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foreign trade

CANADA

SWEDEN SELLS FOREST PRODUCTS (page two)

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cover

One of the large pulp-and-paper manufacturing groups maintains this large forest-plant nursery in west central Sweden. Timber resources are carefully husbanded and reforestation practised to prevent depletion, because industries based on her great forests supply some 50 per cent of Sweden's exports. For a study of current and estimated future production in the various branches of these industries, see page two.

CANADA

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Care of Swedish forests includes careful thinning out of the underbrush.

SWEDEN

Canadian producers, alert to Swedish competition in export markets, will find this analysis of the current situation and future prospects of the vital forest-products industry there both illuminating and practical. To suppliers of engineering services and equipment, it may suggest opportunities.

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

SWEDEN is one of the few countries in the Free World that still has large natural forest resources; in fact, 56 per cent of its 158,445 square miles is under forest. Official estimates made from 1938-1952 put the supply of standing timber at 1,840 million cubic metres, made up of 40 per cent pine, 45 per cent spruce, 11 per cent birch, and 4 per cent other varieties (or 85 per cent conifers and 15 per cent hardwood). The annual regrowth comes to about 63 million cubic metres a year and outpaces annual consumption.

These timber resources, combined with abundant waterpower and extensive waterways, provided the base for the rapid development of the forest-products industries in Sweden during the first half of this century. These now form the country's most important manufacturing group, making up about 10 per cent of national output. Its products—wood pulp, paper, board, lumber products and byproducts—represent about 50 per cent of total Swedish exports by value.

The following table gives estimates of the use of Swedish soft and small wood timber.

SWEDISH USE OF SOFT AND SMALL WOOD TIMBER

	1957	1960	1963
	(in '000 of cubic metres)		
Sawmills Veneer and plywood industries	14,827	14,827	14,827
Pulp industry Wallboard	16,365	19,498	21,665
Firewood, fences, etc.	725	1,172	1,245
TOTAL	31,917	35,497	37,737

Bearing in mind the importance of the forest industries to Sweden and the fact that these are hardly

Sells Forest Products

less important in Canada, I have prepared the following review of current conditions in the various branches of the Swedish industry. It should interest Canadian producers, who recognize and respect Swedish competition in this field.

CELLULOSE

Pulp production ranks first among the forest industries in Sweden today and has developed more rapidly than any other branch. Last year production totalled 4,101,000 metric tons (4,235,000 in 1957) and was roughly made up of 40 per cent sulphite, 37 per cent sulphate, and 23 per cent mechanical pulp. Exports of pulp reached about Kr.1,537.9 million in value, or 14.1 per cent of the value of total Swedish exports in 1958. The year 1957 was, however, even better: sales abroad of chemical pulps totalled 2,047,124 tons and of mechanical 412,801 tons. The table below gives the details.

The current situation of the Swedish cellulose industry is balanced production in the face of excess capacity. However, there have been encouraging indications of improved markets and prices, especially during the last six months, and the long-term outlook is bright. At the end of last year the industry made certain decisions about 1959 production. To balance current output and demand and to cut down excessive stocks, an average over-all reduction of 10 per cent was agreed upon. This 10 per cent average cut applied to sulphite pulp bleached and unbleached, and to sulphate pulp bleached and unbleached; the reduction in mechanical pulp was set at 30 to 35 per cent. It was also decided to re-examine these production restrictions as the year progressed and to develop ideas about prices. At the time of writing, it appears that the restrictions will be maintained for mechanical, unbleached sulphite, and sulphate pulps. Because the decrease in production is greater than the fall in exports, producers expect that excessive stocks will be reduced and the planned increase in capacity not fully used.

SWEDISH PULP EXPORTS

	1957		1958	
	Dry Weight (metric tons)	Kr. (millions)	Dry Weight (metric tons)	Kr. (millions)
Mechanical	412,801	161.01	345,138	119.40
Dissolving	363,040	335.74	316,497	279.81
Other chemical	1,684,084	1,173.01	1,695,600	1,124.40

MARKETS FOR SWEDISH PULP

	Chemical Pulp			Mechanical Pulp		
	1937	1946	1958	1937	1946	1958
	(in metric tons)					
United Kingdom	350,000	312,000	598,814	232,000	173,000	216,020
West Germany	105,000	42,000	263,580			9,262
France	186,000	146,000	232,126	65,000	15,000	29,586
Italy	97,000	98,000	164,086		3,000	3,745
United States	952,000	338,000	159,635	26,000	8,000	6,764
Argentina	28,000	47,000	73,623	2,000	1,000	3,891
Brazil	34,000	74,000	37,958	5,000	1,000	
Mexico	25,000	30,000	9,606			1,200
Other South American countries	22,000	61,000	22,405		1,000	1,679
Total Exports	2,163,000	1,545,000	2,012,094	353,000	265,000	345,138

Britain Buys Most

Sweden's chief customer for both chemical and mechanical pulp is now Britain, which in 1958 purchased 598,814 metric tons of chemical and 216,020 tons of mechanical pulp. The table below shows the distribution of Swedish pulp exports in 1937, 1946 and 1958. The most striking change during the twenty years is the transfer of the main volume of shipments from the North American market to the Western European countries.

The Swedish pulp industry does not show any obvious signs of weakness. However, it seems to be meeting increased competition in its traditional markets for sulphate pulp from United States and Canadian producers; this makes for difficulties because all Swedish production must be sold abroad and a profit made on every ton sold. In addition, Swedish wood costs at factory are high—probably 35 to 40 per cent higher than in the U.S. and Canada. In an industry where wood costs account for a large part of total production costs, this is an important factor. To overcome this disadvantage the Swedish industry is endeavouring to lower per unit prices by increasing the use of birch wood and thus adding to over-all supply. Moreover, demand for sulphate pulp from hardwood has increased greatly. In sulphite pulp, Sweden appears to have an advantage, but this type is of less importance in foreign markets.

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For the long term, the Swedish industry is counting on greater demand and is therefore planning to increase capacity. Although the expansion programs of the various companies are not available for publication, the following total expected increases in market pulp capacity should be of interest:

	1958	1959	1960	1961
	(metric tons)			
Dissolving pulp	195,000	201,000	215,000	230,000
Other bleached sulphite	197,000	244,000	388,000	424,000
Unbleached sulphite	531,000	529,000	444,000	443,000
Bleached sulphate	130,000	140,000	155,000	291,000
Unbleached sulphate	480,000	509,000	480,000	463,000
TOTAL	1,533,000	1,623,000	1,682,000	1,851,000

This added capacity will, the reader will note, step up the production of sulphate pulps substantially. On the average, however, the industry's capacity as a whole will increase by about 6 per cent a year, or more than 20 per cent over four years.

The advent of the free trade area of the "Outer Seven" countries—or EFTA (European Free Trade Association) as it is to be known—will not affect the markets for Swedish cellulose to any noticeable extent. It may, however, mean in the long run a move towards integration.

PAPER AND BOARD

The properties of the fibre of the North European conifers are well known. It is this fibre that has facilitated Sweden's export trade not only in newsprint and kraft but in practically the entire range of qualities turned out today. Sweden is noted for such products as paper for bags, sacks, creping and duplex and for yarns for cable insulation. About 52 per cent of Swedish production of paper and board was sold abroad in 1957 and 1958.

In 1958 production of paper and board totalled 1,682,000 metric tons compared with 1,681,000 in 1957 and 1,574,000 in 1956. Newsprint production rose over 1957 by 17,000 tons to reach 449 thousand tons. Kraft paper output, however, last year decreased by 38,010 tons to 426,186. Fine papers increased slightly but sulphite wrappings showed a small decline. Other grades such as greaseproof, parchment and board exhibited practically no change.

Exports in 1958 increased from 960,347 tons in 1957 to a new record of 976,788 tons, mainly because of increased shipments of newsprint and, to a lesser extent, fine paper. In other grades there was practically no change and in kraft paper a decrease.

In 1958 the United Kingdom and Germany were Sweden's principal markets for paper and board; the United Kingdom alone was the leading outlet almost from the time that Sweden began to export in this field. In 1958, however, sales to the U.K. fell by 11,155 tons to 156,791 tons. This loss applied to all classes of paper, including newsprint. West Germany now ranks first among Swedish markets, buying 164,720 tons of paper and board in 1958.

Swedish pulp production will increase by 1.9 million tons in the next few years and of this, 900 thousand tons will be converted to paper, chiefly newsprint and kraft. In this sector, the industry considers that full integration is necessary.

More Integration Expected

Currently the industry has found markets soft—but no more so than have many other branches of industry. Newsprint production is still curtailed by 15 to 20 per cent and kraft by 20 per cent. Other sectors of the paper industry, because they are more adapted to and dependent on the home market, have experienced fewer difficulties. Stocks

EXPORTS OF PAPER AND BOARD

	1957		1958	
	Metric tons	Million Kr.	Metric tons	Million Kr.
Newsprint	256,918	197.20	278,054	202.86
Kraft paper	361,555	360.35	357,205	355.23
Sulphite wrappings	70,253	83.10	73,544	84.20
Other papers	204,756	251.19	205,342	237.14
Paperboard	66,865	59.22	62,643	52.75
TOTAL	960,347	951.06	976,788	932.15

FOREIGN MARKETS FOR PAPER AND BOARD

	Newsprint		Wrapping Paper		Cardboard	
	1957	1958	1957	1958	1957	1958
			(in metric tons)			
West Germany	45,698*	52,227	78,588*	99,059	5,554*	7,434
United Kingdom	44,803	36,147	110,607	108,131	12,536	12,513
Netherlands	1,231	2,731	55,756	58,803	2,687	2,683
France	19,353	29,958	18,044	15,966	1,831	879
United States	223	50	3,389	10,806	1,798	2,044
Brazil	42,253	50,564	904	1,450	9	3
Argentina	17,362	32,048	4,337	1,515		
Total Exports	257,016	278,054	458,971	459,527	55,641	58,768

*1957 figures include East Germany. (Exports to East Germany in 1958 were negligible—2,109 tons of sulphate wrappings and 336 tons of cardboard.)

now appear to be increasing and conditions in the autumn are expected to be better and markets stabilized. There is no indication yet of what reduction in output, if any, will be maintained in the fourth quarter.

Over EFTA (European Free Trade Association) the industry is optimistic. In Britain, its biggest market, the import tariff on kraft is 14 per cent and on board 20 per cent; newsprint enters free. Swedish exports to the U.K. in this sector are not yet up to the prewar figure, even though consumption has risen. The industry hopes, therefore, that EFTA will add to its ability to compete in the U.K. market and feels that in the long run more integration is inevitable.

WALLBOARD

The Swedish wallboard or fibreboard industry experienced a rapid postwar expansion but import restrictions in Britain after the Korean boom forced it to cut production by one-third. Since then, conditions have improved steadily, as the following production figures show:

1939	123,000 metric tons
1951	328,000 " "
1952	227,000 " "
1953	270,000 " "
1954	361,000 " "
1955	424,000 " "
1956	451,000 " "
1957	520,000 " "
1958	584,000 " "

In 1958 Swedish wallboard exports totalled 349,747 metric tons valued at Kr.152,491 thousand, compared with 339,825 metric tons worth Kr.154,681 thousand in 1957. Britain is again Sweden's leading customer, with the Netherlands in second place, followed by the United States, West Germany, Denmark and Venezuela. U.S. purchases increased from 14,600 tons in 1954 to 39,900 in 1958; Canada purchased 6,143 tons in 1958 compared with 3,447 in 1957.

Despite intensive promotion with a view to increasing domestic consumption, only limited progress has been made. None the less, for the last ten years Sweden has been the highest per capita consumer of wallboard in the world by a considerable margin, with an annual use per person of about 20 kilograms. The industry has not been content with this but has tried to step up consumption further by providing users with technical information. In the light of slow increases, the producers now feel that they may have reached saturation point. Sales of wallboard have held steadier than those of insulation board, which have decreased.

In foreign markets, Swedish producers are meeting increased competition from protected domestic industries. Moreover in the United Kingdom, where one-half of the Swedish exports of wallboard go, Finland and Norway are gaining ground. South Africa, whose wallboard enters the U.K. duty-free, is the biggest supplier after Sweden.

The industry considers that the advent of EFTA will not help it much, especially as Britain is already totally dependent on Swedish supplies of wallboard. The lowering of the 20 per cent tariff will, however, permit the Swedish exporter to raise his prices.

LUMBER

Although the cellulose industry today is the most important of the forest industries, lumber is a prominent Swedish export and is shipped chiefly to Britain, the Netherlands and West Germany. During the last five years production of sawn softwood products (including boxboards, beams, spars and sleepers) has averaged 1,702.8 million standards, of which an average of 59.1 per cent has gone abroad. In 1958, exports reached 1,687.0 million standards, compared with 1,640.4 million in 1957, and 1,620.5 million in 1956. The distribution of last year's shipments among the leading importing countries, with corresponding figures for 1957, is given in the table following.

EXPORTS OF SAWN AND PLANED SOFTWOOD

(excluding ends, spars, sleepers and boxboards)

	1957	1958
	(in standards)	
United Kingdom	459,814	341,904
Netherlands	198,519	145,395
West Germany	122,277	114,437
Denmark	81,767	70,715
France	51,317	32,342
Other countries	140,742	119,239
Total standards	1,054,436	824,032

The quantity of planed timber included in exports reached 27,324 standards in 1958, compared with 33,289 in 1957. In addition to the above, 6,435 standards of sleepers and 10,833 standards of boxboards were exported in 1958, compared with 9,564 standards and 13,613 standards respectively in 1957.

The Swedish lumber industry, as the figures demonstrate, experienced a severe setback in 1958, with a considerable falling-off in export volume and prices. The reasons for this were three: the generally depressed world market, the Russian offers at low prices on the British market, and the devaluation of the Finnmark in September 1957 that made Finnish prices more competitive. Actually, lumber exports from Sweden fell last year to 824,032 standards, approximately 230 thousand less than in the previous year.

The current year has seen a distinct improvement. Since early spring the U.K., which normally takes about 40 per cent of Swedish exports, has shown greater interest and by May orders for 600 thousand standards had been placed. (This is 50 per cent more than for the same period in 1958.) At the time of writing Swedish exports are estimated at 700 thousand standards or 80 per cent of the anticipated total of 900 thousand standards for the year. Needless to say, the industry is well satisfied.

Although 1958 prices were low, even below producers' costs, the increased demand in 1959 has

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brought improvement and they are now considered to be profitable although production costs still are causing concern. Wages are becoming an increasing part of these costs, though raw material is still the biggest factor and it is anticipated that raw material costs will increase at the autumn auctions.

