foreign trade

Established in 1904

OTTAWA, FEBRUARY, 14, 1959 **Vol. 111, No. 4**

CANADA

cover This unusual array of headgear, boots and other clothing was photographed in the Stores Department of the Crown Agents' head office in London. The role of this large-scale and unusual purchasing organization and the way in which it places orders are discussed in the leading article on page two. —Photo courtesy "New Commonwealth".

Published fortnightly by the Department of Trade and Commerce.
The Hon. GORDON CHURCHILL, Minister, JOHN H. ENGLISH, Deputy Minister.

Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $5.00 abroad. Single copies: 20 cents each.

65732-0—1

A United Kingdom corporation which acts as purchasing agent for most British colonies and some Commonwealth and other countries is a £70 million a year buyer of goods, some of which Canada can supply. In this article, the author tells how Canadians can try for more of this business.

The Crown Agents

Buyers for Sterling Markets

W. GIBSON-SMITH,
Commercial Secretary, London.

CANADIAN exporters interested in sterling markets outside the United Kingdom might well turn their attention to an office in London known as the Crown Agents. With the recent relaxations on imports into the sterling area from dollar countries, and the further easing of controls that is expected, these Crown Agents may be able to do more of their purchasing in Canada.

But first, who are the Crown Agents and how do they function? Although the office of the Crown Agents was originally set up to act for colonial governments as a commercial and financial agent, it has for many years acted as a large-scale buying office as well. One would expect that, with the reduction in the number of colonies, the purchasing done by the Crown Agents would decline but in fact its activities have increased. In 1957, the office bought and shipped more than £70 million worth of goods, ranging from locomotives to uniforms and livestock. In London alone, its office has a staff of over 1,400.

The full title of the office is "Crown Agents for Overseas Governments and Administrations". It is a Crown corporation, entrusted with funds approaching one billion pounds sterling. The office does the buying not only for most of the colonies but also, to nearly an equal degree, for certain self-governing members of the Commonwealth, such as Ceylon, Ghana and Malaya, and even for some non-Commonwealth countries such as Iraq, Jordan and Libya. On request, it also buys for municipalities, universities and organizations such as electricity boards, port administration boards, railways, etc. In addition, it has done a good deal of work for the United Nations Korean Reconstruction Agency.

How Are Suppliers Chosen?

The office operates as the agent of the territory or organization that places orders through it. If an order is accompanied by a request that a supplier in a specific country (such as Canada) be considered, the Crown Agents comply with this request and obtain tenders from that supplier. In fact, the government or organization abroad may stipulate that the order be placed by the Crown Agents with his firm.

Otherwise, suppliers will be considered only if they are properly registered in the Crown Agents' list of approved contractors. Not many Canadian firms are registered, but if they wish to be placed on the list they should write for an application form to the office of the Crown Agents at 4 Millbank, London, S.W.1.

The Crown Agents do not advertise for tenders. Instead, they consult their list of approved contractors and if the order has been received without any stipulation about who should be asked to tender, the office uses its judgment and approaches suppliers in the light of information it has obtained about their size and experience.

North American Purchases

Although about 90 per cent of the office's purchases are made in the United Kingdom, a good deal of buying is done on the continent of Europe and sometimes in North America. Canada, for instance, has supplied the Crown Agents with tractors and drugs. Price, quality and ease of delivery are the main factors in the placing of orders.

Some of the clients of the office, such as the Ceylon Government, do some of their buying in North America not through the Crown Agents but through their own representatives in Washington. The Crown Agents supply, however, over 100 governments or organizations scattered around the world and many of these entrust the office to make all their offshore purchases.

The Crown Agents have a representative in Washington but they generally prefer that suppliers, even North American ones, approach them through the London office.

Some of the staff buy general stores and others engineering stores and plant. The engineering division is equipped to design civil, mechanical and electrical projects; it has over 200 qualified engineers with various specialities. There is also an engineering inspection division. If the principals for whom the Crown Agents are acting ask that an inspection be carried out, staff is available to do this, and to proceed to North America if necessary. On occasion, such long-distance inspection is entrusted to some organization such as Lloyd's. The Crown Agents make their own arrangements for shipping and insuring goods they purchase.

The Colonial Regulations still read that colonies' requirements for stores from abroad should be obtained through the Crown Agents. In practice, however, as the Senior Crown Agent has stated, "it is very difficult to envisage the regulations being invoked to force them to place their orders through the Crown Agents against their better judgment." In fact, the Crown Agents would not like to see any colonies required to use their services.

Why, then, do a growing number of territories and organization use the Crown Agents? The answer lies partly in the very low commissions they charge—low because they seek no profits. Clients are also attracted by the reasonable prices that the office can obtain from suppliers who value it, because of its sheer size, as an important and continuing customer. The rate of commission is only 1½ per cent and distribution of profits to its clients in recent years has in effect cut this percentage nearly in half.

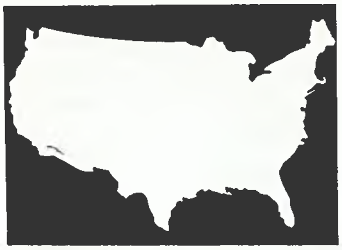
Agents Can Help

The Crown Agents claim to be on the footing of the most favoured wholesale shippers and it is therefore a common practice for manufacturers to exclude business placed through them from agreements with local agents. It is known, however, that some manufacturers pay their local agents a reduced rate of commission for Crown Agents' business. The belief that the Crown Agents object to this practice is incorrect, according to a recent statement made by the Senior Crown Agent himself. In many cases, the commissions cover after-sales service.

Canadian exporters are urged to appoint agents in the territories that interest them, although clients of the Crown Agents are not obliged to do their buying through these agents. Agents can not only make sales to governments and organizations without reference to the Crown Agents, but they may also (if business is placed through the Crown Agents) persuade the local authority to stipulate that their Canadian principals be considered. ●

—"New Commonwealth."

A glimpse of the drawing office in the Civil Engineering Division of the Crown Agents in London. Here highways, bridges and other structures are designed for overseas clients. Altogether, the Engineering Department employs over 200 qualified engineers and also supplies inspection services on request.



Southern California

An Expanding Market

What can Canadians sell to Southern California, where industry is leaping ahead and population rising dramatically? Our Los Angeles office gives some hints—and some advice.

T. M. BURNS,
Consul and Trade Commissioner, Los Angeles.

THE State of California, and particularly the area known as Southern California, has had one of the most remarkable records of growth in the United States. In 1900, the 14 southern counties of California had a population of less than 375 thousand; today it has risen to 8.8 million. In other words, it has multiplied 22 times in 58 years. In comparison, the population of British Columbia, the most nearly comparable area in Canada, has increased about eight times over the same period.

Industry Overtakes Agriculture

The moderate climate and large-scale projects to bring adequate water supplies into the area from northern California and from the Colorado River have made probably the most important contributions to this growth. Agriculture was the mainstay of Southern California in its early days and although industrial development has now surpassed agriculture, the value of farm production exceeded $1.5 billion in 1957. Cotton and citrus fruits are the most valuable crops, and each contributes about $200 million a year to the local economy. Canadians know Southern California as an important supplier of early season fruits and vegetables, and the source of the greater part of our citrus fruit imports. On the export side, the area buys large quantities of Canadian apples and provides a smaller market for other Canadian agricultural products such as meats, livestock, seed potatoes and processed foods.

The Los Angeles metropolitan area, centre of Southern California, now ranks third in importance in the United States, after New York and Chicago. The relative size is indicated in the following table:

COMPARISON OF METROPOLITAN AREAS

	New York	Chicago	Los Angeles
Population (1958, in millions)	14.3	6.3	6.1
Value added by manufacturing (1957, in billions of dollars)	14.5	9.1	6.6
Wholesale trade (1954, in billions of dollars)	48.5	17.1	9.2
Retail sales (1957, in billions of dollars)	18.3	9.1	8.7

The increase in activity in the area has resulted in part from large-scale migration into Southern California in recent years. Since 1950, there has been an average daily intake of 328 persons.

Industrial Growth Affects Imports

The growth has supported a construction boom. The annual average of new dwelling units constructed in Los Angeles County alone has exceeded 76,000 (valued at over one billion dollars) in the past ten years and the local construction industry, employing over 120 thousand people, accounts for 5 per cent of total U.S. employment in construction. Side by side with this large-scale residential building there has been considerable industrial development. Total capital investment in new industries and in the expansion of existing plants in the ten years from 1948 to 1957 exceeded two billion dollars. This has raised employment in manufacturing by nearly 400 thousand to the current total of over 700 thousand.

Although industry in Southern California is heavily geared towards aircraft and electronics manufacture, diversification has proceeded to the point where metropolitan Los Angeles makes a significant contribution to U.S. production in a number of fields. The 1953 statistics giving employment in various industries, and compared with the United States as a whole, are set out in the following table:

Industry	Percentage of total U.S. employment represented by metropolitan Los Angeles
Aircraft and parts	21.1
Communication equipment	6.4
Petroleum refining	6.0
Construction and mining machinery	5.8
Heating and plumbing equipment	5.8
Rubber products	5.7
Women's clothing	5.6
Household furniture	5.2

These industries offer opportunities to Canadian exporters and some of the plants are already buying Canadian materials, ranging from aluminum ingot to ballbearings and from specialty machine tools to wooden furniture parts. Canadian suppliers should note that Los Angeles is now the third largest furniture-producing centre in the United States.

Although the aircraft industry has lost some ground in the past eighteen months because of the reduced requirements for manned aircraft for defence purposes, the large volume of orders for missiles and similar equipment has done much to take up the slack. In the aircraft and missile fields, Southern California companies hold commercial and military orders totalling more than $3.5 billion at the end of 1958.

The other predominant industry, electronics, has gone ahead dramatically. Ten years ago, there were only 60 electronics manufacturers in Southern California, accounting for 6 per cent of U.S. output. Today there are more than 475 who account for 16 per cent of national production.

Foreign trade plays an important part in the economic life of Southern California. The ports of Los Angeles, Long Beach and San Diego are the most important ones on the U.S. Pacific Coast. In 1957, over 5,600 ships arrived in the twin harbours of Long Beach-Los Angeles. Direct imports and exports through the Los Angeles Customs district each exceeded $500 million in 1957. These figures represent almost exclusively goods transported directly by sea to or from Los Angeles.

San Diego, only about 14 miles from the Mexican border, is also an important shipping centre for products bound for the Mexican province of Lower California. This territory has been designated a customs free zone and it imported goods valued at some $84 million through the Customs district of San Diego in 1956.

Canadian sales and purchases in Southern California cannot be estimated because, in most cases, the customs clearances are made along the U.S.-Canadian boundary and do not figure in local customs statistics. Nevertheless, Canada in recent years has ranked as the third most important supplier of seaborne goods to this area. In 1956, seaborne imports from Canada totalled $33,768,000 and consisted largely of newsprint shipments from British Columbia. Only Japan and the United Kingdom outranked Canada as suppliers. The most important direct imports into Southern California are crude petroleum, newsprint, automobiles, coffee and rubber. On the export side, raw cotton, petroleum products, commercial aircraft, ferrous scrap, and construction, mining, and industrial machinery are the most important shipments.

Canadian Opportunities

Southern California offers a useful market to Canadian manufacturers. It is a high-income area. Per capita income reached $2,206 in 1957, compared with the U.S. national figure of $1,734. Rising population accompanying increasing industrial activity should provide more and more opportunities for Canadian products. However, a significant part of local industry has grown up to service local markets. These industries have been insulated from competition arising in the industrial areas of the eastern United States by heavy transportation costs. In many cases, this same transport differential, to which United States customs charges must be added, has to be taken into account by Canadian suppliers. ●

This aerial view of the Harbour Freeway that runs through downtown Los Angeles shows the overpasses and access roads. Over three million cars are registered in the metropolitan area and handling this dense traffic obviously presents real problems.

65732-0—2½

Why Not Advertise on British TV?

As commercial television expands in Britain, Canadian exporters might give some thought to doing TV advertising there. The increasing number of Britons who are watching programs from the independent stations should make sales promotion through the "tely" worthwhile.

J. L. MURPHY,
Office of the Minister (Commercial), London.

COMMERCIAL television in Britain is now more than three years old. It was launched in September 1955 to provide TV services in addition to those offered by the BBC. In charge of setting up and developing the new network is the Independent Television Authority, which owns and operates the TV stations and exercises general supervision over the programs. It relies on program companies to provide these and they, in turn, finance their operations by selling advertising time.

What are some of the problems the system has had to solve and how has it been faring in the past three years? At the outset, because of the initial heavy overhead in providing all programs from one station (London), it was estimated that the program contractors would just about break even financially. The original companies, in fact, lost heavily. And the Authority itself, which is responsible to the Postmaster General under the Television Act, could only count on getting about £1.7 million a year from the program contractors, at least in the first year of operation.

Now the picture has changed considerably. According to the annual report of the ITA that has recently been made public, its income, received as station rentals from the program companies for the year ended March 31, 1958, has increased to £2.3 million, compared with £1.7 million for the previous year. Furthermore, income is expected to rise eventually to £4 million a year when the ITA's service is in full operation about 1961.

Service Broadened

During the year ended March 31, 1958, the range of commercial television was extended to include central Scotland, South Wales and the West of England. This development brought the fifth and sixth program companies, Scottish Television Ltd. and T.W.W. Ltd., into operation. The seventh and eighth companies, Southern Television Ltd. and Tyne Tees Television Ltd., have been selected by the Authority and the former has already begun operating in South-Central England. The latter hoped to do the same in January 1959 in its area, Northeast England. These extensions were to bring 85 per cent of the population within reach of the transmitters of the Independent Television Authority by the beginning of 1959. If plans go forward for expansion into East Anglia and Northern Ireland by the end of this year, the figure will be increased to 93 per cent.

Plans are also afoot for providing programs for Southwest England, Northeast Scotland and the Solway by the end of 1960, or not later than the winter of 1960-61. If this is achieved, 95 per cent of the population will have TV service five years from the beginning of ITA transmissions. There is also a proposal to establish a small number of satellite stations to serve areas not reached by ITA transmitters, but too small to warrant the setting-up of independent companies.

British TV Companies: Who, Where, When?

COMPANY	PROGRAM AREA	AIR TIME		
		Mon.-Fri.	Sat.-Sun.	All week
Associated-Rediffusion Ltd., Television House, Kingsway, London, W.C.2.	London	√		
Associated TeleVision Ltd., Television House, Kingsway, London, W.C.2.	London		√	
	Midlands	√		
A.B.C. Television Ltd., 1 Hanover Square, London, W.1.	Midlands		√	
	North England		√	
Granada TV Network Ltd., 36 Golden Square, London, W.1.	North England	√		
Scottish Television Ltd., Theatre Royal, Hope Street, Glasgow, C.2.	Central Scotland			√
Southern Television Ltd., Southern Television Centre, Northam, Southampton.	South Central England			√
T.W.W. Ltd., 187-193 Oxford Street, London, W.1.	South Wales			√
	West England			√

In this event, 99 per cent of the population would be covered.

