foreign trade

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COVER . . . This Pakistani worker is gathering up jute fibre which has been dried in the sun. Brisk sales of jute have been an important factor in the improved economic outlook in Pakistan, though prices for both cotton and jute remain low. For the full story on Pakistan's economic problems, turn to page two.

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Pakistan and Its Trade Problems

The serious wheat shortage has affected the entire economy. But, with this problem nearing solution, trade is improving and the outlook appears to be brightening.

KARACHI—The first six months of 1953 were difficult ones for Pakistan both politically and economically—but better things are in sight. The change of government which took place in March was welcomed; Pakistanis seem to have confidence in the new Government and look forward to a brighter future. General improvement in the economy was marked by brisk sales—though at low prices—of cotton and jute. Thanks to increased earnings from these key commodities and severe import restrictions, the balance of payments is now improving.

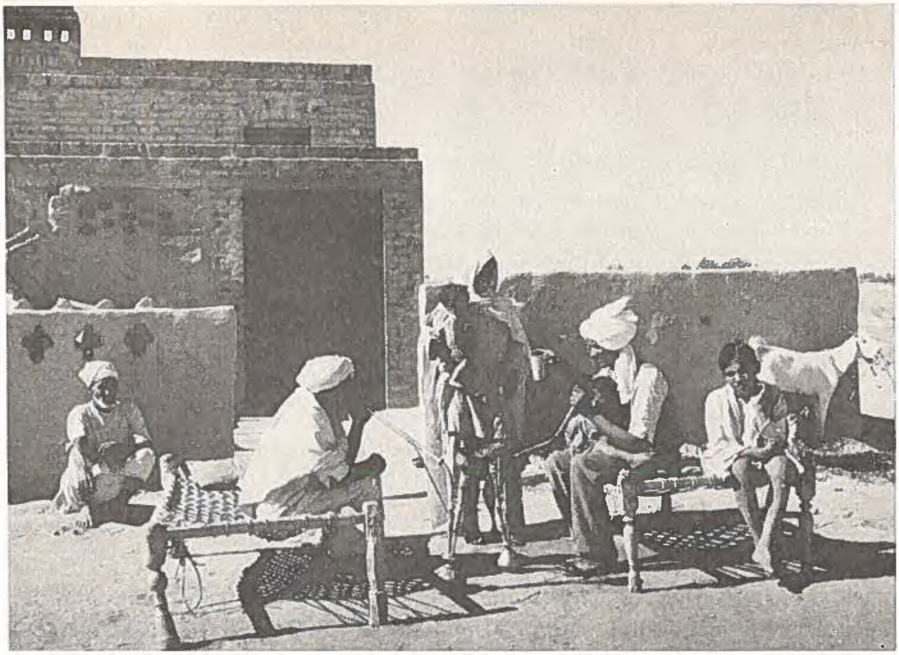
The outstanding event of the period was the grant of one million tons of wheat to Pakistan by the United States. This act of generosity in a time of critical need served more than any other factor to bring Pakistan through the crisis.

Wheat Shortage Acute

The Pakistan wheat crop harvested in the spring of 1952 was short and the country had to import over 800 thousand tons to make up the deficit. The discovery that the 1953 crop would be approximately 1,250,000 tons short therefore constituted a severe setback. With the heavy drain on foreign exchange for wheat in 1952, there was little reserve for importing the large quantities urgently required to avert famine. Pakistan appealed to Canada, Australia and the United States for assistance. Canada responded in February and again in May with outright gifts totalling over 110 thousand tons and Australia with a gift of 47,000 tons. In June the United States agreed to give 700 thousand tons, to be shipped towards the end of that month. A further 300 thousand tons will go forward later from the U.S. if, after a review of Pakistan's wheat position in early 1954, it is still needed. Meantime Pakistan expects to obtain the remainder of its wheat requirements for the year by barter or direct purchases with its own resources.

Future economic conditions and commercial prospects will largely depend on the success of the wheat crop harvested in the spring of 1954. Should the crop be sufficient for the country's needs, then Pakistan's foreign exchange position and earnings would permit more generous imports from abroad.

The encouraging increase in demand for Pakistan's cotton, which became evident at the close of 1952, continued during the first half of this year. In fact, there has been a record turnover of cotton during the current crop year ending on August 31st. Despite a very large crop, plus the carry-over from last year, it is now estimated that, at most, less than



Long-term development projects, aimed largely at increasing food production, are taking shape. This refugee family is typical of many who have been resettled on newly irrigated land in the Thal area.

100 thousand bales of poor-quality cotton will be carried into 1953-54. If this cotton were of good quality, it could probably be sold immediately.

Japan has been the largest importer of Pakistan cotton but the United Kingdom, France, Germany and China have all taken substantial quantities. Trade agreements negotiated with Japan, France and Italy during the past few months have resulted in these countries agreeing to take large quantities of cotton during the ensuing year. Japan alone has consented to buy 650 thousand bales, or nearly half of the cotton available for export.

Although the sale of cotton has turned out to be as good as in almost any year of Pakistan's brief history, the selling prices have been low in comparison with those obtained in 1951. However, the prices now being paid are probably closer to normal.

Jute Acreage Cut

The jute year ending June 30th was a good one and up until the last, prices remained firm and buying brisk. The carry-over into the new year is about 200 thousand bales compared with about three million bales at the end of last year, a notable improvement. As a result of controlled planting and reduced acreage, the estimated new crop is expected to total about 3·8 million bales, a 50 per cent reduction from last year. With reduced acreage and concentration on superior qualities, the new crop year should be a satisfactory one. Overall earnings, however, are bound to be down because of the smaller crop.

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The three-year trade agreement with India signed in March has proved satisfactory to both parties. Under its terms, Pakistan arranged to facilitate the export of between 1·8 and 2·5 million bales of raw jute a year to India.

Tea, Wool, Hides and Skins

Of the minor export crops, tea has improved the most. After two very lean years, tea prices rose suddenly at the London and Chittagong auctions. Pakistan's earnings of foreign exchange from tea are, however, small.

Sales of hides and skins and wool compared favourably in quantity with the same period a year ago but, like most other commodities, prices were low.

Pakistan's balance of payments was more favourable during the first quarter of this year and this helped to better the rather critical position which prevailed at the end of 1952. The improvement, however, was slight when one remembers that the first quarter is the time when most of the brisk export trade is carried on. Although figures on the balance of payments position at the end of the half-year are not yet available, there are signs that official financial circles are somewhat disappointed. Pakistan's external financial position cannot be considered strong.

Foreign Trade Reviewed

The effectiveness of the measures taken in late 1952 to restrict imports and encourage exports are revealed in the following table. In fact, the cumulative balance of trade in March was favourable for the first time during the trade year 1952-53.