The industry expects that 1960 sales will begin earlier and that prices will continue to be firm. Generally the trade is optimistic. According to official estimates, production capacity of the lumber industry will remain unchanged during the next few years.

EFTA will probably not affect the lumber industry because lumber is not a commodity against which the traditional markets maintain high tariffs.

Opportunities for Canadians

Canadian engineering firms and manufacturers of all types of machinery and equipment used in pulp and paper mills should look to Sweden immediately with a view to participating in the expansion in the forest-products industries both at home and abroad. Canadian experience and know-how in this field are recognized and valued. Already some Canadian firms are investigating opportunities. Further details of individual expansion plans can be supplied by the Canadian Commercial Counsellor in Stockholm. •

UNITED KINGDOM

Woollen Industry Progresses

Technical progress, close study of buyers' tastes, constant introduction of new products have helped this old-established British industry meet changing demand, maintain sales.

A. WORDEN EVANS, *Trade Commissioner, Liverpool.*

BRITAIN'S wool textile industry has a vigorous and progressive outlook, refreshing in a business rooted so deeply in the British past. Inherited skills and modern machinery combine in manufacturing products noted for their high quality and there is no hesitation in blending wool with man-made fibres to meet the buyer's requirements. Market research to ascertain consumer tastes is carried on and science is not neglected in the search for a better and longer lasting product.

Wool products fall naturally into two main classes—worsteds and woollens. Worsteds are made up from the better quality wools into suitings and dress fabrics, waterproof cloths, and yarns for knitwear; woollens are produced from all types of raw wool and are used for making tweeds, flannels, overcoatings, blankets and various industrial cloths.

Two Sections Operate

The two sections of the woollen industry are organized differently. On the worsted side, the various processes are carried out by different firms, largely because the worsted weaver uses a wide variety of yarns and each type can best be obtained from specialists. In woollens, on the other hand, where a great variety of products is made, there is a close association between spinning and weaving, necessary to produce cloth of a given type. All processes therefore tend to be under one management. In both sections, small establishments predominate. About one-quarter of the working force is employed by firms with fewer than 100 persons on the payroll and firms with under 200 employees account for one-half of those in the industry.

Production, for a number of reasons, has tended to be centralized in Yorkshire, which accounts for about 80 per cent of total output, and each individual area tends to specialize in a particular product. The West of England and Scotland concentrate on higher quality goods, and Northern Ireland produces small amounts of wool textiles.

For the hundred years before the Second World War employment in the wool textile industry fluctuated between 200 thousand and 300 thousand. A down-trend started between the two world wars and this has continued, except for short periods, as technological improvements have tended to reduce the labour force. In 1939 there were 227 thousand employees compared with the postwar peak of 218 thousand in 1950 and about 170 thousand at the present time. The traditional ratio of 130 female to

100 male employees has declined in recent years.

Raw Materials

The industry has long since outgrown domestic supplies of raw wool that today provide only about 10 per cent of the total required. Of the imported supplies, four-fifths come from Australia, New Zealand and South Africa and most of the remainder is obtained from South America and France. Synthetic fibres are growing in importance and now form a major source of raw material. In 1957 they accounted for 9.5 per cent of fibre consumption.

The following table gives a picture of the production of wool textiles since 1937 and also includes blended fabrics.

The wool industry has been quick to adjust itself to technical progress. Between 1946 and the present, the number of automatic looms has risen from 4,000 to more than 12,000, out of a total of approximately 53,000. This trend is continuing but at a slower rate because at the moment certain qualities of cloth cannot be made on automatic looms. The latest available figure shows that in 1954 alone £7.1 million was invested in new plant and machinery.

Research is carried on mainly by the Wool Industries Research Association (financed by the Department of Scientific and Industrial Research) and through a statutory levy on the industry operated by a central organization—the Wool Textile Delegation. This body is jointly responsible, with the Wool (and Allied) Textile Importers' Council, for a Works Study Centre established in Bradford in 1954. The Wool Export Group carries on export promotion.

PRODUCTION OF WOOL TEXTILES

(Monthly Averages)

	1937	1948	1950	1953	1956	1957	1958
Wool tops (million lb.)	23.21	23.03	26.36	26.90	26.77	27.07	24.72
Worsted yarns, deliveries (million lb.)	20.04	16.20	18.91	18.40	19.38	19.48	17.18
Woollen yarns, production (million lb.)	27.1	25.6	27.4	26.2	24.8	25.3	24.0
Woven wool and mixture fabrics, deliveries (in million sq. yd.)	39.55	34.55	37.53	34.32	33.05	32.84	29.08
Blankets, deliveries (in million sq. yd.)	n.a.	1.96	1.96	2.09	2.07	2.39	2.37

With its outstanding reputation for quality and long-established connections, the industry has succeeded in maintaining a high level of exports, despite barriers in the form of import quotas and tariffs. In 1958, exports of raw and manufactured wool were valued at £145 million, a substantial drop from the £174 million in the previous year; currently they are running at a higher level. They still form one of the largest exports and are a substantial dollar earner, because two of the principal markets are Canada and the United States. The industry exports about a quarter of its production of fabrics and well under 10 per cent of yarn. The re-export of wool is in itself a big business, amounting to £10 million last year.

The industry faces the future with optimism. The large number of small establishments, each with its pattern ranges running into hundreds, enables it to cater to every taste. Widespread use of modern machinery and a continuing program of market and scientific research should keep the wool industry well to the front among countries manufacturing wool textiles. With 53,000 looms and nearly five million spindles, it is about twice as large as its nearest competitor, Japan. ●

Norway Sells Chemical Pulp

NORWAY'S chemical wood pulp production, which totalled less than 26,000 metric tons in 1891, had increased to 565.9 thousand tons of sulphite and 136.9 thousand tons of sulphate pulp by 1958. In 1957 the sulphite section of the industry, comprising 14 firms, operated at 87.6 per cent of rated capacity, but preliminary figures for 1958 indicate that production dropped by 19,600 tons. The six sulphate producers operated at 82.2 per cent of capacity and their production increased by 8,300 tons.

All of the countries in the European Common Market are good customers for the industry. In 1957 they bought 39.7 per cent of Norway's dry sulphite pulp production for paper, 44 per cent of its dissolving pulp, and 40 per cent of its sulphate pulp. The Rome Agreement gives no preferences to Norway's main competitors and it is not expected that the Common Market will alter the export pattern.

In 1957 the United Kingdom bought more dissolving pulp, more bleached sulphite wet, and more unbleached wet, than all of the Common Market countries together. Moreover, its purchases of sulphite and sulphate bleached dry (it is the largest single market for these grades) nearly equalled sales to all the Common Market countries. In 1958 the U.K. bought 111,560 short tons (2,000 lb.) of wet and dry chemical pulp, France 32,594, the Netherlands 29,847, West Germany 26,922, Spain 20,886, Belgium and Luxembourg 10,068, and Italy 9,291. Sales to all countries totalled 326,384 tons.

Modernization of existing mills is continuing. The Government is considering construction of a sulphite mill in co-operation with Finland at Kirkenes in north Norway. Pulpwood from Finland will be used and the mill will have a capacity of 66,000 tons of cellulose for kraft paper.

—J. C. DEPOCAS,
Commercial Counsellor, Oslo.

Fairs and Exhibitions

. . . at the Chicago Metal Exposition

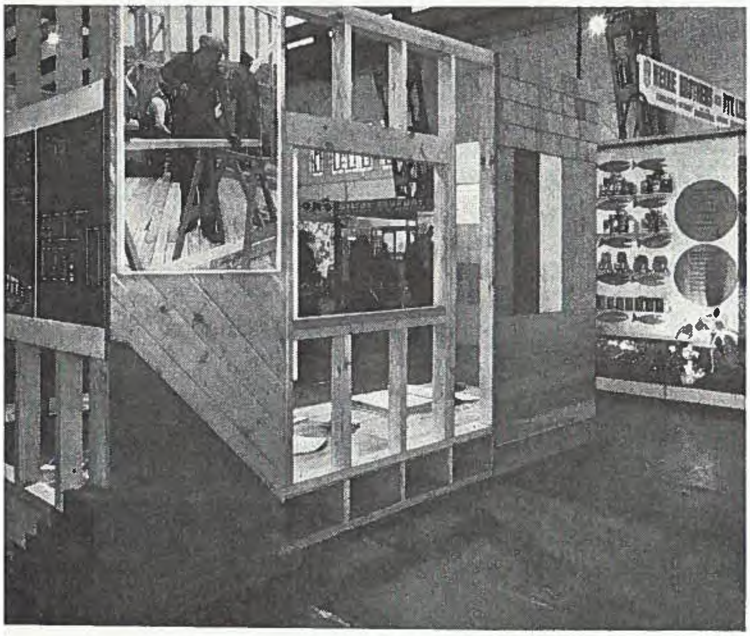
THE Department of Trade and Commerce, Ottawa, is sponsoring the participation of Canadian firms for the first time at the *National Metal Exposition and Congress* to be held in the International Amphitheatre, Chicago, November 2-6. This is the 41st such show to be held in the United States. It calls together more than 400 manufacturers with exhibits of machinery and materials and processes for the production, fabrication and application of ferrous and non-ferrous metals. About 50,000 men from the metalworking industries including scientists, production chiefs and purchasing agents are expected to attend.

A feature of Canadian participation in this show is cost-sharing; the 16 companies that are supplying exhibits are each paying a fee as part of the over-all cost of participation. In addition, each company agrees to pay the cost of shipping goods that are later sold in the United States from its premises, and via the Canadian Government Exhibition Commission workshops in Ottawa, to Chicago. It also agrees to be responsible for U.S. customs duties and for handling and broker charges accruing after the exhibition. If the goods are not sold in Chicago, the company pays only the cost of transportation from its plant to Ottawa and return, with a few exceptions. The written agreement also includes regulations relating to the actual mounting of the display by the Exhibition Commission.

The Canadian exhibit at the exposition will cover some 2,500 square feet and include a number of working models. One of the most striking will be a 40-foot machine for rolling aluminum shapes. Another one, filling a 12 x 12-foot space and weighing about 29,000 pounds, is an automatic die-sinking and contour-milling machine. It reproduces any given contour on any metal by a stylus following a plaster or wood pattern. *Foreign Trade* will be reporting to its readers on Chicago reaction to these and other machines when the show closes next month.

Businessmen who would like to look in on the exhibition and gauge the reaction for themselves should write to the office of the 41st National Metal Exposition, at 7301 Euclid Avenue, Cleveland 3, Chio, for more information.

A cutaway model home, set up by the British Columbia Lumber Manufacturers' Association at the Sydney Industries Fair in July shows how Canadian woods are used in construction.



Canada at Sydney Industries Fair

CANADA and India were the only foreign countries to exhibit at the *Sydney Industries Fair* in Australia last July. Canada's exhibit in the Royal Agricultural Society's fairground focussed on secondary industry, with the emphasis on engineering and packaging. Included in the display were consumer goods, forest products, engineering equipment, metals and minerals, chemicals, fish products and tobacco from 62 Canadian firms. Visitors showed most interest in our wallpaper, outboard motors, power chain saws, canned salmon and sardines.

Canadian participation in the Sydney Fair this year was well timed, according to the Canadian Government Trade Commissioner in that city, because of Australia's relaxation of restrictions on imports of nearly all goods from dollar countries on December 1, 1958, and April 1 and August 1, 1959.

Prime Minister Erlander of Sweden takes the wheel of a Canadian motor toboggan at St. Erik's Fair, Sept. 2. Looking on are A. Kingsley Graham, Canadian Ambassador to Sweden (left), and A. P. Bissonnet, Canada's Commercial Counsellor.

Engineering Goods on Tour

STEAMING over the high seas is a unique travelling exhibit of Canadian engineering equipment. It is bound for Halifax and home after months abroad in Tokyo, Hong Kong and Singapore. A Trade-and-Commerce-sponsored display, the idea of it was conceived late last year by J. R. Johnson of the Engineering and Equipment Division of the Department in Ottawa. It appeared first, with other Canadian engineering products, at the *Tokyo International Trade Fair* in May. From July 13-17 it was shown in Hong Kong and from August 4-13 in Singapore.

Equipment from nine Canadian firms was pulled out of the big Tokyo show for what Mr. Johnson calls his pocket-sized "Far Eastern Travelling Display"—pocket-sized because it can easily be set up in a space no bigger than 16 x 12 feet. The Canadian Marconi Company contributed its CMA-301 airborne automatic direction finder; Canadian Research Institute a breakdown tester and a geophysical vacuum-tube voltmeter; the Electrolyser Corporation Limited an electrolytic plant for extracting hydrogen and oxygen; International Patented Products a Pos-Met plug; Packsack Diamond Drills Limited its gasoline-driven diamond drill; William R. Perrin Limited, filter plates; Velan Engineering Limited, bi-metal steam traps and valves; Vulcan Equipment Company Limited a sectional tire-vulcanizing machine, and A. C. Wickman Limited its carbide mining drills.

Mr. Johnson worked out a contract with the companies by which they paid, in proportion to the size and weight of their equipment, the costs of transportation abroad; the Department took care of shipping charges from Canada to Tokyo and from Singapore to Halifax. The Trade Commissioners in Hong Kong and Singapore were responsible for receiving the display, seeing it through customs, arranging for a place to house it, and bringing buyers in to see it.

Was the venture successful? Undoubtedly, says Mr. Johnson—so much so that he is now tossing around plans for a similar touring display in Latin America.

Canton Fair Bigger than Ever

"The Chinese Export Commodities Fair in Canton can be of great value to Western businessmen interested in a source of supply of Chinese commodities not classed as traditional exports . . . The primary purpose of the Fair so far has been to promote those products that China has recently begun to produce for export." Thus C. J. Small, Trade Commissioner in Hong Kong, summed up the Canton Fair in his article "Canton Holds an Export Fair" in the January 31 issue of *Foreign Trade*. We quote it because the Canton Fall Fair is again imminent (November 1-30) and businessmen may wish to make arrangements to attend, even at this late date.

Direct inquiries are welcome and should be addressed to The Chinese Export Commodities Fair (Autumn) 1959, Canton, China. Cable address: CECFA, Canton. Arrangements have been made with China Travel Service (H.K.) Ltd., 6 Queen's Road Central, Hong Kong, cable address: TRAVELBANK, Hongkong, to help fair visitors.

Poznan Fair Meant Business

AS readers of this page have noted in the past, we like to publish in *Foreign Trade* the comments of Trade Commissioners abroad on the business prospects at trade fairs in their territories. Among the fairs that have proved to be worthwhile selling marts are a few in the Communist countries of Europe and Asia. Not the least of these was the *Poznan International Trade Fair,* from June 7-21 this year.

