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foreign trade

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cover Buildings of the Centro Bolivar in the heart of Caracas, pictured here before construction was completed, reflect Venezuelan acceptance of modern trends in architecture. This willingness to try out the new and different is apparent to any exporter who studies this region. But research into other Latin American markets might reveal different attitudes, calling for a different sales approach. To discover the importance of market research in an export program and learn how to organize it, see the article on page two.

—Photo by Hamilton Wright.

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Research into Foreign Markets

Many companies rely on market research to guide their export operations. Once carried out only by large organizations, today smaller companies are finding it a useful tool. This article, twenty-second in our series on the techniques of export trade, discusses the basic principles of market research and sets out logical steps in getting it under way.

K. M. S. MACONICK, *Aluminium Union Limited.*

"I have six faithful serving men
They taught me all I knew,
Their names are What and Where and When
And How and Why and Who."

THERE IS NO GREAT MYSTERY about market research, whether it is carried on at home or abroad. The introductory quotation from Kipling sums up its scope. Broadly speaking, it covers the various inquiries into the selling and distribution of a product or service in a particular market. In addition, it tries to discover where the best markets are and to define their boundaries. In other words, the object of market research is simply to aid a company to sell its products more effectively in the face of competition.

The chief difficulty about market research today is how to conduct it efficiently outside the confines of the manufacturer's domestic market. Plenty of books have been written about domestic marketing in North America; only a few cover research into overseas markets. Moreover, most of the pioneer work in this field has been carried out by large organizations selling basic raw materials or heavy engineering products and engaged in world-wide trade. Many of them also have fabricating plants or operating subsidiaries in many countries.

Few of these great organizations, whether Canadian, British or foreign, have made public the knowledge they have gained through experience and expensive research. Fortunately, this attitude is changing. Publications sponsored by large corporations are appearing in increasing numbers, giving examples of experience in open overseas markets and outlining methods of economic and market research. In addition, the great postwar increase in manufactured goods sold in international markets has brought a corresponding increase in the quality and quantity of available information on these markets.

Define Objectives First

This article is written primarily for the newcomer to the field of overseas market research, but it may also serve as a yardstick with which to measure existing operations. The Canadian businessman interested in export market problems presumably is familiar with current domestic marketing techniques, is aware of the need for them, and is in fact practising them within the limits of the size of his enterprise and the skill that he can afford to command. If he is not engaged in such activities or is not prepared to examine them, then any effort he may make overseas is almost certain to fail after the novelty of his initial entry into a market has worn off.

The first thing the manufacturer must do is to define his commercial objectives and keep a clear eye on

them as he pursues the search for information. He must ask himself what he wants to do in foreign markets. Is he looking upon them as a safety valve for excess production at home, or are they to become a vital part of his total operation? How much of his total production and effort does he want to devote outside Canada? Or, to put it another way, "How much does he *have* to sell abroad to stay in business at all, or to be able to expand?"

The relative effectiveness of overseas research will depend to some extent on the size of his domestic operation. If he already has a department engaged in examining market information, this department can help him to assess data, using criteria already established. However, the man in business in a smaller way and without such facilities should not be discouraged. A number of thoroughly reputable research or marketing specialists who undertake this type of work for a fee are available both in Canada and abroad. In fact some of the most successful exporters have been small companies which have done market research intelligently before starting to sell abroad.

Larger companies which already have set up facilities will probably need to re-examine their approach to market research and analysis when they enter the export field. This examination of methods and techniques should be a continuous process.

Collecting and Interpreting Data

The first step in market research is collecting information. The exporter must be prepared to devote a considerable part of his initial investment and some of the expected profits to setting up a suitable method of collecting facts and to building a sales organization able to act on them. His attitude at this stage should not be "How much will it cost?" but "How much will it earn?" Field trips by well-prepared and intelligent men are essential in any overseas marketing operation and should be the first step in establishing or extending overseas selling. The value of the right man on the spot cannot be over-emphasized.

The next essential is not to begin with any preconceived notions about a particular market or its needs. The exporter must sell what the customer wants and not what he thinks that customer ought to want. (Naturally, this does not mean that the consumer's needs cannot be altered or expanded by sales promotion, sampling and advertising.) Men employed in doing this research should be familiar with the prejudices, tastes and needs of the local population. Then the information which they collect can mean something when the company relates it to the sales effort and to the requirements of production and design.

The exporter of basic raw materials, the manufacturer of machinery and equipment, and the producer of consumer goods each face vastly different problems. But it is important for all three to examine the immediate and long-term economic conditions in the countries in which they expect to operate. They can turn to several sources for this information. In complex and highly developed countries like the United Kingdom, quantities of economic data and forecasts, many published by government departments, are easy to obtain. But a country with a relatively backward and under-developed economy probably will have inadequate and unreliable sources of economic and social information. In these cases, there will be little data to serve the exporter as a long-term guide. In fact, even short-term guesses may be wrong because of an uncertain political climate. Here the "old hand" —the man who knows the country well—is often invaluable. (He should not, however, be so old as to be fossilized!) The Canadian Trade Commissioner can also give valuable help.

Sources of Information

Broadly speaking, sources of economic information can be classified as follows:

1. International sources—Publications of the United Nations, International Labour Office, and other international agencies.

2. Government sources—Government publications, published by departments or by central publications organizations.

3. Trade sources—Trade associations in various countries that make available information and statistics on the production, consumption and use of products.

4. Private sources—In many countries special economic research services provide information and conduct research into markets. These services are particularly diverse in the consumer field. Many banks have international market information departments. Some of the more influential publications have excellent research and information sections—e.g., *The Economist, The Times* and the *Financial Times,* all of London; the *Time-Life-Fortune* organization and *The Wall Street Journal,* of New York.

5. Public sources—Trade press and business publications and the daily press.

6. Personal contacts—Consultations with knowledgeable and influential experts.

The examination and determination of long-term economic trends is as important as the relating of information to immediate market needs. In fact, without continuous economic forecasting, short-term research

How Market Research Works

TO ILLUSTRATE how market research is carried out, let's create a mythical firm, the Super Hot Company. This company makes electrically powered equipment, including household appliances (such as vacuum cleaners, mixing machines and floor polishers), plus a range of power tools, small industrial motors and pumps, suitable for light industry or for the do-it-yourself fan. The Super Hot Company has never actively sold its products outside of North America, though it has filled a considerable number of unsolicited foreign orders. At this point, it wishes to make a formal excursion into export markets. Outlined below is the method of market research which it followed:

1. PRELIMINARY MEETING—A meeting called by management considered the whole problem and decided to concentrate initially on the one or two markets most likely to yield immediate results and require only a limited risk in investment and servicing facilities. The search for these markets was left to the sales department.

2. ANALYZING SALES FIGURES—The figures of unsolicited sales to foreign countries were analyzed. It was revealed that 40 per cent of the orders came from certain parts of South America and that there had been a consistent flow of orders from the United Kingdom. (In most of the latter orders, however, the goods were re-exported through agents to Africa and South East Asia. This point is a good example of the fact that one must not jump to conclusions from a superficial analysis of figures.) Obviously, the company's products sold particularly well in tropical areas, probably because they were well made and could stand up to difficult climates. A breakdown by products showed that auxiliary motors and generators and vacuum cleaners were the most popular.

3. CHOOSING AN AREA—Data on sales revealed further that the bulk of the orders had gone to Venezuela and Brazil, with an even scattering among other South American countries. There was an apparent correlation between the general economic level of the country and the level of demand.

4. EXAMINING THE MARKET—An examination of South America as a potential market was decided upon. The assistant sales manager (B.Sc., electrical engineering, and M.B.A., Western) was made responsible for this and told to present a report and recommendations within three months. He consulted the sources of information detailed in the accompanying article and also sought help from the Department of Trade and Commerce in Ottawa on tariffs, import duties, and so on. He then charted the general economic pattern and the income levels in each country and reported on the probable commercial climate.

5. NARROWING THE CHOICE—After examining the report, the company decided to find out which of its products were likely to have an immediate sale in South America and in which countries. Eventually, Venezuela was selected as the best area in which to test the market, because of its good supply of dollars, freedom from import controls, and booming consumer market founded on an expanding capital investment program. (Brazil was not chosen because of the currency problem.) Choice of products involved studying the pattern of energy production and the distribution of electricity both in rural and urban areas, its sources and end uses. This survey was also directed to finding out what proportion of the electric power produced was used by industry and what proportion of the population had electricity in their homes and in what areas. This was considered essential to the establishment of a distribution and service organization, using either agents or direct representation.

6. ON-THE-SPOT INVESTIGATION—At this point, it was decided that a visit to Venezuela was necessary and that outside help was needed. The firm invited the representative of a well-known international advertising and marketing organization to accompany the assistant sales manager on a visit to Venezuela. This advertising company had an office in Venezuela and considerable information about the market there. For example, it provided information on the competition, both domestic and foreign; on methods of promotion, advertising and selling; on price and marketing policies, and on servicing facilities.

7. DECISIONS MADE—On the basis of this information and talks which the assistant sales manager had with the Canadian Commercial Secretary and his staff in Caracas and with many other persons in Caracas and other main Venezuelan cities, it was decided to concentrate first on selling small industrial motors and pumps, vacuum cleaners, and washing machines. The main market was not likely to be in consumer products because domestic labour in Venezuela was still relatively inexpensive and only a limited middle-income group was interested in buying labour-saving appliances. Demand for electric motors for a variety of purposes—such as sump pumps, drainage pumps, auxiliary generators, etc. —was expected to be brisk.

8. SELLING BEGINS—A sales office to market the company's products was set up in Caracas and it was decided to limit sales initially to the immediate area. From here on, it became a selling problem, but sales had to be directed by careful correlation of effort with continuing market research. Despite this research, some mistakes were made but these were more easily corrected because of the existence of a properly co-ordinated marketing set-up.

becomes much less effective. Naturally, all such data must be kept up-to-date.

Once he has some preliminary data, the next step is for the exporter to examine the competition. What is the competition and where does it come from? Can his product stand up against it? The answers to these questions must be sought in the field, using the services of agents and outside consultants, or by comprehensive research undertaken by the exporter's own organization. The latter method is expensive and is usually only justified when he expects a large volume of trade.

With the economic and competitive picture in his mind, the businessman should be able to assess the potential market for a particular product. This again requires the analysis of information and the use of "educated guessing". Actual sales figures when they begin to come in, and their interpretation and relationship to the other basic information, are the most reliable guide to the potential of the market.

The type of organization needed to sell in foreign markets, the best selling and promotion methods, and the service needs and financing problems can be decided on as experience is gained in overseas operations. But the two essentials for success are an open and flexible mind and the diligent and continuous application of information gathered to the problems of selling and distribution.

Organizing the Research

The following points outline in general terms the way in which the average exporter might organize his search for more information:

- He should employ as a marketing expert someone who is familiar with economics and statistics and with overseas sales problems and who uses common sense in interpreting them. He should not be afraid to pay this man a higher-than-average reward and give him the right assistance and equipment. The marketing man is a compass—on his advice will depend much of the success of the exporter's operations.

- He should give the marketing man a high place in the sales organization—ideally, he should report directly to the sales manager.

- He should be prepared to send experienced men on regular visits to his important markets "to smell around". The sales force overseas should be familiar with the market information men and the data they are seeking and should be taught the importance of providing continuous information for them.

- The marketing man should head a central research and statistical centre using standardized terms and definitions, understood and agreed upon throughout the organization.

- The information produced by this department should be closely related to sales performance and forecasting.

- The exporter must be prepared to invest time, money and thought in making detailed surveys of the needs of his individual markets, employing if necessary local agents and market consultants.

- The exporter should keep on hand up-to-date charts and tables which clearly indicate progress in export markets and the probable future course. He should encourage use of such aids throughout his organization. All such information should be readily available to management.

Logical Steps in Research

It may be helpful to review the logical and natural steps in market research whether it is conducted at home or abroad:

1. *Informal Investigation*

Getting a rough-and-ready feel of the problem from preliminary reading of printed sources and from conversation with experts familiar with it.

2. *Situation Analysis*

Examining the market in a more formal way. This involves basic problems about the product, company, industry, competition, marketing methods and consumer habits. This examination should help in determining how much information is needed.

3. *Planning the Investigation*

What specific inquiries should be made on what problems? How much should be spent on the investigation? What people should be approached? What methods should be used?

4. *Securing the Information*

This includes collection of data both from inquiries in the field as a result of the initial examination, and also by use of all available statistical sources, internal and external, and from the collection of information (sampling, questionnaires, etc.).

5. *Organizing and Classifying the Information*

This involves tabulating and collating facts and figures and preparing them for presentation to management.

6. *Analyzing and Interpreting the Information*

Covers the assessment of information gathered by the various methods, correlating and examining it, and recommending the action needed.

7. *Presentation of the Information*

The presentation of the information gathered to those who make decisions and the final discussion before

taking action is the climax of the research activity, and the resultant action is its sole justification.

The relative simplicity of market research when it is conducted in a sophisticated area, like the Eastern United States or Britain, stands out in great contrast to the complications of language, time, cost, distance, climate and local custom in more distant and less developed markets.

The absence of suitable assistance for doing local research, unfamiliarity with local problems, and the lack of facilities taken for granted in the modern industrial economy make research in some markets difficult. However, the combination of good research management at home and sensitive, efficient and flexible methods abroad can give reliable results.

Denmark's Industries Increase Their Exports

Industrial exports are gaining rapidly on agriculture and exports of manufactured goods to Canada rising—but country facing marketing difficulties. Government moves to promote exports.

I. V. MACDONALD,
Assistant Commercial Secretary, Stockholm.

DENMARK'S EXPORTS OF INDUSTRIAL PRODUCTS have increased rapidly in recent years and account for a growing proportion of the country's total exports. Despite this trend, many people continue to think of Denmark as almost entirely rural and wholly dependent on exports of bacon, butter, cheese and eggs for her livelihood. Yet the relatively high standard of living which the Danes enjoy could not be achieved without the considerable returns from her industries.

This industrial growth is all the more remarkable for a tiny country lacking in raw materials and sources of power. Industrialization started in earnest after World War I and accelerated rapidly during World War II. Capital goods industries are well established and some have been operating for many years; newer industries producing consumer goods now surpass them in output.

Canada has become one of Denmark's most promising foreign markets for industrial goods in recent months. The value of Danish exports to Canada rose about one-third in 1955 over the 1954 figure and in the first four months of 1956 the value of deliveries more than doubled those in the same period of 1955—from DKr 5·6 million to DKr 12·3 million. Main products exported to Canada are cryolite, binder twine and cordage which rose sharply in 1956, cheese, furniture, machinery, electrical apparatus, chocolate, confectionery, and clothes pegs.