Total Foreign Trade

Period	Total imports	Total exports, including re-exports	Balance	Cumulative balance
1950-51	1,620·2	2,544·4	+924·2	....
1951-52	2,139·6	2,008·6	—131·0	....
1952-53				
July 1952	188·1	78·6	—109·5	—109·5
August 1952	169·3	104·1	— 65·2	—174·7
September 1952...	118·6	67·6	— 51·0	—225·7
October 1952	129·1	139·4	+ 10·3	—215·4
November 1952 ...	113·5	159·3	+ 45·8	—169·5
December 1952 ...	104·2	150·5	+ 46·3	—123·3
January 1953	110·6	165·5	+ 54·9	— 68·4
February 1953	114·3	176·8	+ 62·5	— 5·9
March 1953	100·1	155·4	+ 55·3	+ 49·4
April 1953	78·6	91·7	+ 13·1	+ 62·5
May 1953 .... (provisional)	67·3	113·0	+ 45·7	+108·2

For the ten months July 1952 to April 1953, Pakistan's total trade was largest with the United Kingdom, Japan, the United States, Germany and Italy, in that order. The United Kingdom was Pakistan's largest supplier, followed by Japan; Japan was Pakistan's best customer, with the United Kingdom coming next.

Cotton piece goods and yarns have been supplanted by machinery and iron and steel manufactures as the principal imports into Pakistan, because of the glut of cotton piece goods which came onto the market last year and because of the subsequent import restrictions.

A new import policy on private commercial transactions was announced in March and applications for licences to import a very small number of commodities were invited. Licences were issued only when there were definite indications of the amount of foreign exchange which would be available for commercial imports. In June, when the gift of wheat from the United States became assured, licences were issued primarily for industrial requirements on a strictly limited scale. Many importers, discouraged by the consequent lack of business and by future prospects, have been forced to retrench or close down.

Trade Policies

The commercial policy for the remainder of this year has not yet been announced but it can safely be assumed that, because of the unsatisfactory foreign exchange position, no relaxation will be forthcoming, at least until the yield of the 1954 wheat crop is established.

Canadian exporters interested in this market—and especially in selling engineering equipment and machinery—should have local representatives to follow up essential government needs for development projects and other procurement not governed by commercial import policy.

Total Canadian exports to Pakistan compare favourably with the same period last year because of large sales of wheat. Normal commercial exports have fallen off considerably.

The trade agreements negotiated with India, Japan, France and Italy—with the exception of the Indian agreement which was primarily a jute-for-coal arrangement—all feature the exchange of raw cotton and raw jute for manufactured products, within certain specified quotas. An exceptional feature of the Japanese agreement was an arrangement whereby Japan would sell certain manufactured goods to Pakistan on a long-term credit.

A few barter transactions were arranged during the first half of this year, mostly by private companies in co-operation with the Governments concerned. Although none of these was large enough to be significant, the more important ones were with Spain (jute for sugar), and Italy (cotton for yarns).

Development Plans

Pakistan's plans for immediate and long-term development both in private industry and national industrial and agricultural projects now seem to be moving ahead. Despite the still weak external financial position, the Government feels that development must proceed now that the U.S. wheat grant has taken care of the food problem. This means that non-essential demands for the use of foreign exchange must be subordinate to development requirements. Moreover, the counterpart rupee funds created by the proceeds from the sale of the U.S., Canadian, and Australian wheat (about the equivalent of $115 million) are, by agreement, to be used for national development projects. This is an added inducement because the projects on which counterpart funds are used are the ones for which foreign aid is also forthcoming.

The cotton textile industry has now reached a stage where Pakistan expects to be self-sufficient in the coarser grades of piece goods by 1954. The jute manufacturing industry in East Pakistan, where the goal of

6,000 looms is more than half achieved, should be able by the end of the year to meet domestic needs for hessians and have some over for export to dollar markets. Private business plans are maturing, in co-operation with outside firms, for a pharmaceutical factory, a metal box factory, a wire and cable factory, and an electrical appliance factory. Another British company is building a paint factory.

One of the more spectacular developments is the discovery and proof by Pakistan Petroleum Limited (Burmah Oil Company) of large natural gas deposits at Sui, 350 miles northwest of Karachi. Plans to construct a pipeline to deliver this gas to Karachi are under study. The proven reserves of this field are said to be a million cubic feet of gas a day for over fifty years. This should give a fillip to the economy which is deficient in natural fuels.

The aid programs of different countries, so long in the planning stage, are now beginning to materialize. Under the Colombo Plan a cement plant, a grant from Canada, is being constructed and a fertilizer plant given by the U.S. is building. A 150 thousand KW hydro project at Warsak in northwest Pakistan is under way, aided by a grant from Canada; so are irrigation and land reclamation projects. With the food problem paramount, the emphasis is naturally on projects which, directly or indirectly, are aimed at increasing food production.

In Summary

Economic conditions in Pakistan have improved considerably compared with the last half of 1952. If Pakistan has a good wheat crop large enough to meet its needs in the spring of 1954, and if the demand for its raw cotton and raw jute continues, economic conditions should return to normal. However, the prosperity of the boom years of 1950 and 1951 cannot be expected. The next twelve months are likely to see a rise in the cost of living which should be hard for the middle and upper classes, but for the vast majority this period should not be too difficult.

—A. P. Bissonnet
Commercial Secretary for Canada

Tours of Territory

A. G. Kniewasser, Acting Canadian Government Trade Commissioner in Beirut, Lebanon, will visit Lattakia, Aleppo, and Damascus in Syria from October 12 to 18. Businessmen who wish to get in touch with Mr. Kniewasser about urgent matters in these cities are advised to cable him at Beirut.

P. V. McLane, Canadian Government Trade Commissioner in Port of Spain, Trinidad, plans to visit British Guiana and Surinam about the end of October. Businessmen interested in these countries should write Mr. McLane at Port of Spain as soon as possible.

Businessman's Bookshelf

Netherlands Industry since 1945

A Record of Postwar Progress. Federation of Netherlands Industries. 112 pages. 65 cents.

WHEN THE WAR ENDED, industry in the Netherlands rolled up its sleeves and tackled a tremendous job. It had to get its plants back into shape and build new ones, both to meet a pent-up domestic demand and cater to world markets. And Holland's altered economic circumstances made the transformation from a primarily agricultural to an industrial country urgent and vital.

This booklet discusses first the general problem and then outlines, industry by industry, the progress made. Pictures, statistical tables and maps help to tell the story. Bearing in mind their own swift industrial progress, Canadians should find the Dutch achievement interesting.

Order from: Commercial Counsellor, Netherlands Embassy, 168 Laurier Ave. E., Ottawa.

Springs of Canadian Power

Chatham House Information Paper. 58 pages. 75 cents.

MANY REVIEWS of Canada's economic progress and prospects have appeared in the last few months. This one has the added interest of being written from the British point of view and the merit of a crisp, concise style. The author concentrates on five main fields of interest—the St. Lawrence Seaway, the iron ore development, petroleum, natural gas, and aluminum. The information given is succinct, up-to-date, and supplemented by charts. Canadians—who know the story which it tells—will still find the booklet useful for ready reference.

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

South American Handbook, 1953 Edition

Edited by Howell Davies for Trade and Travel Publications Ltd. 786 pages. $2.00.

