foreign trade

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COVER . . . Husky native workers load bags of sugar onto an inter-island steamer at Port of Spain. Sugar continues to be one of Trinidad's main exports, outranked only by petroleum, and markets for the increased 1954 production promise to be good. (See story on page two.)

—Photo courtesy Dalla-Costa's.

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How's Business in Trindad?

With production and exports rising, the colony has achieved a favourable trade balance, removed some controls. But restrictions on many dollar goods remain.

PORT OF SPAIN—The year 1953 is proving a prosperous one for Trinidad. Buoyant exports, further industrial development, and the steady removal of economic controls all contribute to the bright picture. The only dark spot is the continuing of controls against imports from hard currency countries.

During the first seven months of 1953 Trinidad had a large favourable balance of trade, a pleasant contrast to the unfavourable balance for the same period last year. The change stemmed from increased exports of petroleum and agricultural products and from a drop in imports.

The Trade Picture

For the first seven months, Trinidad's exports reached BWI$157 million. Two-thirds of this represented sales of petroleum products; the other principal items were sugar and cocoa. The sterling area took more than half these exports, followed by OEEC countries, North America and Brazil.

Imports during the same period amounted to BWI$129 million. Most of them were manufactured goods, but crude petroleum accounted for BWI$38 million, and foodstuffs for BWI$23 million. Principal sources of imports were the sterling area, 45 per cent; Venezuela (chiefly crude oil), 27 per cent; and North America, 17 per cent, with the United States leading Canada by a slight margin.

Dollar Imports Still Restricted

The continuing shortage of hard currency has forced the Government to maintain its import restrictions against dollar countries. However, the British West Indies Trade Liberalization Plan remains in operation and means that a considerable range of products from Canada and the United States can enter the colony. Outside the Plan, very few imports from North America are allowed. Goods under World Open General Licence, however, may be freely imported from any source. The list includes dried, smoked, pickled and salted fish; kraft paper and newsprint; basic forms of steel, copper, zinc and nickel. Some animal feedstuffs and poultry feeds are allowed in from North America under a system of quotas given to importers and farmers. And import permits are granted under the Controller's dollar program for such essentials as flour, lumber, pickled meat, condensed milk, onions and potatoes, whenever these cannot be obtained from soft currency countries.

The termination of most price controls, subsidies and government bulk purchasing has proceeded in the last ten months in orderly stages. To date, more than 95 per cent of price controls have been dropped.

Products remaining under price control are several ones of local origin, in addition to a list of imports—corned beef, salted beef, flour, frozen meat, condensed milk, rice, cement, lumber, and corrugated sheets of aluminum or steel. The price controls on meat and milk will probably be removed shortly. In spite of decontrol, prices have remained quite steady.

Bulk Purchasing Decreases

Much of the Government's bulk purchasing ended during the year, as importing was returned to private trade. The commodities dropped were cooking butter, pickled pork, condensed milk, corned and pickled beef. Import licences for these commodities will be issued to private traders as soon as government stocks have been used up. However, the usual dollar import restrictions remain. Thus at the time of writing the only commodities still being purchased in bulk are flour and rice. Some circles believe that the trade is happy to have the Government continue to handle flour imports and thus carry the burden of capital financing and risks.

The termination of price subsidies has followed the other decontrol measures. So far this year, a further six foods have been dropped from the subsidy list; only flour and rice remain. The amount of the flour subsidy varies, because the Government purchases flour abroad at world prices and sells it to the local trade at a fixed price. The only item now rationed to consumers is rice and each person is entitled to one pound a week. British Guiana is the principal source, although some is grown locally.

Oil and Agriculture Prosper

Trinidad's oil industry continues a slow expansion, although production is now only one-third that of Canada. Drilling activity this year is about 25 per cent ahead of last year, with British, American and Canadian companies taking part. Some interest is developing in the possibility of subterranean oil deposits under the Gulf of Paria. The actual production of crude oil and natural gas is slightly greater than last year. Production of asphalt at the natural pitch lake is somewhat smaller than in 1952.

Agricultural crops have been good. Cocoa pickings for the crop year just ended are estimated at 21 million pounds, an increase of eight million pounds over 1952. Prospects for next year's crop are described as fair. Over a longer term, the Government's cocoa rehabilitation scheme—which furnishes the growers with more productive plants and free fertilizers—should push up production. Canada has been buying substantial quantities of Trinidad cocoa this year.

Production of sugar for the first half of the year reached 152,600 tons, compared with 137,400 tons during the same period of 1952. Sugar producers are pleased with the prospect of a continuing assured market as an outcome of the World Sugar Conference held in London during August.

Exports of coffee, which are made during the first half of the year, exceeded 20,000 cwt., with a record value of over BWI$1·7 million. Prospects for next year's coffee crop are good, with heavy flowerings of both the Arabica and Robusta types.

Shipments of canned citrus juices also increased sharply. The Co-operative Citrus Growers Association produces both orange juice and orange-grapefruit juice mixtures.

More Industrial Development

Trinidad leads the eastern Caribbean area in industrial development and the influx of new companies continues at a slow but steady pace. Since the colony passed its "Aid to Pioneer Industries" ordinance in 1950, 31 manufacturers have been declared "pioneer" and have become eligible for tax and customs exemptions. During the first half of 1953, ten such pioneer manufacturers were certified—makers of paint, pharmaceuticals, polishes, cast iron soil pipe, brass and copper fittings, electrical conduits, and dry ice, and companies carrying on metal spraying and the re-rolling of steel.

The new paint factory is just beginning production and output is expected to reach 30 tons a week. More than 40 varieties of paint products will be made. A second important industrial unit—an $8 million cement plant—will be in operation early next year with a capacity of 100 tons of cement an hour. The only raw material which must be imported is gypsum, which comes from Jamaica. Capital from the United Kingdom is behind these two ventures.

In spite of these successes, Trinidad's pioneer industry laws have been criticized in a report just issued by an official U.K. industrial mission which visited the colony a year ago. The report says the present laws are cumbersome and ineffective. It advocates in their place a system of accelerated depreciation on all new plant and equipment, whether original or replacement, and regardless of whether the plant is considered "pioneer". This suggestion is still being discussed in the colony.

There have been no serious strikes during the year and labour relations have been reasonably good. Wages have continued to rise. During the year, workers in such fields as oil, asphalt, sugar, coconut oil, public utilities, air transport and shipping have received wage increases and other concessions.

Transportation Services

The *Lady* boats, which were withdrawn from service by the Canadian National Steamships last year, are still missed in the eastern Caribbean area but already a number of new sea and air services have begun calling at Trinidad.

Early in the year, Air France resumed its service to the colony. Recently BOAC inaugurated a weekly service between Port of Spain and London, via New York. Ocean cargo services with the Far East have improved, with a Japanese shipping line operating between China, Japan, and Trinidad via Los Angeles, and another line operating from New Zealand to Trinidad and Barbados and on to London. In addition, the British West Indian Colonies are planning to improve inter-island freight and passenger traffic by establishing a subsidized steamer service.

—R. R. Parlour

Assistant Canadian Government Trade Commissioner

Canadian Iron Makes Japanese Steel

Iron ore from the West Coast now moves to Japan to supply the expanding steel industry.

TOKYO—Within the last three years, Japan has become an important market for Canadian iron ore and the indications are that demand from this source will continue for some time. The Japanese have estimated their requirements of iron ore for the 1954-55 fiscal year at 5½ million metric tons, about 4·2 million to be bought from Southeast Asian and Far Eastern countries and the remaining 1·3 million from Canada and the United States.

