Established in 1904

foreign trade

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cover Tobacco grown in Southern Rhodesia is stored in a warehouse awaiting shipment to overseas markets. As an export, it ranks second only to copper; earns close to $70 million for the Federation each year. Despite the serious fall in the price of copper, which cuts down its dollar income, the Federation continues to be a fast-growing country and a market worth cultivating. For a report on this market and how to approach it, turn to page two.

CANADA

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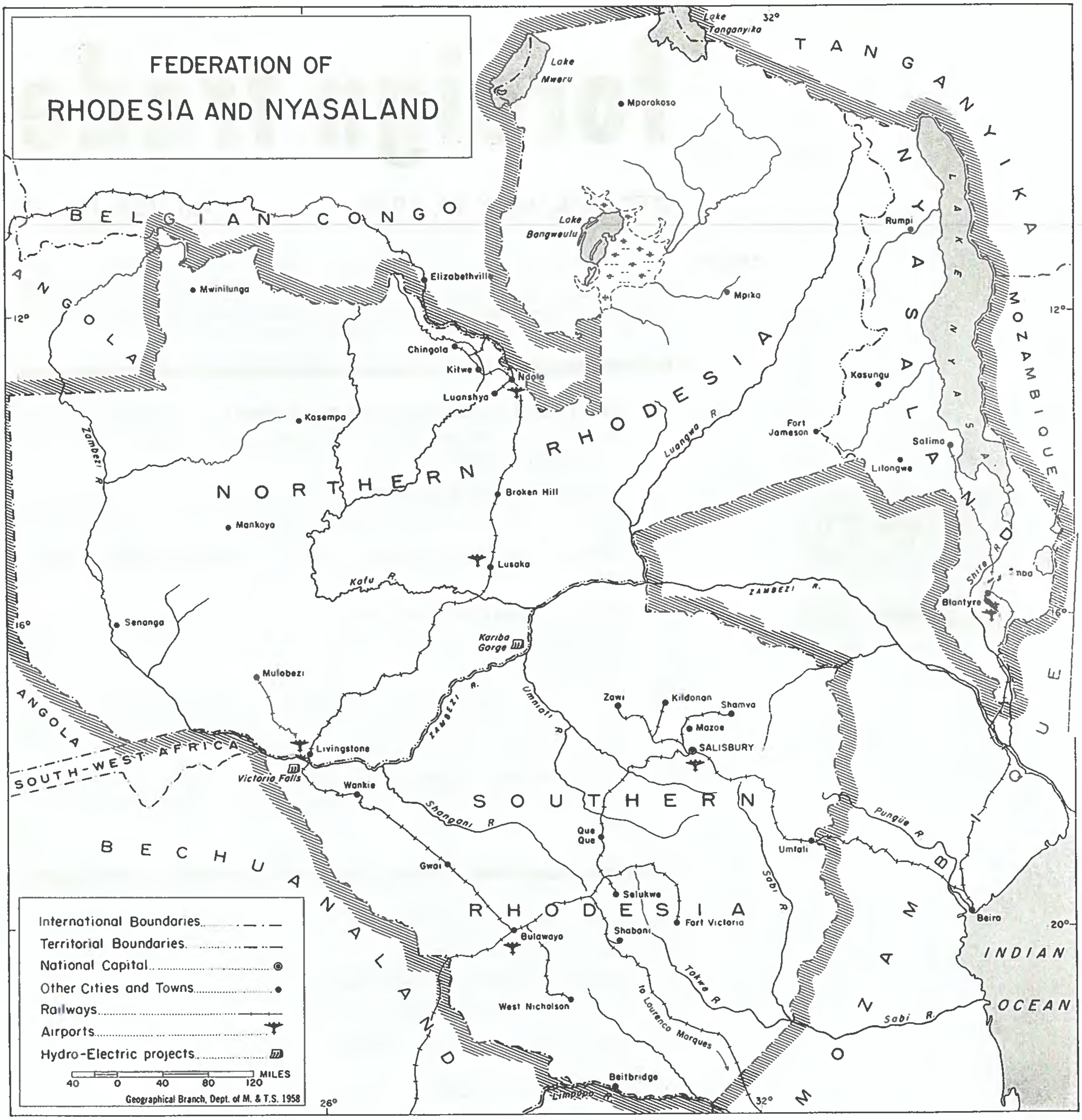

How to sell successfully in RHODESIA and NYASALAND by the Trade Commissioner from Salisbury, W.J. MILLYARD, now on tour in Canada.

THE Federation of Rhodesia and Nyasaland, which came into existence in 1953, is one of the most rapidly developing countries in Africa—in fact, anywhere in the world. With a population of approximately 300 thousand whites and seven million Africans, an area about one-eighth the size of Canada, and a good climate, it presents one of the most challenging yet promising markets open to export-minded Canadians in 1958.

Since the beginning of 1955, when only 10 per cent of all items of import were allowed in from the dollar countries, the Federation has reached the point where only 10 per cent are on the dollar prohibition list. This represents a real effort at trade liberalization. As matters now stand, the principal products for which dollars are *not* granted are textiles, clothing, plastic products, domestic electrical appliances, and certain canned foods and hardware products. For the more than 600 tariff items removed from the prohibited list, there is no limit on dollar expenditures, no import permits are required, and a dollar draft can be procured from a bank as freely as sterling.

Market Is Accessible

Canadians who think of the Federation as a faraway place, difficult to get to, are living in the past. With the inauguration of Salisbury's new International Airport in 1957, daily direct plane service to and from Europe was provided by several of the world's major airlines, with the result that the Federation is now only about 30 hours' flying time from Vancouver, Montreal, Toronto or New York. With service like this it is hardly surprising that the number of Canadian business visitors in 1957 more than doubled over 1956.

Canadian exporters are fortunate in having at their disposal a monthly scheduled steamship service operated by the Christensen-Canadian Line from Montreal and Saint John, N.B. to Lourenço Marques and Beira in Portuguese East Africa, the main ports serving the Federation, which is a landlocked country. Similarly, the Ned-Lloyd Line and Kawasaki-Kerr Line provide regular sailings from Vancouver. A good railway system delivers the goods from the coast to all corners of the country so that often goods from Canada are on the customer's doorstep six or seven weeks after the order is placed.

Copper and Tobacco

The Federation has most of its economic eggs in two big baskets—labelled "copper" and "tobacco". Both have enjoyed an unprecedented boom since 1950 with the result that thousands of immigrants, mostly British, have poured in and the expansion in the building trade particularly has been phenomenal. In 1957, 26,000 white immigrants arrived. The white population numbered only 275 thousand at the beginning of the year, so that a comparable flow of immigrants into Canada, with its 16 million population, would have totalled over 1½ million. This gives some idea of the strain imposed on the Federation to provide not only housing for the newcomers, but also water, sewage, and electricity services plus schools, theatres, churches, service stations, shopping centres and all the paraphernalia of modern society, to say nothing of the burden on the railway and highway transport systems. A rash of secondary industries has sprung up to cater to many local needs but even so, there is no substitute for countless products not available within the Federation. Consequently, imports have risen from £125 million in 1954 to a record estimated £177 million in 1957.

Two Main Suppliers

The Federation has become a booming market for both the United Kingdom and the Union of South Africa, who together provide 91 per cent of its imports. The British have the advantage of fifty years of tradition and an immense variety of manufactured goods, but the Union is fast overtaking the United Kingdom as a supplier because of proximity and the tremendous development of its manufacturing industries in the post-war period. Together they offer formidable competition to other suppliers and despite the withdrawal of dollar restrictions in the past three years, Canada and the United States together sold only $36 million worth of goods in 1957 compared with $19 million in 1954. This represents an increase of 90 per cent but in terms of value Canada and the United States still supplied only about 7 per cent of the Federation's imports for the year just ended—a hardly significant portion.

Exchange Conservation Measures

In the face of such formidable competition, how is it possible to sell more Canadian goods in 1958? Before proceeding further, it is probably apropos at this juncture to point out that, with copper falling from £400 to £160 a ton in two years, the economy of the Federation is suffering visibly from the shock; copper makes up 60 per cent of exports and 35 per cent of its national product and provides 40 per cent of the taxation revenues. With a deficit on sterling account estimated at £40 million for 1957 and the drainage continuing unabated in 1958, it was hardly surprising that at the end of January the Government stepped in and severely curbed credits both on overseas buying and on instalment sales within the country. This measure is almost certain to diminish the flow of imports but if this is not enough to balance the scales, then more severe action can be expected. But it is reassuring to the dollar countries that the Minister of Finance has declared that any measures aimed at

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WILEY J. MILLYARD has been in charge of the Canadian trade office in Salisbury, Federation of Rhodesia and Nyasaland, since it was opened in 1955. Now back in Canada, he begins a tour of business centres throughout the country on May 27 in Toronto. From Salisbury, Mr. Millyard also covered Kenya, Uganda, Tanganyika, the Seychelles Islands, and Zanzibar, and he will be glad to discuss the trade opportunities in these areas and in the Federation with interested businessmen. His detailed itinerary appears under "Trade Commissioners on Tour" on page 21.

Mr. Millyard first joined the Trade Commissioner Service in 1946 and has served in Mexico City, Guatemala and Bogotá.

exchange conservation will in no wise discriminate against the dollar countries but will affect all countries equally. Hence, if in the interests of good husbandry the volume of imports must be reduced to a level in keeping with lower export earnings until world copper prices recover substantially, Canada at least has a fair chance to win a larger share of the circumscribed but still substantial market.

Selling Tips

Although there is no ready-made formula for success in the Federation market, there are a number of pointers that Canadian exporters might well heed.

• *More Frequent Visits*—Africa has been aptly called "the last frontier", the one remaining continent in the Free World whose resources have barely been scratched. Each incoming plane brings its quota of British and European salesmen to stake their claims. There is still no substitute for an on-the-spot visit and despite the short time it now takes to come here, not enough Canadians are making the trip. Not only the Federation but the Belgian Congo and the Union of South Africa are good markets so that it is possible to kill three good birds with one stone.

• *Bringing Samples*—Often samples are heavy and cumbersome, yet with certain types of merchandise the difference in sales when the visitor has them on hand makes all other considerations inconsequential.

• *Catalogues and Quotations*—The agent who protests that his principal is over-supplying him with product information has still to be found. In Canada a manufacturer will go to endless pains to see that his coast-to-coast representatives have every possible aid to selling. Yet when it comes to overseas markets the same manufacturer seems to feel that, equipped with prices F.O.B. factory and a fly-leaf, his agent should be able to book sales even though he lacks the following essential information:

(*a*) Prices in sterling C.I.F. port of entry (Beira, Portuguese East Africa, for the Federation).

(*b*) Background information on the company and its place in Canadian industry.

(*c*) Suggested uses for the product, present and potential.

(*d*) Raw material content, manufacturing processes, quality, design and wearing points.

• *Consignment Stocks*—One peculiar feature of business in the Federation is the low percentage of wholesalers in relation to agents, and yet millions of pounds' worth of business is done by distributors who import directly and supply the small retailer from stock. Because many agents do not have the facilities for direct import and cannot find distributors not committed to competing lines, many Canadian exporters could expand their sales considerably if they were willing to put at the disposal of the agent stocks of consignment goods in bonded warehouses, which are available here.

East Africa Is Closed Market

The three British East African territories of Kenya, Uganda and Tanganyika, plus the island of Zanzibar, also come under the jurisdiction of the Salisbury office and the Trade Commissioner usually spends about six weeks a year on tour through this large area. Unlike the Federation, however, dollar permits are granted sparingly and an importer must first prove to the satisfaction of the government authorities that the merchandise is essential and unobtainable from a non-dollar source. Obviously these strictly interpreted rules tend to strangle dollar trade. Despite the fact that Canada in 1956 imported coffee, sisal and other products in excess of $8 million, Canadian exports in the same period were a bare $400 thousand. Hence, until the East African currency regulations are drastically revised there is little hope of expanding Canada's trade with this part of Africa.

Canadian exporters who would like to have further details on doing business in this part of the world should write to the Trade Publicity Branch, Department of Trade and Commerce, for a free copy of the booklet "The Federation of Rhodesia and Nyasaland", one of the Department's market information series.

TRADEMARKS for Export Trade

How does an exporter go about registering his trademark in foreign countries?

Are there any guides he can follow in choosing a trademark for international use?

A patent attorney of wide experience offers advice on these and other pertinent points.

CECIL C. KENT, *Fetherstonhaugh & Kent, Toronto.*

A trademark is used to distinguish commercially products of the same class—for example, *Pepsodent.* In fact, today many products differ from each other by virtually nothing but their trademarks.

The terms "trademark" and "brand name" means the same. To most people "trade name" means "trademark" too. Properly used, however, a trade name means a firm name, such as Smith & Co. Trademarks are often included to advantage in trade (firm) names—for example, Liquiflame Limited.

Why Register Trademarks?

All countries have provisions for registering trademarks and central to these is the priority of the first user. Registration is effected for three principal reasons: first, so that others may ascertain whether a desired trademark has already been appropriated; second, to provide a preliminary screening of the protectability of a trademark before legal proceedings may be maintained against someone else for its infringement; third, to acquire as soon as possible "incontestable" status for the trademark. In Canada this is secured five years after registration.

Foreign Laws and Customs

Anyone who is thinking of adopting a trademark for use abroad should first decide whether it will be confined to English-speaking countries. If so, it should be one that can be registered in these countries. If it is to be used in foreign-language countries, it should sound as attractive and make as favourable an impression as it does in English. The word "gold" in a trademark, for instance, is not desirable in a French-speaking market because the letters "ld" seldom occur together in this language and Frenchmen find the sound difficult to pronounce.

Trademarks are not always single words; they can be slogans, such as *Call for Philip Morris.* They can be things: the coloured strand in *Plymouth* rope, for example. Many are signs and pictures. In pictures particularly, take care not to offend your foreign market. In canned and packaged meats, fish, etc., we often show the product on the container, such as a leaping salmon on a tin of canned salmon. East African peoples know this custom and it is said that they reacted very unfavourably when the Aunt Jemima company tried to market a light brown powder for making pancakes called *Aunt Jemima,* in a box showing a smiling southern mammy.

For foreign-language trade, marks that sound international are recommended. Words that come from Latin roots have this quality. *Bovril* is a good example, from *bovis* and *virilis,* referring to cattle and health. Another aid is the auxiliary languages called Esperanto and Interlingua which are widely understood in Europe; both are based on Latin. *Streptomycin,* for instance, can be translated easily into French, Spanish and German, but *Plexiglass* cannot, because its origin is Anglo-Saxon.

There are inexpensive dictionaries obtainable at any bookstore for translating foreign words into English and vice versa. These can be very helpful, but it is worthwhile sometimes to work with an organization like the Berlitz School of Languages in New York which has a special consulting service on foreign trademarks. The Divisione de Interlingua and the Esperanto Association of North America, both in New York, have helped me considerably when, on occasion, I have been retained to assist in originating and searching trademarks for use internationally.