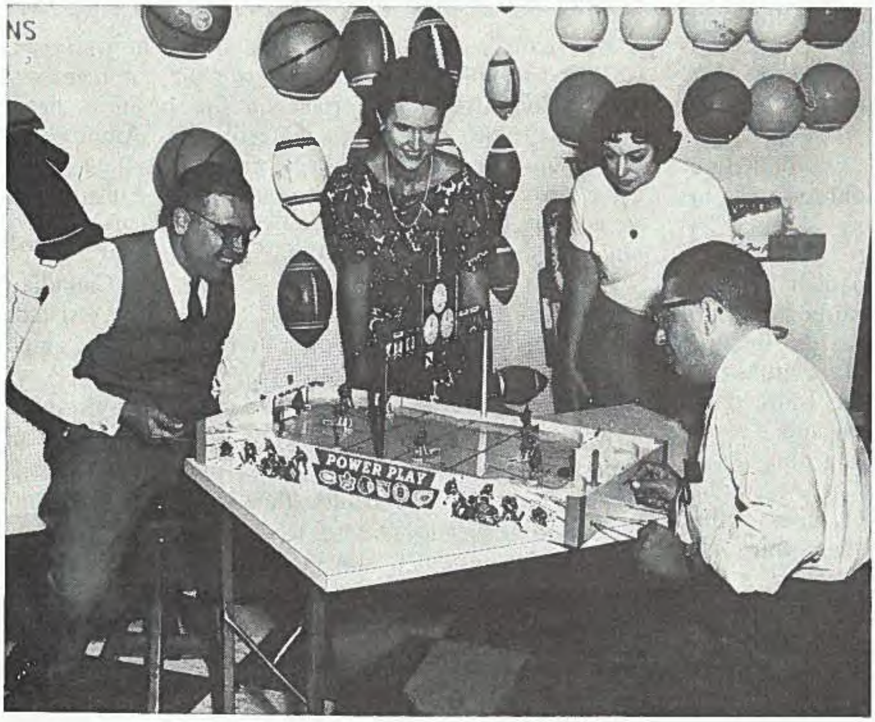
Some 180 thousand people visited the Canadian pavilion at Poznan, writes G. F. Mintenko, Assistant Commercial Secretary in Bonn, and 47 countries (nine more than last year) set up displays.

The Poznan Fair, Mr. Mintenko points out, regularly brings together from all parts of Poland technical experts and officials competent to make export decisions. These men spend little time visiting other countries' pavilions but choose to remain in their own, interviewing salesmen and buyers that come to them. This gives businessmen who accompany their exhibits an advantage over those who do not. Judging from the number of inquiries received at the fair, the trip may indeed have been worthwhile.

B. STEIN, *president, Eagle Toys Limited; as told to O. Mary Hill.*

A hockey game with colour and movement from the home of the world champions, careful sales strategy, and a well-timed sally into the market—these have meant success in the United States for a Montreal toy firm, born in the war years.

He Shoots, He Scores!



"IF we could sell the hockey game in the United States, we would really be on our way. Why don't we try?" the plant manager of Eagle Toys Limited, Montreal, remarked to his boss one day.

"Are you crazy?" was the only answer he got from Eagle's hard-driving president, Ben Stein.

That brief exchange took place five years ago. Today Mr. Stein doesn't mind admitting that he was wrong and his tenacious plant manager—who kept on exploring the possibilities—was right. Last year Eagle sold about twice as many hockey games in the United States as in Canada (the world centre of hockey) and still didn't satisfy the demand. It has thus disproved two long-held beliefs: that Canadians never come up with a new idea for a game, and that a Canadian-made product in this field won't sell south of the border.

Grown-Ups Interested

Merchandising the miniature hockey game, with its players that can be manipulated and its flashing goal light, has meant making the most of two advantages. One is Canada's reputation as the home of the world's hockey champions and the most hockey-minded country anywhere. The other is that the game appeals just as much to adults—or to the eternal child in the adult—as it does to the small fry. Grown-ups as well as children like the goalie who leaves his net (just like Canadiens' idolized Jacques Plante), the players in authentic NHL uniforms, the fast boards for rebounds, the forwards and defence men who move about and do some stick-handling and perhaps body-checking.

The two men responsible for the success of the hockey game in the U.S. market take time off to play it themselves, while two kibitzers look on. (Right) Ben Stein, Eagle Toy's president, and (left) Pierre Delfausse, his U.S. representative.

When Mr. Stein was making tentative approaches to the U.S. market, he once left a sample game with a New York buyer who appeared apathetic but said he would think it over. Eventually, Stein wrote asking for its return. The buyer answered that he had given the game to his nephew but would get it back at once. A few days later, an apologetic note arrived. The young nephew, it seemed, absolutely refused to relinquish the game; the buyer would pay any price that Mr. Stein asked but couldn't face parting the child from his cherished plaything. This agent eventually became one of Eagle Toy's first and largest U.S. jobbers.

In Search of Ideas

The hockey game, Eagle's best seller, illustrates why the toy business appeals to Mr. Stein. He likes the never-ending pressure to come up with new ideas and the long process of transforming the idea into an attractive, competitive product. That process usually takes from two to three years—from creative thinking through the physical development of the toy and the testing of it in the market. Even when the toy is selling, activity doesn't stop: if it is to retain its sales appeal, it must be constantly improved. Experience with the hockey game bears this out.

Advertising to Toymaking

The hockey game lay far in the future when, in 1943, the war forced Mr. Stein into the then unfamiliar toy field. A designer of advertising signs, the war-born shortage of materials brought his business to a halt. Like advertising, toys depend upon colour and design for their appeal and he transferred to toys for the time being after a visit to the Canadian Toy Fair convinced him of the possibilities.

Toy-makers then had to build playthings that would sell out of any materials they could lay their hands on—chiefly wood, cardboard and hardboard. Eagle Toys (as he named his firm) made an inconspicuous debut with a timely product called "Allies on Parade" and with baby rockers, dart-boards, and boxed games.

The ending of the war brought a clamour from consumers for metal toys and U.S. products flooded into the Canadian market. Still waiting to get back into advertising, Mr. Stein began to think about turning out metal toys himself. One problem first had to be solved: finding a firm that would do lithographing on metal. (At that time the engraving houses did not undertake this work.) Continental Can came to his rescue. That problem disposed of, he began producing a gun-and-target game, his first postwar success.

Meanwhile, his idea of a hockey game with some of the excitement of the real thing had been slowly ripening. First came rough plans, then the building of a model, the elimination of production "bugs", and finally a game that would sell. It hit the Canadian market in October 1954, in time to capture the Christmas trade, and it scored immediately.

Developing the Game

Satisfied that he had a winner, Mr. Stein spent time and money in the winter and spring of 1955 on development work and that summer brought out his first "PRO" hockey game. Keen to make this authentic by using NHL insignia and colours, he approached the various teams in the National Hockey League. Most of them laughed at the idea that a game could increase public interest in real-life hockey, but Ken Reardon of Montreal Canadiens was more receptive. He helped Eagle get permission to use Canadiens' colours and badges, and the first "PRO" game therefore featured Canadiens versus All Stars. Today Eagle Toys has the same rights for all NHL teams.

Looking South

One evening in 1955, when the product was solidly established in Canada, Eagle's plant manager entertained guests from New York. To amuse them he produced the hockey game that he kept in his recreation room. Their intense interest in it turned his thoughts towards that large and lucrative market just across the border. When his boss pooh-poohed the idea of interesting U.S. dealers, he continued to cherish it. He worked hard to realize his dream and thus prove his thinking sound. From his importing experience he was acquainted with tariff problems. He studied the U.S. tariff thoroughly and searched for the lowest possible rate of duty under which this game could enter. He solicited the help and guidance of the best qualified people in the field and thereby was able to arrive at the most advantageous rate. He requested and secured from Washington a ruling on the tariff classification of the game. Paying duty at the rate established, he was able to sell it competitively. Moreover, the tremendously increased production helped to reduce manufacturing costs and made the export operation profitable. Eagle today can meet all competition in the U.S. market.

No Power Plays

Mr. Stein believes that he owes much of his ensuing success in the United States market to discarding a possible "power play" for immediate sales in favour of deliberate, more cautious tactics. While the customs tariff was being investigated, he had pondered the problem: "How should we go about selling the game in the United States if we can do it at a profit?" After preliminary conversations with U.S. agents and jobbers, he attended the huge Toy Fair in New York. There he discovered a manufacturers' representative, based in New York, who had a passion for hockey. Though he knew that, up to this time, no Canadian-made game had ever cracked the American market, this man agreed to try selling this product.

The selection of this representative, who had the best possible connections in the toy and sporting goods fields and a solid reputation

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for integrity, went a long way towards ensuring success. He proved to be in sympathy with Stein's wish to make haste slowly. As a start he placed the game in two outlets only —F.A.O. Schwartz, the largest toy retailers in the world, and Abercrombie and Fitch. That first season a few games were sold in the U.S. and in the second year, about five times the quantity—exactly the number that Eagle and its representative wanted the U.S. market to digest at the moment.

Keep Them Coming

In the face of soaring U.S. demand, Mr. Stein resisted the temptation to exploit success to the full. He feels that in the export business it doesn't pay to be either impatient or greedy. Keep the supply a bit below the demand and you'll find eager customers. His original representative still handles the U.S. market and last year sold twice as many games in the United States as were sold in Canada. Sales in 1959 will probably exceed that figure.

It Pays to Advertise

What other factors have played a part in Eagle's rewarding sally into the United States? One that Mr. Stein mentioned is making good use of sales promotion media. Trade shows, for example. Eagle's U.S. representative has exhibited at every one of the annual New York Toy Fairs since he took on this line. The hockey game was also displayed a few years ago in the Canadian Showroom at Rockefeller Centre, as part of an exhibit of Canadian-made goods for the Christmas trade. Advertising receives close attention; it is left largely to the representative but he and Mr. Stein agree that the best medium is the 25 or so customer catalogues, with illustrations in colour, that are published in the United States each year. Advertisements placed in trade journals also have value.

As a goodwill gesture, Eagle also gives away many games. Any YMCA or YMHA in Canada or in the United States may have one for the asking. Free games also go to children's hospitals in the two countries and to certain persons prominent in hockey. Mr. Stein has an interesting file of letters from grateful recipients.

Getting the Breaks

Two lucky breaks have helped this sales story. One is the growth of U.S. interest in professional hockey, particularly since the NHL games have been televised. The other is the fact that the Toy Guidance Council chose the Eagle game as one of the forty best toys on sale in the United States. The present U.S. emphasis on "togetherness" may also have had an influence, because the hockey game is one that families can and do play together.

Something New

Breaking into a market is one thing; staying in it is another. Mr. Stein has his own recipe for this: "Don't rest on your laurels, but continue to improve the model and decrease the price." The exporter who wants to keep on top of the market has constantly to offer something new. Every year he has improved the hockey game in some way; he now offers four different models. The latest one gives the players greater freedom of movement, attaches to each game a replica of the Stanley Cup, and provides the buyer with a copy of the official rule-book of the National Hockey League.

Some Pointers

For Canadian exporters who would like to follow in his footsteps and equal his achievement, Mr. Stein has some advice. At the outset, they must recognize that business in the U.S. moves at a faster pace than in Canada. Fiercely competitive, it has no time for failures and any commitment that the Canadian manufacturer makes, he must honour. If an order is not delivered precisely on time or does not meet the exact specifications, the exporter will soon find himself out in the cold. It is also important to guarantee the customer a regular supply of the games and to protect him against sudden shortages.

Taking care of delays at the border for customs examination need not prove troublesome. Mr. Stein ships his games through a bonded international carrier who clears them through customs and forwards them to their destination within a few days.

Demand for the hockey games has, naturally enough, proved to be seasonal and this poses a production problem. Eagle turns out other toys and games, chiefly in the metal and plastics field, and some are aimed at the summertime market. Sales of the hockey games to the U.S. market have stepped up output and thus helped with the off-season slack. From June until November the plant concentrates on turning out the complete games; in the other months, the various components are made and stockpiled.

Expansion?

At the moment Mr. Stein has no plans for trying his luck in other foreign markets. He has had inquiries about the hockey game from the famous Harrod's in London and also from Sweden. But he prefers to concentrate his efforts in Canada and the United States, where currently four models of the game are on sale at various prices. He has one ambition, though—to develop a football game just as authentic and exciting.

Chinese Buy Cancer Machines

Atomic Energy of Canada Limited recently shipped four cancer treatment machines with their cobalt-60 radiation sources to Communist China. Adding these to the two machines that were shipped in January, AECL's sales to the Chinese now total some $300 thousand. The machines, it is estimated, will provide 5,000 treatments each month to cancer patients. To date, AECL has sold 160 cancer therapy units, worth a total of $7 million, to 27 countries.

Banking Abroad

IRAN

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

THE past eighteen months have seen several new private banks established in Iran. The total number, both government-sponsored and private, in the country today has reached 21. Eleven of these are privately owned.

Under the Banking Act of 1955, banks are constituted under the form of joint-stock companies. Before a new bank can be registered, the capital must be in cash and deposited with the Bank Melli Iran (the issuing and national bank of the country as well as a commercial bank). Moreover, the Bank Control Board must give its approval before a bank can be established. The regulations under which mixed banks (those with a portion of foreign capital) may function are strict but not prohibitive. Not more than 49 per cent of the capital can be foreign and Iranian directors must be in the majority.

Government and Private Banks

The Bank Melli Iran (The National Bank of Iran), with a paid-up capital of two billion rials and reserves of over 550 million, does the bulk of the commercial business in the country. It now has over 231 branches and sub-branches in Iran. Government banks like Bank Keshavarzi Iran (The Agricultural Bank of Iran), Bank Barnameh (The Plan Organization Bank), Bank Towse'eh Saderat (The Export Development Bank), Bank Etebarat-e Sanati (Industrial Credit Bank), Bank Rhani Iran (The Real Estate Mortgage Bank of Iran), are all playing an effective rôle in the development of Iran.

Although the Bank Bazargani Iran (The Commercial Bank of Iran), Bank Pars, and Bank Sepah are possibly the best known Iranian private banks, the newly established joint Iranian-foreign banks are attracting increased attention from abroad and taking on more importance. Canadian bankers and business firms alike will be interested to learn that the following joint banks, amongst others, are well placed to look after commercial transactions and banking problems: the Irano-British Bank, the Bank of Iran and the Middle East, Mercantile Bank of Iran and Holland, Bank of Tehran, and Bank Etebarat.

