foreign trade

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COVER . . . The montage that conveys our Christmas wishes is composed of cards from Argentina, Mexico, Brazil, Great Britain, Norway, Netherlands, Sweden, Germany, France, Italy, Portugal, Lebanon, South Africa, Malaya, Japan, Hong Kong, India, - - and, of course, Canada.

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Venezuela Expands Secondary Industry

The campaign to build up manufacturing and reduce dependence on oil revenues is in full swing. As it progresses, it will affect the type, but not necessarily the total, of imports.

CARACAS—Venezuela is in the midst of a government program to extend and diversify the industrial structure to reduce the country's dependence on petroleum operations. The "Made in Venezuela" label can now be placed on a wide variety of products and several important enterprises are definitely planned for the future. The large financial returns from petroleum enable the Government to take an active part in the development of the country and favourable laws and regulations on the entry of capital attract foreign investors. Using 1948 as a base year of 100, the value index of manufactured products increased to 274 in 1952 and industry employed 24 per cent of the active population, compared with 17 per cent in 1941.

The high cost of production in Venezuela demands a retail price for the domestic product far above its imported counterpart. These conditions preclude any opportunity for export sales and the domestic market of five million people is a limiting factor for certain types of industries. Adequate tariff protection has been the answer to foreign competition and with few exceptions this assistance has been necessary to interest new enterprises and assure the survival of existing ones.

Food Processing

The output of powdered milk from the single producer in Venezuela amounted to 2,450 metric tons in 1952, an increase of 40 per cent over the previous year. Another plant may be constructed in the central region around Valencia, which is an important farming area with easy access to the Caracas market. A wide variety of biscuits is made in a modern plant affiliated with a major producer in the United States. Several small ice cream plants received further protection against imports in 1952 and this has prompted local industrialists to construct a modern factory in Caracas which will be ready for business in 1954.

Confections of all kinds are made in eight different factories which produce over 1,300 tons of chocolate products a year. The largest firm has recently opened a new plant with much greater capacity to serve the increased demand. Canned food production is limited in variety and at present includes only tomatoes, jams, juices, and sardines. Pineapples may be added to this list early next year.

Beverages are in steady demand in Venezuela because of the warm climate and impure drinking water. Rum is the only liquor distilled in commercial quantities. The brewing industry has flourished in the past five years and the supply of good-quality beer from twelve breweries has now exceeded the demand. Many varieties of soft drinks are bottled

The making of wrapping paper, kraft and corrugated cardboard is one of the secondary industries that has grown up in Venezuela as this picture, taken in a paper factory at Maracay, proves. But imports of paper products from countries like Canada are still substantial.

throughout the entire country, including all the well-known American brands. The average annual consumption in 1952 was 30 litres a person compared with 5·4 in 1945.

Textiles and Clothing

The production of textiles and clothing is an important industry, employing 40 per cent of the industrial workers in 1952. Cottons, rayons, and woollens are processed in 40 mills which have a total of 3,500 looms, 100,000 spindles and 400 knitting machines. Domestic cottons have suffered from the consumer preference for rayons and the lower prices and attractive patterns of imported cottons. The quotas have only been sufficient to maintain part-time production in the mills.

Domestic rayons are of good quality and design and present protection averts serious competition from abroad. Since 1952 the rayon acetate yarn has been supplied from the local subsidiary of an American corporation, a modern enterprise which can supply the two rayon mills.

Nylon yarn is imported by two companies to make hosiery and prohibitive import duties on the finished product give these companies a virtual monopoly of the market. Fifty per cent of the demand for worsteds is supplied by two local mills and another one may be added in 1954. Domestic output is assured a market by putting imports on a quota. These imports come chiefly from England, because of definite consumer preference.

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Forty-five clothing manufacturers account for 95 per cent of the total garment production (mostly men's wearing apparel) because of the high rate of duty imposed on imports in 1952. The same protection is anticipated for women's wear in 1954, as domestic production overtakes requirements. All articles of men's clothing are now made in Venezuela as are women's cotton and rayon dresses and lingerie.

The Building Trade

Venezuela has witnessed a tremendous building boom since 1946, and the resultant demand for materials has encouraged many new enterprises. Seven cement plants produced 840 thousand tons in 1952 and imports—some 890 thousand tons in 1949—will be eliminated by next year when another plant is opened. Roofing tile, floor tile, and bricks for construction purposes, all from local kilns, are in ample supply. A marble quarry operates near Caracas but some imports are still required.

Logging operations are on a minor scale and the small sawmills throughout the interior sell green undressed lumber to the construction companies and the furniture trade. Supply is pared to domestic demand for the principal woods, mahogany and cedar, and the buyer does any needed finishing. High import duties on completed furniture have helped the many small factories and a home can now be completely furnished with modern and practical articles, all made in Venezuela.

Paint sales have also increased with the rise in building construction and three local plants are able to resist the competition from imported name brands, thanks to tariff protection. The market will be almost independent of imports when a large American paint firm opens its Venezuelan affiliate in 1954. An English company may also set up a plant in Venezuela in association with its present distributor.

Machinery and Metals

The machinery and metals trades have improved their position in the last few years but there must be further development before primary metals and materials replace finished imports to any great extent. Lack of technical training in the labour force and high unit costs for products in limited demand have lured capital investment to more promising fields. With the exception of repairs and maintenance for oil-drilling machinery, machinery breakdowns call for a replacement part rather than a repair job, particularly where precision machining is required.

There are more enterprises in the metal trades, where processing is not too difficult. One firm manufactures a complete line of office and home metal furniture and now does an annual business of well over a million dollars. Aluminum window shades and frames, garden furniture, and restaurant equipment are made in small establishments but imports are still required to fulfil the demand. Processing of other non-ferrous metals is of no commercial importance.

Assembly plants are confined almost exclusively to the automotive field. The two biggest American car manufacturers assemble most of their models in postwar plants in Caracas, but the size of the market limits the scope of other automotive assembly operations. Household appliances are imported ready assembled, with the exception of one line of refrigerators.

Other successful manufacturers in Venezuela include producers of tires and tubes, cigarettes, paper bags, sole leather, shoes, rope, laundry soaps, and matches. A noticeable absentee is the production of glass. The market for all types of glass is estimated at 50,000 metric tons for 1953 and depends entirely on imports. A group of local industrialists is interested in constructing a bottle plant and domestic production may be supplying part of the market within the next few years.

With the effective support of a Government that is in a financial position to assist industry, new enterprises can progress and prosper. Corporation taxes are negligible, personal income taxes are low, and profits can be transferred to foreign investors without restriction. When production exceeds demand, tariff protection will either remove or reduce the threat of foreign competition.

The development of national industries has naturally affected the pattern of imports, but not to the extent of lowering the total dollar amount. Processed items are diminishing but imports of primary materials are rising to keep pace with the greater population and the higher living standards. Venezuela will continue to be an important market for Canadian exports and it should be considered more seriously as an attractive place for Canadian investment abroad.

—F. B. Clark
Assistant Commercial Secretary for Canada

Hydro-Electric Power in Portugal

LISBON—The second dam of the Cavado and Rabagao Rivers in Northern Portugal was completed on June 25, as part of Portugal's four-stage hydro-electric development scheme. This second stage is expected to provide 200 million kwh. a year. The dam and plant cost an estimated 300 million escudos and the plant is the first important generating station built underground (nearly 400 feet) in Portugal. The third stage is expected to come into service during 1954 and the fourth stage in 1956. The total combined production, in normal years, is estimated at about 1,000 million kwh. a year.

