MAY 7, 1960

foreign trade

CANADA

WEST AFRICA: DEVELOPMENT AND TRADE (pages 2-14)

Established in 1904

foreign trade

OTTAWA, MAY 7, 1960 Vol. 113, No. 10

cover Tema, Ghana's new port, a scene of bustling activity, will ease the strain on Takoradi (the only other seaport in the country where ships can lie alongside) when it is completed a few months hence. The picture typifies the progress being made in West Africa today, bringing in its wake demands for many types of imported goods. The reports on pages two to fifteen bring the reader up-to-date on agricultural and industrial progress and trade in this dynamic area of the African continent.

CANADA

Published fortnightly by the Department of Trade and Commerce.
The Hon. GORDON CHURCHILL, Minister. JAMES A. ROBERTS, Deputy Minister.

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

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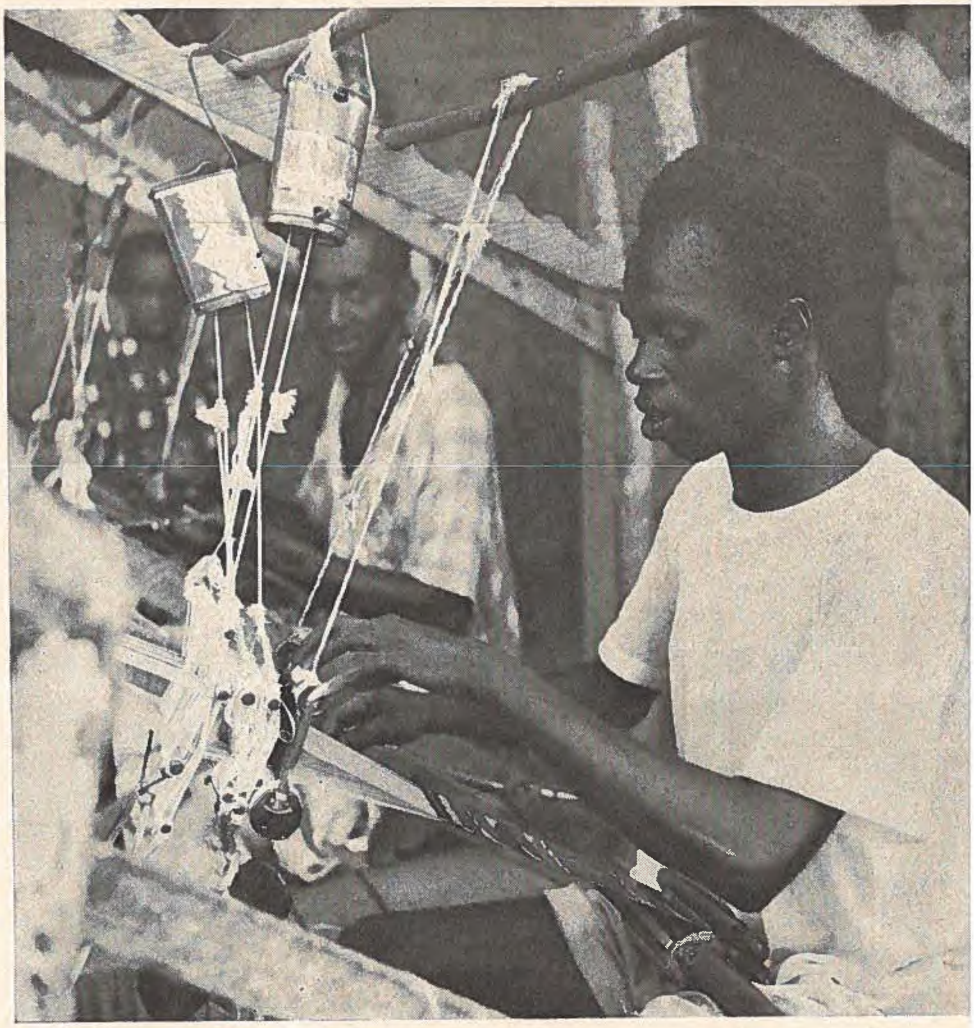
At Bonwire, near Kumasi, centre of a cloth industry, two Ghanaians weave Kente cloth, used traditionally for the robes of Ashanti Chiefs—UN Photo.



GHANA
NIGERIA
GAMBIA
SIERRA LEONE
LIBERIA
BELGIAN CONGO

Development and Trade

Ghana

Ghana's economy still rests solidly on cocoa, and production and exports are rising. Government development plan calls for 600 new industries by 1964; this should help to create a challenging new market for Canadians.

K. F. OSMOND, *Commercial Secretary, Accra.*

AN excellent cocoa crop and a marked increase in government current and capital expenditure stimulated Ghana's economy in 1959. This improvement was reflected in increased business activity on the domestic scene and in record trade with other countries.

Exports of cocoa for the first ten months of 1959 rose to £58.3 million from £52.4 million during the corresponding period in 1958, despite lower prices in the world market. Shipments of gold, diamonds and timber also increased substantially in value, but sales of manganese ore dipped because of a decline in export prices.

Imports of machinery and transport equipment virtually doubled over the previous year. There were important increases also in imports of chemicals and pharmaceuticals, food, beverages and tobacco, and a variety of manufactured goods.

In July 1959 the Government announced its Second Five Year Development Plan. It envisages an expenditure of £350 million, including £100 million for hydro-electric works, of which the most important is the vast Volta River power and aluminum project.

EXPORTS OF AGRICULTURAL PRODUCTS OTHER THAN COCOA

	1958 (10 mos.)	1959 (10 mos.)
Kola nuts	£298,727	£634,752
Coffee	86,662	338,682
Copra	123,059	155,987
Palm kernels	308,921	112,774
Rubber	38,587	51,797
Bananas	45,888	35,343
Coconuts	21,039	23,260
Lime fruit juice	20,514	66,396

Priority is being given to a number of projects for "immediate implementation". Particular emphasis is placed on diversification and improvement of agriculture, industry, communications, health services and education, and £147 million has been earmarked for these purposes. Other projects will be added as financial resources become available from internal or external sources.

Cocoa Output Rises

Cocoa is by far the most important crop; production is all exported and accounts for nearly two-thirds of Ghana's foreign exchange earnings. Output has risen steadily over the past three crop years through better control of pests and diseases, the use of fertilizers, and the planting of high-yielding stocks. The amount of cocoa produced in the crop year 1958-59 totalled 255,500 tons, up about 23 per cent over the previous season. The 1959-60 crop is estimated at over 300,000 tons.

The average price received for exports of cocoa over the whole of 1959 dropped by 13.3 per cent—to £274 per ton from £316 in 1958. This drop became more pronounced in the last quarter of 1959 and price quotations at the end of December were about 25 per cent below those at the beginning of the year. The price paid to the producer is controlled by the Cocoa Marketing Board and has remained unaffected by world price fluctuations.

Apart from cocoa and such staple food crops as plantains, cassava, yams, cocoa yams, maize and peanuts, agricultural production in Ghana is on quite a modest scale. Rapid urbanization and rising living standards are, however, boosting demand for more and varied foodstuffs, which at present can be met only by imports. The Second Development Plan therefore emphasizes the modernization and development of agriculture, and has set the following main targets for the next five years:

- to raise the yields of the cocoa industry
- to establish large acreages in rubber and bananas
- to establish the foundations of a cattle industry
- to raise the yield of cereals in the Northern Region
- to bring the Volta flood plain under irrigation
- to study and promote the use of fertilizers.

Exports of agricultural products other than cocoa are small at present but are expanding, as the accompanying table indicates.

Ghana's timber industry falls into two main categories: the export of logs, and sawmilling for domestic and export markets. Increased mechanization in logging operations resulted in record timber production in 1959. World prices were buoyant and exports for the first ten months of the year reached £10.86 million, compared with £9.07 million in the same period of 1958.

To avoid indiscriminate cutting of timber outside the national timber reserves, which are already controlled, a law was enacted in July 1959 authorizing the Government to declare some regions "protected areas", in which the felling of trees, except under licence, will be prohibited.

Industry Moves Ahead

Although Ghana is, and will remain, predominantly an agricultural country, the Government is determined to develop its industrial

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potential to the maximum. Some £10 million has been set aside under the Second Development Plan for direct investment in industrial enterprise during the next five years. Part of the money is for investment in shares or debentures of private undertakings; the remainder is for investment in enterprises under the control of the Government's Industrial Development Corporation (IDC).

Ghana recognizes the need for foreign capital and technical know-how to push her program of industrial development. As an incentive to overseas investors the Government has introduced a number of measures to make capital investment attractive. It is also prepared to sign agreements with any country, guaranteeing the rights of its investors in Ghana.

A number of new industries have already been established, including aluminum corrugated sheets, matches, truck assembly, nails, cigarettes, and biscuits—to name only a few. Priority is being given under the development plan to the establishment of no less than 600 industries within the next five years.

Mining

As in previous years, Ghana's mining industry in 1959 centered around the production and export of gold, diamonds (mostly industrial), manganese and bauxite. There was, however, much activity in the quarrying of stone for building and road-making. Gold output rose from 853,000 ounces to an estimated 911,000, the biggest recorded annual production since the war. The accompanying table shows the value of Ghana's mineral exports for the first ten months of 1958 and 1959.

MINERAL EXPORTS

	1958 (10 mos.)	1959 (10 mos.)
Gold	£ 8,789,289	£ 9,343,673
Diamonds	6,907,539	7,468,991
Manganese	7,801,681	5,644,315
Bauxite	448,107	336,018
Total	£23,946,616	£22,792,997

External Trade Expands

Provisional figures released by the Government show that Ghana's total imports for 1959 jumped to a new high of £113.41 million. Total exports, at £114.04 million, also climbed to a near record, resulting in a small but favourable trade balance of £0.63 million.

