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foreign trade

CANADA

IRAN: THE COUNTRY AND THE MARKET (page two)

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cover These two Kalantar—or chiefs appointed by the Government—administer the affairs of the Bakhtiari, who live in southwest Iran. Seen at the right is the Godar Landar, one of the country's rivers. On page two, the reader will find a survey of current developments and future sales prospects in this country of 20 million people, with ambitious plans to improve industry and agriculture.

CANADA

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IRAN

the Country and the Market

A. B. BRODIE,
Commercial Counsellor, Tehran.

THE CURRENT PICTURE

FOR the past eighteen months, a good deal of attention has been focussed on Iran and on development plans there. It has proved to be an excellent market for a wide range of products (including capital equipment) offered by Western European countries and, to a lesser degree, by the United States and Canada.

Lately, however, the Iranian economy has shown distinct signs of slowing down after its remarkable progress during the past three years. Oil royalties have decreased and gross gold and foreign exchange holdings have shrunk from $321 million on February 19, 1958, to $306.2 million on May 22, 1959. The servicing of current foreign loans is taking up $65.6 million in foreign exchange from Iran's declining oil revenues. Preliminary figures show that Iranian imports were valued at more than $450 million (excluding duty-free imports) during the last Iranian calendar year*, or some 25 per cent higher than in the previous year. In an effort to stimulate exports of commodities other than oil and to preserve Iran's foreign exchange, the Minister of Commerce is now reviewing the foreign trade policy and new regulations appear to be imminent. Seemingly, there has been no effort to restrict industrial loans, which have now reached a record high.

On the brighter side, the International Bank for Reconstruction and Development has just approved a 15-year loan of $5.2 million to the Industrial and Mining Development Bank of Iran, which is sponsored by Lazard Frère and Company and the Chase International Investment Corporation, in association with other banking and commercial interests. It is expected that the Industrial and Mining Development Bank of Iran will start operations by the end of 1959 and will have resources equivalent to $42.4 million, including the World Bank loan. The proceeds of the loan are to be used to pay for imported materials, equipment and services required to carry out industrial projects financed by the bank.

OIL ALL-IMPORTANT

Iran's prosperity depends on the returns from the export of a few commodities—carpets, cotton, dried fruits, chromite casings, caviar and walnuts—and particularly on the volume and the price of oil sales on world markets. Oil is flowing at a rate of 850 thousand to 900 thousand barrels a day and during 1958 yielded Iran a direct income in royalties of almost $250 million and a total of foreign exchange (including taxes and expenditures made in the country by the companies in the Oil Consortium) of about $315 million, or 75 per cent of Iran's total exports. With an average Iranian oil well producing some 13,000 barrels a day (Canadian wells average between 75 to 100 barrels a day)—and a few producing over 35,000 a day—one can better understand the Iranian oil potential and how vulnerable the economy is when the world price of crude declines. The recent falling-off in the price by as much as $0.18 a barrel has already sounded a note of alarm. It is expected that Iran will lose some $20-$24 million during the current year in revenues from her oil exports to Western European countries (51 per cent), Africa (21 per cent), South East Asia (14 per

* Iranian calendar year: March 21, 1958, to March 20, 1959.

cent), Australia (9 per cent), the Far East (3 per cent), and North America (2 per cent). Apart from the depressed price of crude, new oil finds in North Africa and exports of Soviet oil and fuel oil to Western European countries may also have a disturbing effect.

The foreign Oil Consortium, which was formed under the Agreement of October 29, 1954, with the Iranian Government and the National Iranian Oil Company, consists of some 17 companies (including 14 United States firms); British Petroleum Co., Ltd. holds a 40 per cent interest in the Consortium. Its net crude-oil production during 1958 totalled approximately 47.6 million cubic meters, with 1,215 tankers loading crude during the year. At the Consortium's refineries in Abadan some 18 million cubic meters were refined during the same period.

The question of debt servicing is taking on more importance as Iran's oil revenues continue to shrink. At the moment, it appears that some \$65.6 million will be necessary during the current year to meet the capital and interest charges of Iran's foreign loan commitments. A new World Bank loan of \$72 million, to help complete road projects until the end of the present Second Seven-Year Plan Organization (September 21, 1962), will come up for servicing in three years' time. A further World Bank loan of about \$19 million for port installations during 1960 is a possibility. Should a third World Bank loan of \$60 million be made available for the much discussed Dez dam project in 18

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months' time—even though the first instalment may not have to be met until, say, 1965—Iran might find her foreign exchange position embarrassing and be forced to introduce even more rigid controls.

THE COUNTRY

Despite the somewhat gloomy economic outlook, Iran remains a worthwhile market to cultivate now or to watch carefully with an eye to future promise. No doubt the $42.4 million of capital recently made available for the Industrial and Mining Development Bank will permit necessary imports. Canadian firms which have not attempted to sell in Iran or those which would like to make more vigorous efforts there may find the following information on the country and its economy helpful in correcting any misconceptions and bringing them up-to-date on Iranian conditions.

Iran covers an area of some 628 thousand square miles—as large as Ontario and the Atlantic Provinces. Most of the country is a huge plateau, rising from 2,000 to 6,000 feet and bounded by mountain ranges of the Elburz to the north and the Zagros to the west and southwest. To the south, the plateau falls away to the barren coast of the Persian Gulf. To the north lies the rich Caspian Sea, some 78 feet below sea level and famous for its caviar and sturgeon. Of the total land area of 400 million acres, only about 10 per cent is under cultivation; some 208 million acres consist of wasteland and desert.

THE PEOPLE

Almost one-fifth of Iran's population of approximately 20 million, said to be increasing by 2.5 per cent a year, is concentrated in the built-up cities like Tehran (1.9 million), Isfahan (621,000), Tabriz (580,000), Meshed (530,000), Hamadan (200,000), Shiraz (410,000), and Abadan (285,000). The other four-fifths are peasants who till the fields using oxen and, in some cases, modern tractors and self-propelled combines. The majority of the Iranian farmers are still tenants whose landlords live in the towns and are represented in the villages by managers or headmen. Under the Iranian system, the produce of a farm is shared between landlord and tenant in proportions determined by the ownership of the land and by whichever party provided seed, oxen, water and labour. The fact that in most cases the farmer receives produce for his work in lieu of money has a bearing on Iran's low cash income per capita, which official figures give as under $127. The present land reform scheme, which had redistributed almost 500 thousand acres in some 118 villages by 1957, will, it is expected, have parcelled out two-thirds of the Crown lands by 1962. The hope is that this will help to raise the farmer's standard of living and increase his annual cash income. However, when a peasant takes over farmland for the first time, urgent social and other problems must be overcome if he is to make a success of the venture.

With dextrous fingers, Iranian women in a textile plant at Behshahr begin the weaving of a Persian rug, working, as the custom is, from the bottom up to the top.

AGRICULTURE

Eighty per cent of Iran's population depends directly on the land for its livelihood and this makes irrigation vital. Apart from the rich agricultural areas near the Caspian Sea, where there is an average yearly rainfall of 70 to 85 inches, all other areas are in desperate need of water. Despite the ingenious and historic qanats—a series of complicated underground tunnels—there is still insufficient irrigated land to look after Iran's present-day crops and population. To meet this serious dearth of water, the Iranian authorities are concentrating on irrigation dams. Two new projects—one in the northwest and the other some forty miles from Tehran—will be completed by 1961. A third immense scheme may be started in the Khuzistan area in the south; it is now under study. This dam, which will take its water from the fast-moving Dez River, will if completed irrigate some 250 thousand acres in an area that in ancient times was the richest, agriculturally speaking, in this part of the world.

Wheat is by far Iran's most important crop and the yield (over three million tons) is large enough this year to make the country self-sufficient in wheat and a possible exporter of some 200 thousand tons to her Persian Gulf neighbours. Both flour of wheat and wheat are on the prohibited list of imports into Iran. (See section on import policy.)

Recent statistics give Iran's agricultural production as:

AGRICULTURAL PRODUCTION 1957

Crop	(in thousand metric tons)	Principal Buyers
Wheat	3,000	Persian Gulf countries
Cotton	61	Italy, Oman, Hong Kong
Sesame	11	Italy, Czechoslovakia, U.S.S.R.
Dates	105	U.S.S.R., Oman, Kuwait
Raisins	62	Germany, Czechoslovakia, U.S.S.R., Britain
Apricots (dried)	10	Iraq, France, Germany
Almonds	14	India, Oman, Pakistan
Pistachio nuts	7	Iraq, Lebanon, Kuwait
Walnuts	6	United States, France, Oman

To carry out the raising of crops, most of Iran's farmers have to rely on irrigation to make the parched soil fertile. Here the life-giving water gushes into a wheat-field.

MINERALS

Iran's minerals, apart from oil, have yet to be developed. Coal, manganese, iron ore, lead, zinc and chromite are possibly the most important, although no effective exploration program has been undertaken. Exports of minerals (excluding oil) total a mere $3 million a year. Chromite is the leading single ore with over 40,000 tons exported in 1958. The quality of Iranian chromite and iron ore is remarkably high. With plans to improve certain port facilities and roads in the south, exports of high-grade chromite might readily reach 70,000 tons by 1962. Lead and zinc deposits are found in the north and the U.S.S.R. is the closest and most logical market.

INDUSTRY

There is a tendency to assess Iranian trade in terms of oil exports only. It may therefore interest Canadian businessmen to know that there are a number of industries of varying size growing up across the country. Some of these plants, with equipment purchased from many different countries (principally from the United Kingdom, Germany, Japan and the United States) are often as modern as any in North America or Europe today. Efficient machinery and relatively low wage rates make Iran a unique country in which to set up manufacturing operations. As the labour force becomes larger and more experienced, Iran's industries will be on firmer ground and able to meet production difficulties as they arise. For the moment, however, the shortage of skilled workers is acute and the demand for foreign technicians brisk. The Iranian Government is encouraging local and foreign capital to invest in industrial expansion. To help, tariff protection and duty-free treatment for certain equipment is being extended to these new industries. Canadian producers of certain manufactured goods may therefore find Iran's current import policy not too favourable.

THE MARKET

The increase in the standard of living of the Iranians, coupled with a greater building and industrial development program, has created a brisk demand for a number of additional consumer goods imports, including motor cars, bicycles, scooters, radio and television sets, watches, spirits, a number of preserved foods, and the like. During the last Iranian year (March 21, 1958, to March 20, 1959), some $454 million worth of imported goods were cleared through customs. The principal products, with unofficial values, were machinery and parts ($64.4 million), iron and steel products ($51.2 million), motor vehicles ($41.9 million), sugar ($30.3 million), and tea ($19.6 million). The leading suppliers (with approximate percentages) were Germany (22.5 per cent), United States (10 per cent), Britain (14 per cent), Japan (8 per cent), the U.S.S.R. (7.5 per cent).

IMPORT POLICY

Iran has had up to now a liberal policy towards imports; most products are permitted entry, with the exception of those in which the country is self-sufficient and which are on the prohibited list. Goods intended for the government monopolies (tea, sugar, silk, tobacco,

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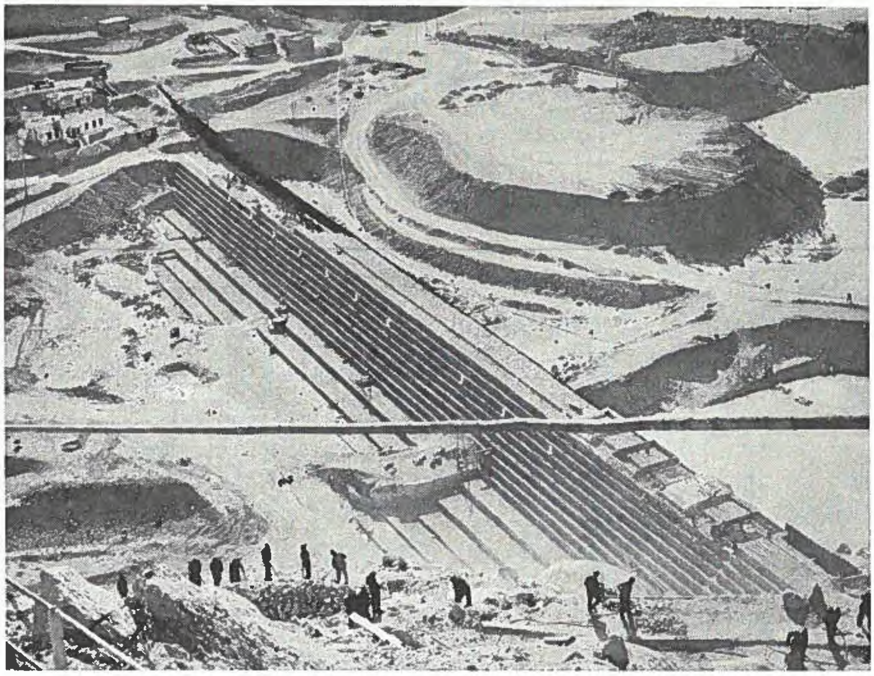

The Sefid Rud Dam in northwest Iran, one of the great engineering projects under way in that country, will be completed in 1962. The dam, which will rise to a height of 103 metres, will make possible the irrigation of half-a-million acres and the supply of 64,000 kw. of electric power.

paper and cardboard for cigarettes, firearms, explosives, railway equipment) require a special import permit; so do imports of livestock and of pharmaceuticals.

The commodities on the prohibited list of interest to Canadian firms include: flour and wheat; oil; asparagus in any form; edible salt; raw sulphur; nitric acid or azotic acid; all types of laundry soap in cake form; matches; machine-made or hand-made rugs, felt for carpets; all types of cotton socks; stockings for men, women, and children; new and used clothing of all kinds and material (except clothing from leather and waterproof materials); underwear of all types; fishing nets of nylon (except those for the Shilat Co. of Iran); leather shoes; lead in the form of ingots or sheets (with the exception of lead components for the printing trade and other industrial purposes).

For the Iranian calendar year 1338 (March 21, 1959, to March 20, 1960) an import quota of 25 billion rials (75 rials equal US$1) has been authorized for commercial goods. This figure can be increased later should the foreign exchange availabilities permit. For the import of commodities that are not on the prohibited list, licences (which are the responsibility of the Customs Administration) are not issued until the goods arrive at an Iranian port. This is the usual procedure—provided, of course, that the Bank Melli Iran quota is not exhausted and the bank concerned releases the necessary documents.

Recent developments in Iran, and particularly the drop in oil prices, may lead to a change in this import policy, as pointed out in the opening paragraphs of this article. The expected import control measures may be far-reaching and may affect exporters of a wide range of consumer goods to this market, if new commodities are added to the present list of prohibited items. Goods used in development projects or for new plants probably present the best opportunities.