Prohibited and Descriptive Trademarks

In all countries most words can be used as trademarks but there are a few important exceptions. As these exceptions tend to be of a much coveted kind, the exporter should seek the advice of a patent and trademark agent before adopting any trade symbol. Generally speaking, the prohibited classes comprise (subject

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to permission): first, the symbols of royalty; of political, civic, fraternal and charitable bodies (the Red Cross for instance); and of law enforcement and educational bodies. Second, they include portraits or signatures of persons living or recently dead; and third, trademarks which are unfairly confusing with those of others or with registered marks. In the fourth class come scandalous, immoral or misleading marks.

Although most words can be used as trademarks, there are many that cannot be registered promptly following their adoption. For this reason, others cannot be prevented from using them (or similar ones) in good faith. These are mainly words clearly descriptive (or deceptively misdescriptive) of the character, quality or place of manufacture, like *Interwoven, Perfection* or *Montreal Maid.* Such words may be registered *eventually* after the submission of convincing proof of wide public knowledge through years of advertising. But such marks run the risk of never acquiring the needed proof of "secondary meaning" as it is called. They may, for instance, be torpedoed by competition before reaching registrable status. Some words long used as trademarks may never be protected even though they have acquired an additional product meaning—an outstanding example is *Shredded Wheat.* This expression was held by the Privy Council to be descriptive and hence not properly registrable because the breakfast food long sold by that name was in fact composed of wheat which had been shredded, and the common language as used for the necessary expression and communication of ideas cannot be monopolized.

Creative Trademarks

Creative trademarks are those that may be registered promptly following adoption. The type most easily registered in all countries is the purely coined name such as *Kodak, Orlon,* etc. But different countries vary widely in their standards of registrability between such marks on the one hand and descriptive marks (as discussed above) on the other. The United Kingdom is very strict. There the words *Brisk* for toothpaste and *Minigrooves* for phonograph records were recently refused registration. The Canadian Trade Mark Office, by contrast, is very accommodating, allowing such words as *Allsweet* for butter and *Husky* for dog food, both without proof of long use.

The United States Trade Mark Office appears to take a position between Canada and Britain. Marks which are clever inventive modifications of common words can usually be registered there without much difficulty. *Ox-Heart* cherries, *Bisquick* baking-mix, *Seventh Heaven* tobacco are examples. In the United States there is a Principal Register and a Supplemental Register. Marks like the above would be registrable promptly upon adoption on the Principal Register. When they have remained there for five years, they become incontestable. However, the reader is warned that this word "incontestable" in countries where it is used has certain limitations. Marks which cannot yet make the Principal Register may qualify for the Supplemental Register and be transferred to the former when secondary meaning has been acquired.

In the United Kingdom the Register is divided into Parts A and B. Seven years' registration under Part A gives incontestability. Unlike the U.S. Supplemental Register, however, access to Part B appears to be practically as difficult as to Part A. Briefly stated, a word trademark to be eligible for adoptive registration in either part should be a coined or else a dictionary word, practically without a trace of suggestiveness about the character, quality, or origin of the goods. *Quaker* for wines and spirits, for instance, was so registered and also *Hotpoint* for electrical apparatus (excluding irons), and *Motorine* for lubricating oils, both of which do perhaps have a trace of descriptiveness.

Assignments and Licences

In recent years it has become possible, in most countries to which Canada exports, to assign a trademark either by itself or else in connection with the part of the business to which it relates. Germany is still an exception. In most countries too trademarks may be licensed, but care should be taken not to enter into foreign licensing agreements without the advice of one's local patent or trademark attorney.

International Searches

Before adopting a trademark for international use, it is advisable to make searches of the Trade Mark Offices of the foreign countries concerned. To do this thoroughly requires some linguistic virtuosity. Take for example *Centaur* (the mythical half-man, half-horse) which, if it is in the clear, could probably be registered as a trademark for, say, smokers' pipes anywhere. But it might be held confusing in sound with an already registered mark such as *Sentry* or *Sentinel* for the same goods, although the spelling and idea are quite different. In French the words are centaur and sentinelle; in Spanish centauro and centinela—practically as similar as in English.

Miscellaneous Points

For research into good international-type designs, the exporter may consult the book *Trade Marks* published by Amstutz & Herdeg, Graphis Press, Zurich, Switzerland, or the firm of Jan Burka and Associates, an established Toronto package-design group, which makes use of highly creative European experience.

Trademarks are used chiefly on fully finished goods. In most countries to which we ship goods in fair volume, it is not necessary to indicate on the product that the trademark is registered, although this is advisable. In a few countries like Canada, the United States and Colombia, geographical marks are permitted if they are not *primarily* geographic. Surnames, which are also popular as common-law trademarks, cannot be legally registered anywhere until secondary meaning has been established. Of course any word can be a surname but for trademark purposes we mean a word which, according to its ordinary signification, is a surname.

Fairs and Exhibitions

Trade Fairs for the West Indies

EARLY in 1959, the two largest islands in the new West Indies Federation—Jamaica and Trinidad—will be the scene of a peaceful invasion, with trade as its objective. The Department of Trade and Commerce, in co-operation with an expected one hundred Canadian firms, will stage a Canadian Trade Fair, first at Kingston and later at Port-of-Spain. The purpose: to demonstrate what Canadian industry and Canadian service organizations have to offer the peoples of the West Indies, and to stimulate the interest of West Indian producers in the Canadian market.

Two Sites Chosen

The timing of the Fairs is significant, following closely on the Federation's first anniversary. January and February, in addition, have long been a popular time to visit the islands and the hope is that the Fairs will attract businessmen and tourists from both Canada and neighbouring Caribbean countries.

Sabina Park, two miles from the centre of Kingston, Jamaica, is the chosen setting for the first Fair; it will open on January 16 and close on January 25. Immediately after, the entire Fair will be packed up and transported to the Exhibition Grounds just outside Port-of-Spain, Trinidad. There, from February 20 to March 1, a second Fair will be staged. The result, the Department expects, will be a new impetus to a two-way trade begun long before Canada's own Confederation.

Lending Atmosphere

But a Fair needs more than exhibits to give it atmosphere and attract visitors—and the links between Canada and the West Indies go beyond the purely commercial. The organizers of the Fair are taking both these factors into account. Included will be special features that exhibit something of Canadian life and culture, such as film showings, a possible Canadian fashion show, and so on. The Department is laying plans for a vessel of the Royal Canadian Navy to visit Kingston and Port-of-Spain at Fair time. Special fireworks displays will herald the opening of each Fair.

Enlisting Support

Once the idea of the two Trade Fairs was born and after it was discussed with Canadian Trade Commissioners in Jamaica and Trinidad, the Department's first step was to seek the co-operation of Canadian business. The suggestion was talked over with trade associations likely to be interested, such as the Canadian Exporters' Association and the Canadian Manufacturers' Association. Then, early in the year, letters went out to about 800 firms outlining the project and asking whether they wished to reserve space. Included were those with allocations under the British West Indies Trade Liberalization Plan, those selling in that area commodities under World Open General Licence, and other firms known to the Department as eager to trade with the Federation.

The response was both immediate and promising. Some 73 firms indicated they would want space, most of them in both Fairs. Others replied that they would make a decision shortly.

Following this preliminary canvass, the Department is now getting down to work on a real sales campaign.

Capacity is to be limited to approximately 100 units and certain companies are expected to need more than one. Entries will close on August 1, 1958.

Only Canadian firms may participate but they may exhibit any type of goods or services. A glance at the list of companies already signed up indicates what a wide range the displays will cover. Among the service organizations are banks, insurance firms, and transportation companies. Then come exhibitors of chemicals, forest products, machinery and metal goods, fisheries products and foodstuffs. Consumer goods to be shown are as different as washing machines and hosiery, footwear and foundation garments, pots and pans and adding machines, watches and sportswear.

Design Worked Out

The Department of Trade and Commerce is organizing and operating the Fairs through the Canadian Government Exhibition Commission. In designing the buildings for each Fair, the Commission has put portability first. Central feature in the plans is a pavilion with a large plastic dome and with a series of covered shell stands, 10′ x 10′, clustered around it. Other sections will incorporate stands of a slightly different type, with canvas top, back and sides. A restaurant, entertainment space, an area for outdoor exhibits, and parking grounds will also be included.

Exhibitors Have Choice

The three types of space open to exhibitors are:

1. Covered space in the dome pavilion, about 10′ x 10′ each, and intended for exhibits of small goods, institutional displays, and exhibits by service organizations. Cost: $2.00 per sq. ft. for each Trade Fair. Display cases will rent at $100 to $200 for each Fair.

2. Covered space in individual stands with canvas covering, plus flooring. Cost: $1.50 per sq. ft. for each Fair.

3. Uncovered space to display agricultural machinery and heavy equipment. Cost: 75 cents per sq. ft. for each Fair.

Each exhibitor, in addition to looking after the design and construction of his display, will pay for space and for display cases, and for shipping his goods down to Jamaica and home from Trinidad. He will also be responsible for insurance, manning the stand, and the rental of fixtures. The Department will assume the cost of moving the exhibits from Jamaica to Trinidad.

Attracting Buyers

A Fair needs not only exhibitors and special features, but also businessmen who will come and buy. An important part of the planning for the Canadian Trade Fairs is the stimulation of buyer interest. The Department hopes to organize a Canadian trade mission to visit the West Indies at the time of the Fairs and meet businessmen there. In addition, an active campaign will be carried on not only in the islands themselves but also in nearby Caribbean countries to attract potential purchasers of Canadian goods.

The next few months will see mounting activity as plans for the Fairs take shape and as participating firms work on their own displays, with the help and advice of the Exhibition Commission. Both business and government hope that these efforts will result in two successful Fairs—Fairs that will help to draw our trading ties with the new Federation closer. ●

The U.S. in Foreign Fairs

AMERICAN businessmen are becoming increasingly aware of the advantages of the international trade fair as a medium for developing new markets for their goods. The Trade Fairs and Exhibitions Section of the Bureau of Foreign Commerce reports that more and more manufacturers are finding that through fairs, they have succeeded in promoting their products when all other efforts have failed. They are co-operating with Government to a greater extent than ever before in bringing their commodities before the buyers of the world.

The Office of International Trade Fairs builds at important exhibitions abroad a central exhibit around a selected theme; the products chosen for display are donated or loaned by private industry. The growing interest of businessmen has led to the establishment within the Office of International Trade Fairs of an Industry Exhibits Division; one of its major responsibilities includes making arrangements for private industry displays at the fair so that they will complement the U.S. Government's central exhibit. The Division also acts as a liaison body between government and industry, disseminating trade fair information to firms and trade associations.

The United States has introduced trade missions into its program of participation in international fairs. These groups do not buy or sell but give advice on American business methods. They consist of prominent businessmen and government officials who, in addition to making pre-fair tours of the host country, may also be stationed at the fair itself in Trade Information Centres. Foreign businessmen are thus able to consult with informed and expert representatives of government and industry. In addition, they are encouraged to make use of a complete library of American commercial publications to help them to visualize the size, nature, and requirements of the U.S. market.

COFFEE: *Brazil's Mainstay*

Floor price for coffee higher than the international price in 1957 caused a decline in Brazil's coffee exports and an unfavourable trade balance. Inflation has increased and the currency has weakened, but foreign firms continue to invest capital for development of natural resources.

C. E. BUTTERWORTH, *Consul and Trade Commissioner, São Paulo.*

BRAZIL seems to be facing a difficult year: coffee sales have declined, supplies have increased, and international prices remain weak. Foreign exchange reserves have decreased sharply and international inflation continues. The free market rate for the cruzeiro has declined more than 40 per cent and the agio (premium) paid for U.S. dollars to import products in the General Category has increased more than 100 per cent.

On the other hand, foreign capital continues to flow into the country; 1957, in fact, set a record. The internal market is currently rather buoyant and substantial strides have been made in the important transportation, power, and industrial fields. The vast unexploited natural resources of Brazil promise well for the years ahead but the immediate future may provide many problems.

Coffee Stocks Grow

Last year Brazil harvested a better-than-average coffee crop both in quantity and quality and another good year in foreign trade seemed possible. But in 1957 international coffee supplies overtook demand and prices began to fall. The Brazilian Government, in an attempt to maintain them, established a floor price and entered into agreements (the Mexican Agreement and the International Coffee Organization Agreement) with other producing countries. The result to date is that Brazilian coffee exports have declined about 17 per cent from last year; the price in New York is still weak and stocks are high, totalling approximately 17.2 million bags as of March 31, 1958.

To add to present difficulties, the trend in world coffee production is toward increasing supplies on the market during the next few years and a continuing drop in price before the cycle reverses itself. Unfortunately, world consumption is relatively inelastic compared with production.

Brazil particularly expects larger supplies, as the accompanying table indicates.

COFFEE PRODUCTION IN BRAZIL

	*1956-57	1957-58	1958-59 estimate	1959-60 estimate
Carryover (as of July 1)	10.5	7.3	13.9	20.9
Production (for export)	11.7	20.1	24	25.4
Total available for export	22.2	27.4	37.9	46.3
Exports	14.9	13.5 (est.)	17.0	18.0
Carryover (as of June 30)	7.3	13.9 (est.)	20.9	28.3

*(The Brazilian coffee year begins July 1 and ends June 30.)

Brazil's coffee plantations in the 1957-58 season yielded over 20 million bags (60 kilos each). For 1958-59 output may rise to 24 million bags and prices will probably remain depressed.

The estimates in the last two columns are naturally very rough and a number of factors such as frost, government policy, etc., could change them radically. Normally, it takes from four to five years for a coffee tree to bear fruit after planting and unfavourable weather in this period might alter these production forecasts.

International Price Weak

One of the main reasons for the decline in coffee exports appears to be the relationship which the price floor set by Brazil bears to the international price for Brazilian types. Brokers in consuming countries, particularly the United States, have been holding off new purchases as much as possible and depleting their stocks.

Colombia has recently given Brazil moral support by establishing a floor price of her own in relation to Brazilian prices. In addition, she has signed the Mexican Agreement in which a number of countries contracted to keep a certain amount of exportable coffee off the world market (Brazil 20 per cent, Colombia, Mexico, Guatemala, El Salvador, Nicaragua and Costa Rica each 10 per cent).

Exchange Reserves Decline

The fall in coffee exports has naturally brought a drop in foreign exchange earnings because coffee still brings in more than 60 per cent of the country's foreign exchange. In spite of an emergency withdrawal of $37.5 million from the International Monetary Fund, Brazil's uncommitted dollar reserves dropped from approximately $100 million at the end of 1956 to approximately $20 million at the end of 1957. It is reported that they have fallen further this year.

The drop in coffee prices occurred at an inopportune time for the country—just as President Kubitschek's five year development plan (1956-61) was showing concrete results. It should also be noted that during the next three years Brazil has particularly high foreign-debt obligations—about $307 million in 1958, $332 million in 1959 and $373 million in 1960. It has been estimated by the Superintendency of Currency and Credit, which acts rather like a Central Bank, that the Government will have to find every year from 1957-1961 approximately $270 million in foreign exchange to service amortization and interest on official engagements, plus a further $30 million a year for new obligations likely to be assumed. Apart from this, a further $300 million will have to be forthcoming each year to pay for commercial services such as freight, insurance, interest on investments and other items under current transactions. This situation calls for an annual surplus of $400 million in visible trade and a net entry of $200 million of foreign capital every year. It is difficult to see where Brazil will find this; only once in the last eleven years has there been a surplus—in 1956.