THE VARIETY OF INFORMATION contained in small compass is the outstanding feature of this useful little volume. It takes up, in turn, each country of Central and South America, giving geographical, historical, political and trade information. Those who are planning visits to any of these countries will find hints on transportation, climate, hotels, documents required, etc.

Introductory material includes a useful glossary of Spanish and Portuguese terms, and the appendix on steamship services to and from Latin America should be helpful. We have already installed the handbook close by, for ready reference.

Order from: The H. W. Wilson Company, 950/972 University Avenue, New York, N.Y.

Foreign Commerce

by Harold J. Heck. 500 pages. $7.80. McGraw-Hill.

THIS BOOK is a text designed primarily for use in universities as an introduction to international trade. It surveys comprehensively nearly the whole field of foreign commerce, describes such practical matters as how exports and imports are organized, and includes discussions on intergovernmental agreements and balances of payments. The fact that the book was written primarily for United States readers only slightly limits its value for Canadians. Certain chapters may be of considerable use to Canadian exporters, particularly those who are newly entering the export field. This is especially true of the sections dealing with the nature and pattern of foreign trade, with organization, financial and marketing practices, and with tariffs and import restrictions.

Because the author covers such a broad field, he examines individual subjects only briefly and readers may wish to provide themselves with further information from other sources. Later sections of the book, dealing with policies and intergovernmental organizations, may be useful to businessmen as background information. The book is so organized that it is easy to refer to its various sections.

Order from: McGraw-Hill Co. of Canada Ltd., 253 Spadina Avenue, Toronto, Ontario.

Handicrafts and Small Scale Industries in Canada

Economics and Research Branch, Department of Labour. 27 pages (mimeographed). Free.

THE RENAISSANCE OF INTEREST in handicrafts since the war is reflected in this study, which outlines what federal, provincial and private agencies are doing to foster the handicraft movement. It also discusses sources of raw materials, the improvement of design, and the marketing problem. One question examined at some length is the encouraging of the Indian and Eskimo population to maintain their traditional crafts. Originally prepared at the request of the International Labour Office, it brings together information from a number of sources and thus has particular value.

Order from: Economics and Research Branch, Department of Labour, Ottawa.

Chemicals . . .

a growing industry and its markets

OTTAWA—The Canadian chemical industry has been growing rapidly over the last half century. Built initially to supply the requirements of certain extractive industries, or based on cheap electric power, it has since become more fully integrated with the rest of the economy, using the by-products of other industries and serving more directly the needs of consumers.

Recently, with the outbreak of war in Korea and a recurrence of world-wide shortages, further expansion of our chemical-making facilities was undertaken. This program, which is of even greater long-term significance than that launched in the interests of munitions production during World War II, is nearing completion. Laying special emphasis on the production of petrochemicals and aimed largely at augmenting Canada's output of fertilizers, plastics and synthetic fibres, it marks yet another phase in the industry's development.

Long-Term Trends

There is little reason, however, to believe that the long-run upward trend will be interrupted for any great length of time. One reason for this is Canada's increasing population and rising standard of living. Many Canadian chemical requirements are reaching the point where more economic runs are possible in this country. Another reason is that, as other countries (especially the United States) turn more and more to Canada for strategic materials such as oil, natural gas and non-ferrous metals, new chemical facilities will have to be built here to utilize efficiently the by-products of these extractive industries. Greater fertilizer production, assisted by free tariff entry into the United States, and the recovery of such useful materials as sulphur are examples.

These factors, reinforced by advancing technology and the growing influence of chemistry on manufacturing in general, will help to maintain the tempo of industrial development in Canada. Equally important, it will ensure that the chemical and chemical processing industries like pulp and paper manufacture, petroleum refining and metallurgical processing will become even more important in the economy as the years go by.

Postwar Expansion Program

The record already reveals how well this industry has adapted itself both to local conditions and to the exceptional demands made upon it during national emergencies. It was, naturally, expected that the end of World War II would see a marked curtailment in activity in the chemical industry. But, except for the closing down of a number of temporary explosives plants, this did not come to pass. Indeed, the late 1940's were marked by a steady increase in civilian and export demands. This effectively harnessed the new wartime chemical capacity to peacetime needs and made necessary expansion in lines which had only begun to be exploited before 1939.

Fertilizer production continued to rise as very large export demands were added to the continuing growth in domestic sales. The Canadian synthetic rubber, primary plastics and carbide chemical industries also found foreign outlets for much of their surplus production. For a time, it looked as if the termination of overseas American loans and the revival of foreign and especially European competition would have a depressing effect on Canadian output. However, with the outbreak of war in Korea and the subsequent increase in general business and defence activity, this is now unlikely. Instead these firms, almost without exception, are adding substantially to the capacity with which they emerged from World War II.

Chemicals for the Consumer

The most noteworthy development in the immediate postwar period centred around the entry of chemicals into the consumer field. The trend towards making more and more end-products was shown in the manufacture for the first time of ethylene glycol for anti-freeze; insecticides; cosmetics; antibiotics such as penicillin, streptomycin and aureomycin, and the hormone cortisone. The plastics moulding industry was able to draw heavily on new capacity for producing styrene monomer at Sarnia, polystyrene at Montreal and Sarnia, and vinyl resins at Shawinigan Falls and Montreal. This, together with requirements for surface coatings, paints, packaging and construction, caused the domestic demand for plastics to more than double between 1945 and 1950.

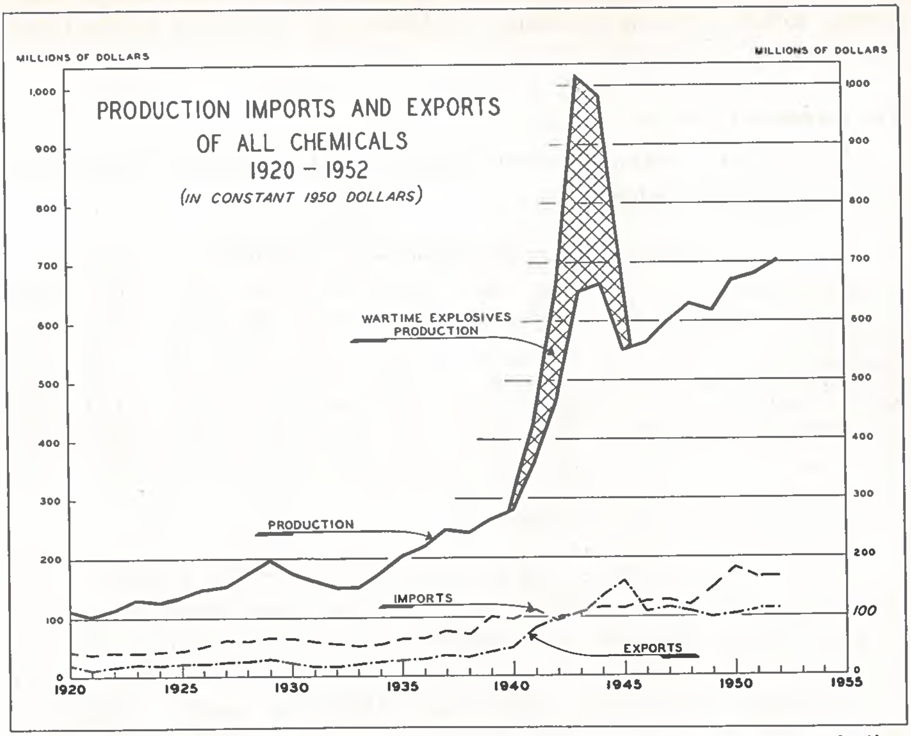
These were all unique products. Then there were insistent replacement demands for chemical substitutes such as detergents and synthetic fibres. The latter has also involved expansion of existing facilities and the establishment of new postwar factories.