INDUSTRIAL GROWTH

The following information on various industries taken at random may help to suggest the types of products—raw materials and manufactured goods—that Canadians might supply.

Plants under construction:

- A petrochemical plant at Shiraz which, when it is completed in 1961, will produce some 90,000 tons of ammonium nitrate
- An assembly plant for bus bodies
- A motor-car assembly plant, with a possibility of three more over the next 18 months
- A new tire and tube factory which will supply about 50 per cent of Iran's needs. This plant is considered to be the most important foreign investment in the country so far
- A kerosene lamp and heater plant which, with adequate tariff protection, will affect the sale of imported units
- A modern glazed-tile plant.

Factories in production—private and government—include the following:

Edible and non-edible cottonseed oil crushing plants

Olive oil extraction plants

Soft drink bottling plants selling over 153 million bottles of beverages a year

Plants producing office and home furniture of metal and wood

A number of new cement and brick plants, textile factories, sugar-beet refineries, tea plants, glass factories, and interesting pottery works of varying sizes

A modern asbestos cement factory, partly owned by a large French group

Government plants making armaments, matches, soap and other products

A television station.

ENGINEERING PROJECTS

For construction and consulting engineering projects (road-building, bridges, hydro-electric and irrigation schemes and the like) Canadian firms not already operating registered companies in Iran must of necessity collaborate with Iranian companies. On the basis of the capabilities of the joint foreign-Persian organizations, Canadian contractors/consultants may be classified as "registered firms" under the Second Seven-Year Plan Organization. The type of information the Plan Organization requires in registering firms is the name and address of the foreign registered company; the names of the Persian associates and of the responsible director of the joint company; details of projects (if any) that the firm has carried out, and a list of materials on hand that could be made available. Canadian engineering firms must therefore be registered by the Plan Organization before attempting to participate in tender contracts called by this agency.

OIL-COMPANY PURCHASES

The 17 companies in the Oil Consortium naturally require many types of goods in carrying on their business in Iran and this sales area should be studied. They buy as many of their day-to-day needs as possible in Iran—such as metal and wooden office and household furniture, carpets, textiles, building materials, hardware items and the like. The majority of their requirements, however, are obtained outside the country through an affiliated company in the United Kingdom (Iranian Oil Services Ltd., 3 Finsbury Square, London, E.C.2.). The imports of the Consortium enter Iran duty-free. The majority of its consignments are offloaded at its installations at Abadan instead of the commercial ports of Khorramshahr and Badar Shapur. The programming of Consortium purchases leaves a generous margin for transportation delays in reaching Abadan. Even though a good share of the Consortium's buying is done in the United Kingdom, foreign exchange is none the less being made available there for purchases in other countries, including the Netherlands, the United States, and Germany. Canadian suppliers interested in selling to the Oil Consortium operating companies in Iran are urged to send their c.i.f. Khorramshahr offers to Iranian Oil Services Ltd., in London.

BUSINESS BY TENDER

Another possibility is getting business under tenders called by the Second Seven-Year Plan Organization and the various Imperial Iranian Ministries from time to time for a wide range of products and projects. During the past ten months, government business of interest to Canadian suppliers has included, among other commodities, the following: air conditioners and fans, railway wooden and metal ties, metal containers for the canning industry, grinding mills, cigarette paper and paper products for the tobacco monopoly, ball bearings and roller bearings, chemical fertilizers, anti-freeze, bolts and nuts, various chemicals, electrolytic zinc, copper wire, batteries, army-type cooking stoves, steel rails, prefabricated houses, and many others.

In going after this tender business, Canadians should realize that participation guarantees must be deposited with a responsible Iranian bank. The Iranian authorities also ask for performance guaranteees from successful bidders. Interested Canadian suppliers of raw materials or manufactured goods who wish to get some of this Iranian business are strongly urged to appoint responsible Iranian companies to look after ther interests. Without a local contact, the possibilities of realizing favourable results from these highly competitive tenders are remote.

PAYMENTS

The manner of payment for government contracts varies with the different Ministries and the state of their respective budgets, as well as with the nature of the products. Five-year payment terms —payable in ten equal instalments over the five years, with interest— were recently stipulated for steel rails for the Iranian State Railways, for example, and were accepted by a foreign company. For other contracts, both with the Plan Organization and Iranian Ministries, quotation on a c.i.f. basis are requested, with payment on arrival of the goods at Khorramshahr or on an irrevocable letter-of-credit basis. Reduced ministerial budgets because of the falling-off in the world price of crude oil will mean a continued insistence on credit terms varying from a few years to five, seven or more. Engineering firms wishing to participate in future contracts in Iran that may be financed by the World Bank will find it in their interests to read the *Consulting Engineer* pamphlet of March 1957, entitled "What Every Consulting Engineering Firm Should Know When Dealing with the World Bank".

CANADIAN CHANCES

Canadian suppliers, in common with manufacturers from other countries, are finding Iran to be a fascinating market but one not without its difficulties. During the past few years, we have sold to Iran goods worth about $1.7 million a year. Kerosene lamps and stoves, automobiles, tires and tubes, aluminum ingots, bolts and nuts, and synthetic yarns continue to make up the bulk of the shipments.

The Iranian market has certain characteristics that the Canadian should understand. Competition is keen, and price takes precedence over quality. Old unused model refrigerators, for example, at reduced prices can be marketed. A product which has an outlet in, say, Beirut, may have the same appeal in Tehran. Generous payment facilities are being offered to Iranian firms by many European countries, and these must be matched.

Iranian agents often need guidance and a good deal of encouragement and this problem is best solved by a personal visit. A falling-off in sales in Iran may mean that the agent/distributor is carrying too many products and is only interested in the nationally advertised, fast-moving lines. A personal visit will, of course, also give the Canadian businessman an opportunity to reassess the Iranian market and his representation there. On the basis of total volume of sales for a particular product, the Canadian visitor will be able to determine whether his share comes up to his expectations or not. Personal visits to Iran are—even if business is not realized at the outset—important as they do give businessmen the opportunity to develop useful contacts and to learn more about the country and its people.

The Iranian authorities are facing the present setback with calmness and courage. The drive to increase Iranian exports is on, but much remains to be done within the country to improve road and port facilities, introduce more modern farming and mining methods, and place more emphasis on the standardization of agricultural produce. Iran's progress over the next five years will be interesting to observe.

A. B. Brodie, author of this article, is returning to Canada from Iran on leave this month and will make a cross-country tour in November.

The "Rock" Frees Dollar Imports

Over half of Gibraltar's big import budget is spent on foods, which may now be freely imported from dollar countries.

GIBRALTAR'S recent liberalization of dollar imports provides moderate opportunities for Canadian exporters unavailable to them since the outbreak of the war.

The resident population of Gibraltar is officially under 25,000, which in itself implies a limited market. The Spanish working population totals about 11,000, of which roughly 7,500 leave the Rock each evening for their homes in Spain; unskilled workers and servants make up half this Spanish labour force in Gibraltar. The number of military personnel is not officially disclosed but the total is probably less than 5,000.

The colony lives largely on the tourist trade and this year the number of tourists has shown a healthy increase. The Financial Secretary estimates the income from the industry at more than £2 million a year (about Can$5.4 million). About 220 thousand visitors came to Gibraltar in 1958 and 1959 promises to be better.

The import trade of Gibraltar is considerably greater than the mere population figures would suggest. Imports now average about £550 thousand (Can.$1.5 million) a month (statistics do not include fuel oil, gasoline, bunkering fuels, etc.). Imports in 1957 were valued at $22.9 million, divided into $10.5 million for manufactured goods and $12.4 million for foodstuffs.

What Canadians Can Sell

The immediate opportunities for Canadian exporters seem to lie mainly in the food line, because all foods consumed in the colony must be imported. The only food business available to Canada during the past twenty years has been flour, but importers are now interested in studying almost any offer of canned goods (salmon, fruits, vegetables), frozen meats, fresh fruits, macaroni, butter, cheese, etc. Some foods are still under import permit control, but the Financial Secretary in a recent interview stated that this is rather to ensure that emergency food stocks are kept high than to interfere with purchases from hard currency sources. A shipping crisis, such as during the Suez incident, for example, has immediate repercussions on the Rock's food supply. The mechanics of the few remaining controls are simple and not likely to interfere with any legitimate trade with Canada.

Gasoline and fuels, machinery and metals remain under control and here policy favours sterling countries, the traditional suppliers. Naturally over the years goods from Britain and the Commonwealth have acquired a built-in preference and it will need some concessions on price or quality to capture new dollar business. The colony's traders are keen and fiercely competitive.

Entering the Market

A number of new contacts have already been made with Canada and some business should result. Shipping service between Eastern Canada and Gibraltar is good enough to allow the shipment of perishables; Canadian apples, for instance, might find a limited market if they were properly presented.

Canadian businessmen interested in this market should write to the Commercial Counsellor at the Canadian Embassy in Madrid, Edificio España, Avenida de Jose Antonio 88. Background information about the colony, useful in making a market assessment, is concisely set out in the British Government's Colonial Report, *Gibraltar* 1957.

M. T. STEWART,
Commercial Counsellor, Madrid.

Belgium

Selling Electrical Appliances

Rising Belgian living standards and comparatively cheap electricity boost demand for electrical appliances. But Canadian exporters, to be successful, must adapt designs and prices to local market; meet stiff competition from other suppliers.

J. R. ROY,
Assistant Commercial Secretary, Brussels.

TEN years ago, Canadian manufacturers of household electrical appliances enjoyed steady sales to Belgium. At that time the durable consumer goods industry in Western Europe had not recovered enough from the war to compete with North American producers. In the last few years, however, Canadian appliance sales have dwindled to practically nothing, as Table I shows. And yet Belgium remains a net importer of these products, notwithstanding a highly developed industry of its own. In 1958 she imported $2.9 million worth of household washing machines, and her exports totalled only $767 thousand. For refrigerators and electric stoves the pattern is similar. The use of household appliances in Belgium (Tables II and III) is well above the average for Western Europe and this bodes well for manufacturers of these goods who are interested in entering the Belgian market.

Publicity campaigns carried out by supplying industries have encouraged the use of electrical appliances in Belgium, as they have in several West European countries and in the United Kingdom. Moreover, the cost of electricity has not risen in step with other costs; the Belgian global retail price index (1939=100) was 454 for 1958, but the index for electricity was only 156. Finally, rising living standards have led to the search for comfortable living through the increased use of electrical appliances—all of which adds up to a continuing and rising demand for household appliances in this country.

Style is an important factor and differentiates Belgian appliances from their North American equivalents. Electric stoves are invariably simpler in design and, accordingly, prices are lower. The retail price of the model shown in the accompanying illustration, for instance, was recently reduced to $80.

Large refrigerators, mostly of United States manufacture, are sold here but smaller models made in Germany, France or Belgium are the most common. For European models, prices range from $100 to $200.

TABLE I

CANADIAN EXPORTS OF ELECTRICAL APPLIANCES TO BELGIUM

	Washing machines	Refrigerators
	(Canadian dollars)	
1949	120,264	130,353
1950	194,439	220
1951	267,033	—
1952	169,195	2,765
1953	10,229	3,278
1954	28,038	—
1955	8,487	1,439
1956	1,644	118
1957	—	368
1958	—	—

Source: Dominion Bureau of Statistics.

Belgian-made electric stoves stress simple but functional design. This one costs less than one hundred dollars at retail.

TABLE II

BELGIAN USE OF ELECTRICAL APPLIANCES PER 100 HOUSEHOLDS

	Washing machines	Refrigerators	Stoves	Water heaters
1950	5	7.2	4.2	0.7
1956	54	17.4	5.4	1.9

TABLE III

COMPARATIVE USE OF ELECTRICAL APPLIANCES IN EUROPE, 1956, PER 100 HOUSEHOLDS

	Washing machines	Refrigerators	Stoves	Water heaters
Belgium	54	17.4	5.4	1.9
Netherlands	29	5.7	10.9	10
France	14.2	13.1	3.4	5
West Germany	16	13	28	6

TABLE IV

ELECTRIC CURRENT IN BELGIUM

	Type and frequency	Number of phases	Nominal voltage
Antwerp	a.c. 50	1, [2], 3	115/200
			220/380
	d.c.		110/220
Bruges	a.c. 50	1, [2], 3	220/380
Brussels	a.c. 50	1, [2], 3	110/190
	d.c.		110/220
Charleroi	a.c. 50	1, 3	220
Ghent	a.c. 50	1, [2], 3	220/380
Liege	a.c. 50	1, [2], 3	110/190
Ostende	a.c. 50	1, [2], 3	130/220

Source: U.S. Department of Commerce

There are two types of washing machines in demand in Belgium—the small apartment size (with or without a hand wringer) ranging from $130 to $165 retail or, for the limited luxury market, the automatic washer with spin dryer selling at an average $200.

All appliances run on 50-cycle alternating current and usually at 220 volts; a few areas have 110-volt current, and combined three-phase and single-phase supplies are practically universal. Details of current in the larger cities are shown in the accompanying table.

How Canadians Can Compete

If a Canadian manufacturer is producing a small machine, simple and functional in design and low in price, there may already be revived sales possibilities here. Like his German or French competititors, however, he will have to pay customs duties of 12 per cent on refrigerators, 15 per cent on stoves or 6 per cent on washing machines and, in addition, taxes ranging from 13 to 15 per cent of the duty-paid value. On the other hand, if his machines are luxurious in style and design, he will have to wait until the market for this type of product grows considerably, or else meet the competition of United States suppliers, with more suitable prices and servicing facilities.

Canadian manufacturers interested in the Belgian market are invited to send prices and other information about their products to the Commercial Counsellor, Canadian Embassy, 35 rue de la Science, Brussels. ●

Visiting Iran?

THE Iranian Government, in an effort to attract tourists to Iran, has recently announced new steps to ease the entry of foreign travellers and tourists. Here is a short account of the amendments to the tourist regulations that the Iranian Parliament lately approved.

From now on, Iranian consulates abroad are authorized to issue visas for up to three months, instead of only one month. Tourists and foreign travellers no longer need an exit permit if they leave the country within the three months. The only document they must have is an exit declaration that they may fill in and hand to officials at the frontier.

Visas will in future mention two possible points of entry into Iran, instead of only one; the traveller may enter the country from either. There is no longer any restriction on the frontier point of exit.

To avoid duplication of forms required by customs, police and frontier guards—a practice that was not always essential and that irritated travellers—a single small form called "entry (or exit) declaration" will be used.