The new Industrial and Mining Development Bank of Iran (IMDBI), with a capital of some $13 million, is expected to play an important long-term role in financing new industry and raising living standards. It will make long and medium-term investments important to the economy and will operate also as an investment bank. The IMDBI is sponsored by Lazard Frères & Co. and Chase International Investment Corporation, in association with other banking and commercial interests.

Financial Facts

The following important features of the money and banking system of Iran may interest Canadians.

- All foreign exchange emanating from exports to and imports from other countries are dealt with by the Bank Melli Iran or one of the authorized banks in the normal way. Funds may not be transferred abroad, except in cover of imports, without special permission of the Bank Melli Iran.

- Letter of credit charges are generally ½ per cent for the first three months or fraction thereof and 2 per mille (thousand) thereafter.

- Bank guarantees are sometimes requested or offered, but if these are to be in foreign currency they require the prior sanction of Bank Melli. If not, proof of exchange availability must be obtained from Bank Melli to give foreign companies full protection. Such guarantees cost 2 to 4 per cent a year, at the discretion of the issuing bank.

- Recent restrictions on bank credits for importers, as laid down by Bank Melli Iran, are first, 25 per cent minimum cash deposit for opening credits and second, maximum advances of 30 per cent against the relative goods if these credits are for specified essential products. If the particular products are not on the list of essential items, *no credit advance* may be granted.

- Interest rate on foreign documentary bills may in no event exceed 6½ per cent a year.

- Travellers entering or leaving Iran may carry with them up to 2,000 rials of Iranian banknotes (75 rials=one US$). Aliens entering Iran may bring an unlimited amount of foreign exchange.

- All foreign exchange transactions must be effected through banks specifically authorized for the purpose, including the five listed earlier.

- Persons acquiring exchange for services performed, from commissions received, and from sources other than exports can apply it to the purchase of authorized goods for import. In such cases, the Ministry of Commerce will issue the necessary import licences. ●

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Commodity Notes

Automobiles

CHILE—It is reported that Nissan Motor Company of Japan plans to install a plant at Arica to produce its *Datsun* cars. The planned maximum output is 2,500 vehicles a year—Santiago.

INDIA—In the first six months of 1959 India made 4,311 small cars. With the release of enough foreign exchange for the import of components and raw materials, production in the second half of the year is expected to reach an estimated 12,000 cars—Bombay.

Beer

BELGIUM—Belgian beer consumption per capita in 1958 climbed above that of any other country, according to the latest statistics. Belgians consumed 229 imperial pints per capita, compared with 139 in the United Kingdom, 102 in Canada and 100 in the United States. Total world consumption of beer in 1958 is estimated at 7,954 million gallons—Brussels.

Cement

BELGIUM—Cement production in Belgium in 1958 totaled 4,057,000 metric tons, out of an estimated world total of 257 million tons. In fourteenth place, at 1.6 per cent of the total, Belgium's share has slumped since 1938, when she produced 3.5 per cent of the world total and occupied eighth position. In 1938 she headed the list of world users of cement with an annual rate of 544 pounds per capita. By 1958 this had risen to 717 pounds—Brussels.

Chemicals

NORWAY—Norsk Hydro-Elektrisk Kvælstofaktieselskab, Norway's largest chemical company and one of the world's most important exporters of nitrogen products, is steadily increasing its output. Production of pure nitrogen is expected to reach about 240 thousand tons this year and 250 thousand in 1960. Output of magnesium is being stepped up by 50 per cent to reach 13,500 tons next year. Norsk Hydro also produces several grades of polyvinyl chloride, as well as urea. The expansion of the company's plastics plant at Eidanger in east Norway is expected to be completed by the summer of 1960, increasing production from 5,500 to 7,000 tons a year. Norsk Hydro is said to be the largest magnesium producer in Western Europe —Oslo.

Chipboard

WEST GERMANY—According to local newspapers, chipboard, which is made under pressure from wood fibre and artificial resin, is on its way to achieving a leading position in the German woodworking industry. This artificial board has become increasingly popular and in 1958, for the first time, outsold joiner plates on the German market. It is used in furniture construction, interior construction and in vehicle and ship building and its principal advantages are its homogeneity and its smooth outer surface. Joiner plate sells at DM 400 per cubic metre and pressed board at between DM 300 and DM 340. Technical experts believe that it will be possible to lower the price further to DM 280.

It is expected that production of chipboard in Germany will reach 600 thousand cubic metres in 1959 and that within a few years it will increase to one million—Hamburg.

Fertilizers

SPAIN—With the financial assistance of the U.S. Export-Import Bank and as part of Spain's economic stabilization plan, two fertilizer plants for making nitrogenous fertilizers are to be built. The Bank has granted a loan of $17.62 million of which $10 million will be used by the government-controlled Refineria de Petroleos de Escombreras, S.A., to build a fertilizer plant in Cartagena. The remaining $7.62 million has been granted to a private group of companies formed by Union Española de Explosivos and Sociedad Iberica del Nitrogeno. Its new fertilizer plant will be built at Seville. Production will be based on nitrogen, phosphate and potassium. Output of these plants is expected to total 65,000 metric tons a year, higher than Spain's entire production in 1958—Madrid.

Fish

UNITED STATES—Florida's commercial fishermen brought in a catch of 169 million pounds of salt-water fish of all types in 1958. This represents an over-all increase of about 12 million pounds over the 1957 catch but is some 15 million pounds below the past five-year average. Menhaden and other non-food fish totalled 17.8 million pounds, about two-thirds above average. Shrimp, crabs, lobster and other crustaceans amounted to 72.6 million pounds, up 7 per cent. The sponge crop, slowly returning after disease had virtually wiped out the beds, came to about 30,000 pounds, compared with an 18,000-pound-average—New Orleans.

Fissionable Materials

MADAGASCAR—The Société Péchiney and the French Commissariat for Atomic Energy are establishing a company between them to be known as Sotrasum. The company will undertake large-scale mining of thorium-bearing sand in Madagascar—Johannesburg.

Nepheline Syenite

NORWAY—The Oslo firm Christiania Spigerverk is planning to develop its deposit of nepheline syenite, which has been explored and found to be of good quality. The deposit is in West Finnmark in northern Norway and is readily accessible. Plans are now being worked out for the transmission of electric power to the site and for sea transportation. The company hopes to produce from 25,000 to 50,000 tons a year at the start. Most of it will be exported to Britain and other European countries which have shown interest in the project—Oslo.

Newsprint

PAKISTAN—Trial production of newsprint at the Khulna pulp and paper mill has begun and it is expected that the newsprint will be on the market this month. The paper is being made from a wood that grows in the marshy areas of the nearby Khulna-Sunderbans—Karachi.

Potatoes

GREECE—Spring production of potatoes in Greece this year (largely from Canadian seed) rose by 30 per cent to 197,870 tons. In the face of relatively inelastic domestic demand, Greece sought to export the surplus and has to date sold 10,000 tons to Britain and 500 tons to Germany and Austria. Arrangements are now being made to export 4,000 tons to Uruguay. Present stocks are estimated at roughly 30,000 tons and every effort is being made to dispose of these.

Faced with a potato storage problem for the first time in history, the Greeks are experimenting with various means of maintaining quality, including refrigeration. As the seed-importing season approaches it appears that Canadian seed will again be in good demand, with preference for Sebagoes and Katahdins. Arran Banner still enjoys an excellent reputation with the growers, and Canada's sales will depend to some extent on the European supply of this variety—Athens.

Rosin

UNITED STATES—Arizona Chemical Company, a joint venture of International Paper Company and American Cyanamid Company, has begun construction of a $6.6 million chemical plant at Springhill, Louisiana. The new plant will produce rosin and rosin products from byproducts of tall oil. Crude tall oil will be supplied from the International Paper Company's Springhill and other Arkansas and Louisiana pulp and paper mills—New Orleans.

Smelting Furnaces

NORWAY—The Oslo firm Elektrokemisk A/S recently concluded a contract with Consolidated Mining & Smelting Company of Canada Ltd., Montreal, for the delivery of a 13,200 kva. electric smelting furnace for pig iron. It will be installed in the company's new iron and steel works in Kimberley, B.C. This will be the first electric smelting furnace for pig iron in North America; blast-furnaces are being used at present. The capacity of the furnace is some 30,000 tons of pig iron a year; it will cost kr. 3.5 million and will be designed and built by Elektrokemisk A/S. All the necessary equipment will be delivered by Norwegian workshops within nine months—Oslo.

Textiles

BELGIUM—The textile industry has recovered markedly from the 1957-58 recession. Production and sales have increased steadily since the low of May 1958, but prices of finished products, with the exception of woollen fabrics, have continued to decline. Yarn prices are higher chiefly because of increased fibre costs.

Sales of carpets (woollen and sisal) and knitwear, first to be hit by the recession, have climbed steadily because of greater domestic demand and enlarged export markets. Demand in the U.S. for Belgian textiles, particularly carpets, is rising.

Liberalization measures recently adopted by France have affected Belgian sales only slightly, but the devaluation of the French franc has intensified French competition on both Belgian and export markets—Brussels.

NEW ZEALAND—In 1957-58, New Zealand hosiery, knitted apparel and knitted fabric mills increased output by 12.9 per cent over the previous year. Particularly large increases were recorded in the production of cardigans, pullovers, jerseys and hosiery. Imports of most types fell appreciably. Output during the period was valued at $23 million. The number of persons employed in the industry rose from 3,743 in 1956-57 to 4,085 last year—Wellington.

Turkish Trade Revives

Determined attack on economic problems, plus outside financial aid, has brought revival to Turkish export and import business. Canadian exporters should re-examine this market.

L. D. R. DYKE,
Assistant Commercial Secretary, Athens.

LATE last May, I visited the three most important commercial centres in Turkey—Izmir, Ankara, and Istanbul. During this trip, I talked with more than 100 businessmen and officials. What I heard and saw convinced me that business in Turkey had improved noticeably. The $349 million financial aid that the country received in August 1958, combined with the revaluation of the lira from T£2.80 to T£9.00 to the U.S. dollar, has made possible the importing of goods against cash payment. Turkey's exports are priced to meet world competition. And the Turks are eager to trade—and to trade with Canada.

As this nation of more than 26 million people stabilizes its economy and puts its financial house in order, suppliers all over the world are beginning to realize that, if all goes well, Turkey may become the industrial leader of the Middle East. Vast and largely untapped natural resources, extensive and fertile land for agriculture, and the prospect of oil discoveries make Turkey an attractive market for farsighted Canadian exporters and investors. Aggressive United States and West European suppliers, seeking a foothold in this expanding country, are establishing branch plants or making arrangements for the manufacture of their products under licence there. Several such plants are already operating and many more are planned.

Debt Settlement Reached

Canadian companies that have been hesitating about investigating the possibilities of business in Turkey because of its financial situation should note that its commercial debts have been consolidated and payments to creditor nations began in July. The agreement with the OEEC countries signed on May 11, 1959, covered the clearing of Turkey's debts to these countries and specified settlement over a 12-year period at an annual interest rate of 3 per cent, effective from August 5, 1958. Annual payments begin at $15 million and rise by $5 million a year until they reach the $35-million mark in five years. At the end of the fifth year, the amount outstanding will be divided into seven equal annual instalments. The amount to be remitted to each country during the first six years will depend on the ratio between the debts owed to each and the total debt (estimated at about $400 million). Creditor nations have signed bilateral agreements with Turkey on the amount and scheduling of payments, etc. Relatively small debts, such as those owed to Denmark, Norway and Portugal, have received priority.

Foreign Trade Improved

Recent international loans and the revaluation of the lira have revitalized the economy and enabled Turkey to put her foreign trade on a sounder footing. The first six months of this year showed considerable improvement over the same period a year ago. Exports totalled $184.64 million and imports $201.11 million, making a visible deficit of only $16.47 million, as against $54.86 million for January-June 1958. The following table gives the principal trade by products for the first six months of this year:

Exports	Jan.-June 1959
Cereals	$ 30.34 million
Fruit and nuts	25.01 "
Tobacco	66.68 "
Cotton	23.30 "
Minerals	8.61 "
Livestock	2.60 "
Oilseeds	2.14 "
Miscellaneous	25.96 "
Total	$184.64 million

Imports	
Machinery and plant	$ 40.57 million
Iron, steel and products	23.99 "
Vehicles	19.09 "
Petroleum products	22.57 "
Textiles, yarns and fibres	12.87 "
Chemicals and colours	20.61 "
Miscellaneous	61.41 "
Total	$201.11 million

This trade was divided among Turkey's principal trading partners as follows:

Exports to:	$ million	Imports from:	$ million
United States	$38.50	West Germany	$37.05
West Germany	37.41	United States	35.81
Italy	15.12	United Kingdom	22.72
United Kingdom	13.93	Italy	17.16
France	9.17	Austria	9.98
Switzerland	3.38	France	8.87
Netherlands	2.12	Netherlands	8.24
Belgium	2.54	Belgium	4.62
Austria	2.47	Sweden	4.21
Denmark	1.40	Switzerland	2.95

Canada's Sales Discussed

Canadian sales to Turkey—like Turkey's sales to Canada—have fluctuated widely over the years. Starting with 1938, the balance of trade has in 14 out of the 21 years been in Canada's favour, but as recently as 1957 Turkey sold more to Canada than we sold to her. Before World War II, Canadian-Turkish trade was small—only in 1938 did total exports and imports exceed $500 thousand. In the seven years after 1946 the trade developed well, with our annual exports to Turkey averaging just under $3 million (excluding the exceptional year 1949, when exports soared to $14 million) and imports averaging nearly $2 million a year. From 1953 until last year, however, as Turkey experienced acute financial problems both at home and abroad, Canadian-Turkish trade shrank perceptibly. Practically the only exports possible were those financed by ICA and NATO, with dollars made available for cash payment. During these years our most competitive products and principal exports to Turkey included farm machinery, spare parts, machinery and equipment, aluminum, pitprops, tires and plastic raw materials. Imports from Turkey, down because of costly subsidies and unaggressive merchandising, consisted of tobacco, figs and fig paste, filberts and walnuts.

In 1958, Canadian sales to Turkey totalled $1.5 million, compared with only $483 thousand in 1957. For the first six months of this year, our exports to Turkey have reached $414 thousand. Last year, we bought $528 thousand worth of Turkish products compared with $841 thousand in 1957.