The Japanese steel industry has been almost completely reorganized since the end of the war and output has risen steadily—from slightly over 500 thousand metric tons in 1946 to 4·8 million in 1950 and nearly seven million in 1952. At the current monthly rate of production, it should reach 7½ million tons this year. One difficult problem remains to be solved—the high production costs which make it hard for Japan to compete with leading world steel producers. This fact has kept Japanese steel exports below the hoped-for levels, but plans are going forward to modernize plant facilities to ensure sales abroad of about 1·2 million tons of steel products a year. Because Japan must import iron ore, coking coal, and substantial quantities of scrap, efficient production is the key to lower costs.

Sources of Supply

The industry draws its iron ore supplies mainly from Asian countries; in 1954-55, it expects to purchase from the following:

Philippines	1,800,000 metric tons
Malaya	1,000,000 " "
India	600,000 " "
Goa	600,000 " "
Hong Kong	120,000 " "
South Korea	100,000 " "

Canada did not enter the supply picture until 1951, when the Japanese bought 113,364 short tons of Canadian iron ore. The next year, these purchases rose steeply to 794,311 short tons, valued at $5,546,000. In fact, that year Japan ranked as Canada's second most important market for iron ore, outclassed only by the United States. Rate of exports to Japan this year is running about 10 per cent above last, with shipments for the first six months totalling 422,199 tons, valued at $3,154,269.

This Japanese demand for Canadian iron ore has opened up the deposits on Vancouver Island and other tidewater locations. The price, when the ore has been shipped in Japanese vessels, has been competitive with Asian suppliers and the quality acceptable, though the Canadian product is not as high in fe as Malayan ore. Because prospects of obtaining iron ore from prewar suppliers now under Chinese domination are slight, Canada should continue to be a logical and important source of raw material for the Japanese steel plants.

—J. C. Britton
Commercial Counsellor for Canada

The Rice Grower and His Markets

Certain sections of the U.S. produce sizable rice crops, largely for export, using methods far removed from Far Eastern practice. Canada is major buyer of U.S. rough rice.

NEW ORLEANS—Though rice is not a major United States crop, it is important in certain sections, such as the Southwest and parts of California. Last year's production of 85 million bushels represented only a little over 1 per cent of total world production of 7·6 billion bushels. With a per capita consumption of 6·13 lb., compared with 250 to 400 lb. per capita in the Far East, the United States produced much more than it consumed and over 60 per cent was exported. Canada is maintaining its position as the best American customer for rough or paddy rice, taking 87 per cent of total U.S. exports, (see table below) and also buying substantial quantities of milled rice.

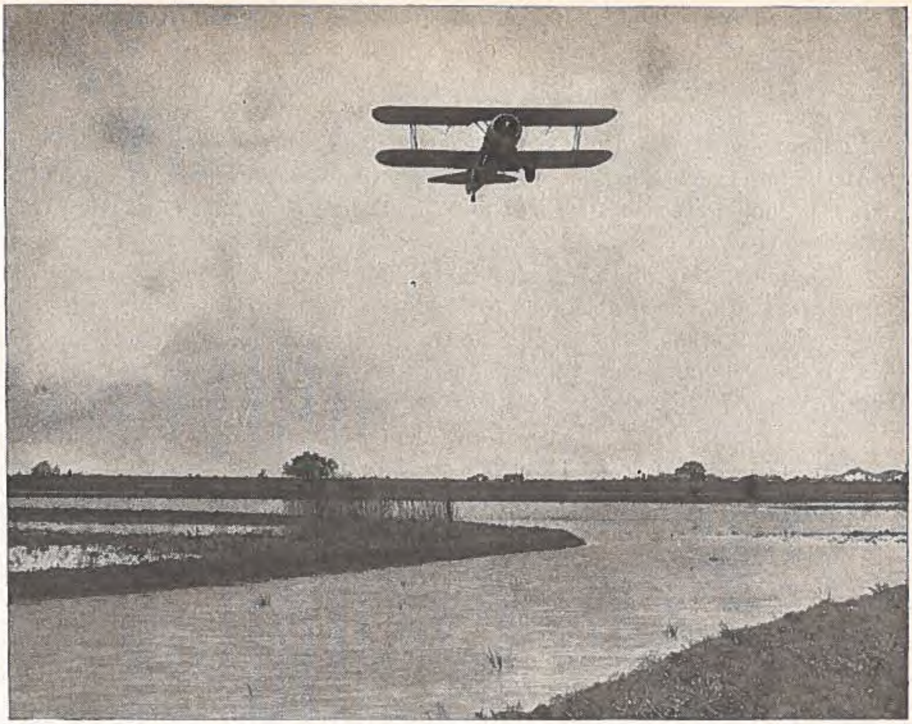
U.S. Exports of Rough Rice

Year August 1-July 31	To Canada (in cwt.)	Total Exports
1947-48	786,790	802,009
1948-49	673,741	679,749
1949-50	668,210	912,007
1950-51	436,481	468,691
1951-52	415,840	470,841
1952-53	586,284	672,661

Brought to South Carolina

Rice is not indigenous to the United States. The story is that it was brought to South Carolina in 1694, when a ship sailing from Madagascar took refuge in Charleston during a storm. The captain left some rice with the Governor and the first commercial production of rice in America thus began. Later it expanded into North Carolina, Georgia, Alabama, Mississippi and Florida. The Civil War was the beginning of the end for rice-growing in the Carolinas and neighbouring states and production shifted to the valley of the Mississippi, Texas and Arkansas. Since 1908, it has been grown commercially in the Sacramento Valley, California. The principal producing states are respectively Texas, Louisiana, California, Arkansas and Mississippi.

In Louisiana the recognized rice capital is the town of Crowley, where the International Rice Festival has been held every year since 1937. At this Festival, the latest machinery for and methods of rice farming are demonstrated and discussed. The developments in these fields have been startling when compared with the traditional way of planting and harvesting rice still carried out in the Orient. Rice is farmed in the U.S. extensively rather than intensively as in the Orient.



Many rice fields in the southern U.S. are planted in an unusual way—by broadcasting the seed from low-flying aircraft, usually on ground already flooded. Above, a Beaumont, Texas, field is being sown.

In the Far East, rice usually is sown in carefully prepared beds and the seedlings transplanted when six to eight inches tall into fields which are kept saturated with water. The Oriental planter stands in the mud and sets the plants six to eight inches apart in each direction. The field is kept flooded until the plants are a foot or more high. Then the water is drained off and the crop is hoed. The land is then flooded again until about ten days before harvest. The rice is reaped by hand, bundled, dried, and the grain removed by pounding the heads against logs or by driving cattle over it.

The American rice farmer prepares his ground in much the same way as for a wheat or barley crop—by ploughing, harrowing, and making the proper seed bed. However, because rice fields must be kept evenly flooded, the rice farmer must also level his land and prepare it for flooding. Rice is seeded in two ways in the United States. A grain drill is used on small farms; on the big farms, the most common method is broadcasting rice from low-flying aircraft. This latter method can be used on dry fields or, as in California and increasingly in the South, on fields already flooded. The fields are kept flooded until about ten days before harvest, when they are drained off. The soil then hardens and the harvesting machinery comes in. The old-fashioned binder-thresher is being rapidly replaced by the high speed combine-dryer. Crops are rotated; where rice was planted one year, cattle are allowed to graze the next year on the stalks of rice left by the cutter.

