foreign trade

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COVER . . . Our cover this week symbolizes the important part that research has played in the development of the Canadian chemical industry. New chemical products and processes already appearing seem to promise continued expansion, especially in nuclear chemistry. For a study of present and future chemical markets, see page 5.

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German Tools Make a Come-back

By stressing high quality, competitive prices and fast delivery, the German hand tool industry has regained lost export markets; is now selling to over 100 countries.

BONN—The German tool industry, which lost its export markets during and immediately after the war to British, Swedish and American competitors, has now regained a large part of its former trade—thanks to high quality, competitive prices and delivery terms, and a determined overseas sales drive. Tool exports to Canada during the last two years have risen remarkably, although the total value of the trade is still relatively small.

The industry has achieved this postwar growth in the face of several serious obstacles in addition to the problem of recapturing former markets. First, the postwar steel shortage seriously retarded its advance but today tool steels are in good supply and the *price* of the special steels, not their availability, has become important. Second, the industry's potential was lowered by the dismantling which took place in the immediate postwar period but losses were made good fairly quickly.

Quality through Specialization

German hand tools—which range from anvils and adzes to saws and wrenches and include precision instruments—are for the most part still produced by paternalistic, family-owned enterprises or partnerships, employing 25 persons or less. The traditional manufacturing centres are Remscheid and Wuerttemberg-Baden. Of the approximately 1,500 firms in the industry, most confine their production to only one or two lines of tools and the trend towards increasing specialization is continuing. Improvement in quality is continually sought and manufacturers subject their products to numerous checks during production. For more intensive examination, articles are submitted to a central testing laboratory main-

West German Hand Tool Exports—by Countries

January-December 1952		January-May 1953	
Country	(000 DM)	Country	(000 DM)
Brazil	43,154	Netherlands	8,561
Netherlands	19,830	Italy	5,184
Italy	13,843	Belgium	5.079
Indonesia	13,649	Switzerland	4.565
Belgium	13,108	U.S.A.	3,958
Switzerland	12.663	Sweden	3,026
Sweden	11,271	Denmark	2,727
Turkey	10,189	Colombia	2,488
U.S.A.	7,922	Canada	1,546
Colombia	7,100	Indonesia	1,477
Denmark	6,076	Thailand	1,329
Canada	3,325	Brazil	1,194
		Turkey	1,130

Source: Aussenhandelsstatistik, Teil 2, December 1952.

tained by the industry. This organization also controls the quality of the steel used by the tool manufacturers and advises on the design and construction of tools sent in for examination. The technical high schools submit reports to the central association on the practical application of the various types. And tools made by foreign and by German manufacturers are regularly compared to ensure that the German product equals or surpasses that of competitors.

Business Upswing Helped Sales

Exports did not reach a significant volume until after the currency reform of 1948. At that time it became apparent that Germany's traditional competitors—Britain, Sweden and the United States—had achieved strong positions in markets previously supplied by Germany, particularly in South America, where United States products now dominate. The re-entry of the German industry into world markets has been the result not only of excellent products offered at favourable prices but also of the the business boom which began in mid-1950 and which has everywhere been accompanied by expanding markets for tools. Up to 1951, however, the German tool industry had regained only half of its prewar share of world exports. In 1951 it was not possible to take full advantage of the booming market because of the continuing shortages of special steels. This shortage meant extending delivery terms to the point where German firms lost their former advantage over the other major exporters. However, exports have increased steadily and last year German tools were shipped to over 100 countries.

Sales to Canada Growing

The industry's dependence on export markets is demonstrated by the fact that 60 per cent of total sales in 1952 were made to overseas buyers. Progress in the export trade is generally considered satisfactory. In 1950 exports were valued at $29 million, but by 1952 they reached a level of approximately $56 million. Brazil was Germany's best market for tools in 1952, with imports valued at $10 million. The Netherlands, Italy and Indonesia were next in order of importance as markets for the German products. However, statistics for the first five months of 1953 show that

Canadian Imports of Hand Tools from Western Germany

(in thousands of dollars)

	1949	1950	1951	1952	First four months 1952	First four months 1953
Anvils and vises	....	·9	3·8	16·0	4·9	1·8
Engineers and surveyors' tools	34·7	59·8	116·4	234·4	46·9	44·1
Wrenches	4·7	58·5	72·7	169·6	28·8	80·2
Augers, bits and drills	16·2	63·2	98·0	111·4	25·2	21·9
Adzes, cleavers, hatchets, screwplanes, spokeshaves, etc.	3·7	47·5	87·7	96·3	26·6	24·6
Hacksaw blades and saws	3·8	15·4	64·3	47·5	10·4	19·9
Files and rasps	·7	6·0	7·7	14·6	3·9	2·6
Tools, n.o.p.	27·1	55·4	106·9	189·9	43·9	64·4
Total	90·9	306·7	557·3	879·7	190·6	259·5

Source: Dominion Bureau of Statistics.

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exports to Brazil and Indonesia have declined sharply and are now exceeded by shipments to Canada. Canadians have been steadily increasing their purchases of German hand tools; the value of imports rose from $91,000 in 1949 to $880 thousand in 1952. Imports during the first four months of 1953 were valued at $259,500 compared with $190,600 in the equivalent period of 1952, an increase of 36 per cent. Canada now ranks third among Germany's non-European customers.

Prices Have Fallen

Price plays a most important part in the merchandising of tools and increasing competition has led to lower prices in most tool lines. The tendency towards decreasing export prices has become a source of concern to the tool industry and an elaborate export price guide, designed to standardize prices throughout the German industry, is now considered to be largely ineffective. Lower prices, however, may help the industry to retain or even expand its export markets.

—I. V. MacDonald
Assistant Commercial Secretary for Canada

Britain Plans Derationing

LONDON—The Minister of Food announced in Parliament recently that butter, margarine, cheese and cooking fats are to be freed from rationing next year. It is intended to deration these products in the early summer. Decontrol of condensed and dried milk is expected in early spring. The Minister added that he hoped the whole process of decontrol would be complete by the fall of 1954, after which private imports will be resumed. The only matters which have not yet been worked out are bacon and meat derationing.

Branded butter, margarine and cooking fats will thus return to the British market after fifteen years. At the present time the ration of butter is three ounces, margarine five ounces, and cooking fats two ounces a week. The Ministry of Food purchases fluid milk from producers at a guaranteed pool price and allocates supplies to butter and cheese-makers at a much reduced price. It purchases oils and fats and allocates to margarine manufacturers, whose product no longer carries a subsidy. Butter and cheddar cheese, however, are still subsidized and retail at the controlled price of 3/4d. and 2/2d. a pound respectively (46 cents and 30 cents).

—D. A. Bruce Marshall
Commercial Secretary for Canada (Agriculture)

The Chemical Industry and the Future

How long will the spectacular growth of the chemical industry in Canada continue? Here is a careful analysis of the factors that will determine the industry's future—and a cautious forecast.

OTTAWA—Looking back over the past twenty-five years, statisticians tell us that the chemical industry in North America has been growing more rapidly than any other major industry. Since 1925 it has been expanding at an average rate of about 10 per cent a year. This is all the more remarkable because the physical rate of growth of manufacturing as a whole has been about 3 per cent.

All segments of the chemical industry have not shared equally in this advance. Some have assumed much greater importance than others. But one thing has been true of all—they have continued to grow at rates at least as great and frequently much greater than those other segments of manufacturing which do not involve chemical change.