The new hydro-electric scheme for the River Douro on the Spanish-Portuguese border has been given high priority by the Portuguese Government and will be one of the major projects of the Six Year Plan. For this purpose a company, the Empresa Hidro-Electrica do Douro, has been established with a capital of 220 million escudos. The Government will contribute 55 million escudos from the National Development Fund, provident institutions will invest a similar amount, and the remainder will be subscribed by banks and private organizations. The same company will also undertake the construction of future dams on the Douro River. The development, when completed, is expected to supply Portugal with 2,500 million kwh. a year. It is understood that the Mutual Security Agency is providing technical advice, in view of the value of this project to Portugal's security and industrial development.

Federation in Central Africa
. . . what it means to the economy

JOHANNESBURG—Just two months ago, a new nation was born in Southern Africa. On October 23, 1953, the Constitution of the Federation of the Rhodesias and Nyasaland came into operation, welding the three territories into a single political and economic unit. The fanfare attendant upon its birth was largely political, but local businessmen as well as politicians are enthusiastic about the potentials of the new Federation of Central Africa. To them, the banding together of the three territories into a country that is slightly larger than the Union of South Africa, their southern neighbour, means greater opportunities in every field of business.

Pooling of Resources

Before the three territories federated, each had its own particular problems. Nyasaland, for example, was too small to exploit its large deposits of bauxite and of other minerals and relied on agriculture to keep its large African population employed. Under federation, it may be possible to develop an aluminum industry and to find a market for an increasing output of foodstuffs in the two Rhodesias. Nyasaland cotton may well help to make the Southern Rhodesia weaving and spinning industry less dependent on outside supplies of raw cotton.

Northern Rhodesia employs almost all its manpower in the mining of copper and its copper exports have been the main factor in its favourable balance of trade which totalled about £40 million in 1952. But this territory must import a large part of its food.

Rhodesian Trade Balances

The most highly developed territory of the three—Southern Rhodesia—exports large quantities of tobacco, asbestos, gold, and chrome. It is, in fact, the world's third largest producer of chrome (450,000 short tons in 1952, worth £2·3 million) and the third largest producer of asbestos (85,000 short tons in 1952, worth £6·7 million) and also has iron ore, limestone and coal deposits. Nevertheless, Southern Rhodesia has a chronic adverse balance of trade, reaching about £27 million in 1952, because its mining, engineering, food processing, weaving and other industries spend more on capital equipment and raw materials than the colony's exports earn. Under Federation, Northern Rhodesia's trade surplus will help to offset Southern Rhodesia's deficit.

Both the Rhodesias have trouble feeding themselves and must bring in large quantities of food from the Union of South Africa. Now—as one Southern Rhodesian minister pointed out before Federation was finally achieved—it should be possible, by co-ordinating agricultural and marketing policy, to cut down food imports and alleviate the effects of drought, which is scarcely likely to strike all three territories in the same year. In the same way, Southern Rhodesia will be able to take advantage of the larger internal market for the goods which its factories turn out.

One of the most potent arguments in favour of Federation was that it would help to attract overseas capital to develop the three territories and particularly to expand and improve the transportation system and hydro-electric power projects. In the past, the three constitutent territories have solved their transportation and communications problems by mutual agreement, but there was always the possibility that disagreements might arise. Similarly, electric power schemes affecting more than one territory have long been endangered by conflicting opinions in the governments concerned. Federation should make future development easier.

Development Will Be Speeded

There are tremendous possibilities for the development of cheap hydro-electric power within the Federation. Steps have already been taken to erect a £30 million dam and generating station on the Kafue River, a few miles upstream from its junction with the Zambesi. The capital for this scheme has been raised in London and it is expected that turbines in the plant will start generating 243 thousand kilowatts by the end of 1959. If the Kafue River plant eventually proves inadequate, a second hydro-electric project, capable of generating a million kilowatts, can be installed in the Kariba Gorge of the Zambesi River.

Local businessmen undoubtedly are enthusiastic about the economic advantages of Federation and there is a sound foundation for their optimism. As one of the members of the Northern Rhodesian Legislative Council put it in a recent speech: "The tale of specific economic advantages might be extended almost indefinitely. As a reverse exercise, it would be interesting to start a list of Canadian enterprises, at present successful and prosperous, that would be almost fatally handicapped—indeed, might find it impossible to continue in many instances—if all the provinces were suddenly to revert to separate nation-states, each with its own economic, fiscal, financial, immigration, development and currency policies, and each crouching behind its own tariff wall."

Effect on Trade

The enthusiasm of local businessmen about Federation appears to be well founded. Its effect on foreign trade cannot be so easily determined. In assessing this Central African market, Canadian exporters should bear in mind that there are only 200 thousand Europeans in all of Central Africa and the purchasing power of the six million Africans who make up the remainder of the population is very limited.

Total imports into the Federated territories during 1952 amounted to over £124 million, of which £56½ million came from the United Kingdom and £34½ million from the Union of South Africa. Principal imports from Britain include piece goods of cotton, silk, and rayon; machinery, locomotives, rolling stock, motor cars, bicycles, tractors, pumps and accessories, steel and other metals, tools, clothing, etc. Principal imports from the Union include animal feedstuffs, wheat and other cereals, fresh and dried fish, fruit, sugar, clothing and footwear, cotton piece goods, agricultural and mining machinery, iron and steel pipes and fittings, tin containers, electrical cables and wire, motor cars and trucks, superphosphates, motor car tires and tubes, and blasting compounds.

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Strict controls on dollar imports enabled British and South African manufacturers to gain this dominant trading position with the Central African territories, but these restrictions may well be eased in the months ahead and Canadian exporters should prepare now to re-enter this expanding market.

—HOWARD CAMPBELL
Assistant Canadian Government Trade Commissioner

The Midlands Engineering Industry

LIVERPOOL—Conditions in the Midlands engineering industries vary, but in general business is active and good. In fact, in most companies it is steadier than six months ago and better than earlier expectations. The automotive trade and its associated industries play an important part in this field but their position seems to have been maintained and even improved. As is usual, business fell off during the summer months.

One of the favourable factors is the appearance of more adequate supplies of the metals in common use—nickel, for example. Companies engaged in construction and civil engineering projects are still being rationed by the mills for plate and certain other classes of steel. The light castings section of the foundry trades is not yet working to capacity; those supplying heavy castings are in a better position.

Much of the improvement stems from increased domestic business. The industry is keeping up exports but they are proving less profitable because of the price competition from foreign countries. In some engineering products, wages represent from 45 or 50 up to 70 per cent of the total manufacturing cost. In such industries, continued demand for higher wages means higher costs and selling prices and, with greater competition from other European countries and Japan, this problem is causing anxiety.

Steel output is improving and it is expected that most of the back orders will have been filled by the end of the year. Imports of heavy steel plates from the Continent have helped to ease the situation.

The machine tools trade has been watching with interest the construction of a 650-ton vertical turning and boring machine. It is said to be the largest machine tool ever built in Britain and is destined for export to Canada, where it will be used in the manufacture of hydro-electric components, water turbine parts, and steam turbine casings. It occupies a floor space of 63 by 38 feet, is about 40 feet high, and has a work-turning table 41 feet in diameter. The machine can handle work pieces 42 feet 6 inches in diameter by 13 feet 6 inches high, and weighing up to 100 tons. For shipment, it will be split into parts, with the largest part weighing 57 tons.