Swing to Organic Chemicals

Until recently, plants built during the war years were capable of supplying most of the demands for process chemicals from Canada's other major industries. However, the mounting requirements of oil refineries, paper mills, and primary iron and steel, aluminum and the other non-ferrous metal industries, have made further construction necessary. This, with the introduction of several new products such as aluminum salts, has accompanied the steady swing to organic chemicals—particularly those derived from petroleum and natural gas—which has characterized chemical production in Canada since 1945.

A review of these publicly announced projects actually shows that something like two-thirds of the moneys being devoted to the erection of new chemical manufacturing facilities is in the field of what are commonly referred to as petrochemicals.

Some of these new facilities have been inspired by the nation's present defence effort, but in the main they have been designed to serve the long-term needs of Canada's agricultural, consumer goods and strategic resource industries. Practically all of this capacity could be mobilized for the production of munitions in the event of all-out war, though it will



—Economics Division, Dept. of Defence Production.

soon form an integral part of our civilian economy. Most of the new sulphur production, for instance, will go into pulps, newsprint, and other paper products. Several of the largest plants are being built to make fertilizers, plastics and synthetic fibre intermediates. Numerous other facilities are being created to serve the growing needs of Canada's soap, paint and motor vehicle manufacturers. A sizable number are also being launched by firms engaged primarily in the production of strategically important staples such as oil, the base metals and aluminum.

New Projects

As a result of this program, a number of chemicals will be produced in Canada for the first time. They include carbon black (mainly for use in the Canadian rubber industries), pentaerythritol, formaldehyde and phthalic anhydride (for use in plastics and paints) and polyethylene (which is being widely adopted both as a packaging material and in industry in the form of shapes and coatings because of its structural and corrosion resistance properties).

Most of these new projects which were initiated in the twelve months following the outbreak of war in Korea will be completed by the end of 1953 and only a few of any magnitude are likely to carry over into 1954 and 1955. Thus, unless there is an unforeseen and much accelerated defence effort, it is unlikely that capital expenditures in this industry will approach the present peak until 1956 or later. However, because of the growing size of the industry and the demands of obsolescence and technology, future levels of investment will likely be on a much higher plane than in 1946 to 1950.

The Investment Picture

Investment over the past several years, and the outlook for the present year, are detailed below.

(Capital Expenditures in Millions of Current Dollars)

Product Category	1946	1947	1948	1949	1950	1951	Prel. 1952	Est. 1953
Acids, alkalis and salts......	2·5	5·8	11·6	6·6	5·5	11·5	24·3	14·8
Fertilizers	2·5	1·4	1·7	1·8	2·0	3·1	6·3	7·3
Medicinals, etc.	4·5	4·1	2·5	1·8	1·4	2·8	2·7	2·6
Paints and varnishes.........	2·4	5·4	2·9	1·6	1·3	2·7	2·2	2·8
Primary plastics	2·1	2·8	6·2	10·5	5·0	5·9	24·2	20·8
Other chemical industries*..	5·6	14·2	17·5	16·8	12·3	31·4	62·2	48·2
Total	19·6	33·7	42·4	39·1	27·5	57·4	121·9	96·5

* Includes synthetic fibres, explosives, etc.

This is not to suggest any prolonged hiatus in the growth of the chemical industry in Canada. Canada is a very substantial importer of a wide range of chemicals, including methyl chloride, tetraethyl lead (an anti-knock agent in ordinary gasoline), the industrially useful element sodium, textile dyes, and numerous new plastics and chemotherapeutics Our need for these products is fast approaching levels which could support efficient plants. Moreover, chemical usage in Canada per capita is still far behind that of the United States. In fact, in order to reach parity and at the same time achieve self-sufficiency in chemicals, output in this country would have to be nearly trebled. These are but several of the arguments supporting the conclusion that the expansionary force in Canada's chemical industry is far from being spent.

Growth in Markets

The following table, listing Canadian production, imports and exports of chemicals since 1920, gives some indication of the growth in markets and the changing pattern of supply over the past thirty years:

(Value in million of dollars)

Year	1920	1925	1930	1935	1940	1945	1950	1951	Prel. 1952
Canadian production..	129	110	133	127	208	519	647	776	800
Imports	56	35	46	39	60	88	182	192	188
Exports	22	17	17	17	32	125	103	132	125
Domestic supply	163	128	162	149	236	482	726	836	863
Imports as per cent of dom. supply...	34·4	27·3	28·4	26·2	25·4	18·3	25·1	23·0	21·8

This shows that, value-wise and despite the absolute increase in consumption, Canada through time has been able to meet more of its requirements out of domestic production. However, these figures can be misleading because changing prices must also be taken into account in appraising progress towards self-sufficiency.

Reference to statistics which reflect physical trends more accurately shows that, since 1945, Canada has been importing about 20 per cent of its chemical needs, compared with nearly 30 per cent in the late 1920's. Canadian firms have also been making gains in their sales outside of Canada. Not only have their export sales nearly quadrupled, they have also accounted for a somewhat higher proportion of total output.

Throughout this period production has tended to increase in a stepwise way. It rose steadily throughout the 1920's and from 1935 up until the end of World War II. The recession of the early 1930's was short-lived, with a drop in output of less than one-third compared with 1929. Again, right after the end of World War II production fell off somewhat, only to pass the wartime peak* of 1944 in 1950.

Chemicals Trade with U.S.

Canada has also witnessed a re-orientation of its foreign trade in favour of the United States and has become that country's most important export market for chemicals. In 1952, the $166 million of chemicals which Canada imported from the United States represented 88 per cent of our total chemical imports and resulted in an adverse balance of over $90 million in chemical trade with that country. Meanwhile, shipments from the United Kingdom have declined since the early 1920's, and Germany is no longer one of our major suppliers as it was in the late inter-war period.

About a third of Canada's total chemical imports consists of drugs and pharmaceuticals, paints and pigments, and primary plastics, each representing nearly an equal percentage of chemical imports.

In the export field, business with the United Kingdom has declined. This has been much more than offset, however, by sales in other overseas countries and recently by a sharp increase in chemicals destined for the United States, which now represent over 50 per cent of total Canadian chemical exports.

Fertilizers Lead Exports

Fertilizers are by far the largest element in Canadian export trade, accounting for over 25 per cent of the total. Other large-volume exports are sodium compounds, synthetic rubber and synthetic resins. Together they account for an additional 15 to 20 per cent of present exports abroad.