Passengers arriving from cities where there is no Iranian consular office, or air passengers from the Far East who do not have valid Iranian visas, will be allowed by the police to stay 48 hours in Iran. In emergencies they may extend this by another 24 or 48 hours.

The practice of changing the number plates of foreign tourists arriving by car has been discontinued. The Customs and the Traffic Control Department has agreed to allow such cars to enter Iran bearing their own number plates.

Picture-taking, painting, sketching, drawing and filming will be allowed everywhere in Iran except in restricted areas; previous regulations forbidding these activities have been cancelled. Travel to certain parts of the country will, however, require special permits.

—A. B. BRODIE,
Commercial Counsellor, Tehran.

Communist China

—what about paper production?

In a recent visit to Communist China's biggest newsprint mill in Canton, the author found that expanding paper production cannot keep pace with rising demand; opportunities continue for suppliers of pulp, paper, papermaking equipment.

C. J. SMALL, *Trade Commissioner, Hong Kong.*

PAPER production is increasing rapidly in Communist China under the impetus of mass education and expanding industry. The Chinese State Statistical Bureau has reported that production of all types of paper climbed during the first five-year plan (1953-57) from 540 thousand metric tons in 1952 to 1.2 million metric tons in 1957, an average annual increase of nearly 20 per cent. The figure for 1958 was 1.6 million metric tons and a projected average annual increase of 19.4 per cent has been established for the second five-year plan (1958-62). Included in the totals are an estimated 300 thousand metric tons made by handicraft methods. Seventy-five per cent of the paper produced in China last year was said to be made from non-wood fibres such as bagasse; wheat, rice and cotton stalks; reeds; bamboo and waste materials.

Papermaking equipment is also being produced in China in increasing volume and the Statistical Bureau has reported that 15,000 metric tons were made in 1958 compared with 7,000 tons the previous year.

New Products Developed

In addition to the increased volume of paper produced, the Chinese are reported to have made 162 new types of paper in 1958, bringing the total number of varieties to about 300. Among the latest varieties are 110-kilovolt cable paper; condenser paper one one-hundredth of a millimeter in thickness; semi-conductor and telephoto paper; recording tape; mica paper and asbestos paper; hard fibre paper; high-grade copperplate printing, electrocardiograph, recorder, chemical protective and anti-ultra-violet-ray paper; insulating paperboard, and oilpaper for seedbeds. (The latter is said to permit earlier sowing of crops by an average of 10 to 15 days and to increase the yield of rice and other grain crops.) China is now said to be self-sufficient in condenser paper and to have enough for export. It has also offered to export mulberry pulp, the basic material for condenser paper.

Production Stepped Up

According to recent reports, there are 24 large, modern paper mills in China today plus an infinite number of small plants, many of which use traditional production methods. A national conference of the paper industry, which met early in November 1958, recommended the establishment of many small paper mills with a daily output of from one to two metric tons each. Two thousand of these were reported to have been set up by the end of 1958 and the number is expected to swell to 10,000 this year. The advantage of the small mills is that they need only simple, easily installed and operated equipment requiring little investment for quick returns. In addition, they can operate on locally available raw materials, such as bagasse and other non-wood fibres.

Much effort is being put into a current drive to boost both total production and quality of paper from existing mills by technical innovations, drives to surpass other mills, and generally greater efficiency. As an example, the Chinese have reduced the time required for digesting unbleached sulphite pulp from over nine hours for a single digester in 1953 to a record of three hours and fifty-five minutes in 1958. (The average for most modern plants is under five hours.) The Kiamusze mill in Heilungking Province last September claimed a world record of one hour and ten minutes for cooking sulphate pulp.

Where Paper Is Made

The three biggest paper mills in China are in Canton in Kwangtung Province, Nanping in Fukien Province in the south, and Kiamusze in Heilungking Province in the north. The first two produce newsprint and the third a variety of industrial papers.

The Canton Paper Mill is China's largest manufacturer of newsprint and its pulpmaking capacity is currently rated at 100 thousand metric tons a year, including bleached and unbleached sulphite and mechanical pulp. About 80,000 tons of this pulp are used in the same plant and the remaining 20,000 in other Chinese mills. The raw material is mostly pine wood from the adjacent Kwangsi Chuang Autonomous Region, but recent shortages caused by lack of labour have necessitated the inclusion of a small quantity of bagasse.

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About 70,000 metric tons of newsprint are made every year at this mill and pulp not used for newsprint or shipped to other mills goes into low-grade packing paper. Most of the newsprint from the Canton plant is used in China but 2,000 to 3,000 tons are exported every year to South East Asia. No pulp is exported. The five papermaking machines in the mill include three modern imported ones (two from Sweden and one from Finland), and two rebuilt in China but containing American and other components. The plant itself was put up by the Chinese.

The Nanping mill, with a rated capacity of 50,000 metric tons a year, went into operation in May 1958 producing at a rate of 100 tons a day; its capacity is currently being expanded to 300 tons a day. The plant is expected to serve Shanghai and Tientsin and the provinces of Kiangsi, Chekiang, Kiangsu and Anhwei. Soviet and East German experts helped in construction.

The Kiamusze mill in Heilungking Province, built with Soviet aid, produces industrial papers, particularly for electrical equipment and cables. It can also turn out 60,000 square metres of copper-wire mesh a year for the paper, flour-milling and chemical industries.

Shanghai's 25 paper mills made 183 thousand metric tons of paper last year, about 15 per cent of the country's total output, and this is expected to increase in 1959 to 20 per cent. Efforts are being made to reduce the city's dependence on imported paper pulp by installing pulpmaking equipment. In addition, 51 new paper products were reported to have been trial-produced there in 1958; most of these were high-grade papers used mainly by the electrical industry.

A new combined sugar and paper mill is currently under construction at Nanning in the Kwangsi Chuang Antonomous Region in South China. The raw material for the mill will be bagasse and its papermaking capacity is expected to total 100 metric tons a day. The first stage of the project will be completed and production will begin in the second quarter of 1960. The entire plant is expected to be completed in 1962.

China Buys Abroad

Although the Chinese are turning out papermaking equipment, pulp and paper in increasing volume, there continues to be a market in Communist China for these commodities because the country is unlikely to be self-sufficient for some years to come. The growing demands of its increasingly literate population, now approaching the 700-million mark, and of burgeoning industries should keep demand ahead of domestic supply for at least the next four or five years, probably much longer.

In 1958, substantial quantities of wood pulp were imported from the Soviet bloc and Scandinavia, particularly from Sweden and Finland. These countries also supplied paper and papermaking equipment. China formerly imported all its pulp grindstones, papermaking felts and copper-wire mesh and these are now largely produced domestically, though there may be room for foreign supplies from time to time. China's rapidly growing cement industry may provide an opportunity for exporters to provide either the shipping bags or the paper for making them up.

Paper and Machinery Exported

China is a relative newcomer to the export field in paper and papermaking equipment. In the last year or two it has offered modest amounts of newsprint, stationery, condenser paper and some other types of paper on foreign markets and will probably continue to do so. The range of papers it can offer may increase, but quantities are not expected to be large; these papers will probably be marketed for the most part in Asia and Africa. It is unlikely that China will become a substantial pulp exporter in the foreseeable future. The only type offered for export so far has been mulberry pulp for specialized products such as condenser paper, which is now in ample supply in China.

Chinese-manufactured papermaking equipment is being offered for export and is currently being installed in one or two Asian countries. China's exports of this type of machinery will probably grow but the domestic market should remain the primary outlet for some time to come.

Whom to Contact

Canadian exporters wishing to enter the Chinese market should approach the head office and branches of the following Chinese State Trading Corporations (cable address on the right):

Pulp and Paper

China National Sundries Export Corporation
Head Office
32A Chiu Tiao Hutung
East City
Peking SUNDRY PEKING

Shanghai Branch
27 Chung Shan Road (East 1)
Shanghai SUNDRY SHANGHAI

Tientsin Branch
114 Ta Ku Road Central
Tientsin SUNDRY TIENTSIN

Canton Branch
Overseas Chinese Building
Canton SUNDRY CANTON

China Resources Company (Hong Kong Agent)
Bank of China Building
Hong Kong CIRECO HONGKONG

Papermaking Equipment

China National Transport Machinery Import Corporation
Erh Li Kou
Hsichiao
Peking TRANSMACH PEKING

Shanghai Branch
27 Chung Shan Road (East 1)
Shanghai TRANSMACH SHANGHAI

Tientsin Branch
14 Chang Teh Road
Tientsin TRANSMACH TIENTSIN

Canton Branch
2 West Bund Road
Canton TRANSMACH CANTON

China Resources Company (Hong Kong Agent)
Bank of China Building
Hong Kong CIRECO HONGKONG

Fairs and Exhibitions

Success at American Music Show

THREE Canadian firms tried their luck at the American Music Show (officially the *Annual Music Industry and Trade Show*) in New York this June, and because this was the first time that Canadian firms had participated, we wrote them to ask how they made out.

The American Music Show, incidentally, alternates between New York and Chicago and is held for two consecutive years in each city; the 1960 and 1961 shows will move to Chicago. The three Canadian companies that went to New York were Electrohome Industries Limited of Kitchener, Heintzman and Company Limited and Clairtone Sound Corporation—both of Toronto.

Three Different Approaches

Whether by chance or design, each firm exhibited in a separate building: Heintzman's at the Trade Show Building, Clairtone at the Hotel New Yorker, and Electrohome at the Statler-Hilton. Heintzman's chose their spot because it was near other piano manufacturers; on the other hand, Clairtone decided to steer away from the main displays on the lower floors of the hotel and found instead a quiet ninth-floor suite; Electrohome rented the entire Pennsylvania Room at the Statler-Hilton, competing in this hotel with such well-known makers as Magnavox.

What did the displays look like? George T. Heintzman, one of the vice-presidents of the piano firm, told us that his exhibit consisted of two upright pianos and a grand in an extremely simple setting. But, he added, the firm invited "Miss Music of 1959" to visit the display and try out the grand piano. The result? Some excellent photographs and useful publicity. The firm's other vice-president, Herman Heintzman, and its export manager staffed the exhibit.

While we are on this subject, good staffing keynoted Canadian participation in this event. So often, the Trade Commissioners note, Canadian firms expect their products to speak for themselves. Clairtone appeared in full force with its president, Peter Munk, its vice-president, David Gilmour, and two sales executives. They were kept busy demonstrating two stereophonic high-fidelity machines from 10 a.m. to 2 a.m. throughout the show!

Electrohome's exhibit in the Statler-Hilton was, as H. E. Lemieux, Consul and Trade Commissioner in New York put it, "one of the most attractive exhibits ever displayed by a Canadian manufacturer in this area." "Its salesmen," he adds, "were busy writing orders even a few hours before closing time."

When we asked these companies how much business they did or hope to do as a result of the show, they naturally replied that it is still too early to judge. Heintzman's reported no definite orders but a number of good contacts with the U.S. trade. This firm markets an expensive instrument and is looking for an aggressive dealer who does not already hold the franchise for one of the well-known high-grade pianos made in the U.S.; this, the company admits, may take time.

Clairtone tells us that firm orders call for the delivery of some 1,000 sets to the U.S. before the end of October and orders are still coming in from all parts of the country. Electrohome is not so specific; it merely

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reports that the volume of business done was "considerable". In fact, this firm was so pleased with results that it plans to exhibit at next year's show in Chicago. One of its models was left in the display area at Canada House during July to be demonstrated to persons who made inquiries during the show.

Detroit Builds Exhibition Hall

ON Detroit's downtown waterfront a big, $24 million convention and exhibition building is now taking shape as part of the city's striking new Civic Centre. This building, which will house its first trade show in August 1960, is in reality two connected structures. A circular one, seating 14,000 and readily adjustable to smaller gatherings, is called the Convention Area. The other, Cobo Hall, is the main exhibition building and contains two floors, each on ground level. (This is possible because the ground slopes off sharply toward the river and permits each floor to have its own foyer and to be completely accessible from the outside.) The floors are connected by ramps and elevators. The first one, at river level, has 104 thousand square feet of exhibition space. The second, with 294,425 square feet, brings to nine acres the total amount of unobstructed, completely equipped floor space in the building, compared with the 300 thousand square feet on four levels in the New York Coliseum. Partitions will divide the second floor when necessary into three independent units, each with its own entrance, truck drive-in doors, and docks. Thus, four trade shows can be held simultaneously—three on the second and one on the first floor.

There is parking for 3,775 cars in the Civic Centre, as well as in the large public parking areas close by. Restaurant, banquet and meeting rooms are provided, and convention hotels are within walking distance.

The new buildings should greatly increase the popularity of Detroit as a convention and trade-show city. There are already about 60 of these events booked and it is estimated that by 1961, after the first year of Cobo Hall's operation, Detroit's convention volume will have virtually trebled.

The *National Automobile Show* in the fall of 1960 is the first large show that will use the full facilities of Cobo Hall. It will be the first *National Automobile Show* ever held in Detroit; the last one was at the newly completed New York Colisem in 1954. Other important trade fairs and conventions booked include: *The Society of Packaging and Handling Engineers,* Oct. 31-Nov. 3, 1960; *National Office Furniture Association,* Apr. 21-24, 1961; *National Association of Electrical Distributors,* Apr. 29-May 3, 1961, and the *American Society of Tool Engineers* Mar. 15-23, 1962.

It is expected that a number of Canadian firms will use the exceptional new Detroit facilities. The city is close to big Canadian manufacturing centres and the area represents a large market for Canadian products.

Some of the trade shows to be held in Cobo Hall will exhibit products used by the automobile industry and Canadian suppliers of automotive equipment would be well advised to examine the schedule of the shows and conventions to be held in Detroit in future years. They may obtain full details from the Consul of Canada and Trade Commissioner, 1139 Penobscot Building, Detroit 26, Michigan, or through the Department of Trade and Commerce, Ottawa.

—R. V. N. GORDON,
Consul and Trade Commissioner, Detroit.

Florence Shows Arts and Crafts

A springtime fair in Florence means many things to many people: to us in *Foreign Trade,* merely the chance to announce that it is an exhibition of arts and artisan production from April 24 to May 14 next year. To the Florentines, it means another boost to the summer's tourist trade, and to many businessmen the world over it means a visit as exhibitor or buyer to one of the most complete annual exhibitions of crafts anywhere, plus a holiday in one of the most interesting cities in Europe.

For those who plan to visit the fair or for those who would like to show their goods, this one is called the *XXIV National and International Arts and Crafts Exhibition.* For official information write to: Mostra-Mercato Nazionale dell'Artigianato, Piazza della Libertà, Firenze, Italy.