During the year ended March 31, 1958, it became abundantly clear that, out of advertising income, the system was able not only to pay its way but also to make a good profit and accumulate substantial reserves for future capital expenditure. One of the program companies reported recently that television advertising rates had been increased by 20 per cent since 1955.

Products advertised are primarily mass-market goods. Foodstuffs account for about 25 per cent of all TV advertising and household soaps and detergents for just under 14 per cent. Confectionery comes next with less than 9 per cent, followed by non-alcoholic drinks at just under 6 per cent, medicines under 7 per cent, and hair preparations, alcoholic drinks, and cigarettes and tobacco running more or less equal, between 3 and 4 per cent each.

Commenting on the successful financial position of the Independent Television Authority, the London *Financial Times* in a recent editorial made this comment:

> "To say that the financial position of the programme companies is comfortable would be an absurd understatement of the case. The original contractors are prospering at present on a scale which few people can have anticipated two or three years ago. They are, of course, fully entitled to recompense for their original losses and reward for their foresight and hard work. The question is how long the recompense will continue to run at a level which even those benefiting from it are prepared to regard as exceptional. Financially, commercial television has been as great a success as anyone can have hoped at the outset."

In other words, commercial television is enjoying a boom at present on a scale which even its most ardent supporters would not have believed possible several years ago.

Advertising Canadian Products

Of the number of advertisers using commercial television to bring their products to the notice of the British public, it might interest Canadian readers to know that certain Canadian-type products made in the United Kingdom are advertised from time to time on the independent television network.

Readers may remember that at the Commonwealth Trade and Economic Conference held in Montreal last September, it was announced that a start would be made in 1959 on removing import controls on consumer goods and foodstuffs imported from the dollar area. In the light of this announcement, Canadian manufacturers might well take advantage of the new trading opportunity by advertising their goods through the commercial television network in the United Kingdom. Advertising rates can be obtained from the program companies shown on the left. ●

Peru Builds Power Plants

THE output of electrical energy in Peru has increased by 50 per cent in the last two years and has trebled since 1952. Installed capacity totalled little more than 212 thousand kilowatts in 1940. Since 1952, however, new plants have brought capacity up to 647,600 kilowatts, more than three times that of 1940. Since the beginning of 1957 three important hydro-electric projects generating 146 thousand kw. have been completed. In addition, a significant number of small thermal and diesel plants erected by the State and by private industry have contributed another 114 thousand kw.

Peru's National Electrification Plan, prepared with the help of technicians from the French State trust "Electricité de France", takes into account accumulated growth in demand. This has increased from 7 per cent a year between 1934 and 1952 to 10 per cent a year between 1952 and 1956. Between 1956 and 1975 the average rate of increase is estimated at 10.6 per cent.

To satisfy increasing demand, the National Electrification Plan calls for 58 new plants with a potential of 2.3 million kw., three times present capacity. During the first phase of the plan, from 1958 to 1963, the Government proposes to create 232,750 kw. of new power and private electric companies 159,207 kw. Industry will add another 150 thousand in the next eighteen months. Peru therefore expects to have a minimum installed capacity of 1,086,710 kw. by 1963, not counting additional power which may be created by industry between 1960 and 1962. Of the new capacity planned during the next three years about 211 thousand kw. will be hydro-electric power, 52,000 kw. thermal and 5,000 kw. diesel.

Investment required under the plan by 1957 will total Can.$316.8 million. An additional $31.8 million will be needed to cover installation of various isolated plants with a potential of 104 thousand kw. Fifty per cent of these investments represents cost of materials and equipment.

Canadian engineering firms would do well to investigate recent developments like the one in the Machu Picchu area northwest of Cuzco. Here a hydro-electric plant is to be built with an eventual capacity of 120 thousand kw. A US$5.8 million contract for the first stage has been awarded to a Peruvian-Italian firm. The Pacific International Trade Fair in Lima, October 1-18, might be a good place for Canadians to make their services known.

—DONALD H. CHENEY,
Commercial Secretary, Lima.

Fairs and Exhibitions

Import Licences for Sydney

THE Australian Government has announced that it will make import licence concessions to Canadian firms participating in the *Sydney Industries Fair* in Australia. Licences will be granted for follow-up orders equal to twice the value of the goods licensed for display and retention in Australia, provided that the goods are actually exhibited. Follow-up orders must be placed with the overseas supplier within one month of the end of the fair. It is the responsibility of the Canadian Government Trade Commissioner to sign an affidavit certifying that the goods have been displayed and that exhibitors have met other government requirements. It is on the basis of this certificate that the import licences will be issued. Exhibitors who have any specific questions about how this will affect their own products may write to E. J. Ward, Forest Products Division, Department of Trade and Commerce, who is the Department's co-ordinator for the Sydney fair.

Province Sponsors Montreal Fair

ACQUIRING a sponsor this year marked a big step forward for the *Montreal International Trade Fair.* Now in its third season and already many times its original size, the exhibition will from now on be under the auspices of the Department of Trade and Commerce of the Province of Quebec. It will run from June 5-13 in Montreal's Palais du Commerce.

Who comes to the Montreal International Fair? Last year, there were 9,500 buyers and 33,534 visitors from all over the world and officials say that the number bids fair to double this year. Exhibitors reported that over $2 million worth of business was transacted on the floor in 1958. The management's policy is to devote one-half of the space to foreign firms and one-half to Canadian firms. Exhibits will be divided into seven large groups: textiles, fashions, furs, clothing; furnishings, leather goods, china, glassware; hardware, electrical equipment, TV and radios; foodstuffs, wines and liquors; marine and related industries, heavy industry, transportation, building; aircraft and accessories, and national pavilions of foreign governments. So far, it has been announced that the anniversary committee for the powered flight celebration will be participating with a large display of Canadian aircraft and the Federal Government's Department of Trade and Commerce will be setting up an information stand.

The rate for exhibition space in the main hall is $3.00 per square foot in preferred areas and $2.50 per square foot in others. Outside covered space adjoining the show mart is renting at $2.00 per square foot. Businessmen interested in exhibiting should write for application forms to the Montreal International Trade Fair, 1600 Berri Street, Montreal, P.Q.

First Canadian Exhibit at AtomFair

FOR the first time in the history of the Canadian nuclear products industry, Canadian atomic manufacturers are presenting at a trade fair an integrated display of instruments, materials and services. Some 22 Canadian firms are contributing to an exhibit that will be set up at the 1959 *AtomFair* in Cleveland, Ohio, from April 5-10. Sponsored by the Atomic Industrial Forum, Inc., this is the only big exhibition of nuclear components, products, processes and services in the United States this year.

Canada's Department of Trade and Commerce is organizing and co-ordinating the Canadian exhibit. It will include products and services ranging from power reactors and power reactor design services, instrumentation and controls, to radioactive isotopes for use in medicine and industry. There will also be displays showing the use of radioactive materials for the control of industrial processes, such as the sorting of ores. Canadian manufacturers hope not only to make immediate sales at the fair but, more important, to lay the foundation for long-term promotion of their products in the United States and abroad.

Two European Industries Fairs

BUSINESSMEN interested in dropping in at the German *Industries Fair* in Hanover this year will want to know the dates: April 26-May 5. If they are thinking about exhibiting in 1960, they should make their plans soon, according to the fair organizers. This is a big show: last year it attracted 4,500 exhibitors and 1,300,000 visitors from many countries, including delegations from Soviet Russia, Mainland China, and

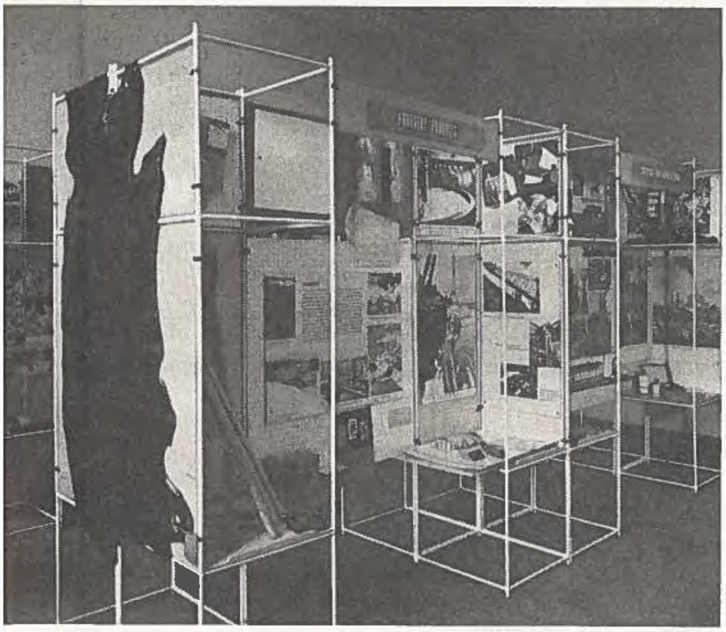
Czechoslovakia. Products shown were mostly capital goods, but about one-third of the manufacturers displayed consumer goods such as cutlery, textiles and synthetic materials. Prospective visitors or participants may write for more information to The Trimont Corporation Ltd., 1170 Drummond Street, Montreal.

No less than 21 exhibition halls with a maximum display area of 1.3 million square feet house the gigantic *Swiss Industries Fair* in Basle. Now in its 43rd year, the exhibition attracts some 2,300 Swiss exhibitors and is said to be the most important commercial event of its kind in Switzerland. This year the fair will run from April 11-21. It will include exhibits of heavy machinery, mechanical handling equipment, plastics, chemicals, watches, paper, printing, foodstuffs, sports goods, ceramics, furniture, and toys.

Dublin Sees Canadian Goods

EVER heard of a trade fair held in an embassy? We have, and Canada has done it—in Dublin, Ireland, last November. The occasion was the first horizontal samples display (which just means an exhibit of a variety of merchandise) of Canadian goods ever staged in Ireland by the Canadian Government.

H. A. Gilbert, Commercial Counsellor in Dublin, reports that over 500 invitations and brochures were sent out and response from the trade was good, bearing in mind that exports to Ireland are hampered by high tariffs, taxes and quotas. A number of serious trade inquiries were received for Canadian plywood, textiles, aluminum, canned soups, fruit juices and fruit, fine leather, cedar for butter churns, and novelty goods such as jewellery. The products displayed were divided into four main groups: agriculture and fisheries, forest products, chemicals and allied products, and consumer goods; most of the samples, says Mr. Gilbert, were provided by local agents.



Display of Canadian goods at the Canadian Embassy, Dublin.

Sportsmen at Toronto's 12th

COLOUR, gaiety and plenty of action, features of the best exhibitions everywhere, are present in abundance at Toronto's annual *Sportsmen's Show,* to be held this year from March 13-21. Over 322 thousand square feet of floor space in the Coliseum and its annexes will be used to display sporting goods, ranging from racing cars and luxury cruisers (complete with television and cocktail bars), to bicycles and outboard runabouts with fins and wrap-around windshields. Along great stretches of wall and aisle, visitors may see forest and wildlife conservation exhibits with live ducks, geese, bears and lynxes, or they may shop around for the latest in bear traps, duck decoys, shotguns and fishing flies. They may find themselves wandering through country cottages and weekend trailers or catching free demonstrations of square dancing, ballet, tumbling, judo, basketball, archery or knife-throwing. All this, plus the big stage and water revue, draws enormous crowds to the building and to the exhibits, keen to see a show presented with style, vigour and imagination.

French Fairs in '59

The following French exhibitions of capital equipment and consumer goods are open to foreign firms:

International Fair, Lyon, April 4-13. Apply: M. Lucien Chatin, Palais de la Foire, Quai Achille Lignon, Lyon.

Foire de Paris, Paris, May 1-18. Apply: M. Tony Bouilhet, 23 rue Notre Dame des Victoires, Paris.

International Fair, Marseilles, September 12-28. Apply: M. Chiglione, 36 La Canebière, Marseilles.

International Fair, Bordeaux, June 14-29. Apply: M. J. Dormoy, 12 Place de la Bourse, Bordeaux.

International Fair, Lille, April 11-26. Apply: Grand Palais de la Foire, Lille (Nord).

International Fair, Strasbourg, September 5-20. Apply: M. Weber, Comité d'Organisation, 9 rue Brûlée, Strasbourg.

. . . And Belgian

The following Belgian exhibitions are open to foreign firms:

CONSUMER GOODS—*International Trade Fair,* Ghent, September 12-27. Apply: Palais des Floralies, Parc Gand.

ENGINEERING, METALLURGY, ELECTRICITY—*International Trade Fair,* Liège, April 25-May 10. Apply: 17 Boulevard d'Avroy, Liège.

FURNITURE, DECORATION, CONSTRUCTION—*Commercial Spring Fair,* Charleroi, March 28-April 12. Apply: Société Coopérative de Gestion, Palais des Expositions, Charleroi.

GENERAL—*International Industries Fair,* Brussels, April 30-May 11. Apply: Palais du Centenaire, Brussels.

HOUSEHOLD EQUIPMENT—*Household Equipment Show,* Charleroi, October 30-November 15. Apply: Société Coopérative de Gestion, Palais des Expositions, Charleroi.

The Trade Implications of Convertibility

Eleven European countries, as 1958 ended, announced that they were making their currencies externally convertible. What does this mean in terms of trade and how will it affect our exporters?

International Trade Relations Branch.

ESTABLISHMENT of convertibility of sterling in the hands of non-residents of the sterling area was announced late in the year by the United Kingdom. At the same time, ten other Western European countries —Austria, France, Germany*, Italy, Denmark, Netherlands, Belgium, Luxembourg, Norway, Portugal and Sweden—similarly announced the external convertibility of their currencies. Residents of these countries and their monetary areas remain subject to the previously existing exchange regulations and still require authorization from their governments to convert funds into dollars.

These combined moves to convertibility represent the most important step taken in recent years towards the restoration of a world-wide system of trade and payments. As far as Canadian exporters are concerned, however, the importance of these recent decisions lies more in their implications for the future than in their immediate practical effects. The United Kingdom, France, Germany, etc., had always made dollars available for permitted imports from Canada and this continues to be the case.

Convertibility does not, of itself, automatically change or diminish the import restrictions affecting Canadian goods, but it does clearly remove any reasons for the maintenance of dollar restrictions on trade previously in effect. There will doubtless be a time-lag before the full logic and consequences of the convertibility moves are felt in the further removal of import restrictions in the United Kingdom, Western Europe and in other parts of the world, but the months to come should see more rapid progress in this direction. It should also be noted that, for the last four years, sterling and the major Western European currencies have, in practice, been convertible at a small discount in unofficial markets such as Zurich and New York. The formal moves to convertibility confirm and clarify this situation and should facilitate transactions with a number of countries.