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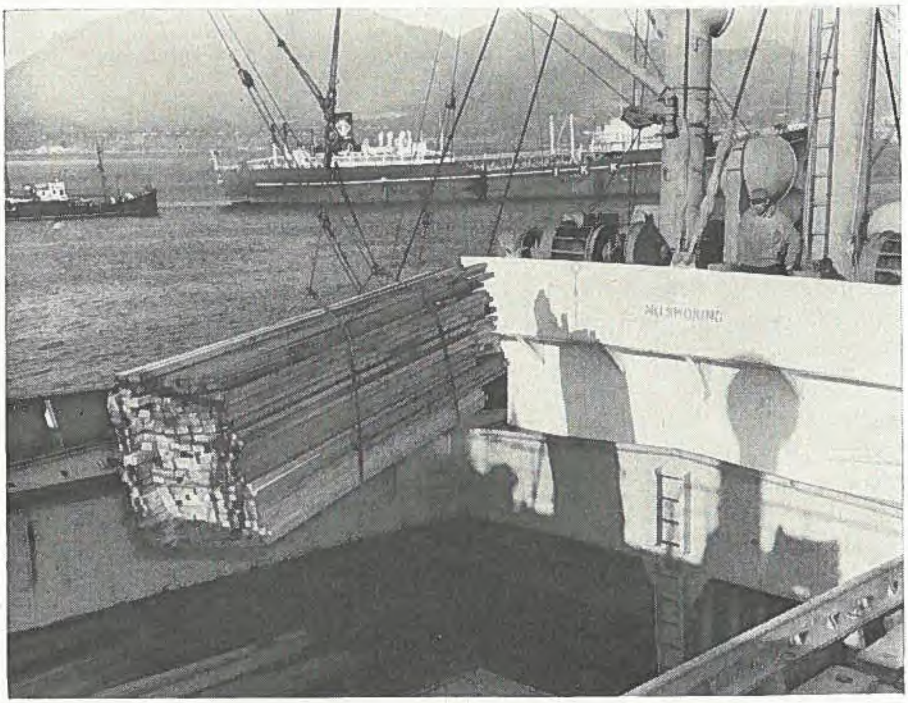
World War II had a marked effect on the production of rice in the United States. When Japan over-ran many of the rice-producing countries in Asia, exports of American rice rose. Last year's crop was twice as large as those produced before the War. Three million pockets (hundredweight) of milled rice were exported in 1939-40 and 17 million in 1951-52. Average exports for the years 1946-50 were 9,507,026 pockets; exports immediately before World War II averaged 2,213,640 hundredweight a year.

The marketing of rice is both simple and efficient. The producers or farmers sell their rice directly to the 75-odd mills strategically located in the producing areas. The millers do the grading and packaging of the rice and its by-products and, through brokers, distribute the rice to jobbers, chain stores, food processors and export markets. Although the United States only grew slightly over 1 per cent of the total world production of rice, it has the largest number of commercial rice mills of any producing country. The rice industry must rely heavily on foreign markets to survive and the world shortage of dollars has made things difficult for rice exporters.

—C. O. R. Rousseau
Vice-Consul of Canada and Assistant Trade Commissioner



—UNKRA Photo.

The lumber being swung into the hold of M.S. "Korea" in Vancouver harbour is destined for Korea, where it will be put to good use in the rehabilitation program. The United Nations Korean Reconstruction Agency recently purchased a full cargo of Canadian lumber.

FAIRS and EXHIBITIONS

Fish in Manhattan

THROUGHOUT NOVEMBER, the Canadian Showroom at Rockefeller Centre has featured fish—from the utilitarian cod and haddock to lake trout and lobster, sardines and Pacific salmon. The display, sponsored by the Department of Trade and Commerce, brought together products from 25 leading fish processors or packers in seven of Canada's provinces.

Two frozen food refrigerated units, provided by the New York agents of certain Canadian suppliers, made it possible to display both fresh and frozen fish, in addition to other varieties. The Department of Fisheries furnished charts and pictures illustrating our fisheries resources and literature for interested visitors. And an attendant at the exhibit stood ready to answer questions and to supply U.S. importers with the names and addresses of Canadian firms able to supply their needs.

Exhibiting in Spain

NEXT YEAR, Spain expects to hold two international trade fairs —at Valencia in May and at Barcelona in June. Canadians interested in importing into Spain samples and goods to be displayed at these fairs must apply for licences before December 31, 1953. They should address their applications or requests for further information to Comisaria General de Ferias y Exposiciones, Calle de Recoletos 15, Madrid.

Manchester Shows Textile Machinery

THE INTERNATIONAL TEXTILE MACHINERY EXHIBITION at Manchester, England, closed on October 24th after visits from 150 thousand persons. About 276 firms showed their products—218 from the United Kingdom and 58 from abroad, including the United States, Germany, France, Italy, the Netherlands, Belgium, Denmark, and Sweden.

Experience at the Exhibition disclosed some interesting trends:

- The textile machinery trade is becoming more competitive, with delivery periods down to five or six months and most firms quoting fixed prices. British manufacturers appear to feel that they would be in a stronger competitive position if they could grant extended credits, through either governmental or other credit agencies.

- Research has developed many new and more efficient machines, such as a fully automatic pirn winder, working at 12,000 r.p.m. and able to handle a considerable range of yarns.

- Plant and equipment for handling synthetic fibres was in the limelight. Two machines demonstrated a new process—taking a heavy dênier tow of viscose nylon and other fibres and reducing it to a fine-spun yarn in one operation. One machine cut the filaments into staples and the other broke them.

Hong Kong Products on Display

ON DECEMBER 14th, the doors will open on the 11th Annual Exhibition of Hong Kong Products, arranged each year by the Chinese Manufacturers Union to show the range of products which the Colony produces. Last year the exhibit attracted over 800 thousand visitors, many of them from other countries. Members of the Union will be on hand to conduct overseas visitors around the exhibit and help them to make contacts.

Canadian firms interested in sending representatives to Hong Kong should write for further information or assistance with special problems to the Chinese Manufacturers' Union, 206 China Bldg., Queen's Road, Central, Hong Kong, or to the Trade Development Division, Department of Commerce and Industry, Hong Kong. Either of these offices will send a list of the products to be shown, arrange hotel reservations, or help in other ways.

Canadian Cattle Win Awards

CANADIAN-BRED HOLSTEIN-FRIESIAN STOCK carried off an impressive number of awards at the recent Animal Show held in Santiago, Chile. In the twelve categories for bulls, North American type, 25 prizes went to bulls of Canadian origin, including the Grand Champion, the Country's Champion, and the Junior Champion.

The Holstein-Friesian Association of Canada offered a trophy for the best animal, male or female, born in Chile of Holstein-Friesian stock imported from Canada. It was won by a bull named "Trans Rag Apple Inka Helbon".

Low-Cost Housing

INDIA, like many other countries, needs low-cost housing. Recognizing that other countries have made progress in solving some of their housing problems, the Government has planned an international forum where materials, equipment and techniques will be demonstrated.

This International Exhibition on Low-Cost Housing will be held from January 20-March 5, 1954, in New Delhi, on the site of the recent Railway Centenary Exhibition. This location provides a railway siding and adequate arrangements for water, light and power. Special licences will be granted for imports of building materials, machinery, tools and other equipment.

For further information, write the Ministry of Works, Housing, and Supply, Government of India, New Delhi.

Switzerland's Trade with Canada

A careful analysis of the trade between Canada and Switzerland in the first half of 1953 reveals exports to Switzerland down and imports up, and uncovers some significant trends.

BERNE—In the first six months of 1953, Canada sold to Switzerland goods valued at about $21 million (91 million francs), according to official Swiss statistics. This put Canada in eighth place as a source of Swiss imports. For three years, Canadian exports to Switzerland had been rising; in the first half of 1953 they fell by 9 per cent, compared with the $23 million of the corresponding period last year. Main factor seemed to be smaller Swiss purchases of primary metals. U.S. sales to Switzerland slumped much more seriously.

