand for cedar.

Most firms spoke highly of their dealings with Canadian firms. In one case, however, it was pointed out that lumber, like any other merchandise, must be sold up to grade and be well packaged (i.e., properly loaded on the cars so that it will not shift in transit) if sales are to increase.

There is some suggestion that the keener competition in the United States market will lead to a demand for a greater percentage of kiln dried lumber.

—G. A. NEWMAN

Consul of Canada and Trade Commissioner

United States

The Customs Simplification Act

Businessmen here have a keen interest in this bill to simplify customs procedures, which will take effect on September 8. Our Washington office explains the sections which will be of greatest interest to Canadians.

WASHINGTON—The President of the United States approved on August 8, HR 5877, a bill to amend certain administrative provisions of the Tariff Act of 1930. The bill is intended to eliminate some unnecessary annoyances and inequities which have troubled both the U.S. Customs and firms in the export-import business and will save time, money, and complications in the administration of U.S. Customs laws.

Of the bill's 25 sections modernizing procedures which have remained essentially unchanged since 1938, those of chief interest to Canadian business are summarized below:

- *Section 2.—Repeal of obsolete accounting provisions*—Liquidation of duties was formerly not possible until the Comptroller of Customs had verified the duty assessment. At individual ports of entry, this not infrequently delayed for some time the final closing of an account for the payment of duties. The requiring of this Comptroller's verification on all dutiable entries, whether or not money was involved, is now repealed and a selective examination system is to be installed.

- *Section 3.—Effective dates of rates of duty*—Goods moving through Customs occasionally are subject, because of trade agreements, Congressional action and Customs Court decisions, to changes in rates of duty. In the past there has been considerable litigation over whether and when such goods were affected by the new rate, the determining factor being the time of entry.

The new amendment now specifies that goods are "entered" when consumption entry or withdrawal documents and estimated duties have been deposited in accordance with regulations.

For merchandise in bond, the duty rate is that in effect when the entry for immediate transportation is accepted by the collector at the port of importation.

- *Section 4.—Marking*—Requirements for special marking with the name of maker and country of origin of a long list of goods are eliminated. These goods include knives and forks, scissors, and surgical and scientific instruments.

- *Section 5.—Procedure for customs examination of certain commodities*—That part of the Act which required specific locations and

methods for the sampling and analysis of lead and zinc-bearing ores, which could mean unwarranted inconvenience and expense to importers, is repealed.

- *Section 8.—Free entry provisions for travellers*—The previous free-entry provision, under paragraph 1798, good for six months, for import of automobiles, trailers, aircraft, etc., and similar instruments of transportation is extended to one year.

- *Section 10.—Temporary free entry for samples and other articles under bond*—Section 308, providing for the temporary free entry of certain enumerated articles under bond for re-export within six months, is amended to provide for an original bond for one year, which can be extended to three years.

Section 308(4), providing for temporary free importation for experimental purposes, is expanded to include blueprints, plans, specifications and other similar articles.

Section 308(7), providing for the temporary free entry of containers for compressed gases, is expanded to include containers and other articles such as reels, etc., when used to cover or hold merchandise during transportation and which are suitable for re-use for that purpose. The value of such container would not be included in the determination of the value of its contents under Section 402.

Animals and poultry for prize competition, exhibition or breeding purposes and usual equipment therefor; theatrical effects and works of art; philosophical and scientific apparatus for use in exhibition and in illustration, promotion, and encouragement of art, science, and industry, are granted the longer bonded free entry under Section 308.

- *Section 11.—Supplies and equipment for vessels and aircraft*—The exemption from duty and internal revenue taxes now available for supplies used in the maintenance and repair of aircraft is extended to foreign ships.

- *Section 13.—Administrative exemptions*—Articles not over \$10 in value sent as bona fide gifts to persons inside the United States may be permitted free entry.

- *Section 16.—Certified invoices and entry of merchandise*—The period for filing entry documents for imported merchandise is extended from 48 hours to five days, exclusive of Sundays and holidays, after arrival of the importing vessel or vehicle.

This section gives authority to the Secretary of the Treasury to revise the present mandatory requirement for certified (consular) invoices, and to require them only where they serve a useful purpose and, if feasible, to eliminate them entirely. After due study it is expected that the Bureau of Customs will issue new regulations on requirements for certified invoices.

The \$100 limit for informal entry (i.e., not requiring a certified invoice) is raised to \$250.

- *Section 18.—Amendment of entries*—Penalties for technical under-valuation of merchandise by the importer are eliminated. Technical under-valuation refers to the submission by an importer of a value for his merchandise, with no intent to defraud, that turns out to be lower than the value fixed by the customs appraiser.

Similarly, should the appraiser now fix a value for duty purposes on goods lower than that entered for them by the importer, the importer is no longer bound to pay duties on his entered—and higher—value.

Formerly, if the importer fixed too low a figure an under-valuation penalty was levied. But if, to be on the safe side, he fixed the value too high, he could not benefit from the final appraisalment.

• *Section 20.—Correction of errors and mistakes*—Importers are now authorized under certain conditions to correct clerical errors in their entries.

The complete text of H.R. 5877 as passed by Congress and enacted as Public Law 243, explaining the intent of the amendments and showing the changes thus made in the text of the Tariff Act, is given in Senate Report No. 632, 83rd Congress, 1st Session, dated July 24. Copies may be obtained from the Commercial Counsellor, Canadian Embassy, Washington. Amendments will take effect thirty days after signing, i.e., September 8, 1953.