Foreign trade and other aspects of such groups of chemical products as fertilizers, synthetic rubber, plastics and the industrial chemicals will be discussed in greater detail in subsequent articles.

This article, the first of a series of six to appear in subsequent issues of "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury, of the Economics Division of the Department of Defence Production.—Editor.

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* Exclusive of wartime explosives production.

Commodity Notes

AUSTRALIA

Asbestos—Asbestos production at Wittenoom Gorge has almost doubled. In the three months ended March, 1952, it was 464 tons valued at £51,615; in the same quarter this year, it was 862 tons at £131,348. Production of blue asbestos fibre is increasing slowly. More than half the fibre sold in 1952-53 was exported to Europe and the United States, but the market abroad for asbestos fibre is dropping and the producers will have to depend more on the Australian market —Melbourne, Sept. 9.

BRAZIL

Combustibles—During the first three months of 1953, crude oil production rose from 29,132,000 liters in the same period of 1952 to 37,-902,000 liters; gasoline output rose from 10,883,000 liters to 12,503,000 liters. Eighty-octane gasoline, light naphtha and propane gas were produced for the first time in this country. Output of diesel oil, however, dropped from 3,071,000 liters to 1,306,000 liters, and of kerosene from 1,411,000 liters to 75,000 liters—Rio de Janeiro, Sept. 12.

BRITISH WEST INDIES

Sugar—Sugar production in the B.W.I. and British Guiana is expected to increase from 907,866 tons in 1952 to 973,185 tons in 1953, according to estimates made at the end of May by the British West Indies Sugar Association. Increases are expected from all territories except Barbados and Antigua—Port of Spain, Sept. 18.

DENMARK

Bacon—Danish bacon factories recently completed a contract with the British Ministry of Food to supply bacon to the U.K. for the next three years. The first of these years—October 1953 to September 1954—is the last year of the old two-year contract, which limited price adjustments to 10 per cent either way, and bound the United Kingdom to take 90 per cent of Denmark's bacon exports. A price reduction of 7·45 per cent was agreed upon for the first year of the new contract period, making the price 237/6d. per cwt. c.i.f. English east coast ports; the quantity was fixed at 230 thousand long tons. For the two subsequent harvest years, the quantity has been fixed at a maximum of 200 thousand long tons. A price clause limits the fluctuations in each of the two years to 10 per cent either way. Because the Danish home market price and the prices obtained in secondary markets largely follow those paid by the United Kingdom, the new contract entails a loss of income to Danish farmers of about 130 million kroner—Oslo, Sept. 14.

JAPAN

Electric Insulators—A Japanese firm has successfully tendered an order for $300 thousand worth of insulators for the Bonneville Dam Administration. This contract is the first which the U.S. has awarded to Japanese manufacturers for materials to be used in the U.S.—Tokyo, Sept. 15.

MIDDLE EAST

Oil—According to official sources, Middle East crude oil production for the first half of 1953 set a record for any six months' period. The total output for the period is estimated at 59 million metric tons, compared with 50·5 million tons for the same period of 1952, and 54·5 million tons for the second half of that year. Statistics indicate that the main Middle East oil producing country during the first half of this year was Kuwait, whose production slightly exceeded that of Saudi Arabia for the first time. Both these countries produced just over 20 million metric tons. Iraq came third with a total output of 13·5 million tons—Cairo, Sept. 10.

SPAIN

Agricultural Tractors—The official tender for local manufacture of agricultural tractors, opened in February 1953, was decided in favour of a group formed by the Banco de Santander, Nueva Montaña-Quijano, Ricardo Medem y Cia., S.A. and the firm Heinrich Lanz, A.G., Mannheim, Germany. The company will work under the patents, manufacturing and technical procedures of the German Lanz enterprise.

First to be constructed will be a "Lanz-Bulldog" type tractor, drawbar 30 h.p., pulley 36-38 h.p., semi-diesel motor. The plans for the new factory were recently submitted to the Ministry of Industry by the new company which will be registered as "Lanz Iberica, S.A.", with head offices in Madrid and factory at Getafe, Madrid. Building of the plant will begin shortly—Madrid, Sept. 17.

TRINIDAD

Cement—Construction of the new cement plant is progressing rapidly; foundations have been laid for a 300-foot rotary kiln. Production capacity is estimated at 100 thousand tons, of which 40,000 will be available for export. The new company is a subsidiary of a cement manufacturer in the United Kingdom, although some of the capital will come from the Colonial Development Corporation—Port of Spain, Sept. 15.

UNITED STATES

Braille Christmas Card—A Boston greeting card manufacturer has announced the introduction on a national scale of Christmas cards in Braille. These are the first such cards to be made available across the country in commercial quantities.—Boston, Sept. 23.

West Germany

Promoting Dollar Trade

Intensive efforts made by German exporters to cultivate the Canadian market are bearing fruit; sales to other dollar countries are also rising.

BONN—German exports to Canada during the first six months of this year were 50 per cent higher than for the same period last year, primarily because of effective promotion in the Canadian market. Sales to other dollar countries have also risen over last year. This has contributed towards a considerable reduction in the dollar trade gap.

Future Sales Appear Promising

Western German exporters, slightly discouraged by the decrease in sales to Canada during 1952, have grown optimistic again as the effort to cultivate the Canadian market over the past few years begins to bear fruit. April exports from Germany to Canada totalled $3 million, compared with $1·1 million for April 1952, and the increase was maintained during May and June, with totals of $2·6 and $2·8 million respectively. The value for the first six months rose to almost $14 million, compared with approximately $9 million for the same period of 1952. This development in trade between Germany and Canada is particularly significant because it takes place in the face of trade uncertainties stemming from the conclusion of the Korean armistice. The following table shows, however, that there is still a sizable balance in Canada's favour.

Trade Between Canada and West Germany

(in millions of Can. dollars)

	Exports to Germany	Imports from Germany	Balance for Canada
1950	9	11	− 2
1951	37	31	+ 6
1952	95	23	+72
1953			
January	3·1	1·6	+ 1·5
February	2·8	1·8	+ 1·0
March	1·4	2·2	− ·8
April	4·9	3·0	+ 1·9
May	8·0	2·6	+ 5·4
June	13·8	2·8 est.	+11·0

D.B.S. statistics.

Sales to Dollar Markets

The first six months of 1953 witnessed a marked improvement also in exports to other countries in the dollar area. Sales to the U.S. exceeded the previous year's figure by 30 per cent, increasing from $110 million to $143 million. In June, their value rose 51 per cent above June 1952. The dollar countries of Central and South America have also increased their purchases of German goods but to a lesser extent—the $46 million of the first half of 1952 rose to $57 million for the first half of 1953. Special efforts will be made to promote German products in this area during the next year. One device will be an all-German Trade Fair to be held in Mexico, sponsored by the German Government with the co-operation of the Mexican trade authorities.

