foreign trade

VOL. 14 OTTAWA, DECEMBER 19, 1953 NO. 364

COVER . . . This shorn fleece of an Australian sheep has been picked up in one piece and is being thrown onto the slatted wool table. Wool accounts for about half of Australia's total export income. For a story on wool exports in the 1952-53 season and on other agricultural production, turn to page two.
—Australian Official Photo

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

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

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Australia's Agriculture and Its Exports

With wool exports a near-record, the wheat harvest good, and meat sales to overseas buyers well above last year, Australian farmers continue prosperous.

MELBOURNE—Australian agriculture has enjoyed seven favourable seasons in succession and the first five months of the present one promise well. Gross value of rural production in 1952-53 is estimated at £A1,090 million, compared with £A927 million for the previous year and £A1,173 million in 1950-51, the year that wool prices reached a record high. Because rural products account for about 85 per cent of total Australian exports, the economic importance of this excellent record is obvious.

Favourable weather conditions have not been the only factor in this increase in production. More efficient farming techniques, increased acreage of improved pastures, better varieties of grain, and the success of the virus myxomatosis in reducing the rabbit population have all played a part in the greater yields of cereals, meat and wool.

The volume of rural production has increased approximately 19 per cent over prewar but the population has also increased by 25 per cent, which means that a lower percentage of total output is available for export. Primary industries are also the best dollar earners and in 1951 they provided more than 90 per cent of Australia's total dollar income, with wool the leader.

The Wool Season

Wool is the most valuable commodity produced in Australia and accounts for approximately half of the total export income and 60 to 70 per cent of the total rural export income. In the boom wool year of 1950-51, when exports of wool were valued at £A657 million (including wool on skins), Australia had a favourable balance of trade of £A240 million. The next year, when wool exports dropped to £A337 million, there was a deficit trade balance of £A387 million, although this was partly due to the high rate of imports.

The 1952-53 wool season seems to be one of the most favourable in the Commonwealth's history. Total production of wool and the yield per sheep set new records; average prices, total value of production and the value of exports were second only to 1950-51. Exports of wool rose to £A420 million. This was accompanied by a fall of £A539 million in the value of total imports, resulting in a favourable trade balance of £A358 million.

The most notable features in the wool export trade in 1952-53 were the increased volume of exports to Japan—rising from 99·6 million lb. in the 1951-52 season to 164 million lb. in 1952-53—and the fall in exports to the U.S. Major importers of Australian wool in order of importance in 1952-53 were: the United Kingdom, 36 per cent by value; Japan, 16 per cent; France, 14 per cent; Italy, 10 per cent, and the U.S., 8 per cent.

Wool is the most important Australian export to Canada; in 1951-52 Canada bought 6·4 million lb. worth £A2·8 million and in 1952-53 7·9 million lb. worth £A3·4 million.

The present year promises to be a good one, with the wool cheque for the first four months £A16 million more than in the same period a year ago, and average prices from 5 to 10 per cent higher.

Production of wool in 1952-53 at 1,280 million lb. (greasy equivalent) was an all-time record, topping the previous record of 1,169 million lb. in 1943-44 by 10 per cent. The cut of 9·2 lb. per head was also a record. This latter increase is credited to the significant reduction in the rabbit population as a result of the spread of the virus myxomatosis, which allowed the sheep to reap the maximum benefit of the good season.

Wheat Ranks Next to Wool

Traditionally, wheat has been Australia's second largest industry. Just before the war, wheat contributed 19 per cent of total export earnings of Australian rural industries and 14 per cent of total income. The postwar years have witnessed a decline in the relative values of both production and exports. In 1952-53 earnings from wheat constituted 13·1 per cent of all rural export earnings and 10·6 per cent of all export income.

One of the main reasons for this has been the highly favourable market for wool in recent years, which has meant less stress on wheat growing. In 1947-48 about 13·88 million acres were in wheat; in 1952-53, only 10·1 million acres, the lowest in any peacetime year with the exception of 1923-24. The average area sown to wheat in the five-year prewar period was 12·98 million acres. Increased yields of wheat per acre, however, have partly made up for the loss in acreage.

The 193 million bushels produced in 1952-53 was 27·7 million bushels (12 per cent) less than the record 1947-48 harvest, but 38·7 million bushels (25 per cent) greater than the average production for the five years ended 1938-39. The estimated average yield of 19·1 bushels per acre in 1952-53 is an all-time record for Australia, exceeding the average for the five-year period ended 1938-39 by 7·2 bushels per acre. The previous record was 17·8 bushels per acre in 1949-50. This year it is estimated that 160 to 165 million bushels will be harvested from about the same acreage as last season.

Marketing Arrangements

The five-year wheat marketing and stabilization plan ended with the marketing of last season's crop and it became necessary to implement new legislation before October 20th, in order to have a central authority to represent Australia at the meeting of the International Wheat Council.

After protracted negotiations with the various states about the price to be charged for wheat for home consumption, agreement was finally reached and the Wheat Marketing Act was passed, thus assuring orderly marketing of the current crop. The question of a stabilization plan to cover the next three wheat crops is still in abeyance and is to be decided by a ballot of wheat-growers to be taken early in the New Year.

The Wheat Marketing Act provides for a uniform price for wheat for home consumption and the direction of all wheat to the Australian Wheat Board for receiving and marketing on a common basis.

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The price formula finally decided upon was that wheat sold for home consumption will be at the IWA price or 14/- per bushel, whichever is the lower. However, if that price is less than the cost of production, the price will then be an amount equal to the cost of production. Wheat exported from Western Australia will receive 3d. per bushel extra and a special arrangement was approved to enable wheat produced on the mainland to be sold in Tasmania at the common Australian price.

Australia has always been a low-cost wheat producer. Although costs have increased sharply during the postwar period, its producers are still favourably placed relative to North American growers. With present export prices providing a substantial profit margin, it is to be expected that North American production will have to be cut long before it will be necessary to reduce production in Australia.

Meat and Livestock

Australian production and exports of meat showed remarkable increases in 1952-53. In 1952-53 the Commonwealth produced 16 per cent more beef and veal at 675 thousand tons (a record); 40 per cent more mutton at 246 thousand tons, and 37 per cent more lamb at 147 thousand tons. Pigmeat production was 400 tons lower than in 1951-52. Total meat production for the first eight months of 1953 increased by 124 thousand tons compared with the corresponding period of 1952. This increase is essential each year because meeting the needs of a rising population and at the same time maintaining exports makes heavy demands on the meat-raising industry.

During the year ended June 1953, frozen meat exports totalled 189 thousand tons, nearly three times the low level of exports during the previous year and—except for 1949-50 when exports totalled 194 thousand tons—the highest since 1940-41.

Exports of frozen meat in 1952-53 represented about 15 per cent of production, compared with between 20 and 25 per cent during the immediate prewar years. However, if provision is made for canned meat exports which were at an all-time high during the year and probably represented the equivalent of 140 thousand tons of carcass meat, production exported is about 28 per cent, which compares more than favourably with the prewar figures.

Canned Meat

Canned meat production in 1952-53 was at an all-time high of approximately 94,000 tons. About 92,600 tons of this—95 per cent of total production—was exported, an increase of 45,600 tons over the previous year. Some 93 per cent of these shipments go to the United Kingdom.