Canadian exporters have benefited from the success of Danish manufactures in world trade. As Danish industrial exports to Canada have risen, there has been a correspondingly larger volume of Canadian manufactured goods flowing into Denmark. Canadian imports of Danish goods have helped Denmark's progress towards liberalization of dollar imports. (See *Foreign Trade,* June 23, 1956, for a summary of the liberalization measures.) Raw materials sought by Danish manufacturers which are available in Canada

DANISH INDUSTRIAL EXPORTS TO CANADA

(thousands of Danish kroner)

	1949	*1950*	*1951*	*1952*	*1953*	*1954*	*1955*
Machinery, non-electrical	77	425	1,205	1,597	2,378	3,087	4,117
Electrical machinery, apparatus	557	44	195	508	414	933	1,008
Metal products	224	272	143	255	487	553	650
Others	610	1,095	1,234	1,481	3,551	5,123	7,956
Total	1,468	1,836	2,777	3,841	6,830	9,696	13,731

(Approx. Dkr 7·0=$1.00)

*Since this article was written, Mr. Macdonald has been transferred to Johannesburg, where he is Assistant Commercial Secretary.

include synthetic rubber, copper and other minerals, chemicals, and asbestos.

Industrial Exports Gain

In 1955 exports of industrial goods accounted for 38 per cent of total exports and agricultural commodities for 57 per cent. The remainder was made up of minerals, furs, and miscellaneous products.

Total Danish exports have been rising steadily through the period 1949 to 1955. There has been an increase in agricultural exports during these seven years from DKr 2,236 million to DKr 4,135 million—or 85 per cent. Industrial exports during the same period rose from DKr 1,100 million to DKr 2,731 million—an increase of 148 per cent. There is clearly a change taking place in the Danish export structure. From January to May 1956, industrial exports rose in value by DKr 170 million over January to May 1955 while agricultural exports declined by DKr 40 million. Main markets for Danish industrial goods are the United States, Sweden, the United Kingdom and Norway.

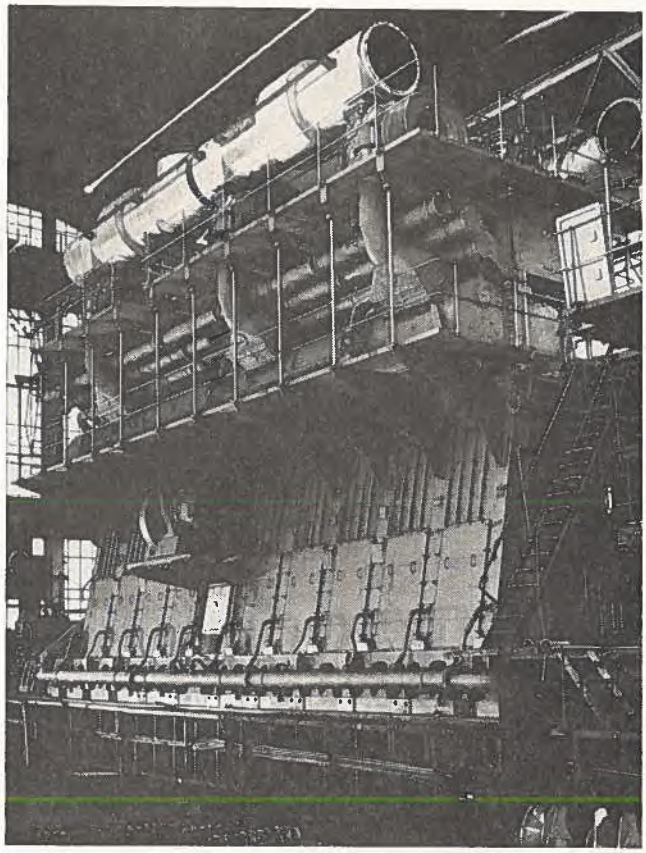
The trend to rising industrial exports has not been steady; in 1952 and again in 1953 they decreased. Such temporary marketing problems may indicate that there are some technical limits for Danish industry in world trade. Although their exports have continued to rise in the first half of 1956, Denmark's industries might lack competitive capacity in a scramble for new world markets.

Machinery and apparatus, valued at DKr 900 million in 1955, pace Denmark's burgeoning industrial export trade. Second in importance is canned meat (DKr 321 million) followed by iron and metal products (DKr 242 million) and chemicals (DKr 180 million). Export value of new ships jumped from DKr 60 million in 1954 to DKr 151 million last year. Other industrial exports include railway rolling stock, telephone equipment, cables, batteries, textiles, sugar, canned fish, animal and vegetable oils, grain products, and canned fruits and vegetables.

Government Promotes Exports

An export promotion act has enabled trade and industrial organizations to send abroad teams of young businessmen trained in export procedures. Trade delegations have visited a number of countries, including even remote places like Mainland China and Portuguese East Africa. These men have concluded trade agreements which have opened up new trade channels.

The Government has provided export credit insurance to reduce losses when foreign buyers fail to pay.



This impressive diesel engine, made by the well known Danish firm Burmeister and Wain, is destined for a foreign market; will help to boost the value of Danish industrial exports.

Exports to dollar countries have been stimulated by a scheme which provides for an export premium. This scheme, which allowed for imports payable in European currencies, resulted in a premium to the exporter amounting to 8 per cent of the dollar export value. However, Denmark has now reduced her subsidies on exports to dollar countries from 8 to 6 per cent as a result of a decision reached at a meeting of the Organization for European Economic Co-operation.

Future Holds Problems

Despite all this government encouragement, the future for industrial exports is not all rosy and some authorities doubt whether Denmark can hold recent export gains. Rising freight rates are reflected in higher prices for Danish goods at a time when competition in foreign markets is stiffening. In addition, the export industries must pay higher prices for many of their imported raw materials. However, the continuance of the strenuous efforts made by Government and industry to achieve export success may overcome these problems and help Denmark to maintain or expand the foreign markets which she has won. ●

Chile

Pulp and Paper Industry Expands

Projects currently under way may eventually make Chile a net exporter of newsprint. What effect will this have on Canadian newsprint sales? Can Canadian producers share in Chile's expanding domestic production?

L. D. BURKE,
Assistant Commercial Secretary, Santiago.

ALTHOUGH THE PAPER INDUSTRY IN CHILE meets domestic demand to a greater extent than in most Latin American countries, it is still largely undeveloped. Over the past five years, 57 per cent of Chile's newsprint needs, plus 85 per cent of the chemical and 10 per cent of the mechanical pulp used to produce her newsprint and other paper and paperboard products, have been supplied by imports. For example, in 1955 Chile required approximately 26,000 metric tons of newsprint.* Of this amount, 13,695 tons were imported, principally from Norway, Canada and Finland. So far in 1956, domestic consumption of newsprint has remained fairly constant and imports for the year will probably not increase much above the 1955 figure. Demand in 1957 is expected to total about 30,000 tons. Since last April, imports of newsprint no longer require an import licence.

The following table shows Chile's paper and board consumption in recent years:

AVERAGE CONSUMPTION OF PAPER AND BOARD DURING THE PERIOD 1949-1953

(metric tons)

	Apparent Consumption	*Production*
Newsprint	24,000	10,300
Paper for writing and printing	14,600	13,100
Wrapping and industrial paper	18,100	17,900
Board	4,200	3,800
Other unclassified papers	2,900	1,600
Total	63,800	46,700

* Metric tons are used throughout this report.

Chile's paper and paperboard industry consists of five paper mills (of which only one, situated in the city of Puente Alto, is of any importance), and 29 small paperboard mills with an average annual capacity of less than 1,000 tons. Most of these enterprises are located in or near Santiago, the largest consuming center.

Paper Industry Growing

The Puente Alto enterprise, largest in Chile, supplies 96 per cent of total domestic production of fine papers and 100 per cent of the newsprint. It is operated by a firm which has been engaged in the local paper industry for approximately fifty years. It is the only Latin American pulp and paper project that has so far received financial assistance from the International Bank for Reconstruction and Development. A loan of US$20 million was made directly to the company and guaranteed by the Chilean Development Corporation (Corporacion de Fomento de la Produccion) for the construction of a newsprint mill and a kraft pulp plant.

The newsprint mill, which is nearing completion, is located in southern Chile on the Bio-Bio River, opposite the city of Concepcion. It has an initial estimated annual capacity of 55,000 tons, with a planned eventual production of 70,000 tons. It is generally predicted that this mill will be in production early this year. The most modern machinery available (purchased mainly from Germany, Sweden and Britain) has already been installed. It is difficult to judge, during the initial period of production, exactly what percentage of the total capacity will be achieved. The degree of success will determine in large measure the tonnage of newsprint which Chile will have available for export during the coming year.

The new kraft pulp mill, situated on the Bio-Bio River and also under construction, should be in operation in early 1958 and will have a rated capacity of 70,000 tons. This plant is to supply the pulp requirements of the new Bio-Bio newsprint mill (approximately 6,000 tons a year initially) and of the paper industry in general. Excess production will be used for export. The company expects to supply a substantial portion of its requirements from its own timber stands.

It has been possible to determine, with considerable accuracy, Chile's potential natural resources for the paper industry. Precise forest surveys have already been made in the areas of greatest interest, namely in the Valdivia region, located in the province of same name, and the Concepcion region, formed by a group of seven provinces in the south.

These surveys have revealed two major sources of raw materials for the domestic paper industry. One is the natural forests, which consist largely of hardwood stands—principally the "coigiie" tree. However, using this hardwood for pulping and papermaking presents difficulties because of the resin content and length of the fibres in these species.

The most important source of raw material is the "Insignis" pine, a species native to the southwestern United States, whose growth in Chile has exceeded that in its native ground. It has been grown since 1916 in plantations throughout a number of provinces, but mainly in the Concepcion area, and these plantations now cover approximately 550 thousand acres.

The Chilean Development Corporation estimates that existing plantations are capable of producing by 1956 an annual 4,132,000 cubic meters of timber. This would provide an ample supply for both pulp and sawmill purposes and, if fully used for newsprint production, could mean substantial exports.

Chile also has the other necessary requirements for the successful development of the pulp and paper industry. Salt for electrolysis is available in the north of Chile, as well as lime and sodium sulphate. In the south, especially in or around the seven provinces constituting the main pine-producing areas, there is an abundance of hydro-electric power potential. Coal is also found in this area and water is abundant.

Problems Await Solution

Certain problems will have to be overcome if enough production is to be achieved to satisfy the entire domestic demand for paper and pulp and to use surplus resources in the production of these commodities. Adequate investment, including some from abroad, will have to be made. At present, the road system near the plantations is limited and will require considerable improvement and expansion. Port facilities will also have to be improved and modernized if, as anticipated, more and more of the domestic production is to find its way to world markets.

Chile is in an excellent position to meet all its present and future requirements for pulp and paper production and even to become an exporter of these products. Whether this objective is achieved or not will depend on the contribution to national requirements made by facilities now under construction in this country.●

Chile Seeks Capital for Oil

CHILE IS BELIEVED to have extensive oil reserves and the Government plans to invite private capital, national and foreign, to participate in seeking out and exploiting oilfields. Exploration concessions, each approximately 50,000 hectares in area, will be granted and investors will have the right to obtain up to ten of these at one time. When development reaches the exploitation or extraction stage, the Government will limit concessions to 25,000 hectares, with leases extending from 50 to 60 years. Conditions governing the concessions are somewhat similar to those prevailing in other countries.

Other regulations contained in the Bill now before the Chilean Congress include the following:

- Exploration concessions will be limited to a maximum of four years but may be extended two years. Exploration work must begin within six months from the date on which the Government grants the rights.

- During the first four years, the concession holder must invest not less than four Chilean gold pesos a year for each hectare he has leased; if the time limit is extended, he must raise his investment to six Chilean gold pesos. The concessionaire must pay in advance an annual tax of Chilean gold $0.25 for each hectare he holds and also deposit a guarantee of one Chilean gold peso per hectare. In the case of a time extension, the tax becomes Chilean $0.50 gold.

- To obtain a lease the investor must agree to make a minimum number of borings during the first five years. If oil is discovered, the oil company must pay Chile a royalty of 12½ per cent of the value of the oil it extracts each month. A profit tax of 50 per cent also will be imposed, from which the investor can deduct the royalty he pays.

- A quota of 15 per cent of the gross value of total production is permitted for the depletion of the wells. The Government will allow machinery and equipment to enter Chile duty-free.

- The National Petroleum Company will retain its exclusive development rights in the zone between parallels 52 and 56 in the southern province of Magallanes. This company will be able to seek other concessions on similar terms to private capital.

—A. EDWARDS,
Office of the Commercial Secretary, Santiago.

Fairs and Exhibitions

In the Showroom—Rubber Products

A DISPLAY OF CANADIAN RUBBER PRODUCTS opened on January 10th in the Canadian Showroom, Rockefeller Center, New York, and will be on view to U.S. buyers until February 22nd. Among the products on exhibit are such recent developments as axe-proof boots for lumbermen, boots with magnesium safety toes for miners, and suits, gloves and boots of neoprene—the chemical rubber that is impervious to oil, grease, gasoline and almost all acids.

The three Canadian companies represented in the Showroom and the products they have contributed to the display are:

- *Gutta Percha & Rubber Limited,* Toronto—

Acetylene hose, air drill hose, air line hose, camelback, conveyor belting, F.H.P. belts, fire hose, force cups, friction tape, garden hose, gasoline and oil hose, G.P. automats, hockey pucks, hose couplings, industrial tubing, matting and flooring, pneumatic tool hose, radiator hose, rubber cement, rubber patches, sheet packing, stair treads, steam hose, tire repair materials, transmission belting, water hose, windshield wiper tubing.

- *The Miner Rubber Company, Limited,* Granby—

Aprons, boots, coats, gaiters, gauntlets, gloves, hats, jackets, leggings, overs, overshoes, pants, ponchos, rubbers, sleeves, suits, tennis shoes, waders.

- *Sterling Rubber Company, Limited,* Guelph—

A wide range of gloves for all purposes.

"From Seed to Harvest"

THE FIRST SCANDINAVIAN INTERNATIONAL EXHIBITION of machinery and equipment for agriculture, horticulture and livestock raising will be held in Stockholm from March 22-31. Swedish farmers annually spend an average of 80 Swedish kroner (one Swedish krona equals Can.$·02467) per cultivated acre on agricultural machines. To meet this large domestic demand, Sweden imports as well as manufactures farm machinery on a large scale.

"From Seed to Harvest" will be held in St. Erik's Hall and in the Second Hall. The machinery will be displayed in groups according to type, not in separate manufacturers' stands. By grouping all tractors in one place, all combines in another, and so on, the managers of the fair feel that they will save the visitor's time and make sure that the exhibitor's products are not overlooked. The exhibitor may rent office space along the sides of the halls; signs on all his products will give the location of his office space. The machinery will be classified into these main groups:

Tractors, engines, fuels and lubricants
Road and transport machinery
Implements for earthmoving, water control and fertilization
Machines and preparations for plant protection
Machines and equipment for tillage
Machines for grain crops and seeds
Haying and forage equipment
Machines for root crops
Machines for potato raising
Machines and premises (storage and greenhouses) for fruit and vegetable raising
Machine repair and maintenance, fire protection, safety devices, technical literature
Farm buildings and building materials
Machines for animal husbandry

For additional information about this fair, write to: From Seed to Harvest, Stockholm 26, Sweden, or to the Secretary, Royal Embassy of Sweden, 720 Manor Road, Rockcliffe Park, Ontario.