The following table gives some indication of relative rates of growth of various sectors of the chemical industry:

Commodity Group	Percentage per year	Commodity Group	Percentage per year
Detergent soaps	33	Fertilizers	9
Medicinal chemicals	20	Insecticides	8
Synthetic plastics	15	Solvents	6
Anti-knock agents	13	Pigments	4
Synthetic fibres	12	Dyes	3

Chemical Industry Average=10 per cent

The industry's rise to prominence over the past half century has been due in large part to two quite different market phenomena, both of which will undoubtedly continue to play an important role. One is "replacement markets"; typical ones are those for synthetic fibres, plastics, rubber, and surface active agents such as detergents. These products are expanding at the expense of older commodities, usually natural in origin. The other consists of "new markets"—for example, medicinal chemicals, insecticides, new-type fertilizers and the anti-knock agents used in gasoline. These products owe their popularity to the development and expansion of new outlets where their growth is rarely at the expense of other commodities.

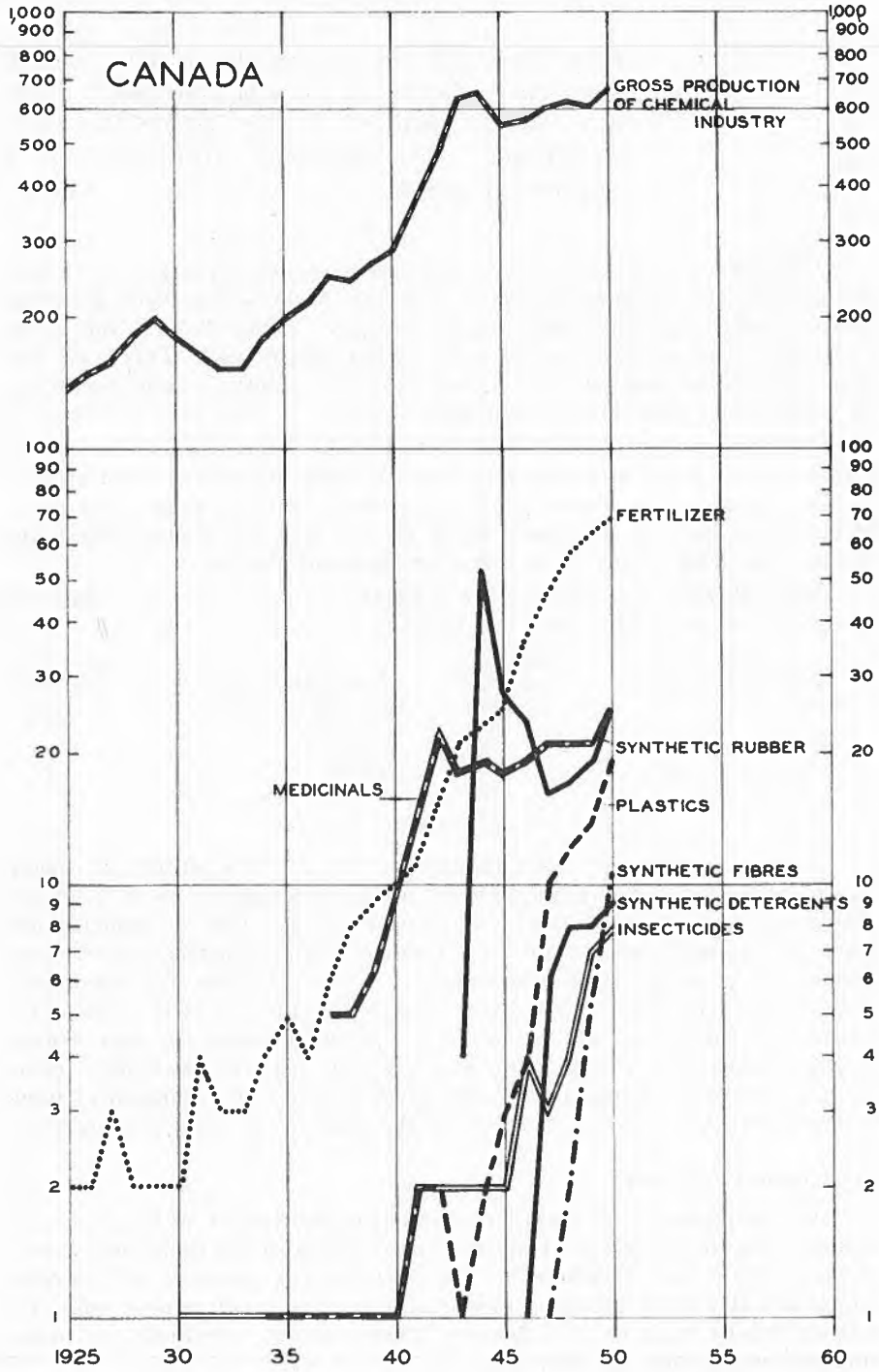
"Replacement" Markets

Both categories of demand have influenced the growth of the chemical industry but the replacement market has so far been the more important. In the future it may be different. The "new market" category of chemical products may go on expanding indefinitely, but the "replacement market" will eventually have to slow down as these products eliminate the commodities which they are replacing.

VALUE OF PRODUCTION OF CHEMICALS

and Major End-Chemical Groups

(in millions of 1950 dollars)



For example, the synthetic chemicals used in fibre production will never exceed the ceiling imposed by the total demand for clothing, home furnishings, industrial fabrics and the like. If the present rate of growth of synthetics were to continue, they would fill the entire projected demand for fibres by about 1970. For obvious reasons, they will hardly be that successful. This is one sector of the chemical industry whose rate of growth is bound to taper off during the next twenty-odd years. The same applies to surface active agents, which in large measure replace natural soaps. Their sales have been expanding so rapidly that, if they were to continue, synthetic detergents would completely replace soap within a relatively few years—ten at the outside. Here too it is obvious that the growth of this chemical group will be moderated in the not too distant future.

Influencing Future Sales

Synthetic rubber is making headway against rubber from natural sources. Here the principal gains have been made in periods when overseas sources of the natural products have either been cut off or have been unable to expand rapidly in the face of mounting demands. Though this may be a recurring phenomenon, only strategic considerations will entirely eliminate competition from plantations in the Far East.

Plastics are also largely replacement products, but they should be considered as in a category by themselves. Because they tend to replace such large-volume items as steel, non-ferrous metals, glass, ceramics, leather and paper, there appears to be no foreseeable ceiling on their consumption. Even wood appears to be losing out to them in some applications.

Neither do upper limits in the markets for medicinal chemicals, fertilizers or insecticides appear to be in the offing. Future sales of those products may be limited only by the rate of growth of the Canadian economy. At that, a rising proportion of the national income will, in all probability, be diverted to such purchases.

New Markets

In looking to the future one must also attempt some prophecies about new chemical products and entirely new markets, some of which are already appearing on the horizon.

One consists of linking inorganics to organic compounds, a process by which the older branch of chemistry is being pulled into the immense stream of organic growth. The new hybrids are not likely to be as numerous as the organics themselves, but they have many possibilities. Among the oldest of these products are the chlorinated compounds, now used largely as solvents, refrigerants and degreasing agents. Among the newest and most promising are the organo-silicones or silicone plastics, which are finding applications as heat-resistant fluids, greases, resins and rubber-like materials. Then there are the fluor-carbons making up some of the most stable plastics known today. Each of these product families is still in the early, high-cost stage of development but they promise to generate markets for themselves by making possible new inventions, some of which previously failed for lack of suitable materials.

Then there are many indications that, eventually, numerous organic chemicals will be made from coal by hydrogenation. One example of this has been the large-scale production in Europe and the United States of

gasoline from coal by the "Fischer-Tropsch" process. This differs from coal-tar chemistry in that it sets out to build, either from the simplest molecules or from a whole new conformation of complex substances in coal, a wide and entirely new set of chemicals. It is being developed from both ends: by the oil companies as an alternative source of gasoline, and by basic chemical manufacturers as a source of new materials for industry.