GHANA'S FOREIGN TRADE

	Imports	Exports
	(millions of £)	
1956	88.9	86.6
1957	96.6	91.6
1958	84.6	104.6
1959	113.4	114.0

The distribution of trade did not change significantly during the year. The United Kingdom was the main supplier, followed by West Germany, the Netherlands, Japan and the United States. These countries, with the exception of Japan, were also Ghana's best customers.

Business with Canada

Canada's sales to Ghana in 1959 were three times bigger than in the previous year. Although complete figures for 1959 are not yet in, it is expected that Ghana's shipments to Canada will be double those in the calendar year 1958.

GHANAIAN-CANADIAN TRADE

	1957	1958	1959
	(millions of Can. $)		
Exports to Ghana	1.25	1.28	3.80
Imports from Ghana (11 mos.)	5.99	2.13	4.03
Total trade	7.24	3.41	7.83

Flour accounted for most of the increase in Canadian sales and in fact constituted about 93 per cent of our total exports to this country in 1959. Higher consumer purchasing power and rising living standards are boosting sales of flour here, and the Canadian product is becoming more and more popular because of its high protein content and excellent baking qualities. Our flour exports to Ghana in 1959 rose to $3.54 million from $1.04 million in 1958. In spite of growing demand, however, the market on a number of occasions during the past year has been overstocked. This has resulted in underselling by importers and depressed prices on the local market from time to time. Storage space is limited and flour must be disposed of quickly to avoid deterioration in the hot, humid climate. Canadian exporters would be well advised to watch this closely.

Canada's main exports to Ghana in 1959, other than flour, were: automobiles and parts $163,280, office machines and parts $17,944, clothing $13,679, gas and marine engines $7,844, calcium compounds $5,372, canned salmon $3,776, and farm equipment and parts $3,530. Our purchases from Ghana are confined almost entirely to cocoa beans; mahogany, teak and other tropical woods; and manganese ore.

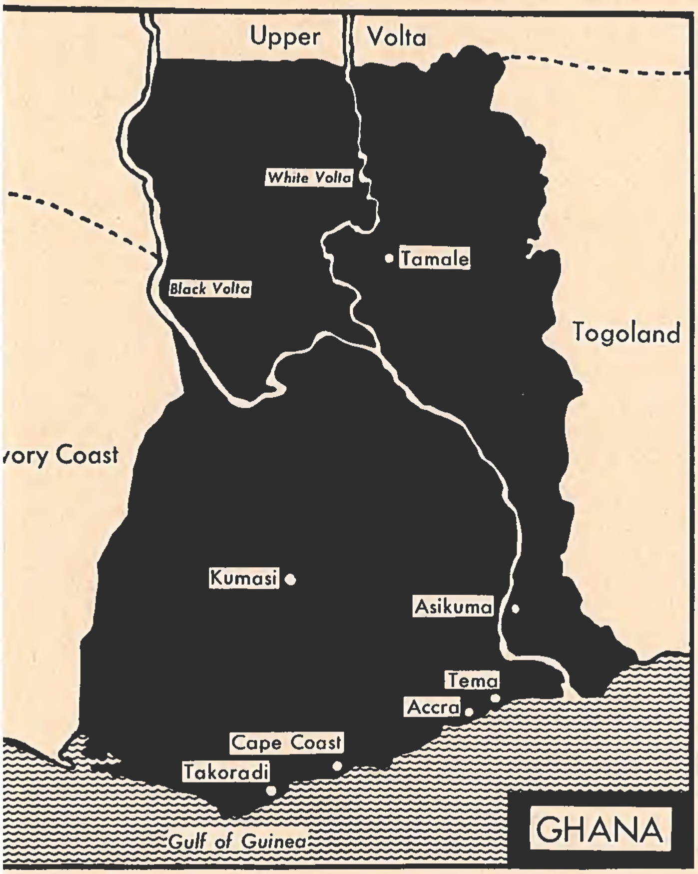
Outlook for Canadians

On March 16, 1960, the Government of Ghana announced the liberalization of all imports from dollar countries with the exception of arms and ammunition, explosives, gold, cinematographic films, petroleum products, and tobacco in both manufactured and unmanufactured form.

Now that this market is virtually wide open, Canada should be able to sell a wider variety of goods. It is important to remember, however, that this is a price market and competition is bound to be keen, particularly from traditional suppliers.

Among the products that seem to offer the best opportunities for Canadian suppliers are consumer goods, foodstuffs (particularly canned products), motor vehicles and parts, various types of machinery, building materials, fertilizers and insecticides. The Office of the Commercial Secretary, Accra, welcomes inquiries from interested Canadian businessmen. ●

Markets in Brief



GHANA

Area: 91,483 square miles.

Population: approximately five million.

Climate: tropical and humid.

Language: English.

Currency: Ghanaian pound, at par with sterling.

Weights and measures: avoirdupois and linear.

Capital: Accra, at sea level.

Chief ports: Takoradi, Accra (surf port only); new port at Tema opening in about a year.

Marketing centres: Accra (population 136,000); Takoradi 45,000—mainly engineering firms, sawmills, mines; Kumasi 79,000, capital of Ashanti.

Economy: mainly dependent on cocoa; gold, timber, diamonds and manganese of secondary importance.

Total Ghanaian imports: 1958—£84.6 million; 1957—£96.5 million.

Chief imports: (in per cent) food, beverages and tobacco 21.7; textiles 17.4; machinery, including electrical apparatus and appliances 10; transport equipment 8; chemicals 7.8; mineral fuels, lubricants 7.4.

Chief suppliers: 1958 (in per cent)—United Kingdom 43; Netherlands 8.4; Japan 8; combined Commonwealth countries 7; West Germany 5.7; United States 5.

Value of imports from Canada: 1958—£793,694; 1957—£968,637.

Chief imports from Canada: (in per cent)—flour 78.4, machinery and transport equipment 16.7, chemicals 3.8.

Total Ghanaian exports: 1958—£104.5 million.

Chief exports: 1958 (in millions of £)—cocoa 62, timber 11.9, gold 10.6, diamonds 8.7, manganese 8.6.

Chief markets: 1958 (in per cent)—United Kingdom 36, United States 19, West Germany 16, Netherlands 9.7.

Value of Canadian purchases: 1958—£606,243; 1957—£894,955.

Chief Canadian purchases: (in per cent) cocoa beans 92.9; logs and sawn timber 7.

Dollar exchange: effective March 19, 1960, the Government of Ghana liberalized controls on imports from the dollar area of all goods except arms, ammunition, explosives, gold, cinematographic films, petroleum products, and manufactured and unmanufactured tobacco. All goods from Canada, except the few specified above, may now enter Ghana without import trade control licences.

Prices: quote only in sterling, c.i.f. Takoradi or Accra.

Samples: entry free if of no commercial value; otherwise duty refundable on re-export within three months.

Trade agreements: Ghana precluded by Niger River Convention from granting any preferential tariffs to Commonwealth countries. Ghana is a member of GATT.

Import controls, documentation, customs tariffs, marking and labelling: consult International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Main banks: Bank of West Africa, Barclays (D.C.O.) Ltd., Bank of Ghana, Ghana Commercial Bank.

Correspondence: airmail—six days; seamail—about six weeks. Valuable documents should be registered.

For detailed information on this market write to:

Commonwealth Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Secretary
Office of the High Commissioner for Canada
P.O. Box 1639
Accra, Ghana
West Africa

82366-6—2½

Nigeria

Palm products, peanuts and cocoa are still Nigeria's biggest foreign exchange earners and exports are rising. Improved living standards bring growing demand for imported goods, now admitted freely—with some exceptions—from dollar countries.

K. F. OSMOND, *Commercial Secretary, Accra.*

NIGERIA'S economy has developed rapidly since the end of the war; total revenue, excluding grants from overseas, has risen from £14.1 million in 1946-47 to an estimated £76.5 million for the financial year 1959-60. Foreign trade has also expanded; between 1947 and 1958 exports jumped in value from £44 million to £136 million, and imports from £33 million to £167 million. For the first eleven months of 1959, total trade at over £312 million had already passed all previous annual records and is likely to exceed £340 million for the whole year. Imports at the end of November 1959 totalled £162.4 and exports £150.3 million; the over-all trade deficit at £12 million was nearly 57 per cent lower than in the same period of 1958.

According to the latest import statistics in the accompanying table, machinery and transport equipment and foodstuffs accounted for most of the rise in 1959. Of the former, aircraft engines and parts made up most of the increase (£1.8 million compared with £0.36 million), followed by ships and boats (£1.6 million compared with £0.31 million). The imports of aircraft and parts were exceptional last year and cannot be expected to continue at that level. The same applies to ships and boats, where most of the increase was accounted for by special drilling rigs for oil exploration. In food, imports of stockfish rose to £6.9 million from £5.5 million and of wheat flour to £2.3 million from £1.8 million.

Nigeria's principal exports are palm kernels and oil, peanuts (including oil and cake), cocoa, raw cotton, timber, rubber and tin ore. Almost double the tonnage of cocoa was exported up to the end of October 1959 compared with the same period in 1958. Export sales of the other products, with the exception of tin ore, also showed substantial gains. The best customers last year were the United Kingdom, the Netherlands, West Germany and the United States. These countries, plus Japan, were also the main suppliers.

IMPORTS INTO NIGERIA

	1958 (10 mos.) Million £	1958 (10 mos.) Per cent	1959 (10 mos.) Million £	1959 (10 mos.) Per cent
Manufactured goods	52.2	39.0	52.4	36.0
Machinery and transport equipment	31.6	23.6	36.4	25.0
Food	14.7	11.0	17.5	12.0
Miscellaneous manufactured articles	12.2	9.2	13.9	9.5
Mineral fuels and lubricants	7.5	5.6	8.7	6.0
Chemicals and pharmaceuticals	7.4	5.5	8.3	5.7
Beverages and tobacco	4.5	3.4	4.7	3.2
Crude materials, mainly inedible	1.7	1.3	1.6	1.1
Others	1.9	1.4	2.2	1.5
Total	133.7	100.0	145.7	100.0

Export Crops

Of Nigeria's field and tree crops, only about 20 per cent is exported; the remainder is consumed on the domestic market. Agricultural exports are, however, of great importance to the economy and account for about 85 per cent of total earnings from abroad.