—M. J. VECHSLER
Canadian Government Trade Commissioner

FAIRS and EXHIBITIONS

From Canada's Forests

JANUARY WILL BRING a change of scene at the Canadian Showroom in Rockefeller Centre. For the first two months of the year, visitors to the Showroom will see something of the wealth and diversity of products that come from one of Canada's richest resources —her far-flung timberlands.

The pulp and paper family will be there. Newsprint and pulp, blotting paper, fine rag papers, bottle caps, building boards and books—all these will be on display. Hard-by will be the wood family, with samples of many of Canada's native woods. Two model houses, built especially for the show, will demonstrate the value of these woods in actual construction and in millwork, sashes, doors and mouldings. Canadian hardwood, indeed, plays a permanent part in the Showroom for the floor is made of finely-matched Canadian birch and maple.

The exhibit will also illustrate graphically the range of manufactured wood products, beginning with veneers and plywoods, carved furniture, etc., and ending with the lowly toothpick.

A Bigger Basel

A STYLIZED TREE hung with coloured streamers decorates the poster advertising the 38th Swiss Industries Fair and symbolizes the large new building which will be ready at Basel when the fair opens on May 8th, 1954, for ten days. In Switzerland, when the roof is ready to be put on a new building the workmen, following an ancient custom, erect a small tree decorated with many-coloured streamers and then enjoy a special feast.

The Swiss Industries Fair is national in character and this year will have some 2,500 exhibits, including typical Swiss exports such as watches, textiles and textile machinery, electrical equipment, instruments and apparatus.

Marketing Methods

VISITORS TO the Washington State Third International Trade Fair, to be held in Seattle from February 11-24, 1954, can combine their fair-going with intensive study of the techniques of marketing consumer goods in the United States.

This marketing conference will be held on the University of Washington campus in Seattle and the staff will include outstanding

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business, university and government specialists. It is planned to ask two businessmen from each nation invited to participate in the Fair to register for the conference and to participate in all its sessions.

The course will cover such topics as the characteristics of the American market for consumer goods, channels of distribution, retail sales promotion methods, and how to adapt the product to the market. Instruction methods will include lectures, panel discussions, films, and trips through retail stores and industrial plants in the area.

Canadian businessmen interested in more information should write to International Trade Fair, Inc., Seattle, Washington.

Bicycles Built for You

WHEN EXHIBITORS at the week-long British Cycle and Motor Cycle Show, held in London in November, totted up the results, their enthusiasm mounted. The 187 thousand visitors—four thousand more than last year—placed a record number of orders and sales to dollar areas were particularly heartening. By the end of the year, British bicycle exports to the United States alone for the twelve months will reach 400 thousand machines, worth approximately £3,500,000.

Among the more unusual orders placed by visitors to the show were:

- Three gold-plated bicycles, with spokes and chain plated with 18-carat gold at £13 an ounce, sold to an American buyer for 150 guineas each.
- Two hundred 500 c.c. bicycles to be delivered to the Norwegian Army.
- Lightweight bicycles worth a total of 3½ million rials for a Teheran buyer—90 per cent of them to be built with double frames because of poor road conditions in Iran.
- Thunderbird motor cycles for Sydney, Australia, to supplement the present motor cycle escort for the Royal Tour of South Australia.

Visitors came to the Show from 50 different overseas territories, including Uganda, Uruguay, and Saudi Arabia.

Fair Calendar, 1954

- *International Shoe Fair,* Vigevano, Milan, January 5-17. Apply: Pro Vigevano Ente Fiera e Turismo, Palazzo del Comune, Vigevano, Italy.
- *Show and Industrial Fair,* Wellington, January 7-23. Apply: Secretary, Wellington Show and Industrial Fair, P.O. Box 19, Wellington, New Zealand.
- *5th Annual Canadian Furniture Mart,* Toronto, January 11-20. Apply: Charles L. Stark, 347 Adelaide Street W., Toronto, Ontario.
- *37th International Motor and Cycle Show,* Brussels, January 16-27. Apply: Le Commissaire General, Salon de l'Automobile et du Cycle, 22 rue de Luxemburg, Brussels, Belgium.

Swedish Production in 1953

STOCKHOLM—The Swedish Institute of Economic Research, in its preliminary report for autumn 1953, describes Sweden's economic position in 1953 as a protracted boom. Production and employment developed normally and housing construction and public investments have expanded under stable prices and incomes. Total industrial production in Sweden about equalled last year's. The recovery in the textile and forestry industries has compensated for the decline in the engineering industry.

Employment in the engineering industry fell gradually during the period autumn 1952-spring 1953 by about 10 per cent. Since then there has been no further decrease and no reduction is expected in the near future. Exports of engineering products during the first three quarters of this year went down 20 per cent in value compared with the same period last year. This decrease was entirely in exports to Eastern Europe, Finland and South America, and stemmed from payment difficulties in these countries. In other markets, exports of the engineering industry were maintained at the same level, at least in value.

Total Output Increases

In the face of a stagnation in industrial production, shipping and forestry, total production has continued to increase. The increase—as in 1951 and 1952—is, however, smaller than during the immediate postwar years, and comes primarily from the expansion in housing construction. It is estimated that about 50,000 apartments will be completed this year, compared with 44,500 in 1952. Both government and communal investments have increased considerably. On the other hand, industrial investments have declined somewhat since 1952. The slowing-up in industrial production has been coupled with a decrease in employment of about 5 to 6 per cent, or 35,000 to 40,000 workers, since 1951. The decline which, at various periods, has affected development in some industrial fields and shipping is caused mainly by international changes and a deciding factor in the future will be international and particularly American economic development.

The report also includes an estimate of the balance of trade so far this year. On the basis of imports valued at 7,900 million kronor for the whole year and exports at 7,200 million, the balance of trade at the end of the year would show a total deficit of 700 million kronor compared with 797 million for 1952. Net income from shipping is estimated at 800 million (last year it was 1,075 million). As the net income from other services may show a deficit of 100 million kronor, trade for 1953 should balance evenly. Capital transactions are also expected to balance each other this year and currency reserves therefore will probably remain the same at the beginning of the year. For 1952 there was an increase of 132 million and for 1951 of 1,046 million kronor.

—E. M. PARTRIDGE
Office of the Commercial Counsellor for Canada

Australian Agriculture and Its Exports II

Lower prices for sales to the U.K. and high production costs have dairy farmers worried; markets for sugar are holding up well; exports of dried vine fruits and eggs may not increase.

MELBOURNE—Of the Australian agricultural commodities going to export markets, dairy products seem to be the most vulnerable to overseas competition. The high production costs, the decreasing domestic consumption of butter, and the loss of nearly 1/– a pound on exports to the United Kingdom have combined to make the situation serious. In the last few years, the dairying industry has required a subsidy of about £16·8 million and if this were discontinued, producers would be in serious straits.

Milk Production and Use

Except for this marketing problem, the dairy industry seems to be faring well. The number of dairy cattle on March 1, 1953, stood at 4,746,000, an increase of 180 thousand over the previous year. Dairy cows now number 3,087,000—some 123 thousand fewer than in 1939.