The pressure of inflation has again increased, mainly because of the large federal budget deficit, the establishment of a floor price for coffee, and the impact of rising import premiums. The increase in note circulation was approximately Cr$15.6 billion to Cr$96.6 billion by the end of 1957, the biggest annual increase ever. Total means of payment are estimated to have increased by 30 per cent during 1957.

Cruzeiro Weakens

The free rate for the cruzeiro has fallen from Cr$68.00 =US$1.00 in April 1957 to Cr$123.00=US$1.00 in April 1958. The agio (premium) for the U.S. dollar to import goods has risen sharply from Cr$70.42 in September 1957 to Cr$142.00 in April 1958 for products classified in the General Category. The spectacular rise of the agio was accelerated by the fact that allocations of convertible currencies at the weekly import exchange auctions were reduced by 20 per cent at the beginning of the year.

Inflow of Foreign Capital Continues

In spite of the difficult exchange situation and rising inflationary pressure, the Brazilian economy is still expanding in many fields with the help of overseas capital. Substantial loans have continued to flow in and the persisting interest of foreign firms, headed by U.S. companies, in manufacturing in Brazil indicates confidence in the long-term prospects. In fact, the inflow of foreign investment increased last year: registrations in the first eleven months totalled $330 million compared with $206 million during the whole of 1956 and $119 million in 1955.

The internal market seems to be rather buoyant and over the last few years considerable capital development has taken place in such important fields as transportation, power, basic industry, etc. Thus, although it is difficult to be optimistic about the immediate future in Brazil, practically no one denies that long-term prospects are excellent because of the vast natural resources that await development.

Accommodation for Brussels Fair

Canadian businessmen who intend to visit the Brussels World's Fair this year are advised to make their hotel reservations as soon as possible. Certain travel and transportation agencies have taken blocks of space for the benefit of their clients. Canadian visitors requiring hotel accommodation should therefore request the travel agency or transportation company to secure and confirm reservations for them before they leave Canada.

Bolivia Begins to Progress

On a recent visit to several parts of Bolivia, the author talked with traders, mine managers, bankers and other businessmen, and examined the current market for Canadian goods. Here are his impressions of a country making a determined effort to solve its problems.

D. H. CHENEY, *Commercial Secretary, Lima.*

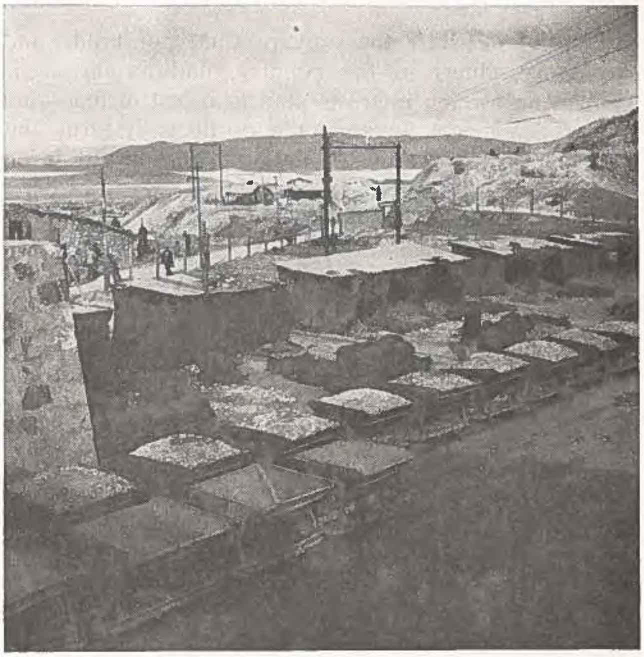
FROM March 1 to March 15, 1958, I visited Bolivia for the express purpose of assessing business conditions there and of obtaining a first-hand idea of the progress that the country is making under the Stabilization Decree. This decree, passed in December 1956, stabilized the currency at 7,500 bolivianos to the dollar, abolished import and exchange controls, and adopted severe measures to arrest inflation. (For a report on the problems encountered and the progress made during Bolivia's first year of stabilization, see *Foreign Trade* of November 23, 1957.)

Petroleum Prospects Encouraging

During my visit to Bolivia, I found many of the old problems persisting, but certain signs also of progress and improvement. One of the fields in which some advance is being made is the production of petroleum. Output of crude oil and refinery products by the government petroleum company YPFB has expanded and arrangements have been concluded with several of Bolivia's neighbours for delivery of these products either for their own consumption or in transit to world markets. Agreement was reached in 1956 on the construction of pipelines to Paraguay. Construction of a pipeline from Sicasica to the Chilean port of Arica has commenced and another from Santa Cruz to the Brazilian frontier is planned. Additional lines for transport of oil and refinery products within the country are planned and one will be enlarged. Gasoline is being exported in growing quantities to northern Chile, Paraguay and southern Peru, and oil is shipped through a pipeline from Yacuiba in the south into northern Argentina.

Under the excellent Petroleum Code of 1956, about half-a-dozen foreign petroleum companies have been granted concessions in a new and promising area of eastern Bolivia. Investment by these companies is increasing rapidly and one has already begun drilling. Income from the concessions is providing the Government with sorely needed foreign exchange. The cities of Cochabamba and Santa Cruz are already feeling the effects of this new activity and, as likely centers of the new petroleum region, are preparing for expansion. Negotiations with Brazil providing for the reservation and development of concessions by Brazilian capital in the near future have been concluded successfully.

Oil fever is running high among the companies now exploring their new concessions. The manager of one company which holds some of the largest concessions in Bolivia told me: "Geologically the new region of exploration is extremely promising. We have



—UN Photo

The San José mine, once worked by the Incas for silver, has become one of Bolivia's chief tin producers. Tin still dominates the economy and the recent fall in price has posed problems.

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Bolivia in Brief

Area: *419,470 square miles, fifth largest country in South America.*

Population: *About 3,198,139, on basis of 1955 figures; some 70 per cent Indians, about 5 per cent whites.*

Capital: *La Paz, 12,130 feet above sea level; population 300 thousand.*

Other Centers: *Cochabamba, Santa Cruz, Potosi, Tarija, Oruro.*

Currency: *The boliviano, quoted currently at about 9,141 to the Canadian dollar.*

Chief Industry: *Mining, particularly of tin, zinc, lead, wolfram, copper, silver. Bolivia ranks third among the world's tin producers.*

New Industry: *Petroleum exploration is going on in many parts of country; 508 million litres of crude were produced in 1956, compared with 428 million in 1955, and 446 million litres were refined in the country.*

Agriculture: *Carried on by about 85 per cent of the people on about 451 thousand acres; crops include sugar, coffee, cacao and rice, but much food has to be imported. Livestock raising is also important.*

Exports: *Dominated by minerals, which make up more than 90 per cent of Bolivia's sales abroad. Tin and wolfram head the export list.*

Principal Imports: *Sugar, cattle, wheat, flour, coal, cotton, rice, iron and steel products, mining machinery, etc. Manufactured goods comprise about half of total imports.*

What Canada Sells: *$950 thousand worth of goods in 1957, with semi-fabricated aluminum, mining machinery, calcium compounds, tires, locomotives and parts, medicinal preparations, iron manufactures, and iron and steel bars in the lead.*

What Canada Buys: *$148 thousand worth of goods in 1957, chiefly Brazil nuts and tungsten ores.*

Best Time to Visit: *May to November, the dry season.*

every reason to hope that within two or three years Bolivia will rank second only to Venezuela as a South American oil producer." This influx of new capital and technology is also persuading the Government of the advantages of free enterprise as opposed to state control.

Currently YPFB is the only producer of crude and refinery products in the country, and as far as is known, no foreign interests plan to invest in increased refinery capacity. Among the products it turns out is a high-quality kerosene fuel suitable for turboprop aircraft. Plans are under way to bring several of these planes into Bolivia from the United Kingdom for test purposes in the near future.

Mining Slump Continues

Slow demand and low prices on world markets for tin, wolfram and base metals, Bolivia's principal mineral exports, have meant a slump in the mining industry. The threat of imposition of increased tariffs on imports of lead and zinc by the United States, the prime export market, is causing great anxiety. Tin production has fallen progressively as a result of labour unrest, financial difficulties, and need for improved equipment. A serious blow to hopes of recovery was the recent cut in Bolivia's quota under the International Tin Agreement buffer stock from 26,000 tons in 1957 to approximately 19,000 for 1958. This will mean a loss to Bolivia in foreign exchange of approximately $8.5 million in the first six months of this year. The fall in exports of wolfram will cost the country another million dollars a month in exchange receipts.

The general manager of a private tin mine confided: "Before the slump our mine was producing 70 tons of fines a month. From there production dropped to 17 tons a month. By the end of 1957 we had worked output back up to about 46 tons when the cut in quota came. Now we're back to 26 tons!"

One bright spot in a rather gloomy picture is an American company which has been carrying on a profitable gold/platinum operation at its properties north of La Paz.

Manufacturing Situation Critical

Beset by many difficult problems, most of Bolivia's small but promising manufacturing industries are struggling for survival and many have folded completely. Shortage of working capital following stabilization, the severe restrictions on credit, competition from foreign imports, and high cost of labour and materials have forced them to the wall. Legislation forbidding the dismissal of surplus labour is also a severe handicap, as it is to the mines. A move to repeal this legislation is before Congress but it is expected to meet with extremely stiff opposition. A temporary measure providing for voluntary retirement of workers upon payment of separation benefits has been largely unsuccessful.

Bolivia is a land divided. Many sections of the country are accessible only by air. Roads and railways must cross high mountains and deep canyons and traverse barren, windswept plateaux almost three miles above sea level. The problems of building and maintaining these transportation links are tremendous. Nevertheless progress is being made. Under the terms of a loan from Argentina, 450 million pesos will be made available for roads and railroads, including construction of a highway from Oran, Argentina, to Tarija and Potosi in Bolivia. Negotiations with Peru and Chile are being carried on to secure the co-operative construction of access roads to the Pacific. Part of a World Bank loan of $15 million granted to the Peruvian Corporation will be used to modernize facilities on the Guaqui-La Paz railway which it controls. However, the cost of internal transportation is extremely high and makes some locally produced commodities uncompetitive with similar goods imported from countries thousands of miles away.

Investment Climate Improving

The climate for foreign investment in Bolivia is improving somewhat; the experience of the petroleum industry is the most encouraging example. A new Mining Code is being drafted which it is hoped will offer security equal to that of the Petroleum Code. There is a growing realization in official circles that to attract capital from abroad guarantees must be provided to protect free enterprise. When these conditions have been met there will be some excellent investment opportunities in Bolivia in the mining, power, irrigation and manufacturing fields. One of the largest single investments in the country is the Bolivian Power Company, operated by a Canadian firm, which supplies power to the cities of La Paz and Oruro.

Business and the Market

La Paz, the capital, is the largest city in Bolivia; it has a population of over 300 thousand and is the nerve center of the country. Other centers of less importance are Cochabamba, Santa Cruz, Sucre, Potosi, Tarija and Oruro. I found the shops surprisingly well stocked with goods of all descriptions. Prices, however, are high, particularly for imported goods, and the general public cannot afford to buy them. Merchants complain that their stocks are moving very slowly and they have difficulty in meeting their financial obligations. The importers and distributors, in their turn, complain that although dollars are freely available their present difficulty is to obtain sufficient bolivianos to pay for them. Restrictions on bank credit have made it next to impossible for them to borrow to cover their needs. A harried bank manager explained to me that credit restrictions were so severe that bank operations were practically paralyzed.

Bolivia is a small market. The total population is approximately three million and the effective consuming population is possibly only half a million. The market for imported products is dominated by the United States as a result of the important part that country is playing in stabilization programs, through financial aid and the operations of its various Point Four missions. British products are also in evidence, particularly automobiles and trucks, tractors, oilfield equipment, aircraft, pharmaceuticals, confectionery, etc. Germany and Japan are also active.

Canadian Opportunities Investigated

While I was in Bolivia I investigated the market for Canadian goods. Canadian products now selling there include equipment for ore crushing, industrial belting, mining machinery, brushes and stationery items. In 1957 our exports to Bolivia reached $950 thousand. There are opportunities for the sale of heavy oilfield equipment and supplies provided fairly lengthy credit terms are offered and, in some cases, if exporters are willing to accept payment in sterling. Sales of these products are best negotiated directly with the head offices of oil exploration companies in the United States and Europe. Flotation chemicals used in mineral refining, small dump cars and track for the mines, and specially designed jute bags used in packing and shipping mineral concentrates are also in demand.

In the past we have received many inquiries from Canadian companies wishing to offer technical services, particularly as engineering consultants and for aerial surveys connected with pipeline and road construction and petroleum exploration. I made a special point of investigating the procedures for securing such business. I was assured that where the Bolivian Government is involved, the Canadian firm must send a qualified representative to La Paz to discuss the projects with government officials. U.S. firms dominate this field because they have followed this practice. For private contracts such as oilfield exploration, negotiations must be carried out with the head offices of the companies concerned. One aggressive Canadian firm has just secured contracts in Bolivia by this method. Local representatives can be of value not in directly influencing business but in reporting where such services are needed. Sometimes they can have the information in the hands of their principals almost as soon as the head office of the potential contracting party receives the requisition from Bolivia.

Price is the all-important consideration in determining sales of consumer goods in Bolivia; quality is definitely secondary. Because the payments situation is still difficult, Canadian exporters should ship only against letter of credit, documents on payment, or other well-secured terms until experience justifies otherwise. We will gladly supply information on the status of Bolivian firms on request.

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Should large quantities of petroleum be discovered in eastern Bolivia, the country's economic health may well improve rapidly within the next two to three years. Canadian exporters who feel that they are in a position to meet keen competition and who want to build for the future may wish to consider representation in this little-known country. We shall be happy to recommend suitable contacts.

Looking Ahead

There are signs that Bolivia is slowly pulling out of its economic troubles. The boliviano has remained relatively stable; arrangements have been made to pay off the defaulted foreign debts; all import and exchange controls have been removed, and dollars are freely available for payment of imports. Government policy and attitude toward foreign investment is improving. As the President and his Government strengthen their control over extremist political and labour elements, this trend should continue. Inflationary pressures, particularly demands for higher wages and salaries, remain serious and must be controlled. To achieve this the Government has frozen pay scales for a further year. Credit restrictions are painful but effective and the cost of living has been progressively reduced in recent months.

With an upturn of fortune bringing improved demand for tin and better prices for base metals, Bolivia stands a chance of progressing along the road to recovery. However, as long as the depression in the mining industry persists, no significant short-term improvement can be expected.

Transportation Notes

Lufthansa Soars Ahead

AT a time when a great many airlines are expressing concern about the future, Deutsche Lufthansa, West Germany's national airline, remains optimistic. As airlines go, Lufthansa is a very new venture. Grounded for ten years, it resumed operations in April 1955 and by the time the year was out it had carried over 74,000 passengers. Traffic has increased rapidly since then; in 1956, nearly 229 thousand passengers were carried and in 1957, the figure reached 386 thousand. Freight and mail business has also expanded: from 1956 to 1957 freight handling increased from 1,990 metric tons to 3,248 metric tons, a gain of 63 per cent; in 1957, 1,609 metric tons of mail were carried, 50 per cent more than in 1956.