Canadian statistics tell a slightly different story. They put imports from Canada at $11 million for the first six months of 1952 and at $14 million for the same period of 1953. Because they do not take into account substantial indirect shipments, however, they are considered less significant than the Swiss figures.

Imports from Switzerland Rising

As a market for Swiss goods, Canada ranks relatively low, purchasing about 1·5 per cent of all Swiss exports. Compared with the first half of 1952, however, Canadian imports from Switzerland so far this year have risen almost one-third—from 35 to 44 million francs (or from about $8·1 million to $10·2 million). The trading ratio was roughly three to one in Canada's favour last year; now falling Canadian exports and rising Swiss imports have combined to reduce this ratio to approximately two to one.

Switzerland's Trade Balance with Canada

Trade (millions of francs)	First Half Year 1950	1951	1952	1953
Imports from Canada	44	60	99	91
Exports to Canada	29	35	35	44
Swiss trade balance	—15	—25	—64	—47
Import-export ratio	3·2	2·1	3·1	2·1

Grains Play Leading Role

Grains represented 40 per cent of all Canadian sales to Switzerland during the first half of 1952; this year, grain shipments to date are shown by Canadian statistics to have risen from $3·4 million to roughly $8 million and constituted about 65 per cent of total Canadian exports to this country. The inclusion of indirect shipments in Swiss statistics sets grain imports for the first six months of '52 at over three times the Canadian figure and those for the current period as higher by only one-quarter, yielding an increase of roughly 5 per cent. These figures give grain a 47 per cent share in all imports from Canada during the first half of 1952 and a 54 per cent share this year. Wheat made up the bulk of these shipments, but feed barley, at between 10 and 20 per cent of the total, was also of major importance.

IWA Quota Increased

As a member of the International Wheat Agreement, Switzerland estimates that she has saved a total of 44 million francs (about $10·1 million) in wheat purchases over the past four years. When she requested an increase of 75 thousand tons in her IWA quota of 175 thousand tons, Switzerland was granted about half this additional amount under the current agreement, bringing her new quota to 215 thousand tons (about eight million bushels). Canadian wheat is preferred here, and a contract has already been negotiated between the Canadian Wheat Board and the Swiss Federal Cereals Administration for September deliveries of 28,500 tons of No. 2 and No. 3 Manitoba Northern.

Canadian Exports to Switzerland by Commodity Groups

(in thousand dollars)

Commodity Group	First Half 1952 Value	First Half 1952 % of Total	First Half 1953 Value	First Half 1953 % of Total
Foods and Feedstuffs:				
Cereals	4,224	38·9	9,103	64·3
Processed foods	171	1·6	167	1·1
Sub-total	4,395	40·5	9·270	65·4
Raw Materials:				
Primary forest products	388	3·6	207	1·5
Primary agricultural products	446	4·1	393	3·1
Primary metals and minerals	3,397	31·3	1,893	13·3
Sub-total	4,231	39·0	2,493	17·9
Manufactures:				
Lumber, wood and paper	15	0·1	14	0·1
Textile products*	114	1·0	151	1·0
Rubber products	250	2·3	33	0·2
Chemicals and pharmaceuticals*	503	4·6	261	1·8
Metal and mineral products	75	0·7	26	0·2
Machinery and apparatus	1,103	10·2	1,749	12·3
Sub-total	2,060	18·9	2,234	15·6
Unclassified	169	1·6	155	1·1
Grand Total	10,855	100·0	14,152	100·0

—DBS statistics.

* Mainly manufactured.

Opportunities for Coarse Grains

Since the outbreak of the last World War, Swiss purchases of wheat have been controlled by the Federal Wheat Administration. This Administration sets an overall import quota, issues tenders to the trade, and allocates mill delivery quotas on the basis of prewar percentages. Under this system, wheat imports have come to be channelled for the most part through a few well-established importers, whose direct connections enable them to under-quote on large quantities and cover costs with only a fraction of the commission which independent agents require. Once able to cater to smaller buyers of wheat, commission agents and small importers have had to turn increasingly to the free market for coarse grains and feedstuffs, barley in particular. This presents Canadian suppliers of these commodities who are interested in representation on the Swiss market with ample opportunities.

Automobiles and Raw Materials

Next to grains in importance this year, surprisingly, come imports of motor vehicles, valued at $1·5 million, about twice the figure for the corresponding half of 1952. An equal but opposite shift in primary copper sales transferred this commodity from second to third place at $783 thousand, followed by primary aluminum at $613 thousand, down 23 per cent. In rapidly descending order come other primary metals, valued as a group at $497 thousand (down by half); raw agricultural products at $393 thousand (down 10 per cent); and machinery and apparatus (excluding vehicles) at $202 thousand (down one-third). Processed food products remained fairly steady at $167 thousand; textile manufactures (chiefly cottons) climbed by one-third to reach $151 thousand.

The sharpest drop was in rubber manufactures, down by 85 per cent to $33 thousand, chiefly as a result of smaller tire and tube sales. Manufactures of metals and minerals also fell by two-thirds, spread fairly evenly through the group. The total value of manufactures shipped to industrial Switzerland exceeded $2 million in both periods reviewed—between 15 and 20 per cent of all imports.

Canadian Imports from Switzerland by Commodity Groups

(in thousand dollars)

Commodity Group	First 4 months 1952 Value	First 4 months 1952 % of Total	First 4 months 1953 Value	First 4 months 1953 % of Total
Foods and Beverages:				
Cheese	680	16·2	476	7·8
All others	8	0·2	19	0·3
Sub-total	688	16·4	495	8·1
Raw Materials:				
Primary chemicals	286	2·6	517	8·4
Primary textiles	1	....	143	2·4
Primary agricultural products	16	0·2	114	1·9
Sub-total	303	2·8	774	12·7
Manufactures:				
Precision instruments and apparatus	1,443	27·9	1,854	30·5
Machinery and appliances	1,457	28·1	1,557	25·6
Textile products	637	12·3	810	13·3
Chemicals and pharmaceuticals	239	4·8	184	3·0
Metal and mineral products	113	2·2	112	1·9
All other manufactures	259	5·0	207	3·4
Sub-total	4,148	80·3	4,724	77·7
Unclassified	23	0·5	90	1·5
Grand Total	5,162	100·0	6,083	100·0

—DBS statistics.

The Import Picture

Swiss-Canadian trade is largely specialized; for example, imports into Canada of Swiss machinery and precision instruments during the first four months of the year accounted for 56 per cent of all purchases, almost exactly equivalent in relative importance to reciprocal shipments of Canadian wheat and coarse grains. At the same time, the dollar value of all imports from Switzerland over the years is generally insufficient to pay for Swiss imports of Canadian wheat.

As a group, precision instruments accounted for roughly one-third of all our imports from Switzerland. Included were watches, watch actions and parts, sales of which were up 23 per cent. In the machinery group, a marked rise in imports of marine equipment, machine tools and sewing machines outweighed a 75 per cent fall in purchases of textile machinery and electrical apparatus. The finished textiles group made appreciable gains, with cotton manufactures and hat braids and trimmings making up the bulk of imports. Chemical products showed a net decrease. Manufactures as a whole represented about 78 per cent of all imports, a slightly smaller share of the total compared with the previous period, despite an increase in value of over half a million dollars.

Raw material imports collectively more than doubled in value to win a 13 per cent share of the market. Primary chemicals, textiles and agricultural products were all important in this shift, because of larger sales of aniline dyes, synthetic staple fibres and animal bristles. A drop of almost one-third in cheese imports reduced the food products' former 16 per cent share of total imports to 8 per cent.