—G. A. BROWNE
Commercial Secretary for Canada

France Produces More Power

PARIS—The production of electrical energy in France during 1952, at 40·8 billion kwh., was over 6 per cent higher than during the previous year, and 67 per cent more than the power output of 1946, the first post-war year. Of this, 22·45 billion kwh. was produced from hydro-electric stations and 18·35 billion from thermal generators. This compares with Canadian production of 56·5 billion kwh.

Hydro-Electric Power

The development of waterpower resources which has been taking place since the war continued during 1952, when 17 new power plants came into operation. Installed capacity at the end of the year totalled about 25 billion kwh., or 182 per cent of the 1946 capacity. The distribution of the new plants is as follows:

New Hydro-Electric Power Stations, 1952

| Area | No. of stations | Capacity (000 kwh.) | Average annual production capacity (million kwh.) |
|----------------------|-----------------|---------------------|---|
| Rhine Valley | 1 | 72·0 | 500 |
| Alps | 4 | 144·0 | 612 |
| Pyrenees | 3 | 39·9 | 122 |
| Massif Central | 7 | 329·0 | 744 |
| Rhône Valley | 2 | 163·0 | 1,180 |
| Total | 17 | 747·9 | 3,158 |

The storage capacity of water reservoirs for seasonal production was also increased during the year to give additional water reserves capable of producing 2·8 billion kwh., 46 per cent over previous storage capacity.

The capacity of the thermal power stations is also being stepped up and, at the end of 1952, the total installed capacity amounted to 7·1 million kilowatts, compared with 6·6 million a year earlier. The industry not only installed eleven new thermal generating plants during 1952 but is making continuing efforts to use unsaleable grades of coal from the mines and waste gases from the iron and steel industry. These policies resulted in a reduction of 4 per cent in the use of merchantable coal in 1952, in spite of a higher electrical production.

French Thermal Power Stations Put into Service in 1952

| Area | No. of stations | Capacity (000 kwh.) |
|----------------------|-----------------|---------------------|
| North | 2 | 160·0 |
| East | 4 | 180·0 |
| West | 2 | 69·5 |
| Paris Region | 1 | 38·0 |
| Central France | 2 | 35·0 |
| Total | 11 | 482·5 |

The household use of electric power has not progressed nearly as far in France as in North America, partly because of the relatively higher cost of the current and of domestic appliances. In fact, households consume 100 kwh. per person a year. Over 70 per cent of the power produced is used by industry, according to the following table:

Utilization of Electric Power, 1952

| | | |
|--|----|-----|
| Industry | 9 | |
| Chemical, mines metallurgical industries | 15 | |
| Ferrous industries | 9 | |
| Transportation | 5 | |
| Other | 33 | |
| | — | 71 |
| Domestic | | 29 |
| | | 100 |

Long-Term Development

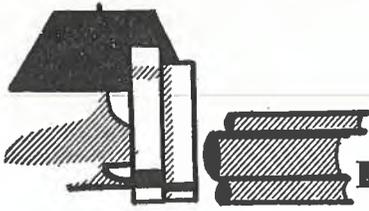
When most electric power producing and distributing companies were nationalized in 1946 and grouped into "l'Electricite de France", the new company was faced with ever-increasing demands for power—which almost doubled during the next six years. A long-term plan of expansion of both hydro-electric and thermal generating capacities was instituted, financed partly by the State in the form of loans from the "Modernization and Equipment Funds" (Monnet Plan), in part by public borrowing, and to a very small degree by re-investment of profits. From 1946 to 1952, the consumption of electricity increased from 24·4 billion to 40·8 billion kwh.

Among the more colourful works undertaken was the electrification of the Rhone River valley which, when finished, will furnish 14 billion kwh.; the construction of an underground, bombproof thermal generating station at Brest, and the installation at Herserange (Moselle) of a plant which uses waste gases from 17 blast furnaces.

Since early 1950, production has kept pace with a mounting demand. It thus seems probable that, with the continuing electrification of industry and of rural areas, and an expected increase in individual consumption, continued expansion of French generating equipment will be necessary.

—J. H. STONE

Assistant Commercial Secretary for Canada



Businessman's Bookshelf

Manual of the Textile Industry, 1953

By Canadian Textile Journal, 278 pages. \$2.00.

IN ADDITION TO THE CUSTOMARY SURVEY of the textile industry in 1952, this 25th anniversary edition of the *Manual* carries an interesting analysis of the growth of the Canadian market for textiles in the past quarter century. Other special features include a study of modern merchandising as applied to textiles, and a discussion of textile mill labour problems in the current year.

Order from: Canadian Textile Journal, 223 Victoria Ave., Montreal, Quebec.

Review of Foreign Trade, 1952

International Trade Division, Dominion Bureau of Statistics. 89 pages. 75 cents.

THE GENERAL READER who feels the need for expert interpretation of Canadian trade statistics should find this semi-annual series invaluable. Part one discusses the leading trade developments in 1953; analyzes trade with the United States, the United Kingdom, and the ten other leading countries in Canadian trade; dissects the statistics by principal trading areas, and examines the structure of our trade. Part two presents detailed statistical tables.

Order from: Dominion Bureau of Statistics, Ottawa, Ontario.

Aluminium Panorama

By Aluminium Limited. 126 pages. Free.

WHEN ALUMINIUM LIMITED was formed in Canada in 1928, the world was producing only 250 thousand tons of this metal. Today, production in the free world alone has reached over 1.7 million tons. The story of Aluminium Ltd.'s part in this spectacular growth is told in this handsome publication put out to mark the company's 25th anniversary.

