



# foreign trade

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**COVER . . .** Using a primitive instrument, this young woman is mangling cotton to remove the stones. One of the suggested cures for Indonesia's financial problems is stepping up the productivity of labour, partly by introducing new equipment. For the full story, turn to page 5.

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## Mexico Woos the Tourist

*With the coming of direct air service from Canada to Mexico, more Canadians may be visiting this North American neighbour, skilled in the techniques of entertaining the visitor.*

MEXICO, D.F.—Last year, over 473 thousand tourists visited Mexico, attracted by the country's mild and equable climate, its sunny skies, friendly and pleasant people, and its wealth of historic and archaeological interest. About 95 per cent of these visitors came from the neighbouring United States, about four to five thousand from Canada, and a much smaller number from Guatemala, other countries in Central America, and from Europe. These are all travellers touring the interior; in addition, millions pay brief visits to the Mexican border cities.

Back in 1947, only 275,300 tourists came to Mexico and the total revenue from the tourist industry reached only \$81 million. Since then, the flow of tourist dollars has steadily increased—to \$87 million in 1948, \$100 million in 1949, \$130 million in 1950, \$157 million in 1951, and \$205 million in 1952.

### **Government Encourages Tourist Industry**

The Mexican Government early recognized the importance of the tourist industry and a Federal Tourist Bureau, organized under the Department of the Interior, has been in operation for a number of years. This Bureau publicizes Mexico as:

- A vacation-land.
- A locale for conventions, business meetings and scientific gatherings.
- A site for the Pan-American games.
- A permanent residence for United States pensioners.

Mexico's fortunate position next to the United States has been a major factor in the great influx of tourists but the rapid development of the industry during the past ten years has only been possible because of improved communications. A network of new and better roads throughout the country, plus the ease of air travel between the United States and the main Mexican cities, has attracted travellers in increasing numbers.

### **Travel Lighter This Year**

So far this year, there has been cause for uncertainty. In the first seven months only 231,825 visitors arrived, compared with 250,001 for the first seven months of last year. The Coronation no doubt diverted some tourist traffic to the United Kingdom. More disquieting, however, is the feeling that unfavourable publicity in the United States on alleged



*Guadalajara, situated at an altitude of over 5,000 feet, has a distinctly Spanish flavour and attracts many tourists. The photograph shows the old Governor's Palace, which dates from 1643.*

over-charging in some tourist centres, on poor service and on thefts from visitors had contributed to the down-trend. The late fall is, however, a popular time to see Mexico and tourist travel will no doubt pick up.

The drop in tourist entries immediately brought measures to counter-act this trend. In May a new director of the Mexican Tourist Bureau was appointed and a National Tourist Council established. The Council co-ordinates the activities of official and unofficial organizations devoted to promoting domestic tourism, extends Mexico's publicity program abroad, and fosters the revival and continuance of the country's more colourful fiestas and pageants to serve as tourist attractions.

The official Tourist Bureau is encouraging the building of new hotels and motor courts, restaurants and other tourist facilities, some with the aid of government loans. The Bureau also inspects hotels and restaurants and is granting official "seals of approval" only to those which meet rigid sanitary and health standards.

The Government is also bent upon improving methods of travel to and within the country. New and better roads are being built. The super-highway between Mexico City and Acapulco, scheduled for completion in early 1954, will cut motoring time between the two centres from 11½ to 6½ hours. The new highway from Nogales at the U.S.-Mexican border to Guadalajara should increase the number of tourists from the west coast of the United States.

On August 27th the National Railways of Mexico provided a new train service between Laredo and Mexico City. This luxury train offers, at no extra cost, air-conditioning, hot and cold showers, compartments, observation car and bar, and stewardess service.

The Tourist Bureau suggested to United States airlines operating to Mexico that they offer coach fare services to encourage Mexico-bound tourist traffic. Now American Air Lines has announced that its air-coach service will begin on November 29th. Suggested fares, still subject to the approval of the Mexican and United States Governments, are:

ONE WAY	San Antonio—Mexico City	\$ 34.00 U.S.
	Chicago —Mexico City	\$ 76.00 U.S.
	Washington —Mexico City	\$ 97.00 U.S.
	New York —Mexico City	\$ 99.00 U.S.
	Boston —Mexico City	\$106.00 U.S.

### **Entry into Mexico**

To cut the red tape of entry into Mexico to a minimum, the Government has adopted three measures:

- The "multiple-crossing" tourist card, which will permit foreign visitors to enter and leave Mexico as many times as they wish within a six-months' period. Previously tourists were allowed only one crossing on each card.
- Mexico border visitors may enter the country for 72 hours with no other documents but identification papers.
- International communications lines may issue tickets to Mexico without requiring travellers to show tourist cards, with the understanding that these cards will be issued at Mexican ports of entry.

### **Travel from Canada**

Canadian tourists to Mexico have a choice of travel by road, rail or air. The network of railways and roads in Canada, the United States and in Mexico make any centre in the latter readily accessible from any place in Canada.

Air passengers from Canada going to Mexico move via various United States airports such as those at New York, Chicago, Los Angeles, etc. On October 17th Canadian Pacific Air Lines inaugurated a direct, non-stop ten-hour service from Vancouver to Mexico City. Before the end of the year, Trans-Canada Airlines will be offering direct service from Montreal and Toronto to Mexico. These two services should increase the flow of Canadian tourists to Mexico from both the east and the west.

With the exception of the United States, no country is as accessible to Canadian tourists as Mexico. Ease of travel, no foreign exchange difficulties, excellent climate, natural beauty and a friendly people—all these should attract Canadians wishing to visit a foreign country. They can find them all in Mexico—and enjoy an interesting and happy vacation.

—S. G. TREGASKES

*Assistant Commercial Secretary for Canada*

## Indonesia Battles Postwar Problems

*Budget deficits, an unfavourable balance of trade, and difficult internal problems are hampering Indonesia's economic advance. These conditions, and the steps that might be taken to improve them, are highlighted here.*

DJAKARTA—The economic development of Indonesia during 1951 and 1952 was affected by a number of factors, both internal and external. Chief among these were the sharp decline in world prices for Indonesian exports, the rise in imports, sparked by domestic inflation, and the large budget deficit. The unsettled conditions in many parts of the country, labour unrest, and low productivity added to the Government's problems.

A clear picture of the situation is contained in the annual report of the Bank of Java (now the Bank of Indonesia), for the financial year 1952-53. In dealing with the budget deficit, for example, the Bank asserts that the Republic is obviously living beyond its means. The 1951 budget showed a surplus of almost 1,200 million rupiahs—the effect of the Korean war, which brought a marked but short-lived improvement in trade. In 1952, however, this surplus turned into a deficit of 4,327 million rupiahs—the largest since Indonesia received her independence.

### Foreign Exchange Problem

The budget deficit aggravated the inflation which, in turn, resulted in a considerable difference between the official and unofficial rates of exchange for the rupiah, hampered legal exports, stimulated smuggling, and increased the demand for imported consumer goods. The foreign exchange position deteriorated so sharply that the Government was compelled to take action.

On February 4, 1952, the Indonesian foreign exchange system was radically changed by repealing the foreign exchange certificate system and introducing uniform buying and selling rates for foreign currency. Dollar export certificates were instituted to halt the drain on Indonesia's dollar reserves. As a further step, the previous system of extra taxes on certain classes of imports (originally called the "inducement system") was extended and extra export duties imposed on strong and semi-strong products to bring in additional revenue, replacing to some extent the profits from the old system of foreign exchange certificates.

At the end of 1952, the gold holdings of the Bank of Java and the foreign exchange held by the Foreign Exchange Fund totalled 2,026 million rupiahs, compared with 4,247 million rupiahs at the end of 1951.