The increased production and exports were the direct result of a tremendous upsurge of demand for canned meats by the U.K. in the latter half of 1952, mainly as a result of restrictions on imports from other sources. Early in 1953, the U.K. market became saturated and there were a number of complaints about the quality of Australian canned meats. Although investigation showed that some canned meats were not of uniformly high quality, there seems no doubt that many of the complaints were due to the market being over-supplied.

Exports to markets other than the U.K. in 1952-53 declined from 11,500 to 6,400 tons.

Meat Contracts with U.K.

Australia has a 15-year meat contract with the U.K. covering beef, veal, mutton and lamb. Although the contract provided initially for government-to-government selling, it embodies provisions for reversion to trader-to-trader business. The contract provides that, even on reversion to private trading, if the trade does not take all the Australian surplus, the U.K. Government must take the full amount.

If prices are higher under private trading than under the government-to-government provisions of the contract, then the producers get the benefit. If prices are lower, the British Government engages to make good the difference.

Under the terms of the contract, it has been agreed that for 1953-54, 8,500 tons of meat can be shipped to dollar and other open market destinations, compared with 5,000 tons in 1952-53. The Minister for Commerce and Agriculture has stated, however, that the arrangements will be such as to prevent over-supplying profitable markets like Canada.

For Canada and the United States, lamb allocations will be made subject to sales being completed within specified periods. Exporters will also have to comply with determined standards of wrapping and branding when shipping to these markets.

Experience gained from shipments made to dollar markets over the past two years has convinced Australian exporters that there is a limited but useful market in Canada and the U.S. for Australian meat, provided shipments are timed to market requirements.

Pigmeat was the subject of separate negotiations and the U.K. agreed to take certain classes at prices to be arranged annually, with no restrictions on sales to other markets. When the U.K. reverts to private trading, the agreement can be automatically terminated.

With the end of U.K. bulk purchasing arrangements in sight, Australia realizes that more attention will have to be paid to quality. Prices for meat for 1953-54 have thus been designed to encourage the export of better quality and lighter weights of carcasses.

—R. W. BLAKE
Agricultural Secretary for Canada

The second part of Mr. Blake's study of Australian agriculture will appear in our December 26th issue—Editor.

Tour of Territory

***A. B. Brodie,** Canadian Government Trade Commissioner in Leopoldville, Belgian Congo, will visit Elisabethville, Jadotville, Kolwezi, Kamina and Luluabourg in Katanga Province during the first week in January. Businessmen interested in these towns should get in touch with Mr. Brodie at Leopoldville as soon as possible.*

Cranberries–a Christmas Crop

The cranberry sauce that graces your Christmas dinner table may well be made from berries grown in New England—the major producer in a $20 million U.S. industry.

BOSTON—Cranberries and wild turkey were part of the first Thanksgiving feast of the Pilgrim Fathers at Plymouth in 1621. Since then the red fruit has always accompanied roast turkey on North American dinner tables. Originally called "crane-berries" because of their resemblance to the neck, head and bill of a crane, they are one of the three native American fruits which were growing wild in this country when the first settlers arrived. Not until 1812, however, was commercial cultivation begun by Henry Hall of Dennis, Massachusetts.

Today cranberries are a $20 million American industry, with two-thirds of the U.S. supply coming from the Cape Cod area of Massachusetts. This year Massachusetts has gone cranberry-crazy, with an all-time record crop of 690 thousand barrels out of a total U.S. crop of 1,075,000 barrels. The Massachusetts crop reached 445 thousand barrels in 1952 and 560 thousand in 1951. Smaller quantities of cranberries are grown in Maine and Rhode Island, on Long Island, and in New Jersey, Wisconsin, Michigan, Oregon and Washington.

Grown on Marshy Land

The cultivation of cranberries is a specialized form of agriculture calling for considerable capital investment and particular skills. The fruit is usually grown in marshy areas near an abundant source of water. This nearby water means that the "bogs", as they are known in the industry, can be quickly flooded to prevent frost damage to the tender berries and plants. The soil for cranberry-growing must be of an acid type; they will not flourish in non-acid soil. High soil fertility also results in heavy vine growth and a smaller production of fruit. For this reason, growers keep on hand a supply of coarse sand, which is spread in a layer three to four inches thick over the surface of the bog to lower soil fertility and reduce weed growth. To avoid damage to the plants through lack of oxygen while the land is flooded, it must be possible to drain the bogs quickly either by gravity or machinery.

Harvesting Techniques

Harvesting begins early in September and continues until late October. The pickers comb the fruit from the vines with wooden hand scoops which they operate from a kneeling position. Harvesting machinery has been developed but because of the large number of individually-owned and irregularly-shaped bogs, it is not used in the east as extensively as in other areas. However, faced with rising costs and a shortage of labour, New England growers may eventually be forced to reorganize

The introduction of wooden hand scoops like this one has speeded up the harvesting of the cranberry crop. The large teeth comb out the fruit from the vines at the rate of about one and a half barrels an hour.

their bogs to make use of up-to-date mechanical harvesting techniques. The advantages of mechanization are obvious: a machine working at a constant rate of speed can harvest between 3·6 and 18 barrels an hour depending on yield, compared with a picker's average production of 1·5 barrels an hour..

When the dry harvest has been completed, as much as ten per cent of the crop may be left among the vines or on the ground. Many growers avoid this loss by flooding their bogs and collecting the "floats" from the surface of the water with the aid of shallow-draft boats. Because they become mouldy rapidly, these berries are immediately shipped to processors for canning or freezing.

To test the quality of the fruit a unique system of "bouncing boards" is used. The best berries bounce and these are carefully graded and packed in consumer packages for shipment to market. The remainder go to the processors.

Cranberry Co-operatives

The largest shipper of fresh cranberries in the United States is Eatmor Cranberries Inc., a growers' co-operative which handles over half of the fresh cranberry crop and markets between 20 and 25 million consumer packages a year under its own brand. The National Cranberry Association, a centralized co-operative processor, operates plants in all producing areas and accounts for over 90 per cent of all processed cranberry products. Both these organizations have organized extremely effective consumer advertising and merchandising campaigns for some years.

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To achieve orderly marketing of both fresh and processed berries, representatives of the two co-operatives organized the Cranberry Growers' Council. The grower-members delegated to the Council the responsibility for determining what proportion of the crop shall be sold fresh and what proportion processed. The experiment has been singularly successful; it has eliminated the heavy carryovers of the past and has restored order and confidence to cranberry marketing.

Canada a Good Customer

Canada ranks high as a customer of the New England cranberry industry; in 1952, 3,137,902 pounds of fresh cranberries, valued at $600 thousand, went to Canada from the U.S. Eatmor Cranberries sold 21,530 barrels of the fresh berries to Canadian customers last year, with shipments going to every province from New Brunswick to British Columbia. These exports help to supplement Canada's own production, which in 1952 totalled 826 thousand pounds of berries, valued at $142 thousand. In some years the Canadian crop—which comes from the three Maritime Provinces, Quebec, and British Columbia—totals over a million pounds.

When Canadians sit down to Christmas dinner next week, chances are that New England cranberries will appear on the table to give colour and flavour to the traditional turkey.