Successive chapters tell how and where the raw materials are gathered; how the power is generated to transform those materials into the primary metal; how pigs, ingots or billets are shaped into literally

thousands of products; how the marketing is carried on. More than 40,000 people in 20 countries are today associated with this Canadian company—and they have their part in this story of a far-reaching business.

Limited number of copies available to interested readers who write to Aluminium Limited, P.O. Box 6090, Montreal, Quebec.

Canadian Trade Index, 1953

Canadian Manufacturers' Association. 1,170 pages. \$7.50.

SINCE THE TURN OF THE CENTURY, this index to Canadian manufacturers and their products has made its annual appearance, and it has never failed to keep in step with the times. This edition, for example, carries a new section which reviews the great industrial growth in Canada in the past few years. The 10,000 manufacturers included in the Index are both listed by company name and classified under products—and a star distinguishes those engaged in or anxious to develop export trade. A special export section gives useful information on export aids and procedures. The regular edition includes a French cross-reference index to the directory of products, and a limited edition has Spanish and Portuguese indexes.

Order from: Canadian Manufacturers' Association, 67 Yonge Street, Toronto, Ontario.

Colombia: a General Survey

By W. O. Galbraith. Royal Institute of International Affairs. 136 pages. 13 shillings.

TO REVIEW IN ONLY 136 PAGES not only the economic features of a country but also its history, geography, political organization and culture presents something of a problem. Mr. Galbraith has succeeded admirably in his study of Colombia, aided by his four years' experience as BBC representative for Colombia, Ecuador and Venezuela.

In the last 50 years Colombia has made notable progress, in the face of difficult terrain, lack of capital, health problems, and the innate conservatism of certain elements. Dealing with economic problems, Mr. Galbraith has drawn heavily on the report of the International Bank Mission of 1950, which set forth a blueprint for future progress. Canadians will find some parallels to their own earlier development, such as the use of air transport in opening up the hinterland and the role of foreign capital in financing large projects.

In brief compass, the book gives a broad picture of this republic of 13 million people, neither minimizing its present difficulties nor overlooking the possibilities for future growth. The trader, visitor, investor, or student of Latin American affairs should find it valuable.

Order from : Oxford University Press, 480 University Ave., Toronto.

Beirut and Its Commerce

Canadian businessmen interested in trading with Middle Eastern countries would be well advised to keep in mind Beirut as a distribution, storage and processing entrepôt.

BEIRUT—The Lebanese, descendants of the famous Phoenicians, have been world traders for centuries and today this tradition of international commerce is being vigorously upheld by the merchant traders of Beirut. Lebanon, because of its geographical position, has always served as a link between East and West. It is today the most westernized of all Arab nations. The country's natural resources are limited and its energetic and gifted people have consequently turned to the sea and to trade for their livelihood. At the present time, Lebanon is one of the few countries with a minimum of trading restrictions and a completely free exchange. Currencies of all nations may be freely bought and sold while an international "zone franche" facilitates transit trade. International traders in recent years have been turning to Beirut in their efforts to capture new markets in the Middle East.

The Port of Beirut

The Port of Beirut is under the exclusive control of a private French company, La Compagnie du Port de Beyrouth, which obtained a charter in 1890 giving it sole rights to develop and exploit a deep water harbour. This charter does not expire until 1990 and has from time to time been renegotiated with the Lebanese Government, which now receives a percentage of all revenues. Today the port comprises 100 thousand square metres of warehouses and 60 thousand square metres of docks and uncovered storage areas. The port has been deepened to receive sea-going vessels up to 30-foot draft and is equipped with modern unloading and conveying machinery.

Trading Centre

Located within the port area and enjoying all facilities is the international "zone franche" or free zone. This free zone is the seat of Beirut's entrepôt trade. It has expanded greatly since the war and now occupies 100 thousand square metres of the total port area. Goods delivered to the zone are not subject to customs duties and may be trans-shipped at will. Storage charges are not levied for the first week and after that time they are moderate. A network of railways and trucking routes connects the zone with Lebanon, Syria, Jordan, Iraq and Iran; some 80 steamship companies operate regular schedules, with frequent services to points in the Mediterranean and Middle East. Some 323,794 tons of merchandise passed through the free zone in 1952, the bulk of it handled by merchant traders who maintain their own warehouses within the zone.

The free zone can serve a useful purpose in providing a convenient trans-shipping point for exporters shipping to Middle Eastern countries which do not have regular connections with Canadian or American ports. In addition, the zone is used daily as a place where large consignments of merchandise can be sub-divided and dispatched to buyers in a number of countries. Frequently this enables an exporter to secure a more favourable freight rate on the long ocean haul. Thus, for example, a Canadian exporter who has orders from buyers in Lebanon, Syria, Cyprus, Turkey and Jordan may find it to his advantage to consign all of these shipments to the free zone in Beirut for subsequent trans-shipment by rail, truck or ship as preferred. The free money market is naturally an added advantage.

Advantages of the Free Zone

Many European exporters are also using the free zone to maintain stocks of merchandise which can be dispatched at short notice to their agents in neighbouring countries. This practice is particularly popular in the consumer durable lines and for luxury goods such as liquors and wines. It enables exporters to see that their products are always before buyers and is of great assistance to local agents who must pay interest charges on commercial loans for inventory which are, by Canadian standards, exorbitant.

Canadian buyers and tourists visiting Lebanon will also find the zone of interest. An attractive bazaar displays the products of many Arab nations and beautiful Oriental rugs may be purchased at the world's



From the East Mountains, Beirut and its beautiful harbour stretch into the distance. Long a rendezvous for traders, this Lebanese port contains a free zone, covering some 100 thousand square metres.

lowest prices. Merchandise purchased in the zone does not bear customs duties and can, if required, be consigned in bond to the ship on which one is travelling.