Trade Balance with Dollar Area

(in thousands of U.S. dollars)

	Imports	Exports	Balance
1950	597	243	—354
1951	876	381	—495
1952	892	450	—442
1953			
January	60	39	— 21
February	50	45	— 5
March	54	48	— 6
April	47	49	+ 2
May	61	45	— 16
June	75	47	— 28

Dollar Imports Drop

The sharp reduction in Germany's dollar trade gap has been achieved partly by the diversion of imports from dollar countries. These declined from $423 million in the first half of 1952 to $289 million during the same period in 1953. Another important factor was the improvement in the terms of trade—the ratio between export and import prices. Average import prices are said to be some 10 per cent lower than during the Korean boom.

Bilateral trade agreements are responsible to some extent for the increase in trading with the non-dollar area. Such agreements have been concluded with a number of countries, sometimes with only fair results. Brazil, Egypt, Argentina and Japan have in certain cases built up large deficits exceeding the "swings" agreed upon in the treaties. However, the total German surplus with the bilateral offset-account countries is much less than in the summer of 1952.

Not all imports into Germany from the hard currency area are paid for from dollar earnings. A fairly substantial volume of dollar imports comes in under "switch deals" whereby the necessary dollar exchange is provided by a third country, usually for a small premium in marks. The growth of Germany's creditor status in the European Payments Union has, of course, made the use of this device much simpler. Other sources of dollars have been the settlement of debts by debtor countries in free dollars, expenditures by the United States and Canadian forces in Germany, and the tourist trade.

Many Products Share Rise

In the overall trade picture, German exports of textiles, chemicals, electrical goods, precision and optical instruments, machinery and motor vehicles have been rising. Cotton and synthetic textiles, machine tools, automobiles, chemicals, cameras, sewing machines, surgical instruments, sheet glass, scissors, clocks, hand tools, etc., have all shared in the increased sales to Canada. Machine tool makers feel somewhat less optimistic about prospects in the Canadian market than they were earlier this year but this is partly the result of an anticipated rearmament slowdown. However, demand for consumer goods shows an upturn both in the Canadian and U.S. markets.

Gains May Be Reversed

The German Central Bank—the Bank Deutscher Laender—has expressed the belief that the overall surplus and dollar position may deteriorate during the remainder of the year, for the following reasons:

- The signing of the London Debts Agreement which will require transfers to creditors abroad. The agreement awaits ratification by the main creditors before coming into operation. This ratification, however, is expected before the end of 1953.

- Following the signing, the German Government intends to begin to transfer certain types of capital earnings.

- Payments will be made to EPU countries under the terms of the European Coal and Steel Community Agreement.

- Increased imports will be officially encouraged.

A seasonal increase in imports seems probable in these fall months. In any case, the future dollar balance will depend on continued high imports of goods by Canada and the rest of the dollar area.

Continuing Promotion Planned

German trade officials and industrialists are well aware that the German and Canadian economies are complementary in many respects and they foresee an inevitable strengthening of trade relations. They realize that the initial efforts to enter the conservative Canadian market must be maintained and gains consolidated, particularly at this critical point, when the goodwill built up during the last few years is beginning to pay dividends. The making of suitable contacts has proved extremely important and the Canadian International Trade Fair, Toronto, has done much to bring German and Canadian businessmen together. Already German firms have indicated that they will participate in the 1954 Fair, following success at the 1953 CITF. This official and private co-operation will strengthen normal two-way trade between Canada and Germany.

The recent steps taken by the German Government towards freeing the dollar in Germany by allowing the commercial market to establish the official rate within limits is another advance and suggests that the policy of liberalizing trade and payments as quickly as possible will continue.

—I. V. MacDonald
Assistant Commercial Secretary for Canada

—See also articles in *Foreign Trade* of May 23, 1953, and July 18, 1953, on trade between Canada and West Germany.

Australia

Wanted: Markets for Coal

Production in Australian coal mines was stepped up and exports were cut to meet war-time demands. Now output is outstripping use and the industry must find new outlets.

SYDNEY—Australia has a wide range of coals—from semi-anthracites of 12-15 per cent volatile content on the dry ash-free basis to immature brown coal containing about 66 per cent of moisture in situ. All the states have coal deposits but the principal producers are New South Wales and Queensland, with the highest quality coal in the Commonwealth and the total output of coking coal.

Estimated black coal reserves in Australia are about 16 billion tons; reserves of brown coal are about 37 billion tons. Brown coal is produced only in the State of Victoria and virtually all electricity generated in that State is based on it. This coal is also used for briquetting, but only in Victoria because the high moisture content makes transportation costs prohibitive.

Better Methods Boost Output

During the postwar years, coal producers could not meet demand, largely because of labour shortages, loss of working time through industrial disturbances, antiquated mining equipment, and shortages of rail cars for transporting the coal from the mines. However, the past two years have seen a great improvement in output because of better labour relations, mechanization, more rail cars as a result of large-scale imports, and a slight drop in consumption. An indication of the production trend is that, in the year ended June 30, 1953, estimated coal production was 18·5 million tons, compared with 19·1 million tons in 1951-52 and 16·4 million in 1950-51.

By far the largest proportion of Australia's coal is recovered by underground mining and it appears that open-cut mining will not displace it to any considerable extent, although use of this method has increased tremendously in the last ten years. During the past year several open-cut mines were closed and production from others was deliberately cut down because consumption declined.

Production and Consumption

Before the war Australia exported large quantities of coal, but with the rapid growth of industry in the immediate postwar years, the demand for coal for generating electric power, for the expanding steel industry, for gas production, and for industry in general increased. The coal mining industry could not keep pace with requirements and substantial amounts had to be imported. However, in the last two years production improved and demand dropped, and now supply has overtaken consumption, leaving a surplus (particularly of steaming coal) for which markets are being sought. The following table outlines the overall coal position in Australia in 1951-52:

Coal Production and Consumption

	1951-52	
	Actual	Estimated
	(thousand tons)	
Underground production	14,873	15,010
Open-cut production	4,228	3,540
	19,101	18,550
Internal consumption	17,736	17,800
Exports	139	265
Imports	282	143
Increase in stocks	1,508	628

Export Prospects Poor

Indications are that, during the next few years at least, there will be no shortage of coal in Australia, but it is doubtful whether Australia will ever regain her prewar position as an important exporter. Some small shipments were made to Pakistan and Singapore last year and arrangements were made recently for the sale of 100 thousand tons of N.S.W. coal (steaming coal) to the United States' Army in Japan for use in South Korea. Earlier, a contract was negotiated for sale of 100 thousand tons of Queensland coal, also to the U.S. Army in Japan. Exports to date, however, have not taken up any substantial percentage of total production and production costs have risen so much that most of Australia's prewar coal markets may be closed permanently.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

Transportation

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

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

General Notes

FINLAND

Forestry—During the period June 1952-May 1953 an estimated 28 million cubic metres were cut in the Finnish forests, as compared with 37·7 in the previous season. The decrease was the result of falling demand on the world market—Stockholm, Sept. 16.

UNITED KINGDOM

Improving Industrial Efficiency—The United Kingdom Government has made available £700 thousand for short-term loans to industry for the purpose of increasing productive efficiency. The funds which accrue from United States Mutual Security aid will be used to provide loans to small and medium-sized firms who can show that financial assistance will enable them to increase exports or operate more efficiently. It is expected that most of the loans will be made for new equipment and improvement of plant layout—London, Sept. 19.