—D. H. CHENEY
Vice-Consul of Canada and Trade Commissioner

Canning Fish in Portugal

LISBON—Portuguese fish canning factories went into production on May 1st, after the closed season of three months stipulated by law. However, production of skinless sardines (chiefly exported to the United States) did not begin until June 15th and ended on November 15th. Catches are reported below normal in southern Portugal and in northern Portugal, where production is usually heavy. Overseas demand is reported dull and, consequently, prices have dropped and buyers tend to speculate.

With falling prices and sizable stocks on hand, packers are said to be seeking official action to stabilize and regulate production and sales. The Commercial Treaty with the United Kingdom involved purchases of some 500 thousand cases, and it was expected that at least 250 thousand cases would be shipped during the first half of this year. However, official figures show that only 20 thousand kilos (that is, 1,065 cases) were shipped to the U.K. from January to May.

Total exports during the first five months of this year were about 13 million kilos, compared with 12·5 million kilos during the same period of 1952 and 15·8 million kilos in 1951. The respective values were 208,740 contos in 1953, 230,795 contos in 1952, and 291,117 contos in 1951. (One conto equals approximately Can.$30.)

Mining in New Zealand

WELLINGTON—Up to the present, only a limited number of minerals have been discovered in New Zealand in anything like commercial quantities. Yet the mining industry is important not only because of the intrinsic value of the materials mined, but also because it eliminates, to a large extent, the need to import such bulk products as coal and limestone for agricultural purposes. In 1952, the value of all minerals produced was £10,648,845, a slight gain over the previous year's £9,210,247.

Coal and Oil

Coal represented more than three-fifths of the total value—2·75 million tons valued at £6·87 million. This was a considerable gain over 1951, when the industry suffered the most serious labour difficulties in its history. Last year's output equalled that of the early war years. Supply and demand are now practically balanced, with a slight tendency towards the more or less traditional surplus for export.

Since 1942 the use of open-cast coal mining has been growing, and in 1952 thirty per cent of the coal was mined in this way. Producers are trying to keep this open-cast production at a minimum of 30 per cent of the total to give them a chance, with lower production costs, to sell coal at the prices which were fixed in 1950 when coal subsidies were abolished.

Few petroleum reserves have been discovered in this country. New Zealand Oil Refineries Limited have three wells in a small field at Moturoa near New Plymouth, which produced 303 thousand gallons of crude oil in 1952. The company intends to drill an additional three holes some time in the future. In the meantime, the gas from the producing wells has been piped to New Plymouth where it is being blended with producer gas for local consumption.

Other Minerals

Gold is the most important metal mined in New Zealand, but production has fallen off from the prewar average of about 163 thousand fine ounces to a little over 59,000 fine ounces in 1952. The last of the Dominion's quartz mines closed down during the year and almost the entire output now comes from dredgers, although a small amount is being produced from alluvial deposits. Other metals mined in small amounts are silver, copper, iron, manganese and tungsten.

In 1952, 1·8 million tons of limestone valued at £888 thousand were quarried in New Zealand. A large part of this was used for agricultural purposes, but small amounts of industrial limestone and burning stone were recovered. Production of sand, gravel, etc., for highways and ballast totalled 3·3 million tons with a value of £832 thousand. Small quantities of asbestos, bentonite, diatomite, serpentine and silica were also produced.

—LESTER S. GLASS
Commercial Secretary for Canada

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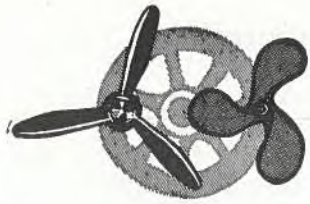

Transportation Notes

Switzerland's Merchant Marine

BERNE—Switzerland's dependence on foreign sources of supply for foodstuffs and for the raw materials for its industries has led to the creation of a Swiss merchant fleet. Without the fleet this country would, to a certain degree, suffer starvation and its industries would be severely crippled, in wartime, as they were in the World Wars of 1914 and 1939.

Established During War

During the last war, a federal decree was issued providing for the constitution of a merchant fleet under the Swiss flag and a maritime law first came into force on April 9, 1941. The way had been prepared by the declaration made in Barcelona in 1921 which recognized that countries such as Switzerland, possessing no ports on the sea coast, should be permitted to operate ocean ships of their own. In its decree, the Confederation assured the principal countries at war that ships under the Swiss flag would be neutral and would carry merchandise solely from and for Switzerland.

From 1941 to 1946, ships flying the Swiss flag were entirely controlled by the transportation services of the Swiss War Office. Four ships of a total deadweight tonnage of 27,000 tons were owned by the State and seven ships, totalling 34,000 tons, were privately owned. This provided a fleet of eleven vessels, about one-half the quota of ship warrants allotted to Switzerland.

Private Enterprise Takes Over

At the end of the last war, the Swiss people agreed that this fleet should be maintained and the Confederation sold its ships to private shipping companies, which have gradually developed the Swiss merchant fleet. In June 1950, at the outbreak of the war in Korea, the fleet totalled 90,000 tons deadweight. The Swiss were requested by their government to carry emergency stocks of foods and other supplies in their homes and other obligatory stocks were to be built up. It therefore became necessary to provide for increased transport on the high seas. Swiss ship-owners took it upon themselves to enlarge the merchant fleet and the Confederation granted mortgages up to 75 per cent of the value of ships to be built or purchased.

The Swiss fleet comprises 33 ships totalling about 191 thousand tons deadweight, of which 20 have been built since 1948. The ships are modern and fast; 19 are ocean-going vessels of from 6,290 to 10,825 tons deadweight, and fourteen of these are motor ships. There are three tankers,

one of them carrying wine exclusively. The fleet is operated by 18 different firms; the crews number about 1,000 men, of which one-quarter are Swiss and about one-half Italians. Efforts are being made to increase the number of Swiss officers and mechanics; those who qualify are granted diplomas by the Office of Maritime Navigation at Basle.

Operation Methods

A few Swiss ships are operated on regular routes, usually in co-operation with foreign steamship lines—for instance, between ports in northern Europe and the Caribbean, and between Genoa and West Africa. Other ships are used as tramps, carrying full cargoes to any part of the world with the risk of travelling considerable distances with empty holds on the return trip. Swiss vessels may also be operated on time-charter on hire to other shipping companies. Some ships carry two to 12 passengers.

In spite of Switzerland's heavy imports of coal, grains and other commodities, less than 5 per cent of the cargoes carried under the Swiss flag last year were for consumption in Switzerland. Local importers and exporters are free to use whatever shipping lines they wish.

The merchant fleet contributes to Switzerland's balance of payments through insurance premiums, wages paid to the Swiss crews, and gross yield from freight rates after deduction of costs of operation abroad. Moreover, the ships may be supplied with motors and other Swiss-made equipment. But the fleet's greatest contribution lies in the services it can give under the Swiss flag in time of war.

—YVES LAMONTAGNE
Commercial Counsellor for Canada

Israel Develops New Harbour

The first stage of development on the Kishon Harbour project, which is an auxiliary port being built to relieve congestion at the nearby port of Haifa, has now been completed and foreign firms have been invited to lease space in the free zone, in the cargo-handling area and eventually in the industrial area. Any structure erected in any of the three areas will pass to the Government on termination of the lease but compensation will be paid for property in the free zone.