Processing and Packaging Centre

For some time the Port Company has been encouraging foreign businessmen to undertake processing, packaging and treating operations in the free zone. The company is prepared to rent buildings or to lease land on which plants can be built to specifications. Electricity, fuel, water, labour, transportation are all available at prevailing prices in Beirut and imported materials and machinery are not, of course, subject to customs duties. At present over 80 businessmen maintain premises in the zone for such purposes. Noteworthy among these is a large American pharmaceutical exporter who ships his products in bulk from New York and then packages and labels in the zone for his agents in all Arab countries. This enables him to reduce shipping costs and has the advantage that his products are labelled in Arabic. A certain amount of goodwill is also gained through his use of local labour.

Regulations

A number of reputable brokers maintain offices in the free zone and can be relied upon to attend to the proper storage and forwarding of merchandise. Goods should be marked simply "Beirut Zone Franche". Details of storage and other regulations are available from the Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

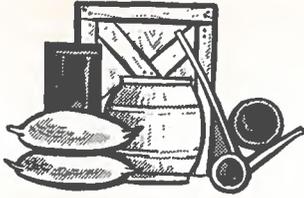
—ANDREW G. KNEWASSER

Acting Canadian Government Trade Commissioner

Data for Exporters

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



Commodity Notes

AUSTRALIA

Oil—Construction of the £40-£50 million oil refinery at Kwinana, near Fremantle, Western Australia, is showing spectacular progress, it is reported. Australasian Petroleum Refinery Ltd., which is building the refinery, has already spent £1.6 million on the project.

One of the big jobs about to be undertaken is the building of the first permanent jetty capable of berthing the world's largest tankers, bringing crude oil to the site from the Persian Gulf. The jetty will have a shore arm 1,000 ft. long and a sea arm 1,700 ft. long. It will be built of concrete and steel and will provide three tanker berths with a depth of 40 ft. along the sea arm. Work on the foundations of the main refinery is also well under way. Although the vast dredging program in Cockatoo Sound has been delayed by recent squally weather, it is still ahead of schedule—Melbourne, Aug. 3.

BRAZIL

Pinewood—The new exchange regulations which permit pinewood exporters to negotiate 30 per cent of their export bills in the free exchange market have stimulated the Curitiba pinewood market to resume exports. Negotiations have been closed with Great Britain, Australia and South Africa on the basis of £75 per standard, f.o.b. Paranaqua, and with Germany on the basis of U.S. \$105 per 1,000 square feet—São Paulo, Aug. 10.

JAPAN

Powdered Silk—Under a new patented process, a Japanese firm is producing powdered silk which, it is said, can be blended into face powders, creams, and lipsticks. The atomized silk powder is white with the lustre of silk, is 90 per cent silk protein, has a moisture content of 9 per cent, ash 0.5 per cent and, with an apparent specific gravity of 0.204, will pass a 250-300 mesh—Tokyo, Aug. 5.

MEXICO

Coffee—The Mexican coffee crop will be much greater than was anticipated and up to 1,250,000 bags may be available for export, the National Coffee Commission reports. The current crop, October 1952, previously estimated at 1,180,000 bags, was calculated by the Commission at 1,595,450 bags—Mexico City, Aug. 15.

NEW ZEALAND

Motor Vehicles—Motor vehicle imports were a record in 1952, at nearly 50 thousand units valued at over £18·5 million. Because of exchange restrictions, practically all came from soft currency countries—Wellington, Aug. 4.

SOUTH AFRICA

Minerals—Statistics on mineral sales this year disclose an irregular trend. Sales of copper and tin, and of manganese and iron ores, for the first two months of the year exceeded corresponding figures for 1952; but coal, asbestos (all types) and chrome ore sales have fallen. On balance, however, the value of minerals sold in January and February was higher than a year ago—£8,122,000 compared with £7,349,374. The Department of Mines' statistics for January and February show a big increase in value and volume of copper, manganese ore and iron ore sold, and a sharp decline in chrysotile asbestos sales—Johannesburg, Aug. 8.

UNITED KINGDOM

Titanium—The Ministry of Materials has made arrangements by which a United Kingdom chemical company will erect a plant to produce 1,500 tons of sponge titanium a year. Capacity will also be installed for converting the metal into ingot form. Production is expected to begin in two years' time. Three-quarters of the output over the first four years will be bought by the Ministry if the metal is not otherwise sold. The price will be equivalent to the current world price at the time of purchase—London, Aug. 19.

UNITED STATES

Glass Paper—Papers made of extremely fine glass fibres are proving useful in a variety of industrial specialty applications. The incombustible, inorganic papers filter hot and corrosive air, gases, and liquids and are being used as base sheets in electrical laminates, as gasking material, and as plate separators in aircraft and other special batteries. The fibre glass is being sold by the producer in wool form to paper companies which process the fibres and manufacture the finished paper product to customers' specifications—Chicago, Aug. 22.

WEST GERMANY

Coal—German coal production in 1953 is expected to amount to 125 million tons, compared with 123·3 million tons in 1952. Imports of American coal, if continued at the rate of January-March 1953, are likely to total five million tons in 1953, almost one million less than in 1952. This decrease shows the present trend in Germany towards becoming independent of dollar sources of coal.

German industrial production is still expanding and demand for coal will increase; it is expected to be met, however, by increased domestic production and larger imports from European countries—Bonn, Aug. 17.

Business in the Belgian Congo

Although lower prices for and exports of agricultural produce pose a problem, conditions in the Colony are generally good. Prices received for copper exports will largely determine extent of Congo purchases abroad.