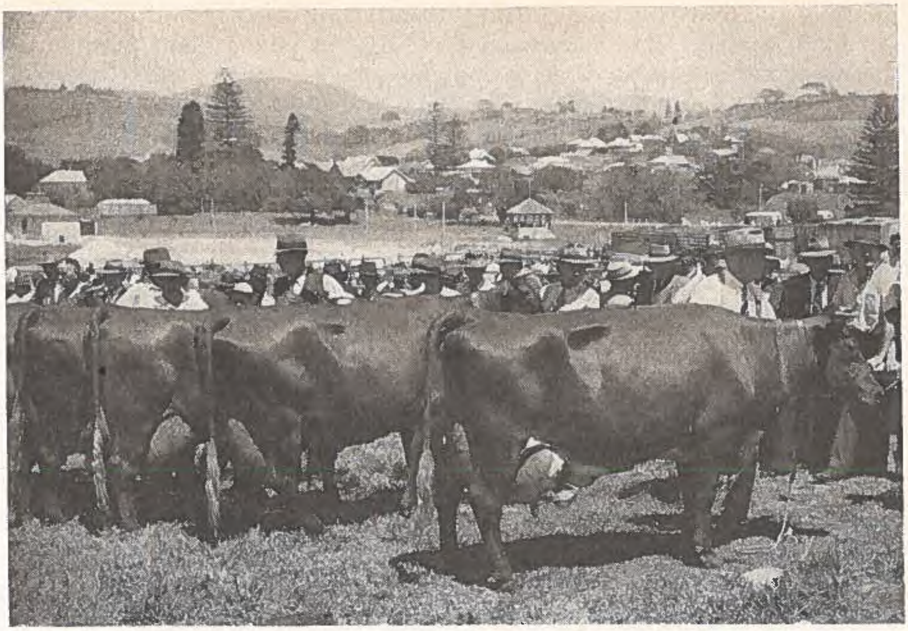
Weather conditions were generally favourable throughout the 1952-53 season and resulted in a much higher output than in the previous one, when extremely dry weather seriously affected northern New South Wales and Queensland. Whole milk production during 1952-53 is estimated at 1,227·8 million gallons, exceeding the preceding year's output by 16·8 per cent and the average production for the three prewar years ended 1938-39 by 7·5 per cent. The output in 1952-53 was, however, 26·2 million gallons less than the record production of 1,254 million gallons in 1939-40.

This production was used in the following ways (1938-39 figures in brackets): butter, 64 per cent (78 per cent); cheese, 8 per cent (5); condensary products, 7 per cent (3); other purposes, including fluid consumption, 21 per cent (14). This shows that less milk is going into butter and more is being put to other uses.

Butter is, however, still the key dairy product, using nearly two-thirds of total milk production. Total production of butter in 1952-53 was 167 thousand tons, representing an increase of 32,000 tons over the low of the previous year, but 36,000 tons less than in 1938-39.

Cheese production in 1952-53, at 46,786 tons, was a record, exceeding the average for the years 1936-37 to 1938-39 by 21,938 tons (88·3 per cent).

The use of milk in the production of preserved milk products has increased from 33·4 million gallons (2·8 per cent of total production) in 1938-39 to 85·9 million gallons (7 per cent of total production) in 1952-53. Condensed milk production in 1952-53, at 55,489 tons, exceeded



—Australian Official Photo.

A country cattle show at Kiama, New South Wales, brings out a fine parade of Australian Illawarra Shorthorns. Average milk production per cow in Australia remains low, and projects for raising it are under study.

the quantity produced in 1951-52 by 3,022 tons and was 39,970 tons (257·6 per cent) greater than in 1938-39. Production of powdered milk increased from 10,712 tons in 1938-39 to 36,931 tons in 1952-53.

The United Kingdom continues to be the principal market for Australia's dairy products. Exports of butter during 1952-53 totalled 50,136 tons, compared with the low of 12,651 tons in 1951-52 and the high of 117,500 tons in 1939-40. Some 33,665 tons of the 1952-53 output went to the U.K., or 64·3 per cent of the total exported, compared with 95 per cent in 1938-39.

Total exports of cheese in 1952-53 reached 23,078 tons, compared with 16,038 tons in 1938-39. Some 17,344 tons (75 per cent of the total) went to the U.K. in 1952-53 compared with 97 per cent in 1938-39.

Exports of sweetened condensed milk and milk powder increased considerably during 1952-53 but growing competition from overseas producers may reduce exports in the current year.

Home Consumption Falling

Consumption of dairy products in Australia tends to be lower. The per capita consumption of butter in 1952-53 was 29·4 lb., 1·9 lb. lower than the previous year and 3·2 lb. lower than in 1939.

Per capita consumption of margarine rose from 4·9 lb. prewar to 7·7 lb. in 1952-53. At the next Agricultural Council meeting, the States will be asked to reduce the quota of margarine which can be manufactured. At present the total quota for Australia is approximately 10,000 tons. Over half of this is for Queensland which has doubled its quota in the past two years. The present retail price of butter is 4/1½d. a pound, compared with margarine at 2/6d. a pound—and more margarine could be sold if it were available.

Consumption of cheese has declined from 6·33 lb. per head in 1950 to 5·92 lb. in 1953, but this is 1·63 lb. higher than in 1939.

Marketing Problems

A new five-year stabilization plan, effective since July 1, 1952, guarantees a price to producers based on costs of efficient production. At present the guaranteed price is 4/1·29d. a lb. commercial butter basis, covering all butter and cheese consumed locally, plus 20 per cent of that amount. On non-guaranteed exports (over 20 per cent of home consumption) current losses are estimated at about 1/– a lb. for butter and 7¾d. a lb. for cheese. Thus any factors tending to reduce consumption at home and increase the amount exported to the U.K. worry the industry. The stabilization fund which represented withheld profits on exports in earlier years has been used to subsidize exports in excess of the 20 per cent guarantee.

In addition to this subsidy, the Commonwealth has paid a consumer subsidy of nearly 11d. per lb. on whole milk consumed directly. Although the Dairy Investigation Committee found that dairy farmers' costs had increased during 1952-53 by 1·72d. a lb., the Commonwealth decided not to increase the price of butter to the consumer and the dairy industry has absorbed the extra cost.

British Contract Prices

The contract with the U.K. covers the exportable surplus of butter and cheese but allows agreed quantities to be sold to countries outside the agreement. In 1952-53 and again in 1953-54 this amount was fixed at 13,500 tons butter equivalent.

Some 2,000 tons were recently sold to Russia at a price of 4/– per lb. The prices which the U.K. Government has agreed to pay for Australian butter and cheese for the 1953-54 contract year are approximately 3/7½d. a lb. for butter and just over 2/– a lb. for cheese.

The outlook for most dairy products is not encouraging and the main problem is to reduce costs and thus enable Australian output to compete with that of other exporting countries. The average milk production per cow in Australia is low, about 400 gallons, and raising this is one of the farmers' primary tasks.

Miscellaneous Primary Products

Other Australian primary products entering into world trade and important to the economy are sugar, dried vine fruits, and eggs.

Sugar is the third, and has been the second, most important commodity (after wool), exported to Canada. In 1951 these exports were worth $14·12 million but dropped to $4·4 million in 1952. The area planted to sugar has risen from 258 thousand acres prewar to 290 thousand acres in 1952-53. An unfavourable season in 1952-53 reduced production to 747 thousand tons, compared with an average of 763 thousand tons from 24,000 acres less in the three immediate prewar years. However, it rose to 1,234,500 tons in 1953.