What can be exhibited? Ceramics, glass, alabaster, marble, stoneware, metals and trinkets, silver and jewellery, straw products, embroideries and laces, cloth and carpets, leather goods, furniture and woodenware.

What countries will be there? Some 2,300 exhibitors from Italy, Canada, Czechoslovakia, Korea, France, Germany, Britain, Greece, Yugoslavia, Liberia, Morocco, Peru, Arabia, Spain, Switzerland and Thailand. Possible customers? About 600 thousand persons from Italy and abroad.

Spotlight on Industrial Design

CANADIAN firms have been asked to participate in the *International Exhibition of Industrial Design* in Brussels, which will be held in March 1960. It is sponsored by the Belgian department store "Au Bon Marché" in co-operation with the International Council of Societies of Industrial Designers. As most Canadians know, this organization promotes interest in modern aesthetic and functional values in the field of industrial design. The exhibition at "Au Bon Marché" will show some 400 products from 15 different countries and will demonstrate how the Council's ideas have caught on. As far as possible, the organizers will promote the sale of the products on display.

India Still Needs Asbestos

. . . for its industrial development program; grants licences for its import because its own mines cannot meet demand. Canadian asbestos finds market here in face of keen competition.

H. A. GILBERT,
Trade Commissioner, Bombay.

Asbestos going to India should be shipped in jute bags, partly because hooks are used in unloading and also because the bags have resale value.

INDIA'S program of industrial expansion has resulted in the widespread use of all types of asbestos fibres. The country itself produces asbestos, yet a substantial amount must still be imported, some of it from Canada, because lack of capital retards expansion of local production. The Central Government of India realizes the significance of the industrial applications of asbestos and has granted import licences, despite the import austerity program.

Chrysotile, a fine, white silky fibre, is the most important type of asbestos and accounts for 90 per cent of the amount used by industry. There are a number of chrysotile reserves in India and there are also large reserves in Canada, where 60 per cent of the world's supply of chrysotile is produced.

Indian Production Rises

In India, asbestos is being mined today in six states; it is extracted by explosives, hand drilling, chisel and hammer. The broken ore is brought to the surface and preliminary dressing for extraction of different lengths of fibre is carried out. All the material over three-eighths inches is hand-selected and combed and is known as 'crude'; all the shorter material is milled; the rock is crushed, beaten and screened.

Most of the workings are open quarries except at Cuddapah in Andhra State, where underground mining is being carried out and where high-grade chrysotile asbestos suitable for weaving is available in commercial quantities.

Asbestos production in India has increased from 82 tons in 1948 to over 1,200 tons in 1958. Possibly, without the shortage of foreign exchange and the many other pressing demands on the country's financial resources in carrying out industrial expansion, India's asbestos production would be substantially larger. The shortage of investment capital, combined with the high cost of production facilities for obtaining finished fibre from the rather low-grade ore, currently precludes large-scale construction of integrated asbestos plants in India.

Imports Have Risen

Imports of asbestos fibre have climbed from 7,645 tons in 1949 to 18,064 tons in 1958. The main suppliers last year were Southern Rhodesia, Mozambique, Swaziland, Bechuanaland and Canada. Imports in smaller quantities were obtained from the United Kingdom, Northern Rhodesia, Switzerland, Nyasaland, the United States, and Kenya.

Canadian manufacturers hold a share of the market in India although suppliers from Africa have an advantage because of their greater proximity to Indian users. The asbestos-cement industry, which consumes 80 per cent of all asbestos supplies, provides the best outlet for Canadian suppliers. In addition, Canadian asbestos is used by one of the two firms in India that manufacture brake liners.

The accompanying table illustrates the recent trend in imports and Canada's position as a supplier.

The present import policy, covering the period from April to September 1959, is to grant licences for raw asbestos to "actual users" on an ad hoc basis.

Licences are also issued under the Export Promotion Scheme against exports of asbestos manufactures. That is, an export licence is granted equal to twice the value of the imported raw-material content of the finished goods, or 75 per cent of the foreign exchange received in payment of f.o.b. value of the goods exported, whichever is the less. Import licences under this scheme are normally issued for soft currency countries. But if the licensing authority can be convinced that prices from the dollar area are advantageous or the quality is substantially better, then licences will be granted for imports from the dollar countries.

Unloading Asbestos Cargoes

Jute bags are used as containers in India, because of their resale value and the vagaries of the climate. The quality of asbestos fibre deteriorates if it becomes wet, and it is therefore advisable to avoid landing shipments in India during the monsoons. For instance, in Bombay the monsoons generally occur during July and August. However, it is the general practice in Indian ports to cover the ships' hatches and cease unloading operations during heavy showers and to declare non-working days if the rain is continuous.

Cheap and plentiful dock labour keeps the use of mechanized unloading equipment at a minimum. The bags of asbestos are placed in the ships' slings in the hold by hand and swung over into the warehouse, where they are again piled by hand. The labourers use hooks and therefore jute bags are superior to multiple-wall paper bags. The accompanying photograph recently taken of a Canadian shipment in a godown in the port of Bombay shows that the cargo is well protected from the elements and that damage from hooks is negligible.

IMPORTS INTO INDIA OF ASBESTOS, CRUDE, WASHED OR GROUND

From	1957 Cwt.	1957 c.i.f. value in $Can.	1958 Cwt.	1958 c.i.f. value in $Can.	1959 (up to March) Cwt.	1959 (up to March) c.i.f. value in $Can.
Rhodesia, Southern	159,896	2,030,086	242,921	3,114,740	89,435	1,234,169
Mozambique	97,756	1,303,506	49,539	638,876	10,714	153,032
Canada	22,213	277,640	7,069	77,247	5,893	75,756
Swaziland	16,424	226,719	26,608	429,823	Nil	—
Rhodesia, Northern	8,213	89,947	*	—	Nil	—
Kenya	6,257	97,024	*	—	*	—
Bechuanaland Protectorate	Nil	—	26,506	286,552	Nil	—
Others	9,874	154,681	8,649	130,583	2,968	38,638
	320,633	4,179,605	361,292	4,678,023	109,010	1,501,597

* Less than 5,000 cwt., included in "others".

Source—*Monthly Statistics of the Foreign Trade of India,* issued by the Department of Commercial Intelligence and Statistics, Government of India, Calcutta.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Argentina, Australia, Austria, Belgian Congo, Belgium, Brazil, Chile, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, East Africa, Egypt, El Salvador, Finland, France, West Germany, Ghana, Greece, Guatemala, Haiti, Honduras, Israel, Italy, Japan, Mauritius, Mexico, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Norway, Panama, Peru, Portugal, Spain, Surinam, Sweden, Switzerland, United States, and Venezuela. The United Kingdom certificate of origin requirements and other conditions under which Imperial Preference is granted are covered by Notice No. 27 A issued by the United Kingdom Commissioner of Customs and Excise.

Other pamphlets issued by the Branch include "Requirements for Shipping Documents in Latin America" and "Import Control Regulations and Tariff Treatment of Canadian Goods", both brief summaries in tabular form, and an outline of "Tariff Preferences for Canadian Goods Abroad." For copies of any of these pamphlets, readers should write directly to the Branch. Data on other countries will be compiled from time to time and they will be added to the list.

British Business Booms

Tone of business is buoyant; consumer goods industries are flourishing; so are capital goods, with a few exceptions. Exports and imports are rising and problems seem to be receding, says our London observer.

W. GIBSON-SMITH, *Commercial Secretary, London.*

VISITORS familiar with the state of Britain's economy, business activity and way of life just after the war are deeply impressed with the changes that have taken place, especially in the last two years. The great improvement in living standards and buying and merchandising habits is everywhere apparent; the tone of business is buoyant and optimistic.

Control of a great many firms is passing to other companies through take-over bids. Often there are outright mergers. New cases are reported almost daily, involving old and famous department stores, newspaper chains and many other fields. Small-scale business is giving way to more efficient large-scale operations. North American business practices are being adopted when they suit this country. Such developments, coupled with Britain's traditional engineering genius and insistence on quality, help to explain the present favourable trends.

Financial Strength

Britain is no longer as much preoccupied with financial problems and the strength of sterling as she has been during nearly all of the past twenty years. Weakness in sterling may possibly recur and the season when such a crisis generally happens is at hand. But the usual causes of such weakness are absent at this time. The cost of living holds steady; it is becoming more common, with government encouragement, to reduce prices whenever possible. The balance of payments continues to be favourable. There is a small reserve of resources in the form of available labour and plant, although it is usually concentrated in certain regions. The Government, having abandoned many controls as unnecessary under present conditions, feels the continuing need to direct new industrial undertakings to where they will be helpful to the district and where they will not place a strain on resources, with attendant danger to the price structure.

Consumer Buying

The consumer goods industries have been doing increasingly well in this country for some months. Practically without exception, they are flourishing. The reduction in purchase taxes and the ending of restrictions on instalment sales last October have helped considerably. Instalment debt, according to the latest figures, continues to rise at a faster rate and by the end of May stood 45 per cent higher than in 1958. Household goods—particularly domestic appliances such as refrigerators and washing machines, which are coming into much wider use—account for most of this rise. Indicative of the revolution that has taken place in the mode of life of the average British family is the situation in motor cars. An automobile used to be considered an outright luxury about two years ago but now most families who do not yet own one are hoping, with good grounds, to acquire one before too long.

Capital Goods

So strong has been the expansion in the consumer goods field that its effects are now beginning to be felt in many of the capital goods industries. Coal and some kinds of heavy steel, and shipbuilding, are exceptions to this trend. The automobile industry is even having trouble finding enough steel; the Government points to new rolling plants due to come into production late in the year but automobile producers are so active that they nevertheless worry about supplies, The machine-tool orderbook ceased to dwindle in August for the first time in three years.

The aircraft industry set impressive new records, exporting at a rate of nearly £3½ million a week in the first half of the year.

There is still considerable slack, however, in heavy industry generally and the Government's tactics continue to be designed to expand activity. Road-building is at last going ahead on a larger scale.

Foreign Trade

Both exports and imports were up in the first half of the year and the balance of trade continued to be most encouraging. Import prices, particularly of fuels, fell even further but export prices held firm. The 3 per cent rise in exports over the first half of last year resulted from a 10 per cent rise in sales to the non-sterling area, notably the United States (up no less than 39 per cent). Sales to the sterling world fell 6½ per cent, chiefly because much of that area relies on income from certain raw materials, the prices of which remain depressed. Sales to Western Europe have recovered well. As for imports, these were in general higher, in sympathy with greater activity in the United Kingdom. The sterling area showed the greatest increase in goods supplied to Britain—6½ per cent above the comparable period a year ago. Total imports from all sources rose 5 per cent in value.

The Seven

The entry of Britain next year into a free trade area with Norway, Denmark, Sweden, Switzerland, Austria and Portugal now seems practically certain. This will mean progressively over the next ten years the loss of preferences for Canada (where they exist) vis-à-vis the countries named. The chief purpose of the creation of the "Seven" free-trade grouping is to facilitate an approach to the rest of Europe and particularly to the Common Market of the Six (France, Germany, Italy, Belgium, the Netherlands and Luxembourg) for easier movement of goods among them. It is reasonable to hope that these agreements—the one now formulated and the other sought for—would mean such a massive market, prospering through the economies of mass production, that exporters in Canada and elsewhere would stand to gain eventually. Details are, however, obscure.

Trade with Canada

British figures for imports from Canada in the first half of the current year show a slight decline over the equivalent period of the previous year; exports to Canada have risen 4 per cent. These disappointing import figures cannot yet reflect the results of the recent relaxations (see *Foreign Trade* of June 20, 1959) whereby a wide list of consumer goods and foodstuffs from dollar countries may now enter the United Kingdom without restrictions. ●

COMMON MARKET

Business]

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L. H. AUSMAN, *Commercial Counsellor, Brussels.*

A large number of associations have already been formed within the framework of the European Economic Community. The gradual harmonization over a period of years of the economic and social policies of the Six will affect commerce and industry in each country, and the primary purpose of these groupings is to study the implications of these changes and make preparations to meet them. The activities of the associations listed below range from round-table discussions held from time to time to the establishment of a formal set-up with a permanent secretariat.

Listed below, because of possible interest to Canadian businessmen, are the names and addresses of those associations that have been established on a more or less permanent basis. This list includes some that are still in the process of formation. (See also the note on page nine of the June 20, 1959, issue of *Foreign Trade.*)

1. INDUSTRY IN GENERAL

Union des Industries de la Communauté Européenne (UNICE)
4 rue Ravenstein
Brussels, Belgium

2. SPECIALIZED INDUSTRIES

Agricultural Machinery

Comité Européen des Groupements de Constructeurs du Machinisme Agricole (CECOMA)
19 rue Jacques Bingen
Paris 17, France

Automobile

Comité de Liaison de l'Industrie Automobile pour les Pays de la Communauté Européenne
c/o Verband der Automobilindustrie e.V.
61 Westendstrasse
Frankfurt/Main, Germany

Boot and Shoe

Marché Commun—Comité de Liaisons et d'Études de l'Industrie de la Chaussure
2 rue Edouard VII
Paris 9, France

ıns for the Future

ıen may not be aware of the move to set up industrial in the six countries to study coming changes. This up- me idea of the widespread trend towards organization.