LEOPOLDVILLE—Business in the Belgian Congo is generally good, in contrast to the troubles of its neighbour to the west, French Equatorial Africa, where undue reliance on agriculture has brought on a depression. Even in the Congo, however, nearly all the agricultural exports have declined. The eastern part has been especially hard hit and there have been numerous failures, particularly in Bukavu (formerly called Costermansville).

Before the decline in world prices for agricultural products began, the Belgian Congo authorities levied substantial export taxes with which they built up large reserves with an eye to possible lean years. These export taxes on agricultural products have in recent months been greatly reduced on the most hard-pressed agricultural items. Even so, agriculture is finding it heavy going.

Export Prices Fall

It is possible to exaggerate the present difficulties. Certainly until recently the price of palm oil, a major export, was abnormally high in relation to the cost of production. Nevertheless, sharp declines in the price of this and of nearly all other agricultural products in recent months are causing concern. In some less important products—such as pyrethrum, quinine and copal—the fall in price seems to reflect the impact of synthetics and the end of an era. The authorities are not particularly unhappy about the sad state of the copal market because production requires the use of labour under most unpleasant conditions.

Copper the Mainstay

The mainstay of the economy is mineral production, particularly copper, which alone accounted for nearly one-third of the total value of all exports from the Congo in 1952. Belgian Congo copper exports (which are nearly synonymous with production) amounted to about four-fifths of the Canadian output. Production of manganese ore got under way on a fairly large scale last year and the value of exports trebled compared with two years ago.

The poor position of agriculture has given the Government an opportunity to begin heavy expenditures under the Ten-Year Plan, particularly on roadbuilding.

Until recently, times have been so good that a labour shortage developed and made it difficult for the Government to carry out its impressive plans. Another impediment was the shortage of housing both

for natives and Europeans, which made it difficult to concentrate labour where it was needed and inadvisable to introduce many more Europeans into the colony.

This is an opportune time to begin the large-scale projects under the Ten-Year Plan because they will help to cushion the economy and represent a type of "pump-priming". It is estimated that the reserves accumulated by the Government over the years could finance the planned public works for about three years, even if exports continue to fall.

Most of the serious transportation bottlenecks of about a year and a half ago have now been corrected. Matadi, the principal port, appears to be fairly normal. A direct steamship service with Canadian east coast ports was recently resumed on an infrequent but regular basis.

Local manufacturing industries are increasing rapidly but the cost of labour in relation to its productivity is high. This is partly the result of the Government's wage policy, but chiefly stems from inefficient labour. Many manufacturers, except of very heavy goods, are finding that they will need customs protection if they are to survive in the face of keen foreign competition. The large pulp manufacturing project planned, using tropical woods in the lower Congo below Matadi, has been set aside but plans continue for producing pulp from the vast reserves of papyrus northeast of Elizabethville.

Large-scale production of bituminous products, particularly for road-building, from the low-grade coal found in the colony is being studied.

Imports from Canada

As a market, the Congo still offers equal tariff treatment to all suppliers, including the mother country, and the supply of foreign currency is still adequate for any normal import requirements.

The value of Canadian exports to the colony rose by 37 per cent in 1952 according to Canadian figures, and according to the Congo figures was nearly double that for 1951. Notable increases were achieved in sales of Canadian powdered milk and canned sardines, but wheat flour lost ground during the year because of technical questions about registration of sales with the International Wheat Council. However, figures for the first few months of 1953 show that not only were these difficulties overcome, but Canada's position as a supplier of wheat flour was better than ever.

Nevertheless, the market in general is limited because the 15 million natives (including the mandated area of Ruanda-Urundi), although advancing economically, can still buy only a very restricted list of products.

The Congo as a Market

According to a recent United Nations survey of African territories south of the Sahara, the introduction of a money economy—that is, one where natives work either on salary or grow crops for cash sale—has progressed much farther in the Belgian Congo than anywhere else except the Gold Coast. This progress is the result of deliberate government policy and is remarkable because the Congo has been exposed to civiliza-

tion for a shorter time than the other territories. Already about 60 per cent of the Congo natives are receiving money for their labour. The percentage will increase and with it the market for imported products.

The white residents are large per capita consumers of imported merchandise, but they are so few in number, and so scattered about the country, that they do not constitute an important market. One factor restraining a rapid increase in white population, apart from government policy, is the lack of housing and one of the bright spots in the economic and import picture is the construction industry.

When war broke out in Korea, Congo importers began frantically to place orders and this contributed largely to the transport difficulties in 1951. The peace negotiations resulted in near-panic liquidation of stocks by merchants here.

A Look at the Future

The 1952 Congo import figures reflect the belated arrival of goods ordered considerably earlier. Thus, in value total Congo imports rose 31 per cent over 1951. Heavy material for the Ten-Year Plan also swelled the imports and produced an adverse trade balance for the first time in 22 years. Preliminary figures for the first two months of 1953 show that the balance has already corrected itself. Unfortunately for purposes of analysis, the Congo import statistical system was completely revised in mid-1952 and comparisons of imports of individual commodities with previous periods can rarely be made.

The prices received for copper will be the principal element in determining the future of the Belgian Congo as a market for foreign goods. Copper production methods in this country are being mechanized to a greater and greater degree, and it is probable that the Congo mines could withstand world price declines more easily than those in most other countries.