Flexibility Restored

What the United Kingdom and the other Western European countries have done is to unify all current external accounts and thus remove the previous differentiation between currency used in payment for dollar goods and currency used in payment for goods from other areas. In the United Kingdom, for example, the old transferable sterling accounts, the American and Canadian accounts and registered accounts have been merged into a single "external account" which can be used for transfers anywhere throughout the

---

*Germany subsequently moved a step further and established full convertibility for residents and non-residents alike.

Mr. Fleming Comments . . . .

The Honourable Donald M. Fleming, Minister of Finance in the Canadian Government, in a statement issued on December 27, warmly welcomed the announcement in London by the Chancellor of the Exchequer that the rates for official sterling and for transferable sterling would be unified on December 29.

"This move," said Mr. Fleming, "is welcome in itself and will have favourable repercussions throughout the Commonwealth and the rest of the world.

"This is the action in the exchange field which the Canadian Government has been hoping for and which was under discussion at the Commonwealth Trade and Economic Conference in Montreal last September. At the Montreal Conference the United Kingdom made it clear that convertibility remained their objective and that this step would be taken as soon as the time was right. Thanks to the continued strength of the British economy and their external trade and payments they are now able to take this important step.

"At Montreal, the Canadian delegation put forward the view that the financial justification for trade discrimination had virtually disappeared and urged the United Kingdom to recognize and regularize this position in the formal convertibility of sterling. The report of the Conference recognized the vital role of sterling in financing world trade and the importance of maintaining its strength.

world and for the purchase of any currency or of gold in the London market or elsewhere. This means that sterling earned by residents of any country outside the sterling area (for example, in Europe or Latin America) may now be freely used to pay for imports from Canada. Thus, if Canadian exporters acquire sterling in payment for goods supplied to such countries, they may convert it freely into dollars at the official rate of exchange or use it freely to pay for imports into Canada from the United Kingdom or any other country. Formerly, the United Kingdom regulations did not permit such transactions in sterling, even though they could be effected at a discount through Zurich or New York. These limitations on sterling and similar ones on the other currencies involved have now been removed. Canadian exporters are now able to sell anywhere in the world and may accept payment in sterling, German marks, Swedish kronor, Dutch guilders, etc., with the full assurance that they can convert such currencies freely into dollars at the official rates of exchange.

Import Licensing Continues

This increased flexibility and transferability of currencies will help Canadian exporters. However, the main obstacle to increased Canadian exports to many markets lies in the system of import licensing controls applied to dollar goods. Whether Canadian sales can be expanded as a result of convertibility depends on the steps that the countries maintaining trade restrictions take to remove them. These import restrictions were originally imposed for balance-of-payments reasons when the gold and dollar reserves in these countries were particularly low. For some years, sterling and Western European currencies have been mutually transferable through the regional clearing system in Europe (the European Payments Union) and this made it possible for the United Kingdom and Western European countries to relax import restrictions vis-à-vis each other's goods at a faster rate than towards dollar goods. Similarly, a network of bilateral or regional trade-and-payments agreements grew up as between European countries and certain countries of Latin America, Asia and the Middle East, with a view to balancing trade in both directions. These developments combined to create a situation of widespread discrimination against Canadian and other dollar goods. As economic conditions improved, the United Kingdom and many other countries have made substantial progress in recent years in the relaxation and removal of dollar import restrictions.

Removal of Restrictions Expected

At the Commonwealth Conference in Montreal, the United Kingdom announced the removal of dollar re-

"The United Kingdom Government has explained that the general purpose of the change is to enhance confidence in sterling as a means of international payment and to foster a desirable expansion in international trade by removing the present limitations on the use of sterling. This is in line with the theme of the Montreal Conference—'an expanding Commonwealth in an expanding world'.

"The significance of this action for Canada emerges when it is seen as part of a continuing process. This process relates to the freeing of trade from exchange and quota restrictions and allowing Canadian exports better access to United Kingdom and world markets. The financial step now taken supplies an essential element in the achievement of this important objective.

"This forward step means that there is no longer financial reason for any distinction in payment for imports between dollar sources and other sources of supply. This is what is meant by the unification of official sterling and transferable sterling. As a result of this action, the financial basis for restricting imports from dollar countries more severely than from other outside sources has disappeared.

"We can now look forward to a more rapid elimination of trade discrimination against our exports in the United Kingdom. A welcome step in this direction was made at Montreal when the United Kingdom abandoned their discriminatory restrictions affecting machinery, newsprint and salmon from Canada. At that time the United Kingdom forecast an orderly program which would allow Canadian consumer goods and foodstuffs freer access to their market.

"Sterling is the currency which finances the trade not only of the United Kingdom but also of all sterling area countries. The move towards convertibility will provide those countries with a financial basis for further steps to remove discrimination against our goods.

"For people residing in the sterling area the steps announced today did not constitute full convertibility. For them there will remain certain exchange restraints on the free use of sterling. This, of course, is very important from their point of view. From the Canadian point of view, however, the step now announced is the most important one in the field of convertibility.

"It is not possible to estimate in any precise way what our exporters stand to gain from the broad and constructive movements now in train. But the financial step announced by the United Kingdom now is starting a chain reaction which will contribute significantly to the opportunities available to our exporters in many parts of the world."

65732-0—3

strictions on a wide range of products and gave assurances that the remaining restrictions on other goods would be withdrawn. With the establishment of convertibility, the exchange reasons for discriminating against dollar goods no longer exist and further early steps towards the dismantling of import restrictions in Europe and elsewhere are to be expected. Indeed, France and Norway have already announced important new measures of dollar liberalization. Canadian exporters should be on the lookout for new and greater opportunities for trade on a competitive basis in many markets throughout the world.

Swiss Do Business with East Europe

Switzerland exported some $54.3 million worth of goods to Eastern European countries in 1957 and bought about $53.5 million worth in return. But business is small in relation to total Swiss trade and prospects for expansion slight.

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

IN five years, Swiss trade with Eastern Europe rose by 37 per cent, from Sw. Fr.350.6 million in 1953 to 480.1 million in 1957. Czechoslovakia is by far Switzerland's most important trading partner in this group of countries. In fact, the expansion in Swiss-Czech trade accounted for over one-half of the over-all trade increase since 1953. The remaining eight countries, in order of the volume of business they do with Switzerland, are: Yugoslavia, Poland, U.S.S.R., the Soviet Zone of Germany, Hungary, Romania, Bulgaria and Albania.

Bilateral Agreements Made

Switzerland has trade agreements that provide for the exchange of listed commodities with all nine countries, except the Soviet Zone of Germany and Albania. Possibly more significant than trade agreements for the extension of this business are the currency-clearing

SWISS TRADE WITH EAST EUROPE IN 1957

(million Swiss francs*)

EXPORTS	**CZ	YG	PO	HY	SG	USSR	BU	RO	AL	Total
Machinery	17.3	17.7	12.8	3.3	5.6	10.9	0.6	1.7		69.9
Aniline dyes	14.4	6.7	9.1	5.1	3.7		5.3	3.3	0.2	47.8
Textiles	8.0	2.6	3.3	7.4	3.2	0.5	1.1			26.1
Pharmaceuticals	6.1	5.4	6.3	1.6	1.2	0.5	0.5	0.7		22.3
Chemicals	8.3	3.0	2.4	0.8	2.5		0.3	0.2		17.5
Watches	5.0	2.7	2.8	1.5	1.2	0.3	1.8	1.0		16.3
Apparatus and instruments	5.7	3.2	1.8	1.3	0.7	2.5	0.1	0.3		15.6
Metals	3.9	1.8	2.4	1.0	1.5		0.3	0.1	0.2	11.2
Other	5.6	2.6	1.3	2.7	2.1	0.3	0.3	0.2		15.1
Total	74.3	45.7	42.2	24.7	21.7	15.0	10.3	7.5	0.4	241.8
IMPORTS										
Beverages, tobacco, foodstuffs	25.9	13.2	14.6	14.8		14.1	2.8	6.4		91.8
Chemicals	11.8	3.1	5.7	0.9	4.6	0.7	0.1	0.9		27.8
Wood	8.1	5.1	1.2		0.6	0.3		2.4		17.7
Metals	4.1	2.0	2.0	0.4	0.4	7.8				16.7
Mineral matter	2.6	1.1	3.5	3.5	1.2	3.4		0.8		16.1
Textiles	3.0	3.1	1.3	1.2	1.0	2.7	0.4	0.2	0.1	13.0
Animals and substances	0.2	1.6	0.4	5.5	0.4	4.9				13.0
Machinery	4.2			0.3	3.6					8.1
Other	12.0	2.3	1.3	2.9	10.4	3.5	0.9	0.7		34.0
Total	71.9	31.5	30.0	29.5	22.2	37.4	4.2	11.4	0.1	238.2

*1 Sw. Fr.=Can.$0.2253
**CZ—Czechoslovakia
YG—Yugoslavia
PO—Poland
HY—Hungary
SG—Soviet Zone of Germany
BU—Bulgaria
RO—Romania
AL—Albania

agreements. These have been signed with Czechoslovakia, Bulgaria, Hungary, Poland, Romania and Yugoslavia. Switzerland began to operate the clearing system with these countries because of their shortage of hard currency. The maintenance of an approximate balance of trade is the aim of both parties.

A slightly different situation prevails in Swiss trade with the Soviet Zone of Germany. Because there is no trade agreement, payments for commodity exchanges are free—but only to the extent of that country's exports to Switzerland.

Switzerland's trade with Eastern Europe is based on an exchange of Swiss manufactures, such as machines and dyestuffs, for products of the farm and forest. The accompanying table shows the commodities which figure in this trade, and their value.

Principal Partners

Switzerland is one of Czechoslovakia's more important western trading partners and, as might be expected, her business with Czechoslovakia covers a greater number of commodities than with any other country in the group. Brewing malt, chemicals for industrial use, hollow glass, glassware and sugar are the principal Swiss imports from that country.

Yugoslavia ranks second among Switzerland's East European trading partners. Commodity exchange, traditionally in Switzerland's favour, is based on Swiss purchases of lumber, lead and wine, and sales of machines, pharmaceuticals, dyestuffs, instruments and apparatus.

Poland's trade deficit with Switzerland in 1957 is largely accounted for by a substantial decline in coal deliveries from the 76,000 tons in 1956. Swiss exports to Poland have doubled since 1954.

Switzerland stands eleventh among Hungary's customers and tenth as a supplier. Animals for slaughter, wheat, eggs and butter are the main items purchased from Hungary.

The Soviet Zone of Germany and Russia rank equally as traders with Switzerland. In both cases the balance of trade is unfavourable to the Swiss. In 1957, for the first time in recent years, Romania had a favourable balance of trade with Switzerland as a result of a steady decline in Swiss exports and a gradual rise in Romanian sales to Switzerland. Swiss-Bulgarian trade is weak, though Swiss exports have risen in the last five years.

With the possible exception of Czechoslovakia, the East European countries are relatively minor trading partners for Switzerland. Despite an over-all quantitative increase of 37 per cent since 1953, her trade with these countries is still small in relation to the total (3.2 per cent in 1957). There is little evidence that this will change to any extent in the future. ●

Tuna Fish for Israel

RADICAL changes in the pattern of Israel's fish consumption, production and import trade are expected as a result of an agreement which was signed in September between Israeli-Japanese interests, who have Swiss financial backing.

The Japanese partners of the newly created Israel-Nippon Fisheries Corporation, the Goyo-Giyogyo syndicate, operate more than 2,000 fishing, trawling, whaling, and refrigerated-transport vessels. (Israel's fishing fleet now consists of 26 trawlers.)

The Agreement reportedly stipulates that in return for a Japanese guarantee of an annual catch of 50,000 tons of high calorie-protein content tuna, their Israeli partners must succeed in doubling Israel's present fish consumption of 22,000 to 24,000 tons. Increased sales of tuna in the domestic market will compete mainly with imports of frozen fish, fillets, and herring in brine from Norway, West Germany, Iceland, the Netherlands and Denmark; these imports reach about 13,000 to 14,000 tons a year. It is unlikely that the small shipments of Canadian canned salmon to the foreign community and to ship chandlers will be affected by this development.

Initially both the executive staff and the crews of the vessels will be supplied by the Goyo-Giyogyo Corporation. A special school is planned, however, to instruct Israeli personnel and enable them gradually to replace the Japanese crews. All Israel-Nippon ships will pass to Israeli ownership as soon as the Israelis can pay for them out of profits.

Full-scale operations began late in 1958. The fleet, made up of six tuna clippers and two reefers, is divided into two groups, operating out of Djibouti and Accra respectively. The Indian Ocean and Red Sea group, consisting of three clippers and one reefer, will operate for six weeks at a time, following which the clippers will unload their catch at Djibouti aboard the fast reefer which will carry it to Eilat, Israel's port on the Red Sea. The Atlantic group will operate for ten weeks at a time; their unloading-reloading point will be Accra, Ghana.

The future of the Israel-Nippon Fishing Corporation depends on the ability of the company's marketing branch to increase domestic consumption of tuna as well as export sales, canning and fishmeal production. It is expected that the company will eventually provide employment for over a thousand persons, as well as save up to $3.5 million a year in foreign exchange.

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

65732-0—3½

As the businessman sees it

A Contractor Looks at Foreign Projects

A Canadian relates his company's experience in handling assignments abroad and assesses the risks and the rewards.

CHARLES RATHGEB JR.,
Vice-President and Managing Director,
Canadian Comstock Company Limited,
as told to O. Mary Hill.

"OVERSEAS business is twice as difficult, twice as risky, and twice as profitable," says Charles Rathgeb Jr., vice-president and managing director of Canadian Comstock Company Limited. This pithy statement reflects the experience his company has acquired on a number of foreign engineering assignments, chiefly in Central and South America but also in Europe and in Asia.

Southern Ontario firms and householders remember Canadian Comstock as the company that "converted" them during Ontario Hydro's changeover from 25 to 60-cycle power. The expertise it gained during this huge undertaking helped Comstock (a wholly Canadian-owned firm) to win its largest foreign contract so far—the modification of the Panama Canal's electrical system (including the interlocked control for the locks themselves) and its conversion to 60-cycle power. It won this contract from the U.S. Army in competition with five other bidders, all of them U.S. companies. It is a three-year project and will be completed by the end of 1959.

Foreign Assignments Varied

Comstock men are at work on the other side of the world too and on many other phases of mechanical and electrical construction engineering. In northern Pakistan they are making the electrical and mechanical installations at the great Warsak power project, one of Canada's main undertakings under the Colombo Plan. In the last few years the company has supervised the putting in of rectifiers at a small smelter owned by an Alcan subsidiary at Soramenhia, Brazil; has made the dock installations at Pearl Harbour; has joint-ventured steel-mill work in Cuba and in Italy; has helped to set up tin-finishing facilities at the Volta Redonda steel plant, also in Brazil, and has made certain installations at a steam-generating plant near Maracaibo, Venezuela. Some of these were independent contracts and some were undertaken as sub-contracts or in association with other firms.