Ceramics—Artificial Stones
Fédération Européenne des Fabricants de Tuiles et de Briques
2 avenue Hoche
Paris 8, France

Groupement des Producteurs de Carreaux Céramiques du Marché Commun
60 rue Ravenstein
Brussels, Belgium

Fédération Européenne de la Porcelaine et de la Faience
60 rue Ravenstein
Brussels, Belgium

Chemical
Secrétariat International des Groupements Professionels des Industries Chimiques des Pays de la Communauté Economique Européenne
32 rue Joseph II
Brussels, Belgium

Clothing
Commission "Marché Commun" de l'Association Européenne des Industries de l'Habillement
18 rue de Richelieu
Paris, France

Coal
Comité d'Étude des Producteurs de Charbon d'Europe Occidentale
31 avenue des Arts
Brussels, Belgium

Construction
Comité Permanent "Marché Commun" de la Fédération Internationale du Bâtiment et des Travaux Publics
3 rue de Berri
Paris, France

Domestic Heating and Cooking Equipment
Comité Européen des Fabricants d'Appareils de Chauffage et de Cuisine Domestiques (CEFACD)
2 rue de Bassano
Paris 16e, France

Electricity
Groupe des Six au sein de l'Union Internationale des Producteurs et Distributeurs d'Energie Electrique (UNIPEDE)
12 place des États-Unis
Paris, France

Fédération Internationale des Producteurs Auto-Consommateurs Industriels d'Electricité (FIPACE)
18/24 rue des Colonies
Brussels, Belgium

Foundries
Commission "Marché Commun" au Comite Européen des Associations de Fonderies
2 rue de Bassano
Paris, France

Iron and Steel
Club des Sidérurgistes
47 rue Montoyer
Brussels, Belgium

Metal Fabrication
Comité de Liaison des Industries Métalliques Européennes (COLIME)
11 avenue Hoche
Paris 8e, France

Non-ferrous Metals
Comité de Liaison des Fédérations de l'Industrie de Métaux non-Ferreux des Pays de la Communauté Economique Européenne
(temporary headquarters)
30 avenue de Messine
Paris 16e, France

Paper Products
Commission "Marché Commun" dans le cadre de la Fédération Européenne des Fabricants de Cartons Ondulés
36 rue de Châteaudun
Paris 9e, France

Pharmaceutical Products
Groupement International des Industries Pharmaceutiques (GIIP)
32 rue Joseph II
Brussels, Belgium

Refrigeration Equipment
Comité des Constructeurs de Matériel frigorifique de de CEE (COMAF)
10 avenue Hoche
Paris 8, France

Rubber
Bureau de Liaison des Industries de Caoutchouc de la CEE
(temporary headquarters)
97 Balistraat
's-Gravenhage, Netherlands

Tanning and Leather Dressing
Groupe d'Étude des Tanneurs et Mégissiers de la CEE
122 rue de Provence
Paris, France

Wood
Commission Executive des Industries de Bois pour la CEE
36 avenue Hoche
Paris, France

3. AGRICULTURE AND FOOD INDUSTRIES

Commission des Industries agricoles et alimentaires de l'UNICE (See Section 1)
4 rue Ravenstein
Brussels, Belgium

Alimentary Pastes
Union des Associations des Fabricants de Pâtes Alimentaires de la CEE
23 rue d'Artois
Paris 8e, France

Animal Feeds
Fédération Européenne des Fabricants d'Aliments Composés pour Animaux
27 rue des Paroissiens
Brussels, Belgium

Brewing
Communauté de Travail des Brasseurs de Marché Commun
Herengracht 282
Amsterdam-C, Netherands

Edible Oils
Association des Huileries du Marché Commun
121 rue Royale
Brussels, Belgium

Fish
Association des Industries du Poisson de la CEE
55 rue de la Loi
Brussels, Belgium

Flax and Hemp
Commission "Marché Commun" de la Confédération Internationale du Lin et du Chanvre
37 rue de Courcelles
Paris 8e, France

Flour Milling
Groupement des Associations Meunières des Pays de la CEE
66 rue La Böetie
Paris 8e, France

Fruit Juice
Commission "Marché Commun" à la Fédération Internationale des Producteurs de Jus de Fruits
16 rue de la Chaussée d'Antin
Paris 9e, France

Malting
Comité de Travail des Malteries de la CEE (EUROMALT)
85 boulevard Emile Jacqmain
Brussels, Belgium

Margarine
Association des Industries Margarinières des Pays de la CEE
55 rue de la Loi
Brussels, Belgium

Meat Packers
Centre de Liaison des Industries Transformatrices de Viande de la CEE
7 rue Alfred de Vigny
Paris 8e, France

Milk
Association de l'Industrie Laitiere de la CEE (ASSILEC)
1 rue de la Science
Brussels, Belgium

Association Internationale des Fabricants de Laits Concentrés et de Laits en Poudre
140 boulevard Haussmann
Paris 8e, France

Mustard
Association des Industries de la Moutarde de la CEE
55 rue de la Loi
Brussels, Belgium

Preserved Fruit and Jams
Association Européenne des Fabricants de Confitures et de Conserves de Fruits
55 rue de la Loi
Brussels, Belgium

Sugar
Association des Industries de Base du Sucre de la CEE
55 rue de la Loi
Brussels, Belgium

Commission "Marché Commun" du Comité Européen des Fabricants de Sucre
23 avenue d'Iéna
Paris 16e, France

Vegetable Packers
Organisation Européenne des Industries des Conserves de Légumes
38 boulevard du Régent
Brussels, Belgium

Vinegar
Comité Permanent International du Vinaigre
Groupe du Marché Commun
23 rue N.D. des Victoires
Paris 2e, France

4. PROFESSIONAL ORGANIZATIONS

Comité des Organisations Commerciales des Pays de la Communauté Economique Européenne (COCCEE)
31 avenue Pierre 1er de Serbie
Paris 16e, France

Comité de Liaison des Architects du Marché Commun
21 rue Ernest Allard
Brussels, Belgium

Union des Foires Internationales
(Groupe de Travail "Intégration Européenne")
7 avenue Georges V
Paris 8e, France

Union du Commerce de Gros et Extérieur des Etats Membres de la CEE
78 Zeestraat
The Hague, Netherlands

5. AGRICULTURAL PRODUCERS' ORGANIZATIONS

Comités des Organisations Professionnelles Agricoles de la CEE
24 rue des Recollets
Louvain, Belgium

Organisme d'Entente des Organisations des Jeunes Syndicalistes Agricoles de la CEE
23 via 24 Maggio
Rome, Italy

Associations forestières représentant la Forêt Privée des Six Pays du Marché Commun
c/o Comte de Limburg-Stirum
Bois-Saint-Jean, par La Roche-en-Ardennes, Belgium

Confédération Internationale des Betteraviers Européens CIBE
72 rue de Miromesnil
Paris 8e, France

Sous-Groupe du Comite des Organisations Professionnelles Agricoles de la CEE—"Lait et Produits Laitiers" Piazza Diaz No. 1
Milan, Italy

Sous-Commission Marché Commun Européen de l'Association Internationale des Producteurs de l'Horticulture, AIPH
37 Vlamingenstraat
Louvain, Belgium

Comité Provisoire des Organisations Professionnelles Viticoles de la CEE
3 rue de Rigny
Paris 8e, France

6. AGRICULTURAL WORKERS' ORGANIZATIONS

Arbeitsgruppe Europaischer Landarbeiter Gewerkschaft, CISL
Bahnhofstrasse 21
Hannoversch-Munden, Germany

Organisation Européenne de la CISC Groupe de Travail Agriculture et Alimentation
25 rue de l'Association
Brussels, Belgium

Union Internationale des Syndicate des Industries Alimentaires, UIA
110 rue de la Loi
Brussels, Belgium

7. ORGANIZATIONS CONCERNED WITH TRADE IN AGRICULTURAL PRODUCTS

Cattle
Union Européenne des Commerces de Bétail
Commission du Marché Commun
29 rue Fontuny
Paris 17e, France

Cereals
Union Européenne des Commerces de Grains, Graines Oléagineux, Aliment du Bétail et Dérivés
220 Bourse de Commerce, rue du Louvre
Paris, France

Comité du Commerce des Céréales du la CEE
Posthoornstraat 13a
Rotterdam, Netherlands

Eggs and Poultry
Groupe de Travail International des Organizations du Commerce de Gros des Oeufs et Volaille dans le Cadre de la CEE
Utrechtseweg 266
De Bilt, Netherlands

Horticultural Products
Fédération Internationale des Commercants des Products Horticoles
Section des Pays du Marché Commun
31 Kenaupark
Haarlem, Netherlands

Potatoes
Comité du Commerce de la Pomme de Terre des Pays de la CEE
Comité des 6
220 Bourse de Commerce, rue du Louvre
Paris, France

Seeds
Comité des Semences du Marché Commun
(Fédération Internationale des Semences)
24 rue des Fripiers
Brussels, Belgium

8. FOOD DISTRIBUTION

Association Européenne des Commerces en Gros de Viandes
59 rue St. Lazare
Paris, France

Fédération Internationale des Détaillants Laitiers
14 Koornmarkt
Ghent, Belgium

Union Internationale des Organizations de Détaillants de la Branche Alimentaire (Commission Marché Commun)
Falkenhöheweg I
Berne, Switzerland

Union Internationale des Maîtres Boulangers
27 avenue d'Eylau
Paris, France

Fédération Internationale des Industries et du Commerce en Gros des Vins, Spiritueux et Liqueurs (Comité de la CEE)
103 boulevard Haussmann
Paris 8e, France

Communauté des Organisations Nationales des Coopératives de Consommation
17 Place E. Vandervelde
Brussels, Belgium

Union du Commerce de Gros de Fruits et Légumes des Etats membres de la CEE
7 von Grootestrasse
Köln-Marienburg, Germany

Comité des Organisations de la Boucherie-Charcuterie de la CEE
Piazza G. G. Belli, 2
Rome, Italy

Union Internationale des Unions d'Importateurs et de Grossistes de la Branche Alimentaire
Johan van Oldenbarneveldlaan, 23
's-Gravenhage, Netherlands

Union Européenne du Commerce des Produits Laitiers et Dérivés
Secretariat Provisoire: 4 rue de la Lingerie
Paris, France

Communauté Européenne des Associations du Commerce de Gros de Bière des Pays membres de la CEE
Address not known

Union des Associations de Boissons Gazeuses des Pays membres de la CEE (Union Européenne Soft Drinks Associations)
43 rue de Provence
Paris 9, France

Association du Négoce des Huiles et Graisses Animales et Végétales et Dérivés de la CEE
Westersingel 43
Rotterdam, Netherlands

Comité de la CEE des Industries et du Commerce des Vins Aromatisés, Mousseux, Vins de Liqueurs
49 rue de Trèves
Brussels, Belgium

Bureau Européen du Café
34 rue Capitaine Crespel
Brussels, Belgium

9. DISTRIBUTION (other than food)

Fédération Internationale des Associations de Négociants en Aciers, Tubes, Métaux
65 avenue Victor-Hugo
Paris, France

Union Européenne des Négociants Détaillants en Combustibles
24 boulevard de Strasbourg
Paris, France

Confédération Internationale du Commerce de la Droguerie
92 Klosterstrasse
Holm-Lindenthal, Germany

Fédération Internationale des Associations de Quincaillers et Marchands de Fer
164 rue du Faubourg St. Honoré
Paris 8e, France

Association Européenne des Organisations Nationales des Commerçants Détaillants en Textiles
18 rue des Bons-Enfants
Paris, France

Union des Distributeurs de Papier et de Carton de la CEE
76 avenue Monceau
Paris 8e, France

Collegium Pharmaceutique Européen
11 rue Archimède
Brussels, Belgium

Comité Européen du Cuir
2 rue Edouard VII
Paris 9e, France

Union Européenne des Groupements de Grossistes spécialisés en Papeterie (UEGGSP)
Strasbourg, France

Confédération Européenne du Commerce de Gros en Chaussures
34 Dr. de Reusestraat
Ghent, Belgium

10. DEPARTMENT AND VARIETY STORES

Fédération Internationale des Grandes Entreprises de Distribution, (includes also Austria and Switzerland)
42 Bahnhofstrasse
Zurich, Switzerland

Comité International des Entreprises à Succursales
52 rue de Clichy
Paris, France

Although this list is a long one, it is by no means exhaustive. Other associations have been formed and in some cases are under study. They include the following:—

Publicity and public relations organizations
Biscuit, chocolate and confectionery industry
Carded wool spinning industry
Toy industry (includes United Kingdom)
Rainwear manufacturers (includes United Kingdom, Sweden, Switzerland and Austria)
Airline companies (except Netherlands)
Chambers of Commerce
Film industry
Cotton industry

Further information concerning the foregoing and additions will be reported from time to time in *Foreign Trade.*

Tours of Territory

J. H. BAILEY, Commercial Secretary in Bogotá, will visit Quito and Guayaquil in Ecuador from September 14 to 18. He will be calling on business and banking firms in these cities. During September or early October he also plans to visit Medellín and Cali in Colombia.

M. P. CARSON, Trade Commissioner in Singapore, will visit North Borneo, Sarawak and Brunei from September 12-15.

D. H. CHENEY, Commercial Secretary in Lima, Peru, has postponed his visit to Bolivia until the latter part of October.

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. Bailey at Bogotá, Mr. Carson at Singapore, and Mr. Cheney at Lima.

Commodity Notes

Aircraft

UNITED KINGDOM—Export shipments of British aviation products in June totalled $40,778,005, and for the first six months of 1959 $237,072,895. This is an increase of 14 per cent over the previous six-month record set in the last half of 1958. It represents an annual figure of $472 million compared with $415 million in 1958—London.

Asbestos

PAKISTAN—Built with the assistance of the Pakistan Industrial Development Corporation, Pakistan's first asbestos-cement sheet factory is currently producing 50 to 60 tons a day. The estimated annual capacity of 15,000 to 18,000 tons of corrugated and flat asbestos-cement sheets will be used as roofing, ceiling and partition and for building prefabricated houses. The Government has stopped the import of asbestos-cement sheets into Pakistan because of this new plant—Karachi.

Automobiles

BRAZIL—A development program established in 1957 by GEIA (Executive Group for the Automobile Industry) has led to the marketing of 125,535 vehicles to date—69,614 trucks and buses and 55,921 other types of vehicles. The spare parts industry in Brazil has expanded from 30 establishments in 1946 to 1,220 in 1959—Rio de Janeiro.

ITALY—The production of automobiles in Italy reached a record high of 403,548 units in 1958, an increase of 51,849 over the previous year. Exports of new cars during 1958 numbered 169,253 units and imports totalled 5,305. The number of cars in circulation in 1958 in Italy reached 1,836,536 against 1,578,005 in 1957—Rome.

Bauxite

BELGIAN CONGO—The Bulletin of the Chambre de Commerce, d'Agriculture et d'Industrie du Tchad of June 9, 1959, reports that an important deposit of bauxite has been discovered in the central French Cameroons, near N'Gaoundère. Preliminary reports indicate an average thickness of five metres, over a wide area, of 40-52 per cent Al_2O_3, less than 2 per cent silica. There are hydro-electric power sites nearby at the Vina Falls and the Sanaga Rapids, although over 300 miles of poor roads separate N'Gaoundère from the sea at Douala.

If this new discovery warrants further development, it will bring to four the number of such projects in West Africa: Volta in Ghana, Fria in Guinée, Kouilou in the République du Congo, and Inga in the Belgian Congo, in the competition for international development capital—Leopoldville.

Casein

NEW ZEALAND—New Zealand will supply a record quantity of casein to Japan in the next twelve months. The Chairman of the Dairy Products Marketing Commission, recently returned from a visit to Eastern markets, has negotiated new contracts with Japanese importers. Last year New Zealand shipped 3,500 tons of casein to Japan—Wellington.