Molybdenum Control Lifted—Restrictions on the use of molybdenum in alloy steel were removed in the United Kingdom on September 21, following an improvement in supplies. Restrictions on the use of nickel and molybdenum in certain forms of alloy steel were imposed in 1952 because these metals were scarce. The restrictions on nickel remain—London, Sept. 23.

UNITED STATES

Home Building—Construction of new homes in the Detroit area during the first half of this year was 39·8 per cent ahead of the same period in 1952. Permits issued this year total 18,164, compared with 13,122 last year. The postwar urge for country living, plus the fact that available residential lots in the city are limited, has resulted in a tremendous increase in suburban building. For every new home being built in Detroit this year, approximately four are being built in the suburbs and nearby rural areas—Detroit, Sept. 25.

WEST GERMANY

Dollar Gap Decreasing—The dollar gap in German foreign trade has narrowed considerably during January-June 1953. During the first half year of 1953 the deficit amounted to $41·4 million, as compared with $262·3 million during the same period of 1952. This improvement in Germany's trade balance with the free dollar countries is the result of a 47·4 per cent increase in exports and a 31·7 per cent decline in imports—Bonn, Sept. 17.

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, began a tour of Canada in Ottawa, September 1-4. His itinerary is:

- Toronto—October 19-24
- Welland—October 26
- Hamilton-Brantford—October 27
- Sarnia—October 28-29
- Winnipeg—November 23
- Vancouver—December 1-11

R. P. Bower, Commercial Counsellor for Canada in London, will begin a Canadian tour in Vancouver, October 5-9. His itinerary is:

- Vancouver—October 5-9
- Edmonton—October 13-14
- Calgary—October 15
- Regina—October 16
- Winnipeg—October 19-20
- Niagara Falls—October 22-23
- Hamilton—October 26-27
- London—October 28
- Windsor—October 29
- Sarnia—October 30
- Toronto—November 2-13
- Ottawa—November 16-20
- Montreal—November 23-December 4

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. He will visit Montreal, September 30-October 10.

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:

- Vancouver—October 6-19
- Victoria—October 20

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

- Vancouver—October 1-7
- Edmonton—October 8
- Winnipeg—October 9
- Ottawa—October 13-16

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, is beginning a tour of Canada in Vancouver and Victoria, September 30-October 5. His itinerary is:

Edmonton—October 6-7
Winnipeg—October 9
Sarnia—October 13
Windsor: Walkerville—October 14
Toronto—October 15-20
Montreal—October 21-26
Ottawa—October 27-November 4
St. John's (Nfld.)—November 7

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

Vancouver—October 5-10
Winnipeg—October 13-14
Ottawa—October 16-17

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

Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, begins a tour of Canada in Quebec City on October 5. His itinerary is:

Moncton—October 8
New Glasgow: Trenton—October 9
Halifax—October 14
Saint John—October 16
Montreal—October 19-24
Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Windsor: Walkerville—November 5
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Halifax, Montreal, New Glasgow, Saint John.

Chamber of Commerce—Arvida, Brockville, Calgary, Hamilton, Kingston, Kitchener, London, Niagara Falls, Pembroke, Peterborough, Preston, Quebec, Regina, St. Catharines, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Moncton, Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Trade and Tariff Regulations

GREECE

Customs Tariff Revised—Various revisions in the Greek customs tariff were made by a decree-law of August 27, in force retroactively since July 21, and by a draft decree-law effective September 11. An outline of these revisions is given below:

- The rates of duty were increased by 50 per cent on several items dutiable according to weight. As a result of the devaluation of Greek currency last April (see *Foreign Trade* of May 16, 1953), the effective value of these duties is not greater than it was before devaluation. Among the items affected, Canadian exporters may be interested in coniferous lumber, wood pulp, electric heaters, caustic soda, zinc oxide and iron oxide.

- The following articles, hitherto dutiable by weight, are now subject to rates of duty according to value, involving an increase in the duties: iron bars of certain sections, various types of sheet iron including tinplate, wire and wire ropes of iron and non-ferrous metals, shovels, picks, scythes, sickles, and passenger automobiles weighing up to 800 kilograms (about 1,760 pounds).

- For various textile fabrics and manufactures and for cutlery, dutiable according to weight, alternative ad valorem duties have been established with the provision that actual duties may not be lower than the new ad valorem duties.

- The coefficient for converting tariff rates on certain edible animal fats was increased from 5 to 10.

- The rates of duty were reduced on various parts of radios imported separately, on certain refrigerating sets imported without the chests, and on motor vehicles for goods transport with a body similar to that of passenger automobiles.

- A luxury tax of 25 per cent was established for passenger automobiles of an original value exceeding $1,800 free in factory.—Athens, September 5 and September 14.

Information on rates of duty on individual items resulting from the above revisions may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

INDIA

New Open General Licence—The Government of India has announced the introduction of Open General Licence No. 31, replacing Open General Licence No. 29, which expires on September 30, 1953, according to a cablegram from the Acting Commercial Secretary for Canada, New Delhi. Admission under the new Open General Licence requires that the goods be shipped on through consignment to India on or before September 30, 1954.

Open General Licence No. 31, like the former one, provides that specified commodities may be imported freely into India from all countries (except South Africa). The following have been removed from Open General Licence: wrought copper, brass, bronze and similar alloys; diesel engines; spare parts of power-driven pumps and tractors; certain chemicals; hosiery needles; scientific instruments, and microscopes. These goods are now subject to individual import licence, quotas being provided for both the soft and hard currency areas. No new items are added.

Further information will be available when the official text is received.

NORWAY

Customs Tariff Amended—The Norwegian customs tariff was amended by two Royal resolutions effective July 1 and August 3, respectively. The amendment involves some tariff reductions as well as increases.

No major Canadian export items to Norway are affected by these changes. However, among the goods on which duties were reduced are fork trucks, gelatine capsules for pharmaceutical products and rice semolina. Items on which the duty was increased include cables covered with lead, uncoated zinc plates, and certain knives and forks.

The special rates of duty, including taxes for certain articles imported by travellers for their personal use (see *Foreign Trade* of December 13, 1952), were reduced on various articles of clothing, fabrics, coffee and rice—Oslo, Sept. 15.

Exporters may obtain information as to individual items affected by the amendments from the International Trade Relations Branch, Department of Trade and Commerce.

PAKISTAN

Import Control Policy for July-December, 1953—The Government of Pakistan announced in a Press Note dated September 10, 1953, the commodities which are licensable for imports from the dollar area during the July-December 1953 licensing period. These goods are as follows:

Second-hand clothing; books and magazines.

Antibiotics, anti-T.B. drugs and medicines and preparations thereof; normal saline solution and quinine dihydrochloride solution; all sorts of homeopathic and biochemic medicines; unspecified medicinal herbs and crude drugs in their natural form; all sorts of unspecified drugs and medicines.

Coal tar dyes, including dyes for textile printing.