Exports Developed

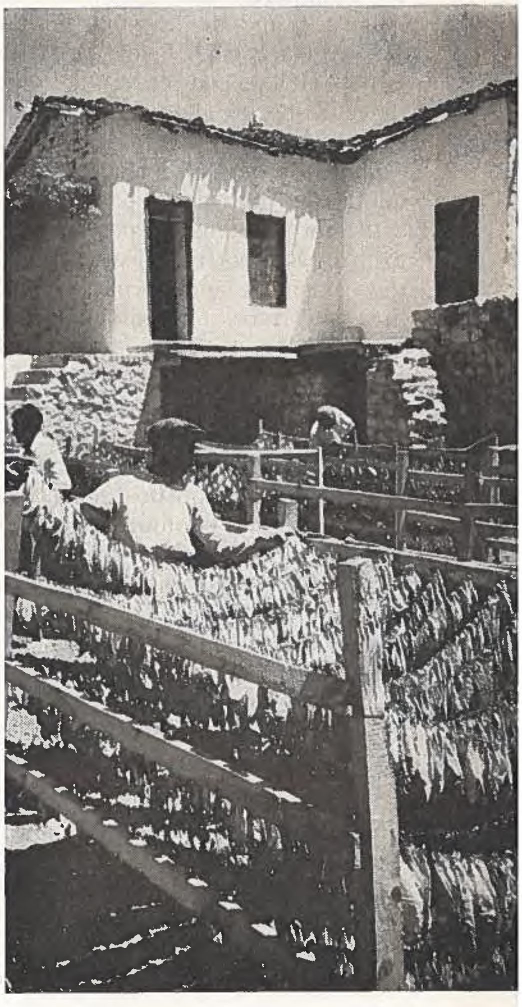
The radical change in Turkey's buying and selling position over the past twelve months finds businessmen in both Turkey and Canada taking a fresh look at trade possibilities. The revaluation of the lira has meant more realistic prices for Turkey's export crops and a new emphasis on the expansion of exports has revamped Turkish merchandising machinery. With sorely-missed agricultural chemicals, fertilizers, machinery and equipment, packaging materials, etc., again available, modernization is the keynote and the result is more efficient production of traditional export crops, better quality and quality control, and more attention to packaging. Thus Turkish tobacco, nuts, figs and fig paste, and raisins are likely to interest Canadian buyers again; the many specialty items for which Turkey is famous—meerschaum pieces, handwoven rugs, brass and copper handicrafts, blownglass products, oriental puzzles, and many other exotic products—may also find a new demand in Canada.

Industrial Expansion

Turkey is working feverishly to increase her productive capacity to meet the ever-increasing domestic demand and, where possible, earn foreign exchange. In addition to completing and consolidating the industrial expansion begun in the early postwar years, she is also going ahead with certain challenging new developments. Canadian aerial-survey firms may be interested to know that some of the United States oil companies operating in Turkey are planning to carry out some surveying from the air. In addition, the United States Development Loan Fund is financing a $900 thousand geophysical and land resources survey for the State Office for Geology and Sub-Surface Research.

Other industries with expansion plans that might use Canadian materials and equipment are asbestos manufacture (spinning equipment, cement pipe); the cement industry (refractory brick); mining (diamond drills, compressors, heavy equipment, pitprops), and agriculture (tractors, harvester combines, ploughs, etc.). In keen demand and also of interest to Canadian sup-

Turkish tobacco, looking like washing on a line, cures in the sun. It ranks first in value among Turkish exports.



pliers are chemicals for the textile and tanning industries; cellulose film; steel sheet and wire rod; railway ties; engines and automotive spare parts; pulp, paper and newsprint; plastic raw materials, and synthetic textile fibres. In considering these possibilities, Canadian firms must remember that competition from traditional West European and U.S. suppliers, and from certain Soviet bloc countries, is stiff.

Third Quota Announced

Part and parcel of the economic assistance available to Turkey was the new import trade program, based on quota imports of urgently needed raw materials, machinery and equipment, etc. The first two quarterly periods were each allocated quotas of $150 million worth of goods. The quota for the third period, announced by the Minister of Commerce and Economy on August 1 and made public in the *Official Gazette* of August 3, is for $169 million and covers a wide range of specific allocations. Among the commodities of interest to Canadian importers included in the quota for the third period are: cattle for breeding purposes; abestos; drugs and chemicals; plastic raw materials and sheets; vehicle tires and tubes; hides and skins; wood pulp, newsprint; iron and steel bars, sheets, plates, wires, pipes; various hand tools; pumps and compressors; agricultural machinery and implements, tractors; accounting and statistical machines; other machinery; motor vehicles and parts.

In addition to the increase of $20 million, the third quota has less stringent requirements than the previous ones. Deposits called for with the application for the import licence have been reduced from 15 to 10 per cent of the value of the goods and the period during which licence applications may be filed extended from one to two months. Another formality relaxed is the provision for credit-term imports of capital equipment and payment by cash against deposit. In the latter case, the importer will not have to put up 100 per cent of the counter value of the goods on receipt of the import licence, but will pay 90 per cent (having already deposited 10 per cent) on arrival of the goods.

"Freed" and "No Charge"

Canadian suppliers should note that many products have been taken off the quota system and may now be imported into Turkey on a normal commercial basis (still with letter-of-credit payment, requiring the Turkish importer to put up 100 per cent of the value of the goods in Turkish liras before receipt of the letter of credit). When the third quota was announced, the Minister of Commerce and Economy stated that "freed" items to the amount of $25 million may be imported under the same conditions as the quota items. The freed items that may be of interest to Canada are: radioactive elements, isotopes and compounds; brake and clutch linings; refractory brick; copper rods, tubes, springs and wire; parts for all types of engines; parts for furnaces, refrigerators, laboratory equipment, dairy machinery, etc.; ploughshares and parts for all agricultural equipment; parts for radio telecommunication equipment; electrical equipment for vehicles, and insulators and insulating materials.

In addition, the Minister announced that items up to a value of $45 million may be imported on a "no charge" basis, with licences available automatically on request. This is intended to permit the use of money that Turkish businessmen hold outside Turkey and implies that there is no cost in foreign exchange to the Government. All items on the third quota may be brought in on this basis.

Tips to Traders

In approaching the Turkish market, Canadian firms are urged to contact the Commercial Counsellor, Canadian Embassy, Athens, Greece. Regular market-survey trips to Turkey, plus excellent contacts in the country, enable the Athens office to give expert advice on sales possibilities, competitive prices and qualities, agents, etc.

Whether the Canadian exporter is seeking to obtain business in the list of products now free of import control or under the quota system, he must be sure that he has a top-notch agent representing his interests. There are four key qualifications for an agent that apply particularly in Turkey today:

1. Experience in or knowledge of the product.

2. Sufficient time for aggressive promotion.

3. Connections with financially strong customers.

4. Connections with the official policy-making bodies.

The Canadian firm, on its part, must appreciate that Turkey is an extremely competitive and price-conscious market. The agent must receive maximum support—with best possible prices, advertising assistance, descriptive literature and, where practical, samples. Shipping should be carefully negotiated from both ends to obtain the lowest possible rate and strict attention paid to sturdy packing because of possible rough handling in Turkish ports. Two shipping lines now offer service from the Great Lakes to Turkish ports and undoubtedly the number will increase as the three other lines offering Great Lakes-Eastern Mediterranean service expand their facilities. Banking delays are rather common; the Canadian should expect a wait of one month or more for the letter of credit to come forward after the importer has put up his money.

The Commercial Counsellor, Mr. P. V. McLane, is visiting Turkey this month to follow up the recent surge of Canadian interest in Turkey on behalf of Canadian companies. Those interested in sales opportunities there should get in touch with Mr. McLane at once. ●

Businessman's Bookshelf

Canada 1959

Dominion Bureau of Statistics. 317 pages. $1.00.

THE Dominion Bureau of Statistics has just turned out the thirtieth English edition of the handbook *Canada.*

Running again to over 300 pages, *Canada 1959* boasts hundreds of fine photographs, many of them in full colour, and these alone make it worth the price of one dollar. The pictures often run three or four to a page and reproduction is generally good, though some of the colours are a trifle harsh.

The text is packed with information from the Bureau's files. It begins with a historical sketch; tells the story of our population and settlement, government and world relations; then settles down to a description of our natural resources, industry, commerce and cultural activities. The last chapter in the book is an engaging travel piece, longer than last year's, that touches on Canada's national and provincial parks. It ends with statistics on the balance of payments on travel account between Canada and other countries—rather a let-down, some readers will feel. Niggling criticism aside, this is still the handiest pocketful of Canada to come from the Queen's Printer. Businessmen will find that, as a means of answering foreign firms' questions about Canada, it fills the bill handsomely.

Order from: The Queen's Printer, Ottawa, Canada.

Foreign Commerce Handbook

U.S. Chamber of Commerce. 150 pages. $2.00.

EFFORTS to keep pace with changing international conditions, intricate trading procedures, and the development of new services and agencies constitute for persons interested in international commerce a demanding and time-consuming task. To help them, the U.S. Chamber of Commerce publishes a *Foreign Commerce Handbook,* giving basic data on and a comprehensive guide to sources of information on significant topics in foreign commerce.

The first section describes the functions of the major national and international agencies or organizations, both private and public, involved in the foreign commerce of the United States. The second, and possibly the more valuable, section lists the kinds and sources of information or services on subjects ranging from advertising abroad and foreign freight forwarders to trademarks. Finally, there is a thorough bibliography and the addresses of the organizations noted in the first section.

A concise, well-organized reference, the *Foreign Commerce Handbook* is recommended both to businessmen and to students.

Order from: Foreign Commerce Department, U.S. Chamber of Commerce, 1615 H. Street N.W., Washington 6, D.C.

Australia's Continuing Development

Australia and New Zealand Bank Ltd. 106 pages. Free.

THE importance of primary industry to Australia in earning foreign exchange is often over-emphasized, to the detriment of her modern and expanding secondary manufactures. In fact, by 1954 Australia's young manufacturing industry employed 990 thousand persons compared with the 502 thousand employed in the primary industries. The picture of a balanced and developing nation in which both types of industry flourish is presented in the pages of this informative publication.

One chapter is devoted to trade, transport and communications. Exporters will find in it valuable hints on sales organization, agents' commissions, packaging, transportation, and advertising methods in use in Australia today. The growth of primary industries is outlined; so is the extension of power resources. Here is a careful statistical analysis of Australia's development, attractively presented. It would be a useful reference book in any Canadian exporter's library.

Order from: Australia and New Zealand Bank Limited, 394-6 Collins Street, C.1, Melbourne, Australia.

The Netherlands Chemical Industry

. . . What does it buy and what does it sell—and how does its output affect Canadian chemical exports and imports? Here are the details.

N. RIEMEYER, *Office of the Commercial Secretary, The Hague.*

THE Netherlands chemical industry, based largely on indigenous raw materials such as coal, salt and petroleum, and on certain products of the agricultural and dairying industries, has grown rapidly in the last forty years. It now accounts for about 7½ per cent of total Netherlands industrial production, 10 per cent of exports, and 4 per cent of total world trade in chemicals. At last count, it consisted of some 600 enterprises, employed 67,000 persons, and turned out about 1,800 different products. Last year its gross sales reached some $631.2 million compared with $612.5 million in 1957. From the sales point of view, in fact, chemicals form the third most important sector of Netherlands industry, surpassed only by metalworking and food-processing.

In 1958, about 50 per cent of sales were made in the domestic and 50 per cent in the export market. As the table below shows, exports go to all parts of the world, but chiefly to other European countries and to the United States.

NETHERLANDS CHEMICAL EXPORTS

	1957	1958
	(in thousands of dollars)	
Europe	177,750	192,000
Africa	24,500	23,000
United States	47,500	50,000
Asia	47,250	43,000
Oceania	6,750	6,500
Not recorded	500	250
Total	304,250	314,750

Structurally, the Netherlands industry leans towards heavy chemicals. High on the production list come sulphuric acid, fertilizers, petrochemicals, and chemicals based on coal, salt and carbide.

Although the fine chemical industry has not developed to the same degree as in some other countries (such as Germany and Switzerland) considerable progress has been made in this field. Leading examples are perfumes, flavourings and pharmaceuticals, such as quinine, vitamins and hormone preparations.

A brief examination of some important branches of the Netherlands chemical industry follows.

Fertilizers

The Netherlands is still an important agricultural country and the intensive farming carried on there has stimulated the development of a large fertilizer industry. Production of nitrogenous fertilizers in particular has increased substantially in recent years. In 1958 the Netherlands State Coal Mines alone had an output of 919 thousand tons of nitrogenous fertilizers—more than half the total production.

Exports of calcium ammonium nitrate containing less than 34 per cent of nitrogen last year amounted to 337,313 tons worth $13.5 million. The chief importer was the United States (118,607 tons), followed by Yugoslavia (29,095 tons) and Egypt (18,018 tons).

Exports of ammonium sulphate totalled 322,382 tons, valued at $12.8 million. The principal countries of destination were Spain, 91,965 tons; South Korea, 51,740; Communist China, 47,111; Ireland, 22,986 and Indonesia, 22,064.

Production* of phosphate fertilizers amounted to 190 thousand tons in 1958. Destination of exports is not made known, but these totalled 378,455 tons worth $12.3 million in 1958.

Sulphuric Acid

Nine plants in the Netherlands produce sulphuric acid, to an annual total of well over 700 thousand tons. Exports in 1958 were as follows:

Sulphuric acid up to 60° Beaume:	48,929 tons—$519,500
Sulphuric acid of more than 60° Beaume:	24,831 tons—$556,750

Countries of destination are not published.

Imports about equal exports and come almost entirely from Belgium/Luxembourg, with small amounts from West Germany and Norway.

Carbide

Carbide has been manufactured in the Netherlands since 1941. Although production costs depend upon electric power costs and are appreciably higher than in Norway, for example, the Netherlands carbide industry has been able to build up a fairly large export trade. A large part of its production is processed into derivatives.

In 1958, 1,944 tons of calcium carbide valued at $185,500 were exported to various countries. Nineteen tons of silicon carbide valued at $4,250 were shipped to Belgium/Luxembourg.

*Production is calculated on basis of P_2O_5 content, and exports include admixtures of other material. Hence the discrepancy in figures.