Canada is Australia's second biggest customer for dried vine fruits with purchases of up to 20,000 tons a year. In 1952 Canada imported 16,000 tons out of total exports of 50,000 tons; the remainder went to the U.K. and New Zealand.

The acreage of dried vine fruits has risen from 57,700 acres prewar to 64,000 acres in 1952-53. Further increases appear unlikely because, with high costs of production and no firm U.K. contract, Australia will find it harder to market its surplus of about 80 per cent of total production. Potential production is estimated at 125 thousand tons, although crops have ranged between 56,000 and 90,000 tons over the past few years. The gross value of last season's crop is estimated at £A11·7 million.

For a number of years the U.K. was the sole importer of dried vine fruits and purchased Australia's fruit under contract at prices negotiated annually. On December 1, 1953, the U.K. removed all controls on the import of dried fruits, and sales are now on a trader-to-trader basis. However, as a result of negotiations recently concluded between Australia and the U.K. Government, exports of dried fruits in 1954 will benefit from a support price by the U.K. Government.

If sales proceeds in the U.K. are above the support price, the industry in Australia will get the full benefit of the higher prices. If they are below the support price, then the U.K. will bring the proceeds up to the support level. The support prices finally agreed upon are:

Sultanas and Lexias—£A100 per ton f.o.b.

Currants—£A87.10.6d.-£A93.15.0d.

Egg Production and Markets

The contract for eggs with the U.K. Ministry of Food for 1953-54 has departed from the usual practice of fixed prices. Instead, the Australian Egg Board will be paid the net proceeds by the Ministry which will sell the eggs to the trade at prices determined by market conditions.

The first shipments of Australian eggs during the present season were sold at disappointingly low prices, slightly less in fact than the advances made by the Egg Board to producers—4/6d. and 4/– Australian per dozen. Prices then went still lower and afterwards returned to the opening figures. As a result of these low prices, State Egg Boards curtailed the packing of eggs in shell and increased the manufacture of export egg pulp to take advantage of the fixed U.K. contract price for pulp. The high cost of feed in Australia seems likely to mean smaller production and exports of eggs.

The Outlook

On balance, the agricultural economy of Australia seems to be sound at present, with the export of primary products the main factor in maintaining a favourable balance of trade.

Uncertain prospects for the marketing of dairy products and, to some extent, wheat, in overseas countries may cause a slight decline in export income but, given average seasonal conditions, agriculture in Australia should become increasingly stable.

—R. W. Blake
Agricultural Secretary for Canada

For the first part of this study, see our issue of Dec. 19.

Commodity Notes

ARGENTINA

Railway Material—A foundry for producing railway material for locomotives, passenger and freight cars and street cars was officially opened recently. It is said to be the only one of its kind in South America. Highly mechanized, the plant processes 25 metric tons of ferrous and three tons of non-ferrous material an hour, and operates with a labour force of only 250. Its rail and street-car wheel production capacity is 40,000 a year. To date, it has produced some 400 thousand pieces in iron and steel of different types, and 100 thousand pieces in bronze. All of these items were previously imported—Buenos Aires, Dec. 3.

FRANCE

Automobiles—French automobile factories turned out just over 407 thousand vehicles during the first ten months of 1953, compared with almost 419 thousand during the same period of 1952. Exports were also down slightly, with the figure to date (ten months) 87,000 units. During the first ten months of 1952, 91,000 vehicles were exported—Paris, Dec. 1.

ITALY

Cement—Italian cement production in the first seven months of 1953 totalled 4,389,586 tons, compared with 3,738,633 tons during the same period of 1952—an increase of 650,953 tons or 17·50 per cent. Consumption in the first seven months of 1953 totalled 4,428,490 tons, against 3,813,443 during the same period in 1952—an increase of 615,047 tons or 16 per cent. Production and consumption increased principally in central and southern Italy and in the Islands, where considerable stocks of clinker have also been built up. New cement plants at Catania (Sicily), Trieste and Bagnoli (Naples) will soon be in operation. Production in 1954 is expected to rise by one million tons and thus provide for estimated increased requirements—Rome, Dec. 2.

PAKISTAN

Paper—Pakistan's first paper mill, and the largest on the Indian subcontinent, went into production on October 16th at Karnafuli in East Bengal. It is estimated that production will meet 90 per cent of Pakistan's paper requirements. The mill has a capacity of 30,000 tons a year, cost approximately $20 million, and was over two years in building. Current production is at the rate of 40 tons per day, and production of 100 tons a day is anticipated by April 1954—Karachi, Nov. 27.

PORTUGAL

Electrical Equipment—Engineering circles in Portugal have been discussing the failure of United Kingdom electrical firms to obtain contracts under the Portuguese six-year development plan largely, it is stated, because of the higher standards established by the British Electrical Authority, particularly for switch-gear. The Portuguese engineering authorities considered the lower Continental standards satisfactory for Portugal and her overseas provinces. It is understood that United Kingdom firms are now redesigning their equipment to meet Portuguese specifications.

Recently it was announced that the French Societe de Constructions Electriques Savoisienne had been awarded the contract to supply to the Companhia Nacional de Electricidade two transformers which will double the capacity of the Oporto sub-station, with complementary equipment being supplied by the French General Electric Company—Lisbon, Dec. 3.

SOUTH AFRICA

Apricots—Cheaper canned fruit in South Africa is foreshadowed by the new prices for canning apricots negotiated between the South African Food Canners Council and the Apricot Growers Association. The new season's prices are: first grade, £27.10.0 per ton; second grade, £24.10.0 per ton, and third grade, £15.0.0 per ton. The Growers Association considers these prices equivalent to an orchard run average of £22.10.0 per ton f.o.b. factory, as compared with £32.10.0 for the 1952-53 season—Cape Town, Nov. 30.

SOUTHERN RHODESIA

Chrome—Southern Rhodesia is fast overhauling South Africa as a producer of chrome ore. At present South Africa is second to Turkey as a producer, followed by the Soviet Union and Southern Rhodesia. Chrome ore deposits in the Union are mainly chemical and refractory types. Those in Southern Rhodesia are the metallurgical type that today is in world demand for industrial and rearmament purposes.

In both the Union and Southern Rhodesia, exports are restricted by transport problems, particularly a shortage of freight cars. The Southern Rhodesian authorities expect rail shipments of chrome to show a big improvement in 1953—Johannesburg, Nov. 30.

SWEDEN

Wood Products—If shipments continue at the normal rate, Sweden's exports of wood products in 1953 may be larger than in any year since the war. Forecasts of exports for the whole year have become higher every month. In the middle of September it was calculated that there would be a total export in 1953 of 750 thousand standards; by the middle of October estimates were up to 800 thousand. Now it is expected that total exports will amount to 830 thousand standards. During the last four years, exports were 605 thousand, 712 thousand, 810 thousand, and 630 thousand standards—Stockholm, Dec. 3.

Plywood for Indian Tea-Chests

The native plywood industry can produce some of the material India needs for tea-chests but quality and prices (despite tariff protection) are not yet competitive, and the trade continues to import.

NEW DELHI—The Indian plywood industry is an important one because, as the world's greatest tea exporter, India uses quantities of this wood for tea-chests. Once it was almost entirely imported; now some of it comes from domestic sources.