Characteristics of the Trade

It is interesting to note the distinctive nature of the trade between the two countries. As a market for Swiss goods, Canada absorbs relatively fewer manufactures and over twice the proportion of industrial raw materials bought by Switzerland's other customers. Some 65 per cent of Swiss imports from Canada consist of food and feedstuffs; only 25 per cent of her imports from other countries are in this category. Manufactures constitute over 40 per cent of all Swiss imports, but only 15 per cent of her purchases from Canada. Even in industrial raw materials, where Canada might be expected to hold her own with the rest of the world, Switzerland buys proportionately twice as much elsewhere as she does from Canada.

As an exporter to Switzerland, however, Canada has earned an enviable reputation for quality, dependability and sound trading practices. And she has succeeded in placing a wide variety of products in this discerning, almost fastidious, market.

—W. R. Hickman
Assistant Commercial Secretary for Canada

Tour of Territory

W. D. Wallace, Commercial Secretary for Canada in Djakarta, Indonesia, will visit Surabaya and the surrounding area of central Java during the week of January 11th. Businessmen interested in these areas should get in touch with Mr. Wallace at Djakarta as soon as possible.

Commodity Notes

BRAZIL

Cigarettes—Brazil's 1953 cigarette production is estimated at 2·27 billion packs, an increase of approximately 10 per cent over the 1952 figure of two billion—Rio de Janeiro, Oct. 29.

Sisal—Sisal shipped in 1952 from all Brazilian ports totalled 30,337 tons, with a total f.o.b. value of 250 million cruzeiros. Principal destinations were the United States, 16,224 tons; Germany, 4,672 tons; France, 3,720 tons; Canada, 1,335 tons. In 1951 the total quantity shipped was 57,389 tons at an f.o.b. value of 432 million cruzeiros—Rio de Janeiro, Oct. 23.

CUBA

Tobacco—The Cuban Tobacco Stabilization Institute has set production of sun-grown leaf tobacco at a maximum 800 thousand quintals (100 pounds) during the 1953-54 crop year. Twenty-seven banks, with the guarantee and under the supervision of the state bank (Banco Nacional de Cuba), have granted a loan of $6 million, at 5¼ per cent interest, to finance the purchase of the surplus remaining from the last crop—Havana, Oct. 26.

DENMARK

Sugar—The Danish sugar beet crop is expected to be extremely good, yielding somewhere between 325 and 350 thousand tons, as compared with 258 thousand tons last year. Domestic consumption is approximately 240 thousand tons a year. The International Sugar Agreement allows Denmark an annual export quota of 70,000 tons and this amount will now be offered to Norway and Sweden, in accordance with Denmark's trade agreements with these countries—Oslo, Nov. 7.

JAPAN

Automobiles—Japan will import up to 4,000 foreign automobiles during the six months ending March 1954. Imports are to be restricted to less expensive models and about half of the imported cars will be assembled in Japan—Tokyo, Oct. 22.

NORWAY

Timber—Because of the satisfactory timber production in the 1952-53 season of over seven million cubic metres, and the record production for the previous season of 10·3 million cubic metres, Norway's stocks of sawn and planed timber are 17 per cent larger than they were a year ago and the largest since the war. Stocks are said to be sufficient to cover the demand even if house-building restrictions were removed. With the exception of mechanical wood pulp, all exports of timber and wood-refining products showed a marked increase during the first half of this year as compared with the same period of 1952. Exports of hewn and round timber and sawn and planed goods increased from 121,571 to 163,995 cubic metres, chemical wood pulp from 109,576 to 143,458 tons, paper and cardboard from 133,276 to 147,935 tons, and wallboard from 6,981 to 10,712 tons. Mechanical wood pulp exports declined by 27,239 tons—Oslo, Nov. 9.

PAKISTAN

Bicycles—The first large-scale bicycle factory in Pakistan, at Lahore, is producing 300 bicycles a month. Plans are to increase production to 1,000 a month. Nearly all components are Pakistan-produced—Karachi, Oct. 22.

SOUTH AFRICA

Mohair—A world record price for mohair of 252½d. was paid for a binned lot of super winter kids at the third mohair auction of the season in Port Elizabeth. The previous record price of 246d. was paid for super summer kids at the summer auctions earlier this year—Johannesburg, Oct. 20.

SPAIN

Dried Fruits—Exports of almonds during 1952 amounted to 20,000 metric tons and of hazel nuts to 5,000 metric tons. The main buyers were France, 5,000 tons; the U.K., 3,200 tons, and for lesser quantities, Switzerland, Germany, the United States, Sweden and Norway—Madrid, Nov. 10.

SWEDEN

Iron and Steel—During the first half of 1953, iron ore exports were somewhat less than for the same period last year—6·8 million tons against 7·1 million tons. Total exports of rolled and forged iron and steel have increased from 77,800 to 87,400 tons. On the other hand, exports of manufactured iron and steel goods have decreased from 26,200 to 20,000 tons.

Imports of iron and steel, as compared with 1952 when they were exceptionally large, have decreased from 494,900 to 265,300 tons and are now at a more normal level. Average annual imports in the last ten years were 265,500 tons.

Orders at the iron foundries, although they have decreased during the first half-year, are still relatively satisfactory. So far this year, iron prices both on the domestic market and abroad have fallen—Stockholm, Nov. 6.

TRINIDAD

Stock Feed—Stock feed will be made in Trinidad from the skins and pulp of citrus products. Production is scheduled for the end of the year at a rate of 2,600 tons a year; half will be consumed locally. Export inquiries have been received from neighbouring colonies and from Canada—Port of Spain, Nov. 2.

London Revives Its Fur Trade

Though the U. K. has not been able to re-establish the prewar free market in furs, the present trading scheme, explained below, has brought encouraging results.

LONDON—When the London fur market was revived in 1945, a substantial proportion of the international fur-skin business had begun to move to other centres. Before the war, because of transit trade in Russian furs, the London market was an important dollar earner, in spite of the fact that United Kingdom imports of furs and fur products normally exceeded exports.

In the postwar years, the United Kingdom's balance of payments position has prevented the complete re-establishment of a free market in furs on the old pattern. A scheme for trading has therefore had to be worked out to encourage, as much as possible, the re-growth of entrepôt operations in furs without creating a dollar drain.

How Trading Scheme Works

To begin with, fur skins from Russia, non-dollar and non-Soviet countries can be imported under Open General Licence. This means that the importer can bring in such skins without applying for import licences for individual shipments in the ordinary way.

For imports from Canada and other hard currency countries, a special scheme was devised. The object was to ensure that hard currency expenditures on raw fur imports are balanced—or more than balanced—by hard currency earnings from the export of furs—raw, dressed, or made up into garments. The scheme works in the following way:

- Exporters of fur skins (raw or processed) and of fur garments to hard currency areas obtain the right to import raw fur skins from hard currency areas. This right is known as a "quota". The value of the quota (representing the c.i.f. value of importable fur skins) is earned by the exporter at the following rates:

  (*a*) One hundred per cent of the f.o.b. value of his raw fur-skin exports.

  (*b*) Eighty to ninety-five per cent of the f.o.b. value of his exports of processed skins (the percentage varying according to the nature of the process).

  (*c*) Seventy per cent of the f.o.b. value of his fur garment exports.

- Specific licences for the import of fur skins from Canada and other hard currency sources are also granted to importers who engage in consignment trade. In this case, however, the importer must either re-sell to an overseas buyer against payment in hard currency or to a United Kingdom buyer against "quota". The buyer is thus using hard currency "quota" for the goods and is relieved of the obligation to re-export against hard currency. Thus the furs purchased against hard currency quota can either be exported to a soft currency country or used on the home market. This scheme is administered by the Fur Trade Emergency Committee and payment to the overseas shipper is permitted only after re-sale.