Most of Nigeria's agricultural exports are handled by Regional Marketing Boards. The boards fix prices to be paid to producers at the beginning of each season and buy the produce through officially licensed agents who act on their behalf. Arrangements for shipment and overseas marketing are the responsibility of the Nigerian Produce Marketing Co. Ltd., registered in Nigeria with an office in London. This company is wholly owned by the Regional Marketing Boards.

• Palm Products—Nigeria is the world's largest exporter of palm kernels and oil, providing 50 per cent of the global trade in kernels and over 30 per cent in palm oil. All but a small part of the palm kernel production is exported but large quantities of palm oil are consumed locally. Export figures for the past two years are given in the accompanying table.

EXPORTS OF PALM PRODUCTS

1958	Palm Oil	Palm Kernels
tons	170,507	441,223
value	£12,662,859	20,449,817
1958 (10 mos.)		
tons	160,131	381,820
value	£11,922,197	17,552,403
1959 (10 mos.)		
tons	170,434	386,006
value	£12,903,128	23,064,159

• Peanuts—Nigeria is also the world's biggest exporter of peanuts, and supplies about 30 per cent of total international trade. Production for the 1958-59 season totalled about 533,000 tons, compared with the record 1957-58 crop of almost

715,000. Export sales for the first ten months of 1959 totalled 424,323 tons valued at £23.4 million, compared with 408,114 tons worth £21.7 million for the same period in 1958.

• Cocoa—Nigeria ranks third among world producers of cocoa; most of it is grown in the Western Region and virtually all of it is exported. Production for the 1958-59 season reached a record of just under 140,000 tons, and it is expected that the 1959-60 crop will be bigger. Exports to the end of October 1959 totalled 112,197 tons valued at £30.8 million, compared with 58,682 tons worth £18.4 million during the same period of 1958.

• Cotton—Cotton lint and seed provide a valuable addition to Nigeria's export trade and output has expanded rapidly in recent years. About 98 per cent of the crop is grown in the Northern Region and it is estimated that about one-third is consumed locally. There is a country-wide native spinning and weaving industry, and a modern mill at Kaduna in the Northern Region that makes cloth, mainly for internal sale. Exports of cotton lint and seed for the first ten months of 1959 and 1958 totalled £7.8 million and £7.1 million.

Industry Grows

Industry in Nigeria is still on a small scale and not yet a major contributor to national income. However, considerable expansion has taken place in recent years in the processing and manufacturing industries, and this growth is accelerating. The more important industries include the manufacture of cement, cotton textiles, beer and soft drinks, cigarettes, soap, metal drums and other containers, metal doors and windows, margarine, plastic water pipes and other plastic goods. There is also a large meat canning plant, which in 1959 turned out over two million tons of canned beef, and a vehicle assembly plant that began operating in October 1959.

Work has started at a site near Lagos on an asbestos cement products plant to make corrugated and flat sheeting, ridging, ducting and piping. An extension is also planned for the large textile mill at Kaduna in Northern Nigeria that will boost production by 40 to 50 per cent. In addition, the Government is sponsoring a steel rolling mill for Badagry, west of Lagos, that will make reinforced steel rods from domestic ferrous scrap. Other projects scheduled to begin operations in 1960 include an aluminum pots-and-pans factory near Lagos and a new cement plant, now being built in the Western Region, with a capacity of 200,000 tons a year.

Industrial development is a major objective of government policy in Nigeria and the Federal and Regional Governments have issued a joint statement welcoming overseas investment and giving assurances that the interests of investors will be safeguarded. Existing legislation is designed to encourage foreign investment.

Oil Exploration

The search for oil in Nigeria, begun in 1937 and interrupted by the war, was resumed in 1947. By 1958 oil had been discovered in 12 different areas and output that year averaged about 7,000 barrels a day. Production rose to some 15,000 barrels a day in 1959 and

Nigeria exports more palm oil and palm kernels than any other country; earned more than £36 million from them last year. Here bunches of palm nuts are carried in from the farm to a processing station. Nigerians themselves use large quantities of palm oil.

it is expected that this will be more than doubled by the end of 1960. Nigeria began to export crude oil early in 1958 and exports have increased in value from £0.98 million at the end of that year to over £2 million for the first ten months of 1959.

Exploration continues and there are good prospects that oil will become one of Nigeria's more important exports. Consideration is already being given to the feasibility of establishing a local refinery.

Canadian Opportunities

Canada's exports to Nigeria in 1959 totalled $977,395 compared with $336,720 in 1958. Shipments of Canadian flour, which rose to $693,415 from $118,967 in 1958, accounted for almost all of the increase. The only other major gain was in our sales of automobiles and parts, valued at $150,805 in 1959, against $82,014 in the previous year. Statistics showing Nigeria's total flour purchases from all sources for 1959 are not yet available but imports to the end of October had already exceeded those for the whole of 1958. Although this reflects a growing demand for flour and in particular for Canadian flour, the market was nevertheless frequently overstocked during the year and lower prices resulted.

With the new liberalization measures effected during 1959, all but a short list of items may now be imported into Nigeria from dollar countries under Open General Licence. Imports are increasing in range and in volume as the economy expands and standards of living rise. The demand for luxury goods is likely to be limited for some time, but there is a growing market for foodstuffs and other staple consumer goods, building materials, all types of machinery and equipment, pharmaceuticals, passenger cars and miscellaneous manufactured articles. Canadian exporters should be able to share in the growing demand, provided their goods are competitively priced. ●

Gambia

This small colony, dependent on peanut exports, offers little scope to Canadian traders, except in wheat flour. Contracts with importers demand caution.

K. F. OSMOND, *Commercial Secretary, Accra.*

THE GAMBIA, a small British colonial territory, consists of a number of islands and a narrow strip of territory barely seven miles wide, with a total area of 4,003 square miles. The coastal plain is flat and covered with mangrove swamps; inland, the country is chiefly hilly. The principal town, Bathurst, is located at the mouth of the Gambia River, which handles almost all the overseas trade of the hinterland. The population of Gambia totals about 275,000; only 400 are Europeans. The French influence is considerable, and dates back to the 17th century when an almost continuous struggle, both political and commercial, went on for the control of Gambia itself and its next-door neighbour, Senegal.

Gambia is not a wealthy colony; the annual national income works out at about £20 per capita. It is not surprising, therefore, that scope for trade, particularly with dollar countries, is strictly limited. Overseas trading is in the hands of French and English branches of large companies with head offices in the United Kingdom.

Communications are poor; in 1958, only 378 cars were registered —not surprising, with only about 150 miles of laterite road. There is one airport at Yundum from which twice-weekly services operate to other places in West Africa. The mail boat calls every three weeks at Bathurst on its way to or from the United Kingdom, and there is a weekly air service linking Gambia with the rest of West Africa. River steamer is the usual means of transport within Gambia because during the short but torrential rainy season (July to October) most roads are impassable.

Peanuts Main Export

Gambia's economy depends entirely on the peanut crop. The light soil and short rainy season make conditions ideal for peanuts and, apart from a small amount of subsistence crops, all suitable land is devoted to growing them for export. They account for 95 per cent of total annual exports by value.

Exports of peanuts and oil cake in 1959 fell to £2.8 million from £3.7 million in 1958 and the 1960 figure is expected to be even lower. The immediate outlook for Gambia's export trade is therefore not bright.

Most imports from dollar countries are now on Open General Licence and certain goods produced in the Commonwealth enjoy preferential rates of duty.

Detailed figures for 1959 are not yet available but total imports were valued at £3.14 million, compared with £3.91 million in 1958. Main imports, in order of importance, are manufactured goods, food, machinery and transport equipment, beverages and tobacco, chemicals, and mineral fuels and lubricants. The United Kingdom, Japan, India and Sierra Leone are the principal suppliers.

Canada's sales to Gambia in 1959 rose to $49,893 from $13,891 in 1958—almost entirely flour. Opportunities for the sale of other commodities appear limited.

Status Reports Important

There is an increasing tendency for small Gambian importers to advertise in overseas newspapers and, if permitted, to enter into contracts that they cannot honour. Over-trading is common and Canadian exporters should exercise care in the granting of credit facilities. There are no debt-collecting agencies, no bankruptcy laws and only one solicitor who is prepared to handle debt cases. This makes it vital to deal only with reputable firms. ●

Sierra Leone

Production in industry and agriculture is on the upswing and mineral exports, particularly iron ore and diamonds, are rising. Most goods from dollar countries may now be imported under Open General Licence.

K. F. OSMOND, *Commercial Secretary, Accra.*

THE British colony and protectorate of Sierra Leone, or the "Lion Mountain" as it was named by its Portuguese discoverers in the 15th century, covers an area of 27,925 square miles. It is bounded on the north and east by French Guinea and on the southeast by Liberia. The seacoast stretches for 210 miles and Freetown, the capital, possesses one of the finest natural harbours in Africa. No official census has been taken since 1931 but latest estimates place the population at about 2.3 million. Sierra Leone is within the tropics and temperature and humidity are high. Rainfall in most parts of the country reaches over 125 inches a year.

Over the past few years, the production and export of minerals, particularly diamonds, have become the dominant features of the economy. A diversion of labour from agriculture to the more remunerative diamond digging has inevitably led to a decline in agricultural production and a rise in the demand for imported foodstuffs. Most of the population is, however, still dependent on agriculture for a living and in 1959 there were signs that the drift to the diamond diggings was being reversed.