The free zone covers 58,000 square metres, including one berth on the already completed quay and space along the channel for two additional berths. Leases will be granted for 25 years with option for renewal. This property is subject to revaluation every five years.

The cargo-handling area covers 50,000 square metres and includes two berths along the quay and one transit shed of 2,500 square metres. Leases will be for 25 years with option of renewal, and this property is subject to revaluation every ten years.

The industrial area, covering 80,000 square metres, is completely undeveloped, having no quays or sheds. Leases will be for 49 years with the option of renewal. Revaluation will be made every ten years.

Atlanta . . . Key to the Southeast

Expanding industry has brought higher incomes to the Southeastern States and increased the sales potential. Canadian shippers interested in this area should consider Atlanta as a distribution centre.

NEW ORLEANS—As a point of entry into the southeastern United States, Atlanta is important to Canadian shippers interested in the Southern market. Canada's trade by rail and road moves from north to south, and Atlanta—862 miles from New York, 731 miles from Detroit and 715 miles from Chicago—is in the direct line of any major cargo movements from Canada to the Southeast.

Situated in the southern foothills of the Blue Ridge Mountains, 1,050 feet above sea level, Atlanta is a natural distribution centre for the Piedmont Plateau and coastal plains to the east and south and the lowlands of the Mississippi to the west. Overnight L.C.L. deliveries can be made from Atlanta by rail and highway to most of the important centres in North Carolina, South Carolina, Georgia, Tennessee, northern Florida, Alabama and eastern Mississippi. Some 4,000 national firms with branch offices or divisions in Atlanta recognize this fact and serve these states from their Atlanta office.

Economic Growth

The significance of Atlanta as a distribution centre can be best measured by the economic changes which have been taking place in the Southeastern States. Sixty-two per cent of the area's 20·9 million population live on farms, some on very small holdings—as in Tennessee, where the average unit in 1950 was 80 acres. Some are tenants and share croppers—in Alabama, for example, where in 1950 tenant farmers operated 41·4 per cent of all the farms, and where non-white operators had 57,294 farms (27 per cent of the total) a factor which varies from state to state. It is an area, however, where something more than "corn 'n 'taters grow", and it can no longer be said that this is the kingdom of "cotton, peanuts, tobacco and poverty".

It is true that cotton, peanuts and tobacco are still important cash crops. It is also true that the average income, especially the agricultural income, is lower than for the United States as a whole. But important changes have taken place during the last twenty years, conditions have improved, a greater variety of crops have appeared, and the trend to mixed farming has strengthened. The unemployment usually associated with mechanization has been offset by the growth of industry and this industrialization is reflected in the population figures. Urban population increased 51·8 per cent between 1940 and 1950 (5·8 million to 8·9 million), and rural population dropped 4·3 per cent during the same period.

Industrialization in the Southeast, with North Carolina taking the lead, is the main factor in the increase in the area's income, a larger increase than for the U.S. as a whole. Established industries manufacturing tobacco, textiles, lumber, furniture, iron and steel have expanded and new industries are starting up in new communities. Between 1939 and 1947, the number of manufacturing companies increased from 14,000 to 23,000, a gain of 58·6 per cent. Wages and salaries from manufacturing between 1939 and 1950 showed a 312 per cent gain—from $847 million to $3·4 billion. Value added by manufactures over the same period increased from $1·7 billion to $6·8 billion, or 293·3 per cent.

The Market Potential

It follows, therefore, that the market potential of the Southeastern States has become greater too. Retail sales between 1939 and 1948 increased from $3·5 billion to $12·5 billion, 256·5 per cent. Wholesale trade sales rose by 294·4 per cent to total $15·6 billion in 1948. In all these indices for wages, value added by manufactures, retail and wholesale sales, the rate of increase in the Southeast during this period exceeded the rate for the United States as a whole.

Canadian Opportunities

Canadian firms have been shipping into this area agricultural implements, apples, asbestos, firebrick, Christmas trees, grain products, lumber and wood products, paper manufactures, machinery and vegetables. Provided that there is no serious recession, it should be possible to expand these sales and to find outlets for comparable products. In most cases, the markets will have to be explored, and the best way to do this is by personal investigation. Atlanta is one of the best points for initial inquiries in the Southeastern area.

Facilities for distribution from Atlanta include 15 main railroad lines, 12 major air routes and a network of highways radiating from the city. One of the leading banks in Atlanta (the name of which can be obtained, with other information, from the Consul of Canada and Trade Commissioner, 215 International Trade Mart, New Orleans) maintains a foreign trade department. The Atlanta Chamber of Commerce puts out a useful world trade directory listing importers and exporters in Atlanta and the State of Georgia.

—Gerald A. Newman
Consul of Canada and Trade Commissioner

Twelve of Canada's 16 leading minerals achieved higher production records in the first three quarters of 1953 than in the first nine months of 1952, DBS reports. The four which failed to reach their 1952 totals were asbestos, gold, coal, and salt. Petroleum output rose from 43·6 million barrels in the first nine months of '52 to 57·9 million in the first nine months of '53.

Commodity Notes

AUSTRALIA

Polystyrene—Monsanto Chemicals (Australia) Ltd. has begun production of polystyrene, one of the most modern plastic moulding materials, in a newly completed plant at West Footscray, Melbourne. Clear crystal polystyrene is being made now, coloured and special grades will be added early in the New Year. The designed capacity of the plant is 3,000 tons a year, valued at about £1 million and production is expected to meet present Australian requirements fully. Up to now, the Australian plastics industry has depended on overseas supplies of polystyrene—Melbourne, Nov. 25.

BRAZIL

Seamless Tube—Mineracao Geral do Brasil has installed in the city of Vale do Paraiba, near São Paulo, the first seamless tube factory in South America. This modern plant has a capacity of 50 thousand tons of seamless tube a year for use in boilers, petroleum refineries, etc. This development is expected to save Brazil an estimated $25 million a year—São Paulo, Nov. 25.

FINLAND

Paper—Finnish paper production in the first half of 1953, compared with the same period in 1952, is as follows: newsprint, 216 thousand tons against 211 thousand tons; other paper, 127 thousand tons against 126 thousand tons, and cardboard, 86,000 tons against 75,000. Exports were: newsprint, 198 thousand tons against 193 thousand tons; kraft paper, 600 thousand tons against 28,000 tons; other paper, 59,000 tons against 52,000 tons, and paperboard and carton, 37,000 tons against 35,000 tons. Exports during the first six months totalled 354 thousand tons, compared with 308 thousand tons in the same period last year—Stockholm, Dec. 3.

NETHERLANDS

Bulbs—Minimum export prices for Netherlands flower bulbs produced in 1954 will remain the same as for this year's crop. For the largest sizes this means minimum prices of $95 per 1,000 bulbs for hyacinths, $35 per 1,000 bulbs for tulips, and $50 per 1,000 bulbs for narcissi. These prices have been established by the Ornamental Products Marketing Board and have been calculated on a local warehouse basis, exclusive of additional costs such as packing, freight, insurance, etc.

Bona fide wholesalers and retailers in Canada recognized by the Netherlands Bulb Exporters Trade Association may be granted a discount on the established minimum prices not exceeding 15 per cent of the invoiced value of the bulbs delivered.