- Certain auction houses hold Open Individual Licences for imports from hard currency sources but, with the one exception mentioned below, the same rules apply to such imports as to consignment trading.

- The Canadian collection of one leading fur-trading company is outside the scheme. It is allowed to import without the surrender of "quota" except for skins sold for home market use in the United Kingdom.

Under the circumstances, the domestic United Kingdom market does not offer good prospects for Canadian fur exporters. The use of fur garments is restricted by the high rate of purchase tax and also by the regulations described above, in so far as Canada and other hard currency countries are concerned.

Nevertheless, since 1945 the London market has recaptured a good part of the international fur-skin trade that had begun to shift to other centres.

—R. CAMPBELL SMITH
Commercial Secretary for Canada

Trade Commissioners on Tour

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

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

R. P. Bower, Commercial Counsellor for Canada in London, completes his Canadian tour in Montreal, November 23-December 4.

Businessmen in these two cities may get in touch with these officers through the Board of Trade in Montreal, and the Department of Trade and Commerce, 355 Burrard St., in Vancouver.

General Notes

INDONESIA

Gift Packages—The Indonesian Post Office informs us that gift parcels sent to Indonesia which do not exceed 75 rupiahs in value are free from custom duties and import surcharges. Packages not exceeding 150 rupiahs in value are subject to customs duties but not to the import surcharges; packages valued at more than 150 rupiahs are subject to both customs duties and import surcharges. The import surcharges amount to 100 per cent or 200 per cent of the original value, depending upon the nature of the goods. The Post Office further states that there are no arrangements for regular parcel post shipments to Indonesia—Djakarta, Oct. 26.

NETHERLANDS

Feed Grain Producers Protected—The Netherlands Ministry of Agriculture has instituted a system of monopoly import duties to protect domestic feed grain producers against cheaper imported grains. Official minimum import prices per 100 kg. of grain have been set at 21 guilders for barley, 19·5 guilders for oats and 20 guilders for rye. When prices of imported grains fall below these, import levies will be imposed. These currently amount to 3·55 guilders per 100 kg. for imported rye, 1·55 guilders per 100 kg. for imported barley and ·55 guilders per 100 kg. for other imported grains.

Where domestic grains are exported, a system of restitutions has been adopted to assist in competing with foreign grains on the world market. Current restitutions for exports of domestic rye and barley are three guilders and one guilder per 100 kg. respectively—The Hague, Nov. 3.

UNITED STATES

Small Auto Firms May Join Forces—The nation's smaller auto companies, increasingly concerned about manufacturing costs, may soon join forces to eliminate some duplication of costly facilities. One current report is that they are considering the joint ownership of an engine plant. Another is that they may consider using the same basic body design and retain a distinctive appearance by adopting different fender lines and chrome work, both front and rear. As the design and production of engines and bodies represent a large part of the manufacturing costs of the independent car builders, it has been suggested that tremendous savings could be effected by consolidating these two phases of production—Detroit, Nov. 16.

West Germany

The Farmer Steps Up Production

With output up 11 per cent above prewar, German agriculture prospered in 1952-53. The good grain crop, however, may mean smaller imports of wheat and feed grains.

BONN—West Germany has had another bountiful harvest, setting a record for important crops such as grain and sugar beets. Farm prices have been cut back but these reductions have been held within narrower limits than the general reduction in prices of agricultural commodities on world markets. Grain imports will probably decline appreciably but, for most other commodities, requirements are expected to remain close to those of the past year. Better world food supplies and Germany's increasingly favourable balance of trade ensure that the desired food imports can be readily acquired. Although Germany's payments position has improved steadily over the past year, she continues to shift imports towards her direct trading partners and this reduces the proportion of foodstuff imports from the dollar area.

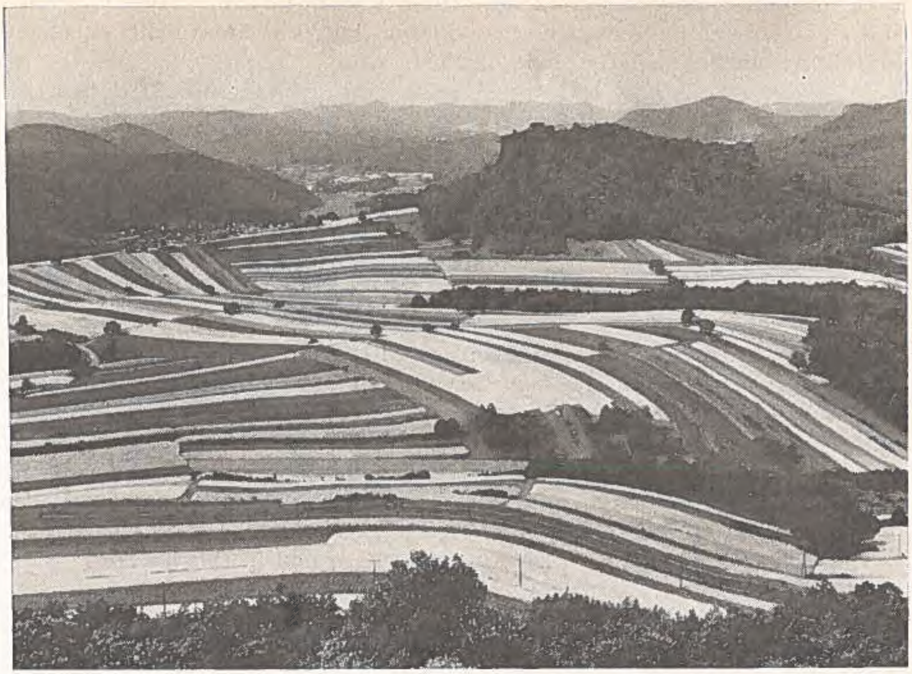
Domestic Production Good

During 1952-53, German agricultural production rose 11 per cent above prewar. Comparative annual production figures for major commodities were:

	1935-38 average	1951-52	1952-53	1953-54
		(in million tons)		
Grain	11·5	11·2	11·5	11·9
Potatoes	19·5	24·1	23·8	24·3
Sugar beets	4·3	7·3	6·6	8·0
Hay	....	27·1	21·9	24·8
Meat	1·9	1·8	1·9	....
Milk	14·9	15·7	16·1	....

The 1953 harvest for all principal field crops was excellent, almost entirely because of good weather. Total acreage seeded to grain increased less than 2 per cent; acreage of barley and mixed grain together was 14 per cent higher, compensated partly by a smaller area in wheat and particularly by a decrease in seeding of oats. The decrease in oats reflects the declining demand because of fewer horses. In 1953 bread grains yielded 6·64 million tons compared with 6·58 million the year before, and the feed grain crop totalled 5·29 million and 4·89 million tons respectively. Domestic feed supplies were further improved by the good potato and forage crop, thus providing an ideal basis for stepping up the production of the livestock and dairy industry. It is estimated that this year's sugar beet crop will produce at least a million tons of white sugar, compared with 806 thousand tons in 1952 and 955 thousand tons in 1951.

During 1952-53 milk production for the first time exceeded 16 million tons. The continuous upward trend since the war has been due both to an increase in the number of dairy cows and higher production per cow.



—German Tourist Information Office.

The checkerboard appearance of these farms in the Rhineland-Palatinate region of Germany, near the French border, results from the many small holdings common there. The fertile soil is well suited to growing grain.

In the future any increase will depend mainly on higher production per head. In 1952 average production per cow was 2,724 kg. The Danish average was about 3,300 kg., which demonstrates what can still be achieved. Good feed supplies add to the expectation of a slight increase in milk production during 1953-54. No marked changes in the amounts processed into butter and cheese are expected during 1953-54.