Indonesia's net debtor position for 1952 increased by approximately 3,382.6 million rupiahs, largely because of the deterioration of the terms of trade. Actually, the balance of payments with the hard currency area

showed no change compared with 1951. The 1951 surplus with the soft currency area, however, turned into a large deficit in 1952. In fact, dollar exchange to the value of 2,119 million rupiahs had to be changed into other currencies to close this gap.

### **The Foreign Trade Picture**

The foreign trade of Indonesia for 1952 totalled 20,920 million rupiahs, with exports valued at 10,387 million rupiahs and imports at 10,533 million rupiahs. In the previous year, total trade amounted to 23,520 million rupiahs, with exports at 14,340 million rupiahs and imports at 9,180 million. The unfavourable balance of trade for the past year thus reached 146 million rupiahs, as compared with a favourable balance of 5,160 million rupiahs in 1951. The United States, Singapore and the Netherlands were the chief markets for Indonesia's exports in 1952, taking 2,659, 2,542, and 2,201 million rupiahs' worth of products, respectively. The chief sources of supply were the United States (1,806 million rupiahs), Japan (1,455 million rupiahs), and the Netherlands (1,353 million rupiahs). During 1952 imports from Canada were valued at 88 million rupiahs; exports to Canada amounted to 14 million rupiahs.

### **Need for Action**

All these developments—the budget deficit, the fall in foreign exchange reserves, and the unfavourable trade balance—made further measures imperative. The temporary prosperity during the early part of the Korean war had led many Indonesians to believe that their troubles were behind them. When financial and other difficulties returned, it was not a simple matter to convince some of them—particularly the inhabitants of the outer islands—that various rehabilitation and reconstruction schemes, planned or under way, would have to be discontinued.

The budget deficit for 1953 is estimated at 1,794 million rupiahs—a considerable improvement over 1952. The Bank sounds a warning that for the 1953-54 financial year, the deficit should not exceed 2,500 million rupiahs, or the Government will be forced to draw on its last foreign exchange reserves. And the level of taxation, says the report, is already too high. Those individuals and private enterprises which pay their taxes in full have practically no money left to set aside as reserves for bad years nor to plough back into their businesses to improve or expand them. High taxation also encourages tax-dodging and the present taxation machinery is inadequate to cope with this problem.

The Bank suggests two ways in which the Government might attack this problem—first, by stepping up productivity in industry with as little extra government outlay as possible and second, by seeking foreign aid. In saying this, it makes clear that productive enterprises in Indonesia are fewer than they were before the war, and the income per capita at the most only 60 per cent of the 1938 figure.

The first approach—stepping up productivity—has its dangers. These do not lie in the possibility of economic advance being interrupted by deflation, but in the numerous regulations introduced and departments set up to carry out these regulations, which largely protect the native sector of the economy and the weaker groups. The difficulty of obtaining various permits has discouraged the establishment of new enterprises and

the expansion of others. Moreover, various new bodies, the so-called "Jajasan" (corporations) have been set up and given a monopoly over the sale and purchase of cambrics, cloves, etc.

Improving the productivity of labour is only possible in a sustained atmosphere of peace between labour and management. The Bank's report asserts that the Government must withdraw the regulation fixing a seven-hour day and a 40-hour week—a luxury which a country as poor as Indonesia cannot afford and which Japan, Italy and Germany, for example, have not adopted. The reintroduction of the eight-hour day would also eliminate the heavy drain of overtime pay.

### **Securing Foreign Aid**

The second solution which the Bank recommends is the securing of foreign aid. Though Indonesia suffered severe damage during the war, reconstruction assistance from such sources as the United States Government, the Export-Import Bank, and the Netherlands Government has totalled a mere 2,286 million rupiahs. There are two main sources of foreign aid to which Indonesia can now turn—the United States and the International Bank for Reconstruction and Development. Because the country has received so little foreign aid, the International Bank may well be willing to extend large loans for increasing production once Indonesia becomes a member of the International Monetary Fund.

There is, of course, a third solution which the Government is also trying—increasing export trade, both with countries inside and outside the Iron Curtain.

If the Government persists in its efforts along all these lines, and the Indonesians themselves co-operate in making these measures work, the possibility of a balanced budget should come nearer—and may not be delayed as long as 1956, as the Bank now believes probable.

—W. D. WALLACE  
*Commercial Secretary for Canada*

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### **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.*

## Norway in 1953 . . .

*With earnings from exports and from the merchant fleet down, the balance of payments in 1953 is showing a deficit. Imports from Canada, however, have risen slightly.*

OSLO—The downward trend in Norway's economy noted in the last six months of 1952 carried on into the first half of this year. Activity generally continued brisk, but little further progress was made in industrial production and the earnings of the export industries and the merchant fleet appear to have stabilized at too low a level to cover foreign exchange expenditures. The deficit on the balance of payments is therefore a dominant feature. The rise in internal prices which marked 1952 has not continued into 1953.

One evidence of the Government's anxiety over the foreign exchange position was the publication on August 12th of a confidential circular addressed to the banks on June 26th by the Ministry of Finance. This circular exhorted the banks to adjust their credit-granting policies with the object of restricting imports, especially of less essential consumer goods, and encouraging or maintaining production which could take the place of imports.

### **Main Developments**

In the winter months, seasonal unemployment was somewhat higher than in preceding years. Present wage levels generally were extended for one year and the labour situation during the first six months remained quiet. Weather conditions have been favourable and crop prospects are good. For whaling and fishing, which are mainly concentrated in the early part of the year, the weather was unfavourable both in the Antarctic and on the Norwegian coast and the production of the great seasonal fisheries has been unsatisfactory. Industrial production increased slightly less than 1 per cent from 1951 to 1952 and there has been little change in 1953.

The volume of imports has increased since 1952 but the fall in prices meant that the total value of commodities imported increased only slightly. The volume of exports during the first half of 1953 was about the same as in 1952. The decline in export prices was greater than in import prices and the result was less favourable terms of trade.

The main problem in 1952 was prices. In contrast to most countries, Norwegian prices continued to rise throughout 1952. The cost-of-living index, however, showed only unimportant changes in 1953; the May index was 135, or one point below the record high. In June, despite strong opposition by all non-socialist parties, a permanent Price Control Act was passed by the Storting (Parliament), an Act which incorporated most of the emergency price legislation in effect since the outbreak of World War II.

The Bank of Norway estimates that the total deficit on the balance of services and goods in 1953 will be about 900 million kroner. This deficit involves mainly European Payments Union currencies; dollar revenues are expected to be approximately equal to dollar spending. The holdings of gold and dollars will be reduced in the course of the year, however, by payments due to EPU because of the utilization of the credit quota with the Union. From the beginning of this year until the end of June, Norway had a deficit with EPU of \$43 million. In addition, she had drawn \$16.6 million as of December 31, 1952. Under the formula used for settling EPU deficits, this has meant payments this year in gold and dollars to the Union equivalent to \$9.9 million. As the deficit increases, so does also the proportion which must be settled in gold or dollars. There were, however, several other factors contributing to the deficit on the balance of payments, as will be seen from the following sections of this report.

From April 1948 up to and including March 1953, Norway received financial aid from the United States to a total value of \$438.7 million, or about 2,800 million Norwegian kroner, and since the Offshore Procurement Program was introduced Norway has obtained contracts for \$16 million worth of military equipment.

### **Foreign Trade**

During the first half of 1953 the value of commodity imports totalled 2,865 million kroner, compared with 2,861 million for the same period of 1952. Imports of ships showed a marked increase, rising in value from 280 million kroner in January-June 1952 to 457 million kroner in 1953. The total value of all imports rose from 3,141 to 3,322 million kroner; the total value of exports dropped from 2,166 million kroner in the first six months of 1952 to 1,768 million kroner in 1953. Five groups showed an increase in import values ranging from 20 to 40 million kroner: articles of clothing, vegetable foodstuffs, textiles, fuel, and machinery. Other commodity groups, such as ores and metals, wood, oils and fats, and chemicals showed a marked decrease in import values. Export values declined even more noticeably, paper pulp decreasing by 37 per cent, paper and cardboard by 39 per cent, fish and fish products by 21 per cent, and fats and oils by 25 per cent. Norway's imports from Canada rose in value from 132.4 to 151 million kroner and exports to Canada declined from 10.2 to 7.7 million kroner, with fish and fish products showing the biggest losses.