Hydro-Electric Plant

AUSTRALIA—Plans are being considered for the construction of a hydro-electric plant on the south coast of South Australia. The power plant will operate by the release of sea-water from an artificially created dam. The cost of the project is estimated at £12 million. Preliminary discussions will be held with a group of engineering consultants from the United Kingdom—Melbourne.

Oil

BRAZIL—Brazil's production of oil now totals 70,000 barrels a day compared with 66,000 in April 1958, according to figures given by the President of the National Petroleum Council. By the end of this year production will increase to 100 thousand barrels a day—equivalent to savings of $86,800 per day. Each barrel of petroleum refined within the country represents a saving in foreign exchange of US $1.50—Rio de Janeiro.

DENMARK—An American company will build the first oil refinery in Denmark at the port of Kalundborg in northwest Sealand. The refinery will process two million tons of crude oil a year, corresponding to about 50 per cent of Danish consumption.

Costing approximately $40 million, it will have a tankage capacity of 200 thousand metric tons, and Kalundborg harbour will be extended and deepened to handle tankers of up to 72,000 tons. The first nitrogen factory in Denmark will be built on the same site to assist the domestic production of fertilizers.

The project will be completed by January 1961, with construction starting this year. The refinery and nitrogen factory will be built with foreign capital, but enlargement of the port of Kalundborg will be undertaken by its town council with a loan from the Danish Government—Copenhagen.

Penicillin

PAKISTAN—The Pakistan Industrial Development Corporation's factory at Daudkhel will be the first plant to produce penicillin in Pakistan. Scheduled to begin production this October, its capacity will be six to seven million mega units per year. The Pakistan Industrial Development Corporation will operate the factory on a non-profit basis, and the entire production will be used, free of charge, for mothers and children through UNICEF-assisted maternal and child welfare centres—Karachi.

Plywood

AUSTRALIA—A plywood factory using local timber has been opened at Carlisle, Western Australia, by Cullity Veneers Pty. Ltd., a subsidiary of Westralian Plywoods Pty. Ltd., Leederville, Western Australia. The new factory is using a 50-ton U.S. vertical slicing machine. The parent organization is the largest Australian producer of rotary-cut plywood—Melbourne.

Power

SOUTH AFRICA—The Johannesburg Municipality is constructing the largest municipal power station in the southern hemisphere at a cost of $80 million. The capacity will be 420 mw. and plans provide for an increase to 540 mw. if future demand calls for it. It is expected that the construction of the station will be completed by 1965. With the exception of 88,000 volt oil-filled cables, which were made in the United Kingdom, all other cable installed in this project will be manufactured in the Union—Johannesburg.

Pulp and Paper

ITALY—One of the leading industrial organizations of Italy will build a pulp and paper complex in Sicily costing US$10.4 million. An area of nearly 300 thousand acres that has been planted with eucalyptus trees will supply the major raw material. Production of paper from eucalyptus will amount to 28,000 metric tons per year, and 700 workmen will be employed—Rome.

Steel

FRANCE—Construction of a steel mill in Dunkirk will soon be under way, with completion slated for 1962. Production of steel ingots will increase progressively from 500 thousand to four million tons—Paris.

Sulphate Pulp

SWEDEN—Billeruds AB have announced building plans for a sulphate mill in Kvicksund. Still in the planning stage, a yearly capacity of at least 80,000 tons of sulphate pulp is being considered—Stockholm.

Textiles

NETHERLANDS—The Algemene Kunstzijde Unie (rayon company) of Arnhem, and the Celulosa Y Derivados (Cydsa) company of Monterrey (Mexico), have agreed in principle to establish a joint enterprise in Mexico to make nylon yarns.

The proposed mill at Monterrey will produce both nylon 6 and nylon 6.6 textile yarns. Both AKU and its American affiliate, American Enka of Asheville, will assist in the construction of the new mill. Initial orders for machinery supplies have been placed so production should begin shortly—The Hague.

Timber

AUSTRALIA—The new £2 million government sawmill at Mount Gambier, South Australia, reported to be one of the most efficient in the Southern Hemisphere and the largest in Australia, was opened on May 19. An important feature of the project is the construction of an adjoining £2 million regional power station by the Electricity Trust. The power station is designed to burn waste products from the mill for the generation of steam power—Melbourne.

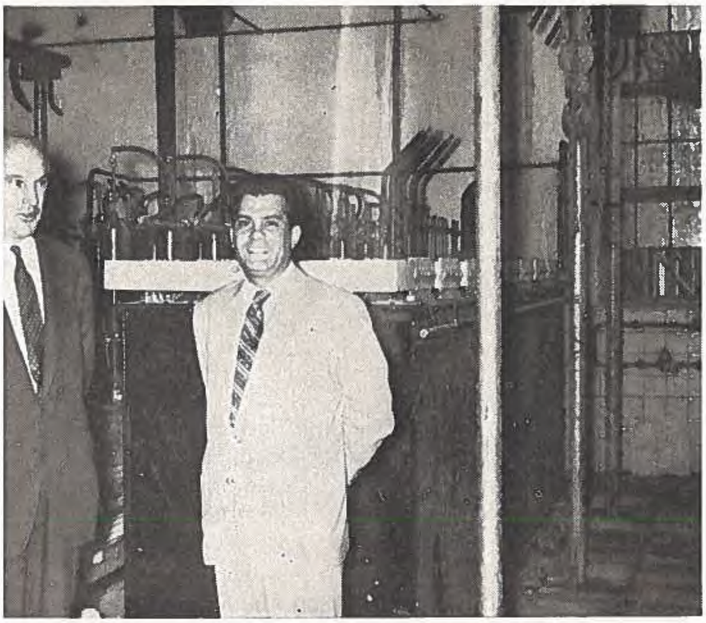
Tires

BRAZIL—Cia. Goodyear do Brasil will produce 210 thousand tires a year (700 a day), according to its expansion plan for 1958-1962. The program calls for an additional investment capital of Cr$2.5 billion and is scheduled to start in July—Rio de Janeiro.

Index to *Foreign Trade*

The index to Volume 111 of "Foreign Trade", covering the issues from January 3, 1959, to June 20, 1959, has now been printed. Readers who wish to have copies should write to the Editor.

In Iran—When this cotton ginning and oil mill decided to go in for margarine production, it chose Canadian electrolytic equipment to hydrogenate the oils needed. The Canadian Commercial Counsellor (left) talks with a director of the mill.



In Australia—The Canadian Commercial Counsellor (second from left) admires the reproduction achieved by the Brisbane "Telegraph" on Canadian machine-coated book paper. The occasion of the supplement—H.R.H. Princess Alexandra's visit.

Canada in Foreign Markets

In South Africa—as here—a power lawn-mower can make grasscutting fun instead of a chore. This young Cape Town girl is using a machine shipped all the way from Canada.

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

In Belgium—Canadian parts go into these outboard motors, seen here on the final assembly line. This Bruges firm produces about 100 engines a day and ships them to many countries.

Peru Needs Breeding Cattle

. . . and Canadian livestock breeders, with an established reputation, could widen their share of this market if they are willing to promote sales vigorously.

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

CANADIAN cattle and their progeny are continuing to live up to their excellent reputation in Peru. At the Tenth Lima Livestock Show, Canadian animals or their progeny carried off 23 awards, all in the Holstein-Friesian category. The best registered Holstein-Friesian female, imported two years ago from Canada, won the Canada Trophy, a large sterling silver tray engraved with the coat of arms of Canada and presented by the Canadian Government. The trophy for the best dairy herd of four animals, donated by one of the largest Canadian livestock exporters, for the second time went to a group composed of Canadian cattle.

Canadian Stock Esteemed

Among the other awards that went to Canadian animals or their progeny were:

Bulls—grand champion of the breed, senior champion, first prize category A, reserve grand champion, reserve senior champion, first prize category B, junior champion, first prize category E, first prize category C.

Pedigreed Females—grand champion of the breed, senior grand champion, first prize category B lactation, reserve senior champion, first prize category A lactation, and four other first prizes in various categories.

Progeny of Canadian cattle also captured four first prizes and the junior championship.

This fine showing has helped to keep Canadians to the fore as suppliers of the finest Holstein breeding animals. This is especially important in Peru, where interest in dairy-herd building and selection is increasing. Unfortunately, the deterioration in the Peruvian currency in terms of dollars in the past year has raised the price of cattle to such a degree that so far in 1959 no Canadian animals have entered Peru. In 1958 eight head of high-quality breeding cattle, valued at $14,560, came in and the year before 109 head valued at $54,750.

Principal competition for Canadian suppliers to the Peruvian market comes from the United States, although animals from the Netherlands, the United Kingdom and France are also a factor. Peru also has a strong and growing interest in beef cattle because of its annual deficit of approximately 12,000 tons of beef and is making strong efforts to develop a sounder beef cattle industry. This would make the country nearly self-sufficient in meat and save precious foreign exchange now spent on imports from other countries.

U.S. Promoting Sales

Apart from the Holstein-Friesian variety, a growing interest in the Brown Swiss breed is apparent. U.S. stockmen have also made strides in developing a demand for Jerseys, particularly in the north where the climate, forage, and soil conditions are similar to those in parts of the United States. American breeders are also bringing down cattle on consignment for auction at cattle shows, visiting Peruvian breeders' farms, giving local breeders help and advice, and sending prominent judges to assist in the local cattle competitions. All this activity is creating much goodwill, particularly at a time when the market is not too strong because of high prices for imported cattle. Prominent Peruvian cattle-breeders are also being invited in increasing numbers to visit farms and large breeding stations in the United States. During the past two years, Canadian exporters have not matched this effort. Although Canadian prestige remains high, our cattle exporters should see to it that this advantage is not permitted to disappear.

It is significant that during the past year, as a result of their varied efforts to cultivate the Peruvian market, U.S. breeders have been obtaining small but regular sales of high-quality stock in Peru.

Potential Market Still Untapped

In northern Peru there is a great potential for the growth of a dairy industry—an opportunity so far relatively unexploited. There is practically no artificial insemination practised in this area, although Peru as a whole is said to constitute the largest market in Latin America for frozen semen from the United States. There is a large supply of cheap molasses and rice bran available in the north that could be used to support a significant expansion in the dairy and beef cattle industries. This expansion is bound to come in the years ahead.

According to a recent report by a U.S. livestock specialist who visited Peru, U.S. breeders have shipped cattle to consignment auction sales in Lima for the past two years, with excellent results. They received no guarantee of the price that would be paid or expenses but the cattle sold well. Jerseys a year ago sold for approximately $750 each and Brown Swiss brought about $850. Of particular importance have been the personal contacts made with the Peruvian breeders and the increased goodwill towards American cattle and cattlemen. Exporters in Canada would do well to follow this example. ●

General Notes

Argentina

FISHING INDUSTRY MODERNIZED—Benvenuto S.A. "La Campagnola" of Buenos Aires has announced a 100-million-peso expansion and modernization program for the Argentine fishing industry. The company has chartered a modern 695-ton Japanese refrigerator trawler, the *Yoshino-Maru.* This vessel, carrying a Japanese crew of 50, is due to arrive in Mar del Plata in September and will operate 200 miles off the Atlantic coast in the tuna and swordfishing grounds.

The catch will be prepared and quick-frozen aboard ship, and distributed throughout the country in refrigerator trucks from the company's plant in Mar del Plata. The company hopes eventually to produce enough for export—Buenos Aires.

Belgium

EUROPEAN NUCLEAR ENERGY COMPANY—Twelve European countries will share in the $20 million capital cost of an international company established to process irradiated nuclear fuels and carry out research on the production and peaceful uses of atomic energy. This organization, sponsored by the European Nuclear Energy Agency of the Organization for European Economic Co-operation, will be called Eurochemic. Plant and laboratories are to be built in Belgium near the nuclear research centre at Mol. Eurochemic will provide Western European countries with the first nuclear chemical separation plant freely available to all of them—Brussels.

TRADE MISSIONS—In an effort to boost its exports, the Belgium Government has recently sponsored trade missions to the United States and Italy. It is reported that a similar mission will visit the U.S.S.R. in mid-September in the hope of selling steel, cement, fertilizer, synthetic resins, and fibre manufacturing equipment. A group of Belgium importers will accompany the mission to discuss purchases of Soviet grain and lumber—Brussels.

Colombia

AGRICULTURAL DEVELOPMENT—The Caja de Credito Agrario has announced that it will invest 600 million pesos in the next six years in the agricultural and cattle industries. The money is to be spent on irrigation and development of virgin land—Bogotá.

France

INTRODUCING THE HEAVY FRANC—On July 15, a new type of currency appeared in France, the "heavy franc", equal in value to the 100-franc piece that is currently the basic unit in French commerce. At the beginning no distinct notes are being issued but the heavy franc value of a note is merely printed in red on the ordinary franc note of whatever denomination. This is to accustom people to the new scale of value. The heavy franc is in no sense a revaluation of currency; it is a device to make exchange less cumbersome, with the added psychological effect of boosting the prestige of French currency at home and abroad. When the public becomes used to the concept, new coins and bills will gradually be introduced while the old ones are slowly withdrawn.

To avoid confusion, retailers' prices will be quoted in both ordinary and heavy francs until relative values become familiar. Export trade will continue to be conducted in francs but this will gradually change as the heavy franc gains recognition. As the scheme progresses the authorities will, from time to time, issue decrees clearing up any minor difficulties—Paris.

Isle of Man

INDUSTRIAL DEVELOPMENT—The 300-square-mile Isle of Man is enjoying a small economic boom of its own.

Allowed autonomy over its own tax structure by the Government of the United Kingdom, the islanders have taken advantage of this to offer low tax rates to any corporations operating there. This, plus a stable labour force (the island hasn't had a strike since 1918) makes it an excellent location for some expanding industries.

In recent years a number of small manufacturing plants, turning out products varying from shaving brushes to model airplane engines, have been opened. Still in operation are the island's long established knitwear and woollen fabrics mills. Finished goods are shipped through Liverpool, 80 miles to the southeast. Some of the island's factories are selling to Canadian importers through this outlet—Liverpool.

Jamaica

FINANCE CORPORATION FORMED—The Jamaican House of Representatives recently passed a bill to establish a Development Finance Corporation, and some £5 million has been provided in this year's estimates to finance it. The Corporation will give financial assistance to industries in the Island, particularly those undertaken by local investors. Borrowing powers allow it to grant credit up to £4 million—Kingston.

Peru

LONG-LINE FISHING—A United States company in Peru is conducting experiments in long-line tuna fishing; a converted 78-foot tuna clipper is trying it out on a small scale. The boat's operator says that before enlarging its operations, much has to be learned about the fishery—where the fish are, what depths yield the best catches, and what seasonal movements the fish make—Lima.