Canadian Shoes Praised in Chicago

"THAT'S SURE A LOT OF SHOE FOR THE MONEY", one buyer at the Chicago National Shoe Fair commented when he looked over the Canadian exhibit. Other buyers admitted they were surprised at the progress Canadian manufacturers had made since the war. Nearly all who saw the Canadian lines praised the quality of the materials and the workmanship—one visitor said there were no better shoes in the fair. Many of the compliments were for the men's shoes, but one line of high-style and quality women's shoes attracted particularly favourable attention.

The Canadian exhibit at the 1956 Chicago National Shoe Fair (October 28-November 1) was arranged by the Department of Trade and Commerce. Eight manufacturers of women's shoes, eight of men's shoes, and one maker of women's and children's shoes provided samples, price lists and advertising material to make up the display. Four rooms were reserved for it in the Conrad Hilton Hotel.

The Canadian entry in this major U.S. shoe fair successfully established the fact that our shoes can compete in quality with those made in the United States or Europe. But kind remarks and favourable opinions do not necessarily lead to immediate sales. Although the Canadian exhibitors took some orders at the fair, it will be some time before it is possible to assess the full results of their participation. Generally speaking, the buyers' attitude was non-committal. Although the late Easter this year means a longer selling season and the retail merchants expect their sales to be high, they do not appear to be in a hurry to order. Most buyers seem to adhere to the two important ordering months—June for the fall lines and December for the spring lines. This pattern contributed to the slowness of sales at the fair, but if all our exhibitors did not make immediate sales they did lay the foundation for future exports to the United States.

The Chicago National Shoe Fair meets the accepted standards of good management, location, coverage and importance. It is sponsored every year by the National Shoe Retailers Association and the National Shoe Manufacturers Association who welcome foreign exhibitors. Because of the growing number of exhibitors from the United Kingdom, Italy, Germany and Belgium, the management is considering an international section for the 25th anniversary fair in 1958. Canadian shoe manufacturers would be able to set up their own exhibits in the section, if it is established.

—R. F. RENWICK,
Consul and Trade Commissioner, Chicago.

Canadian Trade Fairs in 1957

Canadian Sporting Goods and Cycle Association Merchandising Show, February 10-14, Exhibition Park, Toronto. For information: P. J. Wardle, P.O. Box 262, Terminal A, Toronto.

Canadian Hardware, Housewares and Sporting Goods Exhibition, February 11-14, East Coliseum and Industry Building, Exhibition Park, Toronto. For information: E. Maddern, General Manager, Canadian Retail Hardware Association, 290 Merton Street, Toronto.

Toronto Gift Show, February 18-21, Automotive Building, Exhibition Park, Toronto. For information: Angus Baxter, Show Merchandising Limited, 9 Duke Street, Toronto.

Canadian Toy Fair, February 21-March 1, Sheraton-Mount Royal Hotel, Montreal. For information: W. J. Cannon, Secretary-Treasurer, Canadian Playthings Manufacturers Incorporated, 55 York Street, Toronto.

Canadian National Sportsmen's Show, March 15-23, Coliseum, Exhibition Park, Toronto. For information: L. M. Kelly, General Manager, Canadian National Sportsmen's Show, 85 King Street E., Toronto.

Canadian Restaurant Association Exhibition, April 1-4, Automotive Building, Exhibition Park, Toronto. For information: D. G. Adamson, Assistant Managing Director, Canadian Restaurant Association, 410 Bloor Street W., Toronto.

National Home Show, April 5-13, Coliseum, Exhibition Park, Toronto. For information: G. Smedmore, 745 Mount Pleasant Road, Toronto.

Industrial Tool and Production Show, May 6-10, Industry Building, Exhibition Park, Toronto. For information: E. M. Wilcox, Manager, Industrial Tool and Production Show of Canada, 19 Melinda Street, Toronto.

Montreal International Trade Fair Limited, May 20-26, Show Mart, Montreal. For information: Montreal International Trade Fair Limited, Show Mart, Suites 227-228, 1600 Berri Street, Montreal.

Salon Auto

THE LATEST, AND PROBABLY THE LONGEST, in passenger cars—plus trucks, buses, caravans, trailers, power units, roadbuilding and maintenance equipment, camping articles, tires, tools, motor boats, fuels, oils and greases—will delight the visitor's eye at Geneva's International Motor Show. Sixteen countries will present more than 600 exhibits in the Palais des Expositions from March 14-24. Full information about the show can be obtained from the Secretary of the International Motor Show, place du Lac 1, Geneva.

A view of part of the Canadian exhibit at the 4th Colombian International Trade Fair, held in Bogotá November 22 to December 8, 1956. Emphasis in this fair is on industrial machinery and equipment and on consumer durable goods.

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The Foreign Trade of the Soviet Union

What policies influence the scope and direction of Soviet Russia's foreign trade? How is this trade divided among the "People's Democracies" in Eastern Europe, Communist China, the free world, and the under-developed countries? This study, to be published in two parts, undertakes to answer these questions.

M. KRUPKA, *Department of Trade and Commerce.*

ANY STUDY OF SOVIET RUSSIA'S FOREIGN TRADE is beset with difficulties under present conditions. First, the statistical material available is far from complete or reliable because both the U.S.S.R. and the "People's Democracies" until recently were reluctant to release any significant trade figures. Second, the Soviet economy is so closely connected with the production and trade of the "People's Democracies" that it appears as part of an integrated economic bloc. But for our purposes we have to divorce the trade of Russia herself from that of the Eastern European countries. This proves difficult because figures on mutual trade relations are kept secret.

Finally, because foreign trade in Soviet Russia is a government monopoly, certain principles which apply in capitalist economies and might help in assessing trends in Soviet trade are not relevant. In shaping trade policy, the Soviet Government presumably takes into account political as well as economic factors. Thus the Soviet regime does not necessarily buy in the cheapest market nor sell in the dearest, as an independent businessman in a capitalist country would.

In addition, its monopoly of foreign trade permits the Soviet Government to isolate its domestic prices from those prevailing in world markets. The prices at which the Soviet Union buys and sells goods abroad need not, and frequently do not, have any close relationship to the prices of the same commodities within the country itself. Moreover, unlike tariffs in a free enterprise society, Soviet customs duties do not play a significant role in determining the nature and volume of foreign trade. The monopoly system is a much more effective barrier against imports of cheap foreign goods that might compete with domestic industry than any simple tariff or quota.

Soviet Statistics Released

Last July, for the first time since 1938, the Soviet Government released a collection of data on the Soviet Union in the official publication *National Economy of the U.S.S.R.* The following figures on trade are of interest for this study:

COMPOSITION OF SOVIET EXPORTS

	1938	*1950*	*1955*
	(per cent of total)		
Machines, equipment	5·0	16·3	22·1
Coal	1·0	0·3	1·3
Oil, oil products	7·8	1·5	6·4
Metals	1·6	12·6	15·2
Timber	14·1	2·0	3·2
Cotton	1·9	11·7	11·3
Flax fibre	1·7	·5	·1
Furs	9·4	3·3	1·5
Grain	21·3	18·5	10·3
Meat, dairy products	·3	4·6	·3
Sugar	2·5	1·0	·8
Textiles	4·8	2·7	1·6

COMPOSITION OF SOVIET IMPORTS

	1938	*1950*	*1955*
	(per cent of total)		
Machines, equipment	34·5	27·1	33·0
Coal	.....	2·3	3·1
Oil, oil products	1·2	5·5	2·8
Ores, concentrates	2·6	1·7	4·2
Metals	25·9	9·3	5·3
Natural rubber	3·5	3·8	·8
Cotton	1·8	·2	·6
Other textile raw materials	7·9	5·5	5·4
Meat, dairy products	·3	1·9	4·2
Sugar	.....	3·8	2·9
Fruit, vegetables	1·9	1·0	1·5
Textiles	·4	4·7	3·2

Another Soviet source of information on the economy and probable trade policy is the *Directives of the*

Twentieth Congress of the Communist Party of the Soviet Union (C.P.S.U.) for the Sixth Five-Year Plan of Economic Development of the U.S.S.R. (1956-60).

Guides to Trade Policy

The following statements in the Directives are worth quoting:

"The Communist Party believes it absolutely essential to continue priority development of the heavy industries, chiefly ferrous and non-ferrous metallurgy, coal and oil, power, engineering, chemicals and building materials" . . . "The principal aims of the Sixth Five-Year Plan of Economic Development of the U.S.S.R. are to assure—by means of priority development of heavy industry, continuous technical progress and higher labour productivity—a powerful expansion of all branches of the national economy and a steep rise in agricultural production" . . . "Production of means of production to be increased in the five-year period by approximately 70 per cent. Production of consumer goods to be increased in the same period by approximately 60 per cent . . ."

The Directives contain also targets of production in the most important lines to be reached by 1960.

In a recent article on Soviet Russia's foreign trade since the Second World War, V. Azov, a Soviet economist, declared:

"Soviet foreign trade has shown a considerable increase since the Second World War, as compared with the prewar period. It increased (in comparable prices) from 2,100 million roubles in 1938 to 25,000 million roubles in 1955. At present, the physical volume of foreign trade is approximately 4·8-fold of the prewar volume. These tempos of growth are rather high and considerably exceed the general rate of the development of international trade, the physical volume of which in 1955, according to the United Nations' estimates, exceeded the prewar level by approximately 64 per cent.

"As a result of the rapid growth of Soviet foreign trade the place occupied by the Soviet Union in international trade has been altered also. Whereas in 1938 the Soviet Union occupied 16th place in the world for the size of its foreign trade turnover, at present it has advanced to the sixth place. Some 80 per cent of Soviet foreign trade falls to the share of the People's Democracies. In ten postwar years, trade with these countries has increased from 3,000 million roubles in 1946 to 19,600 million roubles in 1955—that is, more than 6·5-fold. U.S.S.R. trade with the People's Republic of China amounted to some 5,000 million roubles a year in recent years which equals (in comparable prices) all Soviet foreign trade in the prewar year of 1938."

The *Economic Bulletin for Europe* prepared by the Research and Planning Division of the Economic Commission for Europe put the trade turnover of the Soviet Union in 1955 at $6,300 million, of which more than 50 per cent ($3,160 million) represented trade with the "People's Democracies" in Europe. Next in rank came the Asian members of the Far Eastern trading region with a total of $1,700 million. Soviet trade with Western Europe at $940 million lagged behind and trade with overseas countries amounted to only about $500 million.

Soviet Trade with Eastern Europe

These figures show quite clearly that in 1955 the "People's Democracies" in Eastern Europe were by far the most important trade partners of Soviet Russia. Indeed a year earlier, in 1954, 79 per cent of all Soviet trade was with centrally-planned economies and only 21 per cent with the rest of the world.

Soviet Russia has come a long way toward establishing and developing a separate, virtually self-contained trading area, a kind of "parallel" market quite distinct from, and in competition with, that of the free world. This so-called Eastern bloc, including the European "People's Democracies", under the leadership of Soviet Russia set up in 1949 the Council of Mutual Economic Assistance (Comecon) "to promote the exchange of economic experience, technical assistance and mutual aid in providing raw materials, foodstuffs, machinery and equipment." (At the May 1956 session of the Council in Berlin, Yugoslavia and Communist China were represented by observers.) Moreover, by broadening their mutual trade relations, closely associated with the integration of their long-term plans, the Communist countries hope to raise the productivity of the area as a whole.

A statement made in November 1955 by the East German Minister for Machine Construction, Mr. Rau, illustrated the situation: "The productive capacity of the 'democratic' market is so vast that it allows for quick switches. Should it become necessary for us to curtail deliveries to the U.S.S.R. in favour of other customers, Czechoslovakia or even the U.S.S.R. itself could fill the gap." And in a similar mood a Czechoslovak government spokesman assured an Egyptian trade delegation that Egypt need not fear in future any decision of Lancashire concerning Egyptian cotton, because Czechoslovakia, the Soviet Union and some other member of the bloc would take it.

The magnitude and diversity of Russian production enabled the Soviet to supply the "People's Democracies" with goods which for political or economic reasons were difficult to obtain elsewhere. She appeared as a supplier of capital equipment for the Eastern European and Communist Chinese industrialization

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programs. But at the same time she also became the largest importer of capital equipment within the bloc, absorbing nearly half the capital equipment which its other members exported. However, the bulk of Soviet exports to the Eastern European countries included raw materials for their industries, fuels, and food (grain). Thus Soviet iron ore met more than half the total ore requirements of the Eastern European steel industries. And similarly materials for consumer goods—such as cotton, rubber and others—were supplied by Soviet Russia. Figures on this trade are not available.

As for exports from Eastern Europe to Soviet Russia, they were composed chiefly of capital equipment and consumer goods supplied by East Germany and Czechoslovakia, and of metals, ores, fuels and foodstuffs from Hungary, Poland and Rumania.

Another important factor in the development of production and trade within this group was long-term credits granted by the Soviet Union. According to an article published on February 15, 1956, in *Pravda,* these credits totalled 21 billion roubles, presumably including the sums allocated for Communist China ($5·25 billion at the official rate). For Soviet trade with Eastern European countries, with Communist China and Finland, a new rouble valuation was introduced in March 1950, replacing the former quotations in American dollars and setting the new par value at four roubles to one American dollar.

Soviet Trade with Communist China

Next to Eastern Europe, Communist China is the Soviet's most important trade partner. The *World Economic Survey for 1955* prepared by the United Nations Department of Economic and Social Affairs estimated that in 1953 three-quarters of China's trade was carried on with the centrally planned economies and that the Soviet Union accounted for 56 per cent of it.

Communist China's share in the total trade of the Soviet Union rose to 18 per cent in the same year as a result of Soviet credits and as a consequence of the United Nations embargo. Indeed, she became the largest single trade partner of the Soviet Union. In 1953 the U.S.S.R. promised to give China economic and technical aid in the construction and renovation of 141 industrial enterprises. In 1954 a long-term loan of 520 million roubles was granted to China and assistance in the construction of 15 new industrial enterprises was agreed upon. In addition, the Soviet Union gave China the entire equipment for a state grain farm to be developed in North Manchuria. There is, however, no indication that China will accept free gifts from the Soviet Union nor that their economic relations will be conducted on any but a strictly businesslike basis. Chinese minerals and large quantities of meat, tea, soya beans, wood, oil, silk, tobacco and fruits went to Russia to pay for imported manufactures and pay off credits. Not all Russian shipments contained original Russian manufactures and raw materials; a great many represented Soviet purchases from abroad profitably re-exported to China.

The second part of this study, to be published in the next issue, will deal with the Soviet's trade with the free world and with the under-developed countries.

Tours of Territory

H. W. RICHARDSON, Trade Commissioner in Guatemala City, Guatemala, will begin on February 3rd a four-week tour of Panama, Costa Rica, Nicaragua and Honduras.