### **Industrial Situation**

For the first four months of 1953 the index of industrial production was 156, compared with 155 for the same period last year. This overall stability, however, conceals wide variations in detail. The index for industries producing for the home market increased from 158 to 161 but the index for export industries dropped from 151 to 147. Among industries with reduced output compared with last year canning had the largest decrease, the production index declining from 151 to 83. The index for the pulp and paper industries declined from 130 to 125; the textile industry showed little change compared with last year. Mining and metal extraction, however, increased production by 16 per cent over 1952.

During the first half of 1953 shipping freights became more stable. However, while the foreign exchange earned by shipping in 1952 amounted to 2,000 million kroner net, this figure may be reduced to about 1,600 million kroner for 1953. This item alone therefore increases the deficit on the balance of payments by some 400 million kroner. On June 1 of this year, 31 vessels totalling 54,179 gross tons were laid up, compared with 21 vessels totalling 53,245 tons on January 1. The latest available figures covering Norwegian tonnage were published on January 1, when the merchant fleet consisted of 2,191 ships aggregating 6,043,000 gross tons. Of these, 366 were tanker vessels totalling 3,107,000 gross tons.

Because of unfavourable weather conditions in the Antarctic during the 1953 whaling season, the output of whale oil was smaller than in recent years—812,686 barrels, or 323,957 barrels less than last year. As oil prices were also lower, the value of production declined about 40 per cent.

#### **Fisheries and Agriculture**

Bad weather also resulted in poorer catches for the fisheries. The catch of winter herring amounted to approximately 23·8 million bushels, compared with 29 million last year and the record 31·4 million in 1951. For cod the decline was even greater; the total catch was 111,770 tons compared with 161 thousand tons in 1952. The effect of these setbacks will be felt by the fish processing industries, as the supply of raw materials is insufficient to keep plants working at capacity. This in turn will affect export figures.

Crop prospects this year are reported good and sales of animal products have increased since last year. The number of pigs slaughtered, for instance, increased from 97,227 in the first quarter of 1952 to 131,185 during the same period of 1953. Milk deliveries to the dairies also increased sharply, stimulated by higher subsidies on milk. During the first four months of the year deliveries totalled 348,481 tons, or 13 per cent more than in the corresponding period last year.

—J. L. MUTTER

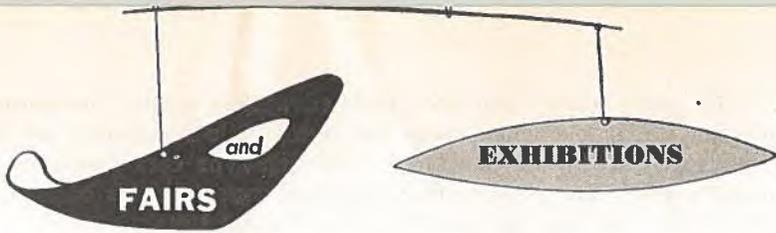
*Commercial Secretary for Canada*

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### **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.*



## Rhodes Centenary in Review

JOHANNESBURG—"Shop window for the continent of Africa"—this was the name given to the great Central African Rhodes Centenary Exhibition, held in Bulawayo last summer to commemorate the 100th anniversary of the birth of Cecil John Rhodes. In the three months of the Exhibition, over a million people passed through the turnstiles to see the government and industrial pavilions designed to focus attention on the growth and continuing development of the Rhodesias.

Every country and major industry in Africa south of the Sudan participated. On the fifty acres of parkland set aside in the heart of Bulawayo there were displays of the products and culture of French Equatorial Africa, Uganda, Belgian Congo, Angola, Kenya, Nyasaland, Tanganyika, Zanzibar, Portuguese East Africa, the Union of South Africa, Madagascar, and Reunion. In addition, the wares of over 250 business houses were exhibited in the Commercial Section.

### Commercial Exhibits

These displays in the Commercial Section ranged from large stands with working models to kiosks and showcases. Many exhibitors found it impossible to man their booths for the three-months period and used prestige displays that did not require attendants. Others decided that after paying 30/- (\$4.20) a square foot for space, it was in their own interest to have someone on hand to promote the sale of their products. No matter which method was used, the results were gratifying. A Southern Rhodesian who recently started to assemble pianos and could not afford to man his booth received numerous inquiries for the pianos he displayed. A South African food processor learned so much about Southern Rhodesian fruits and vegetables while tending his booth that he decided to open a canning plant in the Colony.

A few months before the Centenary opened, the Southern Rhodesian Government agreed to provide exchange for exhibitors wishing to display goods from dollar countries. One enterprising manufacturers' agent took advantage of the offer and brought in six Canadian stoves which he displayed at his booth. Their reappearance in the Colony caused quite a stir but because Southern Rhodesian exchange controls prohibit their import, the agent spent most of his time explaining to housewives why they couldn't be bought in local stores.

The only other firms that took advantage of the Government's offer of dollar exchange were the automobile companies of North America. Here again, the large American-type cars displayed provoked a good deal of comment but there were no sales because cars are not allowed into the country at the present time.

As one exhibitor said, "Anyone who booked space with the idea of recovering the expense of participating from on-the-spot sales was foolish. We look upon exhibitions of this nature as a media for advertising our products and do not expect immediate results from our display here any more than we would from a magazine advertisement."

Although no record was kept of business visitors, Exhibition officials estimate that of the one million people who passed through the gates, at least 100 thousand were businessmen. Close to 90 per cent of them were from the Union of South Africa and the Rhodesias, and the remainder from Portuguese East Africa and other African countries. About a hundred United Kingdom and European businessmen came to see the Exhibition but visitors from Canada and the United States were, naturally enough, rather few.

—HOWARD E. CAMPBELL

*Assistant Canadian Government Trade Commissioner*



*Sportswear and sporting equipment were displayed at the Canadian Show-room in Rockefeller Centre during September and October. Several of the exhibits, like the one above, introduced a welcome note of humour.*

## Preview of Home Furnishings

CANADA INSPIRED the contribution of one leading United States interior decorator at the fifth annual National Home Furnishings Show recently in New York. William Pahlmann's room at the Show displayed the study of a Canadian explorer in British Columbia. Among its distinctive decorations were handicrafts from Quebec, old wood carvings from the Pacific Northwest, and a large painting, "Northern Lights", by Canadian painter Roloff Beny.

Held from September 17th to 27th at the Grand Central Palace, the show gave the public a preview of the future in home furnishings. Over 400 manufacturers showed more than \$5 million worth of merchandise, including furniture, floor coverings, curtains and draperies, lamps, major appliances, antiques, china, silver, glass and accessories.

The show struck an international note with rooms specially designed to illustrate international contributions to American design. Each nation represented had its special day. On "Canada Day", M. B. Bursley, Consul of Canada and Trade Commissioner, and C. E. Butterworth, Vice-Consul and Assistant Trade Commissioner, officiated at the opening ceremonies.

## Fair Calendar

### IN NORTH AMERICA:

- *5th International Exhibition of the Screen Process Printing Association, New York*—Nov. 1-5, Hotel Statler. Apply: Dan Novak, Screen Process Printing Association Inc., 549 West Randolph Street, Chicago 6.
- *Packaging Association, Toronto*—Nov. 3-5, Automotive Building, Exhibition Park.
- *Montreal Tool and Equipment Show*—Nov. 9-13, in the Showmart. Apply: E. M. Wilcox, 19 Melinda St., Toronto, or F. Lavery, 2745 Barclay St., Montreal.
- *Automotive Transport Association, Toronto*—Nov. 20-23, Automotive Building, Exhibition Park.
- *Montreal Truck Show*—Nov. 20-27, in the Showmart. Apply: Jean Blanchard, Room 106, Showmart.