Crops for Food and Export

Rice is the most important crop and by far the biggest acreage is given over to paddy. Production averages about 200,000 tons a year, but in recent years this has been insufficient to meet local needs and Sierra Leone has become a big rice importer.

Palm kernels, cocoa, coffee, piassava, kola nuts and ginger are the main agricultural exports but significant quantities of peanuts, cassava, benniseed, coconuts and bananas are also grown, mainly for home consumption. Exports of agricultural products during 1958 and 1959 are shown in the accompanying table.

For some years, beginning in 1951, there has been a decline in the output of palm kernels. But largely as a result of efforts made by the Department of Agriculture in introducing new and improved palms, the slide has been arrested and since 1956 production has been on the upswing. Exports of cocoa dropped slightly from 1958, though there has been a substantial boost in production in recent years. Coffee is also rapidly developing into an important export crop and shipments in 1959 reached a new high.

Iron Ore and Diamonds

Exploitation of minerals began only 30 years ago. But since then, the mining industry has grown rapidly and in 1959 mineral exports, principally iron ore and diamonds, accounted for nearly two-thirds of the total value of all domestic sales abroad.

The main iron ore deposits are at Marampa in the Port Loko district and between the Sakaya and Waka Hills in the Tonkolili district. The Sierra Leone Development Company Ltd. has mining rights on deposits in these areas but so far only the Marampa mine is being actively developed. Plans for exploitation of the Tonkolili deposits are well advanced and work is expected to begin in 1960. It will take from three to four years and an investment of some £25 million to bring production to maximum capacity.

During 1959 a number of works were completed at the Marampa

AGRICULTURAL EXPORTS

	1958		1959	
	Tons	Value	Tons	Value
Palm kernels	54,609	£2,448,256	57,530	£3,175,621
Coffee	3,347	895,005	4,931	984,858
Cocoa	2,828	872,290	2,617	701,585
Piassava	4,944	237,051	5,423	237,333
Kola nuts	1,035	135,227	742	111,633
Ginger	789	70,050	1,054	102,668
Total	67,552	£4,657,879	72,297	£5,313,698

mine, including a new ore-treatment mill that turns out half-a-million tons of concentrates a year. Construction will start in 1960 of another extension that is expected to up the output of the Marampa mine to over two million tons a year by the second half of 1961.

According to provisional figures, exports of iron ore in 1959 totalled slightly over 1.5 million tons, valued at £4.1 million. Comparative figures for 1958 were 1.4 million tons and £4.5 million.

Diamonds were first discovered in 1930 and subsequent investigations and prospecting have revealed the existence of an extensive diamond area.

The value of diamonds mined in Sierra Leone is currently estimated at about £19 million a year. Of this, some £4 million worth are extracted and sold through proper channels by the Sierra Leone Selection Trust Limited, a British-owned company that until 1956 had a monopoly on diamond mining in Sierra Leone. The remaining £15 million worth is mined by Africans under alluvial mining licences. In the past, most of the African-mined diamonds were disposed of illegally. Since the Government established a new marketing system in August 1959 and made other efforts to eliminate smuggling, there has been a big increase in African-won stones sold through legal channels. In 1959, it is estimated that nearly £6 million worth of the stones dug by Africans were sold to the Government Diamond Office and about £9 million were disposed of illicitly. The value of diamonds sold legally, therefore, totalled £10 million.

Provisional figures place total diamond exports during 1959 at about £7 million, leaving stocks to the value of £2 million in the hands of the Government Diamond Office. Of the stones disposed of illegally, it is impossible to know how many left the country.

Imports in 1959 were valued at £23.5 million, down slightly from the previous year's £23.9 million. Exports in 1959 dipped slightly to £19.5 million from £19.6 million in 1958. The accompanying table shows the value of imports by main statistical classifications.

IMPORTS INTO SIERRA LEONE

	1958	1959
	(million £)	
Food	3.66	4.92
Beverages	1.39	1.15
Tobacco	.68	.54
Mineral fuels, etc.	3.12	2.89
Miscellaneous*	15.05	14.01
Total	23.90	23.51

*Includes textiles, building materials and machinery—all principal imports.

Following the British relaxation of restrictions on imports from dollar countries, the Ministry of Trade and Industry in Sierra Leone announced in July 1959 that most goods could now be imported under Open General Licence. Specific licences are still needed for motor vehicles and parts and air-conditioning equipment; it is understood, however, that licences for these will normally be granted freely.

Canada's exports to Sierra Leone in 1959 reached $725,997 compared with $501,635 in 1958. Flour is by far our most important export and in 1959, sales jumped to $653,581 from $454,272 in 1958. Our only other exports of any magnitude are cedar planks—for which there seems to be a growing demand—canned salmon, and aircraft parts. Now that imports from dollar countries have been liberalized, there should be greater opportunities for Canadian goods. ●

Liberia

Rubber continues to be leading export; iron ore has replaced gold as chief mineral produced. Sardines and flour take first place among Canada's sales to this small but developing country.

K. F. OSMOND, *Commercial Secretary, Accra.*

THE Republic of Liberia, approximately 43,000 square miles in area, extends for about 350 miles along the West Coast of Africa and some 150 miles into the interior. It has been independent for over 100 years but its development has largely taken place since the Second World War. The capital, Monrovia, is the only town of any size or importance and has a population of about 50,000. It is the chief port and centre of administration and trade. There are no passenger railways and only about 900 miles of all-weather roads.

Two Principal Exports

Rubber is by far the most important of Liberia's agricultural products and rubber exports during 1958 were worth $26.3 million; the figures for 1959 are expected to be as high. Some 88 per cent of Liberia's rubber is produced by a United States rubber company that has over 86,000 acres under cultivation. The remainder is accounted for by about 1,000 Liberian-owned rubber farms with a total of about 65,000 acres of rubber trees.

Palm kernels rank second to rubber as an agricultural export crop and the same United States company controls the largest single planting of 1,000 acres of improved oil palms. A German organization has established oil mills that began operating commercially in 1958. The palm kernels are exported and oil from the pulp is sold locally.

Other agricultural exports include piassava fibre, coffee, cocoa and a small quantity of kola nuts.

Minerals Important

Gold is exported under a government monopoly and export taxes levied on all precious metals and semi-precious stones have become an important source of revenue. Production of gold, however, is steadily diminishing and its place is being taken by iron ore, now the principal mineral produced in Liberia. The Bomi Hills deposit contains some of the richest iron ore in the world and a new discovery with a 55 per cent to 65 per cent iron content is expected to produce four million tons a year. Production will start in April 1961 and railways are being built from the Mano River to Bomi. This will make the third iron-ore deposit being worked in Liberia; the others are exploited by the Liberian Mining Co. and the Liberian American Swedish Minerals Co. (LAMCO). The new deposit will be worked by a company jointly owned by LAMCO, the Liberian Government, and private shareholders. If all the plans of these companies materialize, an annual iron-ore production of 15 million tons is forecast for the 1960's.

Timber Industry

The outlook for the development of Liberia's timber industry is encouraging. At present there are ten sawmills, although four are inactive. Annual production is estimated at nearly six million board feet and there are plans to step it up to eight million board feet. The proposed construction of 400 miles of railroad through important forest areas suitable for timber production may well create a boom in the industry. The general expansion of Liberia's economy and consequent building boom will also benefit the timber producers.

Other local industries include the manufacture of bricks and tiles, soap and furniture. There is also a modern bottling plant.

Trade Picture

Imports rose rapidly from 1953 to 1957 but fell off in 1958, when the effects of the recession were felt.

A "bucket brigade" brings latex to a collecting station on a large rubber plantation. Rubber makes up over 60 per cent of Liberian exports.

The value of Liberia's imports by principal commodities in 1958 and 1957 was as follows:

	1957	1958
	(millions of U.S.$)	
Machinery and transport equipment	11.4	7.5
Manufactured goods	15.2	10.1
Food	5.5	3.8
Mineral fuels, etc.	1.7	2.0
Beverages and tobacco	1.7	2.0
Chemicals	2.3	1.9
Others	.5	.4
Total	38.3	27.7

Exports were valued at $40 million in 1958, with rubber accounting for $26 million, iron ore for $8 million, and industrial diamonds for $1 million. The United States retains by far the largest share of both the import and export markets; in 1958 it supplied 56 per cent of Liberia's imports and bought about 71 per cent of her exports. Liberia's other main trading partners are West Germany and the United Kingdom. The currency is the U.S. dollar.

Canada's exports to Liberia totalled $1,553,400 in 1957, $662,-972 in 1958, and $227,092 in 1959. (Of the 1957 total, $1.4 million represented ships sold and in 1958, $429,000.) Sardines and wheat flour were the main commodities (exclusive of ships), though in 1958 motor tires, mining machinery and medicinal preparations all increased in value. The only Canadian product displayed at all prominently in Liberian stores is sardines, though Canadian whisky and Canadian-made lanterns and cooling jugs sell in small quantities. The purchasing power of the population is low, although in Monrovia the demand for luxury goods is increasing. Credit and instalment sales are not encouraged and debt-collecting agencies are not active. Nearly all general importers deal either through subsidiary or affiliated companies or purchasing agents in New York City, and close liaison with these New York firms might well result in increased trade with Liberia. ●

82366-6—3

Planters in the Uele district, grouped in co-operatives, receive first payments on cotton delivered for milling and marketing.

Belgian Congo

Achievement of independence in June should bring greater economic stability. Effects of recession less noticeable in '59 and Canadian sales improved; future prospects governed by still unknown factors.

K. NYENHUIS,* *Trade Commissioner, Leopoldville.*

ON June the 30th the Belgian Congo will receive its independence. At the round table conference held in Brussels in January and February in which 81 delegates of Congo political parties and native chiefs participated, the framework of the new state was unanimously established and the constitution worked out.