T. F. HARRIS, Trade Commissioner in Bombay, India, will visit Calcutta from February 12-20, Madras from February 26-March 2, and Bangalore from March 2-6.

C. J. VAN TIGHEM, Commercial Counsellor in Mexico City, Mexico, will visit Veracruz from March 17-23.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Richardson can be reached through his office in Guatemala City, Mr. Harris at Bombay, and Mr. Van Tighem at Mexico City.

Chicago World Trade Conference

Theme of the 20th Chicago World Trade Conference, to be held from February 28 to March 1, is "Our Era of Dynamic World Trade". The program will include a market analysis session, covering the four major marketing areas of Latin America, Europe, Africa and the Middle East, and the Far East; a special topics session featuring addresses on exports and foreign credits, imports, investments and licensing; and a World Trade Forum in which all delegates are invited to participate. Exporters interested in attending may obtain a registration card by writing to Robert L. Bean, Secretary, Chicago World Trade Conference, One North La Salle St., Chicago 2, Illinois. Fee for the conference is $30.00.

Commodity Notes

Australia

MEAT—In 1955-56 Australia produced 1,219,000 tons of meat—a new record. It was 1·1 per cent higher than in 1954-55 and 29·5 per cent higher than the average immediately before World War II. However, consumption of fresh and frozen meat in 1955-56 was down slightly—199·9 lb. a year per head of population, compared with 204·3 lb. in 1954-55. Immediate prewar average was 186·3 lb.—Sydney, Dec. 20.

Belgian Congo

DIAMONDS—In 1955 the Belgian Congo company "La Forminiere" produced 12,413,199 carats of industrial diamonds—75 per cent of world production—and 628,298 carats of gem diamonds, second only to South Africa. This company, founded in 1906, is by far the most important Congo producer and at present employs 290 Europeans and 17,860 native workers—Leopoldville, Jan. 3.

Brazil

ELECTRICAL MACHINERY—Brazilian and Belgian capital have joined to produce electrical equipment at a new plant recently opened in São Paulo. It will turn out transformers, switches and similar equipment previously imported from abroad. Plans have already been made to expand the plant to meet the growing Brazilian demand for electrical machinery and equipment of all kinds—São Paulo, Dec. 27.

Chile

IRON ORE—Chile's iron ore exports reached 1,140,813 tons during January-September 1956, compared with 790,755 tons for a similar period in 1955. Chile became the fourth most important supplier of iron ore to the United States in the first eight months of 1956, following Canada, Venezuela, and Peru—Santiago, Jan. 2.

STEEL—During 1955 the national steel plant in southern Chile produced 17,000 tons of tinplate compared with 18,000 tons in 1954 and 15,200 in 1953. This commodity has not been imported since the end of 1953 and only small quantities have been exported from Chile since that date. The plant is said to have a several months' backlog of orders—Santiago, Jan. 2.

Denmark

CRYOLITE—Four years ago the management of the Öresund Cryolite Company, Copenhagen, estimated that the Greenland cryolite deposits would be exhausted by 1964 if endeavours to find new deposits or to derive a high-quality product from the remaining inferior cryolite failed. Both alternatives are being considered. Success in either would be of great economic importance to Denmark because there is a substantial demand for Greenland cryolite throughout the world. In 1955, 18,230 tons, worth 28·7 million D.kr., were shipped to a number of countries and there is every reason to believe that this figure will be exceeded in 1956—on September 1st exports totalled 21·5 million kroner, compared with 15·7 million kroner during the same period of 1955. Canada took 5·7 million kroner worth of cryolite during the period, more than one-fourth of total exports. West Germany, Britain, Norway and Sweden also placed substantial orders—Copenhagen, Dec. 20.

Federation of Rhodesia and Nyasaland

TOBACCO—Salisbury tobacco auction sales ended in the first week of November with a record sale for the season of 171,628,494 lb. worth £23·5 million. Although the prices were lower than in 1955, the amount sold was about 45·5 million lb. greater and the value was £2·5 million above last year's. The season started out disastrously in May with prices that caused the auctions to be suspended for a time because of the growers' dissatisfaction. However, most growers now find that they have done reasonably well during the season. Although quality was down, they were able to make up for it in quantity and thus make a profit.

Tobacco growing, mainly in Southern Rhodesia, is the Federation's second industry. The annual crop

is worth approximately $75 million; the bulk of it is flue-cured Virginia and the United Kingdom is the principal market. In 1952, some African growers changed to Turkish tobacco, and by this past season 200 were growing it. In the coming season, it is believed, there may be 700 to 1,000 growers of the Turkish variety with a target of three million pounds. The principal market would be the United States where the Federation hopes to compete effectively with Greece and Turkey. The Government considers the diversification of tobacco growing a healthy development—Salisbury, Jan. 2.

Greece

KRAFT PAPER—New equipment worth $350 thousand is being purchased by the Athens Paper Mills to make kraft paper in sufficient quantities to meet local needs. Currently, Greek kraft paper production totals between 700 and 1,000 tons a year and consumption totals 5,500 tons. The largest single consumer is the cement industry which uses the paper for bagging. Funds to buy this new equipment have been made available through a loan by a Swiss firm. Although the greater production will involve additional wood pulp imports, it is expected to effect a substantial saving in foreign exchange—Athens, Dec. 25.

India

DOMESTIC APPLIANCES—A well-known brand of domestic appliances, washing machines, vacuum cleaners, floor polishers, etc., is to be manufactured in India as a result of an arrangement between a United Kingdom company and its Indian distributors. It is believed that there will be an increasing demand for such appliances in India as the electrification proposed under the Second Five Year Plan progresses —New Delhi, Dec. 28.

Italy

ELECTRONIC APPARATUS—A factory to make electronic apparatus—especially electronic valves for radar, television sets, X-ray instruments and automation devices—has been opened near Palermo in Sicily. The cost of the plant (over 1,500 million lire) has been met from funds made available by regional financial enterprises, and by private Sicilian, Northern Italian, and U.S. groups—Rome, Jan. 12.

AUTOMOBILES—Motor vehicle production during the first six months of 1956 was 168,217 units, compared with 121,646 units for the same period in 1955, an increase of 38·3 per cent. Production totals (1955 figures in brackets) included: automobiles 149,270 (101,870); light trucks 6,074 (6,214); heavy trucks 4,085 (2,941); medium-sized buses 426 (393); heavy buses 894 (776).

A record monthly figure of 30,000 units was set in June. Overall production for 1956 is estimated at 325 thousand units.

Exports at 46,422 units, of which 41,939 were autos, increased 26·4 per cent in the first half of 1956 compared with the same period in 1955—Rome, Jan. 12.

Norway

TIMBER—The production of timber for sale and for industrial use during the 1954-55 season totalled 8·2 million cubic metres, compared with 7·9 million cubic metres in 1953-54. The total gross value of the 1954-55 production is estimated at Norwegian kroner 627·9 million, 604·6 million of which represents softwood—Oslo, Dec. 26.

South Africa

TOYS—Value of South Africa's toy production has increased sixfold since 1949, from £250 thousand a year to £1·5 million. The Union's 50 toy factories employ 1,600 people and produce toys of all types in an ever-widening variety—Cape Town, Jan. 3.

Sweden

NEWSPRINT—The Swedish company Stora Kopparberg has recently put into operation at its Kvarnsveden mill a new newsprint machine with an annual capacity of 70,000 tons. This mill, which is one of the largest in Europe, has an annual production of 130 thousand tons, and the new machine will add some 50,000 tons—Stockholm, Jan. 11.

Turkey

CEREALS—In spite of increased acreage sown to cereals, Turkey will again have to import to meet her requirements. At one time, semi-official estimates put the 1956 crop at 12 million tons, of which seven million tons were wheat. It now appears that these figures will have to be revised downwards. Negotiations are going on for the purchase of 600 thousand tons of wheat from the United States, to be paid for in Turkish currency—Athens, Dec. 20.

West Germany

WHEAT—Because of the light wheat crop in France, Germany has agreed to take less wheat from that market. Instead of buying 500 thousand tons of wheat in 1957, as originally arranged, Germany will now buy only 300 thousand tons of wheat plus 200 thousand tons of barley—Bonn, Jan. 2.

The Swiss Also *Buy* Textiles

Switzerland sells abroad more than half the textiles it manufactures—yet offers market for quality-conscious Canadian exporters willing to meet European competition. Here is information on how to approach this market, plus essential background information on the Swiss industry.

N. W. BOYD, *Assistant Commercial Secretary, Berne.*

SWITZERLAND HAS WON an assured market for its textile products by deliberately specializing in goods with a high world demand. The result has been that the domestic market, although small, (population is five million), lacks certain types of goods which its rather prosperous consumers would like to buy. So it is that Switzerland offers a market opportunity for the enterprising Canadian exporter with quality textiles to sell.

The Swiss people enjoy a high standard of living, the country has a strong currency and does not restrict imports, and therefore competition in the imported textile trade is keen and buyers are selective. Any Canadian producer investigating this market should keep in mind that substantial sales of any one design are unlikely, because retailers wish to reserve patterns or styles for themselves in their particular city. This fact can be a disadvantage for Canadian textile exporters and favours the European mills, which offer a wide range of patterns and weaves.

Swiss tastes tend toward relatively fine textures and heavy weights in ready-to-wear clothing and the Swiss consumer prefers quality to quantity. Canadian dresses are already known in Switzerland and proper promotion can increase sales. Zurich is Switzerland's fashion centre and has gained an international reputation as well. Seasonal fashion collections are shown in Switzerland earlier than in Canada.

Promoting Textile Sales

The Association of Swiss Clothing Industry organizes four export fashion weeks each year in Zurich for the benefit of domestic clothing manufacturers. The Association shows its fall and winter collections early in June and in August and presents its spring and summer fashions in November and late February; the June and November shows are the most important. Swiss retailers also place orders during these export weeks and consequently foreign manufacturers offer their collections for sale in Switzerland at the same time. Direct selling in this manner is generally the most effective method.

Canadian textiles recently gained publicity from Canada's participation in the Comptoir Suisse in Lausanne, and textile exhibitors received interesting inquiries and sample orders. But to increase sales in Switzerland, Canadian exporters must meet the price competition, pay strict attention to quality, and actively promote their goods.

Swiss Trade in Textiles

Since 1928, Switzerland has held its position in the international textile trade; in 1955 its exports totalled SFr. 832 million (approx. $186 million), about half of the country's entire output. In 1955 Swiss imports of textiles and primary materials reached SFr. 714 million (approx. $160 million). In this year Canada bought $2·4 million worth of textiles from Switzerland, chiefly silk and synthetic fabrics and ribbons ($500 thousand), hat braids ($426 thousand), cotton handkerchiefs ($279 thousand), coloured cotton fabrics ($133 thousand), and lace trim for garments ($104 thousand). Canadian exports of textile manufactures to Switzerland totalled SFr. 645 thousand (approx. $144 thousand) in 1955; sales of ready-to-wear, particularly women's clothing, accounted for half the total.

Switzerland's textile trade for 1953, 1954 and 1955 is summarized in the tables on page 18, which also list main products imported and exported.

Exports of textiles accounted for 15 per cent of Switzerland's total sales abroad in 1955 but the share has been declining for several years with the growth in sales of chemicals, watches, and machinery. Textiles represented 12·4 per cent of Swiss exports to Canada in 1955.

The United States and other Western countries are Switzerland's most important markets. Sales increased slightly in 1955, largely because of better markets for

TEXTILE EXPORTS FROM SWITZERLAND

	1955	1954	1953
	(millions of Swiss francs)		
Cotton fabrics	171	172	170
Embroideries	119	113	97
Synthetic silk yarn and thread	101	79	73
Silk and synthetic silk fabrics	99	97	105
Ready-to-wear	59	55	50
Cotton yarns and thread	56	49	54
Hosiery and knitted goods	41	41	43
Wool fabrics	36	32	33
Wool yarn	28	26	17
Silk and synthetic silk ribbons	12	12	11
Schappe	9	9	11

TEXTILE IMPORTS INTO SWITZERLAND

	1955	1954	1953
	(millions of Swiss francs)		
Ready-to-wear	63	56	47
Wool fabrics for clothing	49	47	43
Hosiery and knitted goods	47	39	34
Silk and synthetic textile fabrics	45	36	31
Cotton fabrics	44	37	31
Carpets and rugs	33	31	30
Artificial silk and fibre yarns	24	19	17
Cotton yarns	9	17	4

synthetic yarns and threads, embroideries, and a few specialized goods. About 75 per cent of Switzerland's textile imports originate from OEEC countries; the United States supplies approximately 9 per cent, chiefly synthetic materials.

Notes on the Industry

By specializing, Swiss manufacturers have been able to meet foreign competition in the domestic and foreign market and have sustained production and employment. However, they have also had to cut prices in certain types of goods to keep up sales.

The Swiss textile industry consists of more than 3,000 factories, and this figure does not include the ready-to-wear section. Most of the plants are relatively small but altogether they employ over 113 thousand people —about 5 per cent of the country's total working force.

Textile manufacturers combine heavy capitalization with skilled labour to produce the silk fabrics and ribbons, fine cottons, embroideries, linens, and other specialty goods for which they are famous. The silk, woollen, linen, and cotton industries have thrived in Switzerland for centuries and the newer fibres are worked with the same skill.

But the fact remains that just because its textile industry is so highly specialized and geared to world demand, Switzerland continues to offer a small market for certain imported textiles. ●

Meerschaums from Kenya

TO MAKE MEERSCHAUM PIPES as commonplace and inexpensive as the briar is the aim of the Tanganyika Meerschaum Corporation of Nairobi, Kenya Colony. To attain this ambition it has successfully mastered mass-production techniques using this delicate, porous white rock, and claims a first in this field.

Up to now the meerschaum has been a collector's piece—an expensive, fragile instrument which the connoisseur took from his rack and smoked periodically so that after a time the bowl would take on a pleasing colour. Vienna is the traditional centre of the industry and the raw material used comes from deposits in Asia Minor. Skilled craftsmen shape and carve the pipes but the work is slow and costs proportionately high.

When, therefore, a group in Kenya discovered a large deposit of the rare meerschaum in Tanganyika some months ago, they decided to see if these pipes could be mass-produced. Because they were trail-blazers, they could turn to no recognized authority for advice and had to rely solely on their own ingenuity. Using untrained African labour they had to have great patience, but bit by bit lathes and processes were adapted to the job in hand. Today, after breaking some thousands of pipes during experiments, the objective has been achieved and 1,500 pipes a month are rolling off the production line in the Nairobi factory. Within two or three years the company hopes to raise this figure to 20,000 a month.

The trade name of the pipes is "Amboseli", after the region where the meerschaum originates. In uniformity of appearance and design they are said to be superior to hand-carved models and lose nothing in smoking quality from being mass-produced. Six popular shapes are offered and metal screw-in pieces where the stem joins are optional for added strength.