### IN EUROPE:

- *6th Salon for Packaging and Conditioning Industries, Brussels*—Oct. 31-Nov. 15. Apply: Salon de l'Emballage et des Industries Connexes, 10 Place de Brouckere.
- *24th International Food and Home Exhibition, Brussels*—Oct. 31-Nov. 16, Grand Palais du Centenaire. Apply: S.I.M.P.A., 8-10 Place de Brouckere.
- *3rd Children's Wear Trade Fair, London*—Nov. 2-5, in Royal Horticultural Society's Old Hall. Apply: National Children's Wear Association, 81 High Holborn.

## Trinidad as an Outlet for Chemicals

*This study of the market for chemical products in the colony should prove useful to the Canadian chemicals exporter. It examines prospects and explores the difficulties.*

PORT OF SPAIN—In 1952, Trinidad imported nearly BWI\$12 million worth of chemicals and allied products. Canada supplied about BWI\$1.5 million of this, or 14 per cent of the total—ranking next to the United Kingdom, which supplied nearly 68 per cent and was the leader in nearly every category.

One of the reasons for British dominance in this market is, of course, the dollar shortage, which has compelled Trinidad for the time being to buy most of its chemicals in soft currency markets. Canada's share at the moment is limited to the commodities which she has traditionally supplied, such as barytes, and to those which she can sell under the BWI Trade Liberalization Plan, such as various chemicals, paint, pharmaceuticals, and soap. But when the import restrictions on dollar goods can be relaxed, Canadian chemicals exporters should be able to obtain a larger share of the business, because their products enter Trinidad under the British preferential tariff rates.

### What Trinidad Buys

What chemical products sell best in the Trinidad market? To answer this, one has only to study the colony's two basic industries—petroleum mining and refining (which also produces some chemicals for export) and agriculture, especially the growing of sugar cane, cocoa, and citrus fruits. The slowly expanding manufacturing industries are beginning to use some chemicals and the service industries buy a surprising variety of chemical products, though in fairly small amounts. The biggest seller was manufactured fertilizers—about BWI\$1.8 million in 1952. Other products chalking up over a million dollars' worth of sales were pharmaceuticals, paints and pigments, cosmetics and soap, chemical elements and compounds, and barytes. Explosives, perfumes and flavouring, mineral tar and dyes, and "miscellaneous chemical materials and products" sell in smaller amounts.

### What Canada Sells

Barytes, to a value of nearly BWI\$1 million, ranks as Canada's largest chemical import into Trinidad. The following other Canadian chemicals sold well in the colony last year:

Commodity	Total Sales	% of Total Market
Paints and pigments .....	BWI\$236,000	15
Pharmaceuticals .....	163,000	10
Chemical elements and compounds ....	114,500	10
Calcium carbide .....	100,000	75
Soaps and cosmetics .....	85,000	5
Caustic soda, other inorganic chemicals	10,000	..

The United Kingdom supplied Trinidad with most of its paint; pharmaceuticals (smaller amounts come from British Guiana and the U.S.); soap and cosmetics.

In certain fields, Canada has not been able to compete seriously. One is manufactured fertilizer. Of nearly 14,000 tons imported, the United Kingdom supplied the major portion, with lesser amounts coming from the Netherlands, Belgium, France, and Western Germany. Similarly, Canada did not sell any insecticides, imports of which were valued at more than half a million dollars. These came from the United Kingdom, the United States, Hong Kong, Japan, France and China.

The United States during 1952 ranked third, after Canada, as a source of supply for chemical products and its sales included limited amounts of chemicals and pharmaceuticals, turpentine, insecticides and miscellaneous chemical products. Other countries selling small amounts during the year were British Guiana (pharmaceuticals), France (inorganic chemicals and insecticides), The Netherlands (fertilizers and chemicals), Belgium (inorganic chemicals and fertilizers), Greece (barytes), Hong Kong (insecticides), West Germany (chemicals and fertilizers). Australia, New Zealand and South Africa also appear on the list of minor suppliers.

#### **Chemicals for Agriculture**

Chemical fertilizers are used widely in the growing of sugar cane, with sulphate of ammonia in the lead. Close to 9,000 tons a year are used in the cane fields and most of it comes from Britain. Other 1952 imports for the sugar estates included 1,000 tons of superphosphate, chiefly from Holland and Belgium, approximately 1,000 tons of sulphate and muriate of potash, principally from France and Germany, and smaller amounts of nitrate of soda. The sugar estates also use some 2-4-D as a weed killer and benzene hexachloride as a protection against the "frog hopper".

The cocoa plantations in Trinidad are making increasing use of chemical fertilizers, principally complete compound fertilizers and lesser amounts of sulphate of ammonia, muriate of potash and superphosphates. Under the Government's Cocoa Rehabilitation Scheme, a new species of cocoa plant is being developed and distributed to planters. The Government also distributes free fertilizer for these new trees, to be applied under the supervision of the Department of Agriculture. In 1952, 250 tons were used in this way and during seven months of 1953, nearly 900 tons. The cocoa planters are also experimenting with chemical insecticides and fungicides.

#### **In the Citrus Industry**

In the citrus fruit industry of Trinidad, the hilly terrain and the abundant growth of weeds limit the use of chemical sprays. However, it is estimated that the Co-operative Citrus Growers Association and other distributors supplied substantial quantities of fertilizers to the growers last year, including 350 tons of sulphate of ammonia, 75 tons of potash, 40 tons of superphosphate, 25 tons of basic slag, and some magnesium. The use of such fertilizers is a recent development in the citrus industry and is growing.



*Chemical fertilizers have proved their value in this grapefruit plantation in Trinidad's Santa Cruz Valley. Citrus fruit growers are using these fertilizers in increasing amounts.*

Many of the large coconut plantations have fertile soil which does not need chemical fertilizers. However, plantations on poorer soil are beginning to use them and an estimated 150 tons of sulphate of ammonia and 50 tons of muriate of potash went to various coconut growers during 1952. The industry is currently worried about the ravages of "red ring", a parasitic disease. Measures to eradicate this and other diseases may call for chemical specialties.

Vegetable growers and market gardeners in Trinidad use some chemical fertilizer, much of which they purchase from the Marketing Board of the Department of Agriculture. During 1952 this Board distributed over 55,000 lb. of fertilizers. Over half of this was sulphate of ammonia and the rest powdered garden fertilizer, muriate of potash, granular garden fertilizer and superphosphate. The use of fertilizers on the rice fields and of insecticides and fungicides has not made much headway.

Oil-producing and refining companies in the colony consume more than forty types of imported chemicals. Annual imports of barytes for the oil industry equal 20,000 tons; the peculiar nature of the soil requires the use of high-grade barytes as a drilling mud and Canada is established as the principal supplier. Some Brazilian competition may develop if plans for the processing of crude Brazilian barytes in Trinidad take shape. Also imported in quantity for the oil industry are caustic soda, catalysts of alumina silica gel and vanadium, sulphate of alumina, lime, quebracho, sodium hexametaphosphate, and ethyl fluid.

The match manufacturing industry in Trinidad supplies chiefly the home market and nearby islands and the scope is therefore limited. Of about twenty chemicals used, the principal ones are sulphur, phosphorus, oxides of iron, oxide of zinc, chlorate and bichromate of potash, ammonia, and antimony.

The Trinidad glass-bottle industry imports each year about 300 tons of soda ash, 125 tons of feldspar, and smaller amounts of nitrate of soda, salt cake, arsenious oxide and selenium.

The sugar factories buy abroad nearly twenty types of chemicals. The principal ones, according to annual consumption, are soda ash (100 tons), refined roll sulphur (63 tons), caustic soda (25 tons), titanium chloride (11 tons), and muriatic acid (5,272 gal.).