Lufthansa now serves four continents. At the end of 1957 its fleet consisted of nine long-range planes, nine middle-range planes, three short-range planes and 12 trainers. The original European and North American (New York) routes were supplemented in 1956 by a new service to Chicago via Canada (Montreal); a Middle East service to Istanbul, Beirut, Baghdad, and Tehran, and a South American service via Dakar to Rio de Janeiro, São Paulo and Buenos Aires. The Frankfurt-Santiago, Chile, service was resumed on April 10. Improvements in the North American, European and Near East services are planned for 1958.

Service Is Growing

With the introduction of the summer schedule in April of this year, Lufthansa hopes to offer 200 weekly flights with a total of 8,300 seats in its intra-European service and 300 weekly flights with a total of 13,000 seats in its intra-German service. The North Atlantic service will be expanded to 30 flights per week. This is expected to result in a volume of business some 60 per cent greater than last year. Not only does Lufthansa plan to extend its foreign services but it also feels that there is considerable room for expansion within Germany. At present, according to the company's authorities, the airline only carries 30 per cent of German air traffic; the other 70 per cent is carried by foreign airlines. Lufthansa would like to see its share increased to the 50 per cent commonly accepted for national carriers. Looking ahead to 1960, the company plans to inaugurate a polar route between Germany and California.

Of the 1956 transportation revenues of DM74.5 million, 80.8 per cent was provided by passenger business, 6.3 per cent by freight and 12.9 per cent by mail service. Of the 229,670 passengers who flew Lufthansa in 1956, 120,249 (52.3 per cent) travelled between European centres, 54,739 (23.8 per cent) were accounted for on the intra-German network, and 46,367 (20.1 per cent) flew on the routes to and from North America. From a revenue viewpoint the order of importance was reversed—the North Atlantic routes in 1956 brought in 58.5 per cent of the total revenue for that year, the shorter European and intra-German routes accounted for 19.4 per cent and 4.1 per cent respectively. It is not surprising, therefore, that Lufthansa announced in its 1956 annual report that it would, in future, emphasize North Atlantic routes. The Middle East and South American services began operations in the second half of 1956 and the former was affected adversely by the Suez crisis. Consequently neither service ranked very high in 1956 operations.

Private Participation May Increase

Although Lufthansa is a state airline and therefore receives a state subsidy, it was able in its first full operating year to cover 80 per cent of its total costs through its own earnings. This figure increased to 90 per cent in 1957. Lufthansa authorities state that the airline has good hopes of paying its own way by 1959 at the latest. As a result, there is considerable talk of increasing private stock participation, though the state intends to maintain a minimum participation of 50 per cent. Leading businessmen, particularly in the export business, have shown interest recently in obtaining capital shares in Lufthansa; airline authorities feel that this might be the best group to which to turn for its private capital, as it is perhaps more interested than any other in improving Germany's communications with the outside world.

—J. M. T. THOMAS, *Vice Consul and Assistant Trade Commissioner, Hamburg.*

Canada

NEW CANADA-SOUTH AMERICA LINE—Of interest to Canadian exporters is the announcement by the Robert Reford Co., agents for Flota Mercante Grancolombiana S.A., that a new direct steamship service between St. Lawrence ports and the west coast of South America began in late April. The service is monthly and ships will call at the following South American ports: Cartagena, Barranquilla and Buenaventura in Colombia, Guayaquil in Ecuador, and Callao, Mollendo, and Matarani in Peru. The first sailing was the *Ciudad de Quito* from Montreal on April 30, to be followed by the *Zephyr* on May 24—Ottawa.

REFRIGERATION SPACE INCREASED—Saguenay Shipping Limited has announced that more refrigeration space is now available to Bermuda and the Caribbean. The M/V *Borealis* sailed from Montreal on May 14 and joined the M/V's *Sungleam* and *Sunprincess* in a fortnightly service to Bermuda, the Leeward and Windward Islands and Barbados. This represents an increase of over 300 per cent in the company's refrigerated shipping facilities to the area—Ottawa.

India

CALCUTTA HANDLES MORE SHIPS—The total tonnage handled by Calcutta during 1956-57 reached 8.87 million tons against 8.03 million in the previous year—an increase of 838 thousand tons (about 10.44 per cent) in the total trade passing through the port.

The number of vessels that entered the port reached 1,383 compared with 1,285 in 1955-56. Total gross tonnage rose from 8.09 million to 8.56 million.

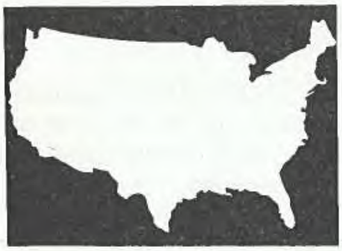
The latest revised estimate for 1957-58 shows tonnage handled soaring to well over 10 million, with an expected increase of 600 thousand tons beyond that for 1958-59—Bombay.

Pakistan

IMPROVEMENTS AT KARACHI—Before 1947, Karachi was only a secondary port, but now it is a major one, serving the seaborne trade of West Pakistan and landlocked Afghanistan. Tonnage handled increased from 2.7 million tons in 1947 to 3.9 million in 1957.

With an area of over 1,500 acres the Karachi Port Trust has 17 berths and a return wharf at its eastern end. The four modern berths at the west are provided with bunkering and discharge facilities. There is also one ship-repairing berth and one lighterage berth. The over-all storage area is about one million square yards, both covered and open.

The Karachi Port Trust has embarked upon a $23 million construction and modernization project with the assistance of a $14.8 million loan from the World Bank. With the completion of the reconstruction work at the East Wharves the handling capacity is expected to increase by 30 per cent. In addition, the United States ICA, through a triangular agreement involving Pakistan, the United States and Italy, is providing over $1 million worth of cargo-handling equipment. The port is now extremely congested because five wharves are continually being reconstructed: as one is completed, another is taken out of service. Even so, the turn-around time is remarkably short and the average delay before ships can be berthed is about 48 hours—Karachi.



Marketing Food Products

Continuing improvements in the processing and marketing of food products in the United States have both changed diet patterns and raised marketing costs, as this study shows.

W. C. HOPPER, *Minister (Commercial), Washington.*

THE past 25 years have seen some important changes in the diet and eating habits of United States citizens, and a growing consciousness of the nutritional value of foods.

Some of these changes have resulted from the great improvement in the quality of many food products and from the new forms in which these products are sold. Per capita consumption of poultry meat, for example, increased by about 66 per cent from 1925-29 to 1951-55, but the consumption of red meats went up only 12 per cent. In 1925-29, butter consumption was 17 to 18 pounds per person; in recent years it has been only about half that amount. Consumption of eggs averaged about 390 per person in 1950-52 but declined to 369 by 1956 and to 356 in 1957. Per capita consumption of fruits and vegetables has gone up substantially, but potato consumption fell from an average of 144 pounds per person in 1925-29 to 104 pounds in 1951-55. For the same periods, per capita consumption of wheat flour declined from about 180 to about 128 pounds.

Innovations Introduced

New products, more attractive packaging and display, and new methods of food manufacture are competing for the consumer's dollar. In the main, these innovations have resulted in products which are fresher, of better quality, and more convenient to buy, carry, store and use.

In 1950, only 5 per cent of the fresh fruits and vegetables retailed in the United States were prepackaged, compared with 20 per cent in 1956. Prepackaging of meats is expanding rapidly. Although dry skim milk was practically unknown to American housewives ten years ago, sales in 1956 totalled nearly 150 million pounds. It is interesting that the increase has not been at the expense of other dairy products, with the possible exception of evaporated milk and then to only a minor extent.

Production of frozen foods has increased fivefold since 1947, and recently dehydrofrozen and dehydrocanned products have appeared. The process consists of reducing the weight of the product by approximately half by removing a major portion of the water before freezing and canning. Dehydrofrozen pimentos are now being used in the cheese industry and dehydrofrozen apples in commercial pie-making. Dehydrofrozen peas are also beginning to appear.

Processed Potatoes Popular

Potatoes are now sold in many ways. Sales in the fresh form are still the most important but sales of processed potatoes are increasing and may tend to prevent the decline in per capita potato consumption. Potato chips are the most popular processed form, and French fries lead frozen potato products. Other frozen products include potato puffs, whipped potatoes, potato patties, potato soup and blanched diced potatoes. Canned potato products include hashes, stews, salads, soups and sticks. There are also dehydrated products such as potato flakes, granules, shreds, meal, flour and starch. Pre-peeled potatoes are available in most large cities.

Studies have shown that the consumption of whole milk is increasing faster in regions where milk purchases have shown the greatest shift from quart to half-gallon containers. Usually milk is sold at a discount when the larger containers are used. About 73 per cent of the total quantity of fluid milk purchased by householders in the United States during the 1954-55 marketing year was in single quart containers. Two years later, the percentage fell to 60 and during the first six months of the 1957-58 season to 55.

The University of Wisconsin has developed a concentrated sterilized milk product which will shortly be available in cans. It is reported that the product will be inexpensive and may be kept on the shelf without deterioration for many months, with or without refrigeration. It may be used like cream on cereals and desserts or, with water added, as a beverage. It requires only about one-third as much cupboard or refrigerator space as bottled milk and on a single shopping trip a housewife can pick up enough for a week or a month. The product is said to taste like fresh milk, or perhaps a little richer.

Influence on Marketing Costs

Many of these developments, such as the amount of service sold with food and the improvement in quality, have influenced food marketing costs. These have been rising steadily for twenty years and are expected to go up again during the current year. For the most part, however, the forces causing the rising costs lie outside the marketing system for farm products. They include higher wages, higher transportation costs, and increased taxes—all of which are common to other sectors of the economy. The farmer himself has, in the last two years, received only 40 cents out of the consumer's retail food dollar.

The hourly earnings of workers engaged in marketing food were more than three times as high in 1957 as in 1939 but the rise in worker productivity offset these increased costs to some extent. Sales per worker in retail stores rose from $23,000 in 1939 to $38,000 in 1956, in terms of 1956 dollars. The number of persons employed in the processing and distribution of food rose about 37 per cent from 1939 to 1956; in the latter year, they totalled about 5.2 million. Unionization of these workers and new provisions for fringe benefits under federal and state legislation have also increased marketing costs. Other developments, such as the spending by marketing agencies of hundreds of millions of dollars annually on clean, well-lighted, modern facilities and parking areas for retail customers, plus the modernization and expansion of plants by processors, have also had a part in pushing up costs. Railroad and truck rates are higher and interest rates have risen sharply. Business taxes now represent about one-fourth of the consumer's food bill. ●

Israel Expands Industrial Output

MANUFACTURING in Israel is changing to more basic production and using local resources as far as possible; formerly, industry concentrated on turning out consumer goods, including assembly of vehicles, refrigerators, and other electric appliances. The country's first steel furnace went into operation a few months ago near Acre and also slated for early completion is a smelter which will use local iron deposits. Further evidence of the Government's determination to exploit limited resources fully are the start of sugar production from locally-grown beets, and current plans to expand paper output and to make pulp, rayon yarn and cord.

Perhaps the most striking development has been the consolidation which has taken place in the heavy chemicals industry in the past eighteen months. In fact, heavy chemicals have emerged as the most important branch of Israeli industry and one based for the most part on local raw materials. Plants are producing large tonnages of phosphate and potash fertilizers, insecticides and fungicides, and sulphuric acid. The Haifa oil refinery, now operating at only 25 per cent of its four-million-ton capacity, hopes to attain full production now that the oil pipeline from Eilat to Haifa has been completed. Diversified petrochemical works to be erected near the refineries are expected to supply Israeli industry with a wide range of chemical materials which it now must buy abroad.

Industrial production in 1956 reached the equivalent of $610 million in value, a gain of 8 per cent over the previous year, 12 per cent over 1954, and 24 per cent over 1953. The Government Economic Advisory Council recently submitted a comprehensive four-year plan to the Minister of Commerce and Industry calling for the expansion of industry. The Council suggests an investment of I£538 million (about US$300 million) to set up 380 new plants and expand 200 existing enterprises by the end of the 1959-60 fiscal year. Branches of industry slated for expansion over the period, with capital needed in brackets, include metals (I£148 million), textiles (I£138 million), chemicals (I£74 million), food processing (I£41 million), pulp and paper (I£11 million), building materials (I£29 million), and diamond cutting and polishing (I£11 million). Other projects call for expansion of plants making tires and tubes, ceramics, glass, and wood products.

—C. SWIFT,
Office of the Commercial Secretary, Athens.

How Sweden Buys

Canadian firms that wish to sell consumer goods in Sweden need to understand the distribution system there and the part played by co-operatives and by buying organizations for the "free" retail trade.

A. P. BISSONNET, *Commercial Secretary, Stockholm.*

SWEDEN has one of the highest standards of living in the world. Although the country has a population of only 7.4 million, the purchasing power of the individual consumer is large; this makes Sweden a bigger market than some other more populous European countries. The average Swede is a discriminating buyer who has an eye to quality as well as price.

Retail and Wholesale Trade

Sweden's retail trade is highly organized; there are about 100 thousand stores owned by about 80,000 individuals or firms. The number of smaller, individually owned stores continues to be large, but there is a distinct trend towards self-service chain stores. This has resulted in considerable voluntary co-operation among the smaller owners in purchasing and other business operations. Consequently manufacturers have found it profitable to deal directly with the retail organizations, bypassing the wholesalers. In face of this, the wholesalers are opening more retail stores of their own.

Incidentally, prepackaged goods are popular in Sweden and at the moment the chain stores are only doing their own packaging to a limited extent.

Nearly 13,000 firms are engaged in the wholesale trade, over 3,000 of them in the food sector. About 1,400 of these firms are members of the Swedish Wholesalers Federation, which has 57 branch associations and one general section. These branch associations, as a rule, do not actually buy for their members. The Federation has a special section dealing with foreign trade because many of its members are prominent importers.

Swedish Co-operative Movement

In recent years the co-operative movement which goes by the name of "Kooperative Forbundet", abbreviated KF, (the Swedish Co-operative Union and Wholesale Society), has become increasingly important in the economic and even in the social life of Sweden. KF, which also owns and operates a variety of industrial enterprises, functions as a wholesale buyer of a wide range of products for the local consumer associations. There are now 681 local co-operative societies affiliated to KF; these societies own 7,882 retail outlets. However, because the majority of the members represent a whole family, considerably more than one-third of the Swedish population relies upon the co-operative movement to supply its daily needs. Goods sold by the societies during 1956 were valued at 2,605 million kronor ($470 million). During the same year KF supplied the affiliated societies with goods to the value of 887 million kronor ($160 million).

Imports by KF are channelled through the various commodity branches and the Stockholm sections purchase for the whole country. Commodities are usually imported direct from the producer, but sometimes through a Swedish agent.

Although it was originally a wholesaler, KF soon moved into the food industry with margarine factories, flour mills, bakeries and meatpacking houses. Some 2 per cent of Sweden's industrial production now comes from the more than 40 industries owned by the co-operative movement. In addition to food, products include china and porcelain, light bulbs, footwear, rubber products, paper, washing machines and fertilizers.