One of the great drawbacks of the meerschaum for the average smoker is its fragility. In the "Amboseli", however, this has been overcome by a secret precolouring process which also hardens. A pipe so treated may be dropped from a height of several feet without shattering.

The pipe is expected to retail in Canada for about $6, thus establishing it in the medium price range. Shipments are now being made to Europe and the company hopes to make suitable distribution arrangements in Canada and the U.S.

—W. J. MILLYARD,
Trade Commissioner, Salisbury.

India

Shipping and the Five Year Plan

Building of more merchant vessels and expansion of ports take important place in Second Five Year Plan. Government has assumed control of shipbuilding; is moving rapidly into sea transport.

WM. JONES, *Commercial Secretary, New Delhi.*

INDIA'S SHIPPING INDUSTRY is today feeling the winds of change. Eight years ago the Government announced that shipbuilding must come under public ownership and direction and the Scindia shipyard, set up in 1939, was taken over. Last May it was announced that shipbuilding was to become the sole responsibility of the State. Private enterprise may still participate in sea transport, but eventually it too will be government-directed.

Meantime Indian shipping has continued to expand. In 1954 India had about 42 cargo ships in service, totalling about 100 thousand tons. The first Five Year Plan, which began on April 1, 1951, included a fairly ambitious program for the development of shipping. When the Plan ended, the 42 vessels of 1951 had risen to 120, with 81 engaged in coastal and 39 in overseas trade. The Second Five Year Plan has set an objective of 112 ships for coastal services, 65 for overseas trade, and the nucleus of a tanker fleet. The table below sets out this objective in greater detail.

	March 31, 1951		*March 31, 1956*	
	Actual tonnage	*Planned for 31·3·56*	*Actual tonnage*	*Planned for 31·3·61*
Coastal and adjacent	217,202	322,202	237,060	412,200
Overseas	173,505	283,505	258,654	405,505
Tramp	.....	.....	.....	60,000
Tanker	.....	5,000	.....	23,000
Salvage tug	.....	.....	.....	1,000
Total	390,707	610,707	495,714	901,705

According to this program, by the end of the Second Five Year Plan, Indian ships will be carrying 12 to 15 per cent of the country's overseas trade. The Suez Canal crisis has raised doubts about the adequacy of this target. Plans to reach the target within the next two years are now being considered, and more rapid expansion may be attempted. However, most of the world's dockyards are booked far ahead and the Hindustan Shipyard can only build two ships a year. Its facilities, however, are to be expanded and it soon will be able to build four to six a year. Recently it was reported that India has placed orders for new tonnage with West Germany, Italy, Yugoslavia, Britain and other countries, to a total of $75·6 million —practically the whole amount set aside under the Five Year Plan.

Foreign Shipping Still Needed

For the next ten years at least, India will obviously have to relay on foreign ships to carry the bulk of her overseas trade, especially as an increase of at least 15 per cent in the volume of trade is expected as the pace of industrialization increases during the Second Five Year Plan. Furthermore, though only 2·9 million tons of crude oil were imported in 1955-56, at least 3·75 million tons a year will have to be imported when the country's three refineries have been completed. In addition, plans are to import large quantities of foodgrains, steel and cement. A conservative estimate places the annual increase in India's total imports by 1961 at about two million tons.

Government Policy on Shipping

Although private investment in shipping totals about Rs.660 million and ranks second only to that in textiles, the Government in encroaching on this field more and more. And despite government loans reaching Rs.237 million over the past five years, Indian shipping interests do not feel optimistic about the future.

Signs of government action in this sphere are already noticeable. For instance, the Eastern Shipping Corporation, in which the Government previously had a majority share, became fully state-owned and operated on August 15. This company owns six vessels totalling 42,293 tons and runs services to Australia, East Africa, Malaya and Japan. The Western Shipping Corporation, a new company established in April as a result of an agreement with the Soviet Union, is a fully government-owned and operated service with an authorized capital of Rs.100 million and an initial subscribed capital of Rs.35 million. Under this agreement, both India and the Soviet Union are to provide six ships each with

a total tonnage of about 55,000 tons to carry the increased trade between India and the Persian Gulf, Red Sea, Polish and Soviet ports. Another recent government directive is that ships operated by private firms may not run services on the routes covered by state-operated vessels.

Private shipping interests acquired India's first 5,000-ton tanker two months ago. It is now reported that the tanker trade will eventually be a state monopoly although at present the foreign-owned refineries are using their own tankers for movement of crude and refined oil products. Another recent decision is that sums of money which the Government may in future advance to private shipping companies will not be treated as loans but as equity capital.

Interested in Coastal Shipping

In 1947, more than 50 per cent of Indian coastal shipping was owned by non-Indian companies. One of the Government's first directives on shipping was that all coastal trade should be in Indian hands; this was achieved in 1955. However, the earnings of the coastal trade have been partially nullified by the steady increase in operating costs without a corresponding increase in freight rates, which are controlled. In October 1955, a 5 per cent increase in general cargo and coal freight rates was permitted, and in June this year came a further 5 per cent increase on general cargo.

Port Facilities to Be Expanded

India's Second Five Year Plan also provides for the expansion of port facilities. Since independence, the amount of tonnage handled at the five major ports—Calcutta, Bombay, Madras, Cochin and Vizagapatam—has gradually increased from 18·5 million tons in 1948-49 to 23·6 million tons in 1955-56. If the development schemes for these major ports are carried out, they will mean about six million tons of additional capacity. Calcutta, which already handles 50 per cent of India's entire seaborne trade, will be able to take another 1·5 million tons a year; Madras, which now handles three million tons, will also take a further 1·5 million tons; Cochin will expand by a further 1·25 million tons and Vizagapatam by 1·75 million. In addition, the new port of Kandla on the west coast is due to go into service with a capacity of 1·75 million tons. Expansion of Bombay port facilities is not feasible. If all these schemes and others at minor ports go through, Indian ports will be able to handle about 40 million tons of cargo a year by 1960-61 compared with the present 30 million.

In these various ways the Indian shipping trade, which grew remarkably during the Second World War, will continue to advance and share in the country's progress. ●

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from Australia

P. PHILLIPS, representing Dominion Builders Pty. Ltd., 55/57 Latrobe Street, Melbourne, Australia, wishes to get in touch with manufacturers and/or patent holders who will grant franchises for manufacturing rights in Australia and sales rights for Australia, New Zealand, East Asia and South Africa for home building and light engineering materials, electrical appliances, toys and novelties.

Mr. Phillips intends to visit Canada in March or April. Firms interested in his proposition should get in touch with the Australian Government Trade Commissioner, 1255 Phillips Square, Montreal.

▶ from the Belgian Congo

EDOUARD-HENRI FISCHER, Director of Beltexco, Leopoldville, Belgian Congo, an export-import firm handling industrial and technical products, will visit Canada between March 15 and 30. Mr. Fischer's itinerary is as follows: Toronto (Royal York Hotel), March 19-21; Ottawa (Chateau Laurier Hotel), March 22-23; Montreal (Laurentien Hotel), March 24-26.

▶ from the United Kingdom

ALLAN J. STUBBINGS, a director of Buckfast Potteries, Dart Mill, Buckfastleigh, Devon, will travel extensively in Canada and the United States during the next 12 months. His purpose is to make a thorough survey of the market in America for decorated souvenir pottery and to establish business connections with retailers of souvenirs and fancy goods at well-known tourist resorts. Buckfast potteries are decorators of good-quality earthenware and chinaware; they work to customer specifications with pictures, emblems, crests and other motifs.

Mr. Stubbings begins his tour in New York early in February. Anyone interested in meeting him should notify the United Kingdom Trade Commissioner in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Edmonton, or Vancouver.

Transportation Notes

Canada

SURCHARGE ON SHIPMENTS TO ST. KITTS—In view of increases in discharging costs being assessed at St. Kitts, the Canadian lines serving that port have announced that effective February 1, 1957, a surcharge of 5 per cent will be assessed on the gross freight on all shipments from eastern Canadian ports to that destination—Montreal, Jan. 6.

Chile

SERVICE TO NEW YORK—Compania Nacional de Transportes Aereos (CINTA) has been authorized by the Chilean Government, under Decree 1964 of the Ministry of Aviation, to extend its Santiago-Miami freight and passenger service to New York—Santiago, Jan. 2.

Cuba

HELICOPTER TERMINAL—A choice government-owned site in downtown Havana covering one block has been leased for 30 years as a terminal for a helicopter service which is expected to be a welcome addition to present Havana-resort tourist shuttle services. Rent for the site starts at $24,000 a year and goes up at the rate of $1,000 a year to $50,000. The concessionaires, Terminal de Helicopteros S.A., formed with an authorized capital of $5 million (of which $1 million has been paid up), will build a four-story building, housing business establishments on the ground floor and offices with car storage space on the three upper ones. The helicopter terminal and adjoining restaurant will be on the roof. For the present, the concessionaires will concentrate on the erection of the building; another company will undertake the installation and operation of the helicopter service—Havana, Jan. 11.

FREIGHTER ORDERED—A 3,200-ton freighter built in Norway at a cost of approximately $1·5 million will be purchased by a Cuban shipping company affiliated with a local fertilizer mixing factory. The Cuban Foreign Commerce Bank (a parastate agency whose main function is to ensure the sale of Cuban products in foreign markets) assisted in financing the purchase, which is expected to save some $30,000 a month now being paid to foreign carriers. The new ship will fly Cuban colours and will be manned by Cuban seamen. It will load Cuban sugar and minerals on outbound trips—Havana, Jan. 11.

Denmark

B & W ENGINES FOR WORLD'S LARGEST MOTOR VESSEL—The French shipyard, Ateliers & Chantiers de France, is building for Cie. Auxiliaire de Navigation a 47,350-ton motor tanker larger than any existing one, and with a capacity to 22,500 h.p. This tanker will be fitted with two nine-cylinder, two-stroke B&W turbo-charged diesel engines, each developing 11,250 h.p. at 113 r.p.m. with a cylinder diameter of 740 mm. and a piston stroke of 1,600 mm. The first time a turbo-charged two-stroke engine was installed in a ship was in 1952 when the Danish ship-owner A. P. Moller had a 17,000-ton tanker equipped with two such engines. Since then, the satisfactory results attained with these engines have steadily increased the demand for them—Copenhagen, Jan. 10.

TANKERS—Denmark's largest industrial exporter, Burmeister & Wain's shipyard, has received orders for five 34,000-ton tankers; four were ordered by Norwegian shipping firms and the fifth by a British shipowner. The ships will be supplied during the period 1960-62; they will be fitted with 12-cylinder turbo-diesel engines and will be able to make 16·6 knots—Copenhagen, Jan. 10.

Greece

PORT OF PIRAEUS—Two new docks have recently been opened to serve both coastal traffic and foreign trading vessels. The 710-metre-long new docks are one of many projects to make Piraeus one of the most up-to-date ports in the world. The plan includes 4,600 metres of dockfront, warehouses and customs and port authority buildings. Piraeus, Greece's

largest port, handles over 80 per cent of the country's seaborne imports. During 1955, 16,587 vessels sailed into the harbour (representing eight million tons net), 4·5 million tons of merchandise were handled, and 1·8 million passengers passed through the port. During the same year, merchandise stored in Piraeus' free zone bonded warehouses totalled 694 thousand tons—Athens, Jan. 8.

India

SHIPS STANDARDIZED—The government committee appointed to work out standards for ships built in India has recommended that, for overseas trade, the shipyard should build 9,500 and 11,000-ton ships with speeds of about 16 to 17 knots. For the coastal trade, the committee recommended 8,000 and 9,500-ton ships with speeds of about 12 knots, and 5,000 and 6,000-ton ships with speeds of about 13 knots. These recommendations have all been accepted by the Government. Details of design, specifications, machinery, etc., are being worked out by the shipyard authorities in consultation with the Director General of Shipping—New Delhi, Jan. 10.

Ireland

PORT OF LIMERICK—Extensive improvements to the harbour of Limerick on the west coast of Ireland have been completed at a cost of approximately £750 thousand. The new harbour entrance is 70 feet wide and 700 feet long, with two 40-foot jetties and a pair of dock gates operated by electric hydraulic mechanism. The channel in the lower river has been deepened and an extensive area beside the harbour made available for industrial development. The new arrangements will permit the handling of ships drawing 15 to 21 feet, depending on the tide. The port handles about 288 thousand long tons of imports and exports a year, serving the midwestern part of the Republic. Imports include grain, timber, oil, coal, fertilizers and machinery; export are agricultural produce, foodstuffs, cement and lead concentrates. Imports from Canada in 1955 comprised 18,383 tons of wheat, 5,172 standards of timber, and 101 tons of miscellaneous products, mostly newsprint—Dublin, Jan. 16.

Italy

NORTH-SOUTH MOTOR ROAD—Construction of the long-planned autostrada between Milan in the north and Naples in the south, by way of Bologna, Florence and Rome, has begun. This road, with a total length of 738 kilometres, will cost 184,600 million lire and will shorten the distance between the two cities by 112 kilometres. The highway will be the divided type with a total width of 24 metres and a paved border for car parking on each side. The Appennine mountains will be crossed only once, instead of at three points as at present. Maximum gradient will be 3·5 per cent. A number of bridges and 63 tunnels will be required—Rome, Jan. 9.

NEW INTERNATIONAL AIRPORT—The new international airport at Fiumicino, some distance from Rome, is expected to be finished in time for the Olympic Games to be held in Rome in 1960. The principal long runway has been completed and the second is well advanced, but perimeter runways, buildings and hangars, roads inside the airport and leading to it, and many other associated works still are unfinished. Eighteen billion lire has been allocated to build this airport, but it is estimated that another ten billion will be needed—Rome, Jan. 9.

Sweden

TANKERS—Thorden, a shipbuilding firm in Uddevalla, Sweden, has received an order from London Overseas Freighters Corp., England, for seven tankers —three 19,000-ton, three 34,000-ton and one 40,500 ton. The contract sum is approximately 180 million kronor; the first ship will be delivered during 1959 and the last during 1963—Stockholm, Jan. 14.

Trinidad

SURCHARGE ON INTER-ISLAND FREIGHT—Effective January 1, a surcharge of 10 per cent has been added to the ocean freight rates on cargo destined for Trinidad from any other British Colonial territory in the Caribbean. The extra charge results from poor working of the Port-of-Spain wharves and the Inter-Colonial Freight Tariff Committee has warned that if conditions do not improve the same surcharge will be applied to outgoing inter-colonial cargoes effective April 1, 1957.

The present ruling will only affect Canadian goods which might occasionally be transhipped, but it will increase the cost of many basic foods in Trinidad, particularly rice—Port-of-Spain, Jan. 8.