Fields to Explore

Another probability is the building of still more complex molecules beyond the scale now referred to as "polymerization". This means expanding out into the fields of protein chemistry and biochemistry, with the practical application of photo-synthesis, perhaps the biggest event, just around the corner. Another growing province is enzyme chemistry, bringing in its wake a whole new range of natural catalysts. All this may apply a revolutionary force to food processing and the preparation of pharmaceutical and medicinal chemicals.

On the borderland and still difficult to appraise are likely developments in nuclear chemistry. Government and industry both are doing considerable research in this direction. However, it is still too early to expect tangible results beyond the use of radioactive isotopes as "tracers" in medical and industrial applications. But chemical science built up on the knowledge which has been gained about the transformation of molecules is bound to be affected by developments in atomic research. This is perhaps the most promising direction of all.

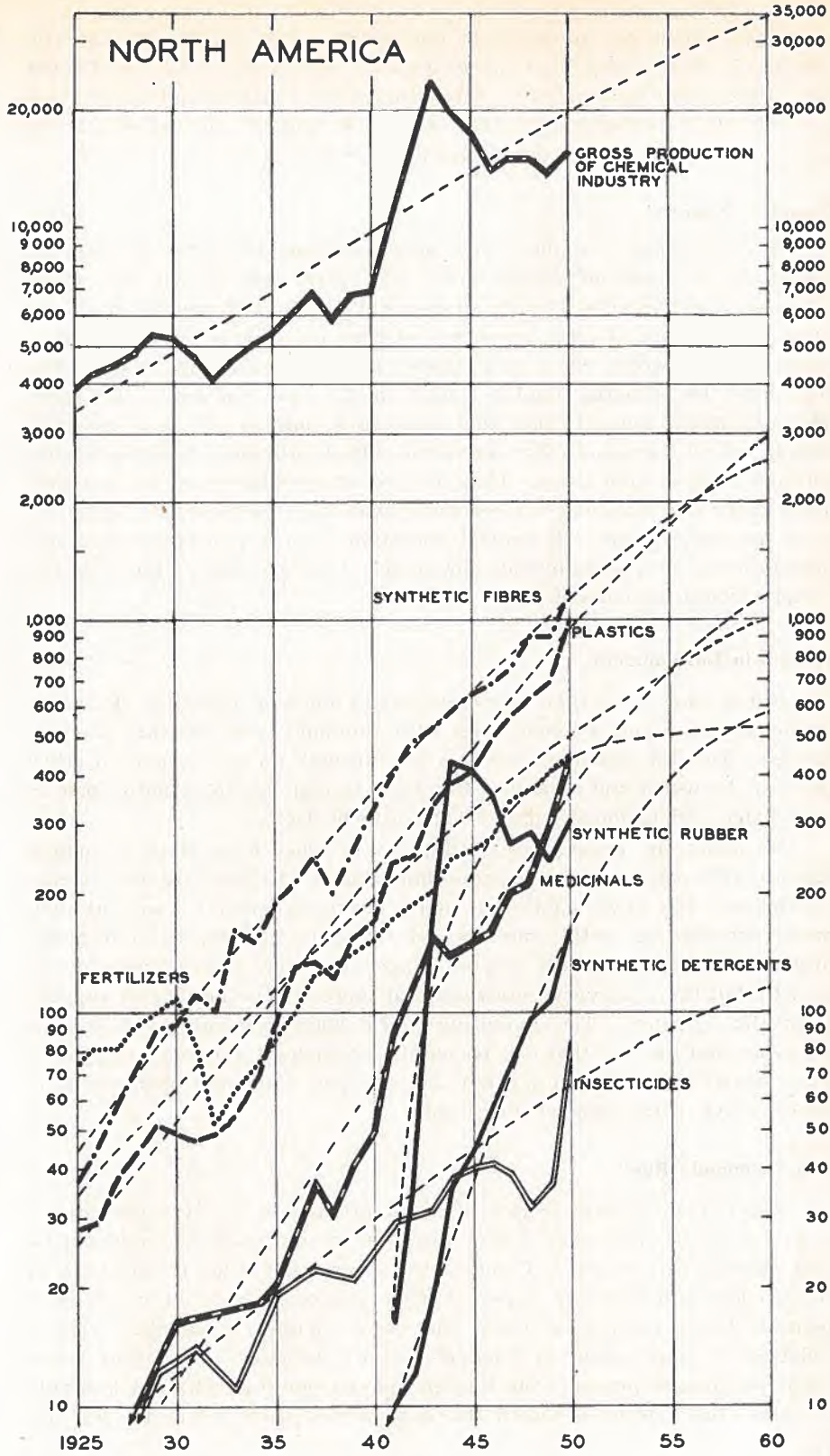
Scanning the Future

Past records are not an infallible guide to the future but a projection of historical trends may best indicate what the future holds. At first glance, extrapolations like this look too optimistic and result in almost impossible forecasts. But that is what most of us would have said about plastics, synthetic fibres, and even medicinal chemicals ten or twenty years ago. Forecasters in the chemical industry have always been short of the mark in their estimates of future demands. This is because they have not adequately taken into account the development of new uses, automatically allowed for in any projection of long-term past trends.

An overall projection of Canadian chemical requirements indicates that they will increase by at least 50 per cent between now and 1960. They may double by 1975. A breakdown of these future demands is even more interesting. Based on North American consumption trends, it indicates that, during the next decade, plastics may well surpass synthetic fibres in terms of sales value. Medicinals will probably extend their recent lead over fertilizers. The accompanying graphical material also suggests that the North American demand for synthetic detergent also has considerable room for expansion. The same is true of insecticides and miscellaneous chemicals like solvents, paint pigments, and anti-knock agents. Synthetic rubber, in fact, is the only one which may show a levelling-off in sales over the next few years.

Viewed in the light of Canadian production opportunities, these are important conclusions. If the pattern of production more closely approximates Canadian consumption, categories like plastics and synthetic fibres are bound to show a rapid rate of increase. There is also considerable

In chart on opposite page, production values are in millions of 1950 dollars.



ECONOMICS AND STATISTICS BRANCH, DEPT OF DEFENCE PRODUCTION.

room for expansion in synthetic detergents. The future of synthetic rubber, fertilizers and, to a lesser extent, insecticides, will be affected more by export considerations. While they will no doubt enjoy an increasing volume of domestic sales, their expansion will be affected to a much greater extent by market developments both on and off this continent.

Canada's Potential

Keeping abreast of these new and mounting demands will tax the industry's resources of capital and "know-how" but it will not place anything like the same burden on raw materials. For one thing, it can draw on Canada's abundant reserves of coal, oil, natural gas, salt, limestone, pyrites, wood, wood pulp wastes and hydro-electric power. The coal could be of better quality and both the coal and petroleum more advantageously located, but the increasing number of raw material options which these and other industries afford, provides at least a partial solution to these difficulties. They may be offset entirely by the fact that many other raw materials are becoming available in considerable quantity as by-products of other industrial operations. Only phosphate rock and potash in commercial quantities now appear to be lacking. Otherwise the picture would be complete.

Factors in Development

But it takes more than raw materials to make an industry. Properly financed, well-organized companies with abundant technical skill are also needed. This the Canadian industry has through its connections in other parts of the world and its ability to attract foreign capital when Canadian knowledge and financial support appear to be lacking.

No doubt the previous establishment of other basic lines of manufacture will continue to be of prime importance. Historically, the chemical industry has always followed in the wake of primary iron and steel mills, non-ferrous metal smelters, oil refineries and textile and paper mills. Such developments are no longer the sole determinants of its growth, but there is every indication that there will be no lack of support from this quarter. The mounting world-wide demand for Canadian materials and the fact that it is becoming increasingly economic to process them initially in this country will help to give Canadian chemical producers much of the support they need.