Trinidad has a well-established industry processing copra into soap and edible oils. Several hundred tons of caustic soda and sodium chloride are consumed annually in this process and smaller quantities of silicate of soda, hydrochloric acid, ferric chloride, soda ash, sulphuric acid, and some ten other chemicals.

A new paint factory to open near Port of Spain in the near future will produce 30 tons of paint a week for home use and export. This will provide a market for colourings and paint ingredients but will mean added competition for prepared paints now reaching Trinidad from Canada. Another new industry which may alter the trade in some chemicals is the cement plant under construction near San Fernando.

The colony has a small industry producing animal and poultry feeds. Among the ingredients used are prepared compositions of trace minerals, riboflavin, penicillin and vitamin additives.

#### **Chemicals for Water Treatment**

The Works and Hydraulics Department of the Government of Trinidad uses some chemicals to purify water, including about 42,000 lb. of bottled chlorine a year. Two-thirds of this is purchased in 16-cwt. drums and the remainder in 150-lb. cylinders. In rural areas, some 500 gallons of sodium hypochlorite are used each year. Annual purchases of aluminium sulphate amount to 170 tons, and copper sulphate and activated carbon are used occasionally.

Finally, the many smaller service industries in the colony—such as laundries, garages, machine shops, welders, ship chandlers, food and beverage processors and many others—use small amounts of chemicals.

—ROGER PARLOUR

*Assistant Canadian Government Trade Commissioner*

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### **For Your Information . . .**

*The Directories listed were last published in these issues:*

*Foreign Trade Service Abroad . . . . . October 3*

*Head Office Directory . . . . . October 10*

*Area Breakdown, Foreign Trade Service . . . . . September 19*

*Foreign Commercial Representatives in Canada . . . . August 8*



## Commodity Notes

### ARGENTINA

**Meat**—Residents of Buenos Aires are queuing earlier and longer these days in an effort to obtain a reasonable choice from the seriously decreased supply of meat, especially beef. The queues, the fact that frozen beef is often all that is available, and the petitions for relief being sent to the Government by rural organizations are all evidence of the shortage. One week in September was officially declared "Fish Week"; posters exhorted the people to eat more fish and government-operated booths at busy intersections offered free samples.

August entries of cattle into Liniers Market which supplies the city were, at 150 thousand head, down 42 per cent from the 1949-52 average and well below last year's unsatisfactory level of 180 thousand head. Marketings are expected to increase seasonally beginning next month, but it seems most unlikely that Argentina's export commitments for the year will be met, at least for fresh and frozen beef—Buenos Aires, Sept. 15.

### FRENCH GUIANA

**Timber**—Timber areas in French Guiana are reported to contain 300 cubic metres of timber per hectare, of which 100 cubic metres are exploitable. A comprehensive river system would reduce transportation costs, although lack of adequate capital and markets is a handicap. Among the species found are walaba, coupi, galata, crabwood, mahogany, purple heart, snake wood and partridge wood—Port of Spain, Sept. 14.

### JAMAICA

**Cement**—The franchise granted to the local cement factory permits higher prices, but the company has reduced its price by five pence a bag to a controlled price of nine shillings and eleven pence—Kingston, Sept. 11.

### MEXICO

**Paper**—Despite the growth of the Mexican paper manufacturing industry, imports of paper of many varieties still are increasing. The Department of Statistics of the Secretariat of National Economy states that imports in 1952 amounted to 104,905·8 metric tons, valued at more than 180 million pesos. Comparative figures for 1950 and 1951 were 54,298 and 87,000 metric tons. In the first five months of this year 19,223·3 metric tons were purchased abroad, to a value of 39·1 million pesos.

Newsprint, of which Canada is the principal supplier, in 1952 accounted for 81,026 metric tons valued at 95.6 million pesos—Mexico City, Oct. 1.

#### NETHERLANDS

**Coffee**—Amsterdam coffee trade circles are confident of a favourable decision soon on the re-opening of the coffee futures market, which has been closed since 1939. Negotiations have progressed favourably following the recent improvement in the Netherlands foreign exchange and balance of payments position. It is hoped that, in addition to the futures market for coffee, a similar market for cocoa will be set up this year—The Hague, Sept. 23.

#### NORTHERN RHODESIA

**Copper**—Proven reserves of the new copper field on the Northern Rhodesia-Belgian Congo border exceed 80 million short tons, with a 3.6 per cent copper content. When production begins in 1958, the project will handle 150 thousand tons of ore a month and produce 1,000 tons of copper a week—Cape Town, Sept. 17.

#### PHILIPPINES

**Fertilizer**—One result of the intensive efforts of F.O.A. (formerly M.S.A.) agricultural advisers to stimulate food production in the Philippines is seen in reports of increasing sales of fertilizers. During the three months ending June 30, 1953, 289,834 bags of fertilizer were distributed to 40,660 farmers, 72 per cent more than in the same quarter of 1952. Of this year's distribution, 54.6 per cent was sold for cash—Manila, Sept. 23.

#### SPAIN

**Oranges**—Orange exports for the present season will reach a total of 900 thousand metric tons, states an official report. This constitutes a record—Madrid, Sept. 16.

**Currency Paper**—A new factory was recently opened at Burgos to make currency paper, formerly imported from England. It is officially reported that this new factory will make Spain self-sufficient in this commodity—Madrid, Sept. 19.

#### UNITED STATES

**Sardines**—In its 48 canning plants, Maine now packs some 300 million cans of sardines a year valued at \$20 million. More than 1,200 persons are engaged in sardine fishing and the catch last year was valued at \$1½ million. The industry has launched a nation-wide campaign financed by a 25 cent per case state tax imposed in 1951 at the industry's request. The yearly budget runs from \$500 thousand to \$800 thousand with 27 packers and 44 plants participating—Boston, Oct. 7.

## Chemicals IV

### The Versatile Primary Plastics

*With output of primary plastics up 500 per cent in the last ten years, Canada ranks today among the world's major producers—and many new projects are taking shape.*

OTTAWA—Plastics manufacturing is developing at a rate which clearly indicates that, in time, it will become one of the most important segments of Canada's chemical industry. It is, at the same time, one of the most difficult to define because primary plastics production is often closely integrated with that of similar industrial chemicals. We know, however, that some seventeen plants—which currently provide employment for about two thousand people—are turning out about \$25 million worth of resins and other plastic materials a year in this country.

Already among the world's major producers, these Canadian manufacturers have been exporting between one-quarter and one-third of their output in the face of keen competition from United States and European producers.

For a young industry which has had to rely on new and often complicated processes and whose products have often been miscast in end use, its record has been exceptional. It has recovered rapidly from what at times have appeared to be major sales setbacks and has gone on not only to win over markets from older and better known materials, but also to create many unique and expanding outlets purely on its own initiative.

#### Overtaking Older Materials

Indeed, plastics are becoming so plentiful in their various applications that today they are counted among the major industrial raw materials.\* In North America they now exceed in tonnage used most of the non-ferrous metals, including aluminum. At the rate plastics are growing, (a 500 per cent increase in ten years), they will soon overtake copper, the biggest of the non-ferrous metals group. Moreover, because plastics are far lighter than metals, their consumption already exceeds that of copper in physical bulk. For a new class of material, practically unknown twenty years ago, this is a remarkable record.

Today there are some twenty major types of plastics. Ten have been introduced or have reached major status since the war and new ones are coming along almost as fast. Such rapid growth in variety as well as in volume has caused trouble. The number of plastics with different properties is now so great that fabricators can barely keep up with them and consumers are even more perplexed. The main problem is how to fit these new plastics into their proper applications. In the past, confusion has led to misuse and misuse to a sharp dip in plastics sales. But

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\* Canadian consumption in 1951 of primary plastics probably exceeded 50 thousand tons.

the industry is now more conscious of the need for an educational program aimed at channelling these new materials into the uses for which they are best suited.