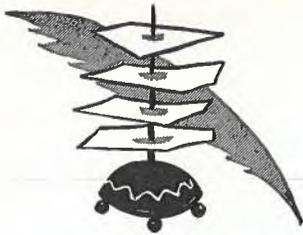
—W. GIBSON-SMITH

Canadian Government Trade Commissioner

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

Coffee Land—Representatives of a Sao Paulo Company visited Assunção, Paraguay, to conclude negotiations for the purchase of 250 thousand hectares of Paraguayan land along the southern border of the State of Mato Grosso for coffee cultivation. Experts consider this area, between the 21st and 23rd parallel, the last potential reserve of land for the cultivation of coffee in South America—São Paulo, Aug. 12.

CHILE

Aircraft Factory—A factory for the manufacture of training, tourist and cargo aircraft of up to two motors which may be built to use small landing grounds is to be established in Chile. In the first stage, the plant will produce gliders fitted with a small gas turbine for the instruction of pilots. It is presumed that the new installation will be constructed in the central workshops of the Chilean Air Force. The initial capital is given as US\$200 thousand—Santiago, Aug. 13.

FRANCE

Wind Tunnel—A new wind tunnel, said to be the largest in the world, has been constructed at Modane in the French Alps. This giant has a diameter of eight metres and is backed by 110 thousand h.p. Its originality lies in the fact that power is provided not by electrical current but by direct water action on the turbines. The new tunnel will permit testing of actual planes, such as the French military plane *Mystere*, whereas its predecessor was only an eighth of the size and could handle only models—Paris, Aug. 18.

NETHERLANDS

Catalyst Factory—The first factory on the European continent to produce catalysts for cracking oil was opened recently in the Netherlands. The plant, which started production ahead of schedule last January, has an output of 5,000 to 6,000 tons a year, and the company plans to double it next year. It is expected that 90 per cent of the output will be exported. Contracts for the sale of the whole first ten years' production have been concluded with Royal Dutch and Standard Oil for their refineries in Holland, France, Belgium and Germany—The Hague, Aug. 15.

NYASALAND

Hydro-Electric Project—The hydro-electric potential of Lake Nyasa and the Shire River, on the border between Nyasaland and Mozambique on Portuguese East Africa, is to be developed by a power corporation in which the British Government will be the majority shareholder. Power from the development, which will also help land reclamation and irrigation will be sold in bulk to the existing power concessionaires in Nyasaland and Mozambique—Cape Town, Aug. 4.

SOUTH AFRICA

Uranium Recovery—The third of the four uranium recovery plants beginning operations in 1953 was officially opened on June 30. The Harmony Gold Mining Company will open a similar recovery plant, at a cost of £3 to £4 million, in mid-1954. Sixteen additional mines are taking part in the uranium recovery project sponsored under the agreement of November 1950 between the South African Atomic Energy Board and the Governments of the United States and the United Kingdom—Cape Town, July 30.

UNITED STATES

Shoes—Continuing the fast pace set in 1952, the New England shoe industry produced 30.9 million pairs of shoes in January and February this year. This is an 8 per cent gain over a year ago and tops records for all other shoe-manufacturing areas. Maine manufacturers showed the greatest gain in the country—17.3 per cent. Massachusetts took first place, with 15.2 million pairs—Boston, Aug. 20.

Beetle Damage—Spruce bark beetles are doing serious forest damage near the Libby area in western Montana and northern Idaho. An estimated 800 thousand spruce trees (600 million board feet) have already been killed. Stumpage value of the threatened spruce in this area is estimated at \$50 million. The insect burrows under tree bark, so it is not affected by standard chemical spraying.

Projects under way for removal of infested timber are expected to cost \$1.8 million—Chicago, Aug. 21.

WEST GERMANY

Motor Vehicle Exports—During 1952, production of motor vehicles of all types amounted to 439,363 units, almost one-third of which were exported. Almost 80,000 passenger cars of a total of 100,336 units exported went to European markets, with Belgium ranking first (20,090), followed by Sweden (15,649) and Switzerland (11,746). About 9,700 passenger cars went to Africa and 6,807 to South America.

“Volkswagen”, the largest producer, recently reached an output of half a million and is turning out 700 units a day compared with 545 last year. Because terms of delivery still exceed five months, the daily output rate is expected to be increased by 100 units within ten months. It is announced that a VW assembly line will be established in Brazil—Bonn, Aug. 14.

Mexico

The Market for Pharmaceuticals

Canadian companies should be able to win a larger share of this \$100 million market. Here is sound advice on how to enter it profitably.

MEXICO, D.F.—Mexico offers an excellent market for pharmaceuticals; in 1952, the trade estimates, more than \$100 million worth was sold there. Imports of vitamins and antibiotics alone reached a value of 75 million pesos (8.65 pesos = U.S. \$1.00) in 1952. Canada's share of this market is still very small and could be considerably expanded.

Distribution

The pharmaceutical and proprietary medicine business in Mexico is better organized than almost any other and rests on a sound financial basis.

There are more than 100 drug wholesalers and through them, manufacturing laboratories and importers have at their disposal a sound group of distributors who supply approximately 15 thousand retail drug stores throughout the Republic. These drug wholesalers, generally speaking, have a sound financial standing and are good credit risks. Their sales staffs are well trained and can effect good distribution with a minimum number of accounts receivable.

Market Characteristics

The marketing of pharmaceuticals in Mexico is extremely competitive and every effort is made to serve the public at the lowest possible prices. It has become practically impossible to sell pharmaceuticals and proprietary medicines from abroad imported in retail packages, because of the high tariff on such imports. Practically all the more important companies, U.S. and European, conduct a local manufacturing operation and local processing and packaging is indispensable to success. The preferred method is to import essential ingredients, either processed or semi-processed, and set up a complete packaging and labelling operation, using local bottles, labels, cartons, etc. This effects substantial savings estimated at from 25 to 40 per cent over the import of finished products and the burden of import duties and taxes is reduced to a minimum.