Meat Marketings

The rising trend in meat production has slowed down considerably and the present economic year may well see smaller domestic marketings. During 1952-53 the rate of increase was only 4 per cent, compared with 14·5 per cent between 1950-51 and 1951-52. The postwar rebuilding of cattle stocks is practically completed, with the total number of cattle expected to reach 12 million by the end of this year. The 1953-54 beef production has been forecast at 560-565 thousand tons, which is about 20,000 tons above the 1952-53 figure.

Hog production during the current economic year is expected to decline. The less favourable price relationships since the end of 1951 have brought down the number of brood sows steadily during the past two years. Larger litter production per sow, the shorter fattening period, and the rising number of lightweight hogs marketed have compensated for this downward tendency until now. The number of hogs marketed during the last three months of this year will probably range between 1·95 and

2·15 million, compared with 2·38 million a year earlier. Price relationships now favour increased hog production but will have little effect on marketings until the latter half of 1954.

Development of Agricultural Exports

The following figures illustrate how exports of food and agricultural products have usually remained below 3 per cent of total German exports.

	1936	1950	1951	1952	1953 Jan.-Aug.
			(in million DM)		
Total agricultural exports	68	196	489	379	281
Per cent of total exports	2·0	2·3	3·3	2·2	2·4

A high proportion of exports consists of specialty manufactured goods. Luxuries such as wines and beer account for approximately one-quarter of total exports and find world-wide markets. Exports to the U.S. (mainly luxuries but also including a substantial volume of other commodities such as canned meats) made up 17·3 per cent of the total agricultural exports in the first eight months of this year. Although price competitiveness has limited expansion, Germany has been encouraged by the measure of success which high-quality specialty items have had in this market.

Factors Influencing Imports

Germany imports approximately one-third of the food and agricultural commodities she consumes. These imports in the first eight months of 1953 constituted 36 per cent of total imports and were valued at 3·64 billion DM.

Germany continues to have special agricultural legislation designed to achieve "order in the market" (Marktordnung) and thus counterbalance the effects of variation in domestic production and sensitivity to oversupply. This legislation has a particularly significant effect on the level of food and agricultural imports during any given crop year.

German industry counts heavily on the absorptive capacity of the domestic market for imported foodstuffs as a basis for maintaining and increasing manufactured commodity exports to world markets. Lacking a free convertible currency, industry is concerned not only with the volume of agricultural imports but also with the currency area or country from which they come. Although the balance of payments position has steadily improved, the better position vis-à-vis the dollar area has been brought about partly by continuing to reduce the amount of such imports. The following figures of Germany's direct trade with the U.S., its largest dollar trading partner, show the trend towards a smaller adverse balance. This was accomplished partly by increased exports to the U.S. but more significantly by reduced imports.

	1951	1952	Jan.-Aug. 1953
	(Monthly	average in millions	of dollars
Imports	65·6	52·1	25·7
Exports	19·7	18·9	15·8
Gap	45·9	33·2	9·9

In an attempt to eliminate or at least narrow the margin of indebtedness of various countries towards her, Germany has undertaken to increase her imports from these countries. Foodstuffs, particularly grains, fats and oils, are playing an important role in this. Although it means in certain instances that prices are higher and that quality may not conform to market preference, yet Germany has felt compelled to take this action in the interests of her trade. The alternative of balancing payments through transit trade over third countries has allowed Germany to continue to draw substantial supplies of desired agricultural commodities from the dollar area.

Prospects for Food Imports

Provisional estimates of commodity import requirements for the economic year July 1, 1953, to June 30, 1954, were released at the beginning of this period. Expected major changes from the previous year are:

- Reduced bread and feed grain imports, because of the combination of a higher domestic grain crop and the intention to reduce government-owned stocks.
- An increase in sugar imports, despite a larger domestic crop, to compensate for consumption of stocks last year.
- A decline in the total value of imports from the dollar area, reflecting smaller grain imports from this area.

Imports 1950/51-1952/53 and Programmed 1953/54

(in '000 tons)

Product	1950-51	1951-52	1952-53	Programmed 1953-54
Wheat	2,293	2,224	2,280	2,000
Rye	185	313	270	400
Feed grains	1,166	2,141	1,604	1,300
Meat and meat products	189	68	101	50
Butter	37	15	12	7-10
Cheese	45	43	45	40
Oil seeds	528	434	575	560
Animal and vegetable oils	270	305	394	390
Eggs	107	83	99	90
Sugar	551	722	149	300

Grain—The final estimates for domestic production of grain, root crops and forage are higher than those anticipated when the 1953-54 import program shown above was worked out. It is probable that there will be a further reduction in feed grain imports to about 1·1 million tons. Rye, the only grain which may be imported in greater quantity than during the previous economic year, has this preference because of its low price relationship compared with feed grain. Total grain imports may decline by approximately 0·6 million tons from the 1952-53 import of 4·1 million tons.

There appears little likelihood that wheat imports from the dollar area will exceed Germany's maximum quota under the IWA—1·5 million tons, compared with imports of 1·9 million tons during 1952-53. Despite quality and price, Germany apparently deems it necessary to make this shift to alternative sources of supply in the interests of her trade policy.

Sugar—Approximately 80 per cent of German grain consumption during 1953-54 will be met out of domestic production. Annual per capita consumption, currently estimated at 24 kg., has decreased slightly since 1950-51. Despite this year's record domestic sugar beet crop, imports during 1953-54 are forecast at about 300 thousand tons, compared with half of that in the past year, because of the reduction in stocks in the course of 1952-53. The German-Cuban trade agreement provides for imports of 150 thousand tons of raw sugar from Cuba during 1953 and 175 thousand tons during both 1954 and 1955.

Meat and Meat Products—During 1952-53 about 95 per cent of German meat consumption was met from domestic production. Per capita consumption is still 12 per cent below the prewar average. Although programmed imports for 1953-54 (as shown in the table above) indicate a substantial reduction, the present situation suggests that, to maintain consumption even at present levels, imports are likely to be considerably larger. The German demand is chiefly for pork and supply on world markets may limit increased imports.

Germany is now one of Canada's major markets, continuing in fifth place during the first six months of 1953, with purchases valued at $33·9 million dollars (DBS statistics). The central point of this trade is grain—particularly wheat but also feed grain—which accounted for $26·0 million or 76·7 per cent of the total. In the crop year just started, Germany has again made large purchases of Canadian wheat, giving concrete evidence of its significance as a long-term outlet. In addition, Germany imports from Canada a substantial volume and widening range of other products, primarily industrial raw and semi-processed materials but also food and agricultural products which are traditional Canadian exports. The agricultural situation in Germany thus has real significance for Canadians.

—W. Van Vliet
Agricultural Secretary for Canada

Uruguay Becomes a Member of GATT

ON NOVEMBER 16, Uruguay signed the Annecy and Torquay Protocols to the General Agreement on Tariffs and Trade, thus becoming the 34th country to join this Agreement. As a result of this action, tariff schedules negotiated by Uruguay under the GATT at Annecy in 1949 and those modifications carried out at Torquay in 1951 will become effective 30 days from the date of accession—that is, on December 16, 1953. Similarly, tariff concessions granted to Uruguay by Canada and by other countries under the GATT will come into effect on that date.

Commercial relations between Canada and Uruguay have been governed by a trade agreement signed on August 12, 1936, which provides for the exchange of most-favoured-nation treatment. This trade agreement will now be superseded by the comprehensive provisions of the GATT. Canadian exports to Uruguay have averaged $6 million a year in the last two years.