The "Economic Run"

Every manufacturer is up against the problem of the "economic run"; so are chemical producers. For a long time, many processes could not be economically carried out in Canada, because of our limited population and the specialized nature and dispersal of our markets. Now the break-even point is being reached in more and more chemical products. This is reflected to some extent in Canada's import statistics. Numerous firms, after watching shipments from foreign sources mount steadily for a decade or more, have decided within the last two or three years to get into

production on their own in Canada. Dozens of new plants embracing buildings and equipment valued in the hundreds of millions of dollars have already been established in this country since 1950.

The characteristics of the Canadian market need not be the only consideration. There is plenty of evidence that firms here can operate successfully by integrating their domestic and export sales. One very large company, with the assistance of low-cost hydro-electric power, has been able to do this in the vinyl resins and certain other carbide chemicals. Another has done it with cheap power and an early start in cyanamide manufacture. Now cellulose acetate and a number of its derivatives are to be manufactured in this country, thanks largely to cheap natural gas. Perhaps in the not to distant future Canadian manufacturers will also work their way into other new fields—such as insecticides and soil conditioning agents—with the aid of outlets in other countries, principally the United States.

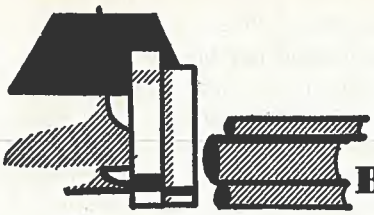
Competition Will Increase

This may be true of certain chemicals, but what are Canada's export prospects in general? Soon the struggle for world markets may again be on in earnest and Canadian producers may not be able to secure sales abroad with the same facility as they have over the past decade. The United Kingdom is becoming a much more important exporter of chemicals, and many Western European countries, including Germany, have built their production rates up to, and in many cases above, those of 1938. Not only are they making determined efforts to become independent of North American sources of supply, but they are also presenting a serious threat to dollar country producers in other parts of the world. With their lower real wage rates, their great technical competence, their prewar connections, and their ability to compete for Canada's overseas markets, they certainly cannot be ignored.

The role which the United States will play is perhaps even more important. The U.S. is potentially an attractive market for many Canadian chemicals. However, with the exception of agricultural chemicals, the U.S. duties imposed on Canadian chemicals are still prohibitive. Not only this, but American producers, periodically selling their surplus production elsewhere, are formidable competitors both at home and abroad.

Taking all these factors into account, it looks as if domestic production will, in future, increase much more rapidly than Canadian imports. The further growth and diversification of Canadian industry will largely account for that. On the other hand exports, other than fertilizers, may not grow as rapidly. Unless the Western world continues to prepare actively for all-out war, the tendency for chemicals as a group to show a relative decline in world trade may also hold true for Canada. This means that the future of our chemical industry will continue to depend more on the growth of the domestic market than on export sales.

This article, the last in a series of six appearing in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Department of Defence Production. For the five earlier articles, see our issues of October 3, 10, 17, 24 and 31.—Editor.



Businessman's Bookshelf

Netherlands Import-Export, 1952

A.B.C. voor Handel en Industrie, N.V., Haarlem. 630 pages. $5.00.

THIS COMPREHENSIVE DIRECTORY is designed to serve any companies which carry on, or are developing, trade with the Netherlands. It first lists international freight transport and forwarding companies and their agents; banks; and general importers, exporters and intermediates, with the products each handles. The remainder of the book consists of a comprehensive list of producers of 16 different classes of commodities, and of importers, exporters and intermediates trading in these products. The directory will also tell you whether a particular firm is represented in Canada, once you master the use of the key to the information given.

Order from: Embassy of the Netherlands, 168 Laurier Ave. E., Ottawa, Canada.

The Canadian Mineral Industry in 1951

Mines Branch, Department of Mines and Technical Surveys. 170 pages. 50 cents.

OUTPUT OF MINERALS AND METALS IN CANADA reached a new high of $1·2 billion in 1951. Exports totalled $526 million (excluding manufactured or chiefly manufactured products) a rise of 27 per cent over 1950. Though 14 minerals and metals accounted for over 90 per cent of production, this report covers some 66 metals, industrial minerals, and fuels, even some (mercury, for example) not being mined in Canada. Data on each include production, trade and consumption, uses, and prices.

Order from: Queen's Printer, Ottawa, Ontario.

International Trade, 1952

General Agreement on Tariffs and Trade. 124 pages. $1.50.

PREPARED BY THE GATT SECRETARIAT, this report provides a comprehensive survey of international trade since the war and goes on to analyze the pattern of trade between areas, the trade in individual commodities, the trade of countries, etc. It shows that world trade reached an all-time high in 1951, though it recognizes that U.S. military and economic aid made this achievement possible.

The valuable general review in Part I gives place in Part II to a study of trade barriers and controls during the past two years, including a survey of subsidies and of bilateral trade agreements. Part III covers the activities of the contracting parties to GATT in 1952-53. It should give those interested in world trade a valuable background against which to study the eighth session of the contracting parties, recently concluded in Geneva.

Order from: Ryerson Press, 299 Queen St. W., Toronto, Ontario.

Loans at Work

International Bank for Reconstruction and Development. 35 pages. Free.

IN 1946, 54 nations jointly set up the International Bank for Reconstruction and Development, commonly referred to today as the World Bank. The first loan of $250 million went to France, to buy raw materials and industrial equipment. Today, total loans to 26 countries and three of their overseas territories have reached $1·5 billion. This pamphlet tells, in text and pictures, how that money has been used—to improve railways in the Rhodesias, to control floods in Iraq, to buy agricultural machinery in Colombia, to establish power projects in Iceland, and so on. It is an interesting story, well told.

Order from: International Bank for Reconstruction and Development, 1818 H Street N.W., Washington 25, D.C.

The Colonial Territories, 1952-53

United Kingdom Colonial Office. 157 pages. $1.25.

THIS REPORT presented by the Secretary of State for the Colonies to the United Kingdom Parliament is a comprehensive and readable record of one year's development in the British colonial and protected territories. The general survey in itself provides many interesting facts and the whole report is a model of clarity and brevity.

The different sections cover the Colonial Office and Service, constitution and administration of the territories; economic development (including production and marketing and communications); colonial finance; social services; research and surveys; international relations, and a summary of events and developments in individual territories.

Among the appendices are tables giving the major exports and imports and the area and population of the colonies.

Order from: United Kingdom Information Office, 275 Albert St., Ottawa, Ontario.

British Investment in Canada

New agreement between British and Canadian Governments on repayment of 1942 loan discards the former device for financing branch plants in Canada.

LONDON—Under the terms of the agreement between the British and Canadian Governments on the 1942 Canadian Loan, announced a few weeks ago, the device which made Canadian dollars available for direct investment in Canada is discarded. Up to now, Britain's payments against the Loan have been financed from the Canadian dollar proceeds of the redemption and sale of British-owned Canadian securities—or rather, from the residue of the sums that remained after Britain had used a portion of them for financing the establishment, or extension of, British productive enterprise in Canada.

Under the agreement reached by the two Governments after the war for the repayment of the 1942 Loan, a portion of the proceeds from the sale or redemption of securities might be used to finance direct investment by British companies in new or existing industrial enterprises in Canada. The remainder went towards paying off the Loan. This relieved the British Government of a drain on its gold and dollar reserves—the post-war financing of branch plant development in Canada. The scale of direct investment last year was such that the Loan payments declined to a rate of under $25 million a year. At this level, it would take nearly eight years to pay off the balance of $189 million.