In addition, buyers not belonging to this wholesalers-retailers group but recognized by the Netherlands Bulb Exporters Trade Group may be granted a discount on the fixed minimum prices to a maximum of 10 per cent on purchases valued at $10,000 or more. The discount granted and the sizes of the bulbs must be mentioned on invoices—The Hague, Dec. 4.

SPAIN

Motorcycles—The Madrid motorcycle factory, manufacturing the "Vespa" scooter under an Italian licence, has now reached a daily production of 30 machines. It is reported that, by January 1954, the monthly output will reach 1,000 scooters. About 85 per cent of the parts are made in Spain and the remainder imported from Italy. However, in the near future 100 per cent of the components will be manufactured in Spain—Madrid, Nov. 30.

SWEDEN

Fish—During the first three quarters of 1953, Swedish exports of fish and canned fish amounted to 33,644 tons, compared with 40,775 tons for the same period last year. The value was 26,016,000 kronor compared with 30,446,000 last year, a decrease of 4,430,000 kronor. Germany is one of Sweden's chief customers; exports to East Germany were valued at 9,939,000 kronor, and to West Germany at 3,303,000 kronor—Stockholm, Dec. 2.

UNITED STATES

Shrimp—Shrimp production in Louisiana was very low this fall season, reports the Gulf of Mexico Fishery Marketing Specialist. Especially hard hit were the small boat operators who fish the inside waters. The shrimp were not there and daily catches of less than one barrel were the rule with the "day" boats. Prices for canning shrimp are very good, about $5 to $10 more per barrel than a year ago—New Orleans, Dec. 7.

Oysters—The trade's demand for raw oysters at this time of year cannot be met by local oyster producers and fair quantities of Eastern oysters are being shipped into Louisiana and Mississippi. Most dealers are pessimistic about the coming season because there seems to be a lack of seed oysters as well as labour for planting—New Orleans, Dec. 7.

WEST GERMANY

Newsprint—German newsprint production is expected to reach 200 thousand tons this year, compared with 173 thousand tons in 1952 and 470 thousand tons during 1935-38. With total consumption placed at 280-285 thousand tons, the remainder will be compensated for by imports at the rate of 7,000 to 8,500 tons a month—Bonn, Dec. 5.

Chile

Expanding the Pulp and Paper Industry

Chile plans to spend $300 million during the next twelve years to become a major producer of pulp and paper—and this may eventually mean smaller purchases from Canada.

SANTIAGO—Canada will face the loss of another market for her newsprint and chemical pulp if present plans for the expansion of Chile's pulp and paper industry are carried out. According to recent surveys, forest resources in the southern half of the country are sufficient to supply a market ten times larger than the present domestic one. Active steps are now being taken towards a fuller utilization of these reserves.

New Mills Scheduled

At present Chile consumes 24,000 tons of newsprint a year, of which 46 per cent is produced locally. Annual consumption of other types of paper and paperboard amounts to 46,000 tons, two-thirds of which is manufactured within the country. Production of mechanical pulp is sufficient to meet present demand but less than 20 per cent of the required 26,000 tons of chemical pulp comes from Chilean plants.

Recommended development of the industry calls for installations having a paper-producing capacity of 20,000 tons a year by 1955, with a further increase to 50,000 tons by 1960 and 90,000 tons by 1965. This expansion would mean setting up plants with a total annual capacity of 67,000 tons of chemical pulp and 38,000 tons of mechanical pulp.

The following table shows the average development requirements of the Chilean pulp and paper industry.

Average Development Requirements for Paper by the Paper, Mechanical Pulp, and Chemical Pulp Industries

(thousands of metric tons per year)

	Present demand*	Installed capacity*	Increases at present necessary	Increases necessary in the future: Total up to 1955	Total up to 1960	Total up to 1965
Newsprint						
Domestic	11					
Imported	13					
Total Newsprint	24	12	12	20	31	45
Other papers and paperboard:						
Domestic papers	33	38				
Domestic paperboard	11	18				
Imported papers	2					
Total of other papers and paperboard	46	56	..	..	19	47

	Present demand*	Installed capacity*	Increases at present necessary	Increases necessary in the future: Total up to 1955	Total up to 1960	Total up to 1965
Total of paper and paperboard	70	68	12†	20	50	92
Chemical pulp:						
Consumption of domestic pulp	5					
Consumption of imported pulp as raw material	21					
For substitution of raw material contained in imported paper	3					
Total chemical pulp for paper	29	6	23	33	48	67
Mechanical pulp:						
Consumption of domestic pulp	16					
For substitution of raw material contained in imported paper	12					
Total mechanical pulp	28	23	5	11	24	38

Source: Economic Commission for Latin America and United Nations Food and Agriculture Organization.

* Data for 1951.

† Corresponds only to newsprint. The surplus capacity to produce "other papers and paperboard" is due to one of the paper mills not having operated normally in 1951, while the paperboard mills, for the same year, operated at only 60 per cent of their theoretical maximum output.

The industry will depend primarily on the insignes pine (Pinos Radiata). The present plantation of 250 thousand hectares (one hectare= 2·471 acres) could easily meet the raw material requirements of the new plants in prospect and Chile's natural forests constitute an additional source of supply. Their utilization and the possible integration of the pulp and paper industry with other wood-using industries are being studied. One survey indicates that by 1955 the industry could produce 750 thousand tons of mechanical pulp or 1·2 million tons of newsprint a year. This latter figure is equivalent to the total estimated newsprint consumption of the whole of Latin America.

The expansion outlined above would require the investment of about $300 million, the major part in foreign currency. It also implies a substantial increase in the local generation of electric power.

The Development Corporation, a Chilean government agency, has already successfully negotiated with the International Bank a loan of $20 million to be used by the local newsprint company to set up an additional newsprint factory and a kraft pulp plant. This development should eventually provide 50,000 tons of newsprint and 40,000 tons of pulp a year. In addition, the Development Corporation has announced that in 1954 it will inaugurate a project for seven pulp mills.

Imports from Canada May Drop

At present, Canadian exporters sell to Chile about $1½ million worth of newsprint and chemical pulp a year. If Chile carries through the developments now being studied, Canada may face the gradual loss of this newsprint market and possible competition from Chile in other Latin American countries. On the other hand, the building-up of a pulp and paper industry in Chile should mean opportunities for Canadian manufacturers of papermaking machinery and equipment and for skilled Canadian technicians and managers.

—M. R. M. DALE
Commercial Secretary for Canada

United States

Merchandise Takes to the Air

Saving time is only one of the reasons why, since 1946, an increasing range of U.S. products —from automotive parts to pure-bred stock— are moving to market by air.

WASHINGTON—The air traveller today, arriving at or departing from busy airports, has little time to see beyond the hurrying crowds and busy baggage handlers. His paramount impression of tickets, insurance, baggage and passengers probably obscures his sense of an important and growing feature of air transportation—air cargo. He seldom sees the backstage activity in the freight rooms below the airport buildings' main level, or in the side hangars where numbers of stubby tractor trains hustle freight between aircraft, ready-rooms and pick-up and delivery trucks.