The concessions granted by Uruguay under the GATT comprise not only reductions or bindings of existing rates of duty, but also an undertaking to maintain the official valuations specified in the tariff ("aforos") proportionately to the real values of the products.

Among the reductions in duty extended by Uruguay under the GATT of interest to Canada are: pedigree cattle, reduced from 6 per cent to 0·75 per cent; apples, reduced during the season October 1 to February 15 from 8.20 pesos per 100 kg. to 7.22 pesos per 100 kg.; zinc, rolled or drawn, slabs and sheets, reduced from 9.59 pesos per 100 kg. to 4.84 pesos per 100 kg. Other items on which the duties were reduced or bound include malt; calcium carbide; inner tubes; cigarette paper, certain types of wood pulp, wrapping paper; copper ingots; electric plants for light or power; cream separators, refrigerators, sewing machines, vacuum cleaners, other machinery including washing machines; chassis for automobiles and trucks, certain automotive parts; airplanes; platform type trailers, and other non-automotive vehicles.

Free entry was bound for harvesters, agricultural and other types of tractors, and iron ploughs. Free entry was also bound for seed potatoes, when imported by an official government agency. All seed potatoes imported into Uruguay for several years past are shown as coming within this category.

ACTION BY THE U.S.

As a result of Uruguay's accession to the GATT, the tariff concessions granted to Uruguay by the United States should enter into force on December 16, 1953. These concessions will apply to goods from all countries, except Communist countries.

Among the U.S. concessions to Uruguay the following are of particular interest to Canadian exporters: casein or lactarene (bound at $2\frac{3}{4}$ cents per lb.); meat extracts (reduced from $7\frac{1}{2}$ cents per lb. to $3\frac{3}{4}$ cents per lb.); canned beef (the 3 cents per lb. rate is maintained, but the minimum ad valorem of 20 per cent is reduced to 15 per cent); beef and veal, pickled and cured (the 3 cents per lb. rate is maintained, but the minimum ad valorem of 20 per cent is reduced to 10 per cent); cattle hides, calf hides and kip (reduced from 5 per cent ad valorem to 4 per cent ad valorem).

Complete information about duties on products included in these negotiations is available from the International Trade Relations Branch.

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad................November 7

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

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

Foreign Commercial Representatives in Canada....August 8

IMC Finishes Its Work

With the ending of the international allocation of nickel in September, the last IMC commodity committee was dissolved; the Conference now takes on "stand-by" status.

WASHINGTON—By the end of 1952, the International Materials Conference was dealing with only four of the 14 commodities originally assigned to it for study and action early in 1951. The four were copper, sulphur, molybdenum and nickel. At the end of September '53, the Manganese-Nickel-Cobalt Committee, the last IMC commodity committee, was dissolved, after completing its work on the quarterly international nickel allocations. The three other committees—dealing with copper, sulphur and molybdenum—had been dissolved one after another, beginning about the end of March.

International sulphur and copper allocations were abandoned about the middle of February 1953; molybdenum allocation, which began in the third quarter of 1951, ended on September 30. Both these steps were made possible by decreased pressure on available supplies—a result of the levelling-off of defence requirements in some countries and of increased production of most of the materials.

No Longer Needed

This further curtailment in IMC activities following similar action in 1952 indicates the steady improvement in the free world demand for and supply of the materials with which the Conference deals. It is also in line with the policy of member governments that individual committees should be disbanded when supplies of the commodities entrusted to them were no longer critically short.

Following these decisions of the commodity committees the Central Group of the Conference—consisting of Australia, Brazil, Canada, France, India, Italy, the United Kingdom, the United States, the Organization of American States, and the OEEC—announced on October 23rd that it was relinquishing its active role and taking on "stand-by" status. It will no longer meet regularly and will not maintain a Secretariat nor a permanent headquarters to service committees. It does not plan further budgets and unspent funds subscribed by contributing governments are now being refunded.

In its stand-by role, the Central Group will provide an international meeting-ground for the discussion of common problems arising from possible future shortages of certain raw materials and will furnish a focal point for the speedy re-creation of special commodity groups if they are needed. The future status of the Central Group and its stand-by function will be considered further next month.

—S. V. Allen
Commercial Counsellor for Canada

Trade and Tariff Regulations

INDONESIA

New Export Inducement System Revised—The Indonesian Central Import Bureau has announced that inducement certificates cannot be used to import goods on list "D". This list includes luxuries such as passenger automobiles of a landed value exceeding $2,400, fountain pens made of precious metals, and toys driven by electricity or steam.

As a result of this announcement, no foreign exchange will be made available to import these goods into Indonesia. The same situation existed before the new inducement system came into force on October 12, 1953—Djakarta, November 10.

A summary of the new Indonesian export inducement system was published in "Foreign Trade" of November 7, 1953.

LEEWARD AND WINDWARD ISLANDS

Flour Purchases—At the present time, flour imports into Leeward and Windward Islands are being bulk-purchased through the B.W.I. Trade Commissioner in Montreal.

Recently, it was recommended that, beginning in January 1954, this system be changed so that each colony (except Grenada) will purchase flour by calling for tenders from local agents. The proposed new system is still subject to final approval and implementation by the governments concerned, and it is likely that an official announcement from the various governments will be made before the end of the year.

Canadian flour exporters who wish representation in the Leeward and Windward Islands should communicate with the Canadian Government Trade Commissioner in Port of Spain, Trinidad.

PERU

Car Imports Prohibited—Effective November 14, 1953, the import of all passenger cars and station wagons has been prohibited for six months. Cars which have already been imported will be cleared by the Customs, and those shipped prior to November 14 will be granted clearance subject to satisfactory documentary proof by the Peruvian importer.

According to the Peruvian announcement, this measure has been adopted to safeguard the Peruvian exchange position.

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 1·02334.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Nov. 19*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1302	
		Basic buying	·1954	
		Preferential selling	·1954	(1)
		Basic selling	·1302	
		Free	·07034	
Austria	Schilling	....	·03758	
Australia	Pound	....	2·1975	
Belgium Luxembourg & Belgian Dependencies ...	Franc	....	·01962	
Bolivia	Boliviano	Official	·00514	
British West Indies	Dollar	....	·5723	(3)
	Pound	....	2·7469	(4)
	Dollar	Brit. Honduras	·6867	
Brazil	Cruzeiro	Official selling	·5192	tax 8%
		Effective buying	·0345	(5)
		Coffee buying	·0418	
Burma	Kyat	....	·2052	
Ceylon	Rupee	....	·2060	
Chile	Peso	....	·00888	(1)
Colombia	Peso	Basic	·3909	
Costa Rica	Colon	Official	·1740	(6)
		Free	·1471	*
Cuba	Peso	....	·9772	tax 2%
Czechoslovakia	Koruna	....	·1357	
Denmark	Krone	....	·1415	
Dominican Republic	Peso	....	·9772	
Ecuador	Sucre	Official	·06515	(7)
		Free	·05613	
Egypt	Pound	....	2·8061	
Fiji	Pound	....	2·4747	
Finland	Markka	....	·00425	
France	Franc	....	·00279	
French Africa	Franc	....	·00558	
French Pacific	Franc	....	·01536	
Germany	D Mark	....	·2327	
Greece	Drachma	....	·000033	
Guatemala	Quetzal	....	·9772	
Haiti	Gourde	....	·1954	
Honduras	Lempira	....	·4886	
Hong Kong	Dollar	Free	·1644	*Nov. 6
Iceland	Krona	Official	·06000	
		Special buying	·04620	
		Special selling	·03723	
India	Rupee	....	·2060	
Indonesia	Rupiah	Basic	·08572	(8)
		Dollar certificate	·00185	*

*** Latest available quotation date.**