During periods of normal exports, the tea industry uses an estimated 100 to 110 million square feet of plywood a year to make approximately five million tea chests. The demand for plywood for other commercial purposes is estimated at 10 million square feet a year. But plywood is replacing solid wood very slowly in India, largely because solid lumber is easy to get and cheap.

The Industry Today

The Indian plywood industry today consists of about 60 government-approved factories, compared with 29 in 1948, which together have an annual capacity of 160 million square feet of tea-chest plywood. There are also a large number of cottage plywood factories. The biggest production centre is in the State of West Bengal, but there are other large producers in Assam, Madras, Travancore-Cochin and Bombay. The peak production of tea-chest and commercial plywood was in 1951, when output reached 60·17 million square feet and 10·15 million square feet, respectively. Imports in the same year totalled approximately 45 million square feet of tea-chest plywood, practically all of which came from Finland, the traditional supplier. In 1952, tea-chest plywood imports dropped to less than half this amount.

Faces Problems

The Indian plywood industry is wrestling with many problems. Most of the factories are of an uneconomic size; the average installed capacity is only 2·6 million square feet a year. Some of them are not well located. The prices of timber and of other raw materials run high and, combined with production costs, make Indian plywood uncompetitive. Furthermore, the tea trade and shipping companies show a decided preference for imported tea-chests because they are of better quality.

It is vitally important to India's tea trade that exports should not suffer because of low-quality packing material. The quality of Indian tea-chests is steadily improving through the efforts of the industry itself and inspection by government agencies. However, the tea industry considers substantial imports of tea-chests essential until both the quality and price of the Indian chests become competitive.

In 1947, the plywood industry applied to the Government for protection. As a result, the Tariff Board proposed that imports of plywood

Two oxen haul a load of logs weighing several tons along an Indian road. Some of these logs will go to native plywood factories, which turn out about 160 million square feet of tea-chest plywood a year.

for tea-chests should be rigidly controlled for a period and that import licences should only be granted when the Indian industry could not meet the demand. Government policy has since followed this recommendation and an import quota based on domestic production is fixed every year.

Recently the Government of India announced that the existing duty of 31½ per cent ad valorem on imported plywoods will continue for a further four years from January 1, 1954. The import policy for the future, as in the past, will be based on output in the home industry, demand, and the availability of foreign exchange. No imports of tea-chest plywood were permitted from January-June 1953. For the current six months a quota of 5 per cent was established to meet the call for superior packing for high-grade teas.

The Indian plywood industry has been acutely affected by the recent slump in tea exports. A number of factories are practically closed and curtailment of production and laying-off of labour is general. However, the tea industry's prospects for the current season seem brighter and the plywood industry should benefit.

India's Five Year Plan contains a number of proposals for the progress and expansion of the plywood industry. These include increased production, establishment of new and economic factories by private enterprise, standardization and control of the quality of tea-chests, reduction of costs through increased mechanization, and research into the use of new types of timber. The overall objective is establishing the industry on a sound economic footing, with costs and quality comparing favourably with imported plywood. Then the protection extended by the Government will no longer be necessary.

—R. K. THOMSON
Acting Commercial Secretary for Canada

Philippine Industry Expands

Recent survey reveals trends in industrial production and the range of new industries.

MANILA—An economic survey of Philippine industries just completed by the Bureau of Census and Statistics reveals the peso value of their production. The survey included mining and the generation of electric power, which were estimated as having a combined output valued at $85 million. The value of industrial production during 1952, as reported by 1,881 selected industrial establishments, totalled $700 million, made up as follows:

	$ Million
1. Food, except beverages	179·9
2. Wood products, except furniture	72·9
3. Tobacco products	72·8
4. Beverages (soft drinks, beer, etc.)	66·9
5. Wearing apparel, etc.	27·8
6. Vegetable oils and fats	27·4
7. Textiles (piece goods, etc.)	18·5
8. Non-metallic minerals (cement, glass bottles, etc.)	16·9
9. Chemicals and chemical products	14·9
10. Paper and manufactures	6·7
11. Basic metal industries (foundries, etc.)	6·5
12. Others	118·7

Individual Output

Classified by individual industries, sugar heads the list with a total output valued at $129·4 million; lumber occupies second place with $64·6 million, and cigarettes come third, with $69·3 million.

Only 342 bakeries, constituting 13 per cent of the total, have reported their 1952 output, which has a total value of $14·6 million. In the survey, 126 factories making shirts, undershirts, pants, etc., have reported a total production valued at $17·7 million.

Among the new industries surveyed were ten tax-exempt knitted fabric manufacturers who reported a total output valued at $7·4 million; eight jute bag producers, with an output of $3·6 million; five plywood manufacturers, with a production of $3·3 million; five bottle and glass makers, $5·9 million; ten nail plants, $4·1 million; 12 cardboard box makers, $3·6 million; two paper and chipboard producers, $3·1 million.

The survey further revealed that 18 major soft drinks manufacturers have reported an output valued at $33·7 million, 43 per cent higher than the value of beer output and 58 per cent higher than that for alcohol, wines and liquors.

Coconut oil production in 1952 totalled 133·1 thousand metric tons, valued at $27·3 million, and the industries dependent on it for raw material had the following output: laundry soap, 49·7 thousand metric tons, valued at $8·6 million; toilet soap, 2·8 thousand metric tons, valued at $1·3 million; shortening, 24·5 thousand metric tons, valued at $9·1 million; edible oil, 14·4 thousand metric tons, valued at $4·2 million; and margarine, 2·3 thousand metric tons, valued at close to $1 million.

—FREDERICK PALMER
Consul General of Canada and Trade Commissioner

General Notes

AUSTRALIA

Favourable Dollar Trade—In September, Australia had its first favourable dollar balance since November 1952. The small balance, £171 thousand, resulted from a rise in export earnings because of increased exports of wool, and a decrease in imports from dollar countries. Of the £6,872,000 earned through exports to dollar countries, £4,593,000 came from the United States. Australia's deficit with the dollar countries for the three months ended September 30, 1953, was £1,107,000, compared with £13,855,000 for the same period in 1952—Sydney, Nov. 30.

BRAZIL

Paper Mill Uses Bagasse—The Fabrica de Papel a Celulose Piracicaba will soon begin production of paper, at the rate of ten tons a day, using sugar cane bagasse. It is reported that a new machine is being installed to increase the capacity to 50 tons a day. The plant is located at Piracicaba in the State of São Paulo—São Paulo, Nov 30.

CHILE

New Whaling Industry—It is reported from Valparaiso that a new whaling company is being formed, with a capital of Ch.$50 million. This company will be situated at the port of San Carlos at the mouth of the River Valdivia. New whaling vessels will be bought in Norway—Santiago, Dec. 1.

ITALY

Television—Television, so far in an experimental stage in Italy, will start on January 1, 1954, as a regular service. Through plants already completed, television programs will at first be relayed from Milan as far as Rome where a production centre has also been planned. Fifty per cent of the Italian population will be served by these first plants. The service will later be extended through further relaying plants to the south of Italy and Sicily—Rome, Dec. 2.