Details on carbide imports are given below:

Calcium Carbide	Metric tons	$
Total	262	25,500
Belgium/Luxembourg	250	23,500
Silicon Carbide		
Total	668	300,500
Norway	391	179,500
West Germany	205	92,500
Switzerland	52	21,700
Belgium/Luxembourg	2	1,000
Other Carbides		
Total	10	103,000
Britain	7	71,700
West Germany	2	30,700

Paints

The manufacture of paints is an old and highly developed Dutch industry. At last count there were 211 factories, including 38 large ones, producing paint of every description. Annual production of all paints totals more than 100 thousand tons worth an estimated $52.5 million. Raw materials for this industry are, for the most part, obtained in the Netherlands. Canada supplies small amounts of synthetic iron oxides and ceramic enamels, as illustrated by the following statistics on Netherlands imports in 1958:

	Synthetic Iron Oxides		Ceramic Enamels*	
	Metric tons	$	Metric tons	$
Total	4,780	702,750	775	229,000
Belgium/ Luxembourg			391	103,200
West Germany	2,772	312,500	207	55,200
France	1,340	245,000		
Britain	479	77,500	28	11,500
Sweden			45	16,700
United States	119	41,500	87	33,500
Canada	125	22,750	11	2,750

*Vitrifiable compounds.

Netherlands paints, lacquers and varnishes go to practically all parts of the world; foreign shipments in 1958 had a value of some $21.25 million. Canada took seven tons of oil varnish valued at $7,000.

Printing Inks

Annual output of the Netherlands printing-ink industry reaches about 5,000 metric tons and excellent qualities are produced. Exports in 1958 totalled 195 tons of black printing inks valued at $233 thousand and 447 tons of coloured printing inks valued at $708,500. The main outlets were Indonesia, the United States, Finland and Belgium.

Shellac

The Netherlands shellac industry is comparatively young but has secured a fairly important place in the domestic market. Exports in 1958 totalled 38 metric tons, shipped to Czechoslovakia and the United Kingdom.

Soap

Soap is turned out by 175 factories in the Netherlands today; about 60 of these plants are large ones. With the rise in popularity of synthetic detergents, the production and consumption of soaps based on fatty acids have declined. Competition within the industry itself has intensified, with the result that soap manufacturers now spend about 20 per cent of their total turnover on advertising.

Approximate total output of the industry per year is about as follows:

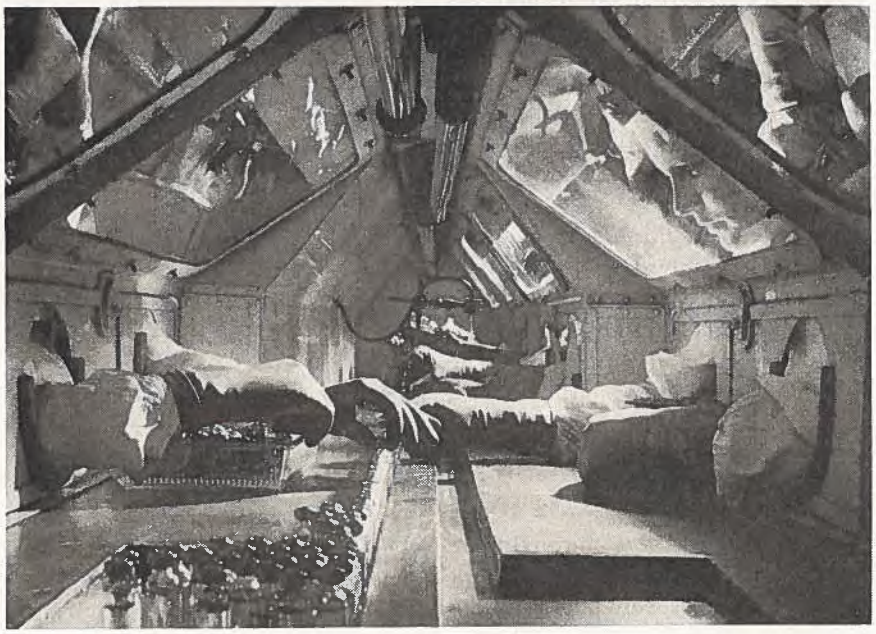
	Metric tons	$
Soap and soap products	70,000	18,750
Synthetic detergents	50,000	11,250
Other products, including javel water, scouring powder, caustic soda	131,000	7,250

Imports of toilet soap in 1958 totalled 2,888 tons valued at $1,495,000. Belgium is the principal supplier; smaller quantities come from East and West Germany. Netherlands exports of toilet soap in the same year reached 1,116 tons worth $535,750, shipped chiefly to Belgium/Luxembourg, Nigeria and Saudi Arabia. Twelve tons valued at $12,250 went to Canada.

Lubricants

Of a total of 22,226 tons of lubricants prepared with oils and greases, valued at $3,776,750, shipped abroad by the Netherlands

In a pharmaceutical laboratory in Holland, injection flasks are filled in a sterile chamber. One branch of the Netherlands chemical industry, it imports most of its raw materials; is now able to supply 70 to 75 per cent of the domestic demand.



in 1958, 216 tons ($34,500) were sold to Canada.

Salt

The Netherlands salt industry is growing rapidly, with total production in 1958 at 795,209 tons. A new salt works at the port of Delfzijl began operations in April 1959. As a result, it is expected that salt production will increase by 350 thousand tons a year. Dutch salt-processing facilities are steadily expanding and the production of chlorine, hydrogen and caustic soda is mounting. In spite of her large domestic salt production, the Netherlands had to cover her soda requirements by imports up to the middle of 1958, when the new soda factory at Delfzijl was opened. The output of chlorine, caustic soda and some other derivatives has increased from 121 thousand tons in 1957 to 150 thousand tons in 1958.

Netherlands imports of dehydrated soda, some 95,565 tons worth $3,388,250 in 1957, dropped to 11,389 tons worth $424 thousand in 1958. Imports in 1959 will decrease further.

Plastics

Polyvinyl chloride, one of the most widely used plastics, has been made in the Netherlands since 1952. Initially, production totalled 2,000 tons a year but now it is many times larger. Last year 38 tons of PVC valued at $34,500 were imported from Canada.

The State Coal Mines in the Province of Limburg, the Netherlands largest chemical enterprise, produces 50,000 tons of urea a year from ammonia and phosgene. Although it is used primarily in the manufacture of fertilizers, urea is also processed into *urea formaldehyde.* Urea moulding powders are no longer made in the Netherlands but the domestic varnish and glass industries use substantial quantities of urea formaldehyde. Another basic material for plastics produced by the States Mines is *phthalic anhydride* for the production of alkyd resins. A considerable part of Netherlands production of this material is exported—5,543 tons worth $2,493,000 in 1958.

A few years ago the State Mines also started to make *synthetic phenol,* from which *caprolactam,* the basic material for nylon, is made.

A State Mines plant to turn out *polyethylene* by the high-pressure process is nearing completion. It will have a capacity of 7,000 tons per year and imports will undoubtedly be affected. Arrivals of polyethylene from Canada in 1958 amounted to 410 tons valued at $255 thousand.

There is one factory in the Netherlands producing *vinyl acetate,* a raw material used by varnish and glue manufacturers in the production of polyvinyl acetate. There is also one producer of *coumarone indene resins,* used chiefly in making floor tiles and varnishes. A large part of the latter production is exported. In 1958 shipments abroad totalled 921 tons worth $208,500.

Phenol formaldehyde moulding powders are made by three domestic producers. In 1958, 608 tons valued at $272,500 were shipped abroad; South Africa took 103 tons and India 87 tons.

Polystyrene is manufactured by four Netherlands firms. Total output is not yet large but production has risen appreciably during the last few years. In 1958 a total of 328 tons of polystyrene, valued at $162,500, were shipped to the Netherlands from Canada.

Pharmaceuticals

The Netherlands pharmaceutical industry is highly developed and in spite of severe international competition, it has been able to expand. For further details, see the article on the Netherlands pharmaceutical industry published in *Foreign Trade* of September 27, 1958.

Trade with Canada

According to the Central Bureau of Statistics at The Hague, the following chemicals were imported into the Netherlands from Canada in 1958. For purposes of comparison, the principal competitors are also shown.

	Metric tons	$
Acetic Anhydride		
Total	507	121,250
East Germany	185	36,750
Canada	43	11,500
Oxides and Hydroxides, n.o.p.		
Total	628	1,982,250
Belgium/Luxembourg	87	1,198,500
Britain	176	308,250
West Germany	147	272,250
Canada	3	8,500
Butyl and Isobutyl Alcohol		
Total	2,172	550,500
United States	1,027	243,000
West Germany	529	144,250
Belgium/Luxembourg	348	92,500
Britain	121	33,250
Canada	58	13,250
Aliphatic Organic Compounds, n.o.p.		
Total	4,236	2,695,750
West Germany	1,271	867,750
France	1,005	537,250
United States	785	459,500
Britain	388	368,750
Canada	1	8,800
Other Aromatic and Heterocyclic Compounds, n.o.p.		
Total	16,935	10,670,000
West Germany	8,826	3,852,750
Britain	4,744	1,482,000
United States	1,304	922,250
Canada	1	22,500
Polyvinyl, liquid, lumps or powdered		
Total	13,344	5,739,250
Belgium/Luxembourg	5,326	2,355,500
West Germany	3,995	1,553,000
Sweden	1,372	510,000
Italy	950	376,250
Canada	38	34,500
Polystyrene, liquid, lumps or powdered		
Total	2,132	1,343,750
West Germany	684	488,500
United States	573	366,500
Britain	257	163,250
Canada	328	162,500

Poly- and Halogenethylene, liquid, lumps or powdered

Total	5,963	3,917,250
United States	4,141	2,654,250
Belgium/Luxembourg	617	404,000
Britain	400	300,750
West Germany	393	301,250
Canada	410	255,000

Other Chemical Products and Preparations, n.o.p.

Total	10,828	2,253,000
Britain	6,684	3,063,000
United States	1,378	914,500
West Germany	1,156	451,250
Canada		7,750

The following chemicals and products were exported by the Netherlands to Canada in 1958:

	Metric tons	$
Oxides and hydroxides, n.o.p.	2	16,000
Bromides and bromates	8	7,500
Salts of aliphatic organic acids, n.o.p.	9	7,500
Persulphates	113	30,500
Monovalent alcohols, n.o.p.	7	4,000
Amines derived from benzene and naphthalene hydrocarbon and their salts	29	78,250
Polyvinyl in sheets of less than 0.75 mm in thickness, unworked	5	5,500
Oil varnish	7	7,000
Toilet soap	12	12,250
Lubricants prepared with oils and greases	216	34,500

Euromarket

Up to now it has been difficult to determine what the direct effects of the European Economic Community will be on the Netherlands chemical industry. However, it is worth noting that a number of foreign firms, principally from the United States, have announced plans to establish factories in the Netherlands. These include E.I. du Pont de Nemours & Co., Wilmington, Delaware (synthetic textile fibre) and Continental Carbon Company, New York (carbon black). ●

Indonesia Announces Monetary Measures

. . . including lower values for certain banknotes, a new exchange rate, and revised regulations governing exports and imports.

M. B. BLACKWOOD, *Commercial Secretary, Djakarta.*

THE Government of Indonesia announced on August 24 new monetary measures designed to reduce the amount of money in circulation and combat inflation. These went into effect the following day. The first measures announced were:

- The reduction of high denomination banknotes of rupiahs 500 and rupiahs 1,000 to only one-tenth of their value. Banknotes of other denominations (rupiah 1 to rupiahs 100) were not affected.
- The freezing of 90 per cent of all bank deposits and balances in excess of rupiahs 25,000. The amounts thus frozen are to be converted into long-term loans to the Government.
- The abolition of the export certificate (B.E.) system and the introduction of a new 20 per cent levy on exports to take the place of the former P.B.E. tax. The former T.P.I. impost on imports is replaced by a new import levy ranging from 0 to 200 per cent, depending on the category of the goods.
- Under the B.E. system, the parity rate of exchange was rupiahs 11.40 to the U.S. dollar. With the abolition of the B.E. system a new parity rate has been established at rupiahs 45 to the U.S. dollar.

The regulations covering the conducting of import and export trade are described in the following paragraphs.

Incoming Foreign Exchange

All exporters who now wish to sell goods abroad are obliged to conclude a foreign exchange contract with an exchange bank at the buying rate for foreign exchange determined by the Exchange Fund. Similarly, the exchange bank is obliged to draw up a contract with the Exchange Fund for the same amount of foreign exchange and for the same period.

When the relative foreign exchange is received in the form of a transfer or sight draft and the shipping documents are presented, the bank is obliged to collect from the exporter 20 per cent of the foreign exchange at the equivalent rupiah value. This 20 per cent levy (which is called Pengatan Ekspor, or PUEX) must be paid to the Government through the Exchange Fund.

All transfers in foreign exchange received from abroad must be computed at the buying rate for the foreign exchange determined by the Exchange Fund.

From the equivalent value in rupiahs the banks are obliged to collect 20 per cent PUEX for payment to the Government. This regulation applies also to the purchase of travellers' cheques, bank bills, foreign banknotes, etc.

When gold is surrendered to the Exchange Fund it is valued at rupiahs 49,203.95 per kilogram of fine gold. The 20 per cent PUEX levy is deducted from the proceeds.

Outgoing Foreign Exchange

Importers are obliged to conclude an exchange contract with an exchange bank at the rate determined by the Exchange Fund for all imports effected under import permits issued after August 24. Similarly, the exchange bank is obliged to enter into a contract for the necessary foreign exchange with the Exchange Fund up to the same amount of foreign exchange and for the same period. An import tax, (called Pengatan Impor, or PUIM) will be charged on all imports according to the following percentages:

For category one, 0 per cent; two, 25 per cent; three, 50 per cent; four, 100 per cent; five, 150 per cent; six, 200 per cent.

The PUIM, which must be calculated on the c. & f. equivalent value in rupiahs, must be paid to the Government through the Exchange Fund.

All transfers abroad must be computed at the selling rate determined by the Exchange Fund. This regulation applies also to sales of foreign banknotes, travellers' cheques, etc.

Transitional Regulations

All exports which have still to be effected under exchange contracts closed with the banks by exporters before the new regulations came into force must be settled according to the old B.E. system. B.E.'s (export certificates) that have been issued but not yet sold, and those which are still to be issued, will no longer be sold through the B.E. bourse but must be sold direct to the Exchange Fund at the rate of 332 per cent less 20 per cent PBE.

B.E. contracts for forward delivery that are still current remain in force and must be settled in accord with the old terms and conditions.

All import licence applications that were still with the B.D.P. (import licence issuing office) at the time the new regulations came into force are to be returned to the importer through the banks.

Approved import licence applications for which the necessary B.E.'s were not purchased by August 25 are considered cancelled and will be returned to the importers.

All approved import licence applications for which the B.E.'s were purchased before August 25, and the import licences issued before that date, will be settled in accord with the old regulations.

Guarantees (prepayments) deposited by importers before August 25 are frozen and will be treated in the same way as funds frozen in current accounts or on deposit with banks.