A less satisfactory operation is to ship the finished product in bulk with the necessary containers, cartons and labels and have the retail packages made up locally. This method allows some savings in custom duties and expensive foreign labour.

The introduction of new lines of ethical preparations to the local doctors follows a well defined pattern. The foreign and Mexican laboratories have local staffs of technically trained detail men who devote their entire time to calling on the approximately 25 thousand doctors practising

in Mexico. The cost of supporting these promotion services is considerable, although it is much less than it would be in Canada. However the results are usually so good that the service is considered indispensable.

However, a Canadian pharmaceutical manufacturer entering this market may find it convenient to tie in with a local manufacturer who has a complete organization and in this way greatly reduce the expense of becoming established in the Mexican market.

Registration and Price Control

Each new product destined for sale in Mexico must be registered with the Health Department designated "Secretaria de Salubridad y Asistencia". When the registration is completed, a registration number will be assigned to the product and this must appear on each label and carton.

Foreign products submitted for registration must be accompanied by a notarized statement certifying the origin. The formula and pharmacological action of each component must also be furnished. Each registration carries a fee of 200 pesos or approximately \$23.00.

The retailing of pharmaceutical products in Mexico comes under the price control section of the "Secretaria de Economia". The section fixes a "Farmacia Price" based on a statement of cost (original invoice) including transportation and insurance, promotional expenses, duties, etc. It also requires a statement of price of a similar product in the same category already on the market. From this "Farmacia Price" the retail drug store is permitted a 20 per cent mark-up. The wholesalers are allowed a discount which may vary from 15 to 20 per cent of the "Farmacia Price". The tendency is towards generous credit terms in Mexico and the wholesaler and the retailer attempt to conduct their business on the manufacturer's money as much as possible; demand for credit up to 120 days is quite common. The wholesalers are slow to settle their accounts but credit losses are small and normally run less than half of one per cent.

The Mexican market certainly warrants close study by Canadian pharmaceutical manufacturers. Some firms have made mistakes in the past and lost money in promotional efforts that have not produced results and certain ones feel that the market is difficult and might better be left alone. However, the market for ethical and patent preparations is enormous and can be developed profitably. There is no substitute for on-the-spot market investigation by competent officials and the Canadian Embassy, Commercial Counsellor's office, will be pleased to assist with any inquiries.

—M. T. STEWART

Commercial Counsellor for Canada

W. D. Wallace, Commercial Secretary for Canada at Djakarta, Indonesia, expects to visit Palembang and Medan in Sumatra the latter part of September. Canadian firms interested in business in that area should send their inquiries to Mr. Wallace at the Canadian Embassy at Djakarta as soon as possible.



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.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, begins a tour of Canada in Ottawa, September 1-4. He will visit Montreal, September 21-25, and Toronto, October 19-24.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began the second part of his Canadian tour in Halifax, August 3-4. His tour will end in Vancouver, August 29 to September 4.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. His itinerary is:

Toronto—August 28-September 5
Windsor—September 8
London—September 9
Guelph—September 10
Kitchener—September 11

Hamilton—September 14
Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29

London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, begins a tour of Canada in Montreal, August 31-September 4. His itinerary is:

| | |
|------------------------------------|-----------------------------------|
| Montreal—August 31-September 4 | St. Catharines: Welland—October 2 |
| Vancouver: Victoria—September 8-11 | Windsor: Walkerville—October 5 |
| Edmonton—September 16 | Sarnia—October 6 |
| Winnipeg—September 18 | Kitchener—October 7 |
| Ottawa—September 21-22 | Preston: Brantford—October 8 |
| Toronto—September 24-30 | Guelph—October 9 |
| Hamilton—October 1 | Ottawa—October 12 |

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

| | |
|-------------------------------------|------------------------|
| Toronto—August 27-September 4 | Winnipeg—September 27 |
| Welland: St. Catharines—September 8 | Calgary—October 1 |
| Hamilton—September 9 | Edmonton—October 2 |
| Brantford: Guelph—September 10 | Vancouver—October 6-19 |
| Windsor—September 11 | Victoria—October 20 |

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 |

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

| | |
|-------------------------|--------------------------|
| Vancouver—September 1-3 | Saskatoon—September 10 |
| Calgary—September 8 | Winnipeg—September 11-12 |
| Edmonton—September 9 | |

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

| | |
|------------------------------------|-------------------------------|
| Vancouver: Victoria—September 9-16 | Ottawa—September 28-October 2 |
|------------------------------------|-------------------------------|

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

Businessmen may get in touch with these officers through the Board of Trade in Brantford, Guelph and Montreal; the Chamber of Commerce in Calgary, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston 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 and Vancouver (355 Burrard St.).



Trade and Tariff Regulations

BRAZIL

New Regulation Strengthens Cruzeiro—Action by the Brazilian Government to permit part of its revenue from the sale of coffee and other products to pass through the free market brought about an immediate strengthening of the cruzeiro. Operations, which had been 43 to 45 cruzeiros to the dollar a few days ago, dropped to 38 and financial sources predicted that the figure may go to 35. The government regulation permits the sale in the free market of that part of the revenue from the export sale of certain products which surpasses a fixed minimum. The minimum price fixed for coffee, for example, is \$68.00 per 60 kilo sack for Santos type, exported via any port except Paranaguá, while the actual selling price in the New York market is about \$80.00 per sack. This means the exporter has \$12.00 which he can sell on the free market, thus obtaining more cruzeiros for his money. The list also includes waxes, Brazil nuts, cocoa, hides, oranges, certain types of sisal and several other items—Rio de Janeiro, August 14.