This scheme, while encouraging direct investment, made no provision for British portfolio investments. Brick and mortar investments were, in effect, being built up at the cost of running down British portfolio investments in Canadian enterprises.

Forced Liquidation of Securities

Under the new agreement, Britain has undertaken to make an immediate payment of $39 million and to pay off the balance of the loan, $150 million, at the rate of $30 million a year from 1954 to 1958. Since 1949 she has been paying at the rate of $38 million on the postwar loan of $1,250 million. Beginning next year, dollar liabilities in respect of all American and Canadian loans will amount to $206 million a year until 1958, after which they will drop to $176 million.

Hitherto British residents who have sold Canadian dollar securities in Canada have had to surrender them to the Treasury. They are now free to switch into Canadian securities quoted on the London Exchange, or into quoted American securities. Proceeds from sales of U.S. dollar securities may be similarly switched. One result of the interchangeability is the removal of the anomalous premium on certain Canadian issues vis-à-vis American issues.

By discarding the old device by which British branch plants have been financed and the Loan repaid, Britain is now drawing directly on her gold and dollar reserves to do both. If there is no significant liquidation

of British-held securities there will be, in addition to the Loan payments, a considerable charge on reserves for the financing of direct investment by British industry in Canada. Last March the Chancellor of the Exchequer gave some indication of the volume of direct British investment in Canada During the first 2½ months of this year it totalled $49 million, of which about $20 million was for I.C.I.'s terylene plant in Ontario. Since then another large scheme has been projected—though not on the same scale as I.C.I.'s—which points to the possibility of a total investment for the year well over $100 million, but probably nowhere near the annual rate of $238 million suggested by the first 2½ months.

The corresponding figures for 1952 have not been disclosed, but in 1950 and 1951 the nominal value of British investments was increasing at a rate of over $28 million a year, including disinvestment as a result of liquidation of securities. In terms of current market values, the rate of increase is actually much higher than the nominal figures indicate. Whether or not the increase in the rate of investment this year is maintained will depend largely on the size and number of worthy projects that are put forward to Treasury by British and Canadian interests.

Not Hindered by Dollar Controls

The question now raised is whether investment at the level of recent years—which in the main must be financed directly from gold and dollar reserves—will be treated as liberally by the British Treasury as in the past. Mr. Butler's statement in the House of Commons last March was to the effect that the Government would be as liberal as possible. He inferred that no promising British scheme for corporate investment in Canada would be frustrated because of exchange control. He was anxious to see Britain increase her investment in the Dominion. For some time previous it was apparent that certain quarters—both in Canada and the U.K.—had the erroneous impression that exchange controls were hindering British participation in Canada's economic expansion. Mr. Butler was merely explaining Treasury's practice—of giving approval to all worthwhile schemes that have been put forward for expanding Britain's share in Canadian enterprise. Whereas at one time transfers of capital were largely confined to the financing of branch plants with majority British interests, there have recently been examples of authorizations on a broader scale, including minority holdings, financing operations by British issuing houses, and semi-speculative investment in mineral, housing and real estate projects.

Canadian Initiative Needed

Under the new agreement, therefore, it is expected that there will be no official impediment to the entry of British corporate capital into Canada for profitable ventures. The last 12 months show that even though in some sectors there may be lack of capital resources to exploit this position, the British investor can play a part in financing the expansion and diversification of Canadian industry and development of resources. Ways and means of engaging British capital in these developments is the problem.

—R. CAMPBELL SMITH
Commercial Secretary for Canada

Commodity Notes

AUSTRALIA

Tractors, Farm Implements—Reports from Western Australia say the market for tractors shows signs of recovery from the decline of last year. Two Australian models of the heavy type, one kerosene-operated and the other a diesel-driven tractor, are in production in Western Australia. A second diesel-type machine will be available within two months.

The market for agricultural implements such as disc-ploughs, scarifiers and scarifier-cultivators is improving, and the demand for agricultural machinery remains keen. Sales of headers and hay-making units are showing a seasonal increase—Melbourne, Oct. 5.

BRAZIL

Coal—Coal production during the first six months of this year increased slightly over the same period in 1952, totalling 992,094 tons, valued at Cr.$198,254,000, against 970,080 tons for the previous year—Rio de Janeiro, Oct. 10.

Iron Ore—Iron ore shipped in 1952 from all Brazilian ports totalled 1·6 million tons, with a total f.o.b. value of 434 million cruzeiros. Principal destinations were the United States, 10,054,991 tons; Germany, 120,569 tons; Canada, 115,705 tons; United Kingdom, 91,522 tons. The remainder went to Belgium-Luxembourg, Holland, Austria, and France. In 1951 the total quantity shipped was 1,320,007 tons at an f.o.b. value of 236 million cruzeiros—Rio de Janeiro, Oct. 10.

CHILE

Eggs—The Minister of Economy has authorized export of 6,000 boxes of eggs in monthly shipments of 2,000 cases (each case containing 360 units). These exports may be continued provided the supply for domestic consumption is assured. At the moment surplus quantities are reported—Santiago, Oct. 7.

EAST JAVA

Singlets—The first singlet factory in Indonesia was recently opened at Sourabaya, East Java. It will employ 100 workers and will have a monthly output of 9,600 dozen singlets—Djakarta, Sept. 28.

ISRAEL

Quartz Radio Crystals—A factory built with U.S. and local capital, on the initiative of the Ministry of Defence, is producing from imported raw quartz and moulded phenolic holders radio crystals used in all

types of civilian and military communications equipment to provide stability and frequency control for wireless transmission and reception. Output is estimated at 20,000 units a month, valued at approximately $80,000. Export prospects are considered good because this factory is reportedly the only one of its kind in the Middle East and East Europe—Athens, Oct. 6.

NETHERLANDS

Paper—It has been announced that 18 paper processing plants in Belgium, France, Italy, Netherlands, Norway, Spain, Switzerland and Western Germany will in future exchange all patents, ideas and production improvements. The parties concerned are said to produce between 60 and 70 per cent of all paper and plastic packing material in the area they represent and are members of "Europack" (Association Européenne pour le Perfectionnement du Paquetage)—The Hague, Oct. 14.

SCOTLAND

German Steel—To relieve difficulties encountered in making deliveries of propelling machinery for ships being built in the Clyde, a Greenock firm has purchased several hundred tons of steel and boiler plates from Germany at considerably increased cost. The purchase was arranged after inquiries had shown little hope that deliveries of the home-produced material could be speeded up. Officials of one shipyard, whose restricted launching program has had to be further curtailed, declare they have never been worse off for steel. They are now dependent on day-to-day supplies when formerly they had reserve stocks—London, Oct. 19.

UNITED STATES

Soybeans—A soybean crop of 280 million bushels was expected, as of September 1st, 5 per cent less than was forecast last month. Drought and hot weather in late August cut prospective yields sharply in the southern soybean area, especially in Missouri and Kansas. In the northern areas there was much less damage. In Minnesota, where moisture has been adequate, prospects improved. Incidentally, soybeans appear to be one of the few crops for which there is an active export demand at present—Chicago, Oct. 23.

WEST GERMANY

Plastics—During 1952, German production of artificial plastic materials amounted to 200 thousand tons, which is about 12 per cent of world production. Exports totalled 23,817 tons, with a value of 102 million DM. This year's production is expected to be 250 thousand tons, provided exports develop favourably. During January-July 1953, approximately 21,200 tons were exported, with a value of 90 million DM., as compared with 13,518 tons and 70 million DM. respectively, the previous year. Exports included 47 per cent of polymerization products, 24 per cent of condensation products and 26 per cent of products derived from cellulose—Bonn, Oct. 12.