South Africa

ATOMIC RESEARCH PLANNED—The South African Government, the Transvaal and Orange Free State Chamber of Mines, the Electricity Supply Commission, and the Iron and Steel Industrial Corp. Ltd. are supplying $2 million a year for five years to finance an atomic research project. This will be the biggest single research program undertaken so far in the Union. The project has two main aims: first, to simplify and reduce the cost of uranium production and second, to investigate the handling and use of metals like beryllium and titanium which can withstand high temperatures—Johannesburg.

AGRICULTURAL RESEARCH—The South African Department of Agriculture has announced that it intends to set up a research institute to study problems of mechanization in agriculture. The institute will test different types of mechanical agricultural machinery and make recommendations on types of equipment best suited to South African conditions. The object is to promote the manufacture of agricultural equipment especially adapted to this country—Johannesburg.

United Kingdom

CANADIAN TRAINING FOR SALES EXECUTIVES—A scheme to send groups of young men from the United Kingdom to work in department stores in the United States and Canada for eight weeks has started in a small way. The young men selected are executive material and they are expected to study North American merchandising methods and consumer preferences.

The first group of ten has now returned to the United Kingdom full of enthusiasm and the idea appears to be catching on. A second group of twenty will be leaving in mid-September and will include employees of manufacturers of china, radio sets, pots and pans, leather goods, shoes and socks. They will be working with Simpson's, Eaton's, and the Hudson's Bay Company—London.

United States

BUSINESS IN DETROIT—Business and industrial activity in the Detroit area has increased steadily over the past year, with marked gains in recent months. Manufacturing operations have climbed to the highest point in the city's history, with the one exception of certain months in 1955. Higher car and truck production, which reached a national total of 2,037,000 during the second quarter of the year, has been the main factor. Automobile output for the half year exceeded that for any first six months, with the exception of 1955. Sales of new passenger cars in the three-county Detroit area have skyrocketed to their highest level since 1955, and are up 77 per cent over the second quarter of 1958. Residential building during the three months ended May 30, 1959, was 30 per cent higher than in the same period of last year—Detroit.

Canton Fair Dates Changed

The Canadian Government Trade Commissioner in Hong Kong has just informed "Foreign Trade" that the Canton Fair will be held from November 1-30 this fall, rather than from October 15 to November 30 as previously announced.

Malaya Plans Power Expansion

An eight-year development plan to provide more electricity for Malayan homes and industry may offer business opportunities to Canadian engineering firms and suppliers of equipment.

M. P. CARSON,
Trade Commissioner, Singapore.

THE Central Electricity Board of the Federation of Malaya plans to spend some Can.$127 million on capital development during the next eight years. The Minister for Commerce and Industry of the Federation Government announced the expansion plan during a recent Federal Legislative Council meeting, in introducing the "Electricity Amendment Bill". The bill gives the Government power to direct the Central Electricity Board in a general way in matters of national interest, should the need arise.

Progress in Electrification

In September 1959 the Central Electricity Board completes ten years of operations and expansion. The Board is the over-all electricity authority in the Federation. It is established by law as a corporate body to provide electricity and to act as the licensing and inspecting authority for all other electrical undertakings, with some exceptions, such as the city of George Town in Penang.

The Board has had an admirable ten-year record. Today 118 towns and villages are electrified compared with 61 in 1949. The number of consumers has risen from 45,500 to 160 thousand, electrical units sold from 140 million to 460 million, and capital invested from Can.$10 million to Can.$62 million. The Board is now finding about Can. $4 million of its own capital, and in the eight-year development plan from 1958-1965, which has the approval of the World Bank, the Board plans to raise at least Can.$43 million from its own resources.

In 1958 the Government instituted a far-sighted policy of industrial development with the introduction of the Pioneer Industries (Relief from Income Tax) Ordinance. Under this regulation, industries can apply for pioneer status with exemption from income tax for five years and for certain other benefits and consideration by the Tariff Advisory Board for possible tariff protection.

This legislation, combined with a healthy economy and a stable government, has successfully spurred on actual and potential development. In the sixth notice recently publicized under the Pioneer Industries legislation, the number of industries likely to qualify for pioneer status stood at 30 and the number of products for local manufacture at 156. This reassuring reaction from industry highlights the need for greater development of electricity.

Projects Under Way

The World Bank, the Colonial Development Corporation, and the Commonwealth Development Finance Corporation have indicated a willingness to invest large sums of money in the Board's plans to develop electricity supplies in the area it serves.

Chief among these projects is the Cameron Highlands hydro-electric scheme. The Board is building a power station at Butterworth and considering one for Johore Bahru and also plans to provide power to a number of small towns and villages on the east and west coasts to meet growing domestic and industrial needs. A pick-up in the tin industry,

PRINCIPAL POWER STATIONS OPERATING AND PROJECTED, 1958

Operating:	Location	Type	Fuel	Capacity (kw.)
Central Electricity Board	Connaught Bridge	steam	oil	80,000
" " "	Bungsar	steam	oil	26,500
" " "	Ulu Langat	hydro	oil	2,288
Perak River Hydro-Electric Power Co. Ltd.	Chenderoh	hydro	oil	27,000
" " "	Malim Nawar	steam	oil and coal	30,000
" " "	Batu Gajah	steam	oil	24,450
Penang Municipality	Prai	steam	oil	11,000
Proposed and under construction:				
Central Electricity Board	Cameron Highlands	hydro		120,000
" " "	Malacca	steam	oil	40,000
Penang Municipality	Penang	steam	oil	30,000
" "	Prai	steam	oil	5,000
" "	Sungei Penang	diesel	oil	2,500
Perak River Hydro-Electric Power Co. Ltd.	Malim Nawar	steam	oil	24,000

which has recently suffered severe setbacks, is expected to mean greater use of this power.

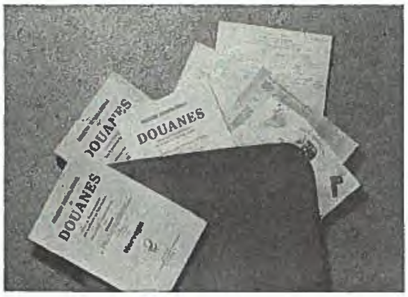
The Can.$40 million Cameron Highlands project, aided by a World Bank loan of US$35.6 million, covers the first phase of a Can.$89 million long-term power development that is to be completed by 1963. The civil engineering contract was let late in 1958 to a German group of firms. The main power station will be built 600 feet underground and another above ground; the plant will generate between 65,000 and 85,000 kw. The construction of the 120-foot dam calls for the digging of a 15-mile waterway. Work on the first phase of the project has been started and tunnel operations are expected to begin in September 1959.

Tenders have already been invited from overhead-line construction firms for the supply and erection of transmission lines, towers, etc. The contract calls for about 100 route miles of mixed twin-circuit and double-circuit 132 kv. lines. Later this year tenders will be invited for switchgear, transformers and cables. Interested firms may obtain details of tenders for this project from the Central Electricity Board's consulting engineers, Messrs. Preece, Cardew & Rider of London, England. Firms may also write to the Department of Trade and Commerce, Ottawa, or the Canadian Government Trade Commissioner in Singapore.

The city of Penang opened a new power station in early 1957 which, with Sungei Penang diesel station, supplies electricity to the area. The Ayer Itam dam project is under way in Penang and it is possible that a small hydro-electric power plant may also be built in conjunction with it. If this project materializes, it is probable that installation and erection will be carried out by the engineering department of the Penang City Council. Outside contracts would be limited to the provision of the water turbine and its associated generator. The consulting engineers for Penang are Preece, Cardew & Rider of London, England; engineering firms who are interested may approach the consultants to be considered for inclusion in the list of manufacturers who will be invited to tender.

Participation Is Possible

The search continues for suitable sites near the new and proposed industries for other hydro-electric projects. Canadian firms interested in engineering work on these development schemes will find that a number of Malayan companies would like to explore the prospects of joint undertakings. There should also be excellent opportunities for Canadian suppliers of equipment in this developing market. ●



Trade and Tariff Regulations

Barbados

IMPORT CONTROLS RELAXED—The Government of Barbados has announced that, effective July 30, 1959, an Open General Licence has been issued for the import of all goods, with the exception of the following:

Air-conditioning machines, self-contained, comprising elements for cooling, control of humidity, cleaning and circulating of air
Centrifugal drying and separating machines, other than of a kind used for domestic purposes
Compressors and exhausters, air and gas
Dredging equipment
Gas and chemical plant
Lifting, hauling and transporting machinery, the following: hoists, winches, pulleys
Motor vehicles and spares
Oil-refining plant
Pile-drivers
Pumps of all kinds, including petrol and oil-measuring pumps, other than of a kind used in motor vehicles, ships, boats or aircraft, or for domestic purposes
Refrigerators and refrigeration machinery, other than of a kind used for domestic purposes
Separators for separating oil from mixtures of oil and water
Welding machines
Well-boring machinery and plant
Cocks, taps, traps and valves for controlling gases, liquids or vapours
Flexible tubing and piping, wholly or mainly of metal
Petroleum and shale oils, crude and refined (other than lubricating oils, waxes of all kinds including mixtures of waxes, wax residues, petrolatum and greases)
Wholly and semi-manufactured gold
Rice, whole or broken, and all edible rice products, including rice starch and flour
Fats and oils (edible and non-edible, including shortening and margarines, but excluding castor beans and castor oil, sperm oil, tung oil, oiticia oil and oil-bearing seeds), and soap
Soapless detergents
Coconut meal
Cottonseed meal
Fresh and frozen fish

Eggs in shell
Macaroni, spaghetti, vermicelli and other alimentary pastes
Poultry, killed or dressed
Prepared poultry feeds
Belts, handbags, satchels and containers of all descriptions made of plastic materials

Burma

IMPORT RESTRICTIONS RELAXED—In a notice dated July 15, 1959, the Director of Imports and Exports to the Commissioner of Customs of Burma announced further relaxation of import control restrictions. Under the notice, specified commodities, the import of which was formerly permitted from countries other than dollar countries, may now be imported from any country whatsoever, including the dollar countries.

The goods affected by this relaxation are: dried fish and dried prawns, including dried shrimps; foodstuffs; fountain pens; stationery, excluding fountain pens, slates and slate pencils; household goods; cotton sewing thread, excluding thread in hanks or cones; musical instruments, including parts and accessories thereof; miscellaneous goods not otherwise specified.

Indonesia

DEVALUATION OF CURRENCY—A cablegram from Djakarta reports that partial devaluation of Indonesian currency became effective from August 25, 1959. According to the cable, the former system for imports and exports has been abolished. Under the new system, exporters are required to pay the Government 20 per cent of the proceeds from exports. Imported articles are to be divided into six categories and importers are obliged to pay levies to the Government ranging from zero to 200 per cent. The foreign exchange rate has been fixed at 45 rupiahs to one U.S. dollar.

The value of banknotes of 500 and 1,000 rupiahs now in circulation has been reduced to 50 and 100 rupiahs respectively. Other bank notes are not affected. The Government calculates that this measure will take 8.5 billion rupiahs out of circulation. Ninety per cent of the bank deposits in excess of 25,000 rupiahs have been frozen and have become a long-term obligatory loan to the Government. It is estimated, the cable reports, that this latter measure will produce a consolidated fund of 3.5 billion rupiahs.

More complete information will be published when further details are received.

St. Kitts-Nevis

RELAXATION OF IMPORT RESTRICTIONS—The Government of St. Kitts-Nevis announced on August 12, 1959, that an Open General Licence has been issued for goods from the dollar area with the exception of the following:

Air-conditioning machines, self-contained, comprising elements for cooling, control of humidity, cleaning and circulating of air
Centrifugal drying and separating machines, other than of a kind used for domestic purposes
Compressors and exhausters, air and gas
Dredging equipment
Gas and chemical plant
Lifting, hauling and transporting machinery, the following: hoists, winches, pulleys
Oil-refining plant
Pile-drivers
Pumps of all kinds, including petrol and oil measuring pumps, other than of a kind used in motor vehicles, ships, boats or aircraft, or for domestic purposes
Refrigerators and refrigeration machinery, other than of a kind used for domestic purposes
Separators for separating oil from mixtures of oil and water
Welding machines
Well-boring machinery and plant
Cocks, taps, traps and valves for controlling gases, liquids or vapours
Flexible tubing and piping wholly or mainly of metal
Petroleum and shale oils, crude and refined (other than lubricating oils, waxes of all kinds including mixtures of waxes, wax residues, petrolatum and greases)

St. Lucia

IMPORT RESTRICTIONS EASED—The Government of Saint Lucia has announced that, effective July 1, 1959, an Open General Licence has been issued for the import of goods from the dollar area, with the exception of the following:

Air-conditioning machines, self-contained, comprising elements for cooling, control of humidity, cleaning and circulating of air
Centrifugal drying and separating machines, other than of a kind used for domestic purposes
Compressors and exhausters, air and gas.
Dredging equipment
Eggs, fresh
Gas and chemical plant
Lard
Lifting, hauling and transporting machinery, the following: hoists, winches, pulleys
Oil, edible
Oil-refining plant
Oleomargarine
Pile-drivers
Pumps of all kinds, including petrol and oil measuring pumps, other than of a kind used in motor vehicles, ships, boats or aircraft, or for domestic purposes
Refrigerators and refrigeration machinery, other than of a kind used for domestic purposes
Rice
Separators for separating oil from mixtures of oil and water
Soap, common
Sugar, unrefined
Welding machines
Well-boring machinery and plant
Cocks, taps, traps and valves for controlling gases, liquids or vapours
Flexible tubing and piping wholly or mainly of metal
Petroleum and shale oils, crude and refined (other than lubricating oils, waxes of all kinds including mixtures of waxes, wax residues, petrolatum and greases)

South Africa

REPRESENTATIONS RESPECTING THE TARIFF —The South African Board of Trade announced recently that it had received the following representations respecting the tariff:

Increase in duty on:

1. (a) tungsten carbide tips but excluding tips for percussive drill stems, from free of duty to 25 per cent ad valorem

   (b) tungsten carbide tipped tools from free (minimum rate) and 5 per cent ad valorem (intermediate rate) to 25 per cent and 30 per cent ad valorem, respectively.

2. Fancy candles and waxware, from 4s.2d. per 100 lb. and 10 per cent ad valorem respectively, to 25 per cent ad valorem in the maximum column of the tariff.