The economic possibilities of the Belgian Congo appear promising. Although the riots of January 1959 had a depressing effect, there are signs that confidence is returning, now that the political destiny of the country has been decided. Much will depend, of course, on the capacity of the individuals who will take the reins. Until this has been proven there is not likely to be much improvement in the investment climate which during 1959 was rather discouraging, apart from some government contracts which were in the course of execution at the time of the difficulties. Practically no new projects were started on private account and, on the Government's side, many were kept in abeyance. For the year 1960 the outlook is somewhat better in the public sector; the Government has placed contracts for 1,100 million francs for the first half of the year, against 1,150 million for the whole of 1958.

Finances became severely unbalanced in recent years; during the years 1950-59, receipts increased annually by 6 to 7 per cent and expenditures advanced 15 per cent. To correct this, the Government through new fiscal measures increased receipts from taxes (reinvested profits aiding the economic growth of the country are exempt

*Mr. Nyenhuis has returned to Canada and will visit many Canadian cities during July and August. Details of his itinerary will be published later.

from tax for five years) and reduced many expenditures of a social nature.

To finance the 1960 extraordinary budget, at least 6,000 to 7,000 million francs had to be found on the Belgian and international markets. Two important operations have been concluded that give ground for confidence in the future of the country. First, companies operating in the Belgian Congo and Ruanda-Urundi have agreed to make advance dividend and tax payments. Moreover, they will strengthen their treasuries maintained in Belgian Congo francs by transferring funds from Belgium to the Belgian Congo and Ruanda-Urundi. These funds will strengthen the reserves of the Central Bank of the Belgian Congo and of Ruanda-Urundi, which had been under severe pressure lately because of heavy transfers of funds to Belgium. These operations in Belgian francs represent a total of about 2,500 million. Second, the Belgian Congo treasury has obtained a short-term loan of $20 million (1,000 million francs) in New York, and a long-term loan of $40 million (2,000 million francs) is being negotiated with the World Bank.

It is encouraging that, notwithstanding the political difficulties, progress is being made with the plans for and preliminary work on the Inga hydro-electric project. Final studies as well as the drawing up of documents for calls for tender must be completed by November 30, 1960. Other projects for which companies have been set up include the search for and exploitation of minerals used in the manufacture of aluminum; carton and paper manufacturing, lumbering, and the making of wood products.

Banking Agreement

The National Bank of Belgium and the Central Bank of the Belgian Congo and Ruanda-Urundi have signed a convention of co-operation designed to regulate economic and financial relations between the two countries. It will strengthen the position of the Central Bank and will enable it to obtain the assistance of the National Bank of Belgium to the extent of 2,000 million Belgian francs.

These arrangements consolidate the Belgian Congo franc and guarantee freedom of exchange between the Congo and Belgium. In a general way, they prepare the foundation on which the new Congolese economy will be built. When the Congo attains its independence, the terms of the convention between the two banks of issue might well form the substance of some dispositions covered by the Treaty of Co-operation. This convention becomes effective as soon as the Belgian Government and the Government of the Belgian Congo and Ruanda-Urundi have guaranteed its terms. It may be denounced at any time by either party without advance notice.

Standard of Living

Although a great deal has been achieved already, the Congo is still an underdeveloped country where the annual per capita income does not exceed 2,100 francs (approximately $42). Its economy is largely agricultural with some basic industries and it is dependent almost entirely on world markets. This situation is becoming even more difficult because of a rapidly increasing population, at present estimated at 13 million. The annual rate of increase is 2½ to 3 per cent —this means 26 million people in another 20 years.

It needs no emphasizing that, to achieve improvement in the standard of living of these millions, a united country is required. Old and new investors must be reasonably sure that their capital is safe and the prospects for profit good. It is the intention of the present Belgian Government to send an economic mission to North America and to establish a permanent information office on the Belgian Congo there. It also intends to charge a competent international organization with the blueprinting of a five-year plan.

Trade Improves

Customs statistics for the year 1959 indicate a marked increase in the Belgian Congo's foreign trade over 1958. Between the years 1950 and 1956, Congo and Ruanda-Urundi exports doubled, rising from 13,000 million francs in 1950 to 27,000 million in 1956. This progress was due to an excellent international market for Congo products with high prices which stimulated production.

In 1957, however, the world-wide economic recession put a stop to this progress; that year the value of exports fell from 27,000 million francs to 24,000 million. The reduction in value was caused mainly by the fall in prices, especially for copper, which in the previous year had risen to abnormal highs.

In 1958, the recession continued, affecting both mineral and agricultural products in price as well as in quantity. The total value of exports that year reached 20,600 million francs, a decrease of almost 25 per cent from the previous high.

In 1959 the situation changed. In April of that year a definite increase in exports became noticeable and by the end of the year they totalled 24,788 million francs. Detailed analysis indicates that this increase stemmed from larger volume rather than higher prices. Cotton made significant progress; exports in 1959 amounted to 52,800 tons against 34,400 tons in 1958. Tea and coffee also did well, with 93,400 tons of coffee exported in 1959 against 70,000 tons in 1958, an increase of 32 per cent. Tea exports increased 45 per cent although the total volume involved is still small by comparison. Exports of palm oil increased to 185,000 tons from 165,000 tons the previous year.

Copper and cobalt are the most important mineral products. Exports of copper increased by 40,000

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tons over 1958 to 284,000 tons, and exports of cobalt increased by 23 per cent, from 6,500 tons to 8,500 in 1959, though prices were lower. Production of silver, uranium, radium, cadmium, germanium and zinc concentrates was practically the same as in 1958. Belgian Government contracts for uranium will be fulfilled during 1960 but private demands are practically nil.

Trade with Canada

Canada's trade with the Belgian Congo reached almost $5 million last year, compared with $4 million the previous year. Imports from the Congo doubled from $1.2 million in 1958 to $2.3 million in 1959, exports declined from $2.9 million to $2.7 million in the same period. Principal Canadian exports to the Congo last year were flour of wheat, machinery and parts, asbestos, lamps and lanterns, and bookkeeping machines. In 1959 sales increased for some products such as flour of wheat, smoked salted fish, canned sardines, and lamps and lanterns, but shipments of gas engines and parts were obliterated, and those of bookkeeping machines declined by 50 per cent. Our main imports from the Congo last year were green coffee, wood and veneers, plywood, manganese ore, and palm oil. Shipments of manganese ore almost doubled, and those of wood and veneers tripled compared with the previous year.

The Belgian Congo remains a market for practically all commodities in the food and consumer goods line. Great care should be exercised in extending credit: it is recommended that all business be done on a letter-of-credit basis.

Exports to the Belgian Congo are limited by the low purchasing power of the local population, traditional ties with Belgium, and competitive considerations. Although virtually all imports require licences, in practice the Government of the Belgian Congo does not restrict dollar imports. In the past, licences have been freely granted for imports from all sources.

Future sales to the Congo are bound to be strongly affected by certain factors as yet undetermined. The position of the new State vis-à-vis the Congo Basin Treaties is not yet clear. There is also the question of a connection between the Congo and the European Economic Community. However, it is expected that the new Government will follow sound economic policies; thus on the whole the situation is not unpromising.

For a report on the various Republics of French Equatorial Africa, see Foreign Trade *of July 18, 1959.*

SHIPPING SERVICES FROM CANADA TO CENTRAL AFRICA

	FROM Pacific Coast	FROM Great Lakes	FROM St. Lawrence and Atlantic
TO **Belgian Congo**	Nedlloyd Line	Christensen Canadian African Lines (subject to inducement)	Belgian African Line Christensen Canadian African Lines Farrell Lines
Central African Republic, Chad, Congo, Gaboon			Barber West African Line Black Star Line Elder Dempster Lines Farrell Lines Seven Stars (Africa) Line
Ethiopia	*Via Djibouti:* Nedlloyd Line		*Via Djibouti:* Blue Funnel Java New York Line Crescent Line
Gambia			Elder Dempster Lines
Ghana			Barber West African Line Black Star Line Elder Dempster Lines Farrell Lines Seven Stars (Africa) Line

TO	FROM: Pacific Coast	Great Lakes	St. Lawrence and Atlantic
Kenya	Kawasaki-Africa Line Nedlloyd Line	Christensen Canadian African Lines (subject to inducement)	Christensen Canadian African Lines
Liberia			Barber West African Line Black Star Line Elder Dempster Lines Farrell Lines Seven Stars (Africa) Line
Nigeria			Barber West African Line Black Star Line Elder Dempster Lines Farrell Lines Seven Stars (Africa) Line
Sierra Leone			Barber West African Line Black Star Line Elder Dempster Lines Farrell Lines Seven Stars (Africa) Line
Tanganyika	Kawasaki-Africa Line Nedlloyd Line	Christensen Canadian African Lines (subject to inducement)	Christensen Canadian African Lines
Uganda	*Via Mombasa:* Kawasaki-Africa Line Nedlloyd Line	*Via Mombasa:* Christensen Canadian African Lines (subject to inducement)	*Via Mombasa:* Christensen Canadian African Lines

Steamship Lines	**Agents**
Barber West African Line	*Talabot Shipping and Trading Co. Ltd., Montreal*
Belgian African Line	*Pickford & Black Ltd., Halifax*
Black Star Line, Ltd.	*March Shipping Agency, Ltd., Montreal*
Blue Funnel Java New York Line	*The Cunard Steam-Ship Co. Ltd., Montreal*
Christensen Canadian African Lines	*Kerr Steamships Ltd., Montreal*
Crescent Line	*March Shipping Agency, Ltd., Montreal*
Elder Dempster Lines	*The Cunard Steam-Ship Co. Ltd., Montreal*
Farrell Lines	*Furness, Withy & Co. Ltd., Montreal*
Kawasaki-Africa Line	*Johnson, Walton Steamships Ltd., Vancouver*
Nedlloyd Line	*Dingwall Cotts & Co. Ltd., Vancouver*
Seven Stars (Africa) Line	*March Shipping Agency, Ltd., Montreal*

Commodity Notes

Bicycles

INDIA—India's bicycle industry, which has made phenomenal strides in the last decade, is now reaching out for foreign markets. Exports, begun on a commercial scale only in 1959, exceeded 4,000 bicycles in the eleven months ended November 30 and earned about Can.$120,000 in foreign exchange. Sales of parts and accessories added another Can.$40,000. Principal markets were Burma and Afghanistan but shipments were also made to several other countries in Southern Asia and Africa.