### **Diverse Applications**

The many uses and possible applications of plastics are not surprising when one considers the wide range of physical qualities which they possess. They may be translucent, opaque or transparent. Some are rigid; some are flexible; others are elastic. There are plastics to satisfy various strength requirements—tensile, flexural, impact or pressure—depending only on the proper choice of materials. There are plastics which are particularly resistant to moisture, corrosion and moderate heat. Others are good insulators.

These different physical characteristics do not altogether explain the adaptability of the plastics. They may be formed into almost any desired shape. Some plastics may be moulded or cast, such as telephone hand sets and radio cabinets. Sheets can be formed into airplane cockpit enclosures or instrument panel faces. In the form of film, plastics can be used for packaging or display, upholstery or wearing apparel. Many laminated objects, including safety glass and metal aircraft panels, are made possible through the use of plastic bond resins. Table and kitchen and bathroom wall panels are further examples. They may be used to coat or impregnate other materials such as automobile paints and shower curtains. As adhesives or bonding agents, plastics are already being employed in large quantities by Canada's plywood industry. In another form they appear as fibres fine enough for the sheerest hosiery and coarse enough to replace wire window screening.

### **Adapted to Many Uses**

Obviously, no one material can have all the qualities necessary to fill all of these roles. But the plastics are not one but many. They are a family group and a versatile one. Not only has their price been steadily declining relative to that of other industrial materials, but their ease of fabrication, lightness, durability and attractiveness make them popular in industry. They are already supplementing metal, wood, stone, glass, leather, paper and fabrics with qualities which these materials do not have when they are used alone. Sometimes plastics can even do the job by themselves.

Among the many articles already made from plastics are containers, radio cabinets, lightweight construction materials, gears and pinions, and kitchen utensils. For some time they have been used in making raincoats, shower curtains and furniture coverings and, more recently, in combination with synthetic rubber as linoleum floor coverings. Besides these familiar products, there are also a number of special duty plastics with characteristics which justify their somewhat higher cost. These include such things as frictionless bearings, corrosion-resistant tubing for use in chemical plants, and electric power cable sheathing.

New applications are constantly in prospect because a comparatively small improvement in any one property may open up an entirely new field of use. This is also true of the fabricating end of the industry. Great

advances have recently been made in the production of large articles such as complete television cabinets, thanks to the use of exceptionally large hydraulic presses and injection moulding machines.

Growth possibilities in this industry are great. Take a comparatively new plastic, polyethylene. Five years ago it was virtually unknown. Now defence and civilian demands promise a great future. First used as an insulation material in radar manufacture and later for containers for cosmetics and drugs, it is now being widely used as packaging and as a substitute for glass bottles. Telling arguments are that most plastics are lighter for shipping than glass and are unbreakable. Such demands, as they develop, will call for continuing expansion in the Canadian primary plastics industry.

### **How Plastics Grew**

From the publicity which plastics have recently received one might think they are a new material. They are both old and new. The first synthetic plastic, celluloid, was discovered some 75 years ago. While it is still in use today, it was for over thirty years the only man-made plastic of commercial importance, meeting demands from the growing automobile and motion picture industries.

Just before World War I the second plastic, commonly known as "Bakelite", was discovered. This phenol-formaldehyde resin was put to work almost at once in the electrical industry as an insulating material. It was important for another reason. It stirred the imagination of many people by suggesting its possibilities in construction.

Since then, chemical research has been adding other materials to the family group, each widening the plastics' range of usefulness. Among these have been the vinyl resins, much of the credit for which goes to a Canadian company. Then there have been the urea and acrylic resins, and since 1939 the melamines, polystyrenes, nylon, silicones and polyethylenes, which together have led to the creation of entirely new industries devoted to research, production, design and fabrication of plastics and plastics products.

The creation of a synthetic rubber industry in Canada has served to stimulate plastics production. Surplus styrene monomer helped to attract Dow Chemical of Canada to Sarnia and was a factor in Monsanto's locating their resin works in Montreal. The demand for adhesives, stemming from the rapid rise of plywood production in British Columbia during World War II, also attracted several plastics manufacturers to the West Coast. Now, with firms engaged in building plants to make products such as formaldehyde and polyethylene, using natural gas available in the Edmonton area, production in Western Canada is being further stimulated.

### **Third Largest Producer**

Canada is currently the world's third largest producer of plastics manufactures. In fact, in certain fields such as the decorative and industrial laminates it even out-produces the United States. This was one of the reasons why, in 1950, approximately 70 per cent of all the plastics

merchandise sold in this country was manufactured domestically and at prices which were, in the main, competitive with those being quoted by similar industries south of the border.

### Primary Plastics

Year	(value in \$ million)			
	Domestic Production	Imports	Exports	Domestic Supply
1935 .....	1.0*	1.8	....	2.8
1940 .....	2.0*	2.8	1.1	3.7
1945 .....	6.8	9.1	1.4	14.5
1950 .....	19.1	18.2	6.9	30.4
1951 .....	23.1	22.9	10.3	35.7
1952 .....	19.1	7.3	5.3	21.1

\* Estimated.

As usual, there have been wide swings in the production and apparent consumption of primary plastics. This is particularly true of the years since the outbreak of war in Korea. Though the long-term trend is always upward, it was accelerated in 1950 and 1951 by other raw material shortages, particularly that of non-ferrous metals like copper and aluminum. The reaction which set in in 1952 has since been reversed and the expectation now is that, by the end of this year, the industry will again be achieving new records both in terms of domestic production and in the volume of plastics exported to many other parts of the world.

### A Look at the Future

For several years plastics production has been hampered by a shortage of raw materials. Here, as in the United States, the output of coal-tar products has been unable to keep abreast of the needs of the primary producers. This is one of the reasons why the petroleum and natural gas resources of Alberta have been attracting so much attention.

Rising petrochemical production bodes well for the plastics industry. Projects already under way promise to make Canada virtually self-sufficient in phenol, polyethylene and formaldehyde. Other developments have resulted in increased production of such other important raw materials as phthalic anhydride and of raw plastics such as styrene monomer, polystyrene and vinyl acetate.

In spite of the long list of new or expanded projects, there are several chemicals used in the plastics industry for which production facilities here are not at present contemplated or at least not announced. Among these are such things as melamine and maleic anhydride as resin and dye intermediates; resorcinol for dyes and adhesives; para-tertiary butylphenol as a plasticizer; fumaric acid and furan derivatives, for further organic synthesis; vinylidene chloride used in the new synthetic fibre Saran, and the alkyl compounds and acrylic monomers.

Canada has had resources in cellulose and nitric acid for many years but it is noteworthy that there are still no facilities here for the manufacture of nitro-cellulose moulding powder. Nor do we make cellulose acetate moulding powder, although Canada has for a long time been one of the world's largest exporters of cellulose and of acetic acid. Similarly, and in spite of the fact that Canada has one of the world's largest plants for the manufacture of calcium cyanamide and this continent's only plant to make dicyandiamide, which serves as the basic raw material for making

melamine resins, all our melamine supplies are imported. Obviously it is only a matter of time before these and other plastics, such as nylon moulding powder, are made here in sufficient quantities to meet most of our needs.

*This article, the fourth in a series of six to appear in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Department of Defence Production. For the three earlier articles, see our issues of October 3, 10 and 17.—Editor.*

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## **The Netherlands Relaxes Import Controls**

THE HAGUE—The Netherlands Government has announced a list of commodities which may be imported freely from Canada and from other dollar countries, effective October 15. Import licences will still be required for these commodities but they will be issued freely. The liberalization relates only to goods destined for consumption in the Netherlands.

The easing of restrictions reflects the improved economic situation in the Netherlands and, in particular, the country's increased gold and dollar holdings. Although only a modest list of commodities has been freed from controls at present, this action is an important step in the direction of complete trading freedom in the Netherlands.

It is also understood that licences will be issued more freely for a variety of non-liberalized raw materials, semi-manufactured goods and production machinery. It is believed that a number of such goods may be added to the liberalized list in the near future, economic conditions permitting.