Intelligence Service Needed

The interest of the Rathgebs, father and son—Charles Rathgeb Sr. is president of the company—in foreign assignments is balanced by a realization of the lions in the path. The first one is hearing about opportunities early, and this can be difficult when these are half a world away. Ideally, the company would like to be in at the birth of a project and a part of it from the outset. The Trade Commissioners abroad often alert Canadian companies about developments that are mooted, and particularly those for which World Bank loans are sought. Comstock also employs "spotters" in various areas—friends of the company who will tip

the Charles Rathgebs, Sr. and Jr.

it off. Sometimes these people receive a percentage of the value of a resulting contract or they may be awarded a sub-contract.

The best way to secure overseas business, the Rathgebs believe, is through personal contacts. Last March Charles Rathgeb Sr. made a round-the-world journey. Before he sailed, he wrote to the Trade Commissioners in each country he expected to visit, asking them to arrange appointments for him. In addition, the company keeps in close touch with consulting engineering firms in London and elsewhere. In general, says Mr. Rathgeb, United States firms have a head start on Canadian companies because their intelligence service seems to function better.

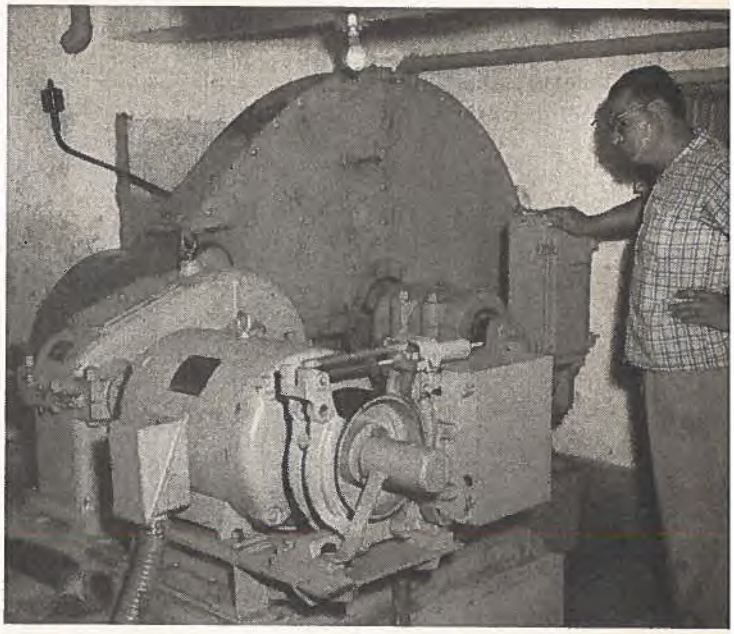
Preparing Tenders Difficult

Time counts in trying to obtain foreign business largely because preparing a tender on an overseas project takes far longer and calls for greater effort than it does on a Canadian job. Getting the data on which to base a bid can be both complicated and costly. To illustrate this—and to point up his remark that "overseas business is twice as difficult"—Mr. Rathgeb chose a potential power project in Ceylon.

Some months ago Canadian Comstock learned from our Trade Commissioner in Colombo that Ceylon intended to go ahead with the second phase of a power project. At first glance this looked like a good opportunity and the preliminaries of preparing a tender began. So did the paying out of money, because two Comstock engineers, one a powerhouse and the other a transmission-line expert, took off for Ceylon to study the site, sources of supply for material and equipment, local sub-contractors, labour, and so on. All this information the company must have to determine the manhours a project will require and to work out the unit costs. Cost experience in Canada isn't usually a reliable guide on overseas work. Comstock estimators faced with the Ceylon bid wouldn't have much idea, for example, of the cost of hiring elephants for haulage and of keeping them in condition! The one happy exception to this rule was the Panama Canal job, where the cost units worked out on the Ontario Hydro contract could be safely employed.

When the information gathered on-site comes in, Mr. Rathgeb explained, three groups will go to work on the tender. The construction group will study the installation and the materials needed. The engineering group will prepare the specifications for the material and equipment to be bought from suppliers, and the purchasing group will start securing quotations.

In tendering on overseas jobs, the complications centre largely around finding sources and obtaining prices on material and equipment. If the company were working on a power project in Canada, it would not expect to provide the cables, insulators, etc., itself. Overseas, the position changes and a central purchasing group is needed to negotiate with suppliers one by one.



This 60-cycle mitre gate machine is photographed in action on Comstock's Panama Canal conversion job. Conversion consists of changing the 40 horsepower motor, the installation of herringbone gear reducer and changing of the spur pinion.

If some quotations are too high to make a competitive bid possible, others must be sought. (If it is a project financed by the World Bank, purchases must be made in countries that are World Bank members.) One of Comstock's advantages in going after foreign contracts consists in its ability to get, through its own contacts, supplies in other countries, and to finance this process.

Once the quotations on supplies for the Ceylon job are in, management will examine them. Then the three groups—construction, engineering, and purchasing—will meet with management and work out the final bid. Before this last stage, several sub-tenders may have to be combined into one over-all tender.

Problems with People

Problems continue even after the contract is safely landed. A vital one concerns people—the men who will be dispatched from Canada to get the project started and to supervise it to completion. On the average overseas job, Canadian Comstock sends out five to twelve persons. With them go their families, if the assignment promises to be a long one. This adds to the expense but makes for a more stable and happier staff.

Choosing men for this work, Mr. Rathgeb has found, calls for ability in judging character and appraising performance. They must be able to adapt themselves to unfamiliar surroundings and customs; they must be willing to take responsibility and make decisions on their own. They must get along well with foreign workers: the company lays stress on employing as much local labour as possible, both to cut down on the cost of sending people from Canada and in the interests of good relations with the local population and the foreign government. In Mr. Rathgeb's experience, Canadians adjust readily to life abroad and, because they are regarded as politically neutral, they are usually well received.

A number of Comstock men are today living in the Canal Zone and carrying out the Panama Canal conversion contract. The group includes a project manager, an administrator who also does the local purchasing, a public relations man, a chief accountant, and a general superintendent of construction. (Certain contracts also call for a project engineer.)

All employees on foreign service receive a bonus on their Canadian salaries, plus living allowance and transportation for families. To the problem of expense is added that of building up a backlog of employees whom the company knows and can trust, to be assigned to duty wherever they are needed.

Assessing the Risk

All this illustrates the remark that "overseas business is twice as difficult". It is also, says Mr. Rathgeb, "twice as risky." Before the company tenders on a project, it ponders a number of pertinent questions. Is this a worthwhile project? Is it likely to be pushed to completion? Is the money sure? If the project peters out, will the engineers be paid for work done? Can the company secure results by tendering? Normally, Comstock confines itself to projects under the Colombo Plan or to those financed at least in part by the World Bank or other international agencies. If the project does not fit into these categories, the first step is to discover whether the Export Credits Insurance Corporation will give the company insurance cover. If it will, then a bid is prepared; if not, the matter is dropped. U.S. firms, Comstock has discovered, often have less trouble financing foreign work because they can obtain loans from commercial banks on the security of their equipment; Canadians cannot.

One way to minimize the risks, Mr. Rathgeb believes, is for Canadians to put more emphasis on joint ventures —a group of contractors, specialists in various fields, getting together to bid on a complete project. This would cut down on the expense of preparing a tender by dividing the costs among the group. It would also widen the choice and the opportunities, especially for specialist companies like Comstock who do not usually bid on package deals involving general structural work. U.S. and British companies often undertake foreign contracts in this way but many Canadian firms, Mr. Rathgeb finds, are difficult to interest in overseas opportunities. Even suppliers will take the attitude that their offers will not be competitive and will not bid; Canadian Comstock frequently has to go on the world market to obtain something that is also made in Canada.

Looking to the future, Mr. Rathgeb makes two points. Recently he has discerned a trend towards breaking large overseas undertakings down into several stages and awarding contracts to a number of specialized firms. In a power project, for example, one contract might cover the building of the powerhouse, another the penstocks, and a third the transmission lines. This spreads the business around, as certain governments like to do. It also helps companies like Comstock. The world-wide contractors who bid on a "turnkey" basis feel less happy about this development.

"Be There and Be Low"

To expand its overseas operations and make the best use of its personnel, Comstock would like to carry on business abroad in the same way it does in Canada. Here its eleven branch offices not only look after projects in their area, but also initiate them. When a contract abroad is completed, the company would like to keep the Canadian group sent over intact, and instruct it to look for other work in that territory. This would make it easier to follow the recipe for successful tenders—"Be there and be low."

Is overseas business "twice as profitable"? In answer to this question, Mr. Rathgeb only smiles. But his interest in opportunities abroad seems to answer that question without need for comment. And aside from the financial returns, Comstock finds that foreign contracts widen a company's engineering skills, increase its know-how, and provide its staff with a useful variety of technical and managerial experience.

Help for the Business Traveller

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

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

France Expands Its Steel Industry

French steelmakers have their eyes trained on an 18-million-ton output by 1960-61. As aggressive expansion program moves forward, industry will need basic materials that Canada could supply.

J. H. BAILEY, *Commercial Secretary, Paris.*

FRANCE is the third largest steel producer in Europe and the fifth in the world, with an output surpassed only by the United States, the U.S.S.R., West Germany, and the United Kingdom. In 1957, French steelmakers produced 14.1 million metric tons of steel, an all-time high and 5.2 per cent above the figure of the preceding year.

Although steel production in other countries slowed down during 1958, the French steel industry stepped up its output during the first six months by 8.5 per cent and it is expected that for the whole year it will total approximately 15 million tons. Although this is below the 16 million tons originally forecast, the French hope to reach the goal of approximately 18 million tons by 1960/61. The accompanying table shows French production in comparison with Russia and the rest of Europe.

EUROPEAN PRODUCTION IN 1956–57 AND ESTIMATED CAPACITY IN 1958 AND 1960

(in thousands of metric tons)

Country	1956	1957	1958 (est.)	1960 (est.)
West Germany	26,563	27,947	31,610	33,760
Britain	20,991	22,048	23,800	25,500
France	13,399	14,098	16,260	17,880
Belgium	6,375	6,266	7,460	8,190
Italy	5,908	6,787	7,870	9,120
Luxembourg	3,456	3,493	3,590	3,850
Sweden	2,425	2,506	2,800	3,200
Austria	2,078	2,509	2,570	3,000
Netherlands	1,051	1,183	1,520	1,580
Other	3,285	2,503	4,190	4,670
Total Western Europe	85,531	89,340	101,670	110,750
U.S.S.R.	48,698	51,043	53,600	68,300
Satellites	15,342	16,130	17,360	20,030
Total Eastern Europe and U.S.S.R.	64,040	67,173	70,960	88,330

Because of the relatively high investment in new plant and equipment, expenditures by the industry on research (over $3.5 million in 1957), and the incentive given to employees, productivity in French steel mills has gone up by about 45 per cent since 1949. As a result, the industry has been able to maintain highly competitive prices on the world market—in most products their prices have actually been lower than those of other European producers—in spite of increased wages and other rising costs. The last major increases in French steel prices took place in November 1957 when Thomas process steel went up by approximately 7.4 per cent and Martin process steel by 5 per cent. The reason given for the increases at that time was that they were needed to provide extra capital for further expansion.

Of the steel produced in France, about 60 per cent is Thomas steel, just under 32 per cent Martin (open hearth) steel, almost 8 per cent electric steel, and the remainder acid Bessemer and crucible steel. The figure on capital investment in these and other types of mills is not available but it is known that more than $1.7 billion has been spent on new plants, equipment and processes since 1945. Altogether the industry consists of 131 plants employing approximately 208 thousand and these French companies have committed themselves to invest an estimated $900 million more over the next two years to raise steel production capacity to the 18 million tons mentioned above.

Expansion May Mean Opportunity

The rapid expansion program should increase the demand for materials for the steel industry obtainable in Canada. Shipments of nickel to France, for example, have increased 34 per cent and scrap steel 7 per cent from 1957 to 1958. In addition, there may be opportunities, at least temporarily, during this expansion period for Canada to supply such basic materials as coal and pig iron. Production of pig iron in France last year totalled a record 12 million metric tons and in the first half of this year was running 4.6 per cent above last year's rate. Steel production, however, is moving forward at an even faster rate (8.5 per cent) and France has to import substantial quantities of pig iron—233 thousand tons in 1957. Canada first obtained a share of this business in October 1958, when 10,685 tons valued at $410,780 were shipped to France*. By 1961, however, through new investment and productivity increases, it is expected that the French industry will be turning out 14.6 million metric tons of pig iron a year and this should be sufficient to meet the steel producers' needs.

There is a substantial market for French steel products in Metropolitan France and in French overseas

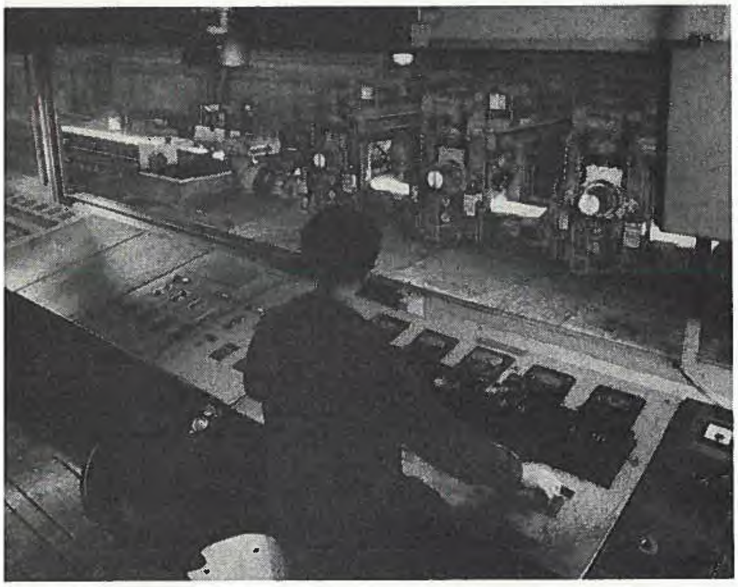
*See article "The French Market for Iron Ore" in the January 31, 1959, issue of *Foreign Trade.*

territories. In 1957, 11.5 million ingot tons of ordinary steel were consumed in France. This total was divided as follows among the major consumers:

	Percentage
Pipes and pipelines	10
Drawn steel wire	9
Automobile industry	8
Building industry	5
Railroad equipment	4.2
Use in reinforced concrete	3.7
Engineering products	2.5
Locomotives and rolling stock	2
Bolts and nuts	2
Shipbuilding	2
Steel pitprops	2
Appliances	1.5
Industrial machinery	1.4
Heavy engineering products	1.3
Barrels	1.2
Agricultural machinery	1

Miscellaneous items of less than 1 per cent each accounted for a total of 16 per cent. There is also a large proportion (25 per cent) sold to steel brokers to resell to small firms that make a wide range of products. Experts in the trade state that it is difficult to know exactly how this steel is used but it probably goes into the various categories of consumer goods shown above.