Production of bicycles has risen from 55,000 in 1948 to just under one million in 1959 and capacity, currently 1.05 million a year, is growing rapidly. The Indian Government is encouraging exports by granting priority and special rail freight rates on the movement of bicycles from factories to ports, by supplying steel to exporting factories on a priority basis at concessional prices, and by issuing special import licences for raw materials—New Delhi.

Dairy Equipment

SWEDEN—The Swedish company AB Separator has signed an agreement with the Yugoslavian firm Agrovojyodina for the sale to Yugoslavia of dairy equipment. Deliveries are expected to be valued at about Kr.25 million over the next three years. An agreement has also been reached with two Yugoslavian factories for co-operation on a licence basis. During the period covered by the agreement, the two factories will thus be able to manufacture an increasing share of the equipment for the Yugoslavian dairy industry—Stockholm.

Frozen Foods

SWEDEN—The Scandinavian firm Findus International AB, in which Marabou-Findus, the Norwegian firm Freia, and the Danish Jalco co-operate, will produce quick-frozen foods in Grimsby, England. Production is to get under way this spring under the administration of the British firm Findus Ltd. The Grimsby factory will make fish sticks, which are very popular in the U.K. It will start operations in rented premises, though Findus has bought a large plot of ground with an eye to future development. During 1959, Findus increased sales in Britain by some 65 per cent over the previous year—Stockholm.

Lanterns

MEXICO—The familiar line of Coleman gasoline pressure lanterns and other products will be made in Mexico by Industrias Coleman de Mexico, S.A. Plans are now under way to procure machinery and plant facilities and production is scheduled to begin later this year—Mexico, D.F.

Lightweight Building Materials

PERU—The International Finance Corporation will lend a Peruvian company U.S.$300,000 to assist in financing a new plant to make precast lightweight building materials of chemically treated vegetable fibre and cement to be used for walls, partitions, ceilings and roofs. The Peruvian company will provide U.S.$800,000 from its own resources. The project is sponsored by a group of Peruvian industrialists who will manufacture under licence from a Swiss firm; the latter will furnish technical assistance. The plant is due to begin production about the middle of 1960—Lima.

Livestock

ITALY—Imports of livestock into Italy for breeding and slaughtering totalled Can.$53.8 million during 1959, a big increase over the previous year. The most important livestock import is cattle, which accounted for about 65 per cent of the total trade. Cattle for slaughtering come only from Europe. For breeding, Denmark and the Netherlands are the main suppliers, though other countries, including Canada, have also had a share—Rome.

Oil and Gas

BELGIAN CONGO—The Belgian Congo Government has given final agreement to the establishment of two new concessions to search for oil around the mouth of the Congo River. Exploration beyond the high-water mark will be undertaken by a company formed by Gulf Oil of the United States and Symaf (Syndicat Minier Africain). The concession is for five years and may be renewed. The companies have undertaken to spend 35 million B.C. francs in the first five years and 75 million francs in the first ten.

The second concession covers ten million acres inland and is shared by Petrobelge (Société Belge de Recherches et d'Exploitation Pétrolières) and Forminière (Société Internationale Forestière et Minière du Congo). The company will be capitalized at 150 million B.C. francs, 10 per cent of which will be subscribed by the Congo Government—Leopoldville.

Paper

COLOMBIA—Construction of the $1.6 million Papeles Grace de Colombia plant near Cali is expected to be completed early next year. It will make light kraft, bleached and unbleached light sulphites, tissue paper, writing and printing papers. During the first years of operation the company expects to produce from bagasse about 28,000 tons a year of these papers and to boost output later on. The hope is to save about $8 million a year in paper imports—Bogotá.

TAIWAN—Taiwan exported U.S.$2,521,873 worth of paper and pulp last year, an increase of more than 300 per cent over the record U.S.$842,984 in 1958. Shipments of simili paper took the lead at U.S.$971,965, followed by newsprint, U.S.$756,483; bagasse board, U.S.$386,474; bagasse pulp, U.S.$213,924; kraft paper, U.S.$121,180; poster paper, U.S.$86,173; wrapping paper, U.S.$43,631, and manifold paper, U.S.$34,928. Other kinds exported last year included magazine paper, toilet paper and paper bask for asphalt roofing. Principal markets were Korea, Okinawa and the Ryukyu Islands—Manila.

Research Reactor

SOUTH AFRICA—The Minister of Mines announced recently that the Cabinet has approved the establishment of a reactor center for the Atomic Energy Board and that purchase of a research reactor is being discussed. The site, in the Pelindaba area near the Crocodile River bridge, has been chosen with due thought given to public safety, efficiency for a research program and available funds. An immediate start on the development of the site is expected—Cape Town.

Textiles

CEYLON—As a further measure to reduce unemployment, the Government has agreed to the establishment of an additional 100 textile weaving centres during the course of the next twelve months. At present over 25,000 young men and women are employed in textile weaving centres and the Government considers these centres one of the best means of providing employment and at the same time creating a satisfactory and productive enterprise—Colombo.

Watches

SWITZERLAND—The Swiss watch industry has recovered from the recession of 1958 and orders, especially from Europe and the Middle East, are increasing steadily. In 1959, Swiss shipments of watches to the United States and Canada accounted for 43 per cent (38 per cent in 1958) of total watch exports. The general tendency in these markets is, however, toward the cheaper lines. The average export price per watch sent from Switzerland to the U.S. declined from Sw.Fr.30.8 in 1958 to Sw. Fr.28.9 in 1959. In Europe, the Middle East, Africa and other overseas markets, on the contrary, higher quality watches are preferred—Berne.

Wood-Wool Machinery

SWEDEN—The Swedish company Träullit AB has just delivered Kr.7 million worth of wood-wool machinery to the Soviet Union. A representative of the Swedish firm reports that no less than 46 factories for making wood-wool insulating board are being built in the U.S.S.R.—Stockholm.

Tours of Territory

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Quito and Guayaquil in Ecuador from May 30-June 4.

C. M. FORSYTH-SMITH, Trade Commissioner in Hong Kong, plans to visit a number of the principal trading and industrial centres in Communist China, including Peking, Tientsin, Shanghai and Canton. Tentative dates for his tour are May 12-June 10.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Bucharest, Romania, and Sofia, Bulgaria, from June 20-29, and Prague, Czechoslovakia, from July 11-14.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from May 16-19, and Belgrade, Zagreb and Ljubljana in Yugoslavia from July 18-29.

W. R. VAN, Commercial Secretary in Dublin, Ireland, will visit Shannon free airport and industrial zone, and Limerick, May 10 and 11.

R. G. WOOLHAM, Assistant Commercial Secretary in Tokyo, Japan, will visit Seoul, Korea, for about one week beginning May 16.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey at Bogotá, Mr. Forsyth-Smith at Hong Kong, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Van at Dublin, and Mr. Woolham at Tokyo.

Bangkok's

A typical foreign mercantile house long established in Bangkok.

The Massey-Ferguson sign displayed outside a Thai-run agency.

CANADIAN exporters of a broad range of products are discovering in Thailand an increasingly interesting market. Many found that their shipments in 1959 were larger than in 1958. Others who introduced their products in 1959 are establishing themselves among the Thais with repeat orders.

The make-up of the importing community in Thailand has been changing in recent years. Broadly, it now consists of four types of companies. Among the largest are the foreign mercantile houses; they are, in the main, European and British. Then come several Thai firms that have increased in size to the point where they too offer a variety of services equal to those of foreign firms. The third type is the many small and specialized importers. Finally, because the Government of Thailand through its agencies and organizations is the largest single importer, several firms have sprung up whose principal function is to obtain bids from foreign producers and pass them along to the Thai Government as tenders are issued. In addition, many regular importers

(Right) This picture shows the premises of a Chinese importer who specializes in metals. He operates on a small profit margin and keeps his overhead low. (Opposite page): Many Bangkok importers handle flour only, with perhaps a few complementary products, breaking up shipments into smaller lots and dispatching them up-country. Here bags of flour start on their journey.

mport Houses

B. C. STEERS, *Assistant Trade Commissioner, Singapore.*

have set up departments to deal exclusively with government tender work.

Foreign Mercantile Houses

The foreign mercantile houses were established many years ago; they import and act as commission agents for a large number of overseas manufacturers and producers. Most of them are large and maintain branches in other capitals and business centres in South East Asia. Each house operates under a managing director located in Bangkok, who acts largely independently of his head office in Britain, the United States or Europe, except for broad directives. He may in fact handle lines not carried by his head office or by branches of his company in other territories.

Because of their international affiliations, these companies usually have substantial financial resources. Organized into departments, they carry a wide selection of products—from ketchup to tractors. Orders are broken down and sold to dealers and retailers in Bangkok and up-country.

Foreign manufacturers find these mercantile houses particularly good at selling engineering products and with their financial resources they are able to maintain adequate stocks of spare parts. Their trained European and Thai technicians provide the essential servicing.

Thai Firms

In recent years, several Thai and Chinese firms have developed to the point where they too have the financial and technical resources to compete effectively with the foreign import houses. In several instances, companies of this type have hired European experts to deal with engineering or other technical products. However, first-class Thai and Chinese engineers and technicians with educational qualifications acquired in Britain and the United States are becoming more numerous and are able to fill posts formerly held by Europeans.

Specialized Importers

Several Canadian exporters have been dealing with the small specialized importers in Thailand, with fruitful results. These importers are becoming increasingly important in lines such as hardware, metals, chemicals, some pharmaceuticals and certain foods. Chinese and Thais predominate in this group but some Europeans are successful, particularly with consumer products and chemicals. Many Indians do a lucrative trade in textiles which they bring in from their homeland.