Dutch Cheese Earns Canadian Dollars

Careful attention to quality and price, plus skilful promotion, have helped to increase sales of Dutch cheese in the Canadian market and boost Holland's dollar earnings.

THE HAGUE—The Netherlands is the world's second cheese exporter; in 1952, she was surpassed only by New Zealand, with its exports of 91,650 metric tons. Dutch cheese shipments last year totalled 78,000 m. tons, went to some 120 countries. and brought in 198 million guilders (Can.$51·7 million) in foreign exchange. Prewar exports averaged about 60,000 m. tons, going to 80 countries. This represented 2½ per cent of Holland's total exports and nearly a quarter of its dairy exports value.

Deliveries of cheese to the dollar area constitute only a small fraction of the total but are assuming increasing importance because of the Netherland's continuing dollar gap. U.S. import restrictions continue to hamper expansion there, but the Dutch regard Canada as a market with growing possibilities.

Markets in Europe

Eighty-five per cent of Holland's cheese exports are concentrated in West European markets, nearly 10 per cent go to the dollar area, and the remainder to other countries throughout the world.

Belgium remains the mainstay of the Dutch cheese export industry and this trade presents few difficulties. Dutch cheese normally represents about 85 per cent of total Belgian cheese imports. Annual shipments to Belgium before the war totalled about 20,000 tons, or about 35 per cent of total Dutch cheese exports. Since 1949, the proportion of Dutch cheese exports going to Belgium has remained close to 35 per cent but the quantity has increased to about 26,000 tons a year.

West Germany in 1950 resumed its prewar position as Holland's second best cheese customer. But sharp Danish competition and a 30 per cent import tariff introduced in October 1951 have placed a limit on expansion in that area. Exports to all Germany in 1938 totalled 17,100 tons. From a modest 5,500 tons in 1949 they jumped to 22,300 in 1950 but fell back (partially because of import restrictions brought on by Germany's economic crisis that spring) to 18,000 in 1951. In 1952, they reached 19,400 tons. Imports of Danish cheese grew from 17,500 to 22,600 tons in the same period.

Efforts to supply the United Kingdom with a larger share of its cheese imports have succeeded to the point where the volume delivered in the past two years—11,700 and 12,100 tons—has exceeded the prewar figure of about 10,000 tons. The Ministry of Food purchased larger quantities shortly after the war. Complaints about the quality of Dutch cheese reaching the public induced the Dutch to press for release of their cheese from the rationed list, despite the danger of a sharp price rise because of the loss of subsidy. The immediate effect was a serious drop

in shipments but the policy has paid off in steadily growing exports to Britain, aided by continued rationing of non-specialty cheese and an active publicity campaign in the south of England.

France was Holland's fourth customer for cheese in 1952, taking 3,100 tons. However, quota restrictions and a temporary embargo this year make expansion there unlikely in the near future.

More encouraging prospects have appeared in North Africa and the Western hemisphere. In the Mediterranean area, Egyptian (2,000 tons in 1952), Moroccan (800 tons) and Algerian (600 tons) consumption, though small, is increasing. The same is true of Venezuela (2,500 tons) and Cuba (1,300 tons) in the Caribbean area.

Canada and the U.S.

Recently, the Dutch have been paying increasing attention to dollar markets. Just after the war ECA persuaded Dutch producers and exporters to study the U.S. market and to supply products designed to suit American tastes. Cheese exports to the U.S.—1,364 tons in 1938—reached only 640 tons by 1951, when U.S. import restrictions were applied. Puerto Rican imports grew from nothing to 1,234 tons in 1951 when the same restrictions forced a cutback to 900 tons in 1952. Despite an easing in restrictions since then, uncertainty about American import policies has led to the abandonment of elaborate plans for promotion in the U.S. market in 1952. This development had the indirect effect of focusing more attention on Canada as an outlet.

Canadians, though they are not great cheese-eaters, have shown a growing taste for the Dutch product. In 1951 Canada imported 200 tons but in 1952 this increased to 315 tons—a 58 per cent gain.

Soaking in brine tanks to form a natural rind is part of the processing of Dutch cheese. Rigid control of quality, composition and packing has helped Dutch cheese-makers to expand their export sales. West Europe remains the leading market but nearly 10 per cent of production goes to the dollar area.

Some initial promotion efforts were made at the Canadian International Trade Fair, with useful results. Following this, the Dutch producers concentrated their efforts on the Canadian National Exhibition in Toronto which attracts large masses of consumers. Last year the Holland Cheese Exporters Association operated a stand at the CNE and distributed half a million samples of Dutch cheese. Results were so encouraging that a repeat performance was organized for the 1953 CNE.

Credit for growing exports to Canada largely goes to the Holland Cheese Exporters Association. This organization was established in 1951 with the primary objective of boosting exports to the dollar area. Its activities include publicity abroad, financed by a small levy on exports, and establishment of minimum export prices. For Canada these prices are:

	per 100 lb. (in Canadian dollars)
Solid cheese	
a. Full fat cheese (except luncheon cheese), farmers' cheese Leyden and Delft cheese	40.00
b. Luncheon cheese, per dozen	4.95
c. 40 per cent cheese (except "Baby Edam")	38.50
d. Baby Edam	43.00
Process cheese	
a. Full fat and 40 per cent rindless cheese	39.50
b. Full fat cream cheese	36.00
c. 40 per cent cream cheese	34.20
(c.i.f. American or Canadian port.)	

Quality Carefully Controlled

For the most part Dutch cheese exports are made up of two well-known types, Gouda and Edam, and cheese processed from them. The complete list of those permitted export includes the following:

1. Full cream Gouda cheese (both factory and farmhouse).
2. 40† Edam, Commissie, Middlebaar, loaf-shape and baby Edam.
3. Full cream luncheon cheese of the Gouda cheese or coalbrick shape.
4. 40† Friesian clove, "Kanter" and Leyden cheese.
5. Full cream rindless and spread cheese.
6. 40† rindless and spread cheese.
7. 20† farmhouse Leyden or farmhouse Delft cheese.
8. Full cream Cheddar cheese.
9. Limburger or Herves cheese.

† refers to percentage of fat content.

Since August 1948, rigid export controls ensuring the genuineness of the cheese, its composition, quality and soundness of packing, have been enforced.

Non-processed cheese must be at least sixty days old for export to Canada or the U.S.; seven weeks old for non-European countries, Portugal or Mediterranean countries, with the exception of France; or five weeks old if intended for export to other European countries. For processed cheese, the minimum age limit is three weeks at time of loading for export. Cheddar cheese (almost none is produced at the present time) must be at least twelve weeks old for export.

—C. J. SMALL
Acting Agricultural Secretary for Canada

General Notes

ARGENTINA

New Drugs Plant—A new plant to produce streptomycin and dihydrostreptomycin will be started shortly by an Italian firm, it has been announced. Some 90 per cent of the machinery and construction materials will be obtained locally, and only specialized apparatus imported from Italy. Production is planned for the end of 1953—Buenos Aires, Oct. 6.

AUSTRALIA

Aluminum Project—Work on the Bell Bay aluminum project in Tasmania is reported nearing completion. Only minor work remains to be done on the new wharf where bulk cargoes of bauxite and coal are to be unloaded; limestone will be ferried across the river from Beaconsfield. The project, capable of producing 13,000 tons of aluminum ingot a year, is expected to be in production about the middle of 1954. At the present landed cost of aluminum ingot, the plant's eventual output is expected to be worth approximately £2¼ million a year. This should give a measure of relief to Australian drawings on the dollar pool because all aluminum ingot is at present imported, chiefly from North America—Melbourne, Oct. 2.