The export market in 1957 consumed 18.4 per cent (or 2.6 million tons), a slight reduction from the 1956 total because various foreign countries which normally use substantial quantities of French steel suffered from a business recession in varying degrees. Nevertheless, export sales in 1957 earned for France approximately $247.4 million in badly needed foreign exchange. This allowed her to cover all payments for the coking coal and other materials the industry must import and left a substantial amount to be applied against the over-all trade deficit. Although European countries are the major buyers of French steel, it is interesting to note that in 1957 approximately 500 thousand tons were sold to Asia and another 500 thousand to the Western Hemisphere (the United States purchased 164 thousand tons).



The control room in a large continuous hot-rolling mill at Denain, France, established by Usinor, one of the three leading French steel producers. Usinor has an interest in the new steel complex being built by a number of companies at Dunkirk.

Projects Under Way

One of the major projects now under way in the French steel industry's expansion program is its first deep-water steel complex. The capital for this project is being provided by three of the major steel producers who have undertaken to build this plant on 750 acres directly adjacent to the port of Dunkirk. Docks are being built to receive ores from West Africa and it is to this mill that Canada may be able to ship substantial quantities of ore in due course. There will be a battery of 250 to 300-ton capacity Martin ovens to consume liquid pig iron, with a slight addition of scrap; a modern coking plant; a rolling mill with an annual capacity of one million tons, and the latest model of a Thomas converter. The construction of this mill began in 1958 and several years will therefore pass before any steel is produced.

Another new complex is being planned for North Africa but actual construction of this mill has not yet begun. This mill, to be located at Bône in Algeria, will adopt a new steelmaking technique which will use electric current and natural gas from the new gasfields in the Sahara in place of the traditional coal and coke. Ore for this plant will come from mines located close by at Ouenza. The annual production planned is approximately 500 thousand tons but construction of the mill has not yet started and it will be a number of years before the first steel is poured.

Research Done Co-operatively

The French steel industry has formed a co-operative organization, the Institut de Recherche de la Sidérurgie, responsible for all the major research in steel that takes place outside the research divisions of the individual companies. This organization has its headquarters at Saint Germain in the suburbs of Paris where it maintains large laboratories. In addition, it operates a semi-industrial testing plant at Metz where it is possible to crush, sift, blend, sinter and otherwise treat ores in quantities up to five tons. There are also six-ton electric-arc furnaces to make steel and other modern equipment to permit steelmakers to carry out detailed studies.

Backed by excellent research facilities, an assured domestic market, new investment programs which will increase its volume and productivity, the French industry looks ahead with confidence in the future. ●

Portugal Imports Tobacco

Production remains constant and imports by the government-regulated industry are large. Prospects for Canadian tobacco exporters appear promising.

RICHARD GREW, *Commercial Counsellor, Lisbon.*

PORTUGAL was one of the first European countries to take up the smoking of tobacco, but the habit has never become as general as it has in areas that acquired the custom later. Even today, per capita consumption is probably less than in most countries and, with the exception of Lisbon and Oporto, it is unusual to see women smoking.

The tobacco manufacturing industry in Portugal is a government monopoly; the Government leases the business to interested firms for ten-year periods, after calling for public tenders. In recent years, two firms have usually been successful in obtaining the manufacturing rights.

During the period for which a firm holds a concession, it may use the state-equipped factories and the brands that are already established, but it may also build new factories and introduce new brands. At the end of the concession, the ownership of the equipment reverts to the state without indemnity, except for the depreciated value of any new equipment that may have been installed.

Production Remains Constant

Production of tobacco manufactures over the past ten years has increased only slightly—approximately 2 to 2½ per cent a year.

Production in 1957 went up by 791 metric tons over 1956 to 6,113 tons. Factories whose contracts expired in 1957 were obliged by the terms of their concession to leave stocks equal to two months' consumption. Thus, the increase of 791 tons represents approximately two months' stocks.

The value of production calculated on the factory selling price during 1956 and 1957 was $25.5 million and $27 million respectively, and customs duties brought in $9.2 million and $10.6 million.

The mark-up between the manufacturers' price and the retail price is 12.5 per cent; the wholesaler retains 2.5 per cent and the remaining 10 per cent goes to the retailer. The retail price of a packet of 20 cigarettes ranges between 8½ and 17 cents. No Virginia-type cigarettes are made in Portugal; the cigarettes are similar to American blends.

Trend in Smoking Habits

Smoking habits have changed noticeably in the last few years. At one time, shredded tobacco used in "roll-your-own" cigarettes accounted for approximately 50 per cent of production but lately the "tailor-made" varieties have become more popular. Production in 1946 and 1956 is compared in the following table:

	1956	1946
	(in metric tons)	
Cigarettes	4,429	2,107
Shredded tobacco	883	2,102
Others	10	33
Total	5,322	4,242

This indicates a strong trend towards the tailor-made varieties and because these are more expensive than shredded tobacco, it seems to prove that the purchasing power of Portuguese smokers has improved.

Imports Are Large

Tobacco growing is not permitted in continental Portugal, on the theory that the industry is more easily administered when all tobacco must be imported through recognized and controlled channels. It is encouraged, however, in the overseas provinces and the adjacent islands, Madeira and the Azores. One means of fostering it is a reduction in import duties of 10 per cent on dark qualities and 15 per cent on light qualities. Despite this advantage, imports from Portuguese territories have accounted for only some 5 per cent of total tobacco imports in the past two years.

Portugal imports leaf tobacco from many places but the United States is the most important source, shipping more than 50 per cent of total imports. In 1957 Portugal imported 5,268.7 metric tons.

Duties Levied

The following duties are levied on tobacco, all of which must be imported by the concessionaires:

Leaf tobacco	$0.78 a lb.
Rolls of cigarette paper	0.037 "
Rolls for tips	0.113 "
Filter strips	0.19 "
Special materials for perfuming the cigarettes	0.037 "

Only small quantities of Canadian tobacco are imported into Portugal. Canadian export statistics show that 327,275 lb. valued at $123,860 were shipped to Portugal in 1957, compared with 92,588 lb. valued at $29,764 in 1956. In the first nine months of 1958, 155,121 lb. of burley tobacco valued at $86,868 and 110,453 lb. of flue-cured tobacco valued at $93,117 were sold to Portugal. The figure for burley tobacco is interesting because none of that type of tobacco went to the Portuguese in 1956 and 1957. It is believed that larger quantities of tobacco could be imported into Portugal if Canadian prices were competitive with American and supplies available at the right time.

India Adopts the Metric System

First steps have been taken to introduce a uniform, simplified weights-and-measures system throughout India. How will the changeover affect the products we sell?

JOHN H. NELSON,
Assistant Commercial Secretary, New Delhi.

THERE is a story told in India about a man from Bombay who was visiting the northern part of the country. He ordered a pao (quarter seer) of a favourite sweet called rabadi and ate it with relish. But his pleasure was short-lived because he soon became ill. Why? He discovered that he had eaten twice as much as he thought—because the pao in North India was about double the weight of the pao then used in Bombay.

This unhappy story illustrates the confusing variety of methods, many of them very old, which India uses to compute weights and measures. For instance, one of the more common systems used in internal trading is based on a maund (approximately 80 pounds) and its divisions—40 seers in a maund, 16 chhataks in a seer, and five tolas in a chhatak. But in different parts of the country the maund and its divisions have different values, and for some internal trade and almost all foreign trade the British foot-pound system is used.

Indian officials have long recognized the inconvenience and expense that this lack of uniformity causes. The Government is now introducing, step by step, standard weights and measures for the whole country, based on the French metric system and authorized by the Standards of Weights and Measures Act, 1956. This action is the climax to a study started as far back as 1867. In 1870 and 1871, two Metric Acts were passed. The driving force behind the move to change to the metric system was Colonel R. Strachey, F.R.S., R.E., who prepared a detailed report on the advantages and problems involved. Even though his report is now about 90 years old, it has assisted the Government of India Planning Commission in the preparatory work leading up to the passage of the 1956 act and the actual introduction of the metric system.

Unfortunately, in Colonel Strachey's time there were vested interests in India who preferred to continue with the British foot-pound system and the issue was dropped until the Standards of Weight Act, 1939 was passed. It established a standard tola of 180 grains, a seer of 80 tolas, a maund of 40 seers, and a pound of 7,000 grains.

The next step forward was taken in February 1946, when the Government introduced the Decimal Currency Bill which provides for retaining the rupee as a standard unit and dividing it into 100 naye paise.

Problems of Introduction

The Government of India recognized that people are always reluctant to accept a change, even when it will benefit them. It has decided, therefore, that the changeover to the metric system will take place slowly over a period of 10 to 15 years. No extensive changes will be enforced during the first three to five years. When possible, the metric system will be introduced in conjunction with the existing systems. An intensive educational program for the people (a large percentage of whom are illiterate) is being carried on through films, radio and the press, and exhibitions.

All levels of government will adopt model legislation being prepared by the Central Government. All government agencies will use the metric system, retaining the old system only for replacing parts of existing machinery. All engineering designs and plans will be based on the metric system, giving foot-pound equivalents only where necessary. In everyday public use and for trade purposes the metric system will be introduced gradually and progressively. Land records will be changed to the metric system each time there is a transfer or sale.

By the time the final stage of three to five years is reached, the entire country will be using the metric system. This will be a consolidation period when the remaining vestiges of the old systems will disappear. After that, no other system will be legal. It is hoped that this stage will be completed before 1971.

Progress to Date

On April 1, 1957, the Government of India introduced decimal coinage. As indicated in the Decimal Currency Bill, 1946, the rupee has been retained as the basic unit and it is divided into 100 naye paise. Naye paise coinage and the old coinage of 16 annas to a rupee and 12 pies to an anna are circulating together. The old coinage will cease to be legal tender after April 1, 1960, and will be completely withdrawn. Meanwhile, accounts and bills in both the public and private sector are being kept in decimal denominations.

Under authority granted in the Standards of Weights and Measures Act, 1956, and as part of the preparatory stage, the Government of India gave notice that it was bringing the metric system into force in selected major cities and areas of the country from October 1, 1958. Certain major industries and government departments have also been authorized to adopt it, effective the same date. Until October 1, 1960, the use of the metric system will be optional; after that, it will be compulsory in the cities, areas and industries so notified on October 1. The metric system will be introduced in the remaining areas and fields of activity during the following two or three years. On July 1, 1958, the jute industry adopted the metric system in much the same way as the industries affected by the October 1, 1958, notification.

The following are the industries and Government of India departments and agencies affected by the October 1, 1958, changeover, and the aspects of their operation specifically covered by the notification.

Industries

Cotton textile mills—purchase of cotton and sale of cloth.

Iron and steel factories—purchase of raw materials.

Engineering goods factories—sale of all products.

Heavy chemicals factories—purchase of raw materials and sale of products.

Cement factories—sale of cement.

Salt factories—sale of salt.

Pulp, paper and paperboard factories—sale of products.

Refractory factories—sale of products.

Coffee Board—sale of coffee from the surplus pool either by the Board or through its agents.

Factories manufacturing copper, lead, antimony, and tin—sale of alloys and products of these metals.

Association recognized by the Central Government under the Forward Contracts (Regulation) Act, 1952, which negotiates and controls forward contracts in cotton.

Sale of raw rubber.

Government Departments and Agencies

Indian Airline and Air-India International Corporations—all matters affecting air transport services, except in distances and speed of aircraft.

Government departments, and commercial and industrial undertakings owned or controlled by the Government of India—purchase or supply of stores, including drugs.

Government departments which survey land or mines.

Government departments which study or publish any technical, scientific, or marketing data relating to weather, irrigation, and power projects, or who undertake drawings and specifications of scientific apparatus for use in laboratories and educational institutions.

Effect on Foreign Trade

The Government of India is taking all possible steps to ensure that foreign trade with countries not using the metric system will not be affected by the changeover. Canadian importers will continue to receive Indian goods packed and invoiced in the usual way. As for Canadian exporters to India, it has been decided that imported machinery may be designed to either the British or metric system, although it should be capable of producing goods to metric dimensions. Other Canadian exports to India will be handled in the same way as exports to other countries using the metric system.

As changes are introduced, the firms and trades affected in Canada will be notified both by the Commercial Division of the Office of the High Commissioner for India in Canada and in future editions of *Foreign Trade*.

Flame Dries Printing Ink

A new magazine rotary press, designed and built in England for a Winnipeg company, can print an illustrated journal on both sides of the paper and deliver it dry and folded at speeds up to 1,000 feet a minute. The secret of its speed is a revolutionary drying process: the paper passes at finely-calculated speeds through a naked flame which dries the ink but does not scorch the paper. The drying unit for the Winnipeg press is designed to operate on natural gas but it can be fed by coal gas, methane or propane, either from containers or from mains. After passing through the flames the web is cooled by rollers fitted to a continuous water supply to offset the condensation in the chamber, where tremendous heat is generated. Automatic control prevents the heat from rising above the safety limit.

Principal product of the machine will be magazines printed on various coated papers and it will produce folded sections from four to 32 pages. By using ink-fountain dividers, the machine can print in four colours on each side of the paper.

Commodity Notes

Christmas Trees

UNITED STATES—Only 273 carloads of Christmas trees arrived in Chicago in 1958, compared with 425 in 1957 and 361 in 1956. Over 90 per cent of the trees came from Canada, and the rest came from New York, Michigan, Wisconsin and the State of Washington. A bundle of balsam fir (two to four trees) sold for about $5.00 on December 17 compared with $2.00 in 1957. Prices for six-foot Scotch pines ranged from $2.25 to $2.50, compared with $2.00 to $2.50 in 1957.

There are probably two reasons for the shortage of Christmas trees last year. There were reports of tree disease in some Canadian areas and, in addition, many Chicago dealers overstocked in 1957 and ended by trying to sell their trees for 50 cents on Christmas Eve. The Chicago Inspections Branch of the U.S. Department of Agriculture reported no requests for tree inspection—Chicago.

Coal

BELGIUM—Since the beginning of the recession in 1957, Belgian coal stocks have continued to grow. Average stocks from 1953 to 1957 totalled 1.75 million metric tons, but by mid-December 1958 they had increased beyond 7 million. The main causes are said to be too many long-term supply contracts with U.S. producers, a mild winter in 1957-58, and the increasing use of fuel oil. The Government proposes to limit imports and reduce prices and state subsidies in an attempt to solve the problem. Some mines will probably have to be closed permanently, and a government-sponsored investment program is being set up to cope with the problems that will result—Brussels.

Cocoa

FIJI—The first commercial shipment of cocoa beans left Fiji for Australia last November. Although it amounted to only 1½ cwt., Fijians hope that it will be the beginning of a new export industry. The sample of cocoa beans was fermented and dried at a government plant which also sent samples to potential overseas buyers. Response was encouraging and indicates that there may be a ready market for Fiji cocoa if even grades are maintained.