Turkey

SHIPPING—The Turkish Maritime Bank recently added to its fleet 19 passenger and cargo vessels with a total capacity of 103,173 gross tons and costing some $40 million. Among them was the 21,363-ton passenger liner *Batman* built in Japan. The TMB is a state-controlled corporation chartered for 99 years; 51 per cent of its stock is held by the State and the remainder by government-controlled banks and funds. Turkey's merchant fleet, exclusive of vessels of less than 50 tons capacity, now totals 149 vessels of 704,751 tons d.w. of which TMB owns 60, representing 273,984 tons capacity—Athens, Jan. 3.

Netherlands

Grain Imports Rise

Estimates of total imports for bread and feed grain are up over last crop year because of heavy crop losses suffered last summer, especially in wheat and oats. During first nine months of 1956, Dutch imports of farm products from Canada ran nearly 40 per cent higher than in 1955.

W. R. HICKMAN,
Assistant Commercial Secretary, The Hague.

INCREASED IMPORTS OF WHEAT AND FEED GRAIN into the Netherlands are predicted for the current crop year as a result of losses to field crops suffered in the 1956 growing season. It is estimated that wheat imports will reach 875 thousand tons, an increase of 80,000 tons over the 1955-56 crop year. Feed grain imports are also expected to rise substantially—from 1,935 thousand tons in 1955-56 to 2,225 thousand tons in the current crop year; the Netherlands will need about 700 thousand tons of corn, 800 thousand tons of barley, 350 thousand tons of oats, 100 thousand tons of rye, and 275 thousand tons of sorghums, millet and other grain. The relationship between United States and Canadian grain prices will largely govern Canada's ability to share in this business; the Netherlands is a price market for grains.

Harvest Smaller Last Year

Unfavourable growing conditions during 1956 led to lower yields per hectare for nearly all field crops. The total production of cereals fell by some 5 per cent because production gains from the increased acreages of rye and barley failed to compensate for heavy losses in wheat and oats. Legume crops were most seriously affected by the heavy rains and root crops, currants and strawberries also suffered appreciable damage. On the other hand, livestock and dairy production remained satisfactory throughout most of the year, tree fruits fared exceptionally well, and oilseeds and fibre crops were generally bigger than in 1955 mainly because of much larger acreages. Higher prices for farm products should compensate for losses in quantity; total value of agricultural production in 1956 should exceed slightly the 1955 figure.

Agricultural Trade with Canada

Agricultural products make up the bulk of trade between Canada and the Netherlands: in 1955, they accounted for 55 per cent of the value of Canadian goods imported into this country and 37 per cent of Dutch exports to Canada. Running almost 40 per cent higher in 1956, the value of imported farm products had reached 87 million guilders by the end of September, exceeding by 1·5 million the total figure for the previous year and accounting for 67 per cent of the value of all imports from Canada. On a smaller scale, Netherlands exports of agricultural products to Canada are also expanding. Their value at the end of September 1956 was 19·7 million guilders, up 8 per cent from the year before, but falling short of the

In the Netherlands, and particularly in the dairying districts, canals like these take the place of fences, dividing the different fields. These Freisian black and white cattle are being raised on a dairying farm in the north of Holland.

26 per cent increase in value of overall exports to Canada.

Grains, valued at 50·4 million guilders in 1955 and 66·7 million in the first nine months of 1956, head the list of farm products imported from Canada and account almost entirely for the current increase in Dutch agricultural purchases. Wheat is by far the largest component of the total cereals imported; the quantities of rye, barley and oats are relatively small. Purchases of Canadian flaxseed are also quite important and showed signs of increasing in 1956. Other products imported in appreciable quantities include animal and vegetable oils and fats, hides and skins, and raw tobacco. The major Netherlands agricultural exports to Canada are horticultural products, cocoa preparations, processed fruit and vegetables, and dairy products—in that order.

There are no quantitative import controls on grain purchases although wheat flour is subject to a maximum quota of 80,000 metric tons. A special levy is placed on imported wheat and wheat flour to compensate small mills for the difference between the price of imported and home-grown grain. No duty is levied on imported grain, but there is a 3 per cent ad valorem duty on flour after 60,000 tons are imported. The Netherlands is a member of the Benelux Economic Union which has liberalized controls on 69 per cent of imported foods and feedingstuffs. Processed food and animal products, however, are still under quantitative controls.

Agriculture Still Vital

Agriculture in the Netherlands, which has been vital to the Dutch economy for centuries, has become highly developed because the country has the greatest population density in Europe, is close to other industrial markets, and has developed an extensive transportation system. About 75 per cent of the nation's land resources and 20 per cent of the working population are engaged in farming. Although farm products are diminishing in importance relative to other commodities, they still play an important role in the country's foreign trade, accounting in 1955 for 24 per cent of total imports and for 36 per cent of all exports. But industrial output is expanding twice as rapidly as agriculture, and the farmer's share of the national income has declined from 14 per cent to 11 per cent from 1949 to 1955.

The Netherlands is about 60 per cent self-sufficient in agricultural production as a whole but produces an exportable surplus of meat, vegetable and plant products. It relies on other countries for one-half or more of the feed and bread grains, oils, fats and agricultural raw materials which it needs. Processing of domestic and imported raw materials makes an important contribution to Netherlands export trade as well as supplying the home market.

Imported farm products, valued at 2,932 million guilders in 1955, mainly consisted of cereals and feed, coffee, tea, cocoa beans, spice, oilseeds and nuts, animal and vegetable oils and fats, cotton and wool fibres, fruits, vegetables, tobacco and sugar. On the other hand, agricultural exports in 1955 totalled 3,679 million guilders in value, with dairy products, fresh and preserved fruits and vegetables, meat and meat products, horticultural and floricultural products, spices and cocoa preparations accounting for the largest share. Most of the Dutch export trade is carried on with other European countries, particularly Belgium and Luxembourg, West Germany, France and the United Kingdom. Leading overseas markets are South America and the United States.

The United States is the main supplier of wheat, barley, corn and cotton. These four commodities made up roughly half of the agricultural imports from the United States in 1955, (total value 891 million guilders). Rye, oats, other cereals and wheat flour accounted for only 1 million guilders of the total.

Dollars from Spanish Cork

Spain's exports of cork and cork products are an important source of dollars. During the six years from 1948 to 1954, total exports of cork and its manufactures averaged between 88 million and 110 million pounds a year and were valued at from $10 million to $15 million. During 1955 exports rose to 121 million pounds valued at $18·5 million, and in the first six months of 1956 Spain shipped 59·5 million pounds of cork worth $8·3 million.

Spain and Portugal together produce about 75 per cent of the world's cork; cork oak forests in Spain cover an area of about 1·3 million acres and in Portugal about 1·8 million acres.

The cork tree proves to be a versatile asset. The three layers of bark—each with its particular use—provide raw materials for cork granulates and agglomerates, corks for bottles, cork sheeting for the shoe industry, and insulation and construction materials. Timber from the cork tree is used in shipbuilding; the branches are used as fuel and farmers feed the acorns to their hogs.

Spain consumes about 15 to 20 per cent of the cork it produces and exports the remainder. The main markets are the United States (33 to 44 million pounds), the United Kingdom (11 to 20 million pounds), and Canada (11 million pounds). Germany and Brazil each take approximately 6·5 million pounds a year.

Markets for Plastic Raw Materials

MEXICO—*United States firms supply 85 per cent of the plastic raw materials going to this market; Canada's share is less than 3½ per cent. To increase sales, Canadian firms must outbid their competitors. Market in Mexico for primary plastics is a large one and expanding, and there are no exchange restrictions or tariff preferences.*

THE MEXICAN MARKET for plastic raw materials is currently estimated at $6 million a year. United States companies have invested heavily in Mexico's plastics industry and are the established suppliers of monomers and most other primary materials. Canada's sales of primary plastics totalled $200 thousand in 1955.

The primary plastics branch of the industry does not yet produce monomers although one company intends to make formaldehyde from methanol at a rate of 3,000 metric tons a year, with a planned capacity of 9,000 tons. Mexico's plastics industry turns out polyvinyl chloride moulding and extrusion compounds, film and sheet. Subsidiaries of U.S. firms are important producers of polyvinyl chloride and polyvinyl chloride acetate resins, and of polyvinyl acetate emulsions. Output of primary plastics is based on polymerization of imported monomers such as vinyl chloride, vinyl acetate, phenol, formaldehyde, styrene, and caprolactam.

Use Latest Processes

The plastics manufacturing industry has modern plants throughout the country and in the Mexico City area alone there are 75 factories in operation. These firms import some polymers as film and sheet, including cellulose acetate, cellulose acetate butyrate, acrylates, and polyethylene.

The industry consumes a great variety of resins, principally polyvinyl chloride, polystyrene, polyethylene, cellulose acetate, cellulose acetate butyrate, polyvinyl acetate, phenol formaldehyde, nitro-cellulose, acrylic resins, nylon and polyesters.

Manufacturing processes are well advanced and the plants undertake a wide variety of operations such as injection moulding; compression moulding; tube and flat film extrusion of polyethylene; film and sheet extrusion of acetate, butyrate and styrene; vacuum forming of sheets of thermoplastic resins, (some of these, such as PVC and acrylic, are purchased abroad), and moulding of polyesters.

Mexican firms extrude products made from acetate, butyrate, and polyethylene. Mexico now imports very few extruded plastic articles and the trend is towards reducing outside purchases of most plastic consumer goods.

United States Chief Supplier

Mexico's purchases of plastic raw materials* rose from 14·3 million pounds in 1954 to 18·5 million pounds in 1955. The United States share of the market in 1955 worked out to 85 per cent, with shipments of 15·7 million pounds. Compared with the United States, Canada's sales were small, at only 595 thousand pounds; the figure compares more favourably with the ten European countries listed as suppliers in Mexican statistics. Germany's sales of synthetic resins in 1955 were slightly more than one million pounds, followed by Belgium with 375 thousand pounds.

* Anyone interested in detailed statistical data on Mexico's plastics imports should write the Chemicals Division, Department of Trade and Commerce, Ottawa.

The United States fairly well controls the market for monomers—with Canada, the United Kingdom, and European countries sharing in the market for polyethylene, polyvinyl acetate, and nitrocellulose.

Mexico is a hard currency market, has no exchange controls, and the single-column tariff operates equally against all countries who wish to sell plastic raw materials. United States suppliers are well established and have geographical advantages and Canadian exporters must offer price advantages if they want to compete.

—C. B. SMITH,
Office of the Commercial Counsellor, Mexico, D.F.

CUBA—***This market shows a marked preference for United States goods, and plastic raw materials are no exception. Canadian suppliers must meet United States competition in price, quality, and service to its customers.***

CUBA'S PLASTICS INDUSTRY offers a small but growing market for plastic raw materials. A few years ago there was only one firm in the field turning out a few products, chiefly buttons. Today the ten or more plants in the business manufacture a wide range of goods. The industry plans to produce numerous other plastic products for industrial and household use as time goes on. Plastics manufacturing still is on a rather small scale because the market is limited (population only six million) and cost of moulds is high. It is not likely that in the foreseeable future Cuba will become self-sufficient in the production of plastic goods, although considerable expansion and diversification are expected. The domestic industry only meets a fraction of the Cuban demand for plastic articles at present except for bottle caps (75 per cent), and caps for non-refillable bottles (surplus for export).

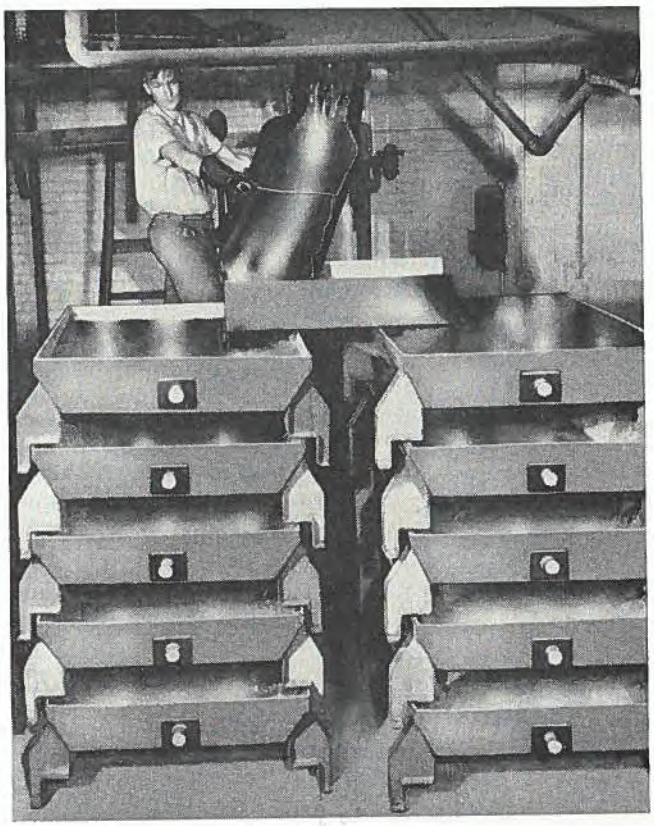
Industry Imports Raw Materials

Cuba does not make any synthetic resins except for alkyds which the paint industry manufactures for its own use and the moulding compound which one company makes from imported resin. The market is too small to warrant making polymers in Cuba from imported monomers; when its needs reach ten million pounds a year it may be economic to set up a small plant. At present, plastic firms import all the moulding compounds and semi-fabricated materials they use. A possibility for the future is the turning out of cellulose-base materials locally from sugarcane bagasse and other vegetable fibres.

Polystyrene is the main material used for injection moulding, with smaller amounts of polyethylene, cellulose acetate, polyvinyls and acrylics. Compression moulders use phenolics, ureas and melamine, and the extrusion industry already consumes vinyls, polyethylene, and plastisols. Another industry in the process of development is making reinforced plastics with glass fibre and polyesters. In addition to these raw materials, the plastics industry also buys rigid acrylic plastics and plans to import sheets for vacuum forming.

The paint industry uses polyvinyl chloride, polyvinyl acetate, pliolite resins, phenolic resins, coumarone indine resins, chlorinated rubber and synthetic rubber latex (styrene butadiene type), urea and melamine type formaldehyde resins, maleic resins, etc.

The plastics industry also imports film and sheet and the demand should grow, especially for polyethylene film, with the switch to transparent packaging of food and other products. Seven of the Cuban plastics firms are quite important injection and compression plants, two others are less important, and two companies have extrusion facilities. Two of the moulding firms will enter the extrusions field in the near future; one of



A worker removes a batch of phenol formaldehyde resin from the reaction kettle and guides it to the cooling pans. When it is solid, it will be ground and bagged for export markets.

these makes its own moulds and has a good shop making moulds to order for other firms.

However, despite the development of the domestic plastics industry, Cuban merchants will continue to import all kinds of finished plastic consumer goods.

United States Main Supplier

The trade in Cuba looks to United States suppliers for its primary plastics needs, especially for polystyrene, film and sheeting, laminated plastics and a large proportion of most other materials. Italy ships vinyls and cellulose and the United Kingdom, West Germany, and the Netherlands supply acrylic sheets.

Cuban statistics giving amounts and sources of supply are not available but the trade estimates that it imports from 1·25 to 1·30 million pounds of polystyrene a year and perhaps an equal amount of other materials; this estimate does not include the resins used in manufacturing paint.