No official announcement has yet been made about the likely effect of the new import policy on increased dollar purchases but a reasonable estimate suggests a figure in the neighbourhood of \$100 million a year. There seems to be little reason why Canada should not secure a substantial share of this increased trade.

Among the commodities which have been freed from quantitative restrictions the following may be of interest to Canadian exporters: pigs' bristles, horsehair, raw tobacco, coniferous lumber of certain dimensions, certain ferro-alloys, various types of machines and precision instruments, electricity meters, zinc ore and concentrates, crude asbestos, nepheline, synthetic rubber, insecticides, pesticides, germicides, and polystyrene—October 5.

*Copies of the complete list of dollar imports freed from Netherlands restrictions may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.*

—C. J. SMALL  
*Acting Agricultural Secretary for Canada*



## General Notes

### AUSTRALIA

**New Mines**—It is reported that a leading mining geologist is drilling an area at Tennant Creek, Northern Territory, for a large copper deposit which he believes will return 30 million tons. It is said that, if a deposit is found, a Canadian mining group may finance the project. An area of more than 100 square miles at Tennant Creek has been reserved for the search for copper, cobalt, bismuth and gold.

It is also reported that a subsidiary of Consolidated Zinc Corporation is testing a silver-lead field discovered two years ago near Mainoru, near the southern Arnhem Land border and the same company is testing a silver-lead deposit near Borroloola on the Gulf of Carpentaria—Melbourne, Sept. 18.

### BRAZIL

**Volkswagen Factory Planned**—Volkswagen of Germany intends to start construction of a factory in Brazil to manufacture its cars before the end of the year, according to a statement made by the managing director, and hopes to be manufacturing 1,000 cars a month by 1955. The company declared that its project had been approved by the Brazilian Government and that almost 80 per cent of the capital would be put up by the German group. The remainder will be supplied by the Monteiro-Aranha group. German engineers and technicians will be sent to Brazil to help build the factory. Volkswagen hopes to export to other Latin American countries—Rio de Janeiro, Sept. 17.

### BRITISH GUIANA

**Oil Exploration**—Oil interests from the United States have applied for exploration licences in several tracts in the Demerara and Bonasika Rivers regions—Port of Spain, Sept. 11.

### COLOMBIA

**Coffee Bank Created**—A commercial bank capitalized at 50 million pesos has been established by the National Federation of Coffee Growers. The main purpose is to finance the production, harvesting, transportation and export of coffee, as well as other agricultural products, but it will be subject to the same banking regulations as other commercial banks. The establishment of such a bank is not intended as a reflection on the other banks, but it is felt that it will

be able to serve more adequately the credit requirements of the coffee industry, on which Colombia's economy so largely depends—Bogotá, Sept. 14.

## MEXICO

**Industrial Profits**—Profits amounting to 1,055 million pesos during 1952 were reported by 17 basic Mexican industries. Investment increased from 4,662 million pesos in 1951 to 4,837 million pesos, and the value of production from 5,748 million to 5,892 million. The industries surveyed by the Secretariat of National Economy were: vegetable oils, alcohol, rubber manufactures, footwear, sugar, clothing, woodworking, brewing, match making, cement, tobacco, iron and steel, cotton thread, woollen textiles, silk, biscuits, flour milling, corn milling, tile making, paper, pharmaceuticals, salt and glass—Mexico, D.F., Sept. 24.

## SOUTH AFRICA

**Facilities for Buyers**—South African business men have recently taken another step to further their export trade. A month ago, the Exporters Association of South Africa opened an Export Centre and Showroom in Johannesburg, where their manufacturers may display a wide range of commodities available for export. In addition, the Centre offers to visiting business men certain service such as office accommodation, secretarial and translation help, and advice on the planning of business tours and the scheduling of interviews.

## SURINAM

**Banana Project**—A large fruit company from the United States is considering a banana project in Surinam. The company is at present collecting information on available labour, tax facilities, river navigation and other factors—Port-of-Spain, Sept. 24.

## UNITED KINGDOM

**Sterling Area Gold and Dollar Reserves**—At the end of September, the sterling area reserves had recovered to \$2,486 million, the highest point since November 1951. The surplus earned in the month was \$17 million, compared with \$13 million in August. Special features during the month were the receipt of \$28 million in United States defence aid, and the payment of \$15 million to the European Payments Union—London, Oct. 6.

## UNITED STATES

**Industrial Plant Investment**—Investment in industrial plants in the Chicago area totalled \$11,028,000 in June, compared with \$7,622,000 in June 1952. Total investment for the first six months of 1953 stood at \$74,197,000, compared with \$74,657,000 in the same period of 1952. These figures include construction of new industrial plants, expansion of existing buildings, and the acquisition of land or buildings for industrial purposes—Chicago, Oct. 12.

## Japan Budgets Its Foreign Exchange

*The October-March foreign exchange budget, just released, increases amounts for imports from dollar area; slashes amounts for imports from sterling area and open account countries.*

TOKYO—Japan's foreign exchange budget for the last half of the fiscal year 1953 (October 1st to March 31st, 1954) has been set at \$1,659,000,000, a decrease of nearly \$200 million from the comparable period last year. Estimated foreign exchange earnings for the next six months are not expected to exceed the budgeted payments. Over \$1,335,000,000 of the total budget will be used for imports of goods, raw materials and foodstuffs. The remainder—approximately \$323 million—is earmarked for payments required for invisible trade. As in previous budgets a sum is set aside as a reserve; this time it totals \$170 million and is included in the \$1,335,000,000 for imports.

### Total Allocations by Areas

Import allocations for goods by various currency areas show that purchases from the dollar area will total \$721 million (including \$100 million reserve) an increase of \$142 million over the import program for the first half of the fiscal year. Imports from the sterling area will drop to \$282 million, compared with \$299,900,000 for the first half and a sharp cut of \$180 million from \$463 million for the same period in 1952. Countries with which Japan maintains open accounts will ship only \$332 million worth of goods compared with \$347 million for the first six months of 1953-54.

### Some Imports Reduced

As expected, no specific allocations have been included for the import of foreign consumer and luxury goods. The import of "Foreigners' Daily Necessities"—which eighteen months ago was running at the rate of \$15 million a year—was restricted to \$6 million in the last half of 1952 and again reduced to \$3.4 million in the first half of the fiscal year 1953. Items such as nylon hose and garments, watches, cameras, radios, television sets, household electric appliances, chocolates, proprietary medicines, fancy goods, cosmetics, leather goods, fountain pens, sports equipment and other "non-urgent" goods will no longer be imported under a separate budget allocation. Nor will export retention funds be automatically available for their import and some items may be prohibited altogether.

Formerly exporters of a limited list of goods earned retention funds which could be used to import any item that was assessed in the Japanese Tariff at under 40 per cent. Retention funds now fall under the "Special Fund Allocation System". Under this, exporters of all types of goods to all currency areas may retain control of a blanket 10 per cent of the value of exports to be used for imports, travel abroad, maintenance of

overseas branches, foreign advertisement and payment of freight and insurance premiums. This is now, however, subject to a licensing procedure on an *ad hoc* basis.

### Miscellaneous Imports

The budget contains provision for the import of miscellaneous goods totalling \$56,850,000, including a few essential items such as some types of foods, special drugs and antibiotics. Additional items of the same nature may be imported under the "Special Funds Allocation System" but these funds will be used mainly for raw materials for export industries, such as cotton, wool, and pulp.