The authorities have undertaken a selective breeding program designed to produce cocoa satisfactory to world buyers. The seed of the West African Amelonado variety, noted for its strong flavour, has been introduced from Malaya—Wellington.

Coconut Vinegar

CEYLON—The Ceylon Coconut Research Institute has evolved a new process to make high-grade vinegar from the sap of the coconut palm. At present the vat system is used. The new method should combine speed with economy of labour and ease of operation. It is said to prevent loss of valuable alcohol and acetic acid during processing and ensure a standard product of superior quality with low cost of production. The conversion of vats into generators does not present much difficulty and producers using the vat method will not be involved in any heavy conversion expenditure—Colombo.

Copra

INDONESIA—Exports of copra during the first half of 1958 totalled 21,500 metric tons, 81 per cent lower than during the same period of 1957. This drop is attributed to disruption of transportation and shipping in North Celebes, the principal producing area, because of military operations. Considerable quantities of copra are believed to have been exported under barter transactions but these are not recorded in official statistics —Djakarta.

Fish

BELGIUM—Since Iceland extended its territorial waters, Belgian fishermen have had to look elsewhere for adequate fishing grounds. Recently a Belgian firm sent two trawlers on test expeditions to Labrador, where they made record catches of ocean perch in a short time. A capacity catch of 250 tons in seven days was reported.

The two trawlers, built in Belgium, are exceptionally large (1,500 tons) and are designed for expeditions of up to thirty days to permit a wide range of operation. Each vessel is fully equipped to salt, fillet and deep-freeze the catch and to make fishmeal from waste.

The firm intends to send smaller trawlers to Labrador, the Gulf of St. Lawrence and Newfoundland as a result of its initial success—Brussels.

Fishing-Factory Ships

GERMANY—According to newspaper reports, some DM6 million will be made available from the ERP Special Fund for building combined fishing and factory ships for the German fishing fleet. The ships are expected to cost about DM3.5-4 million each and the shipowners will have to put up 20-25 per cent. About one-third of the cost will be financed through ERP credits and the remainder through the capital market. Loans at special low rates of interest are available from the German Government. The ships will be equipped to fillet and deep-freeze the fish on board and only the last day's catch will be landed fresh—Hamburg.

Fish Survey Equipment

DENMARK—The Danish Minister of Defence has asked Parliament for Kr.5.2 million to buy ships and radio navigation equipment for surveys and fishing inspection in Greenland waters. The plan includes construction of two inspection vessels costing about Kr.300 thousand, purchase of a landing craft (Kr.400 thousand), construction of two survey motorboats (Kr.600 thousand), modernization and renewal of Decca installations (Kr.525 thousand), purchase of nagivation plant (Kr.500 thousand), echo-sounding gear (Kr.36,000) and wire grapnel, and a motorboat (Kr.90,000).

If funds are granted, tenders for building the vessels will be invited from Danish shipyards only, but the radar equipment will probably be purchased abroad —Copenhagen.

Forgings

BRAZIL—Plans of the German Krupp works to make diesel locomotives and heavy trucks at Campo Limpo, São Paulo, have been abandoned. The Brazilian Government is buying locomotives (financed by the Export-Import Bank) from the United States. In addition, the type of truck that Krupp proposed to build is apparently not well suited to Brazilian roads. Instead, Krupp will invest about US$15 million in a steel foundry to make forgings for the motor industry. The first delivery contract has been concluded with Mercedes-Benz do Brasil, but it is reported that several other firms, including Volkswagen, are also interested in Krupp forgings—São Paulo.

Glass Insulators

BRAZIL—Vidraria Industrial Figueiras-Oliveiras S.A. (VIFOSA) in Rio Grande do Sul, manufacturers of glass insulators for low, medium and high tension wires, have recently completed the first factory for making suspension insulators of tempered glass in the Americas. The company has an invested capital, with French participation, of Cr.$200 million—São Paulo.

Jute

BRAZIL—Output of jute fibre in Brazil is estimated at 25,000 tons in 1958, compared with 33,000 tons in 1957 and 31,500 in 1956. A decrease in the acreage planted to jute in 1958 is responsible for the drop in production—Rio de Janeiro.

Lead and Zinc

PERU—Peruvian lead and zinc producers have drawn up a schedule for the distribution of export quotas to the United States. They will export to the U.S. in 1959 only about one-third of their 1958 lead output and about one-half of their zinc. Lead production for 1958 is estimated at 157,941 short tons and the export quota to the U.S. is 58,080 tons. Zinc production is estimated at 130,533 tons and the export quota to the U.S. is 70,240—Lima.

Manganese

INDONESIA—After a fairly substantial rise in the first quarter of 1958, manganese production slid in the second quarter, according to the Central Bureau of Statistics in Djakarta. Production in the first half of 1958 totalled 15,967 metric tons against 18,030 tons in the same period of 1957. Exports reached 23,702 tons in the first half of 1958, a decline of 46 per cent from the previous year. Japan was the major outlet and West Germany became a buyer for the first time—Djakarta.

Motor Vehicles

BRAZIL—Brazilian automotive production reached a record 6,679 vehicles last September. Factories turned out 40,914 units in the first three quarters of 1958, of which 21,401 were trucks, 10,110 jeeps, 7,734 utility vehicles and 1,669 passenger cars. During 1957 and 1958 the industry delivered a total of 71,614 vehicles—São Paulo.

Palm Oil and Kernels

INDONESIA—Production of palm oil and kernels totalled 71,300 metric tons and 17,200 tons in the first half of 1958, lower by 4 per cent and 5 per cent than output in the first half of 1957. Palm oil exports totalled 49,900 tons, 53 per cent higher than in the first six months of 1957. Exports of palm kernels fell to 15,900 tons, 14 per cent below exports in the same period of 1957—Djakarta.

Plastics

NETHERLANDS—The Dutch company A.K.U. N.V. (General Rayon Union) recently announced plans to build a plastics factory in co-operation with British

Industrial Plastics Ltd. It will produce urea and melamine resine for Euromarket countries. Negotiations for establishing the factory are said to be far advanced —The Hague.

Polyethylene

BELGIUM—By joint arrangement with the U.S. Union Carbide Corporation and the Belgian Petrochim, a new company, Cobenam S.A., has been formed to make polyethylene. The factory will be built near Antwerp and production is scheduled to begin in the middle of 1960. Initial capacity will be 30 million pounds a year. Raw materials will be supplied by a refinery associated with the Belgian company and the U.S. firm will provide technical know-how—Brussels.

Pulp

NEW ZEALAND—New Zealand forest operations are successfully using dead radiata pine logs for making pulp, paper and cardboard. Dead trees are normally very prevalent in New Zealand's pine stands because there has been no organized thinning. The technique has been adopted by the three major pulp and paper mills at Kawerau, Kinleith and Whakatane and is reported to increase pulp yield per acre by as much as 20 per cent. Foresters have found that a pine tree remains suitable for pulping for about 18 months after its death—Wellington.

Pulp and Paper

NORWAY—In the first nine months of 1958, exports of paper and board totalled 276 thousand tons valued at Kr.369 million, compared with 297 thousand tons worth Kr.412 million in 1957. Exports of board fell by about 12 per cent, newsprint by nearly 4 per cent, and printing and writing paper by 16 per cent; shipments of wrapping paper climbed by about 4 per cent. Sales of pulp abroad during this period totalled 497 thousand tons valued at Kr.388 million, compared with 535 thousand tons valued at Kr.430 million in 1957. Shipments of mechanical pulp dropped 15 per cent, while those of chemical pulp rose by nearly 5 per cent —Oslo.

Sugar

JAMAICA—Jamaican sugar production in 1958 totalled 332,975 tons. By the week ended November 8 last year, 189,242 tons had been shipped to the United Kingdom and 72,403 tons to Canada. An additional quota of 13,000 tons for 1960 and 1961 was allocated to Jamaica under the International Sugar Agreement signed in Geneva recently. The 1959 crop is estimated at 390,250 tons, more than enough to meet Jamaica's commitments—Kingston.

NETHERLANDS—The Netherlands' 1958 sugar production is estimated at a record 500 thousand metric tons, about 50,000 tons higher than in 1957. Land planted to sugar beets was increased to 205 thousand acres, and the favourable summer of 1958 resulted in an average yield of about 99,200 lb. of sugar beets per hectare (2.5 acres). The twelve Dutch sugar factories turned out 45,000 metric tons a day. Because Holland uses about 430 thousand tons a year, sugar will be exported for the first time in many years—The Hague.

Tea

INDONESIA—Tea production in Java and Sumatra totalled 22,600 metric tons in the first half of 1958, 3 per cent lower than in the corresponding period of 1957 (23,400 tons), because of the ravages of blister blight in the first quarter of 1958. Exports, at 19,400 tons, also dropped 3 per cent. The United Kingdom replaced the Netherlands as the main market; other important destinations included Australia, the United States and West Germany—Djakarta.

Telephones

BRAZIL—Ericsson do Brasil Comercio e Industria S.A. has signed a contract with the corporation developing the new capital at Brasilia for installing an automatic telephone service in the city. The initial station will include 5,000 lines, but a temporary station able to carry 300 lines is scheduled for installation within three months—Rio de Janeiro.

Textiles

NEW ZEALAND—New Zealand textile companies, hard hit in 1956 and 1957 by import competition, rising costs, and a credit squeeze, recovered in 1958. Comprehensive import controls, introduced again in 1958, stimulated demand for locally-produced goods. Because there is little chance of any appreciable relaxation of these controls in 1959, the industry should continue to prosper. There may be some difficulty, however, because of shortages of various imported raw materials —Wellington.

Tobacco

GREECE—Greece is reducing tobacco cultivation and encouraging tobacco farmers to plant other crops. In 1959, tobacco acreage (283 thousand acres in 1958) will be cut by some 7 per cent, or as much as 15 per cent in low-quality areas. The reduction is necessary because of difficulties in marketing tobacco abroad. Unsold stocks (dating back to 1955) total over 70,000 metric tons. New markets are being explored and good results achieved in Eastern Bloc countries and in Sweden. The latter is stepping up its purchases of Greek tobacco and new brands of Swedish cigarettes contain at least one-half Greek leaf. Tobacco is Greece's best foreign-exchange earner and shipments up to the end of October 1958 were valued at $58.5 million. The United States and West Germany were the leading buyers—Athens.

ITALY

—the pace slows

Rise in national income and industrial output slackened last year; imports fell off and exports remained almost static. Canada's sales to this market declined, in line with general trend.

J. G. IRELAND,
Assistant Commercial Secretary, Rome.

THE year 1958, to all appearances, proved to be a good one for Italy, economically speaking, though final statistics have not yet appeared. Growth proceeded much more slowly, however, than in 1956 and 1957. Few signs of a real recession could be detected but the slowdown in the rate of expansion, evident late in 1957, persisted throughout most of 1958. In fact, Italy felt the effects of the recession in North America less than some people had feared. Preliminary estimates show national income increased about 3 to 3.5 per cent, compared with 5.6 per cent in 1957 and 4.1 per cent in 1956.

In the first seven months of last year, total industrial output rose by only 1.3 per cent over the same period of 1957 against a rise of 7.3 per cent for the same period between 1955 and 1956 and of 8.7 per cent between 1956 and 1957. Many sectors of production contributed to this decline, but it was felt particularly in the mining and quarrying industries. There the increase in output for the first seven months of 1958 over the same period of 1957 reached only 0.5 per cent compared with the 34.7 per cent rise of a year earlier. In the manufacturing field, leather and footwear, transport equipment, chemicals and petroleum, and coal byproducts stepped up output over 1957. However, during the first eight months of 1958, output of steel was down 6.2 per cent and pig iron 2.3 per cent compared with the same period of 1957.

Agricultural Output Increases

Agriculture had a rather good year and this partially offset the effects of the mild industrial recession. First estimates of total 1958 agricultural production indicate a nearly 5 per cent rise over 1957. In fact, 1958 may be described as a year of bumper crops, with very few exceptions.

The 1958 wheat crop is estimated at 9.8 million metric tons, 16 per cent more than in 1957 and the largest crop ever. This increase resulted from a much greater output of soft wheat; production of hard wheat was slightly lower than in the previous year. Thus Italy still faces the problem of a surplus of soft wheat (estimated at a minimum of 2.0 million metric tons) despite a substantial increase in export shipments during the past year. She also appears to have a surplus of about 0.4 million metric tons of hard wheat because of continued imports of this grain under a special arrangement with Egypt.

Production of most grains, fruits and vegetables in 1958 increased over the previous year. Of the major crops, only olives and almonds made a poor showing. A particularly abundant supply of apples and citrus fruits is creating problems for some producers; prices for these fruits are lower than they have been for some years.

Meat production for the first half of 1958 about equalled last year's and imports continue high. The Italian Government is making an effort to increase livestock production by shifting land out of wheat into forage, but the high support prices for wheat are frustrating many of these attempts.

Cost of Living Rises

The average wholesale prices index for the first eight months of 1958 dropped 1.1 per cent from the same period of 1957, but the cost-of-living index in August was almost 6 per cent higher than in August 1957. An examination of average index numbers for the first eight months of 1958 compared with those of the same period of 1957 reveals that the increase took place principally in the following sectors: housing (up 2.8 per cent), food (5.7 per cent), and clothing (1.2 per cent). A comparison of wage index numbers for this same period of both years shows that wages rose 6.3 per cent in agriculture, 5.3 per cent in commercial occupations, and 4.9 per cent in industry. The purchasing power of employees in commerce and industry seems thus to have decreased somewhat in 1958 and the Italian authorities have expressed concern over the inflationary pressures bringing this about.

According to official statistics, the number of Italians employed on October 20, 1958, constituted a record; unemployment had dropped by 70,000 since the beginning of the year. However, it still is perhaps the most serious problem facing the Italian Government, with at least 1.4 to 1.8 million without work and many hundreds of thousands of others only partially employed or under-employed.

Trade Deficit Drops

During the first eight months of 1958, Italy's over-all trade deficit was 42 per cent smaller than in the corresponding period of 1957; imports decreased in value some 14 per cent and exports by only ½ per cent. The reduction in imports resulted not only from the reduced volume but also from lower freight rates and lower prices for many of the basic raw materials that Italy imports. Invisible receipts continued to be satisfactory, particularly those from the tourist trade; a record number of foreign visitors came to Italy in 1958. It is estimated that during the first nine months of 1958, tourist spending totalled $329 million.

Trade with Canada Lags

The general fall in imports into Italy extended to Canada's shipments to this market, which totalled about $27.6 million for the first eleven months of 1958, compared with $53.6 million in 1957. Large inventories at the end of 1957, plus the mild Italian recession and the exceptionally substantial purchases from Canada in that year, appear to be the major causes of this reduction. Shipments of Canadian copper, however, rose to $2.8 million from $602 thousand in the same period of 1957, and exports of fine nickel went to $3.8 million from $2.1 million in 1957.