NORWAY

Advertising Campaign for Fur Products—The Norwegian Fur Farmers' Association recently spent 200 thousand kroner on an extensive advertising campaign abroad for Norwegian furs, and the results were good. Blue fox is again beginning to win favour with the large couturiers, particularly in the United States, Norway's largest customer, where blue fox is well on the way to regaining its earlier popularity. The Oslo Fur Auctions also intend to introduce a new method of sorting under which all first class blue foxes will be designated as "Nordlys". The designation will be registered and will imply a guarantee of quality. This will enable foreign buyers to order the required number of "Nordlys" fox skins without personally attending the fur auctions and they will be sure of receiving skins of the best quality—Oslo, Dec. 4.

PAKISTAN

Paperboard and Strawboard Mills—The Pakistan Industrial Development Corporation, a crown company, is constructing a paperboard mill and a strawboard mill in West Pakistan. The paperboard mill, costing the equivalent of about $2·7 million, is expected to be completed by the middle of 1954. It will use natural straws and grasses to produce high grades of board and paper, at the rate of 750 tons a year.

The strawboard mill is also expected to be completed by the middle of 1954, at a cost of about $1·8 million. It will produce strawboards from cereal straws at the rate of 750 tons a year.

The Development Corporation is also considering a plan for a newsprint factory in East Pakistan. Specimens of woods from the Sunderban forests are being examined in Sweden. If this wood is found satisfactory as a basic raw material, it is expected that a newsprint mill which will produce 30,000 tons of newsprint a year will be set up—Karachi, Nov. 26.

SOUTH AFRICA

Oil-from-Coal Project—Expansion of the basic capacity of the SASOL "oil from coal" plant, being developed as a government project, will delay production until mid-1955. With an output of 240 thousand metric tons a year and a capital cost of £30 million, the cost per ton of fuel produced is expected to be £140. Concurrently, a 600-thousand-ton modern refinery is about to begin operations in Durban. Using imported crude oils, it is being built at a cost of £6·5 million, or about £11 per ton of capacity—Cape Town, Nov. 27.

SWEDEN

Plastic Bandaging—A Swedish firm has recently introduced a plastic protective covering for wounds. Applied in fluid form, it dries quickly to form a flexible, transparent film, through which wounds can be observed without removing the bandage. It also protects against secondary infections and does not irritate the skin. So far, it has been used at one Swedish hospital and has proved particularly suitable for burns and open post-operative wounds—Stockholm, Nov. 28.

UNITED STATES

Fish Landings Lower—Landings of fishery products at Boston, Gloucester, New Bedford and on Cape Cod during 1952 amounted to 504,691,091 pounds, a decrease of 42,918,043 pounds, or 8 per cent, compared with 1951. Ocean perch landings amounted to 128,561,008 pounds and accounted for 25 per cent of the total. Receipts of this species during 1951 were 184,366,297 pounds—Boston, Dec. 9.

Israel's Fish Problem

Israel's young fishing industry provides only one-third of the fish consumed in the country; severely restricted imports come principally from soft currency sources.

ATHENS—Less fish is being eaten in Israel today; in fact, consumption has dropped from 45 to 32 lb. per capita a year—a total of 22,352 tons. Several factors have a bearing on this. Import restrictions are severe and as long as Israel's balance of payments problems remain acute, there is little likelihood of a more liberal policy. At present, Israel buys her fish from soft currency countries and excludes Canadian fishery products almost completely. Then there is the matter of price; imported fish sell at higher prices because of changes in exchange rates. Smaller local fish production because of poor deep-sea catches, food rationing, and a population swelled by continuing immigration are additional problems involving the fish supply.

The Local Industry

Israel's fishing industry had to be built up almost from scratch following the founding of the State in 1948. It has developed steadily but is still able to supply only one-third of the fish consumed. Fishing has been carried on in this part of the world for centuries by the Arabs, using primitive methods and equipment. Jewish settlers were new to it and needed training, given initially by qualified Italian instructors. The industry now includes lake and river, pond, coastal and deep-sea fishing, and uses a fleet of 350 vessels and barges. These include many modern vessels equipped with echo-sounders acquired from the United States under the grant-in-aid program, and strings of barges drawn by motor boats and connected by radio telephone to a central shore station of the Ministry of Agriculture. Some 1,360 fishermen are now established in the various settlements surrounding the lakes or along the coast.

Paralleling the expansion in the fishing industry, new harbours have been set up at various points, including Kinneret and Huleh, and a permanent base, especially adapted to harbouring fishing vessels, has been erected at Mikhmoret settlement. Other ports are being built in Western Galilee and Elath and the latter has a fishermen's settlement. The experimental fishing station has moved to more suitable and modern premises at Caesarea closer to the fishing area, and experiments are being made with Mediterranean and Lake Kinneret (Sea of Galilee) species. Fishing with explosives, practised for decades in this part of the world, has been prohibited. The port of Haifa is considered unsuitable as a fishing harbour because of its distance from the fishing grounds and lack of special accommodation. Tel-Aviv is also rated unfit because its waters are shallow and there is considerable congestion.

Despite the substantial expansion of the fleet in both vessels and manpower, the total catch in 1952 from all branches was down by 1,125 tons to 7,633 tons, compared with 1951.

Lake and River—Lake fishing is done mainly in the 171-square-kilometre Sea of Galilee and the yield in 1952 was 953 tons, compared with 687 tons in '51. Smaller but increased catches in Lake Huleh and the River Jordan brought the total to 1,130 tons.

Pond—This branch of fishing yielded 4,161 tons which approximated the 1951 catch. It is not likely that pond fishing will expand because it is uneconomic and prices for the imported feedingstuff required are high.

Coastal—The 2,009-ton catch by trawlers and surface fishing represented a 100 per cent increase over the 1951 season. Fishing further off-shore, up to 250 fathoms and with modern equipment, was largely responsible for this improvement.

Deep-Sea—The results of this branch of the industry were disappointing after the noteworthy achievements of 1951 with new equipment—two modern trawlers and a refrigerated transport. The catch dropped from 1,500 tons in 1951 to 300 tons in 1952. The failure of this undertaking, begun with such high hopes, has been attributed to various internal and external factors. For deep-sea fishing Israel uses motor fishing boats of 600 tons and the catch is made in international waters of the North Sea and the coastal waters of Iceland and French Morocco.

Imports of Fish

The bulk of the fish imported during 1952 was frozen cod fillet; Denmark was the main supplying country and Haifa the main port of entry. The table below shows a breakdown of imports by country, type, and quantity for the twelve months ending September 1952:

Source	Fish in Brine	Dried and Smoked	Frozen Fish	Canned Fish	Total by Country
Denmark	800	...	4,094	24	4,918
Norway	....	...	2,237	270	2,507
Netherlands	1,544	...	883	....	2,427
United Kingdom	770	...	842	45	1,657
South Africa	....	247	452	554	1,253
Iceland	....	...	876	....	876
Turkey	....	...	576	....	576
Others	23	14	90	380	507
Total	3,137	261	10,050	1,273	14,721

Though down by over 4,000 tons a year from recent levels, these fish imports followed closely the pattern of the previous year and almost all of them came from soft currency sources. Generous credit terms, complicated barter deals, and bilateral trade and clearing agreements were the media through which Israel obtained fish from these non-dollar sources.

With the conditions prevailing in Israel today, there is little opportunity for sales of Canadian fish and fish products. Because of Israel's precarious international balance of payments position, exports cover less than 25 per cent of the cost of imports and she must buy from non-dollar sources whenever possible. Small token shipments of canned salmon have been the only Canadian fish exports to Israel since 1950. Resumption of Canadian fish exports depends on an improvement in Israel's general economic and trade position.