When importers submit new import permit applications, they are exempt from making prepayments.

Exchange Rates

New buying, selling and forward foreign exchange rates have been established for most currencies, based on the new parity rate of rupiahs 45=US$1.00. Rates have not been given for the Canadian dollar. However, for the United States dollar they are as follows:

Ready Buying		**Selling**	**Forward**
D.D. Parity:	rps 45		
T.T.	rps 44.83⅛	rps 45.28⅛	buying: flat
Sight	rps 44.72	rps 45.28⅛	selling: plus 11½ sen per month after seven days
30 d/st	rps 44.42½		
60 d/st	rps 44.24		
90 d/st	rps 44.06		

The Government estimates that the reduction in value of the rupiahs 500 and rupiahs 1,000 banknotes will take rupiahs 8.5 billion out of circulation. According to the Bank of Indonesia, the value of banknotes in circulation at the time the new regulations came into effect was rupiahs 25,359.5 billion. The reduction is therefore about one-third.

The freezing of 90 per cent of the bank balances in excess of rupiahs 25,000 is expected to consolidate rupiahs 3.5 billion, which will be turned into long-term loans to the Government. The immediate result of this measure is that business firms are extremely short of working capital. To meet their operating expenses, they have been given permission to obtain loans from their banks.

With a cut in the money supply, a drop in prices is expected. There have been some reports of price decreases but it is believed that most price cuts have been made by merchants who are extremely short of working capital. The Finance Minister has stated that it may be two to three months before it is known whether commodity prices will stabilize at lower levels.

The new monetary measures are intended to combat inflation and improve economic conditions. However, important factors in achieving these objectives are the resumption of import and export trade, the availability of goods in the market to keep prices down, and perhaps other fiscal measures. ●

General Notes

Belgium

FOREIGN TRADE—During March and June, imports into Belgium reached a record volume. Although in June the export volume was also greater than ever before, the average trade deficit was larger than usual for the first six months of 1959. This, in a manufacturing and trading nation like Belgium, normally precedes economic revival by a few months. Increase in exports was particularly noticeable in textiles and chemicals. Exports of steel products and machinery have not yet reached 1957 levels, but are expected to do so within the next four months. The lag in these sectors is attributed to longer delivery delays—Brussels.

Brazil

TRADE DEFICIT—During the first quarter of this year, Brazil's foreign trade showed a deficit of US$30.7 million, compared with a favourable balance of US$32 million in the same period of last year, according to statistics released by the Ministry of Finance. During the first three months of 1959 exports totalled US$300 million and imports US$330.7 million, against US$270.8 million and US$328.8 million in the same period of 1958. The United States was Brazil's major outlet, and took 48.6 per cent (US$145.7 million) of her exports. The U.S. was also Brazil's major supplier, with 36.8 per cent (US$121.8 million) of total imports —Rio de Janeiro.

Ireland

ELECTRICITY DEMAND INCREASES—In the year ended March 1959, sales of electricity in Ireland reached a value of £13,784 thousand, an increase of £881 thousand over 1958; sales in the same period of 1949 reached only £4,344 thousand. The value of electrical appliances sold during the period rose to £752,524, 18 per cent higher than in 1957-58.

Installed capacity of the Electricity Supply Board's generating stations in March 1959 totalled 688,500 kw. During the past year, two new steam stations and one hydro station began operating and two more steam plants were either on the drawing boards or under construction. When these are completed, installed capacity will total 808,500 kw.

Materials used in expansion last year were valued at £1,340 thousand, of which 70 per cent came from local suppliers. Aluminum conductors, made largely from Canadian ingots, declined in price by 4.5 per cent because of a reduction in the price of the raw material.

Although the use of nuclear energy for electricity production in Ireland is not foreseen in the immediate future, the Board is in close touch with developments in this field—Dublin.

Israel

FOREIGN INVESTMENT INDUCEMENTS—Foreign investors in Israel's fast-growing economy will shortly be offered substantial new inducements when a revised 94-section bill (now past its second reading in the Knesset) becomes law. According to the Israeli Minister of Finance, the terms of the new bill are as liberal as any in the world. The main features are:

(1) The amount of capital that an investor may take out of the country will no longer be limited to 10 per cent of the investment in any year: he will be able to repatriate all of the profits.

(2) Recipients of dividends from approved enterprises will be exempt from paying income tax for five years. After that period, foreign investors will pay a maximum of 25 per cent income tax on dividends.

(3) The import of building materials, machinery and equipment for the erection of a new enterprise will no longer require the special approval of the Minister of Finance. However, where such goods are produced in Israel, a permit from the Minister of Commerce and Industry will be required.

In the nine years of its existence the Government's Investment Centre has approved 892 enterprises. The total sum approved for investment in these is $200 million and I£200 million. Of this, $150 million and I£150 million have actually been invested. Two-thirds of the investment came from the United States and Canada—Athens.

Paraguay

BRIDGE PLANNED—Brazil and Paraguay are planing to build a huge bridge over the Paraná River at the Paraguayan-Brazilian frontier. The bridge will be 552 metres long and the main arch will be 303 metres high. It will be built by workmen and engineers from both countries—Montevideo.

United Arab Republic

NEW OIL REFINERY—A brand-new oil refinery near Homs, Syrian Region of the U.A.R., began producing on July 1, 1959. Built by the Czechoslovak Techno-Export organization, it is designed to refine one million tons of crude oil a year.

Techno-Export won the government tender for this project against brisk competition from British, Italian, German and other firms. Completed within a stipulated period of 27 months at a cost of US$15.1 million, it may be paid for in part through delivery of surplus agricultural products such as cotton and cereals.

The refinery will take 700 thousand tons of crude oil each year from the Iraq Petroleum Company pipelines crossing Syria, at a cost of 12 shillings a ton less than the world price.

Apart from the saving of about US$22.3 million spent each year on imported oil products, the Government hopes to add US$5.6 million to its annual revenues—Beirut.

United States

SOUTH LEADS IN EMPLOYMENT—The South led the nation last year in average annual employment of its labour force, according to the New Orleans field office of the U.S. Department of Commerce. From January through December 1958, an annual average of 93.6 per cent of the labour force of the 16-state Southern region and the District of Columbia were on the job. This compared with 92.8 per cent in the North-eastern states and 93.2 per cent in the North Central region, and in the West—New Orleans.

Trade Commissioners on Tour

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

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

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

A. B. BRODIE, Commercial Counsellor in Tehran, Iran:

Montreal—Nov. 2-5	Windsor—Nov. 17
Toronto—Nov. 6-11	Vancouver—Nov. 19-25
Hamilton—Nov. 12	Winnipeg—Nov. 27
Brantford—Nov. 13	Ottawa—Nov. 30-Dec. 4
London—Nov. 16	

H. J. HORNE, Consul and Trade Commissioner in Chicago:

St. Catharines, Welland, Niagara Falls—Oct. 13	Brantford, Hamilton—Oct. 14
	Windsor—Oct. 16

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.

Tours of Territory

B. C. BUTLER, Minister (Commercial) in London, will visit Bristol from October 12-16.

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

A. WORDEN EVANS, Trade Commissioner in Liverpool, England, will visit Birmingham during the week beginning November 1.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit Dallas and Fort Worth, Texas, from October 19-23.

P. V. McLANE, Commercial Counsellor in Athens, Greece, will visit Turkey from October 5-16.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Belgrade, Yugoslavia, during the second week in October, and Prague, Czechoslovakia, during the third or fourth week.

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. Butler at London, Mr. Cheney at Lima, Mr. Evans at Liverpool, Mr. Harris at New Orleans, Mr. McLane at Athens, and Mr. Thomson at Vienna.

Trade and Tariff Regulations

Argentina

SURCHARGES ON INDUSTRIAL MACHINERY ELIMINATED—Decree No. 10,812, dated September 2, 1959, and published in the *Boletin Oficial* of September 8, 1959, eliminates the surcharges on industrial machinery and motors of all kinds which are not manufactured in Argentina. Previously, industrial machinery for certain specified industries had been freed from the surcharges formerly imposed. The present decree extends this exemption to the machinery used in all industries, with the exception of machinery produced in Argentina which is given in sections A and B of list No. 6 in Decree No. 5,439 of May 6, 1959.

British Solomon Islands Protectorate

IMPORT CONTROLS RELAXED—Advice has been received that the British Solomon Islands Protectorate has now removed controls on imports from the dollar area, except for a few items for which import licences will still be required.

France

ADDITIONAL DOLLAR IMPORT LIBERALIZATION—The Canadian Commercial Counsellor in Paris has reported by telegram that the French Government announced a further removal of import restrictions on a wide range of dollar goods effective September 26. As a result of this step, approximately 200 items have been newly liberalized, raising the total number of freed dollar items to about 1,500. This measure brings dollar liberalization to the level applicable to OEEC countries, except for 35 items. The list of goods affected has not yet reached the Department.

In addition, goods coming under 18 tariff categories have been newly liberalized from both dollar and OEEC countries. The liberalization of the majority of these comes into effect immediately, and includes the following items:

Dried apricots and prunes
Carbon black
Glutamic acid
Terramycin
Some cinema films
Outboard motors
Rolling mills and parts
Switchboards
Motor cars with cylinder capacity less than 3,000 c.c.

The following goods will be liberalized effective January 1, 1960:

Synthetic rubber
Offals
Sera and vaccines
Medicaments
First-aid kits

Full details of this measure will be published when they become available.

North Borneo

IMPORT CONTROLS RELAXED—The Commissioner of Trade and Customs, North Borneo, has announced that, with effect from July 1, restrictions on the import of goods from the dollar area have been removed, except for a short list of items which will still require import licences.

Sarawak

IMPORT RESTRICTIONS RELAXED—The Commissioner of Trade and Customs, Sarawak, has announced that, effective July 1, 1959, an Open General Licence has been issued for the import of goods from the dollar area, with some exceptions for which specific licences will be required.

Sudan

IMPORT CONTROL REGULATIONS RELAXED—In a press notice dated July 1, 1959, new import trade control regulations were announced by the Ministry of Commerce, Industry and Supply of Sudan. With effect from July 1, 1959, all Open General Licences hitherto granted are revoked. The new regulations provide for an Open General Licence applicable to a scheduled list of goods containing some 297 commodities which may be imported freely into Sudan from all countries, including Canada. For goods imported under Open General Licence, the importer must register with the Ministry of Commerce, Industry and Supply on a special registration form the quality, quantity and value of the commodity or commodities that he wishes to import before entering into firm contracts with foreign suppliers. All other goods, with certain exceptions, require an import licence.

Goods exempt from import licensing include: imports by the Sudan Government, travellers' baggage and personal effects, commercial samples, and goods imported by parcel post and air freight, provided that the value of any parcel or consignment does not exceed two Sudanese pounds, or in the case of gifts, five Sudanese pounds.

The complete schedule of goods that may be imported freely into Sudan under Open General Licence from all countries may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Taiwan

FOREIGN EXCHANGE UNIFIED—Effective from August 10, 1959, the Republic of China (Taiwan) has only one foreign exchange rate. The Foreign Exchange and Trade Control Commission of the Republic announced in Taipei on August 8, 1959, that the foreign exchange certificate rate has been incorporated into the over-all foreign exchange rate which shall now be New Taiwan dollars 36.38 to US$1.00 for selling and NT$36.08 to US$1.00 for buying. The move, it is reported, marked the finalization of the foreign exchange rates and is aimed at clarifying any misunderstanding about the foreign exchange system of Taiwan. Furthermore, the latest move cleared the way for free application for imports, another step contemplated for the future.

The foreign exchange certificate will remain in use but its nature and functions will now be different. According to the new regulations, all foreign exchange shall be deposited with the Bank of Taiwan which will issue a foreign exchange certificate equivalent to the amount of foreign exchange submitted; those who are willing to sell the foreign exchange may get New Taiwan dollars at the foreign exchange rate. Export commodities with a value under US$25 in any foreign currency are exempt from this requirement. The holder of the certificate may use it himself, transfer it to others, or sell it to the Bank of Taiwan or other designated banks at the foreign exchange rate. The certificate is valid for 180 days from the date of issue. Therefore, when goods are exported from Taiwan the exporter obtains a foreign exchange certificate which he can either sell to the Bank of Taiwan at NT$36.08 or hold for use in application for imports.

The holder of an old certificate may either use it to apply for imports according to this procedure or may turn it over to the Bank of Taiwan at the price of NT$11.50 to US$1.00. The holder may also hand over the old certificates to the Bank of Taiwan plus $24.78 for each U.S. dollar to get the new foreign exchange certificate, as long as the validity of the certificate has not expired.

United States

CUSTOMS COURT DECISION MODIFIES RATE OF DUTY ON FISH BLOCKS—In a decision (C.D. 2101) issued on July 15, 1959, concerning the tariff classification of certain fish blocks which, unlike fillets of frozen and fresh fish, are not composed of whole pieces of fish but comprise various pieces of fish together with bits and trimmings in block form, the Customs Court held the blocks to be dutiable under tariff paragraph 720(b) as "fish, prepared or preserved, nspf", which carries a rate of 1 cent per pound if in immediate containers weighing with their contents more than 15 pounds each, or a rate of 12½ per cent ad valorem if in smaller containers.

These groundfish blocks were formerly classified by the U.S. Customs under tariff paragraph 717(b) as "fish, fresh or frozen . . . filleted, skinned, boned, sliced, or divided into portions, nspf", which carries a rate of 1⅞ cents per lb. under quota and 2½ cents per lb. above the quota.

Since the 60-day period allowed for appeal has passed without an appeal being lodged, it appears that the above decision has become final.

TARIFF COMMISSION'S REPORT ON MINK SKINS—On September 17, the Tariff Commission made public a report of its findings and conclusions in the escape clause investigation into imports of dressed and undressed mink skins, which was announced in the April 25 issue of *Foreign Trade*.

The Commission found that neither dressed nor undressed mink skins are being imported into the United States in such increased quantities, either actual or relative (to domestic production), as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. The Commission therefore made no recommendation to the President for modification or withdrawal of the concessions applicable to these products.

QUOTA ON POTATOES ANNOUNCED—On September 16, 1959, the Bureau of Customs announced that the low rate tariff quota on potatoes of 37½ cents per 100 pounds will apply only to the basic quantity of 36 million pounds, if imported during the twelve-month period beginning September 15, 1959. If imports should exceed 36 million pounds from December 1, 1959, to February 28, 1960, they will be dutiable at 60 cents per 100 pounds until total imports reach 60 million pounds. All shipments outside of these quotas will be subject to a duty of 75 cents per 100 pounds.