As he moves through the passengers' waiting rooms the traveller seldom thinks that, among a variety of other items displayed, the furs in the showcase, new books and periodicals, gifts and novelties at the newsstands, some of the food in the restaurant, the public address system announcing arrivals and departures, and perhaps even the adherence to schedule of his airliner may sometimes depend on air cargo.

Unfastening his seat belt, once airborne, he turns the cover of a news magazine that travelled from lithographer to bindery by air, while ahead in the freight compartment is a print of the movie he will see at his destination.

Growth of Air Cargo

Though the despatch by air of a crock of baked beans from Boston to Providence, R.I., in 1912 might perhaps be better classified as the first air parcel post in the U.S., and the 10 million pounds of freight the Ford Motor Company privately flew between Detroit, Buffalo, Cleveland and Chicago in the five years up to 1930 was an early milestone, commercial air cargo in the United States may be said to have become important only in 1946, following World War II.

With the development of better pick-up and delivery service to and from air fields, the distinction between air express and air freight has diminished to a degree. Air freight forwarders generally provide several classes of service, ranging from "regular air freight" with "next day" delivery, to super-expedited services surpassing air express' "next a.m." delivery. The generic term air freight covers—for statistical purposes in this account—all classes of service, including air express.

In the past five years and especially since Korea, air freight has helped to maintain the needed production flow, notably in the auto and

—Standard Oil Co. (N.J.)

This small French poodle gazes at the world from the crate in which he is being flown to his new owners. Today not only puppies but a great variety of products move to their destination by air freight.

aircraft industries, and to make possible tight production schedules. Similarly, in distribution, active markets and shortages have pressured sales and service managers into using the fastest transport at hand.

The advocates of air freight like to argue that, notwithstanding its higher cost per ton-mile, it makes savings possible by reducing materials stockpiles and parts inventories. Whether such savings in stockpile costs and warehousing are offset by greater procurement cost depends, of course, on the particular manufacturer and commodity.

Correct phasing or timing of materials and assemblies for the production line are vital to successful mass production. Air freight's capacity to bring material sources closer to the production line has enabled many large industries to reduce stockpiles and thus overhead costs. It has also introduced the concept of extending the "flow" back beyond assembly out to primary suppliers. The automobile industry is a prime example of this.

Moving from production to distribution, air freight enthusiasts point out the savings possible through fewer regional warehouses, maintenance and service centres. Where formerly transport limited one-day replacement of inventory to a radius of 300-500 miles, air freight now extends it to over 1,000 miles. A U.S. West Coast manufacturer or service centre is, by fastest air service, not more than 24 hours from, say, a sole supplier on the East Coast and no more than two days by regular air freight.

Naturally for many industries, particularly those using large quantities of stock items, the railway or the truck will always be the answer to keep large regional warehouses supplied. But air freight claims to be the answer for a wide variety of higher-cost producers' and consumers' items. Nor is item cost always the deciding factor in choosing air freight. In numberless cases, the shipper indicates no cost figure on the air way bill for some part or machine. Particularly when the item is a replacement part needed urgently, its *value* in terms of otherwise lost production is what counts. In many such cases, the air freight rate may even exceed the actual cost of the item being supplied.

A photo-engraver in Washington, for example, may need a 100-lb. replacement part from Rochester urgently; by fastest service it can be at his plant in eight hours, door-to-door, for about seventeen dollars.

A Washington department store can have the latest Los Angeles fashion novelty in its windows twenty hours after a Hollywood showing—with all the obvious advantages in this highly competitive field—for about forty-five dollars per hundred pounds.

Reasons for Choice

Among the countless items moving by air freight those of principal importance and frequency are advertising matter and display material, including printed matter; aircraft and automotive parts and accessories; apparel; baby chicks; business machines; pure-bred stock; drugs, biologicals, chemicals, cosmetics; cut flowers; medicines, pharmaceuticals, and toilet preparations; dry goods samples and swatches; electrical appliances, parts and equipment, electronic apparatus; fashion accessories, furs; film; leather goods; machines and parts; millinery; piece goods; printed matter and printing plates; radios and parts; refrigeration and air-conditioning equipment; sporting goods and equipment; television, telegraph and telephone instruments, parts and supplies.

At the close of World War II a very extensive survey of the market potential for air cargo showed that, of over 1,100 firms actually using it, three-quarters used it chiefly as a means of expanding their market and improving service to their customers. Even then, 18 per cent found it of value in reducing inventories and an equal percentage realized its worth in emergencies. Roughly one in ten of the replying firms used air freight to obtain higher prices, cut transit losses, stay abreast of fashion, and reduce cancellations. A few found it helpful in extending their selling seasons, reducing price fluctuations and even in cutting down refrigeration costs.

In 1946 a U.S. Department of Commerce survey of air commodity transport, based on firms using it regularly, showed that of the 620 firms answering the questionnaire 45 per cent were manufacturers, 39 per cent were wholesalers or retailers, 2 per cent represented agricultural industry, with "others" making up the remaining 14 per cent.

Since then, these percentages will have varied both seasonally, as might be expected, and annually. Variations are probably most marked in such lines as TV, films, printing and advertising, electronic and nuclear engineering and apparel fashions.

The following table shows the increase in ton-miles of cargo flown domestically up to 1952.

Domestic Air Cargo Ton-Miles Flown by U.S. Scheduled Airlines in Scheduled Services 1945-52

	EXPRESS (in thousands)		FREIGHT		TOTAL
	Domestic Trunk Lines	Local Service Lines	Domestic Trunk Lines	Local Service Lines	Air Cargo ton-miles (millions)
1945	20,509	11	1,168	n.a.	21·6
1946	23,651	24	14,433	....	38·0
1947	28,533	117	35,244	62	63·8
1948	29,768	189	70,437	264	100·3
1949	27,329	320	94,189	435	122·2
1950	36,538	622	112,860	695	149·8
1951	40,259	908	100,581	920	142·0
1952	40,375	887	117,128	1,116	159·3

(from Air Transport Facts and Figures 1953)

These rounded figures do not include the ton-mileage flown by U.S. territorial airlines serving Hawaii and Alaska, which carried about 1·5 million ton miles in 1952, nor the U.S. international airlines whose ton-mileage last year was 72·6 million. Neither are figures included for the non-scheduled domestic lines among whom were the domestic all-cargo operators (over 85 million ton-miles), nor the large irregular service air carriers operating on the Korean airlift who last year flew 76 million ton-miles.

The future rate of growth of air cargo probably depends chiefly on improved types of economical cargo aircraft and corresponding rate reductions, as well as on future business conditions and market demand.

In relating the volume of air cargo to the total figure for domestic commodity transport, the reader must remember the vast amounts of primary materials, coal, ore, wheat, forest products, petroleum, fibres, textiles, chemicals, meat and animal products carried by the railroads, the motor carriers, pipelines and internal waterways. Although domestic air cargo made up only one-thirtieth of one per cent of the 1952 total commodity transport, this in itself is an indication of the potential for development.

A 1952 staff study by the Civil Aeronautics Administration forecast all domestic air cargo ton-mileage as rising to 600 to 800 million by 1960, trebling the 1952 volume. Whether this estimate is high (or low, as some air cargo advocates hold) there seems little doubt that air cargo's use in expanding markets and service and reducing inventory overheads is likely to increase.