NEW ZEALAND

Import Licensing Schedule, 1954—The Import Licensing Schedule which provides for the control of imports into New Zealand has just been released covering imports for the year 1954. Though certain additional items from the sterling area have now been decontrolled, there has been no change in the regulations affecting goods to be imported from the dollar area. As all imports from there require licences before the importation may be effected and before the necessary exchange for payment will be granted, licences for imports from the dollar area continue to carry with them the guarantee of dollar availability for payment.

One item of interest to Canada in the new schedule is that wood pulp, heretofore decontrolled as regards sterling area imports, is now back on the schedule as it is considered that the present primage duty of 3 per cent would not be sufficient to protect the newly founded pulp industry in New Zealand should overseas competition become at

all keen. It is a stated policy of the Government that the protection now afforded by the import licensing shall be supplanted at the earliest possible moment by adequate tariff protection—Wellington, Aug. 7.

UNITED STATES

Customs Declarations Regarding Wheat—The following statement by the United States Customs appears in *Weekly Treasury Decisions* of August 6, 1953, (T.D. 53309):

“Inquiries have been received by the Bureau of Customs regarding who may make a declaration for purposes of section 10.106, as added to the Customs Regulations of 1943 by T.D. 53249. Information has also been requested as to whether certain wheat products are products for human consumption within the meaning of that section.

“The declaration required by section 10.106 of the regulations may be made by the actual importer or by a nominal consignee having actual knowledge of the facts.

“The use of wheat in the manufacture of a product for human consumption within the meaning of section 10.106 of the regulations includes use in the manufacture of ethyl alcohol, monosodium glutamate, edible flour, or edible starch.”

Section 10.106 requires that there shall be filed in connection with each entry covering “wheat, unfit for human consumption”, a declaration of the importer on the use to be made of the imported wheat.

Reciprocal Trade Agreements Act Extended—By the Trade Agreements Extension Act of 1953, approved August 7, 1953, (Public Law 215—83rd Congress), the United States Congress has extended, for a further period of one year from June 12, 1953, the period during which the President is authorized to enter into foreign trade agreements, under section 350 of the Tariff Act of 1930.

This Act also establishes a bipartisan commission, to be known as the Commission on Foreign Economic Policy, which is directed “to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices”. The Commission’s report of its findings and recommendations is to be made to the President and to the Congress within sixty days after the second regular session of the 83rd Congress is convened.

The index to “Foreign Trade” for the first six months of 1953 is now ready in mimeographed form. Readers who would like a copy should write to the Editor, c/o Information Branch, Department of Trade and Commerce, Ottawa.

Foreign Exchange Rates

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

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

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

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

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

For conversion to United States dollar equivalents multiply by 1.01234.

| Country | Unit | Type of Exchange | Canadian dollar equiv. Aug. 20 | Notes (See below) |
|---|-----------------|----------------------------|--------------------------------|-------------------|
| Argentina | Peso | Preferential buying | .1317 | (1) |
| | | Basic buying | .1976 | |
| | | Preferential selling | .1976 | |
| | | Basic selling | .1317 | |
| | | Free* | .07110 | |
| Austria | Schilling ..... | ..... | .03799 | |
| Australia | Pound ..... | ..... | 2.2245 | |
| Belgium-Luxembourg & Belgian Dependencies ... | Franc ..... | ..... | .01978 | |
|  |  | ..... | .00520 | |
| Bolivia | Boliviano | Official | .00520 | |
| British West Indies | Dollar ..... | ..... | .5793 | (3) |
| | | Pound | 2.7806 | (4) |
| Brazil | Cruzeiro | Brit. Honduras | .6951 | |
| | | Official | .05340 | tax 8% |
| Burma | Kyat | Free | .02536 | (2) |
|  |  | ..... | .2074 | |
| Ceylon | Rupee ..... | ..... | .2085 | |
| Chile | Peso | Official | .00898 | |
| Colombia | Peso | Basic | .3951 | tax 3% (2) |
| | | Official | .1759 | (5) |
| Costa Rica | Colon | Controlled Free | .1487 | * |
|  |  | ..... | .9878 | tax 2% |
| Cuba | Peso ..... | ..... | .9878 | |
| Czechoslovakia | Koruna ..... | ..... | .1372 | |
| Denmark | Krone ..... | ..... | .1430 | |
| Dominican Republic | Peso ..... | ..... | .9878 | |
| Ecuador | Sucre | Official | .06586 | (6) |
| | | Free | .05680 | |
| Egypt | Pound ..... | ..... | 2.8366 | |
| Fiji | Pound ..... | ..... | 2.5051 | |
| Finland | Markka ..... | ..... | .00429 | |
| France | Franc ..... | ..... | .00282 | |
| French Africa | Franc ..... | ..... | .00564 | |
| French Pacific | Franc ..... | ..... | .01552 | |
| Germany | D Mark ..... | ..... | .2352 | |
| Greece | Drachma ..... | ..... | .000033 | |
| Guatemala | Quetzal ..... | ..... | .9878 | |
| Haiti | Gourde ..... | ..... | .1976 | |
| Honduras | Lempira ..... | ..... | .4939 | |
| Hong Kong | Dollar | Free | .1652 | *Aug. 14 |
| | | Official | .06066 | |
| Iceland | Krona | Special buying | .04670 | |
| | | Special selling | .03763 | |
| India | Rupee ..... | ..... | .2085 | |
| Indonesia | Rupiah | Basic | .08665 | (7) |
| | | Dollar certificate | .00186 | * |

* Latest available quotation date.