INDIA

Wool Grading Centre—The decision of the Government of India to establish a wool-testing centre at Jaipur and to grade the wool intended for export may not be uniformly popular with the carpet trade, but it will help substantially in stabilizing India's exports. The present lack of standardization is said to be responsible for the difficulties experienced in changing over from the consignment basis, to the contract basis, which is likely to be more profitable to Indian exporters. The grading scheme which the Ministry of Agriculture is considering concerns both quality and colour—New Delhi, Oct. 3.

ITALY

New Bridge Designed—The most daring bridge in Europe has been built in the Garfagnana valley, Province of Massa, to cross an artificial lake now being completed. It is a one-span bridge divided into two half-arches resting on diagonal girders. Each half-arch of reinforced concrete is 42 metres long and weighs 75 tons. The two halves work on hinges like draw bridges, uniting at the centre by means of a third hinge. The bridge was planned by an Italian, Ing. Riccardo Morandi, and it will cost 30 million lire. The dam con-

structed to form the artificial lake, called the "Turrita" dam, is one of the largest in Italy—95 metres high and 10 metres wide at the top. Building materials included 185 thousand cubic metres of concrete, 30,000 tons of cement and 500 thousand cubic metres of stone, and it cost over 200 million lire—Rome, Oct. 24.

JAMAICA

New Companies—New companies which have recently been declared under the Pioneer Industries Law in Jamaica are manufacturers of plywood and veneers, drinking straws, dry ice and gramophone records. Applications to acquire this status have been posted for the production of corrugated paper and cardboard, and for the manufacture of heavy-purpose containers from paper—Kingston, Oct. 16.

JAPAN

Inspection of Exports—Compulsory inspection of an additional number of items before they are allowed to be exported from Japan is being enforced, effective October 1, 1953. The goods to be inspected include beans, mandarin oranges, straw mat coverings, tea, diesel engines for ships (two and four cycle), and other types of ship engines—Tokyo, Oct. 5.

ST. LUCIA

Public Sugar Company—Private owners of the two largest sugar estates in St. Lucia have decided to sell out and plans are being pushed to set up a public company to take control. Ownership in the two estates is concentrated in one family, and it is felt that no harmony can exist in the sugar industry as long as this situation prevails. Meanwhile, cultivation is at a standstill—Port-of-Spain, Oct. 8.

SOUTHERN RHODESIA

Trade Balance Improves—During the first six months of the year the deficit on the trade balance was nearly halved. For the first time in ten years, half-year figures were less than those for the same period in 1952. Imports to the value of £38·6 million showed a decline of £5·6; exports at £27·0 million were higher by £3 million—Cape Town, Oct. 10.

UNITED KINGDOM

Slight Recovery in Exports—From the low figure of £207 million in the holiday month of August, United Kingdom exports in September rose by £2·7 million to £209·7 million. During the same period, imports increased even more rapidly to £269·7 million, spreading the trade gap to £60 million, compared with £42 million in August.

The expansion of British exports in September resulted from increased sales to sterling markets, since exports to North America moved upward only slightly in September to stand at £25·4 million. This small net increase was the result of a rise in exports to the United States amounting to £1·1 million over August, countered by a decrease in shipments to Canada of £200 thousand in the same period—London, Oct. 14.

Venezuela

The Market for Shell Eggs

CARACAS—The shell egg market in Venezuela is extremely active. Weekly imports at La Guaira, the seaport for the capital, average about 8,000 cases, estimated to be more than 80 per cent of the total consumption of the Federal District. As long as this amount arrives and there is no disruption of shipments such as dock strikes or other incidents, the Caracas price reflects the New York price, with the customary addition of the agent's 30 cent per case commission, the wholesaler's 8 to 10 per cent, and the retailer's 15 to 25 per cent. The high cost of warehousing means that a landed surplus quickly depresses prices and, contrary-wise, as stocks are always kept at a minimum, a shortage sends prices up sharply. Over and above the price fluctuation at wholesale, there is a wide difference in mark-up in various city districts, ranging as high as 30 per cent at times between the low-income area prices and those in supermarkets in the better residential districts.

Rates of Duty

The applicable rate of duty is Bs.2.00 (60 cents) per gross kilo, but shell eggs are at present exonerated from 100 per cent of the duty when they arrive at the ports of La Guaira, Puerto Cabello, and Guanta. The exoneration is only 50 per cent for the port of Maracaibo. Exoneration is conditional on the provision of a certificate from the country of origin stating that at least 65 per cent of each case is of Grade "A" quality during the period June 1st to October 31st of each year, and for the remaining months, that 80 per cent or more of each case is of Grade "A" quality.

The agents for North American suppliers receive prices by cable and telephone, contact their customers and immediately cable their orders, usually specifying delivery on the weekly-scheduled passenger boats from New York. The importers are billed directly and the agent watches collections closely, because some of the more active wholesalers are perhaps under-capitalized, considering the extent of their trading.

Canadian Eggs Preferred

Canadian eggs have a reputation for quality which sometimes permits sale at a premium price and helps to offset the costly transport to New York. The big demand is for mediums, but pullets sell well in season and "A" Large are becoming more acceptable as the high breakage formerly associated with this size is gradually being overcome.

Complete confidence and co-operation between agent and supplier are essential in this trade, a highly competitive one because of the volume and regularity of demand. For those who can compete, however, the time is opportune to enter the market; many first-class agents are anxious to buy from Canadian sources.

—D. B. LAUGHTON
Agricultural Secretary for Canada

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, completes his Canadian tour in Winnipeg, November 23 and Vancouver, December 1-11.

R. P. Bower, Commercial Counsellor for Canada in London, completes his Canadian tour in Toronto, November 2-13, Ottawa, November 16-20 and Montreal, November 23-December 4.

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, completes his Canadian tour in Ottawa, November 9-10.

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

Board of Trade—Montreal.

Canadian Manufacturers Association—Toronto, Winnipeg.

Department of Trade and Commerce—Ottawa and Vancouver (355 Burrard Street).

Postings in the Service

BECAUSE MANY OF OUR READERS are interested in knowing of the transfers of Trade Commissioners, we propose to publish, from time to time, brief notes on new postings. These changes will also appear in the directory of the Foreign Trade Service Abroad, published monthly.

E. M. Gosse, who has been Canadian Government Trade Commissioner (Fisheries) at Kingston, Jamaica, is being posted to our office at Ciudad Trujillo, Dominican Republic, a more central point from which he can reach the fish-consuming centres of the Caribbean. His territory will include the Dominican Republic, Haiti, Puerto Rico and Jamaica.

Other changes in recent months or to take effect soon are:

A. P. Bissonnet, Commercial Secretary at Karachi, will return to Ottawa for duty at the end of November.

A. B. Brodie, formerly Area Trade Officer (Commonwealth) at headquarters, took up his new post as Canadian Government Trade Commissioner in Leopoldville last August.

T. M. Burns, who had been on duty in Ottawa for a year, in September arrived in London where he is Assistant Commercial Secretary.

B. C. Butler, Trade Commissioner and Consul at Detroit, will be transferred to Paris as Commercial Counsellor at the end of the year.

V. L. Chapin, at present Assistant Commercial Secretary at Brussels, will become Commercial Secretary at The Hague in December.

A. W. Evans, recently Commercial Secretary at Havana, has now taken up his new post as Canadian Government Trade Commissioner in Cape Town.

W. Gibson-Smith, formerly Trade Commissioner at Leopoldville, has opened our new office in Montevideo, where he is Commercial Secretary.

Wm. Jones, formerly Assistant Commercial Secretary at Bonn, returned to Ottawa in August and is now Area Trade Officer (Commonwealth) at headquarters.

H. E. Lemieux, formerly Assistant Commercial Secretary at Buenos Aires, is now en route to Manila, where he will be Vice-Consul and Assistant Trade Commissioner.