These small importers keep their overhead low and in this sharply competitive market this gives them an important advantage over the big trading firms with large offices and big staffs. They can usually pare their prices below those of the large operators and still make a profit. Wheat flour, for example, a highly competitive product, is now handled almost exclusively by the small importers congregated along Songwad Road and nearby streets in Bangkok. Most of these firms handle few other products and these are complementary. One after another, the large houses have dropped out of this trade or continue to act only as indent agents.

The importing of automotive spare parts and hardware illustrates the trend. Formerly many firms bought their requirements locally from big importers. Now many of them have their own direct connections overseas and import on their own. Usually they maintain a few salesmen to sell up-country and to smaller retailers in the city. In addition, many widen their scope by purchasing locally from other importers. Their overhead is small and mark-ups are kept to a minimum. They look for imported goods with sharply competitive prices.

Importing for the Government

The various Thai Crown companies, government monopolies, departments, agencies and other

official organizations buy from time to time substantial quantities of a wide variety of goods. These products—whether they be electric turbines, fire trucks, cellulose film, chemicals, flatware and other consumer goods—are all bought by tender.

Many companies concentrate entirely on tendering to the Government and others have departments to handle this business. Their function is not merely to pass on to the Government bids of foreign traders on tenders issued. Often they are able to point out to appropriate officials the particular advantages of a certain manufacturer's product so that tenders, when issued, will contain a specification embodying these advantages.

The Canadian Trade Commissioner and the Assistant Trade Commissioner in Singapore make regular trips to Thailand to explore outlets for Canadian products. Exporters who feel that their products might find customers in Thailand should write to the Trade Commissioner in Singapore. The material provided with the letter should include a good description of the products, plus brochures. It should be borne in mind, however, that only competitively priced goods stand a chance in Thailand. ●

Japan's Foreign Currency Budget

"Import liberalization" budget is largest ever; reflects anticipated 11.8 per cent increase in mining and manufacturing production in fiscal 1960.

J. L. MUTTER,
Commercial Counsellor, Tokyo.

JAPAN'S import policy for the six months April-September, as evidenced by the foreign exchange budget published last week, indicates that import liberalization is to be substantially expanded. Of the $3,268 million approved by the economic cabinet ministers, $2,624 million, including a reserve of $200 million, has been allocated for imports. This is the largest amount ever provided for imports in a six-month period, and is $700 million and $500 million respectively greater than the amounts for the first and second halves of the previous fiscal year.

The amount earmarked for AA (Automatic Approval) imports is $970 million, compared with $700 million in the second half of fiscal 1959, an increase of nearly 40 per cent. Liberalized imports now account for 40 per cent of total imports compared with 31 per cent in the second half of fiscal 1959. Effective April 1, steel scrap, beef tallow, and lard, previously subject to Fund Allocation when imported from the dollar area, were transferred to the Automatic Approval category. Some 304 items—includ-

TABLE I—ALLOCATIONS

(in thousands of U.S. dollars)

Item	1st half 1960	2nd half 1959	1st half 1959
Foodstuffs	212,462	209,463	192,712
Monopoly goods	10,133	16,342	7,915
Lumber	AA	17,848	17,562
Raw materials for textiles	357,328	450,062	280,408
Fertilizers and raw materials	22,820	19,050	15,350
Coal	55,297	43,125	46,595
Iron and steel raw materials	16,000	114,260	63,661
Non-ferrous metals (incl. ore)	85,000	54,000	39,500
Petroleum	192,098	166,117	140,130
Chemicals and materials	3,327	13,985	13,354
Drugs and medicines	5,054	3,804	3,866
Machinery	300,000	200,000	165,000
Raw materials for processing trade	35,000	37,000	35,000
Barter imports	15,000	20,000	30,000
Military procurement goods	3,000	3,500	3,500
Re-import and additional payment goods	3,000	2,000	3,000
Miscellaneous imports (I)	96,481	62,264	57,657
Miscellaneous imports (II)	12,000	25,000	25,000
Miscellaneous imports (III)	30,000		
Automatic Approval imports (AA items)	970,000	670,000	580,000
Reserves	200,000	200,000	200,000
Total	2,624,000	2,328,000	1,941,000
Invisible imports	644,000	534,930	457,686
Grand Total	3,268,000	2,862,930	2,398,686

TABLE II—PRINCIPAL COMMODITIES—IMPORT VOLUMES

(in thousands of U.S. dollars)

Commodities	Unit	Apr.-Sept. 1960	Oct. '59-March '60	Apr.-Sept. 1959
Rice	1,000 metric tons	106	200	34
Wheat	1,000 " "	1,201	1,046	1,073
Soybeans	1,000 " "	476.5	459	429
Sugar	1,000 " "	550	500	500
Lumber	1,000 cu. m.	AA	786	1,392
Salt	1,000 metric tons	1,390	1,140	970
Raw cotton	1,000 bales	1,372	1,491	1,202
Raw wool	1,000 "	606	882	405
Scrap iron	1,000 metric tons	AA	1,604	1,610
Coking coal	1,000 " "	2,905	2,126	2,075
Heavy oil	1,000 kilo litres	1,480	950	774
Crude oil	1,000 " "	15,141	13,136	10,194

TABLE III—INVISIBLE IMPORTS

(in thousands of U.S. dollars)

Invisible Items	Apr.-Sept. 1960	Apr.-Sept. 1959
Transportation	130,700	130,845
Insurance	100	60
Overseas travel	17,500	9,500
Payments of profits for foreign investments	7,300	2,003
Expenses accompanying trade transactions	47,000	40,020
Payments for foreign technical assistance	4,900	5,000
Other services	35,400	27,101
Gifts	700	450
Long-term capital transactions	42,600	33,752
Short-term capital transactions	400	3,281
Expenses accompanying commodity transactions	2,400	1,704
Current transactions	230,000	210,075
Capital transactions	75,000	55,669
Reserves	50,000	33,470
Grand Total	644,000	552,930

ing coffee beans, nickel ore, 35 mm. film, spices and chemical products—which hitherto have been listed in the Fund Allocation category of imports—have been freed, and about 250 new items, including chinaware, secondhand clothing and home sewing machines, are being added to the AA list. A foreign exchange allocation for consumer goods which previously could not be imported has been provided, and the exchange quota for industrial machinery is 50 per cent greater than that of the preceding half-year. The removal of the discrimination against imports of hides and skins from dollar sources has been promised for July.

Table I compares the amounts provided under the various headings in the new budget with those in the two halves of fiscal 1959.

Table II compares the quantities of the more important foodstuffs and raw materials which it is proposed to import during the first half of the new fiscal year with those indicated for the first and second halves of fiscal 1959.

The appropriation of $644 million for invisible trade payments, which is $91,070,000 more than the amount set aside for the first half of the preceding fiscal year, provides $305 million for liberalized payments (items not subject to government sanction), $289 million for planned payments (items subject to government sanction) and reserves of $50 million. The planned payments appropriation includes $17,500,000 for foreign travel by Japanese nationals, nearly double the amount allocated for this purpose a year ago. Table III shows the amounts allocated under the principal headings, compared with those for April-September 1959.

Help for the Business Traveller

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

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

PREFABS: one in ten

One out of every ten homes built in the U.S. last year was prefabricated. Canadian lumber exporters should understand and cater to this specialized market.

MANY close observers of home-building in the United States are convinced that a major break-through in housing technology is coming—and that the handicraft methods of the past are giving way to the industrial approach. The speed and extent of this change will affect the demand for lumber and should receive attention from Canadian lumber suppliers.

A recent survey conducted by the National Association of Home Builders gives some idea of how much technology is changing. They found that of the 7,000 builders who responded to a questionnaire, one out of every four is not using the conventional method of construction. He is employing on-site fabrication of major parts, off-site fabrications and conventional, or completely factory-built, units. This new technology is confirmed by the statement of the Home Manufacturers Association that 130,000 of the 1,377,000 housing starts in 1959 represented manufactured homes—a jump of more than 18 per cent over the 110,000 in 1958.

Several factors are involved in this trend; the major one is cost. Ways had to be found to cut costs and the answer appears to be the use of manufactured parts, components, sections, panels, etc.

Builders Turn to Prefabs

Builders cite the following reasons for turning to prefabricated houses:

- *Quality materials*—Brand-name products, high standards of selection, and control of materials by the manufacturer both before and after purchase.
- *Design*—Most manufacturers employ competent architects to design their homes.
- *Savings in time*—Shorter erection time and faster turnover mean greater profit.
- *Precision construction*—A better built home results from accurate engineering, tested house components and factory production methods.
- *Cost control*—The package deal and low overhead make it possible to estimate accurately all material, subcontracting and labour costs.

Prefabrication, although it is accepted by some builders, still faces buyer resistance in some areas. Many builders who use prefabs do not advertise this fact because they feel that the average buyer is not entirely sold on them.

Indianapolis, Indiana, is an example of what can be done in the promotion of prefabs. Three out of every four families who bought a new home there last year bought a manufactured one. In the Indianapolis metropolitan area, one of every two new home-owners during 1959 moved into a prefabricated house. The main reason for Indianapolis's high usage of prefabricated housing is that it is situated in an area that has become the center of the home-manufacturing industry. It is not unlikely that the story of prefabrication in Indianapolis will be repeated in other cities during the coming decade.

Home Manufacturers Surveyed

The National Association of Home Builders made a sample survey of prefabers to determine their plans for 1960. Most of them envisage an increase in their volume of production, a few expect to maintain the same volume as in 1959, and one expects a 15 per cent decrease.