### Main Budget Appropriations

Main items of the budget are designed to provide industry with essential raw materials and to pay for heavy imports of foods. Estimated imports of various important commodities are as follows:

COMMODITY	VALUE	QUANTITY
Foodstuffs .....	\$244,903,000	
rice .....		470,000 tons
wheat and barley .....		980,000 "
wheat flour .....		10,600 "
Cocoa beans, tea, tobacco .....	9,697,000	
Livestock .....	349,000	
Hides and skins .....	5,695,000	
Pulp .....	16,226,000	
Chemical fibre pulp .....	12,976,000	68,600 tons
Paper pulp .....	2,010,000	15,000 tons
Cotton linter pulp .....	1,240,000	
Fibres .....	344,150,000	
Non-metallic minerals .....	29,571,000	
(asbestos, \$1,850,000)		
Metals and minerals .....	28,092,000	
iron ore .....		2,010,000 tons
Coal .....	23,200,000	1,380,000 tons
Chemicals .....	2,928,000	
(carbon black, \$820,000; medical preparations, \$1,448,000; others, \$2,108,000)		
Machinery .....	68,060,000	
Transportation equipment .....	14,220,000	
(38 airplanes, \$6,697,000; 4,000 automobiles, \$7,523,000)		

In addition an important allocation of \$237 million provides for the import of such Canadian products as lumber, linseed, synthetic rubber, polystyrene, rags, steel, copper and aluminum scrap, pig bristles and beef tallow under the Automatic Approval Import System retained under the new budget.

—R. F. RENWICK

Assistant Commercial Secretary for Canada



# Trade and Tariff Regulations

## FRANCE

**E.F.A.C. Accounts Modified**—As of November 1, 1953, the 3 per cent of freely disposable foreign exchange earned by exports to Canada and other hard-currency countries will be limited to uses approved for the previous 12 per cent accounts.

These special E.F.A.C. accounts had been used for dollar imports for which exchange was not generally made available. The complete 15 per cent of earned exchange from Canadian and other dollar sales is now usable for the purchase of raw materials, equipment goods or goods directly used by the exporting enterprise or for the payment of business expenses such as advertising and travelling.

The new regulations also specify that at the end of every quarter year, 10 per cent of the unused E.F.A.C. accounts must be repatriated to France and sold to the French Foreign Exchange Board—Paris, Oct. 8.

## ITALY

**Import Duties on Cattle and Meat Raised**—The Italian import duty on cattle and meat has been raised from its present reduced level of 11 per cent to 15 per cent ad valorem, effective for the next eight months. This increase was made as a result of representations by Italian livestock breeders, whose stocks have been increasing while the market was declining. Prices to producers have dropped as much as 30 per cent in the last few months. A similar tariff increase, which had been in force earlier this year, expired on April 30—Rome, Oct. 7.

## JAPAN

**Imports of Consumer Goods Banned**—Allocations of foreign exchange have been suspended, from October 7, 1953, to cover imports of coffee, canned and bottled foodstuffs, butter, margarine, baby foods, alcoholic beverages, cosmetics, leather articles, socks and stockings.

Imports are also indefinitely suspended for cocoa, chocolate, confections, milk, raisins, edible oils, chestnuts, fresh fruits, fruit juices, fountain pens, golf outfits, razor blades, hunting rifles, shoe polishes, and ingredients for Chinese dishes—Tokyo, Oct. 8.

## SOUTH AFRICA

**Import Licensing for 1954**—It was announced on October 16th that South Africa will remove all discrimination against dollar imports effective January 1, 1954. In practice, it is expected that this will affect particularly South African imports of consumer goods from the dollar area.

Preliminary quotas for 1954 imports have been announced, though it is possible that they may be increased later.

● Importers will be permitted to import the following:  
raw materials and maintenance spares—55 per cent of 1953 quota  
agricultural implements and machinery—50 “ “ “ “ “  
spare parts for agricultural implements—55 “ “ “ “ “

● Importers of consumer goods may import 25 per cent of their 1948 quotas.

Individual importers may use the whole of these quotas to import from the dollar area if they so desire.

Canadian exporters are reminded that a number of products are on a restricted list and are subject to special import arrangements.

Further details are available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

## THAILAND

**Import Tariffs Increased**—On September 12 the Government of Thailand issued a decree increasing the rates of duty on a wide range of products. Among the commodities on which the tariffs have been increased are: all kinds of preserved vegetables, canned meats, preserved fruits, biscuits, beers, wines, brandy, whisky, gin, perfumes, alcohol, acetic acid, formic acid, potassium chloride, toilet soaps, shoes, empty bottles, lighters, flints, cartridges, electric fans, refrigerators, furniture, new and secondhand motor cars, pianos, gramophones, records, toys made of rubber, celluloid and other toys.

*Complete details may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.*

**Certain Imports Prohibited**—The Government of Thailand announced on September 12, a complete prohibition on imports of the following: melon seeds, betel nuts, cane of all kinds, leaves used for rolling tobacco, slippers made of wood or straw, coconut oil, palm oil, peanut oil, used newspapers, fans made of paper or wood, toothpicks, chop sticks, fireworks, bamboo hats, mats made of cane, bamboo, coconut fibre or other similar materials or grass, baskets made of materials other than metal, mortars except for industrial purposes, mosquito flames except by special permission—Singapore, Oct. 7.



## 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:

Hamilton—Brantford—October 27  
Sarnia—October 28-29

Winnipeg—November 23  
Vancouver—December 1-11

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

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

**E. H. Maguire**, Canadian Government Trade Commissioner in Madrid, Spain, completes his tour of Canada in Ottawa, October 27-November 4, and St. John's, November 7.

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

Toronto—October 26-31  
Hamilton—November 2  
St. Catharines: Welland—November 3

Brantford: London—November 4  
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, Montreal.

*Chamber of Commerce*—Brockville, Hamilton, Kingston, London, St. Catharines, Sarnia, Windsor.

*Canadian Manufacturers Association*—Toronto, Winnipeg.

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

# 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 1.01458.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 15	Notes (See below)
Argentina .....	Peso .....	Preferential buying .....	.1314	
		Basic buying .....	.1971	
		Preferential selling .....	.1971	
		Basic selling .....	.1314	
		Free .....	.07095	
Austria .....	Schilling .....	.....	.03791	
Australia .....	Pound .....	.....	2.2125	
Belgium Luxem- bourg & Belgian Dependencies ...	Franc .....	.....	.01977	
		.....	.00519	
Bolivia .....	Boliviano .....	Official .....	.5762	(3)
British West Indies	Dollar .....	.....	2.7656	(4)
		Pound .....	.6914	
Brazil .....	Cruzeiro .....	Brit. Honduras .....	.05328	tax 8% (2)
		Official .....	.2070	
Burma .....	Kyat .....	.....	.2074	
Ceylon .....	Rupee .....	.....	.00896	
Chile .....	Peso .....	.....	.3942	
Colombia .....	Peso .....	Basic .....	.1755	(5)
		Official .....	.1484	*
Costa Rica .....	Colon .....	Free .....	.9856	tax 2%
Cuba .....	Peso .....	.....	.1369	
Czechoslovakia ...	Koruna .....	.....	.1427	
Denmark .....	Krone .....	.....	.9856	
Dominican Republic .....	Peso .....	.....	.06571	(6)
		.....	.05671	
Ecuador .....	Sucre .....	Official .....	2.8303	
Egypt .....	Pound .....	Free .....	2.4916	
Fiji .....	Pound .....	.....	.00428	
Finland .....	Markka .....	.....	.00282	
France .....	Franc .....	.....	.00563	
French Africa ...	Franc .....	.....	.01549	
French Pacific ...	Franc .....	.....	.2347	
Germany .....	D Mark .....	.....	.000033	
Greece .....	Drachma .....	.....	.9856	
Guatemala .....	Quetzal .....	.....	.1971	
Haiti .....	Gourde .....	.....	.4928	
Honduras .....	Lempira .....	.....	.1638	*Oct. 1
Hong Kong .....	Dollar .....	Free .....	.06052	
Iceland .....	Krona .....	Official .....	.04660	
		Special buying .....	.03754	
		Special selling .....	.2074	
India .....	Rupee .....	.....	.08646	(7)
Indonesia .....	Rupiah .....	Basic .....	.00187	*
		Dollar certificate .....		

\* Latest available quotation date.