K. F. Noble, Trade Commissioner at Cape Town, will be transferred in December to Johannesburg.

K. G. Ramsay, formerly Assistant Commercial Secretary at Stockholm, is now Assistant Commercial Secretary at Brussels.

B. I. Rankin, formerly Commercial Secretary at Bombay, has returned to Canada for duty.

G. H. Rochester, formerly Chief of the Wood and Wood Products Division in Ottawa, is now Commercial Secretary (Timber) in London.

R. D. Roe, formerly Commercial Secretary (Timber) in London, has been loaned to the Department of Defence Production as Director of its United Kingdom office in London.

R. G. C. Smith, formerly Commercial Counsellor in Paris, is now Commercial Counsellor in Washington.

R. K. Thomson, who has been temporarily in New Delhi as Acting Commercial Secretary, is now Commercial Secretary in Karachi.

Tour of Territory

T. M. Burns, Assistant Commercial Secretary in London, England, will visit Glasgow and Edinburgh, November 23 to December 3. Businessmen interested in these two cities should get in touch with Mr. Burns in London as soon as possible.

Brazil Auctions Currency Certificates

Details on the first two sales of currency certificates to importers at Rio show how the new exchange regulations are operating.

DETAILS OF THE FIRST TWO SALES of currency certificates at auction in the Rio de Janeiro stock exchange have now been received. They give some indication of how the new Brazilian exchange regulations are operating.

Under the new system, the purchase of currency certificates entitles the Brazilian importer to obtain foreign exchange at the official selling (import) rate of 18.82 cruzeiros to the United States dollar. Certificates specify the type of foreign exchange and the import category to which they apply. Imports are divided into five categories according to their essentiality. (For further background see "Brazil Revamps Controls" in *Foreign Trade* of October 31.)

The first auction took place on October 16. In the Rio de Janeiro stock exchange, certificates to a total value of $6 million were made available. Of this total $600 thousand, or 10 per cent, was for United States dollars. The remainder applied to exchange for imports under various bilateral trade and payments agreements which Brazil has concluded with non-dollar countries.

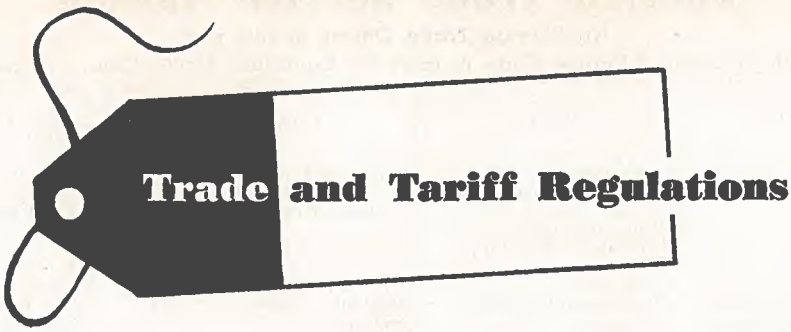
Of the U.S. $600 thousand, 70 per cent was made available for category 1 and category 2 imports. The prices paid for the United States dollar certificates for 120-day delivery of exchange were as follows:

Category	Minimum Price (cruzeiros per U.S. dollar)	Maximum Price (cruzeiros per U.S. dollar)
1	15	31
2	20	26
3	30	36
4	36	40
5	..	..

The second auction was held on October 21, when $5·6 million was offered in the Rio stock exchange—$600 thousand for United States dollars, the remainder for imports under various payments agreements. Seventy-three per cent of the United States dollars were for first and second category imports. The prices paid for 120-day delivery certificates were:

Category	Minimum Price (cruzeiros per U.S. dollar)	Maximum Price (cruzeiros per U.S. dollar)
1	15	21
2	23	34
3	41	51·5
4	40	43
5	100	102·5

At these prices, even the most essential imports from Canada would be subject to an effective exchange rate of close to 40 cruzeiros per dollar —the official rate, plus the cost of the currency certificates.



INDONESIA

New Export Inducement System Introduced—In an effort to stimulate the export of certain commodities, Indonesia introduced a system effective October 12, 1953, under which exporters receive certificates for a percentage of the value of certain exports. These inducement certificates may be used to import specified foodstuffs and luxuries.

The percentage of export proceeds for which certificates are granted ranges from 5 per cent on ungraded rattan to 10 per cent on certain grades of rubber produced by smallholders, kopal, certain hides and skins, eucalyptus oil and incense.

The list of goods which may be imported by holders of inducement certificates includes honey, jams and marmalades; sauces including tomato sauce; preserved fish, meats and fruits, fruit juices; condensed milk, rolled oats, cheese, refrigerators, certain radios, toys, automobiles of a landed value exceeding $2,100 and fountain pens made of precious metals. Imports coming under the new inducement system will not be granted regular foreign exchange permits.

The import of goods by the use of inducement certificates remains subject to the regulations regarding advance payments and import surcharges. These surcharges amount to 100 per cent of the landed value on foodstuffs coming under this system and to 200 per cent on the luxury items—Djakarta, October 16.

Information on individual goods which may be imported against inducement certificates may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

UNITED KINGDOM

Private Imports of Linseed Oil—From November 15, 1953, importers will be permitted to bring in from any source one ton of linseed oil (or three tons of linseed) for every one ton of linseed oil they purchase from the Ministry of Food. The previous ratio was on the basis of one ton imported for every two tons purchased from the Ministry. Licences will be valid until February 28, 1954. After that date, imports will no longer be related to purchases from the Ministry and will be permitted from any source under Open Individual Licences—London, Oct. 28.

Published in first issue of each month.

Foreign Trade Service Abroad

* No Foreign Trade Officer at this post.

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

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Italy	M. S. Strong, Commercial Secretary (Fisheries)		
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Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
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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, 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 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 and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney. Trade Commissioner	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)	R. V. N. Gordon, Trade Commissioner	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 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)	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, New Orleans	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	The Tower Building Seventh Avenue at Olive Way, Seattle 1, Washington	
Uruguay Paraguay	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 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 1·02073.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Oct. 29*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1306	
		Basic buying	·1959	
		Preferential selling	·1959	(1)
		Basic selling	·1306	
		Free	·07052	
Austria	Schilling		·03768	
Australia	Pound		2·2025	
Belgium Luxembourg & Belgian Dependencies	Franc		·01967	
Bolivia	Boliviano	Official	·00516	
British West Indies	Dollar		·5736	(3)
	Pound		2·7531	(4)
	Dollar	Brit. Honduras	·6882	
Brazil	Cruzeiro	Official selling	·05205	(5)
		Effective buying	·03454	
		Coffee buying	·04193	
Burma	Kyat		·2057	
Ceylon	Rupee		·2065	
Chile	Peso		·00891	(1)
Colombia	Peso	Basic	·3919	
Costa Rica	Colon	Official	·1745	(6)
		Free	·1475	*
Cuba	Peso		·9797	tax 2%
Czechoslovakia	Koruna		·1361	
Denmark	Krone		·1418	
Dominican Republic	Peso		·9797	
Ecuador	Sucre	Official	·06532	(7)
		Free	·05636	
Egypt	Pound		2·8132	
Fiji	Pound		2·4803	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00550	
French Pacific	Franc		·01539	
Germany	D Mark		·2333	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9797	
Haiti	Gourde		·1959	
Honduras	Lempira		·4898	
Hong Kong	Dollar	Free	·1657	*Oct. 16
Iceland	Krona	Official	·06016	
		Special buying	·04632	
		Special selling	·03732	
India	Rupee		·2065	
Indonesia	Rupiah	Basic	·08594	(8)
		Dollar certificate	·00185	*

* Latest available quotation date.