Zanzibar

IMPORT CONTROLS RELAXED—The Imports and Exports Controller, Zanzibar, has announced that, with effect from July 1, goods from the dollar area, with a few exceptions, may be imported without restrictions under Open General Licence.

Foreign Trade Service Abroad

Bentley's Second Phrase Code is used by Canadian Trade Commissioners

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor G. E. Blackstock Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	H. S. Hay Acting Commercial Secretary	7th Floor Berger House 82 Elizabeth Street SYDNEY	*Mail:* *P.O.* Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Austria Bulgaria, Czechoslovakia, Hungary, Romania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis Canadian Government Trade Commissioner R A Bull Assistant Trade Commissioner	Forescom Building LEOPOLDVILLE 1	*Mail:* Boite Postale 8341 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	L. H. Ausman Commercial Counsellor J. R. Roy Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	Wm. Jones Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	D. M. Holton Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary N. L. Currie Assistant Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 43-00-65
Cuba	R. R. Parlour Commercial Secretary	Canadian Embassy Edificio Ambar Motors Avenida Menocal 16 HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor (absent) J. M. Knowles Acting Commercial Secretary	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Tel.:* 8138
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor W. G. Brett Commercial Secretary C. T. Charland Assistant Commercial Secretary	Canadian Embassy, 35 Avenue Montaigne, PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor G. F. Mintenko Assistant Commercial Secretary W. J. O'Connor Assistant Commercial Secretary (Agriculture)	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 21971
Germany	E. H. Maguire Consul J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Ghana Gambia, Liberia, Nigeria, Sierra Leone	Commercial Secretary (absent)	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Tel.:* 4824
Greece Israel, Turkey	P. V. McLane Commercial Counsellor L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner R. M. Dawson Assistant Trade Commissioner	5 Avenida 10-68, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	B. A. Macdonald Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 35201
India Calcutta, Madras, Goa	H. A. Gilbert Canadian Government Trade Commissioner G. P. Morin Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	M. B. Blackwood Commercial Secretary	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	W. Van Vliet Commercial Counsellor (temporary)	Canadian Legation TEHRAN	*Mail:* Central P. O., Box 1610 *Cable:* CANTRACOM *Tel.:* 49291

Territory	Officer	City Address	Mail and Cables, Office Telephone
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta.	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 861-951
Japan South Korea	J. L. Mutter Commercial Counsellor N. W. Boyd Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 408-2101/8
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	C. O. R. Rousseau Commercial Secretary (absent) W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	F. B. Clark Commercial Secretary A. A. Lomas Assistant Commercial Secretary W. M. Miner Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D. F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	W. R. Hickman Commercial Secretary B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, French Oceania, Western Samoa	J. H. Stone Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor (absent)	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan	L. A. Campeau Commercial Secretary J. B. McLaren Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
Peru Bolivia	D. H. Cheney Commercial Secretary W. J. Jenkins Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines Republic of China (Taiwan)	H. L. E. Priestman Consul General and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate General Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571

Territory	Officer	City Address	Mail and Cables, Office Telephone
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner B. C. Steers Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 74260
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio España Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
United Arab Republic Egyptian Region Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	W. J. Collett Acting Commercial Secretary	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
United Kingdom	B. C. Butler Minister (Commercial) W. Gibson-Smith Commercial Secretary S. G. Tregaskes Commercial Secretary D. B. Laughton Agricultural Secretary E. J. White Commercial Secretary (Timber)	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	W. R. Van Canadian Government Trade Commissioner	36 Victoria Square BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	M. Schwarzmann Minister-Counsellor (Economic) D. A. B. Marshall Agricultural Counsellor T. M. Burns Commercial Secretary W. A. Stewart Assistant Commercial Secretary J.D. Blackwood Assistant Commercial Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States—*con.*	H. E. Lemieux Consul and Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	J. C. Depocas Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	H. J. Horne Consul and Trade Commissioner G. F. J. Osbaldeston Vice Consul and Acting Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	Consul and Trade Commissioner (absent)	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Tel.:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* JAckson 5-2136
United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	Blair Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel Commercial Counsellor R. D. Sirrs Assistant Commercial Secretary J. E. Montgomery Assistant Commercial Secretary	Canadian Embassy Edificio Pan American Avenida Urdaneta Puente Urapal, Candelaria CARACAS	*Mail:* Apartado 9277 *Cable:* CANADIAN *Tel.:* 54.34.32
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam Guadeloupe, Martinique	R. G. C. Smith Commissioner for Canada R. F. Renwick Commercial Secretary R. L. Richardson Assistant Commercial Secretary	Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
West Indies (Jamaica) Bahamas British Honduras	H. E. Campbell Canadian Government Trade Commissioner C. G. Bullis Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

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 1.0543657.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 28	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01143	87.48	(1)
Austria	Schilling		.03670	27.25	
Australia	Pound		2.1274	.4701	
Bahamas	Pound		2.6592	.3761	
Belgium, Belgian Congo and Luxembourg	Franc		.01895	52.77	
Bermuda	Pound		2.6592	.3761	
Bolivia	Boliviano	Free	.00008301	12,046.67	
British Guiana	Dollar		.5440	1.81	
British Honduras	Dollar		.6648	1.50	
Brazil	Cruzeiro	General Category*	.005234	191.07	*Sept. 15 (2)
		Special Category	.002491	401.52	
		Official selling	.05040	19.84	(3)
Burma	Kyat		.1992	5.02	
Ceylon	Rupee		.1994	5.01	
Chile	Peso	Free	.0009016	1,109.14	(4)
Colombia	Peso	Certificate	.1482	6.75	
Costa Rica	Colon	Official	.1689	5.92	
		Controlled free	.1426	7.01	
Cuba	Peso		.9484	1.05441	tax 2%
Czechoslovakia	Koruna		.1317	7.59	
Denmark	Krone		.1377	7.26	
Dominican Republic	Peso		.9484	1.05441	
Ecuador	Sucre	Official	.06323	15.81	
		Free	.05296	18.88	
Egyptian Region, United Arab Rep.	Pound	Official	2.7235	.3672	
		Export account selling	1.9925	.5019	
El Salvador	Colon		.3794	2.63	
Fiji	Pound		2.3957	.4174	
Finland	Markka		.002964	337.38	
France, Monaco and North Africa	Franc		.001933	517.33	(5)
French colonies	Franc		.003866	258.66	(6)
French Pacific	Franc		.01063	94.07	(7)
Germany	D Mark		.2268	4.41	
Ghana	Pound		2.6592	.3761	
Greece	Drachma		.03161	31.63	
Guatemala	Quetzal		.9484	1.05441	
Haiti	Gourde		.1897	5.27	
Honduras	Lempira		.4742	2.11	
Hong Kong	Dollar	Free*	.1650	6.06	*Sept. 18
		Official	.1662	6.02	
Iceland	Krona	Official	.05824	17.17	(8)
India	Rupee		.1994	5.01	
Indonesia	Rupiah	Official rate	.02019	49.53	*Effective Aug. 25, 1959
Iran	Rial		.01252	79.87	

*Latest available quotation date.

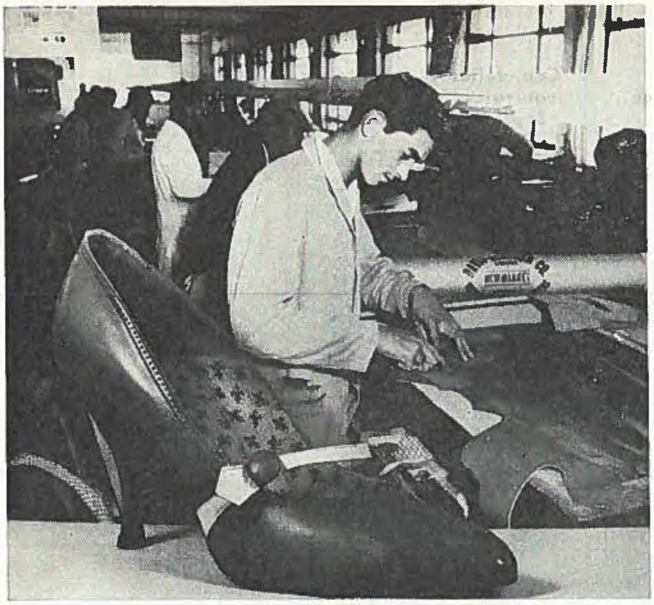
Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 28	Units per Canadian dollar	Notes (See below)
Iraq	Dinar		2.6556	.3766	
Ireland	Pound		2.6592	.3761	
Israel	Pound		.5269	1.90	
Italy	Lira		.001528	654.45	
Japan	Yen		.002635	379.51	
Lebanon	Pound	Free	.3010	3.32	
Mexico	Peso		.07588	13.18	
Netherlands	Florin		.2512	3.98	
Netherlands Antilles	Florin		.5062	1.98	
New Zealand	Pound		2.6592	.3761	
Nicaragua	Cordoba	Effective buying	.1437	6.96	
		Official selling	.1346	7.43	
Norway	Krone		.1330	7.52	
Pakistan	Rupee		.1994	5.01	
Panama	Balboa		.9484	1.05441	
Paraguay	Guarani	Official	.007806	128.11	
Peru	Sol	Certificate	.03369	29.68	
Philippines	Peso		.4742	2.11	
Portugal & Colonies	Escudo		.03310	30.21	(9)
Singapore and Malaya	Straits Dollar		.3102	3.22	
Spain and Dependencies	Peseta		.01581	63.26	
Sweden	Krona		.1834	5.45	
Switzerland	Franc		.2191	4.56	
Syrian Region, United Arab Rep.	Pound	Free	.2652	3.77	
Thailand	Baht	Free	.04514	22.15	(8)
Turkey	Lira		.1054	9.49	(8)
Union of South Africa	Pound		2.6592	.3761	
United Kingdom	Pound		2.6592	.3761	
United States	Dollar		.9484375	1.0543657	
Uruguay	Peso	Free	.08843	11.31	
		Basic buying	.6250	1.60	(8)
		Principal selling	.4525	2.21	
Venezuela	Bolivar		.2831	3.53	
West Indies Fed.	Dollar		.5540	1.81	(10)
	Pound		2.6592	.3761	(11)
Yugoslavia	Dinar	Official	.003161	316.35	(8)
		Settlement rate	.001501	666.36	

*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.

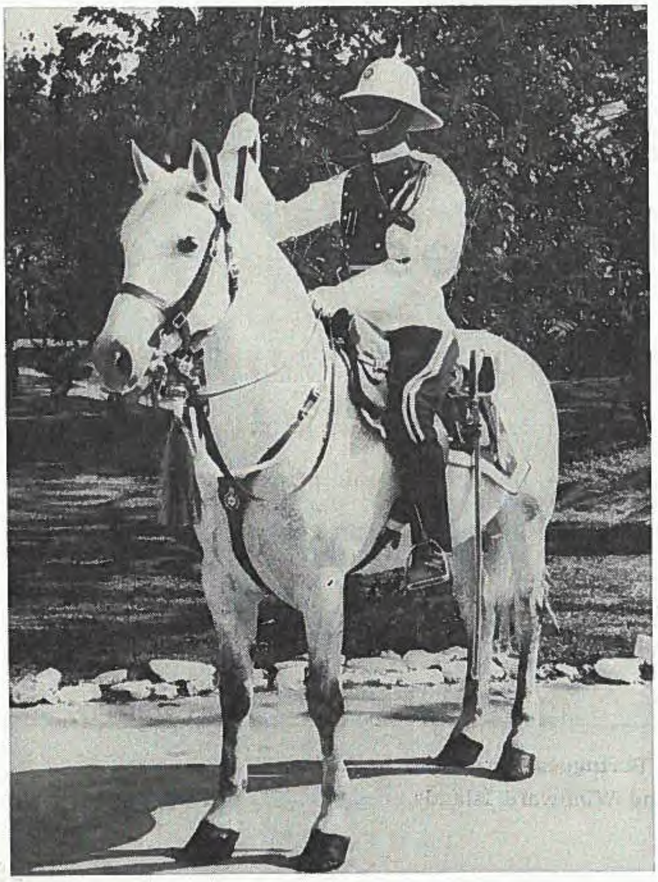
In South Africa—This elegant shoe is the product of a Cape Town factory which uses Canadian leather for many of its models. Workers are cutting out patterns from this leather.



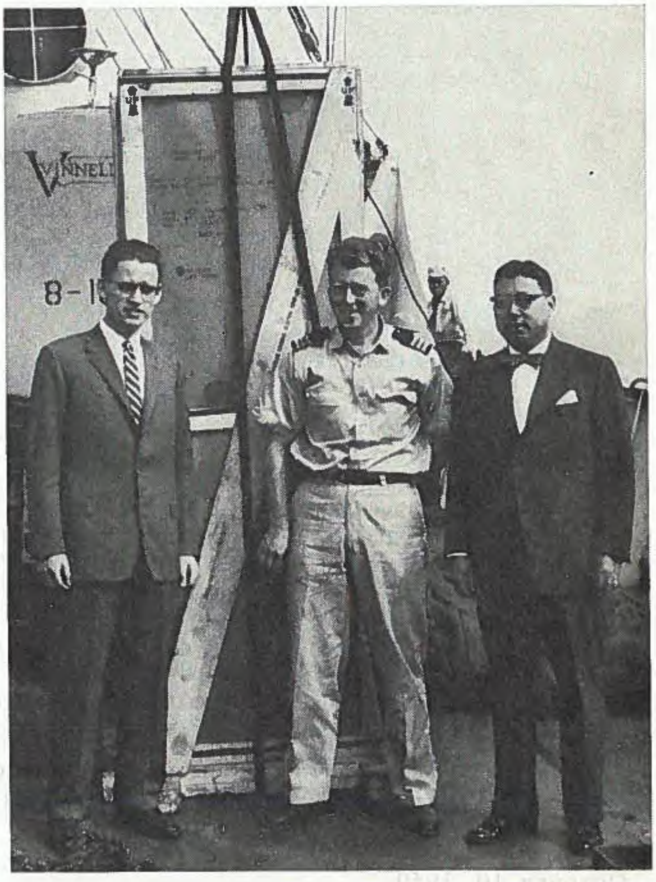
In the Netherlands—The "Deerwood" arrives at Amsterdam with a shipment of Douglas fir and hemlock lumber from Canada's West Coast; stevedores are unloading the lumber.

Canada in Foreign Markets

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



In Trinidad—Canadian horses regularly join the Trinidad and Tobago Police Force; the latest recruits arrived in July. This policeman and his Canadian mount make a splendid picture.



In Hong Kong—The Assistant Trade Commissioner (left), boards ship in Hong Kong harbour to watch the arrival and unloading of another Canadian export—two radio transmitters.

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