Agricultural and Fisheries Co-operatives

The central organization of the agricultural co-operative movement (which is entirely separate from the consumer movement) is Sweden's Agricultural Federation (Sveriges Lantbruksforbund), which has 14 affiliated organizations with a total membership of over 360 thousand. Over 90 per cent of Swedish farmers belong to one or more of these organizations. They operate a number of enterprises and also buy farmers' supplies of fertilizers, feedstuffs, machinery, fuel, etc.

There are also fishermen's co-operatives. These, besides acting as a liaison between the fishermen and the consumers' co-operative movement, distribute supplies and other necessities to the fishing industry.

Non-Co-operative Buying Organizations

The intense competition which has developed between individually owned business and the co-operative movement has helped to improve the distribution system in Sweden. To meet competition from the co-operatives, a number of central buying organizations

Consumer Goods

have been formed in the independent wholesale and retail trade. Some of the more important are mentioned below.*

• *The Hakon Company of Vasteras*—The first purchasing organization for the "free" retail trade in Sweden was formed in 1917 by the Hakon Company of Vasteras. It now has a membership of some 4,000 retailers throughout central Sweden, with an annual turnover of 400 million kronor ($72 million). There are four main departments: colonial goods; fruit, vegetables and frozen foodstuffs; textiles and clothing; household appliances and special goods. The largest department, for colonial goods, is divided into three sub-sections—imports, Swedish products, and coffee. The Hakon Company has branches in 28 towns throughout central Sweden, each of which has a distribution centre with separate stocks and administration. All imports, however, are channelled through the parent company in Vasteras.

• *AB Speceristernas Varuinkop,* known as SV (Grocers Purchasing Organization) Stockholm, a similar organization to Hakon, was established in 1922. It has a membership of 1,150 retailers in the Stockholm district and in the neighbouring provinces of Ostergotland and Gotland. Its annual turnover reaches 90 million kronor ($16 million). The head office in Stockholm is responsible for all importing.

• *AB EOL* of Gothenburg is the purchasing organization for retailers in west and south Sweden. It maintains 22 depots in this territory with an annual turnover of 268 million kronor ($48 million). The commodities covered include foodstuffs, textiles and household appliances. There is also a large import section at Gothenburg.

• *AB Nordsvenska Kopmanna AB,* known as NS (Northern Swedish Purchasing Co.), with head office at Ostersund, has 13 branches serving retailers throughout northern Sweden with a total annual turnover of 78 million kronor ($14 million). This organization also handles a range of commodities which includes foodstuffs as well as textiles and household equipment. The import department is at Ostersund.

Inside view of one of Stockholm's food stores illustrates the trend towards self-service in Sweden. This in turn has led to greater emphasis upon co-operative purchasing, especially by the smaller stores, and to a brisk demand for prepackaged goods.

To benefit the private retailer, in 1939 an organization for economic co-operation was formed by the four companies mentioned above under the name of ICA, with headquarters in Stockholm. ICA also operates a large purchasing office in Stockholm with separate departments for foodstuffs, textiles, oils and paints, and household equipment. It also has a large specialized import section.

The ICA system with its four affiliates now covers the whole of Sweden and has a membership of over 14,000 retailers. It also operates restaurants and milk bars and owns factories producing chocolate and shop furnishings.

Wholesalers Also Organized

• *The Bakeries' Buying Organization,* Stockholm, purchases for Swedish retail bakers. The majority of Swedish independent bakers—approximately 1,500—belong to it.

• *SAKO (General Association of Swedish Grocery Wholesalers).* This association, with its head office in Gothenburg, is a joint purchasing company representing some 60 medium-sized grocery wholesalers throughout Sweden. It has a special import department.

• *ASK* is a similar association of 80 wholesalers in various parts of Sweden with head office in Stockholm. It was formed in 1937 and now has an annual turnover of 700 million kronor ($126 million). It buys for its members foodstuffs, chemical-technical articles, paper and paper products and special goods, including any articles of particular interest to stores in rural dis-

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**Readers who wish to have the names and addresses of these organizations should write to the Commercial Secretary, Canadian Embassy, Stockholm.*

tricts. Imports for ASK members are in the hands of a special subsidiary, *UNIL AB,* which has connections in many parts of the world, particularly in the United States. Unil's imports of rice, dried fruit and grains represent 25, 27 and 38 per cent respectively of Sweden's total imports of these goods. Since 1952 imports through Unil have increased more than four times and in 1956 the increase was 31 per cent over 1955. In Denmark, Finland and Norway there are similar organizations and they are part owners of United Nordic Importers Ltd., which has a purchasing office at Unil AB, Stockholm.

• *Forenade Rationella Inkop,* known as FRI (United Rational Purchasing Association). This association, with head office in Orebro, is a central purchasing organization for piece goods and ready-made clothing for over 100 retailers in the textile business. Formed in 1957, it has already succeeded in cutting down buying costs for its members. In an effort to bring prices down in the textile business, the association is planning co-operation with leading buying organizations in Europe, particularly West Germany, from whom Sweden obtains a large part of her textile imports.

• *Bilagarnas Inkops Central (Motor Owners' Central Purchasing Organization),* Stockholm. This movement, which was established in 1926, now has 167 local affiliated purchasing associations. They buy from a central wholesaler known as IC gasoline, diesel fuel, lubricating oil, tires, tubes, accessories, and also automobiles. The wholesaler unit IC also imports automobiles and in addition makes certain accessories. The annual turnover is approximately 122 million kronor ($21 million), of which 90.8 million ($16 million) is for motor fuel.

The sale of wine, spirits and tobacco is managed by government monopolies.

• *AB Vin & Spritcentralen,* Stockholm (the Wine & Spirits Government Monopoly) has the sole right to distribute alcoholic beverages. Wine and spirits may be produced by private companies and imported through private wholesalers, but distribution must take place through government retail shops.

• *Svenska Tobaksmonopolet,* Stockholm, (Swedish Government Tobacco Monopoly) is the sole importer and manufacturer of tobacco products. Tobacco products are sold by private retailers but the monopoly fixes the prices.

A large number of Swedish retailers of hardware and appliances buy from one of the four following purchasing organizations:

• *Jarnhandlarnes Inkopsorganisation AB (Hardware Dealers' Purchasing Organization),* known as JIKO, was formed in 1937 and has its head office in Eskilstuna, Sweden's principal centre for the manufacture of iron and steel products.

• *Inkopsforening Ferro (Ferro Purchasing Association),* with head office in Ulricehamn, supplies retailers in west Sweden.

• *Nordjarn AB,* Stockholm, serves retailers in northern Sweden.

• *Dala-Jarn AB,* Borlange, is a purchasing organization for retailers in the province of Dalarne (central Sweden).

• *Restauratorernas Inkops AB, Stockholm (Restaurant and Hotel Purchasing Co.)* This is the purchasing organization for over 1,000 hotels and restaurants in private hands. Commodities purchased include canned foodstuffs, furnishings, linen, cleaning materials and cutlery.

• *Association of Chemists, Stockholm*—A sub-section of this association buys pharmaceuticals for 20 drug stores in the Stockholm district.

• *Kiosk Owners Purchasing Co. Stockholm*—This is a purchasing organization for over 300 private kiosk owners in the Stockholm district. Kiosks, besides newspapers and books, carry confectionery, fruit, soft drinks, some canned goods and stationery supplies. There are similar purchasing organizations in Gothenburg and Malmo.

• *Sko-Isa (Footwear Purchasing Organization)*—Nearly 300 private retailers in various parts of Sweden buy through this organization which has its head office in Orebro, Sweden's shoe and leather centre.

Mail Order Firms

There are a number of mail order firms in Sweden, centered around Boras, the textile town in the southwestern part of the country. Mail order business is carried on both at the wholesale and retail level, and the two leading firms are:

• *Allmanco*—wholesalers, Boras, with an annual turnover of 30 million kronor ($5.4 million). Deliveries to retailers, chiefly of textile goods, ready-made clothing and footwear, are effected within 24 hours of receipt of order. Small shops in rural districts are thus not encumbered with large stocks.

• *Wiskadals,* Boras, are mail-order retailers, dealing in all types of consumer goods. During their top season, a month or so before Christmas, they dispatch 3,500 parcels a day, a daily turnover of a quarter of a million kronor ($50,000).

Buying by Telephone

In Stockholm during the last two years a new type of retailing by telephone has been introduced by

"Hemkop" (home purchasing). The principle behind Hemkop is that one store supplies a sufficiently large number of households with consumer goods to give it a turnover equivalent to that of a wholesaler. The contact with customers is done by means of a list of all Hemkop's commodities. Orders are received by telephone and sometimes by mail, and deliveries are made by truck direct to the consumer. The minimum order is Kr. 30 ($5.40), and entitles the buyer to a 7 per cent discount. Orders of at least Kr. 60 ($10.80) receive 10 per cent, and so on. The prices quoted are those recommended by retailer organizations, but the discount enables the consumer to buy goods even cheaper than from the co-operative. Hemkop is becoming increasingly popular in Stockholm and the local co-operative is feeling the competition; its prices, particularly of canned goods, are being adjusted accordingly. Hemkop has a special section for imports.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service are on tour in Canada. Their itineraries are:

R. W. BLAKE, formerly Trade Commissioner in Port-of-Spain, Trinidad:

Winnipeg—June 2-3
Saskatoon—June 4-6
Vancouver—June 16-24
Regina—June 27
Toronto—June 30-July 4

M. P. CARSON, Trade Commissioner in Singapore:

Toronto—June 2-10
Hamilton—June 11
Guelph—June 12
Fergus—June 12
Kincardine—June 13
Goderich—June 13
Windsor—June 16
Brantford—June 17
Welland—June 18
Kingston—June 19
Montreal—June 20-30

T. G. MAJOR, Commercial Counsellor in Melbourne, Australia:

Montreal—May 26-30
Toronto—June 4-6

W. J. MILLYARD, formerly Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland:

Toronto—May 27-June 3
Quebec City—June 4
Saint John—June 5-6
Montreal—June 9-17
Winnipeg—June 19-20
Vancouver—June 23-27

J. L. MUTTER, Commercial Counsellor in Tokyo, Japan:

Vancouver—May 20-29
Victoria—May 30
Calgary—June 2
Regina—June 3
Winnipeg—June 5-6
Hamilton—June 9
Toronto—June 16-20
Ottawa—June 23-July 4
Montreal—July 7-11

B. I. RANKIN, Commercial Counsellor in Berne, Switzerland:

Southern Ont.—June 2-7
Toronto—June 9-18
Winnipeg—June 19-23
Vancouver—June 24-July 3
Edmonton—July 4

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto and Winnipeg, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Tours of Territory

W. G. BRETT, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracaibo early in June.

R. E. GRAVEL, Commercial Counsellor in Caracas, Venezuela, will visit Barcelona, Puerto La Cruz, Guanta and Nueva Esparata during the latter part of June.

P. A. SAVARD, Commercial Secretary in Bogotá, Colombia, will attend the 12th Annual Holstein-Friesian Exhibition in Quito from June 9-15.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Brett and Mr. Gravel at Caracas, and to Mr. Savard at Bogotá.

Commodity Notes

Aluminum Foil

AUSTRALIA—A British Canadian group, Aluminium Ltd., Montreal, and the British Aluminium Co. Ltd., London, will build a £1 million factory in Sydney to produce aluminum foil. These companies own Australian Aluminum Co. Ltd. Aluminum Foils (Aust.) Pty. Ltd., a wholly owned subsidiary of Australian Aluminium, will handle the new venture.

The mill's initial production will be 1,500 tons a year; foil is worth about A£500 a ton. A full range of foil products is planned, mainly for the Australian tobacco, confectionery, radio, dairy and packaging industries—Sydney.

SWEDEN—The SAAB motor works of Sweden is planning to increase production from the present 12,000 automobiles a year to a minimum of 24,000. The extension to the factory in Trollhättan will cost approximately $10 million and capacity production will be reached by 1960. Sales of SAAB automobiles in 1957 totalled 10,000 vehicles valued at $13 million, compared with 7,400 in 1956 valued at $9 million—Stockholm.

Buttons

AUSTRALIA—Coloured anodized aluminum buttons used by the Australian army are now available for export. Manufacturers claim they are an improvement over traditional types. Particularly suitable for use in tropical or humid climates, they are solid and will not crush. Coloured by means of an anodizing process they achieve a brilliant finish that will not fade, tarnish or need polishing. They are particularly suitable for use by police forces, transport companies, fire brigades, and hotel and shipping firms—Sydney.

Chlorine

SWEDEN—Sweden's chlorine production capacity has increased considerably during recent years and now amounts to about 150 thousand tons a year, more than enough for domestic needs. There are five Swedish factories producing it and all sales, both domestic and export, are handled by one company, AB Svenska Klorfabrikanter. New cellulose bleaching plants and other industries will therefore be well supplied with chlorine from Swedish plants—Stockholm.

Garden Sprinkler

AUSTRALIA—A new type of garden sprinkler developed by a South Australian firm will water square or oblong areas without drenching surrounding paths. Called the *Rainwave,* the new sprinkler enables tennis courts to be watered in only two moves without leaving dry spots. The secret of the sprinkler is a small water turbine with nylon gears which spins at about 1,000 r.p.m., causing a long perforated tube to oscillate slowly. Position adjustment of the area to be watered is possible by means of a quadrant and knurled screw—Sydney.

Herring

NORWAY—The winter herring fisheries this year which ended in the middle of February were a complete failure; the catch totalled only about 2.5 million hectolitres compared with 5.7 million in 1957, also rather a poor year. (One hectolitre=approx. 3.3 bushels.) In spite of the fact that this year's catch is the smallest since 1953, Russia will import some 47,000 tons of salted herring from Norway in 1958 at prices above those paid last year. Shipments to Russia in 1957 amounted to only 30,000 tons because of disagreements over prices. This year's exports will comprise 382 barrels of salted winter herring and 45,000 barrels of salted spring herring—Oslo.

Iron Ore

PERU—The first shipment of iron ore from the port of San Juan serving the mines operated by the Marcona Mining Company, some 250 miles south of Lima, has been made to the new steel plant at Chimbote in northern Peru. This is the first cargo of iron ore to be transported in Peru for use within the country. The new plant was expected to begin large-scale operations in April—Lima.

NORWAY—The company A/S Sydvaranger, which operates Norway's largest iron ore mine, produced and shipped about 1.1 million tons of iron ore concentrate in 1957 valued at kr.96.7 million. During the year it invested about kr.29 million in modernization schemes and new buildings. The company's net profit was nearly kr. 3 million. Output and shipments in 1958 are also expected to total some 1.1 million tons of concentrate, all of which has been sold at the same prices as last year—Oslo.

Lead and Zinc

INDIA—Total production of lead and zinc ores from the Zawar mines of Rajasthan in 1957 rose to 95,462 tons compared with 79,959 tons in 1956.

Recoveries of lead and zinc concentrates reached 4,850 tons and 7,469 tons respectively, against 3,909 and 6,800 in 1956. Lead concentrates are sent to the smelting plant at Tandoo in Bihar. In the absence of a zinc smelter, zinc concentrates go to Japan for smelting—Bombay.