The demand for vinyls seems likely to expand as consumers are accepting this material for garden hose, electrical conduit, and water pipe.

Import Regulations and Tariff

Cuba has no import or exchange restrictions and the duty on plastic compounds is ½ cent per kilo for all most-favoured-nation countries and the United States. Cuba, however, grants the United States preferential treatment over other countries. To illustrate, there is a standard public works surtax of 3 per cent assessed on the amount of the duty, and a further emergency surcharge of 20 per cent levied on the sum total of both duty and the public works surtax. United States shippers do not have to pay the 20 per cent surcharge on plastics and the same applies on many other items throughout the Cuban tariff. On plastic sheet, strips, etc., laminated or not, originating in the United States, Cuba levies a duty of 10 cents a kilo compared with a charge of 18 cents a kilo on this commodity from all most-favoured-nation countries.

Must Compete with United States

Future prospects for Canadian suppliers of plastic raw materials depend in the first place on the ability of the Canadian industry to meet United States prices. But the Canadian exporter must also convince the Cuban industrialist that the Canadian product is equal in quality and that he can be sure of receiving the materials when he needs them.

United States competitors are closer to this market, have a reputation for reliability, and are well serviced by agents. The Cuban buyer traditionally favours United States goods and in the case of plastics feels that this country dictates the prices and can shoulder off any competition. Moreover commercial relations between Cuba and the United States are so close that some of the local firms are loath to switch to other suppliers.

However, this does not mean that other foreign companies cannot share in the market. Cuba has no import restrictions and the duty preference favouring United States companies is not prohibitive. Nevertheless, if Canadian suppliers are not able to meet United States competition in price and continuity of supply, our participation in this market might well be limited to seconds, off-grades, and off-colour lots.

—G. A. BROWNE,
Commercial Secretary, Havana.

DOMINICAN REPUBLIC

—Imports of plastics consist almost entirely of finished goods except for small quantities of vinyl acetate; the Republic also buys some printed and embossed polyvinyl chloride film and sheeting.

THERE IS NO PLASTICS INDUSTRY in the Dominican Republic and no plastic raw materials or semi-fabricated products are imported. There is one minor exception, however—the local paint industry uses a small amount of vinyl acetate for making certain kinds of paint. Imports consist largely of finished plastic articles and include the usual variety of such goods, mainly for household use. PVC film and sheeting, usually ready-printed and embossed, account for a small proportion of the market.

High import duties limit purchases of plastic consumer goods. The present duties are one peso (=US$1.00) a kilo on laminated plastic, and two pesos (=US$2.00) a kilo on tableware, subject to a minimum duty of 25 and 30 per cent ad valorem respectively. Such high import duties should be an incentive for someone to establish a local plastic manufacturing industry using imported raw materials. Apparently the high cost of establishing a plant and the small local market for plastic articles discourage investors.

The Republic's import statistics do not give details on plastics purchases. However, under the heading "Articles made of bone, celluloid, paste, ivory, synthetic resins, plastics, etc.", imports from each country during 1955 totalled as follows: United States (DR pesos 466 thousand), Canada (DR pesos 30,000),

Germany (DR pesos 27,000), United Kingdom (DR pesos 8,000), Sweden (DR pesos 7,300), Japan (DR pesos 7,000).

DBS export statistics for 1954 and 1955 show Canadian sales to the Dominican Republic as follows:

	1954	*1955*
	$	*$*
Synthetic resin manufactures	411	1,076
Combs of all kinds	39,746	24,806

The Dominican Republic places no import restrictions of any kind on plastic materials. Canadian exporters of finished plastic products are in a position to obtain a substantial share of the limited Dominican market, provided their prices and the quality and design of their products can compete with those of other supplying countries.

—M. B. BURSEY,
Commercial Counsellor, Ciudad Trujillo.

BRITISH WEST INDIES

—The Canadian Trade Commissioners in Kingston, Jamaica, and in Port-of-Spain, Trinidad, both report limited markets for primary plastics in the areas which they cover. Restrictions on dollar imports add to the problem and the minimum quantities which Canadian companies usually wish to ship are too large for this market.

Jamaica

Only one firm, a Jamaican subsidiary of an English company, imports plastic raw materials. It buys polyethylene in crystal or flake form which it converts into plastic film for wrapping the 11 million stems of bananas which the colony ships each year. This plastics plant buys its materials from the United Kingdom.

The Jamaican company has reported that it hopes in the future to make plastic rolls and bags for food packaging. However, this development will probably not take place for some time to come. At the moment, the plant is using about 30 long tons of material a month.

Jamaica's official statistics group semi-fabricated and primary products under one heading and latest figures are for 1954. In that year imports of "synthetic plastic materials in blocks, sheets, rods, tubes, powder, and other primary forms" totalled 323,945 pounds, valued at £76,862. The United Kingdom dominated the market with shipments totalling 268 thousand pounds, followed by the United States with 31,000 pounds and West Germany, 9,242 pounds. Canada was in fourth place with 7,616 pounds.

—H. E. CAMPBELL,
Trade Commissioner, Kingston.

Trinidad

The market for primary plastics in this area is confined to semi-fabricated materials; there is no demand for plastic raw materials. The trade buys plain polyethylene sheets for the banana export business, printed rolls and bags for food packaging, and printed and embossed plastics in textile widths for curtains, tablecloths, etc.

Total imports of synthetic plastic materials in primary forms reached BWI $269 thousand in 1955, with BWI $136 thousand coming from the United Kingdom. United States sales totalled BWI $90 thousand and Canada's BWI $23 thousand. Plastic materials from Canada enter under the BWI Trade Liberalization Plan and within the past year, the authorities have granted quotas to two Canadian companies.

—D. B. LAUGHTON,
Trade Commissioner, Port-of-Spain.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often, Canadian businessmen fail to take full advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should provide early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey before your arrival.

Trade and Tariff Regulations

Benelux

CUSTOMS DUTY ON CANNED SALMON SUSPENDED—The customs duties on certain goods imported into Belgium, the Netherlands and Luxembourg will again be fully suspended until the end of 1957. These duties have been suspended on a yearly basis, in most instances, since the common Benelux tariff came into force in 1948. Among the commodities on which the duties remain suspended, Canadian exporters will be particularly interested in canned salmon.

An earlier suspension was not renewed on sawn coniferous lumber having at any point a thickness exceeding 82 millimetres and a width not exceeding 185 millimetres. This type of lumber is now dutiable at the rate of 5 per cent ad valorem. Other types of sawn lumber are duty-free according to the Benelux customs tariff—Brussels, Jan. 4.

Denmark

NET WEIGHT TO BE MARKED ON CERTAIN PACKAGED FOODS—Effective January 1st, the net weight must be shown on the following food products intended for the Danish consumer, when they are packed by the manufacturer, importer or wholesaler in packages made of tin or glass, in jars, buckets, bags, tubes or other similar packing:

Pearled barley
Chocolate in packages of 25 grammes and over
Cornflakes
Fruit, dried
Frozen goods: vegetables, poultry, fruit, and meat goods
Oatmeal
Wheatmeal
Gherkins, pickled
Cucumbers, pickled
Spices
Layer cake bottoms
Cheese, with the exception of all Camembert and Danish Blue cheese in foil packets and light packing corresponding to this
Mustard
Spaghetti
Maize flour
Cocoa
Cornstarch
Mayonnaise
Margarine
Palmin
Coffee powder
Rice
Ground rice
Salads
Semolina
Butter
Capers
Biscuits and like products in packets of 25 grammes and over
Macaroni
Beetroot, prepared
Pickles, mustard
Pickles, other
Madeira cake
Small cakes
Tomato ketchup
Honey
Rusks
Tomato purée

Detailed requirements vary somewhat among these products. Information in detail may be obtained from the International Trade Relations Branch of the Department.

These marking requirements apply to every shipment of the commodities concerned which is delivered after January 1st from the firm that has undertaken the packing. However, packages already in stock which do not show the net weight may be used until July 1, 1957. Any unmarked packages which are not used up by that date may be retailed only upon permission from the Danish Monopoly Board—Copenhagen, Dec. 18.

Federation of Rhodesia and Nyasaland

IMPORT RELAXATIONS FIRST HALF 1957—Advice has been received from the Canadian Trade Commissioner at Salisbury that the Federal Government has recently announced further relaxations in dollar import restrictions for the first half of 1957. The additional items which will be permitted import without restriction from the dollar area during this period include:

Tariff Item	*Commodity*	*Tariff Item*	*Commodity*
2(1)	Baking powder	23(a)	Gelatine, not in bulk
2(2)	Yeast	41(a)	Spices, ground, crushed or rubbed
5	Butter		
15(b) (ii)	Barley, malted		
15(b) (iii)	Barley, ground or otherwise prepared	ex 43(b)	Maple syrup
		43(e)	Saccharine and other similar sweetening substances
15(d) (ii)	Maize, ground or otherwise prepared		
		44(1)	Tapioca, sago and arrowroot
17(b)	Eggs, whole or part contents, liquid or dried	47	Vinegar
ex 19(d)	Fish pastes, potted or tinned	39(b)	Salt, not in bulk

Tariff Item	*Commodity*	*Tariff Item*	*Commodity*
62(1)	Candlewick		(e) Other, including mixed fibres
62(2)	Lampwick		
66	Fibres and similar substances, not elsewhere enumerated in the tariff, raw waste, or in the filament, staple or similar primary form, cleaned, dried or dyed, but not further manufactured	264	Brushware, including mops and feather dusters, not being parts of machinery and not being gold or silver, mounted or gold or silver plated
		275	Shingles
	(a) Cotton		
	(b) Artificial or synthetic fibres	ex 320(2)	Spectacles, including sunglasses, not for sight correction
	(c) Wool, hair, bristles		
	(d) Other vegetable fibres	ex 330(2)	Boats and launches of fibreglas only.

In addition to these de-restricted goods, a quota for imports from dollar countries of electric stoves and washing machines to the value of £10,000 has been established. The licensing arrangements for all other products which prevailed in the last half of 1956 will be continued in the first half of 1957.

Further information respecting import controls in the Federation may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

General Agreement on Tariffs and Trade

TARIFF CONCESSIONS GRANTED BY FINLAND, NORWAY AND SWEDEN NOW EFFECTIVE—The concessions which Norway and Sweden granted in the tariff negotiations that were held under the auspices of the General Agreement on Tariffs and Trade at Geneva in 1956 came into force on January 1, 1957. The Finnish concessions became effective on January 15th. A summary of concessions of principal interest to Canadian exporters, granted by these three countries, was published on pages 21 and 22 of the June 9, 1956, issue of *Foreign Trade*. Concessions which Canada negotiated directly with Norway and Sweden were included in this summary. No direct negotiations were held between Canada and Finland at the 1956 conference.

Copies of lists showing in detail the principal concessions of interest to Canada granted by Norway and Sweden, respectively, may be obtained from the International Trade Relations Branch of the Department.

Indonesia

VALUE TO BE DECLARED IN IMPORT LICENCE APPLICATIONS—Indonesian importers are required to state in their applications for import licences the f.o.b. price of the goods, insurance and freight charges. These items must be shown separately.

The Indonesian Foreign Exchange Control Institute announced on December 29, 1956, that the f.o.b. price is understood to be the price of the goods from a producer or supplier plus all expenses paid until the goods are aboard an ocean steamer. In future, therefore, charges for packing, for transport to the port of loading, for loading, for bills of lading, for fiscal stamps, and other charges which are incurred before the goods are on board are to be included in the f.o.b. price.

Canadian exporters may wish to make sure that their Indonesian customers are provided with information on all the above mentioned charges at the time they apply for import licences—Djakarta, Jan. 7.

Iraq

HARD CURRENCY IMPORT ALLOCATIONS ANNOUNCED—The Director General of Economics has announced the 1957 program of quotas for imports from hard currency countries as well as for those items requiring import licences from the sterling and soft currency countries. The program allows for imports payable in hard currency to a total value of 18,980,000 Iraqi dinars, equivalent to $51,084,600 Canadian currency. This amount compares with ID18,955,000 allocated for 1956 and exceeds by a considerable margin the amount of licences issued in that year. Allocations are the same as those in 1956 except for milk powder and baby food which is increased from ID75,000 to ID100,000.

Most goods from sterling and other soft currency countries are admitted under open general licence, but a number of items which still require import licences have been given allocations totalling ID4,020,000.

Canadian exporters will be interested in the following list which gives a breakdown of quotas for hard currency imports, expressed in Iraqi dinar equivalents. (The Iraqi dinar equals $2·6915 Canadian at the current rate of exchange.)

Cloth, clothing and dyes

Cotton piece goods	ID	250,000
Secondhand clothing		1,000,000
Dyes for clothing		5,000

Building and construction materials

Iron joists	10,000
Iron bars	10,000
Iron angles, channels, etc.	15,000
Timber, including plywood	20,000

Glass (window and other)	5,000
Oil paints and distemper	20,000
Iron plates	5,000
Metal sheets	75,000
Water supply materials (pipes, taps, boilers, sanitary fixtures, etc.)	75,000
Wire netting (for windows, etc.)	5,000
Carpentry fittings and mountings (hinges, locks, etc.)	15,000
Nails and screws, bolts and nuts	30,000
Autos, accessories, tools	
Passenger cars, (saloons)	1,750,000
Lorries, pick-ups and accessories	3,000,000
Auto spare parts and accessories	1,000,000
Tires and tubes	750,000
Garage and workshop equipment	100,000
Hand tools and instruments	50,000
Batteries (for cars and other uses)	50,000
Lubricating oils and grease (high grade)	500,000
Lubricating oils and grease (low grade)	250,000
Brake oils and axle oils	50,000
Auto paints	40,000
Machinery and accessories	
Industrial machinery and accessories	500,000
Agricultural machinery and accessories, including jeep cars	1,000,000
Printing presses and accessories	....
Excavating, building and road construction machinery and accessories	2,000,000
Belting for machinery and accessories	10,000
Sewing machines and accessories	20,000
Gum resin for machine belting	5,000
Medical and sanitary materials and instruments	
Drugs, medicines, pharmaceuticals	500,000
Penicillin and other antibiotics	10,000
Insecticides, disinfectants, etc.	10,000
Human blood plasma	1,000
Medical and surgical instruments	30,000
Dental instruments and materials	5,000
Optical and sun glasses and accessories	5,000
Milk powder and baby food	100,000
Laboratory materials and apparatus	10,000
Electrical and technical materials	
Household electric appliances	100,000
Constructional electrical appliances and materials	20,000
Electric fans	250,000
Air conditioners, air coolers and accessories	400,000
Refrigerators and accessories	500,000
Radios, parts, valves and radiograms	75,000
Cinematograph films (exposed)	100,000
Cinematograph films (unexposed)	5,000
Cinema projectors and accessories	20,000
Carbon for cinema and projectors	2,000
Earphones	1,000
Sound registering machines and accessories	20,000
Photographic films and cameras	5,000
Household articles	
Oil heating stovesand accessories	40,000
Oil cooking stoves, ranges and accessories	150,000
Oil lamps, lanterns, lux lamps and accessories	20,000
Funnels for lamps of all kinds	2,000
Glassware and crockery	
Glassware and chinaware of all kinds	50,000
Stationery, books, periodicals	
Typewriters, parts and accessories	20,000
Accounting, calculating and marking machines and accessories	30,000
Writing paper (white)	5,000
Newsprint	5,000
Cardboard and hardboard	5,000
Fountain pens and propelling pens	15,000
Books, periodicals and other printed matter	20,000
Stationery of all kinds, including ink	5,000
Requirements of factories and industries	
Basic elementary materials including tar, asphalt and trubenized cloth	250,000
Parts and accessories for maintenance of factories and workshops	200,000
Various chemicals	50,000
Levelling and engineering instruments	5,000
Miscellaneous	
Arms and ammunition (shotguns and pistols)	35,000
Seeds and plants	20,000
Iron ropes and iron hoops	5,000
Wrist and pocket watches, clocks, etc.	2,000
Leather dyes	2,000
Boot polish	10,000
Miscellaneous articles	250,000
Government and semi-government institutions	
Imports of government and semi-government institutions	3,000,000
Total	ID18,980,000

—Beirut, Jan. 11.