—H. W. RICHARDSON
Commercial Secretary for Canada

Trade and Tariff Regulations

CEYLON

Import Controls Announced—By Import Control Notice No. 29/53, published in the *Gazette Extraordinary* of November 26, the Government of Ceylon has announced changes in its import control policy for the year which began July 1, 1953.

Ceylon's import program provides for seven Open General Licences, of which Nos. 2 and 3 apply to Canada and other dollar countries, and for five schedules of goods to be imported under individual licence, of which two apply to dollar countries.

Under Open General Licence No. 2, some 165 types of commodities could be imported from the dollar area without an individual import licence. According to the new Import Control Notice, the following additional commodities are now placed under Open General Licence No. 2: pig iron and iron and steel castings and forgings in the rough; iron and steel mill products, railway materials, tanks and drums; brass and copper manufactures; lead products; tin and manufactures of tin; zinc, unwrought and wrought and unspecified manufactures; white metal alloys, unwrought; other metals, unwrought and wrought; electric wire and cables; sulphur and sulphuric acid; printing paper; newsprint; rail vehicles and parts thereof.

Open General Licence No. 3 continues to admit imports of beef and mutton, frozen, tinned or preserved, from Canada, the United States and most other countries, but no longer extends to bacon, ham, and some other pig products, butter, cheese, and edible animal oils and fats.

The revised schedule of goods which may be imported under individual licence from any source includes: unspecified grain; skimmed milk; onions; seeds for foods; diamonds; seeds for extracting oil; sulphate of ammonia; tinplate; medicated soap; unspecified rubber manufactures.

The schedule of goods which may be imported under individual licence from dollar sources now includes the following: prepared cereal foods; fruits, fresh, dried or otherwise preserved; vegetables, preserved or tinned; unmanufactured tobacco; linseed oil; specified glass manufactures; unspecified manufactures of iron and steel; unspecified manufactures of brass and copper; razor blades and other cutlery; clocks and watches and parts; photographic instruments, appliances and apparatus; wireless goods and apparatus; domestic refrigerators; specified textile materials, manufactures and apparel; unspecified oils, fats and resins; motor cars; small arms and parts and accessories; imitation jewellery and haberdashery; musical instruments and parts; gramophones and phonographs and parts; stationery and liquid ink; unspecified manufactured goods.

The items listed above are among the more important to Canada. Further details are available from the International Trade Relations Branch, Department of Trade and Commerce.

PAKISTAN

New Import Policy Announced—The Canadian Commercial Secretary at Karachi advises that the new import policy of Pakistan for the first half of 1954 was announced on December 18. There appears to be little change from the previous licensing period.

The list of items which may be imported from the dollar area are as follows: books; magazines; drugs; medicines; antibiotics; carbon black; electro medical apparatus and parts; dry batteries; domestic refrigerator parts; typewriters; office machines and parts; textile machinery; humidification and air conditioning plants; marine diesel engines; automotive engines and parts; fuel injection equipment; electric generators and alternators and parts; printing machinery, type, and parts; machinery and millwork and parts; brake fluid; lubricating oil and greases; petrol; tires and tubes; synthetic rubber; fountain pens; aeroplanes and parts; completely knocked down trucks and buses; fourwheel drive trucks; automobile parts and accessories; gelatine capsules; power pumps; tractors and mechanical farm equipment and parts; earth-moving machinery.

SURINAM

Import Restrictions Revised—The authorities of Surinam have recently revised their short lists of prohibited imports and of goods subject to import quotas. They will, however, continue to grant import licences freely for goods not included in these two lists.

The following changes are of possible interest to Canadian exporters. Wheat flour has been made subject to a quota of 5,000 metric tons for one year ending July 31, 1954. This measure is said to result from Surinam's obligations under the International Wheat Agreement. Fresh and frozen meat and matches, which had been included in the prohibited list, are now admitted under a quota. Honey, bran and fresh fruits have been removed from the prohibited list and may now be imported freely.

Imports of macaroni, lumber and wares of precious metals continue to be prohibited. Moreover, clothing, certain footwear and fireworks remain under quota—Port-of-Spain, December 11.

Information concerning individual goods on the prohibited and quota lists may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

A report on the import system of Surinam was published in "Foreign Trade" of January 17, 1953, page 17—Editor.

UNITED STATES

Request for Tariff Action on Mustard Seed Rejected—The U.S. Tariff Commission announced today that it had found no basis for "escape clause" action on the application by the domestic growers of mustard seed for relief under section 7 of the Trade Agreements Extension Act of 1951. Therefore, no recommendation was made to the White House for withdrawal or modification of concessions granted under the General Agreement on Tariffs and Trade—Washington, Dec. 16.

Investigation into Imports of Rye—The following notice has been issued by the U.S. Tariff Commission:

"*Investigation instituted*—By direction of the President, dated December 9, 1953, the United States Tariff Commission, on the 11th day of December 1953, instituted, and hereby gives notice of, an investigation under section 22 of the Agricultural Adjustment Act, as amended, and Executive Order No. 7233 of November 23, 1935, for the purpose of determining whether RYE, RYE FLOUR, AND RYE MEAL are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for rye undertaken by the United States Department of Agriculture pursuant to sections 301 and 401 of the Agricultural Adjustment Act of 1949, as amended, or to reduce substantially the amount of products processed in the United States from domestic rye."

The notice states further that a hearing will be held in the Tariff Commission Building, Washington, on January 12th, 1954, and that interested parties desiring to appear should notify the Secretary of the Commission in writing at its offices in Washington.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, 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 1·02926.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 16*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1295	
		Basic buying	·1943	
		Preferential selling	·1943	(1)
		Basic selling	·1295	
		Free	·06994	
Austria	Schilling		·03737	
Australia	Pound		2·1855	
Belgium Luxembourg & Belgian Dependencies	Franc		·01949	
Bolivia	Boliviano	Official	·00511	
British West Indies	Dollar		·5691	(3)
	Pound		2·7319	(4)
	Dollar	Brit. Honduras	·6829	
Brazil	Cruzeiro	Official selling	·05162	tax 8%
		Effective buying	·03426	(2)
		Coffee buying	·04159	(5)
Burma	Kyat		·2040	
Ceylon	Rupee		·2049	
Chile	Peso	Official	·00883	
Colombia	Peso	Basic	·3886	
Costa Rica	Colon	Official	·1730	(6)
		Controlled free	·1463	*
Cuba	Peso		·9716	tax 2%
Czechoslovakia	Koruna		·1349	
Denmark	Krone		·1407	
Dominican Republic	Peso		·9716	
Ecuador	Sucre	Official	·06477	(7)
		Free	·05590	
Egypt	Pound		2·7899	
Fiji	Pound		2·4611	
Finland	Markka		·00422	
France	Franc		·00278	
French Africa	Franc		·00555	
French Pacific	Franc		·01527	
Germany	D Mark		·2313	
Greece	Drachma		·000032	
Guatemala	Quetzal		·9716	
Haiti	Gourde		·1943	
Honduras	Lempira		·4858	
Hong Kong	Dollar	Free	·1643	*Dec. 4
Iceland	Krona	Official	·05966	
		Special buying	·04593	
		Special selling	·03701	
India	Rupee		·2049	
Indonesia	Rupiah	Basic	·08522	(8)
		Dollar certificate	·00183	*

*** Latest available quotation date.**