Liquid Gas

VENEZUELA—An initial shipment of 11,500 barrels of liquid gas has gone from Venezuela to the Dominican Republic. This is the first shipment of Venezuela-produced butane and propane and it indicates the growing demand for liquid gas in the Caribbean. This new market will help Venezuela to diversify her petroleum exports—Caracas.

Petroleum

CHILE—Production of petroleum in 1957 totalled 689 thousand cubic meters, compared with 563 thousand in 1956 and 409 thousand in 1955. It is announced that output in January 1958 reached 70,602 cubic meters compared with 36,214 in January 1957, an increase of 33.5 per cent—Santiago.

Petroleum Products

BRAZIL—Domestic consumption of petroleum derivatives in 1957 reached almost 70 million barrels, a decrease of 2.3 million from 1956 but an increase of 10.8 million over 1955.

Exports of fuel oil in 1957 went to the United States, Uruguay and European countries. This includes exports to Great Britain of 114,648 barrels. In the same period Brazilian imports of fuel oil were valued at US$262 million, a decrease of US$17 million from the preceding year. Decreased consumption, which is attributed to lower production in the textile, footwear, crockery and beverage industries, resulted in less demand for fuel oil—Rio de Janeiro.

Rail Equipment

INDIA—The Railway Board has placed an order with a firm in Poland valued at about Rs.78 lakhs (approx. $1.56 million) for certain types of railway equipment. The firm has agreed to receive 50 per cent of the payment in Indian rupees; the balance will be paid in pounds sterling. The order is for nearly 17,000 rolled steel tires for broad-gauge wheels and over 9,000 forged steel axles of various measurements—Bombay.

Seed Potatoes

VENEZUELA—The Venezuelan Government, through its Agricultural and Livestock Bank, has placed an order with a Canadian firm for 15,000 crates of seed potatoes. Of the total number of crates 7,000 will be of the Kennebec variety and 8,000 of the Sebago variety. The shipment was expected to arrive in Puerto Cabello during the second half of April. Spring shipments are a departure from the established pattern; potato shipments to South America have previously been made in the fall—Caracas.

Tobacco

GREECE—Tobacco exports in 1957 totalled 67,559 metric tons valued at US$91.5 million, about 50 per cent of total agricultural exports. West Germany was the largest importer with over 23,000 tons, followed by the United States with 13,386 tons, France 5,559, Italy 4,616, Austria 3,645, and Russia 3,061. Production of Oriental tobacco in Greece in 1957 reached 227 million pounds, 25 per cent more than the previous year—Athens.

Trawlers

PORTUGAL—A new type of fishing trawler was recently launched in a Lisbon shipyard. It is the first of three trawlers to be built in this new design. The vessel has an aluminum superstructure with a displacement of 725 tons, a capacity of 400 tons of fish and a speed of 12 knots. In addition to the most modern navigation and safety equipment, the trawler has two stainless steel refrigeration holds, one of which is for rapid freezing and the other for slower freezing—Lisbon.

Wallboard

PERU—Plans are under way for a wallboard factory in northern Peru that will use bagasse, the juiceless cane remaining after the extraction of sugar. Though bagasse has been used industrially for some years, the process for making wallboard from it is new. The first product is a thick material resembling cardboard which can be used as an acoustic board. Further processing produces a material with all the qualities of hardwood: it can be sawn, planed and nailed.

The plant is not expected to be in operation for two years but in the interval, wallboard will be imported from an associate organization in Cuba as soon as production begins there—Lima.

Dutch Plastics Industry Expands

and limits opportunities to sell Canadian plastic manufactures in Holland, but opens up market for plastic raw materials needed by growing number of producers.

B. HORTH, *Assistant Commercial Secretary, The Hague.*

THE Dutch plastics industry, like the Canadian, is very largely a postwar child. Before 1945 some synthetic materials, such as phenolic moulding powders, artificial horn, and resins for the paint industry were turned out and small quantities of other materials such as polyvinyl chloride, polystyrene and cellulose acetate were imported and processed. But since 1945 the industry has grown rapidly and broadened out. There are now some forty plants active in the primary plastics field. In the processing field—which takes in such operations as extruding, pressing, callendering and injection moulding—there are 135 plants employing 5,500 people and using 300 presses, 250 injection moulding machines and 160 injection machines. In the fabricating field (turning, glueing, welding and vacuum-forming) some 285 plants employ 2,500 people.

The primary plastics industry does not publish production figures because in most cases there are only one or two producers. It is known, however, that processing has tended to outpace the making of primary plastics. From 1947 until the end of 1956 primary production quadrupled but the processing industry increased fivefold. The table below compares imports and exports of the main plastics over the past three years. These statistics reveal not only the variety and volume of Dutch manufactures, but also the traditional role of this country as middleman in the transit trade with neighbouring countries.

Imports Analyzed

The following paragraphs give further details on the main categories below:

Cellulose derivatives—Imports fall into two principal classes—powder, lumps, flakes, etc., and sheets. Germany, Belgium and the United Kingdom are the principal suppliers. Exports in the basic powder and

NETHERLANDS TRADE IN PRIMARY AND SEMI-FABRICATED PLASTIC MATERIALS

(in metric tons)

	1955	*1956*	*1957 (9 months)*
Cellulose materials			
imports	2,322	2,474	1,722
exports	1,448	3,029	2,322
Casein-gelatine			
imports	260	168	116
exports	218	320	266
Phenol formaldehyde			
imports	1,653	1,663	1,366
exports	2,412	2,520	2,108
Urea and melamine			
imports	3,912	5,267	5,223
exports	919	1,149	785
Alkyd resins			
imports	541	830	742
exports	1,261	1,916	1,664
Polyvinyl			
imports	7,098	10,170	9,701
exports	334	486	445
Polyacrylics and methylacrylics			
imports	940	1,491	1,154
exports	16	165	52
Polystyrene			
imports	1,106	1,362	1,060
exports	116	134	81
Polyamides, polyurides, polyurethane			
imports	550	167	183
exports	411	470	872
Polyethylene, halogenethylene			
imports	1,334	2,985	2,935
exports	96	128	120

lump form go to more than 30 countries, but principally to Britain and Venezuela.

Casein, starch, gelatine—Exports have been roughly double imports over the past two years. About 75 per cent of imports have come from Germany and exports have gone to ten or more European and Latin American countries.

Phenol formaldehyde—Exports are now three times as great as imports and go to all parts of the world. Since 1955 Germany, Britain and the United States have supplied more than 80 per cent of total imports. Imports of phenolic moulding powders are about double those of resins and about 90 per cent have come from Germany and Belgium during the past three years.

Urea formaldehyde and melamines—Imports are now almost six times as great as exports and come almost entirely from Britain and Germany. In the first nine months of 1957 Germany surpassed Britain as the leading supplier of this material. More than 90 per cent of imports of moulding powder of this type have been coming from the U.K.

Alkyd resins—Exports are worldwide and much greater than imports, but the ratio is declining. The United States, Germany and Britain are the principal suppliers.

Polyvinyl materials—Imports are roughly twenty times greater than exports. In fact, foreign purchases of the primary forms of this material represented about 40 per cent of Dutch imports of primary plastics in 1956. Belgium and Germany have been supplying about two-thirds of total imports; Canada supplied 14 tons in 1956 but no sales have been reported in the first nine months of 1957.

Polyacrylics and methacrylics—Imports have been increasing steadily and are now about ten times greater than exports. Germany and the U.S. are the principal suppliers.

Polystyrene—Imports are ten times as large as exports. The United States, Germany and Britain were the principal suppliers in 1956. In September 1957 Canada replaced Britain as the third largest supplier, with 156 tons. Exports have been going to several European and one or two Latin American countries.

Polyethylene—Imports have more than doubled—from 1,200 metric tons in 1955 to 2,900 tons in 1956. Production of this material in Holland has just begun.

Dutch trade in manufactured plastic articles falls into three or four main categories: table and household articles, jewellery and ornamental wares, clothing, combs, and (by far the largest) "other articles".

Total imports were valued at 22 million guilders ($5.5 million) in 1956 and exports at 9 million ($2.25 million). In the same year imports of "other articles" were valued at more than 14 million guilders ($3.5 million) and came principally from Germany, Belgium and Britain. Exports, with a value of approximately 5 million guilders ($1.25 million), went mainly to European countries. In fact, the Dutch trade in manufactured plastic articles is largely inter-European.

What the Dutch Produce

The Netherlands plastics industry produces a multitude of articles but a few deserve special mention. In this group is hard P.V.C. tubing. A Dutch firm began to turn out this material only three years ago and is now said to be the European leader in the field, with branch plants in Germany and Denmark and one under construction in Ireland. To date more than 40,000 kilometres of P.V.C. water and gas pipeline have been laid in Holland.

At least part of the credit for this success goes to the Netherlands Plastics Research Institute, TNO, which worked closely with the firm in developing a rigid P.V.C. to meet exacting specifications. This government-subsidized organization carries on research and testing, and disseminates information. In addition, it is a training centre for industrial personnel. It has undoubtedly played an important part in the rapid postwar growth of the Netherlands plastics industry.

A few Dutch firms are entering the highly specialized plastics machinery field. Three companies are manufacturing injection machines under licence from one German and two United States firms. Three others are making mixing machinery, two are producing high frequency welding equipment, and three are manufacturing small milling machines.

Opportunities for Canada

What can Canada sell to the expanding Netherlands plastics industry? The answer is, mainly raw materials. According to Canadian trade figures, polystyrene exports to the Netherlands in the first eleven months of 1957 were worth $1.3 million, above the 1956 total of $1.2 million. Other synthetic resin exports increased markedly from $185 thousand in 1956 to $456 thousand in the first eleven months of 1957. In the field of manufactured plastics, the numerous inquiries investigated during the past year have clearly established the fact that Canadian F.O.B. export prices are often higher than Dutch retail prices. This limits sales opportunities. ●

Ireland

The Trade Picture Improves

Strenuous efforts to reduce adverse balance of trade have proved successful; 1957 deficit was lowest since 1946. Bulk of trade still carried on with U.K.; sales to Canada have risen steadily.

H. A. GILBERT, *Commercial Counsellor, Dublin.*

THE Republic of Ireland's adverse balance of trade for 1957, at £53.6 million, was the lowest in any year since 1946, largely because of a remarkable rise in exports. In fact, this improvement in the trade balance would have been even greater if import prices had kept pace with export prices. The annual index of imports (1953=100) has been provisionally calculated by the Central Statistics Office at 112; the comparable index for exports stood at 99. Compared with 1956, this is an increase of 5.9 per cent for imports and 4.1 per cent for exports. Exports in 1957 reached the record value of £131.2 million (1956=£108.1 million) and the volume was larger than in any year since 1930. Imports at £184.8 million were £1.9 million higher in value than in 1956 but 4 per cent less in volume.

Live Cattle Leading Export

An examination of the statistics reveals that larger exports of live cattle had most to do with the changed trade picture. They accounted for £9.3 million, or 40 per cent, of the £23.1 million increase in total exports between 1956 and 1957. Exports of foodstuffs of animal origin increased by £7.7 million and other raw materials and manufactured goods (including parcel post) rose by £6.0 million, principally because of larger exports of motor vehicles, textiles and clothing. Live cattle accounted for 35 per cent of total exports in 1957 and foodstuffs of animal origin for 19 per cent. The most important market for live cattle is Great Britain, which took some 553 thousand head valued at £31.6 million, out of total exports of 830 thousand valued at £45.7 million. Store cattle made up approximately 89 per cent of the total live cattle exports to Great Britain as well as to other destinations.

A comparison of agricultural exports with total exports highlights the importance of agriculture in the Irish economy. In 1956, for example, agricultural produce made up 58.7 per cent and in 1957, 56.6 per cent of the total value of exports. Though there was a slight drop in 1957 compared with 1956, it should be pointed out that agricultural produce is narrowly defined as goods undergoing only agricultural processing. It does not include such things as woollen and worsted fabrics and leather apparel which have an agricultural content and in 1957 exports of these goods increased over 1956.

In exports other than agricultural produce, the item showing the greatest increase in 1957 compared with 1956 was motor vehicles. Shipments in 1957 amounted to 10,011 units worth £2.1 million, or 7,019 more than the previous year, giving an increase in export value of £1.6 million. This was the result of a $4 million order placed by the United States with Henry Ford & Sons of Cork for *Anglia* and *Prefect* cars and to a shipment of heavy-duty trucks and ambulances to Finland made by the same company.

Fuel Is Important Import

Though large quantities of domestically produced peat are used for fuel both industrially and in the home, imports of 1.2 million tons of coal and of 149 million gallons of fuel oil accounted for almost 9 per cent of the value of all imports in 1957. In fact, these two led all imports. The year's bill for coal reached £9.1 million and for fuel oil, £7.3 million. Next in order of importance were machinery and parts, tea, fertilizers, cattle from Northern Ireland, motor chassis for the Ford plant in Cork, gasoline, raw wool and wheat. Tea imports were unusually large in 1957—more than double the 1956 imports and some 52,000 hundredweight more than the past five-year average. Apparently stocks in 1956 had been allowed to run low. Imports of maize for livestock feed, a commodity that usually stands high in the list of imports, fell in 1957 to only 330 hundredweight, compared with 4,480 hundredweight in 1955. This reduction is undoubtedly due

IMPORTS INTO IRELAND

Country	1955	1956	1957
	£000	£000	£000
Great Britain	104,570	99,569	97,024
United States	17,783	13,627	10,624
Northern Ireland	3,032	3,312	8,538
Germany, Federal Republic	9,555	7,905	6,948
India	5,487	2,812	6,028
Netherlands	5,256	4,777	4,589
Australia	3,490	2,811	3,926
Canada	6,749	4,550	3,738
Belgium	3,788	2,977	3,630
Sweden	3,636	3,510	2,862
Finland	3,503	3,754	2,557

EXPORTS FROM IRELAND

Country	1955	1956	1957
	£000	£000	£000
Great Britain	80,208	70,189	78,117
Northern Ireland	14,806	15,297	21,592
United States	2,912	3,145	3,959
Germany, Federal Republic	1,412	2,276	3,272
France	763	3,592	1,879
Belgium	1,600	1,906	1,583
Spain	688	878	1,340
Netherlands	583	1,745	989
Canada	326	430	787

to a surplus of home-grown wheat which the Government decided to dispose of as feed and on the export market.

Import of cattle from Northern Ireland is a trade only recently begun. In 1956, only 13,000 head were brought in but in 1957 imports totalled 130 thousand head, made up largely, it is thought, of canner cows. Imports of fertilizers also increased significantly over the previous year to £5.6 million, some £1 million more than in 1956. Timber imports fell by £1.5 million, presumably because of a slump in the building trade brought about in part by the tight money policy and by the fact that housing demand was falling off.

Distribution of Trade

In 1957 the Republic obtained 70.2 per cent of its imports from, and shipped 84.1 per cent of its exports to, the sterling area, chiefly Great Britain and Northern Ireland, (almost to the exclusion of all other countries). Over the past six years the dependence of the Republic's total foreign trade on the sterling area has varied from approximately 91 per cent in 1953 to 76.6 per cent in 1956, yet it still remains overwhelmingly its most important trading area.