—G. A. BROWNE
Commercial Secretary for Canada

An airmail service for second class mail from Canada to Great Britain became effective on December 15th. Second class mail includes printed matter, commercial papers, samples, newspapers and literature for the blind. The air postage rate is ten cents for each ounce or fraction thereof. The general regulations of the service for surface second class mail apply. Second class airmail must not contain anything in the nature of a current letter, must not be sealed against inspection, must be clearly superscribed in the upper left-hand corner of the cover for the particular service intended—"printed matter", "commercial papers", "samples", "newspapers" or "literature for the blind". A blue airmail label, which can be obtained free of charge at any post office, must be affixed to each airmail item at the top left-hand corner on the address side.

General Notes

AUSTRALIA

Pact with Indonesia—The Commonwealth Minister for Customs has announced that representatives of the Australian and Indonesian Governments have drawn up a new trade agreement to operate for twelve months from November 1st. The agreement has yet to be ratified by the two Governments.

Petroleum products make up the bulk of Australia's imports from Indonesia, which include tea, rubber, kapok and other fibres, molasses, tobacco and timber. Flour accounted for 80 per cent of Australia's exports to Indonesia last year, but useful trade is being developed in milk products, metals and metal manufactures, colours for paints, patent and proprietary medicines and a wide range of industrial goods.

Australia's exports to Indonesia were valued at £3·2 million in 1950-51, £4 million in 1951-52, and £5 million in 1952-53. Imports from Indonesia, exclusive of petroleum products, for the same three years were £3·4 million, £4·4 million and £1·7 million respectively—Melbourne, Nov. 27.

Tantalite Mining—A £200 thousand company is being formed in Melbourne, it is reported, to develop rich tantalite areas in the northwest of Western Australia. The company is taking over leases held by Tantalite Ltd., and has obtained options over tracts of land near the Pilbara goldfields with the approval of the West Australian Government. The company will take over the plant formerly operated by the Commonwealth Government. Tantalite has been mined in the northwest since 1930.

Australia is said to have in the Pilbara district one of the largest known deposits of tantalite in the world. The ore provides the metal tantalum which resists acid and withstands tremendous stresses. The ore will be carried by road to Port Hedland and shipped to the U.S. and Germany for treatment—Melbourne, Nov. 23.

FRENCH GUIANA

Mining Prospects—Three years of exploration have revealed both mineral and hydro-electric possibilities in French Guiana. Unofficial reports state 100 million tons of bauxite, with an alumina content of 40 to 50 per cent, have been located in the Kaw district. Deposits of iron ore, tantalite ore and gold are being assessed. A mission representing electric power interests in Paris is surveying the Maroni River which, it is said, could produce 2½ billion kilowatt hours per year—Port-of-Spain, Dec. 2.

INDONESIA

Trade Agreement with Sweden—Indonesia and Sweden signed a new trade agreement on October 21, 1953, which provides for the exchange of goods between the two countries for the period June 1, 1953, to May 31, 1954. Under the terms of the agreement, Indonesia will export to Sweden 82,900,000 Swedish crowns worth of rubber, copra, tin, oil cake, pepper and coffee, and will import from Sweden 47,050,000 Swedish crowns worth of industrial goods—Djakarta, Nov. 25.

JAMAICA

Adverse Trade Balance Reduced—From January to June, 1953, Jamaica's adverse trade balance was slightly over £1 million, as compared with £9 million for the same period of 1952. The improvement resulted from a reduction of £2·5 million in imports for 1953, compared with the same period of '52; the value of exports increased by £5 million.

The steep rise in the value of domestic exports is due mainly to an increase of £2·5 million in sugar and £1·5 million in bananas. The citrus crop also was larger.

The principal reason for the sharp reduction in imports was the lower spending for capital equipment by the bauxite interests. Their imports are on a "no funds" basis, but they are recorded at full value in the trade statistics—Kingston, Dec. 4.

MEXICO

Foreign Investments—Foreign investments in Mexico at the end of 1951 amounted to 5,840·7 million pesos (approximately $687 million). The Department of Economic Studies of the Bank of Mexico reports that these investments were distributed as follows (in millions of pesos): manufacturing industries, 1,565·2; mining, 1,372·9; electricity, gas and water, 1,312·5; business enterprises, 883·2; transportation and communications, 532·9; oil, 73·1; farming and stock raising, 50·8; construction, 27·5; other, various, 31·1—Mexico, D.F., Dec. 5.

PAKISTAN

Safety-Razor Blade Factory—A safety-razor blade factory is under construction in Hyderabad, Sind, and is expected to go into production in the near future. This is the first factory of its kind in Pakistan. Annual production of 30 million double-edged safety-razor blades is planned, more than enough to meet the present demand—Karachi, Nov. 23.

Rayon Factory for East Bengal—It is reported that an agreement has been reached with a United States firm for the establishment of a rayon factory in East Bengal, to cost $30 million—Karachi, Nov. 23.

PORTUGAL

Antibiotic Prices Lowered—The Ministry of Economy has announced further reductions in the prices of some antibiotics. In April 1953, reductions in prices were announced—from 5.50 to 4.00 escudos per million international units of penicillin, and from 7.00 to 6.00 escudos

per gramme of streptomycin. With the new reductions, the basic prices for penicillin and streptomycin are 3.00 escudos and 5.50 escudos respectively.

The new prices for the sale of national drugs (injectable solutions) which contain these antibiotics will result in a total saving for the consumer of about 5,300 contos a year (one conto equals about $30.00)—Lisbon, Dec. 4.

SWEDEN

Agricultural Sales—Sweden's efforts to sell surplus agricultural products, particularly grain, fats and eggs, are meeting unexpectedly severe competition because the United States authorities have decided to sell surplus agricultural products, to a value of $250 million, against payment in non-dollar currencies. Of this amount, products to the value of $140 million are to be sold on the European market—Stockholm, Dec. 3.

Agricultural Exports to West Germany Drop—Swedish exports of agricultural products to West Germany, one of her principal customers, have decreased during recent years. Of the total value of Swedish food exports in 1952, West Germany purchased 32 per cent compared with 57 per cent in 1950. Exports to West Germany of rapeseed and rapeseed oil in 1952 comprised only 11·5 million kilograms, against 71·1 million in 1951 and 34·8 million kilograms in 1950. West Germany is covering its requirements for margarine production by imports of copra and soya beans—Stockholm, Dec. 3.

UNITED KINGDOM

Fertilizer-Herring Deal—Herring curers in Peterhead, Aberdeen, were recently granted licences to import from the Russian zone of Germany 30,000 tons of kainite, a fertilizer used for sugar-beet growing, in exchange for 40,000 barrels of cured herring—London, Dec. 7.

WEST GERMANY

Trade with East Bloc Countries—German foreign trade with the East Bloc countries increased considerably during the past months as compared with 1952, when trade volume was more than 20 per cent below 1951. Between January-September 1953 imports from these countries totalled 282·2 million DM, compared with 220·8 million DM the year before, 2·5 and 1·9 per cent respectively of total German imports. This favourable development is mainly the result of large increases in imports from the USSR and China; the latter exceeded 13 million DM during August and September.