The other leading exports to Italy, such as primary aluminum ($1.3 million to the end of November 1958), pig iron ($2.3 million), scrap iron ($1 million), drugs and chemicals n.o.p. ($2.7 million), rapeseed ($2.2 million), flaxseed ($79,000), and wheat n.o.p. ($1.8 million), all decreased in value; so did pulpwood ($990 thousand to the end of November 1958), iron billets and ingots ($340 thousand), asbestos fibres ($829 thousand), and synthetic resins, n.o.p. ($19,000). It may be that expanding Italian production of aluminum, certain drugs and chemicals, wheat, newsprint, and some synthetic resins will, unless it is matched by a corresponding growth in domestic consumption, cut imports of these products into Italy.

Looking Ahead

The year 1958 did not bring any changes in the list of liberalized products that may be imported into Italy from the dollar area without licences. A few items were, however, permitted free entry for specified periods; in no case did these periods extend beyond December 31, 1958. No information on temporary liberalizations during 1959 has yet come to hand. It is also too early to predict what the effects of the external convertibility of the Italian lira, the pound sterling and certain other European currencies, recently announced, will have on Italian-Canadian trade. These moves, by their very nature, should help countries outside the dollar area to overcome their difficulties in paying for dollar imports. It is therefore reasonable to expect that Canadian products will have more and more opportunity to compete in the Italian market.

With the possible exception of some of the products mentioned above that Italy is herself producing in greater quantity, Canada's traditional role as a supplier of raw and semi-processed materials to Italian industry is unlikely to undergo any major change. Italy's exports to Canada will probably continue to consist of many types of manufactured goods and certain foodstuffs.

Tours of Territory

R. C. ANDERSON, Vice Consul and Assistant Trade Commissioner in São Paulo, Brazil, will visit Curitiba in the State of Parana, Joinville and Blumenau in Santa Catarina, and Porto Alegre in Rio Grande do Sul from March 8-21.

D. S. ARMSTRONG, Commercial Secretary, in Cairo, Egypt, will visit Cyprus during the last week of February.

R. M. DAWSON, Assistant Trade Commissioner in Guatemala City, Guatemala, will visit Costa Rica and Panama from February 16-28.

A. W. EVANS, Trade Commissioner in Liverpool, England, will visit the Isle of Man at the end of April.

R. H. GAYNER, Vice Consul and Assistant Trade Commissioner in Manila, the Philippines, will visit the main distributing centres of the southern islands of Cebu, Iloilo and Mindanao from February 23-March 4.

P. V. McLANE, Commercial Counsellor in Athens, Greece, will visit Israel from March 14-27.

H. W. RICHARDSON, Trade Commissioner in Guatemala City, Guatemala, will visit Honduras, Nicaragua and El Salvador from March 9-21.

C. O. R. ROUSSEAU, Commercial Secretary in Beirut, Lebanon, will visit Bahrain March 2-4, Kuwait March 5-7, and Baghdad, Iraq, March 8-12.

J. H. STONE, Commercial Secretary in Wellington, New Zealand, will visit Suva, Fiji, late in February.

R. K. THOMSON, Commercial Secretary in Vienna, Austria, will visit Prague, Czechoslovakia, from March 10-13, and Sofia, Bulgaria, and Bucharest, Romania, from April 12-19.

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. Anderson at São Paulo, Mr. Armstrong at Cairo, Mr. Dawson and Mr. Richardson at Guatemala City, Mr. Evans at Liverpool, Mr. Gayner at Manila, Mr. McLane at Athens, Mr. Rousseau at Beirut, Mr. Stone at Wellington, and Mr. Thomson at Vienna.

Britain Steps Up Automotive Production

Here is another British success story: how Britain's automotive industry has more than doubled its output in the past ten years and dispatched about $1.2 billion worth of motor vehicles abroad in 1957. Figures for 1958 will be even higher.

S. G. TREGASKES, *Commercial Secretary, London.*

BRITAIN'S answer to rising world demand for automobiles is the biggest production boom its motor industry has ever seen. More cars and commercial vehicles were turned out in 1958 than in any year in British automotive history.

What were some of the figures? In the first eleven months of last year, 962 thousand passenger cars left the factories, compared with 860,842 for the whole of 1957. (This topped the record of 897,560 cars in 1955.) Commercial vehicles produced by the end of November 1958 totalled 283,220, which should exceed the figure of 290,122 for 1957, though it may fall below the record 340,824 of 1955. The number of cars plus the number of commercial vehicles made in the first 11 months of last year reached 1,245,220, compared with the previous high of 1,238,384 for the whole of 1955.

How much of this record output was exported? During the first ten months of 1958, a total of 611,280 cars, trucks, tractors and trailers were sold abroad and the value of exports of all products of the motor industry totalled over £420 million. This is more than 16 per cent of total British exports during that period. The accompanying table shows export values and quantities, by category, for 1957 and for the first ten months of 1958.

UNITED KINGDOM EXPORTS OF MOTOR PRODUCTS

	1958 (first 10 months)		1957	
	No.	Value £	No.	Value £
Cars (new)	413,886	159,193,861	426,272	158,061,223
Commercial vehicles (new)	96,801	69,643,660	123,283	87,138,142
Agricultural tractors	92,582	48,720,969	114,965	59,032,311
Parts and accessories		108,942,259		120,229,305
Dumpers and dump trucks		2,808,374		4,739,297
Industrial trucks and tractors (including parts)		2,324,758		2,826,650
Trailers and semi-trailers	8,011	2,596,095	7,511	2,909,241
Internal combustion engines		27,654,366		11,599,404
TOTAL		421,884,342		446,624,573

MOTOR VEHICLE PRODUCTION AND PER CENT EXPORTED, MAJOR PRODUCING COUNTRIES

		Automobiles		Commercial vehicles		Cars and commercial vehicles	
		Production	% Exported	Production	% Exported	Production	% Exported
Canada	1957	339,589	5	71,218	5	410,807	5
	1956	375,021	4	99,255	5	474,276	4
	1938	123,761	33	42,325	41	166,086	35
United Kingdom	1957	860,842	50	290,122	42	1,150,964	48
	1956	707,594	48	298,609	54	1,006,203	46
	1938	341,000	20	104,000	15	445,000	19
United States	1957	6,113,344	2	1,107,176	18	7,220,520	3
	1956	5,816,109	3	1,104,481	18	6,920,590	5
	1938	2,000,985	8	488,100	24	2,489,085	11
France	1957	738,290	30	189,666	18	927,956	27
	1956	662,636	23	164,396	15	827,032	21
	1938	199,750	10	27,450	16	227,200	10
Germany	1957	1,040,188	48	172,044	48	1,212,232	48
	1956	908,655	45	164,429	43	1,073,084	45
	1938	276,592	22	65,577	20	342,169	21
Italy	1957	318,488	35	33,311	25	351,799	34
	1956	279,713	28	36,080	24	315,793	28
	1938	59,000	31	11,777	17	70,777	29

What percentage of Britain's entire production of motor vehicles goes to export markets? During the first ten months of 1958, 510,687 passenger and commercial vehicles were shipped abroad—45 per cent of the ten-month output of 1,141,569. An interesting comparison between major vehicle-manufacturing countries is made in the accompanying table. The United Kingdom and West Germany, two of the big producers, export a large part of their output; on the other hand, the United States and Canada sell proportionately little of their total production abroad.

Who Buys British Cars?

Sales of passenger automobiles abroad in the first ten months of 1958 were divided almost equally between Commonwealth and non-Commonwealth countries; 206,853 were destined for the Commonwealth and 207,033 for other countries. Of total exports of 413,886 cars, three countries—the United States, South Africa and Canada—took nearly one-half. Exports of passenger automobiles to the United States during the first ten months of 1958 totalled 122,359, valued at £50,305,422; this was more than three times higher than the 38,205 cars valued at £17,025,140 sold to that country during the whole of 1957. South Africa imported 39,721 cars during this period, valued at £14,852,201, compared with 22,519 worth £7,074,121 in all of 1957. And Canada bought more British automobiles too: imports by the end of October last year totalled 37,168, worth £15,816,865, compared with 20,545 at £8,309,444 during 1957.

Imports Are Small

Britain's soaring exports of motor vehicles contrast sharply with her imports. She bought only 8,030 passenger cars valued at £2,898,447 from other countries during the first nine months of 1958. Germany led foreign suppliers with 4,077 cars, France supplied 2,953, Italy 616, United States 144, Czechoslovakia 45 and other countries 40. Canada sold 169 passenger automobiles valued at $350,874 to the United Kingdom during the first eleven months of 1958. British imports of commercial vehicles in the first nine months of 1958 totalled only 1,011, valued at £483,466. As in passenger cars, West Germany was also the top supplier of commercial vehicles to the United Kingdom, selling 962 during the nine-month period.

Trade and Tariff Regulations

Benelux

TARIFF REDUCTIONS ANNOUNCED—The members of the Benelux Customs Union (Belgium, Luxembourg and the Netherlands) announced tariff reductions effective January 12 for certain imports from countries outside the European Economic Community, including Canada. These reductions are temporary. They were made as a result of a decision reached by the Six countries participating in the Common Market (which we reported in *Foreign Trade* of January 17, 1959) to extend, individually, the benefits of their mutual 10 per cent tariff reductions to non-member countries also, but only on those products on which their own present duties are higher than the anticipated level of the common outside tariff of the Community. The Benelux tariff is relatively low and accordingly, the number of items to which the reductions apply is limited.

It has been reported that the 10 per cent reductions in the Benelux tariffs will be applied in a simplified manner. The existing published tariff rates will be used in calculating the duty and one-tenth will be deducted from the duty thus determined.

The new Benelux tariff reductions apply to the following commodities which appear to be of interest to Canadian exporters:

Soup in hermetically sealed containers or packed otherwise
Sauces and similar condiments, packed
Fresh cherries preserved during transport in brine or other substances
Fresh plums
Hop extract
Certain food preparations
Lemonade and other non-alcoholic beverages (excluding fruit juices)
Emery and other natural abrasives, pumice-stone, tripoli and similar mineral substances for grinding, polishing and cleaning, packed or in tablet form
Various prepared medicaments, put up for retail sale
Celluloid films and plates, sensitized, for photography
Perfumery, cosmetics and deodorizing preparations
Chamois-dressed leather, fluffed and/or cut
Rubber tires and inner tubes for vehicle wheels
Assembled blocks and panels for parquet flooring
Beading for furniture, frames and for similar purposes, other than rough

Various manufactures of wood, including tool handles
Newsprint
Tarred board and paper for roofing and other paper impregnated with petroleum derivatives
Illustrations other than industrial transfers; printed matter
Horsehair, bleached, dyed or otherwise prepared
Certain items of clothing of knitted or woven materials (including nylon stockings, etc.)
Various articles of footwear
Boats for inland navigation, used for passenger transport, weighing not more than 100 kilograms (about 220 pounds)
Gelatine sheets, worked on the surface

Information on the effective rates of duty for individual items may be obtained upon request from the International Trade Relations Branch.

Ireland

IMPORTS OF APPLES—Because the 1958 apple crop was below average, Ireland's estimated supplies of dessert apples should be exhausted by the end of this February. In order to meet the demand until the 1959 home crop becomes available, the Minister for Agriculture has decided to grant licences for the import of raw apples during the period March 1 to June 15, 1959.

Applications for import licences are to be made to the Secretary, Department of Agriculture (Section 4), and should indicate the quantity of apples it is desired to import—Dublin.

DUTY ON POLYETHYLENE FILM—The Government of the Republic of Ireland, under Imposition of Duties (No. 55) (Polyethylene Film) Order, 1959, has imposed a new ad valorem customs duty on the following imports, as and from January 19, 1959. This duty applies to polyethylene film which does not exceed five-thousandths of an inch in thickness, in tubular form, whether or not subjected to any form of sealing, in sheets, in rolls, and in pieces cut to shape. The full rate is 37½ per cent ad valorem, and the preferential rate (United Kingdom and Canada) is 25 per cent ad valorem.

Attached to the above Order is the usual duty-free licensing provision clause—Dublin.

Trinidad and Barbados

DOLLOR IMPORTS RELAXED—The Control Authorities in Trinidad and Barbados have announced that, effective January 1, 1959, Open General Licences will be issued for a wide range of goods from the dollar area.

Among the goods which may be imported freely are specified types of food products, wood, lumber, metals and minerals, textile fibres, crude fertilizers, chemicals, some types of leather, paper, paperboard and machinery.

(Details concerning licensing treatment to be accorded to particular commodities may be obtained from the International Trade Relations Branch.)

United States

TARIFF COMMISSION INVESTIGATION OF CALF AND KIP LEATHER—*Foreign Trade* of December 6, 1958, carried a report that hearings in connection with an escape clause investigation of imports into the United States of calf and kip leather were scheduled for February 17, 1959. In *Foreign Trade* of January 31 it was reported that the investigation had been modified to exclude lining leather.

The Tariff Commission has now advised that the scheduled hearings have been postponed one week: that is, from February 17 to February 24, 1959.

TARIFF COMMISSION INVESTIGATION OF NAILS, SPIKES, TACKS, BRADS AND STAPLES—The United States Tariff Commission has instituted an investigation under section 7 (the escape clause) of the Trade Agreements Extension Act of 1951, as amended, to determine whether nails, spikes, tacks, brads and staples, made of iron or steel wire are, as a result of customs treatment reflecting a tariff concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industries producing like or directly competitive products.

A public hearing in this investigation will be held beginning at 10 a.m. E.S.T. on March 3, 1959, in the Hearing Room of the Tariff Commission at 8th and E Streets N.W., Washington, D.C. Interested parties desiring to appear and to be heard at the hearing should notify the Secretary of the Tariff Commission in writing at least three days in advance of the date set for the hearing.

The products under investigation are dutiable at various rates of duty, ranging from 0.2 cents per pound to 10 per cent ad valorem under U.S. tariff paragraph 331. Excluded from the investigation are horseshoe nails, thumb tacks, and staples in strip form for use in paper fasteners or stapling machines.

TARIFF COMMISSION INVESTIGATION OF GALVANIZED FENCING WIRE AND WIRE FENCING—The United States Tariff Commission has instituted an investigation under section 7 (the escape clause) of the Trade Agreements Extension Act of 1951, as amended, to determine whether galvanized wire of the kind commonly used for fencing purposes, and galvanized wire fencing, are, as a result of customs treatment reflecting a tariff concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industries producing like or directly competitive products.

A public hearing in this investigation will be held beginning at 10 a.m. E.S.T. on March 4, 1959, in the Hearing Room of the Tariff Commission at 8th and E

Streets N.W., Washington, D.C. Interested parties desiring to appear and to be heard at the hearing should notify the Secretary of the Tariff Commission in writing at least three days in advance of the date set for the hearing.