Trade with the dollar area, of which the U.S. and Canada represent some 90 per cent, has dropped 43 per cent since 1952. In 1952, 11.2 per cent of the Republic's total trade was with the dollar area; by 1957, only 6.4 per cent. In 1952, 19 per cent of Ireland's imports came from and 3.5 per cent of its exports went to the dollar area. In 1957 the percentages were 9.1 and 3.8 respectively. The following table illustrates the comparative importance as sources of supply and as markets of the various countries with which the Republic of Ireland trades.

Sales to Canada Rising

For the past three years Canada's exports to Ireland have been dropping, (as the table shows) and Ireland's exports to Canada have been rising steadily; in fact, in the three years they have more than doubled. This is in line with Ireland's foreign trade policy. Since 1955 the Government has been taking strenuous steps to offset the adverse balance of trade which in that year reached a peak of over £94 million. To see some tangible results must be a source of satisfaction to those administering this policy.

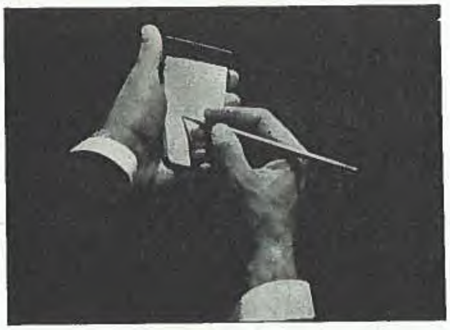
Canada's chief imports from Ireland in 1957 were chocolate crumb, couverture and chocolates; jute yarn and thread; woollen and worsted woven fabrics; wool; cordage, cable and ropes; sisal floor coverings; boots; horses and dressed leather.

Though there are over 100 items in Canada's export trade with Ireland, almost 60 per cent by value is made up of only nine; wheat is the most important, usually accounting for about half of the total value. Next to wheat comes newsprint, with the annual value of these imports remaining fairly constant from year to year at some £750 thousand, between one-third and one-half the value of total wheat exports. Lumber exports are valued at close to half a million pounds per year but in 1957 dropped to a third of their usual value because the building trade in the Republic slumped. The other six are aluminum, cattle hides, chemical wood pulp, oilseeds for crushing, and chemical products.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, France, Western Germany, Greece, Guatemala, Haiti, Indonesia, Israel, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, United States and Venezuela.

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



General Notes

Australia

NEW PETROLEUM PRODUCTS PLANT—A recently-announced £1 million expansion program by B.P. Australia Ltd., a subsidiary of the British Petroleum Company Ltd., includes construction of a £500 thousand lubricating oil storage and blending plant near Melbourne, and extensions costing another £500 thousand to installations, depots and delivery vehicles throughout Victoria. The new plant will first supply Victoria, the Riverina, South Australia and Tasmania. In addition, blended oils will be exported to New Zealand to meet part of the requirements of B.P. New Zealand. Initially, about 180 different grades and types of lubricant will be produced—Melbourne.

Brazil

PETROCHEMICAL INDUSTRY—Brazil's petrochemical industry will begin development in earnest during 1958 when several plants, national and foreign, will start production. Many of these plants will be located in Cubatão, São Paulo, and it is expected that in ten years, the region will be transformed into a great petrochemical center.

Besides Cubatão, other petrochemical centers will be built in this country; in Caxias, Petrobras plans to manufacture synthetic rubber and to build a refinery with a capacity of 9,000 barrels per day. Petrobras is also planning to produce sulphur (25 tons a day) and aromatic products, especially benzene. In Cubatão, the Fabrica de Fertilizantes de Cubatão expects to start production of nitrogen fertilizers, and Cia Brasileira de Estireno, partly owned by Koppers U.S., will produce polystyrene (5,000 tons a year) in 1958. Union Carbide U.S. plans to start production of polyethylene at the end of 1958, Rhodia will start production of acetone, and Cia. Alba will produce 27 tons of methanol per day, to be transformed into formaldehyde. Bakol, which already manufactures polystyrene using imported monomer, plans to start production of the monomer itself. In 1960, Nitrogenio S.A. expects to begin producing nitrogen fertilizers using materials from natural gas fields in the state of Bahia. Also in 1958, Copebras will produce carbon black with a production capacity of 15,000 tons a year, with the basic material furnished by the Presidente Bernardes refinery—São Paulo.

India

TIRE CORD PLANT PROPOSED—The National Rayon Corporation is awaiting sanction of the Central Government for its proposed \$6 million tire cord plant, with an annual capacity of 4 million lb. At current values the scheme would achieve a net saving of foreign exchange of about Rs.8 million (approximately \$1.6 million). The company has already made arrangements with the Export-Import Bank for financing the foreign exchange component of the project, and with imminent dollar aid from the United States it appears almost certain that a licence for the undertaking will be granted—Bombay.

Mainland China

PAPER INDUSTRY EXPANDS—By the end of the Second Five Year Plan in 1962, China's annual paper and board output is expected to reach 2.5 million tons annually and imports are to be reduced to 5,000 tons a year from their present level of about 150 thousand tons. By the end of the Third Five Year Plan, in 1967, Chinese paper and board production is expected to reach 3.7 million.

Some 26 new cellulose and paper plants are to be erected during the five-year period to 1962, bringing the total number to 39. Since only 8 per cent of China is covered by forests, the ratio of raw materials to be used will be: pulpwood 39 per cent, reed 7 per cent, bagasse 15 per cent, straw 23 per cent, bamboo 6 per cent, and other fibrous materials, 10 per cent.

About 70 paper and board manufacturing units are to be installed in the period to 1962, and the Chinese Government has decided that these machines will be standardized according to their daily output into five groups: 10 tons, 25 tons, 50 tons, 100 tons and 200 tons. The first three types of machines will be produced in China; the other two will be imported.

Cellulose production will be expanded by the installation, by 1962, of 38 boilers with a content of 200 cubic metres, 20 boilers with a content of 150 cubic metres, and 40 boilers with a content of 110 cubic metres. In addition, 40 defibrators for mechanical pulp production with a daily output of 25 tons and four with an output of 50 tons will be installed. The latter will be imported. Within the next five years cellulose output is scheduled to be increased by 140 thousand to 150 thousand tons a year—Hong Kong.

New Zealand

PULP AND PAPER COMPANY SHOWS LOSS—A loss of £1.05 million after allowing for depreciation for the year ending October 31, 1957, is announced in the annual report of the Tasman Pulp and Paper Company Limited. However, this figure shows an improvement of £700 thousand over the previous year and it is expected that increases in production and sales in 1958 will result in a greater improvement.

Mill operations in 1956-57 progressed favourably and the chemical pulp mill, now in its third year, operated at 92 per cent of rated capacity. The newsprint plant turned out 60,000 long tons and the company hopes in 1957-58 to achieve the production capacity of 75,000 tons—Wellington.

Rhodesia and Nyasaland

JUTE SUBSTITUTE AIDS ECONOMY—The Federation of Rhodesia and Nyasaland is to make itself self-supporting in the manufacture of jute products. A statement issued by the Federal Government states that Rhodesian Jute Industries in Umtali has entered into an agreement with the Government whereby local farmers can grow kenaf (hibiscus cannabinus), a jute substitute, and all crops will be bought by the Rhodesian Jute Industries at a fixed price. This agreement provides for continued assistance to Rhodesian Jute Industries with the removal of the subsidy payable under the existing agreement and the marketing of jute bags through import control; it will also encourage local farmers to grow this crop. It is estimated that this will save the country at least £505 thousand a year in jute bags and a further £366 thousand in jute fibre. The traditional supplier has been Pakistan—Salisbury.

Sweden

WOOD PULP PRICES CUT—Swedish manufacturers of viscose cellulose are to cut their price by £3 per ton for the second quarter of 1958. The price of viscose pulp, which has remained unchanged for about three years, will thus be adapted to earlier reductions in the prices of other qualities of pulp. Finnish and Norwegian producers will probably decide on a similar reduction, though Swedish and Finnish exporters of unbleached chemical pulp are expected to quote unchanged prices for the next quarter. Prices for bleached paper cellulose also are expected to be unchanged on the whole, possibly with a slight fall in certain markets. To Britain, for example, the price is expected to be from £57.10s. to £58 per long ton C.I.F. for bleached paper sulphite, and from £58 to £58.5s. for ordinary chlorine bleached sulphate, with the usual extra charges of 20-25s. for chlorine dioxide bleached grades—Stockholm.

POWER ACROSS ENGLISH CHANNEL—British and French electricity authorities have recently signed a contract with the General Electric Company of Sweden for equipment and construction of high-tension, direct-current power transmission lines across the English Channel. Total value of the order is about four million dollars. Only other power line of this type is between the Swedish mainland and the island of Gotland; it also was constructed by the General Electric Company of Sweden—Stockholm.

United Arab Republic

STEEL MILL—Production at the Egyptian Iron and Steel Company's new mill at Helwan, near Cairo, began recently. The plant is using hematite found near Asswan and containing 38 to 44 per cent iron, and coke imported from Germany. All the other raw materials—such as limestone, manganese and dolomite ore—are obtained locally.

Two open hearth furnaces are in production and a third is being built. Capacity output is given as 98,000 tons of pig iron and 220 thousand tons of steel products a year, more than half of Egyptian needs. Output of plates and sheets (chiefly for pipes), structural steel, and rails is being emphasized, and costs are said to be about 35 per cent below the C.I.F. prices for imported products. Canada in recent years has been selling Egypt about 200 tons of steel plates, sheets and strips annually, worth about $20,000—Cairo.

Venezuela

CANADIAN FIRM BIDS FOR CONTRACT—The Venezuelan Ministry of Communications has announced that 23 new telephone circuits and six more telegraph lines to the interior will be inaugurated within six months. Two emergency radio-telegraph channels and one telegraph line will be operating to Maracaibo shortly. Bids for these contracts were opened in the presence of 16 company representatives, one of which was Canadian. Offers ranged from Bs.552.7 thousand to Bs.4.3 million—Caracas.

Japan Announces Import Budget

Amount to be spent on imports in first half of fiscal 1958 corresponds closely with budget for last half of fiscal 1957. Provision made for larger imports of wheat, and barley import quota may be increased.

R. G. WOOLHAM,
Assistant Commercial Secretary, Tokyo.

JAPAN'S import trade budget for April-September 1958 has been set at US$2,024,392,000, the Government announced on April 1. This represents a 10 per cent drop from the budget for the same period of 1957, but corresponds closely with the figure for September 1957-March 1958. At that time the Government put tighter import controls into effect to counteract a growing balance-of-payments deficit. As a result, Japan achieved a $197 million surplus on foreign trade in the September-March period. The trading deficit for the full fiscal year, however, (April 1, 1957, to March 31, 1958) reached $297 million.

The new US$2 billion budget includes US$396.3 million for invisible payments, plus a reserve of US$150 million. Excluding this reserve, the import budget is about $280 million greater than the foreign exchange actually spent during the latter half of fiscal 1957.

Surplus Expected

The Government estimates that exports for the first half of fiscal 1958 will reach $1,500 million. With an import budget of only $1,450 million, plus an expected $100 million in receipts from invisibles, the surplus on the balance of payments for this period should total $150 million.

The following table compares import appropriations for the first half of fiscal 1958 with those for the first half of fiscal 1957:

(Unit: $1,000)

Items	*Apr.-Sept. 1958*	*Apr.-Sept. 1957*
Foodstuffs and beverages	231,688	259,740
Salt and tobacco (monopoly goods)	7,213	5,664
Lumber	10,662	6,942
Raw materials for daily necessities	17,957	24,488
Textile raw materials	300,828	378,035
Fertilizers and raw materials	16,986	21,444
Coal	38,777	82,237
Iron and steel raw materials	57,400	288,503
Non-ferrous metals and ores	28,827	65,851
Petroleum	145,306	109,246
Chemicals and raw materials	6,378	7,743
Medicines	3,481	3,923
Machinery	123,000	190,000
Raw materials for processing	37,000	37,000
Goods for compensating trade	30,000	29,900
Goods for U.S. garrison forces	4,500	5,000
Re-importing goods and additional import payments	2,000	1,000
Miscellaneous goods (I)	55,997	48,284
Miscellaneous goods (II)	30,000	24,000
Imports under the system of automatic approval	330,000	497,000
Reserves	150,000	150,000
Total	1,628,000	2,236,000
Invisible payments	396,392	407,697
Grand total	2,024,392	2,643,697

The table below shows the allocations for major commodities for April to September.

MAIN IMPORTS

Item	*Unit*	*1958 Apr.-Sept.*
Rice	1,000 tons	132
Wheat	"	1,253
Barley	"	390
Sugar	"	540
Salt	"	1,060
Soyabeans	"	335
Raw cotton	1,000 bales	962
Raw wool	"	350
Scrap iron	1,000 tons	790
Coking coal	"	1,641
Heavy oil	1,000 kl.	569
Crude oil	1,000 bbl.	64,810

(Note: raw cotton imports are for spinning.)

Changes Analyzed

The foreign exchange budget for textile raw materials, coal, iron and steel raw materials, chemical raw materials, and machinery have been cut because of the present depression in these industries. Heavy oil imports have also been curtailed to assist Japan's coal-mining industry, but crude oil imports have been increased sharply to supplement inventories and alleviate the problem of surplus tankers for charter.

Although the budget for foodstuffs and beverages is rather smaller, allocations for wheat imports have been increased to 1,253,000 tons, up 235 thousand tons over the previous period. Barley import quotas, now set at about the same level as for the previous six months, are also expected to be increased because of a drop in the estimates of Japanese barley production for this year.

No foreign exchange has been granted for the import of lead or copper because of the present over-supply. The 1957 allocation for copper was not used and only half the allocation for lead was taken up. In the meantime, stockpiles of both these commodities remain large.

Trade and Tariff Regulations

Australia

TARIFF BOARD INQUIRIES—The Australian Minister for Trade and Customs recently referred to the Tariff Board for inquiry and report the question whether assistance should be accorded to the production, through tariff action or otherwise, of the following goods:

Abrasive cloths and papers—items 129(C) and 334(M)

Electric hair clippers, human—item 174(X)(16)

Cortisone and salts of cortisone—item 281(L)

Prednisone and salts of prednisone—item 281(L)

Prednisolone and salts of prednisolone—item 281 (L)

Hydrocortisone and salts of hydrocortisone—item 281(L)

Canadian firms exporting these products to Australia may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his Australian agents act on his behalf before the Board. Action should be taken as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

Rates of duty on these products may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

India

IMPORT CONTROLS—The Indian Government's import policy for the six-month licensing period April to September 1958 was announced recently. The policy for the new period will conform closely to that of the preceding period but some adjustments have been made to meet the demand of certain industries for raw materials.

Quotas have been increased mainly for items required for the textile and chemical industries, accessories and component parts of taper roller bearings, spare parts for machinery, chemicals not otherwise specified, industrial gums and resins and certain abrasives. Quotas have also been increased for a few essential consumer goods such as photographic sensitized material and paper.

Quotas have been reduced for, among others, coal tar dyes; a few types of motor vehicle parts; P.V.C. compound; copper strip, tape, etc.; copper pipes and tubes, rods, scrap, etc., asbestos manufactures, not otherwise specified; aluminum ingots, bars, slabs, etc.; aluminum sheets, strips and circles; wood and timber, all sorts; and gas, thermatomic, acetylene; carbon and lamp black.