United Kingdom

HARDWOOD QUOTA RENEWED—A Notice to Importers, issued by the Board of Trade on January 9th, announces that a quota of £3 million f.o.b. has been established for imports of hardwood into the United Kingdom from dollar countries during the quota year July 1, 1957, to June 30, 1958.

The amount is the same as for the two previous quota years. As formerly, the quota is additional to the licensing arrangements for the import of dollar hardwood for essential and special purposes.

Venezuela

ANIMAL HEALTH REGULATIONS—The Venezuelan Government has now amended its Animal Health Regulations affecting the import of livestock and meat products. The effect of the new decrees is, (*a*) to permit, in certain circumstances, imports of breeding livestock from countries affected by foot and mouth disease, and (*b*) to place all imports of meat products under licensing. The licensing scheme will be so administered as to permit for the first time imports of meat products formerly prohibited from countries affected by foot and mouth disease and vesicular exanthema—Caracas, Jan. 16.

Details of the new regulations in the official Spanish version and in English are available from the International Trade Relations Branch in the Department of Trade and Commerce, Ottawa.

Countries Served by Foreign Trade Service

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible
Aden	Cairo
Afghanistan	Karachi
Alaska	Seattle
Algeria	Paris
Angola	Leopoldville
Argentina	Buenos Aires
Australia	Sydney and Melbourne
Austria	Berne
Azores	Lisbon
Bahamas	Kingston
Bahrein	Beirut
Balearic Islands	Madrid
Barbados	Port-of-Spain
Belgian Congo	Leopoldville
Belgium	Brussels
Bermuda	New York
Bolivia	Lima
Brazil	Rio de Janeiro and São Paulo
British Cameroons	London
British Guiana	Port-of-Spain
British Honduras	Kingston
British Togoland	London
Brunei	Singapore
Burma	Singapore
Cambodia	Hong Kong
Canal Zone, Panama	Guatemala
Canary Islands	Madrid
Cape Verde Islands	Lisbon
Cayman Islands	Kingston
Ceylon	Colombo
Chile	Santiago
China	Hong Kong
Colombia	Bogotá
Costa Rica	Guatemala
Cuba	Havana
Curaçao	Caracas
Cyprus	Cairo
Czechoslovakia	Berne
Denmark	Copenhagen
Dominican Republic	Ciudad Trujillo
Dutch Guiana	Port-of-Spain
Ecuador	Bogotá
Egypt	Cairo
England	London and Liverpool
Ethiopia	Cairo
Falkland Islands	Montevideo
Fiji	Wellington
Finland	Stockholm
Formosa	(See Taiwan)
France	Paris
French West Africa	Paris
French Equatorial Africa	Leopoldville
French Guiana	Port-of-Spain
French West Indies	Port-of-Spain
Gambia	London
Germany	Bonn and Hamburg
Gibraltar	Madrid
Goa	Bombay
Gold Coast	London
Greece	Athens
Greenland	Copenhagen
Guadeloupe	Port-of-Spain
Guatemala	Guatemala
Guiana (British, Dutch, French)	Port-of-Spain
Haiti	Port au Prince
Hawaii	San Francisco
Honduras	Guatemala
Hong Kong	Hong Kong
Hungary	Berne
Iceland	Oslo
India	New Delhi and Bombay
Indonesia	Djakarta
Iran	Karachi
Iraq	Beirut
Ireland, Republic of	Dublin
Ireland, Northern	Belfast
Israel	Athens
Italy	Rome
Jamaica	Kingston
Japan	Tokyo
Jordan	Beirut
Kenya	Salisbury
Korea	Tokyo
Kuwait	Beirut
Laos	Hong Kong
Lebanon	Beirut
Leeward Islands	Port-of-Spain
Liberia	New York
Libya	Rome
Liechtenstein	Berne
Luxembourg	Brussels
Macao	Hong Kong
Madagascar	Johannesburg
Madeira	Lisbon
Malaya	Singapore
Malta	Rome
Martinique	Port-of-Spain
Mauritius	Johannesburg
Mexico	Mexico
Mozambique	Johannesburg
Netherlands	The Hague
Netherlands Antilles	Caracas
Netherlands Guiana	Port-of-Spain
New Guinea	Sydney
New Zealand	Wellington
Nicaragua	Guatemala
Nigeria	London
North Borneo	Singapore
Northern Ireland	Belfast
Norway	Oslo

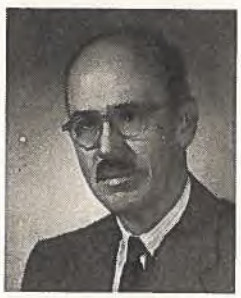
Country	Post Responsible
Pakistan	Karachi
Panama	Guatemala
Paraguay	Montevideo
Persia	(See Iran)
Peru	Lima
Philippines	Manila
Poland	Copenhagen
Portugal	Lisbon
Portuguese East Africa	Johannesburg
Portuguese Guinea	Lisbon
Puerto Rico	Ciudad Trujillo
Rhodesia and Nyasaland (Federation of)	Salisbury
Rio Muni	Madrid
Rio de Oro	Madrid
Ruanda Urundi	Leopoldville
El Salvador	Guatemala
St. Helena	Cape Town
St. Pierre and Miquelon	St. John's
Sarawak	Singapore
Saudi Arabia	Cairo
Scotland	London
Seychelles Islands	Salisbury
Siam	(See Thailand)
Sierra Leone	London
Singapore	Singapore
Somaliland	Cairo
South Africa, Union of	Johannesburg and Cape Town
Southwest Africa	Cape Town
Spain	Madrid
Sudan	Cairo
Surinam	(See Netherlands Guiana)
Sweden	Stockholm
Switzerland	Berne
Syria	Beirut
Taiwan	Hong Kong
Tanganyika	Salisbury
Tangier	Madrid
Thailand	Singapore
Tobago	Port-of-Spain
Trieste	Rome
Trinidad	Port-of-Spain
Tunisia	Paris
Turks and Caicos Islands	Kingston
Turkey	Athens
Uganda	Salisbury
United States	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Seattle, Washington
United Kingdom	London and Liverpool
Uruguay	Montevideo
Venezuela	Caracas
Vietnam	Hong Kong
Wales	Liverpool
Western Samoa	Wellington
Windward Islands	Port-of-Spain
Yemen	Cairo
Yugoslavia	Rome
Zanzibar	Salisbury

Senior Appointments Announced

The Minister of Trade and Commerce recently announced three senior appointments.

JOHN H. ENGLISH, Director of the Trade Commissioner Service for the past four years, has been made an Assistant Deputy Minister. A native of Alberta and a graduate of the University of Alberta, Mr. English entered the Department as a Foreign Service Officer in 1926. From 1927 to 1953, with the exception of the war years, he served abroad in seven posts; during the war, he acted as Director of the Export Planning Division and joint chairman of the Export Control Committee. From 1948 to 1953 he was Commercial Counsellor at the Canadian Embassy, Washington. He will continue to direct the Trade Commissioner Service.

CLAUDE M. ISBISTER, Director of the International Trade Relations Branch since 1950, has been made an Assistant Deputy Minister. Born in Winnipeg, Mr. Isbister graduated from the University of Manitoba and obtained a Ph.D. in economics at Harvard. He joined the Bureau of Statistics in 1945, directed the development of national income statistics in their present form, and became Assistant Dominion Statistician. Since 1948, Mr. Isbister has specialized in international economic probiems and has represented the Government in numerous international negotiations. He will continue as chief of the International Trade Relations Branch.



WALTER E. DUFFETT, who recently succeeded Herbert Marshall as Dominion Statistician, received his training in economics and statistics at the University of Toronto and the London School of Economics (M.Sc.). He entered government service in 1942, conducting research for the Wartime Prices and Trade Board on problems of supply and distribution. Two years later, he joined the research department of the Bank of Canada and in 1954 was made director, research and statistics branch of the Department of Labour.

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

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar 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 equivalent multiply by 1·04065.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 18	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05339	18·73	(1)
		Free	·02537	39·42	
Austria	Schilling		·03696	27·06	
Australia	Pound		2·1505	·4650	
Belgium, Belgian Empire and Luxembourg	Franc		·01914	52·25	
Bolivia	Boliviano	Free	·01242	80·52	
British West Indies	Dollar		·5600	1·79	(2)
	Pound		2·688125	·3720	(3)
	Dollar	British Honduras	·672031	1·49	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0155	64·29	*Dec. 28
		Category II	·0122	82·26	(4)
		Category III	·0077	129·34	
		Official buying	·0523	19·13	(5)
Burma	Kyat		·2018	4·96	
Ceylon	Rupee		·2016	4·96	
Chile	Peso	Free	·001757	569·15	(15)
Colombia	Peso	Basic	·3844	2·60	Jan. 17 (7)
		Free*	·1633	6·12	
Costa Rica	Colon	Official	·1711	5·84	
		Controlled free	·1445	6·92	
Cuba	Peso		·9609	1·0406	tax 2% (4)
Czechoslovakia	Koruna		·1335	7·49	
Denmark	Krone		·1391	7·19	
Dominican Republic	Peso		·9609	1·04065	
Ecuador	Sucre	Official	·06407	15·61	
		Free	·05175	19·32	
Egypt	Pound	Official	2·7594	·3624	(6)
El Salvador	Colon		·3844	2·601	
Fiji	Pound		2·4217	·4129	
Finland	Markka		·004178	239·35	
France, Monaco and North Africa	Franc		·002746	364·17	(8)
French Colonies in Africa	Franc		·005492	182·08	(9)
French Pacific	Franc		·01510	66·23	(10)
Germany	D Mark		·2288	4·37	
Greece	Drachma		·03203	31·22	
Guatemala	Quetzal		·9609	1·04065	
Haiti	Gourde		·1922	5·20	
Honduras	Lempira		·4805	2·08	
Hong Kong	Dollar	Free*	·1548	6·46	*Jan. 4
		Official	·1680	5·95	
Iceland	Krona	Official	·05901	16·95	(6)
		Special selling	·0345	29·01	(11)
India	Rupee		·2016	4·96	
Indonesia	Rupiah	Basic	·08462	11·82	(12)
Iran	Rial	Certificate	·0127	78·83	
Iraq	Dinar		2·6906	·3717	
Ireland	Pound		2·6881	·3720	
Israel	Pound		·5339	1·87	
Italy	Lira		·001543	648·08	
Japan	Yen		·002669	374·67	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 18	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3002	3·31	
Mexico	Peso		·07688	13·00	
Netherlands	Florin		·2509	3·99	
Netherlands Antilles	Florin		·5056	1·98	
New Zealand	Pound		2·6881	·3720	
Nicaragua	Cordoba	Effective buying	·1456	6·87	
		Official selling	·1362	7·34	
Norway	Krone		·1345	7·43	
Pakistan	Rupee		·2016	4·96	
Panama	Balboa		·9609	1·04065	
Paraguay	Guarani	Official	·01601	62·46	(6) (13)
Peru	Sol	Certificate	·05058	19·77	
Philippines	Peso		·4805	2·08	
Portugal & Colonies	Escudo		·03354	29·82	(14)
Singapore & Malaya	Straits dollar		·3136	3·19	
Spain & Dependencies	Peseta	Basic buying	·04388	22·79	(6)
		Basic commercial selling	·0585	17·09	
		Free	·02467	40·53	
Sweden	Krona		·1858	5·38	
Switzerland	Franc		·2242	4·46	
Syria	Pound	Free*	·2717	3·68	*Nov. 15
Thailand	Baht	Free	·04685	21·34	(6)
Turkey	Lira		·3432	2·91	
Union of South Africa	Pound		2·6881	·3720	
United Kingdom	Pound		2·688125	·3720	
United States	Dollar		·9609375	1·04065	
Uruguay	Peso	Free*	·2498	4·00	
		Basic buying	·6329	1·580	(6)
		Principal selling	·4566	2·19	(16)
Venezuela	Bolivar		·2868	3·49	
Yugoslavia	Dinar		·003203	312·21	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.

Businessman's Bookshelf

Canada Looks Ahead

By Grace Laugharne. 156 pages. $2.25.

WRITTEN BY A CANADIAN primarily for British readers and under the sponsorship of the Royal Institute of International Affairs, this brief survey of Canada's economic affairs, status and outlook undoubtedly contains facts unknown even to the well-informed in this country. There are, among others, chapters on population, investment, foreign trade, petroleum, the St. Lawrence Seaway, aluminum, and the pulp and paper industry.

Although none of the material is new nor the analysis original, the presentation is sufficiently concise to make this a worthwhile handbook on the Canadian economy and particularly on natural resources development. Those who find it has nothing new to tell them about their own special field may well discover that it contains useful information on some others. Several maps supplement the text to good effect.

Published by: Oxford University Press, 480 University Avenue, Toronto 2, Ontario.

Manual of Departments and Agencies of the Government of Canada

By Redmond Quain, Q.C. 313 pages. $10.75.

THE GROWING COMPLEXITY OF BUSINESS requires closer contact with Federal Government departments and agencies. The businessman knows he can secure certain assistance from Ottawa, but it is doubtful whether he is aware of all the help available or where to turn for it. He may wish to sell his product or his services to the Government—but how does he go about it? Perhaps he has a tax or a customs problem—but where should he apply? Whom should he see in the first instance, and what appeals to adverse decisions are open to him?

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The first edition of a work of this nature naturally contains certain omissions and a few minor errors. None the less, it should prove a useful guide to the businessman wishing, by correspondence or personal contact, to penetrate the maze of buildings, departments and officials or to obtain data on acts and regulations; duties, rights and privileges; terminology, government publications, sources of information—and the thousand and one matters on which he may have occasion to consult his government.

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