German exports to East Bloc countries increased from 152·3 million DM during January-September 1952 to 224·4 million in 1953. This increase was almost entirely the result of larger exports to China, mainly sheet and bar iron, optical and chemical products. The percentage of total German exports increased from 1·2 and 1·7 per cent during this period—Bonn, Dec. 2.

Japan Allocates Foreign Exchange for Imports

THE JAPANESE FOREIGN EXCHANGE BUDGET, which appropriates foreign exchange for imports for six months at a time, allocates $1,335 million for the period October 1, 1953, to March 31, 1954. This includes $928 million for imports under the Foreign Exchange Fund Allocation System and $237 million for those under the Automatic Approval System; the balance is held in a reserve fund. Of the total Budget $721,309,000 is allocated for the import of goods from the dollar area. Two separate Import Control Notices have been issued by the Ministry of International Trade and Industry, providing for imports under the Budget.

Commodities under Allocation System

Import Control Notice No. 35, effective from October 7, 1953, announces commodities which may be imported into Japan under the Foreign Exchange Fund Allocation System. Under this method of import, the importer must obtain an allocation of foreign exchange from the Ministry of International Trade and Industry before making application for an import licence. Applications for import licences may be submitted to the foreign exchange bank up to March 31, 1954.

Commodities included in this notice which may be imported from the dollar area and which are of interest to Canada include: Staple food; wheat flour (for monosodium glutamate); cattle hides; calf skins and kip skins; pulp paper; sulphite rayon pulp; asbestos; refractories materials; iron ore; ore of non-ferrous base metals; non-ferrous metal scrap; nickel; magnesium; manufactures of non-ferrous base metals; coal; chemicals; medicines; agricultural chemicals.

The allocation made by this Import Control Notice for imports from all areas under the Foreign Exchange Fund Allocation System is estimated to amount to $447,909,000, including $126,842,000 for unpublished items and $321,067,000 for planned import items. The principal planned imports include: 230,000 tons of barley, 290,000 tons of wheat, 28,000 tons of feed wheat, 1,224,000 tons of iron ore, 130,000 tons of potassium salt, 720,000 tons of coking coal, and 39,000 tons of phosphorite.

Import Control Notice No. 34, effective from October 3, 1953, lists commodities which may be imported into Japan under the Automatic Approval System. Under this import procedure, a limit is allotted under the Budget for goods from the sterling currency area, the open account area, and the dollar area. Confidential quotas are provided for each item. Until the limit is reached, importers may present applications for import licences to the foreign exchange bank and automatically receive licences. Applications will be accepted up to March 31, 1954.

According to the Notice, some 119 items may be imported from the dollar area under this system. Many of these items are of interest to Canada, such as: wheat and barley for feed; cattle hides; calf and kip skins; asbestos; iron and steel scrap; copper ore; polystyrene and styrene-monomer; lactic casein; machineries; iron and steel products.

Further details may be obtained, on request, from the International Trade Relations Branch, Department of Trade and Commerce.

ECUADOR

New Tariff System—Beginning January 1, 1954, Ecuador will change its present composite tariff system of ad valorem and weight to one based solely on weight. In practically all cases the net kilogram will serve as the basis for computation, although for some products the gross kilogram will be used. Other exceptions are livestock, where the tariff will be so much per head, and alcoholic beverages for which the litre measure will serve as the standard.

The new system, including classification and rates, represents the five years' work of a United Nations' commission loaned to Ecuador for this purpose. In practice, it is hoped that it will greatly simplify the whole system of customs clearance. At the moment any item of import, in addition to the regular tariff rate of duty, is subject to many different internal taxes, each of which has to be calculated separately. The new rates have been set at such a level as to incorporate all these secondary taxes and hence to eliminate the necessity for computing them.

UNITED KINGDOM

Import Control Relaxed on Certain Printed Matter—The Board of Trade, in Notice to Importers No. 598, announces the addition of the following printed matter to World Open General Licence:

- Official government publications published by the Central Government of their country of origin or by States members of the Federal Government of their country of origin.

- Books and other publications published by the United Nations Organization or any of its specialized agencies.

- Publications for which no payment has been or will be made, intended to promote tourist travel outside the United Kingdom.

- Books, publications and documents of all kinds in raised characters for the blind.

The effect is that, from November 25, the foregoing may be imported into the United Kingdom from any country without separate licence.

UNITED STATES

Tariff Commission Investigation into Imports of Alsike Clover Seed—The United States Tariff Commission has announced that on December 2, 1953, it instituted an investigation under section 7 of the Trade Agreements Extension Act to determine whether Alsike Clover Seed, provided for in paragraph 763 of the Tariff, and on which a concession was granted under the General Agreement on Tariffs and Trade, is, as a result in whole or in part of the customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The present U.S. duty on Alsike clover seed is two cents per pound.

URUGUAY

Trade Agreement with Canada—A new agreement was signed on October 19, 1953, between Canada and Uruguay and will enter into force following ratification by both countries.

Under this new agreement most-favoured-nation treatment will be exchanged with regard to internal taxes on imports. Thus, Canadian products imported by Uruguay will be granted the same treatment with regard to internal taxes as that given to national products, with the exception of certain pharmaceutical specialties, toiletries, perfumery, cigarettes and cigars, fine liqueur wines, vermouth, champagne, matches and playing cards.

Canada and Uruguay exchange full most-favoured-nation treatment with regard to tariffs, import and exchange controls under the terms of the Trade Agreement signed in 1936 by the two countries.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

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

Conversion 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 1·02728.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 10*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1297	
		Basic buying	·1947	
		Preferential selling	·1947	(1)
		Basic selling	·1297	
		Free	·07007	
Austria	Schilling		·03744	
Australia	Pound		2·1900	
Belgium Luxembourg & Belgian Dependencies	Franc		·01953	
Bolivia	Boliviano	Official	·00512	
British West Indies	Dollar		·5703	(3)
	Pound		2·7375	(4)
	Dollar	Brit. Honduras	·6843	
Brazil	Cruzeiro	Official selling	·05172	tax 8%
		Effective buying	·03432	(2)
		Coffee buying	·04167	(5)
Burma	Kyat		·2044	
Ceylon	Rupee		·2053	
Chile	Peso	Official	·00885	
Colombia	Peso	Basic	·3894	
Costa Rica	Colon	Official	·1734	(6)
		Controlled free	·1466	*
Cuba	Peso		·9734	tax 2%
Czechoslovakia	Koruna		·1352	
Denmark	Krone		·1409	
Dominican Republic	Peso		·9734	
Ecuador	Sucre	Official	·06490	(7)
		Free	·05582	
Egypt	Pound		2·7953	
Fiji	Pound		2·4662	
Finland	Markka		·00423	
France	Franc		·00278	
French Africa	Franc		·00556	
French Pacific	Franc		·01529	
Germany	D Mark		·2318	
Greece	Drachma		·000032	
Guatemala	Quetzal		·9734	
Haiti	Gourde		·1947	
Honduras	Lempira		·4867	
Hong Kong	Dollar	Free	·1643	*Dec. 4
Iceland	Krona	Official	·05977	
		Special buying	·04602	
		Special selling	·03708	
India	Rupee		·2053	
Indonesia	Rupiah	Basic	·08539	(8)
		Dollar certificate	·00183	*

* Latest available quotation date.