The wire under investigation is currently dutiable at ¼ cent per pound under U.S. tariff paragraph 317. In that paragraph it is described as "galvanized wire fencing composed of wires not over 0.20 and not under 0.08 inch in diameter", and as "galvanized wire not specially provided for in the tariff, not over 0.20 and not under 0.08 inch in diameter, commonly used for fencing purposes."

West Germany

CERTAIN CUSTOMS DUTIES REDUCED—In *Foreign Trade* of January 17, 1959, we reported that the members of the European Economic Community were individually reducing by 10 per cent customs duties on some imports from countries outside the Common Market. Information has now been received on the reductions made by the Federal Republic of Germany, effective January 10.

The German tariff reductions affect a fairly short list of products, apparently reflecting the fact that the German tariff, considering the many temporary duty reductions in force in Germany, is lower on most goods than the proposed rates of the future common tariff of the E.E.C. Most of the new 10 per cent reductions apply to agricultural products.

Among the goods to which the new reductions in rates apply, the following appear to be of interest to Canadian exporters:

Edible offal of animals other than pigs or cattle
Duck and goose livers
Salted pork
Molluscs and crustaceans other than lobsters
Butter
Eggs in the shell (between February 16 and August 31)
Honey
Bed-feathers and down
Bone meal
Fertilized fish eggs
Frozen vegetables
Certain dried vegetables
Fresh strawberries and gooseberries
Frozen fruits
Soya bean meal
Flower seeds and certain vegetable seeds
Hops
Compound vegetable extracts for the manufacture of beverages or food preparations
Pectin
Rendered poultry fat
Wool grease
Certain animal and vegetable waxes
Meat extracts in packages weighing less than 2½ kilograms
Cocoa husks
Infants' food of flour, starch or malt extract
Certain fruit pulps
Some fruit juices including unsweetened apple juice
Mustard and mustard flour
Condiments and seasonings
Sauces
Soups and broth other than of lobster
Food flavouring
Preserved fruits and vegetables in vinegar or acetic acid
Silicon carbide
Acetic acid (acetic acid content of more than 10 per cent up to 15 per cent by weight)
Cinematographic films other than negatives or lavender prints
Glaze starch
Straw paperboard
Leguminous albumen
Some vegetable glues
Twisted flax yarns

Information on the effective German rates of duty on individual items may be obtained upon request from the International Trade Relations Branch.

FURTHER DOLLAR IMPORT LIBERALIZATIONS—Effective January 1, 1959, the Federal Republic of Germany exempted from import licensing requirements and import restrictions an additional list of imports from dollar countries, including Canada. The new measure affects only certain agricultural and fish products. Import licensing requirements still apply in Germany to some important Canadian agricultural exports, including wheat, coarse grains and various kinds of clover seeds. Some industrial products such as synthetic rubber and primary aluminum also remain subject to import licensing requirements.

The new liberalization affects the following commodities which appear to be of interest to Canadian exporters:

Jams, fruit jellies, marmalades, fruit puree and fruit pastes, being cooked preparations, not of apples or plums, without added sugar or syrup
Various prepared or preserved fruits not being cooked preparations, in casks, including apricots, cherries, strawberries and raspberries and other fruit (except pineapples and citrus fruits)
Edible offals of poultry except liver
Smoked fish (except herring)
Potatoes for industrial purposes (production of starch, of potato flakes, etc.) under customs control
Beans and peas, dried, for human consumption and animal feeding purposes
Various seeds, including trifolium alexandrinum and common bird's foot trefoil
Flours or meals of oilseeds or oleaginous fruit, non-defatted (except mustard flour)
Certain animal fats for human consumption (not including tallow, oleostearin, fats from fish or sea mammals)
Various prepared or preserved meats and meat offals
Certain juices of citrus fruits without added sugar
Extracts, essences or concentrate of tea
Prepared mustard
Seasoning for soup
Sauces, mixed condiments and mixed seasonings, except mayonnaise
Soups and broths in liquid, solid or powder form, other than those based on meat or meat extracts
Ethyl alcohol containing less than 73.6 per cent by weight of alcohol, undenatured
All alcoholic beverages (whisky was liberalized before).

Information regarding the status of particular goods in Germany's dollar import liberalization may be obtained upon request from the International Trade Relations Branch.

Foreign Commercial Representatives in Canada

ARGENTINA
Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA
Ottawa—Embassy of Austria, Suite 707, 140 Wellington Street.
Calgary—Consulate of Austria, 31 Hollinsworth Bldg.
Montreal—Consulate General of Austria, 1121 Sherbrooke Street West.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, 525 Seymour Street.

BAHAMAS
Toronto—Trade Commissioner, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.
Toronto—Consul General of Belgium, Room 302, 11 Adelaide Street West.
Vancouver—Consul of Belgium, c/o Consul General of Belgium, Room 1432, 355 Burrard Street.

BOLIVIA
Montreal—Consul General of Bolivia, 783 Stuart Avenue.

BRAZIL
Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Trade Commissioner, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

CHILE
Ottawa—Embassy of Chile, 56 Sparks Street.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.
Toronto—Consul of Colombia, 67 Yonge Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA
Montreal—Cuban Consul, Consulate General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA
Ottawa—Commercial Counsellor, 48 Range Road.
Montreal—Commercial Section, Czechoslovak Consulate General, 1305 Pine Avenue West.

DENMARK
Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Consul General, Royal Danish Consulate General, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 114-118 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 1572 Summerhill Avenue.
Vancouver—Consul of Ecuador, 603 West Hastings Street.

EL SALVADOR
Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND
Ottawa—Attaché, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 1510 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 1 Waverley Street.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

GREECE

Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Embassy of Haiti, 82 Wurtemberg Street.
Montreal—Consul of Haiti, 1405 Bishop Street.
Halifax—Consul of Haiti, 50 Sackville Street.

HONDURAS

Montreal—Consul General, Consulate General of the Republic of Honduras, 5407 Coolbrook Avenue.
Toronto—Vice Consul (Honorary), 3 Nashville Avenue, Apt. 18.
Vancouver—Consul (Honorary) of the Republic of Honduras, 3789 West 50th Avenue.

INDIA

Ottawa—First Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA

Ottawa—First Secretary (Commercial), Indonesian Embassy, 275 MacLaren Street.

IRAQ

The Embassy of the United Arab Republic is in charge of Iraqi interests. See address below.

IRAN

Ottawa—Second Secretary, Imperial Legation of Iran, 333 Chapel Street.

IRELAND

Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL

Montreal—Consul of Israel (Commercial), 1555 McGregor Street.

ITALY

Ottawa—Commercial Attaché, Embassy of Italy, 12 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 1524 Summerhill Avenue.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN

Ottawa—First Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Toronto—Consulate of Japan, 180 University Avenue.
Vancouver—Consulate of Japan, 510 Hastings Street West.
Winnipeg—Consulate of Japan, Suite 618-620, Royal Alexandra Hotel.

LEBANON

Ottawa—Embassy of Lebanon, 105 Springfield Road, Apt. 1.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, The Burrard Bldg., 1030 W. Georgia Street.

MONACO

Montreal—Consul of Monaco, Suite 101, 4920 Western Avenue.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NICARAGUA

Montreal—Consul General, Consulate Generate of Nicaragua, 5473 Decarie Boulevard.

NORWAY

Montreal—Trade Commissioner of Norway, Norwegian Consulate General, 1410 Stanley Street.

PAKISTAN

Ottawa—Commercial Secretary to the Pakistan High Comissioner, 505 Wilbrod Street.

PANAMA

Montreal—Consul General, Consulate General of Panama, 4517 Harvard Avenue.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Trade Commissioner, Philippines Consulate, 615 West Pender Street.

POLAND

Ottawa—Commercial Counsellor to the Polish Legation, 362 Stewart Street.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
Halifax—Consulate of Portugal, P.O. Box 355.
Montreal—Consulate of Portugal, 4393 Esplanade Avenue.
Toronto—Consulate of Portugal, 2 Toronto Street.
St. John's—Consulate of Portugal, King's Bridge Court, Appartment 2E.

SPAIN

Ottawa—Commercial Counsellor to the Spanish Embassy, 149 Daly Avenue.

SWEDEN

Ottawa-Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Trade Commissioner, Royal Consulate General of Sweden, 1511 Bishop Street.
Vancouver—Trade Commissioner, Royal Consulate of Sweden, Dominion Bank Bldg.

SWITZERLAND

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul General of Switzerland, 600 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND

Toronto—Consul of Thailand, Suite 600, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

Ottawa—Commercial Counsellor, Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Drive,

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED ARAB REPUBLIC

Ottawa—Commercial Secretary, Embassy of the United Arab Republic, Roxborough Apts., Apt. 66.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta and Northwest Territories, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia and Yukon Territories, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba, Saskatchewan, and Northwest Ontario, 5[illegible] Main Street.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls street.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 206 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., the Roxborough Apts., Apt. 32

VENEZUELA

Ottawa—Commercial Attaché, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Consul, Room 401, Roy Bldg., Barrington Street.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS

Montreal—Commercial Secretary, Office of the Commissioner for The West Indies, British Guiana, and British Honduras, Suit 460, 2100 Drummond Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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 the 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 1.02993.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent February 2	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free	.01488	67.20	(1)
Austria	Schilling		.03734	26.78	
Australia	Pound		2.1830	.4581	
Bahamas	Pound		2.7288	.3665	
Belgium, Belgian Empire and Luxembourg	Franc		.01943	51.47	
Bermuda	Pound		2.7288	.3665	
Bolivia	Boliviano	Free	.00008498	1176.75	
British Guiana	Dollar		.5685	1.76	
British Honduras	Dollar		.6822	1.46	
Brazil	Cruzeiro	General Category*	.004422	226.14	*Jan. 13 (2)
		Special Category*	.002647	377.80	
		Official buying	.05160	19.38	(3)
Burma	Kyat		.2039	4.90	
Ceylon	Rupee		.2047	4.88	
Chile	Peso	Free	.0009229	1083.54	(4)
Colombia	Peso	Certificate	.1517	6.59	
Costa Rica	Colon	Official	.1729	5.78	
		Controlled free	.1462	6.84	
Cuba	Peso		.9709	1.02997	tax 2%
Czechoslovakia	Koruna		.1348	7.42	
Denmark	Krone		.1408	7.10	
Dominican Republic	Peso		.9709	1.02997	
Ecuador	Sucre	Official			
		Free	.06473	15.45	
Egyptian Region, United Arab Rep.	Pound	Official	2.7881	.3587	
	"	Export account selling	1.9925	.5019	
El Salvador	Colon		.3884	2.57	
Fiji	Pound		2.4583	.4068	
Finland	Markka		.003034	329.60	
France, Monaco and North Africa	Franc		.001980	505.05	(5)
French colonies	Franc		.003960	252.52	(6)
French Pacific	Franc		.01089	91.83	(7)
Germany	D Mark		.2325	4.30	
Ghana	Pound		2.7288	.3665	
Greece	Drachma		.03236	30.90	
Guatemala	Quetzal		.9709	1.02997	
Haiti	Gourde		.1942	5.15	
Honduras	Lempira		.4855	2.06	
Hong Kong	Dollar	Free*	.1686	5.93	*Jan. 23
		Official	.1705	5.86	
Iceland	Krona	Official	.05962	16.77	(8)
India	Rupee		.2047	4.88	
Indonesia	Rupiah	Effective buying	.03206	31.19	*Jan. 22 (8)
		Effective selling	.02565	38.98	
Iran	Rial	Certificate	.01282	78.02	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent February 2	Units per Canadian dollar	Notes (see below)
Iraq	Dinar		2.7186	.3678	
Ireland	Pound		2.7288	.3665	
Israel	Pound		.5394	1.85	
Italy	Lira		.001563	639.79	
Japan	Yen		.002697	370.78	
Lebanon	Pound	Free	.3082	3.24	
Mexico	Peso		.07768	12.87	
Netherlands	Florin		.2575	3.88	
Netherlands Antilles	Florin		.5189	1.93	
New Zealand	Pound		2.7288	.3665	
Nicaragua	Cordoba	Effective buying	.1471	6.80	
		Official selling	.1377	7.26	
Norway	Krone		.1362	7.34	
Pakistan	Rupee		.2047	4.88	
Panama	Balboa		.9709	1.02997	
Paraguay	Guarani	Official	.008228	121.54	
Peru	Sol	Certificate	.03815	26.21	
Philippines	Peso		.4855	2.06	
Portugal & Colonies	Escudo		.03389	29.51	(9)
Singapore and Malaya	Straits dollar		.3184	3.14	
Spain and Dependencies	Peseta	Controlled free	.02312	43.25	(8)
Sweden	Krona		.1877	5.33	
Switzerland	Franc		.2253	4.44	
Syrian Region, United Arab Rep.	Pound	Free	.2710	3.69	
Thailand	Baht	Free	.04637	21.56	(8)
Turkey	Lira		.1079	9.27	
Union of South Africa	Pound		2.7288	.3665	
United Kingdom	Pound		2.72875	.366468	
United States	Dollar		.9709375	1.02993	
Uruguay	Peso	Free	.09746	10.26	
		Basic buying	.6410	1.56	(8)
		Principal selling	.4629	2.16	
Venezuela	Bolivar		.2898	3.45	
West Indies Fed.	Dollar		.5685	1.76	(10)
	Pound		2.7288	.3665	(11)
Yugoslavia	Dinar		.003236	309.02	(8)

*Latest available quotation date.

notes

1. Argentina: Effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
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. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros..
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods.
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. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

Trade Commissioners at Work

What are the duties of a Canadian Trade Commissioner stationed abroad? How does he help to represent Canada and assist the Canadian businessman? From time to time we plan, through pictures, to show Trade Commissioners carrying out the varied assignments that foreign service provides.

1

2

1 **Helping to smooth the way for business visitors** is a service Trade Commissioners gladly undertake. This photograph was taken in Pakistan at the Warsak dam, a Canadian Colombo Plan project, during the inspection tour of a Defence Construction Limited officer (right). With him is the Commercial Secretary in Karachi.

2 **Keeping informed about Canadian export trade** in his territory, the Commercial Secretary in Caracas, Venezuela, visits an automobile plant where Canadian-made cars are assembled. Watching progress on the assembly line are, left to right, the Commercial Secretary, his press officer and an official of the company.

3 **Representing Canada on special occasions** can be a proud moment for the Trade Commissioner. Here the Commercial Counsellor in Rome (right) receives a gold medal and three diplomas won by a Canadian Government brochure in the international graphic line competition held at the Milan International Trade Fair.

4 **Taking part in traditional ceremonies** is one of the more colourful duties that fall to Trade Commissioners. Here in an elegant carriage, once used by the Spanish Viceroys, the Commercial Secretary in Lima arrives at the Palace with the Canadian Ambassador who is about to present his credentials to the President of Peru.

3

4