Ball, roller and taper bearings; hosiery and knitting machinery and component parts thereof; spooling, carding, sizing, spinning, weaving and twisting machinery and component parts thereof; dyeing and printing machinery; spindles and component parts thereof; internal combustion traction engines of road vehicle type; all sorts of electric generating sets and alternators and component parts thereof; all types of road rollers, tractors and bulldozers and boilers and component parts thereof; humidification, air conditioning and ice making plants and component parts thereof; cotton ginning machinery and component parts thereof; all sorts of machinery and millwork and parts and accessories thereof.

Brake fluid; lubricating oils and greases; motor spirit; all sorts of unspecified mineral oils.

Paints; unspecified tires and tubes (new); unmanufactured tobacco.

Airplanes and parts and accessories thereof; motor trucks completely knocked down only; parts and accessories of motor cars and station wagons; parts and accessories of jeeps and trucks.

For previous announcement on this subject see "Foreign Trade" of September 19, pp. 23-24.

UNITED STATES

No Consular Invoice for Shipments Valued at $250 or Less—According to the *Federal Register* of September 9, 1953, (T.D. 53336), section 8.15(*a*) of the Customs Regulations is now amended to provide that a *certified invoice is no longer required* for the entry of merchandise valued at $250 or less. Previously the regulations required certified invoices for certain shipments valued above $100.

Duty-Free Entry of Gifts up to $10—According to the *Federal Register* of September 9, 1953, (T.D. 53336), section 8.3(c) of the Customs Regulations is now amended to permit duty-free entry of any article sent as a bona fide gift from a person in a foreign country to a person in the United States, provided the aggregate value of such articles received by one person on one day does not exceed $10. Previously the regulations set a $1 limit on such duty-free entry of parcels.

Duty-Free Entry of Equipment for Foreign Vessels—The Customs Simplification Act of 1953 amends Section 309 of the Tariff Act to provide for exemption from duties and taxes for articles of foreign origin withdrawn from customs-bonded warehouse for *equipment* of foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, effective on and after September 7, 1953. Previously, the exemption from duties and taxes applied only to *supplies* for such foreign vessels.

Tariff Commission Will Investigate Imports of Lead and Zinc and Products—The United States Tariff Commission has announced that on September 16, 1953, it instituted an investigation under authority of Section 7 of the Trade Agreements Extension Act to determine whether the articles provided for in tariff paragraphs 72, 77, 391, 392, 393, and 394, are, as a result in whole or in part of the duty or other customs treatment reflecting concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industries producing like or directly competitive products.

The announcement also stated that this investigation would be conducted concurrently with a general investigation which is currently being made by the Tariff Commission relative to the United States production and consumption of lead and zinc. Therefore, public hearings in the investigation under section 7 will be held jointly with the hearing in connection with the general investigation. Public hearings with respect to lead are scheduled to begin on November 3, 1953, and with respect to zinc on November 5, 1953.

Paragraph 72 of the U.S. Tariff includes the following items: litharge, orange mineral, red lead, white lead, pigments containing lead. Paragraph 77 includes lithopone and zinc oxide. Paragraphs 391, 392, 393 and 394 are are the basic lead and zinc items.

Austria Regulates Foreign Trade

BERNE—A new law regulating Austria's foreign trade became effective on August 20. The essential change is the institution of full ministerial responsibility for decisions taken on concrete matters and the limiting of the competence of the Foreign Trade Council to the examination of questions of principle. Formerly, all import and export matters subject to authorizations required the unanimous approval of the working committee of this Council. The law also provides for appeal to foreign trade experts.

The abolition of the turnover tax on payments covering foreign goods processed in Austria for re-export for foreign account, and a reduction of the rate of 15 per cent to 10 per cent for provisional deposits pertaining to trade transactions, are among the new facilities provided. The Minister of Commerce is authorized to prohibit, with a certain degree of freedom, the export or import of commodities. He may also delegate to local authorities and to customs offices the powers of authorization which he holds. This is an advantage in speeding up the procedure in each instance, because it legally widens the field of exports not subject to licences which may come to the attention of the customs offices and which they may rule upon directly. Export licences will no longer be granted by the Minister of Finance but by the Minister of Trade, and therefore foreign trade formalities will come under one ministry only. However, import licences may be issued only if the National Bank grants the necessary exchange.

—Yves Lamontange
Commercial Counsellor for Canada

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Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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Territory	Officer	City Address	Mail and Cables, Office Telephone
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 3703 *Cable:* Canadian *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, Lima	*Mail:* Casilla 1212 *Cable:* Canadian *Tel.:* 71150
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, Manila	*Mail:* P.O. Box 1825 *Cable:* Canadian *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., Lisbon	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	†K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, Johannesburg	*Mail:* P.O. Box 715 *Cable:* Cantracom *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	†A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, Cape Town	*Mail:* P.O. Box 683 *Cable:* Cantracom *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, Madrid	*Mail:* Apartado 117 *Cable:* Canadian *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, Stockholm	*Mail:* P.O. Box 14042 *Cable:* Canadian *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy, Kirchenfeldstrasse 88, Berne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1	*Mail:* (City Address) *Cable:* Sleighing *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	G. H. Rochester, Commercial Secretary (Timber)		*Cable:* Timcom

Territory	Officer	City Address	Mail and Cables Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	†R. G. C. Smith, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	Leslie G. Chance, Consul General of Canada	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	C. C. Eberts, Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Uruguay	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, MONTEVIDEO	*Mail:* Casilla Postal 852
Venezuela Netherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 33[illegible]6 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	Acting Agricultural Secretary		

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 1·01846.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Sept. 24*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1309	
		Basic buying	·1964	
		Preferential selling	·1964	(1)
		Basic selling	·1309	
		Free	·07068	
Austria	Schilling		·03776	
Australia	Pound		2·2010	
Belgium Luxembourg & Belgian Dependencies	Franc		·01971	
Bolivia	Boliviano	Official	·00517	
British West Indies	Dollar		·5732	(3)
	Pound		2·7513	(4)
	Dollar	Brit. Honduras	·6878	
Brazil	Cruzeiro	Official	·05307	tax 8%
		Free	·02509	(2)
Burma	Kyat		·2062	
Ceylon	Rupee		·2063	
Chile	Peso		·00893	
Colombia	Peso	Basic	·3927	
Costa Rica	Colon	Official	·1749	(5)
		Free	·1479	*
Cuba	Peso		·9819	tax 2%
Czechoslovakia	Koruna		·1364	
Denmark	Krone		·1422	
Dominican Republic	Peso		·9819	
Ecuador	Sucre	Official	·06546	(6)
		Free	·05685	
Egypt	Pound		2·8195	
Fiji	Pound		2·4786	
Finland	Markka		·00427	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01544	
Germany	D Mark		·2338	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9819	
Haiti	Gourde		·1964	
Honduras	Lempira		·4909	
Hong Kong	Dollar	Free	·1637	*Sept. 18
Iceland	Krona	Official	·06029	
		Special buying	·04642	
		Special selling	·03740	
India	Rupee		·2063	
Indonesia	Rupiah	Basic	·08613	(7)
		Dollar certificate	·00185	*

* Latest available quotation date.