3. Ready-made bedsheets and pillow-cases

   (a) made from calico, drill, twill and sateen, to 45 per cent ad valorem in the intermediate column and to 55 per cent ad valorem in the maximum column

   (b) made from materials other than calico, drill, twill and sateen, to 50 per cent ad valorem in the intermediate column and to 60 per cent ad valorem in the maximum column.

4. Blanks for trophies, prize cups and beer tankards, from 10 per cent ad valorem to 27½ per cent ad valorem.

5. Trophies, prize cups and beer tankards, from free of duty (except beer tankards which are dutiable at various rates) to 100 per cent ad valorem in the maximum column.

6. Grease nipples to fit threaded sockets of ¼ inch diameter and over, by 50 per cent ad valorem.

7. Pliable steel tubing for forming ducts in concrete, from 10 per cent ad valorem to 30 per cent ad valorem.

8. Apparatus and cabinets for sterilizing surgical and dental instruments, appliances and dressings, from free of duty to 33⅓ per cent ad valorem.

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

Tanganyika

IMPORT RESTRICTIONS RELAXED—The Import Controller, Tanganyika, announced on June 26, 1959, that goods may be imported from the dollar area under Open General Licence, with some exceptions for which specific licences will be required.

Information concerning particular commodities for which specific licences are required may be obtained from the International Trade Relations Branch of the Department.

Turkey

IMPORT RESTRICTIONS RELAXED—In mid-May Turkey relaxed the import restrictions on specified commodities. In the *Official Gazette* of Turkey for May 13 and 15, 1959, the Ministry of Commerce published schedules of goods which could be imported without restriction. Under the new regulations the importer may now apply directly to the Central Bank of Turkey or through his banker for permission to import, to obtain his foreign exchange requirements for the goods specified, and to open a letter of credit. For its part, the bank will refund upon request the deposit of 15 per cent usually required for imports. One hundred per cent of the counter-value of the goods must be deposited when the letter of credit is opened and the goods must be imported within four months.

The goods affected by this liberalization include virtually all types of spare parts for vehicles, machinery; instruments; chemicals, paint-driers; refractory bricks and tiles; pig iron; road rollers; tractor-drawn ploughs, harrows and other agricultural machinery and appliances; spraying, fire-extinguishing and similar appliances; locomotives and wagonettes; various educational equipment and gramophone record moulds.

The complete schedule of goods affected by this measure may be obtained upon request from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

THIRD QUOTA IMPORTS ANNOUNCED—On August 3, 1959, the third global quota and schedule of permissible imports was announced in the *Official Gazette* of Turkey. The total quota is $240 million and is allocated as follows: $25 million for free imports; $45 million for "automatic licence" imports, and $170 million for global imports. The effect of the third global quota and the relevant instructions is to increase foreign trade freedom and ensure that local industries may obtain adequate supplies of raw materials.

Free imports are those for which the importer may apply for permission to import directly to the Central Bank of Turkey or through his banker. Besides the lengthy schedule of free imports announced on May 13 and 15, 1959, a wide range of pharmaceuticals and other chemicals, various kinds of instruments, bristles, X-ray films, diving suits, medicinal fish oils, and books, papers and periodicals are added.

"Automatic licence" imports cover a specified schedule of goods for which the Central Bank will issue import licences on demand, provided that the application is supported by a certificate from the appropriate authority attesting to the necessity for the import of the goods. Imports under this procedure are limited to petroleum companies, local manufacturers, state monopolies and exporters requiring material for packing.

The list of imports under the third global quota is divided into imports from the dollar, European monetary area and other countries whose payment is effected in hard currencies, and imports from the bilateral or clearing-account countries. Each of these sections is sub-divided, where applicable, into imports by the market and imports by local manufacturers for their own consumption.

The importer must apply for a licence to the Central Bank of Turkey, showing pro-forma invoices and firm offer from supplier abroad, and also make a deposit of at least 10 per cent of the Turkish lira counter-value of application in cash. If applications exceed in total the available quota, the Central Bank will issue licences pro-rata to the amounts demanded/available. Import licences will be valid for four months from date of issue. In extenuating circumstances, an extension of up to two additional months will be granted.

The new regulations also provide for the import of certain goods on specified credit terms. These include iron and steel manufactures, heavy machinery and equipment.

The complete schedule of imports into Turkey under the third global quota, plus details of the regulations, may be obtained upon request from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

United States

TARIFF COMMISSION INVESTIGATION INTO ZINC SHEET IMPORTS—On August 20 the United States Tariff Commission, at the request of some domestic producers, instituted an investigation under section 7 (the escape clause) of the Trade Agreements Extension Act to determine whether "zinc in sheets (including coated or plated sheets), classifiable under paragraph 394 of the Tariff Act" are, as a result of customs treatment, reflecting tariff concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

A public hearing in connection with this investigation will be held beginning at 10 a.m. EST on November 3, 1959, in the Tariff Commission Building, 8th and E Sts. N.W. Washington, D.C. Interested parties wishing to appear and be heard should notify the Secretary of the Commission in writing, at least three days before the date set for the hearing.

The present tariff on coated or plated zinc sheets is 1⅛ cents per pound and on uncoated zinc sheets one per cent.

TARIFF QUOTA ON ALSIKE CLOVER SEED LAPSES—On June 30, 1954, as a result of an escape-clause investigation and recommendation by the Tariff Commission, the President established a one-year quota of 1½ million pounds of alsike clover seed which could enter at the trade agreement rate of two cents per pound; imports over this low-tariff quota became dutiable at six cents per pound.

On June 30, 1955, when the original quota was due to expire, the President renewed the tariff quota for two years but raised the low-rate quota to 2½ million pounds.

When the time came for a second renewal in 1957, the President ordered the low-rate quota increased to three million pounds a year over the next two years ending June 30, 1959. When June 30th arrived this year the tariff quota was not renewed. Consequently, as of July 1, 1959, all imports of alsike clover seed into the United States from GATT countries are again entitled to the trade agreement rate of two cents per pound.

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service are undertaking tours in Canada. Their itineraries are:

S. V. ALLEN, Deputy Consul General (Commercial) in New York:

Vancouver—Sept. 14-17

D. S. ARMSTRONG, Commercial Counsellor in Cairo, Egypt:

Vancouver—Oct. 5-9
Calgary—Oct. 13
Winnipeg—Oct. 14-16
Toronto—Oct. 19-23
Windsor—Oct. 26
Sarnia—Oct. 26
Brantford—Oct. 27
Hamilton—Oct. 28
Guelph—Oct. 29
Fergus—Oct. 29
St. Catharines, Welland, Niagara Falls—Oct. 30
Montreal—Nov. 2-13
Ottawa—Nov. 16-27

M. B. BURSEY, Commercial Counsellor in Accra, Ghana:

Ottawa—Sept. 17-18
Winnipeg—Sept. 21-23
Toronto—Sept. 25-Oct. 2
Montreal—Oct. 5-Oct. 10

When he completes his tour, Mr. Bursey will be posted to Oslo, Norway, as Commercial Counsellor.

C. O. R. ROUSSEAU, Commercial Secretary in Beirut, Lebanon:

Toronto—Sept. 8-14
Hamilton—Sept. 15
Winnipeg—Sept. 17-18
Vancouver—Sept. 21-23

R. CAMPBELL SMITH, Commercial Counsellor in Paris, France:

Vancouver—Sept. 16-18

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

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 1.05021.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent August 31	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01137	87.95	(1)
Austria	Schilling		.03680	27.17	
Australia	Pound		2.1372	.4679	
Bahamas	Pound		2.6715	.3743	
Belgium, Belgian Congo and Luxembourg	Franc		.01905	52.49	
Bermuda	Pound		2.6715	.3743	
Bolivia	Boliviano	Free	.00008334	11,999.04	
British Guiana	Dollar		.5566	1.80	
British Honduras	Dollar		.6679	1.50	
Brazil	Cruzeiro	General Category*	.005263	190.00	*Aug. 12 (2)
		Special Category	.002848	351.11	
		Official selling	.05061	19.76	(3)
Burma	Kyat		.2000	5.00	
Ceylon	Rupee		.2004	4.99	
Chile	Peso	Free	.0009051	1,104.85	(4)
Colombia	Peso	Certificate	.1488	6.72	
Costa Rica	Colon	Official	.1696	5.90	
		Controlled free	.1433	6.98	
Cuba	Peso		.9522	1.05020	tax 2%
Czechoslovakia	Koruna		.1322	7.56	
Denmark	Krone		.1381	7.24	
Dominican Republic	Peso		.9522	1.05020	
Ecuador	Sucre	Official	.06348	15.75	
		Free	.05389	18.56	
Egyptian Region, United Arab Rep.	Pound	Official	2.7343	.3657	
		Export account selling	1.8100	.5525	
El Salvador	Colon		.3809	2.62	
Fiji	Pound		2.4068	.4155	
Finland	Markka		.002976	336.02	
France, Monaco and North Africa	Franc		.001942	514.93	(5)
French colonies	Franc		.003884	257.47	(6)
French Pacific	Franc		.01068	93.63	(7)
Germany	D Mark		.2275	4.39	
Ghana	Pound		2.6715	.3743	
Greece	Drachma		.03174	31.50	
Guatemala	Quetzal		.9522	1.05020	
Haiti	Gourde		.1904	5.25	
Honduras	Lempira		.4761	2.10	
Hong Kong	Dollar	Free*	.1658	6.03	*Aug. 21
		Official	.1670	5.99	
Iceland	Krona	Official	.05847	17.10	(8)
India	Rupee		.2004	4.99	
Indonesia	Rupiah	Official rate	.02116	47.26	Effective Aug. 25, 1959
Iran	Rial		.01257	79.55	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent August 31	Units per Canadian dollar	Notes (See below)
Iraq	Dinar		2.661	.3758	
Ireland	Pound		2.6715	.3743	
Israel	Pound		.5290	1.89	
Italy	Lira		.001534	664.89	
Japan	Yen		.002645	378.07	
Lebanon	Pound	Free	.3020	3.31	
Mexico	Peso		.07618	13.13	
Netherlands	Florin		.2518	3.97	
Netherlands Antilles	Florin		.5074	1.97	
New Zealand	Pound		2.6715	.3743	
Nicaragua	Cordoba	Effective buying	.1443	6.93	
		Official selling	.1351	7.40	
Norway	Krone		.1335	7.49	
Pakistan	Rupee		.2004	4.99	
Panama	Balboa		.9522	1.05020	
Paraguay	Guarani	Official	.007869	127.08	
Peru	Sol	Certificate	.03377	29.61	
Philippines	Peso		.4761	2.10	
Portugal & Colonies	Escudo		.03323	30.09	(9)
Singapore and Malaya	Straits Dollar		.3117	3.21	
Spain and Dependencies	Peseta		.01587	63.01	
Sweden	Krona		.1840	5.43	
Switzerland	Franc		.2205	4.53	
Syrian Region, United Arab Rep.	Pound	Free	.2659	3.76	
Thailand	Baht	Free	.04532	22.06	(8)
Turkey	Lira		.1058	9.45	(8)
Union of South Africa	Pound		2.6715	.3743	
United Kingdom	Pound		2.6715	.3743	
United States	Dollar		.9521875	1.05021	
Uruguay	Peso	Free	.08700	11.49	
		Basic buying	.6289	1.59	(8)
		Principal selling	.4545	2.20	
Venezuela	Bolivar		.2842	3.52	
West Indies Fed.	Dollar		.5566	1.80	(10)
	Pound		2.6715	.3743	(11)
Yugoslavia	Dinar	Official	.003174	315.06	(8)
		Settlement rate	.001507	663.73	

*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.

Worth cultivating...

West German Market for Forest Products

. . . competition is strong, especially from European neighbours, but demand is growing and Canadians could increase their share of the market.

G. F. MINTENKO,
Assistant Commercial Secretary, Bonn.

WEST Germany's own considerable forest wealth and her proximity to such substantial exporters of forest products as Sweden, Finland, Norway and Austria largely account for the fact that the Federal Republic does not figure as one of the more important markets for Canada's forest products. Although the geographical facts will not change, a recent survey conducted by the Bonn and Hamburg offices of the Trade Commissioner Service indicates that Canada could improve its sales of at least some types of forest products considerably. Trade conditions for newsprint, kraft paper, wood pulp, lumber, and plywood were examined. The following paragraphs give only a brief résumé of the findings and interested readers may obtain further details from the Forest Products Division of the Commodities Branch in the Department of Trade and Commerce.

The one word that describes the West German market for forest products is competitive. West Germany's industries have expanded their output considerably in the years since 1948, but growing demand in the consumer industries, coupled with higher living standards (per capita consumption of paper and paperboard during the period 1950-58 more than doubled to 66 kilograms), has left a large gap for imports to fill.

WEST GERMAN IMPORTS OF SELECTED FOREST PRODUCTS

	1958		1957	
	Total	From Canada	Total	From Canada
	('000 DM)*			
Coniferous wood: pitprops	88,695	1,707	84,188	1,413
Veneer sheets and sheets for plywood	51,707	80	43,516	
Unbleached sulphate wood pulp	71,663	598	80,493	690
Sulphate wood pulp, semi-bleached and bleached	96,422	7,240	96,098	4,581
Artificial fibre pulp and refined cellulose pulp	65,758	541	23,556	
Sulphite wood pulp, bleached	55,301	397	61,940	1,580
Newsprint	112,987	1,612	105,520	3,467

*1 DM equals Can.$0.23.

Source: *Foreign Trade Statistics,* published by Federal Office of Statistics, Wiesbaden.

Competition Is Keen

The competition for the market created by this gap is brisk. Other European countries are Germany's principal sources of imports, but the United States and Canada also play a part. The United States is the Federal Republic's leading supplier of dissolving sulphate pulp and Canada is an important supplier of bleached and semi-bleached paper grades of sulphate pulp. Our other exports include newsprint, pitprops and softwood lumber.

The table on the left gives details of Canada's share of the West German market for forest products.

Agents Are Important

Most Canadian exporters who participate in the West German market do so through well-established local agents. These agents are able to maintain close liaison with present and potential customers, keep their Canadian principals posted on the activities of competitors in the market, advise on shipping and specifications, report on new product developments, and generally carry out all those activities that the principal would find difficult to handle himself by correspondence.

In turn, the agent must receive the backing of his principals through the supply of regular and complete information on the products he is promoting, and also be assured of a fair allocation of supplies in the event of shortages. That the German market is one worth cultivating is suggested by the fact that German industrial activity, unlike that of other western countries, was hardly affected during the 1957-58 recession.

The offices of the Trade Commissioner Service in Bonn and Hamburg will be glad to assist Canadian firms interested in entering the West German market for forest products. ●

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