Among the important consumer goods for which quotas have been reduced are fish, fruit and milkfood. The total ban on certain commodities such as watches and razor blades is being continued.

Licences for non-ferrous metals have already been issued for the half year April-September 1958. In view of the reported shortages, it may be necessary to issue a few additional licences for which a small foreign exchange provision has been made. The question of granting advance "actual user" licences for the period October 1958 to March 1959 will also be considered to enable advance purchases to be made and shipment arranged in that period.

The rigid restrictions on imports of capital goods are continued. For these, import licences will be issued only for approved cases, where the value of the imported plant and machinery is covered by long-term overseas investment or where it can be demonstrated that the terms of payment are such that it will be possible to finance them out of the saving in foreign exchange which the project will achieve.

Detailed information regarding licensing regulations pertaining to specific commodities may be obtained from the International Trade Relations Branch, Ottawa.

NON-FERROUS METALS CONTROLLED—Under an order dated April 2, 1958, the Indian Ministry of Commerce and Industry has instituted controls over the purchase and sale of the following non-ferrous metals: copper, lead, tin and zinc, in different forms, at a price not exceeding an amount represented by an addition of 3½ per cent to its landed cost.

Under the order, no person shall acquire or agree to acquire any non-ferrous metal except under a permit issued by the Controller. The order also requires importers of non-ferrous metals to notify the Controller of any quantity of a non-ferrous metal imported or cleared on or after April 3, 1958.

The Chief Industrial Adviser has been designated as the Controller. For the time being, the order is to apply to imported copper only, but it is expressly stated that the Central Government may extend the order at any time to cover any other non-ferrous metal—New Delhi, April 7.

Jamaica

IMPORTS OF CHEMICALS—The Jamaican Trade Board has advised importers that it is prepared to consider applications for licences to import chemicals for industrial and agricultural purposes from hard currency sources.

The consumers of these chemicals, and not the agents, will have to satisfy the Trade Board that the chemicals can be obtained to better advantage from hard currency areas.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade and Industries has received the following representations respecting the tariff:

Increase in duty on:

1. Sanitaryware, from 20 per cent ad valorem plus an inoperative suspended duty of 10 per cent ad valorem, to 50 per cent ad valorem.

2. The following items of hardware, from 10 per cent ad valorem to 25 per cent ad valorem:

   Bolts: barrel bolts, oval padlock bolts, padlock bolts (Brunton pattern), tower bolts
   Bookcase strips
   Braces: corner braces and corner irons
   Brackets: pelmet brackets, shelf brackets, shelf stayless brackets
   Clips: flat clips, mirror clips, table clips, upholstery clips
   Handles: chest handles, drawer handles
   Hasp and staples: hinge type, locking bar type, safety type, self-locking type, and wire type (japanned)
   Heel tips, open and closed
   Holderbats
   Hinges: back flap hinges, butt hinges (narrow and broad), offset hinges, piano hinges, rising hinges, tee hinges, and all other hinges in the building trade and steel window industry
   Index card holders
   Paper clips
   Picture rails (concealed)
   Spring clip boards
   Toe plates (military and miners' types)
   Toilet roll holders
   Underbars (spring supports), for beds, couches and upholstered furniture.

3. Wool felt hats for men and wool felt hoods.

4. Fur plates, fur shells and ready-made fur garments.

5. Pharmaceutical samples.

6. Chrome oxide green and chrome pigments based on zinc chromate and lead chromate, from 15 per cent ad valorem to 25 per cent ad valorem.

7. Printed paper-backed aluminum foil labels, wrappers, coils and bags, from various rates of duty to 20 per cent ad valorem.

Canadian firms exporting these products to South Africa may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations is to request their representatives in South Africa to act on their behalf before the Board. Since these matters are usually reviewed soon after the announcements are made, it is advisable to take action as soon as possible.

United States

CUSTOMS CLEARANCE OF UNACCOMPANIED TOURIST PURCHASES SIMPLIFIED—On June 16 the United States Customs is changing its procedure for clearing shipments of unaccompanied tourist purchases. Unaccompanied tourist purchases are those articles which are purchased in Canada by U.S. tourists, within the duty exemption allowed by U.S. Customs, but which do not accompany the tourist upon his return to the United States.

Each returning resident of the United States is allowed a $200 duty-free exemption once each 31 days, provided he has been in Canada at least 48 hours, except that such exemption cannot include more than one gallon of alcoholic beverages nor more than 100 cigars. Each returning resident is also allowed an additional exemption of $300 once each six months if he has been abroad at least 12 days.

In many cases, United States tourists find it more convenient to have some or all of their purchases sent to them at their home addresses in the United States, rather than carrying them with them during their stay in Canada and eventual return to the United States. At the present time the customs clearance of such shipments involves the use of three customs forms. After June 16 only one form will be required. One of the three forms currently in use (Customs Form 3349) has sometimes been stocked by Canadian merchants as a convenience to their United States customers, but since the new form (Customs Form 3351) can be completed properly only after the U.S. tourist has returned to the United States, there is no advantage in Canadian merchants stocking this customs form. When a shipment of unaccompanied tourist purchases arrives in the United States after June 16, under normal conditions it will be released from customs custody immediately, upon presentation of U.S. Customs Form 3351 properly completed by the returned tourist in the United States. U.S. Customs have also stated that if the U.S. tourist should send a properly completed form 3351 to the Canadian merchant for inclusion in the shipment, the same purpose would be served.

Venezuela

IMPORT PERMITS FOR REINFORCING BARS—The Venezuelan Ministry of Development has announced that future imports of reinforcing steel bars will be subject to special import permits. This resolution, taken to protect local industry, became effective April 16. Reinforcing bars of sizes and specifications not manufactured in Venezuela will continue to be imported—Caracas, April 14.

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 South Africa

R. D. HERRING, director S. Woolf & Company, Johannesburg, was reported in our March 15 issue as arriving on March 15 for a tour of Canada. His plans have since changed and he now expects to begin his Canadian visit early in July. His mailing address for the last two weeks of June will be in care of Dr. E. M. Nicholson, 1060 Park Avenue, New York 28, and after Stewart Smith Canada Limited, Sun Life Building, Montreal.

Mr. Herring wishes to license Canadian companies to use a new method of coating metal products with plastic and to obtain agencies for his firm to handle hardware, sporting goods, and automotive accessories.

▶ from the United Kingdom

F. C. KNIGHT, A.C.I.S., director and secretary of Messrs. Walter Sargent & Co. (Sales) Ltd., Glassbrook Road, Rushden, Northamptonshire, England, will be in Canada in June to visit wholesalers, agents and store buyers in Toronto and Montreal. His company manufactures Goodyear welted shoes for formal and sports wear and these are available on American lasts and fittings.

Mr. Knight will be in Toronto from June 9-12 and in Montreal from June 13-17. Businessmen interested in meeting him should get in touch with the United Kingdom Trade Commissioners in these cities.

S. C. MOTT, managing director of Arlo Limited, Arlo House, London, N.W.1, which manufactures and designs fancy advertising giftware, will visit Toronto from July 30 to August 16. He would like to meet leading manufacturers or any firms interested in giftware. Businessmen will be able to reach him either through the United Kingdom Trade Commissioner in Toronto or at the Royal York Hotel.

R. J. RICHARDSON, director of Brown Lenox & Co. Ltd., Pontypridd, Glamorgan, South Wales, will visit Canada from July 2-15. His company manufactures ships' cables and mooring equipment and Mr. Richardson would like to meet potential customers and agents. Interested businessmen may get in touch with him through the United Kingdom Trade Commissioners in Toronto, Ottawa, or Montreal.

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 1.032924.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 12	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Official	.05378	18.59	(1)
		Free	.02319	43.12	
Austria	Schilling		.03724	26.85	
Australia	Pound		2.1808	.4585	
Bahamas	Pound		2.7259	.3669	
Belgium, Belgian Empire and Luxembourg	Franc		.01942	51.49	
Bermuda	Pound		2.7259	.3669	
Bolivia	Boliviano	Free	.0001091	9165.90	
British Guiana	Dollar		.5679	1.76	
British Honduras	Dollar		.6815	1.47	
Brazil	Cruzeiro	General Category*	.005964	167.66	*April 23 (2)
		Special Category	.002940	340.16	
		Official buying	.05274	18.96	
Burma	Kyat		.2033	4.92	
Ceylon	Rupee		.2044	4.89	
Chile	Peso	Free	.001428	700.28	(3)
Colombia	Peso	Certificate	.1440	6.94	
Costa Rica	Colon	Official	.1724	5.80	
		Controlled free	.1458	6.86	
Cuba	Peso		.9681	1.03	tax 2%
Czechoslovakia	Koruna		.1345	7.43	
Denmark	Krone		.1402	7.13	
Dominican Republic	Peso		.9681	1.03	
Ecuador	Sucre	Official	.06454	15.49	
		Free	.05580	17.92	
Egypt	Pound	Official	2.7800	.3597	(4)
El Salvador	Colon		.3873	2.58	
Fiji	Pound		2.4558	.4072	
Finland	Markka		.003025	330.58	
France, Monaco and North Africa	Franc		.002305	433.84	(5)
French colonies in Africa	Franc		.004610	216.92	(6)
French Pacific	Franc		.01268	78.86	(7)
Germany	D Mark		.2310	4.33	
Ghana	Pound		2.7259	.3669	
Greece	Drachma		.03227	30.99	
Guatemala	Quetzal		.9681	1.03	
Haiti	Gourde		.1936	5.25	
Honduras	Lempira		.4841	2.06	
Hong Kong	Dollar	Free*	.1664	6.0065	*May 2
		Official	.1704	5.87	
Iceland	Krona	Official	.05945	16.82	(4)
India	Rupee		.2044	4.89	
Indonesia	Rupiah	Effective buying	.03294	30.35	*April 25 (4)
		Effective selling	.02558	39.10	
Iran	Rial	Certificate	.01278	78.25	
Iraq	Dinar		2.7108	.3689	
Ireland	Pound		2.7259	.3669	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 12	Units per Canadian dollar	Notes (see below)
Israel	Pound		.5378	1.86	
Italy	Lira		.001554	643.50	
Japan	Yen		.002689	371.89	
Lebanon	Pound	Free	.3064	3.26	
Mexico	Peso		.07745	12.91	
Netherlands	Florin		.2557	3.91	
Netherlands Antilles	Florin		.5152	1.94	
New Zealand	Pound		2.7259	.3669	
Nicaragua	Cordoba	Effective buying	.1467	6.82	
		Official selling	.1374	7.28	
Norway	Krone		.1355	7.38	
Pakistan	Rupee		.2044	4.89	
Panama	Balboa		.9681	1.03	
Paraguay	Guarani	Official	.008845	113.06	
Peru	Sol	Certificate	.04237	23.60	
Philippines	Peso		.4841	2.07	
Portugal & Colonies	Escudo		.03379	29.59	(8)
Singapore and Malaya	Straits dollar		.3180	3.14	
Spain and Dependencies	Peseta	Controlled free	.02305	43.38	(4)
Sweden	Krona		.1871	5.34	
Switzerland	Franc		.2259	4.43	
Syria	Pound	Free	.2703	3.70	
Thailand	Baht	Free	.04652	21.50	(4)
Turkey	Lira		.3458	2.89	
Union of South Africa	Pound		2.7259	.3669	
United Kingdom	Pound		2.7259375	.366921	
United States	Dollar		.968125	1.032924	
Uruguay	Peso	Free	.1488	6.72	(4)
		Basic buying	.6369	1.57	
		Principal selling	.4608	2.17	
Venezuela	Bolivar		.2890	3.46	
West Indies Fed.	Dollar		.5679	1.76	(9)
	Pound		2.7259	.3669	(10)
Yugoslavia	Dinar		.003227	309.89	(4)

*Latest available quotation date.

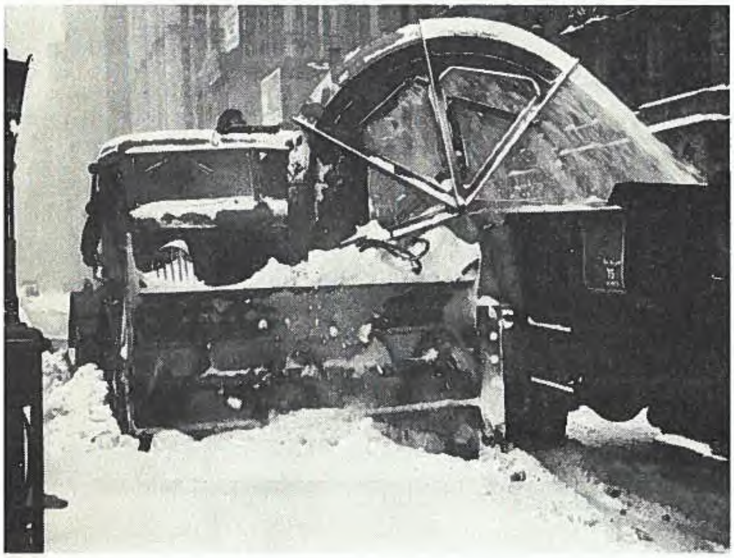
notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Brazil: Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. 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.
4. Additional rates are in effect.
5. France: Territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
10. Jamaica.

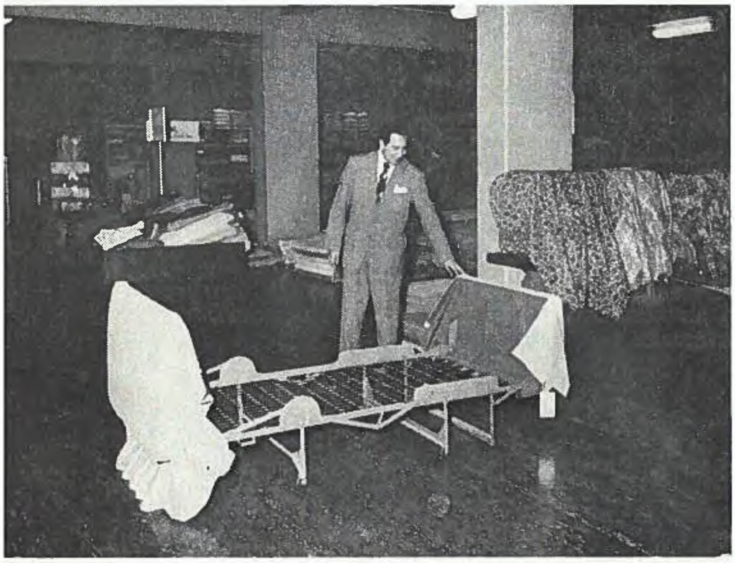
Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In the United States—This grim picture should help you to enjoy spring even more. The snow loader at work in New York is one of at least twenty imported from Canada by that city.



In Lebanon—A display of refrigerators purchased from Canada by a modern Beirut store is examined by a young Lebanese. She seems pleased with the styling of the Canadian model.



In Peru—This new "sofabed" has just made its appearance in Peru. The steel framework and specially-designed spring are bought from a Canadian firm; upholstering is done locally.

In Australia—The Sydney head office of the Commonwealth Trading Bank of Australia has installed 17 Canadian-made bank-proof machines. Here, bank employees operate them.