Here is what they reported:

	Production of House Units	
Location of Firm	**1959**	**1960**
Kirkwood, Missouri	170	230
Hamilton, Ohio	1,650	1,650
Lafayette, Indiana	33,000	28,000
Fargo, North Dakota	785	1,000
Robertson, Missouri	650	1,500
Fort Payne, Alabama	2,000	3,000
Richmond, Indiana	900	900
Minneapolis, Minnesota	*$2	*$3½
Tulsa, Oklahoma	300	400
Piqua, Ohio	*$6	*$8-9
Lafayette, Indiana	940	†10

*millions of dollars.
†per cent increase.

G. F. OSBALDESTON, *Vice Consul and Assistant Trade Commissioner, Chicago.*

The increased use of manufactured homes will affect the sales pattern of Canadian lumber exporters. Keep in mind that one out of every ten homes built in the United States in 1959 was a manufactured home, built in a factory and assembled at the site.

Purchasing the Lumber

The lumber for these homes was not bought from the lumber yard in the neighbourhood where the house was being built, and perhaps not in the same city. Rather, it was purchased by the manufacturer who built the house in the city where his plant is located. The major home manufacturers are not buying their lumber from lumber yards. They are dealing with wholesalers, commission lumber salesmen, brokers or the mill itself.

These manufacturers have become a quality market, demanding and getting the top of the grades. Their reputation and sales programs are based on quality and precision of construction. They guarantee this quality and insist that the lumber meet their specifications. Some of them are large companies with substantial financial backing. They can afford to buy when the market seems right and stockpile the lumber in their own yards. Their inventory can be built and maintained on the basis of their projected production.

These factors apply with greater or less emphasis, depending on the size of the home manufacturer. It is to be expected that the increase in mergers within the industry and the greater use of manufactured homes will make these observations more and more valid as the coming decade unfolds.

Watch Your Distribution

The Canadian exporter of lumber should assure himself that his U.S. outlets are covering the home manufacturers in their areas. He may find it essential to alter his distribution system to fit this relatively new and important buyer into the sales picture. •

India's New Oil Policy

INDIA'S invitation to foreign companies late last year to participate in the exploitation of its oil resources may open up new possibilities for Canadian suppliers of equipment and services. The country's search for oil should quicken in the near future, if the reopening of the field to private capital gets results.

Conditions governing the entry of foreign exploration firms are set out in *The Petroleum and Natural Gas Rules, 1959*. The new government regulations call for agreements to be negotiated, each on its own merits, between the Central Government and interested foreign firms. On the basis of the agreement, the Government of the Indian State concerned may issue exploration licences and production leases. A licence will grant exclusive exploration rights over an area of up to 3,000 square miles and will ordinarily be valid for four years, with two renewals of one year each. If a company's exploration is successful, it may take out a production lease for up to 100 square miles. The term of such a lease will ordinarily be 20 years.

Foreign companies were given until January 31 to indicate their interest to the Ministry of Steel, Mines and Fuel (Department of Mines and Fuel) of the Central Government. Latest word from the Ministry is that a number of applications were received.

It is expected that the entire country will be opened to private exploration, except for areas in which government parties are themselves already active: Cambay in Western India, Sibsagar in Assam, and Jawalamukhi and Hoshiarpur in the Punjab. India possesses 400,000 square miles of potential oil-bearing sedimentary formations of which, except in the areas just mentioned, those underlying the Gangetic Plain in North India are generally considered to be the most promising.

There is a pressing need for a more intensive search for oil. Consumption, which totalled two million tons in 1947, is now running at about six million tons a year and, according to official estimates, will shoot up to at least 14 million by 1966, the end of the Third Five Year Plan. The import bill for all this oil comes to about U.S.$200 million a year, a substantial proportion of India's foreign purchases, which totalled U.S.$1.8 billion in 1958. Unless oil in considerable quantity is found, this drain will increase rapidly and seriously handicap India's industrial development program—in which lack of foreign exchange is already the gravest limiting factor.

Oil has been produced in India since the end of the nineteenth century, though output has always been small, about half-a-million tons a year, all from one field in Assam State. Development of new fields now in progress in the same area is expected to step up annual production to four million tons by 1966. This leaves a shortfall of ten million tons to be made up elsewhere, through the Government's own efforts and those of private capital.

Canadian investors, engineering firms, and exporters of oilfield machinery, equipment and supplies who are interested in following the new developments in India should write to the Commercial Counsellor, Office of the High Commissioner for Canada, P.O. Box No. 11, New Delhi 1, or to the Canadian Government Trade Commissioner, P.O. Box 886, Bombay 1, India.

—J. R. MIDWINTER,
Assistant Commercial Secretary, New Delhi.

Hundreds show their interest in Canadian foods at London's Ideal Home Exhibition.

Have You Tried the Trade-Fair Technique?

An exhibit at a foreign fair may provide you with the showcase that your products need.

GEORGE HAZEN, *Trade Fairs Abroad Division, Trade Publicity Branch.*

MANY companies attempting to increase their foreign sales in the months ahead are casting about for effective promotion methods. One of these—one that they may be overlooking—is exhibiting at a trade fair.

A trade fair offers to the exhibitor a sample showroom open to a great number of people, both importers and consumers. They make up a concentrated and cosmopolitan buying public—one predisposed to seek new and different products. The sponsor can use his display in different ways to attract their attention. It can:

- Introduce a new line of products to a market or additional products in an established line.
- Stimulate interest in lines already established, extend distribution, and back up the activities of an agent.
- Attract the attention of the consuming public to the products on display.

Before Making the Decision

Participation in a trade fair should be the focal point of a carefully planned sales campaign, not an isolated incident. The fair is a useful tool—but only if the exporter has done sufficient groundwork in advance and is prepared to pursue the leads that it opens up.

Preliminary investigation of the market is basic. Nothing is to be gained by showing bicycles in the Netherlands only to find that they are made there at half the price and of the same or better quality. Without a doubt, the most effective way to size up a market is to visit it personally, talking to local businessmen, learning about government regulations, becoming acquainted with the banking system, and generally getting the "feel" of the market. Often insufficient time or resources make this approach impossible; another means of doing the same thing must be sought. At this point, the Department of Trade and Commerce can provide valuable assistance. Canadian Trade Commissioners throughout the world stand ready to investigate markets for any Canadian firm; they need only be armed with a catalogue illustrating the product and with appropriate price information.

When the exporter has decided that there is a market for his product and that exhibiting at a trade fair will help him capture or extend that market, he is ready to take the four steps in trade-fair participation. These are:

1. establish the purpose of exhibiting.
2. select the appropriate trade fair.
3. stage an exhibit.
4. follow up inquiries.

Step one, establishing the purpose of participation, requires some thought. Is it the introduction of a product to a market, or the expansion of a selling operation, or perhaps the stimulation of public interest? When the objective is clear, the best tool for the job can be chosen.

Selecting the Fair

There are many kinds of trade fairs and some are better suited to the job in hand than others. Fairs are conveniently classified as follows:

general trade fairs
specialized trade shows
solo fairs
samples displays

General trade fairs encompass a wide range of products and usually segregate exhibits into appropriate product classifications. Some also include national exhibits housed in a "Hall of Nations" or in separate pavilions. Fairs that group products by industry usually do a better selling job than national exhibits, because those who visit a particular grouping are preselected to some degree.

Specialized trade shows are becoming increasingly popular. They are superior to general fairs as vehicles for sales promotion, as long as the primary purpose is not to create interest among consumers. (Attendance is usually restricted to the trade.)

Solo fairs are the answer in many markets that have no established fairs suitable for trade promotion. Because of this, many countries (Canada included) have organized special trade displays that usually cover a wide variety of products. As a rule, visitors are drawn from both the trade and the public and an attempt may be made to supplement product displays with information exhibits and entertainment.

Samples displays are a junior edition of a solo show and may be staged by a government or by a group of businessmen. Modest cost is the main advantage of this type. It is most suitable for a specialized group of products because this eases the problem of attracting the right kind of trade audience.

Staging the Exhibit

An exhibit can take many forms. Some products, such as machinery or readily identifiable consumer goods, require little more than the bare booth—the product speaks for itself. Other goods may require various degrees of window-dressing. But whatever the extent of decoration for the stand, the quality of display work should be as high as possible to stand up against other exhibits. Care taken over the details of an exhibit will impress a prospective agent or distributor favourably, as well as the public.

Many devices can provide background for a product—display panels, graphic explanatory material, phototransparencies, moving display fixtures. Others can give the visitor a more lasting impression of the exhibit—souvenirs and hand-out literature. Most important of all is the use of some moving "gimmick". This will repay its cost many times over because of the number of extra visitors it will attract to the exhibit.

Mention of these items (some of which can be expensive) brings the important subject of cost to an exporter's mind. Many things contribute to the expense of exhibiting in a fair. Not all of them are obvious but all must be considered and balanced against the cost of other types of sales promotion. Some factors are: space rental, stand design and construction, display fixtures and furniture, advertising and publicity, transportation of samples and of the exhibit (if it is not built abroad), and so on. One of the largest outlays is to cover the attendance of executives from Canada and staffing of the stand by specially hired personnel and local representatives.

Although the cost may seem heavy at first glance, it should be compared with that of other forms of sales promotion, using the "number of potential buyers contacted" as a basis. The concentrated audience at a trade fair makes the unit cost very small.

Putting It to Work

In operating an exhibit, there are certain fundamentals. The first is that the exhibit must be manned. Sales opportunities may be greater for the product that is not displayed at all than for the one displayed in a "dead" exhibit. An unmanned exhibit is usually a waste of time and money. Participation is most effective when the exporter himself or his agent mans the exhibit.

A second rule is that the prompt and efficient handling of trade inquiries must receive scrupulous attention. Frequently a query cannot be acted upon until the end of a fair, but an interim acknowledgment will show interest on the part of the exhibitor. A well designed trade-inquiry form, showing what action has been taken and what remains to be done, is essential.

Manning a trade fair exhibit can be fatiguing, especially for those not accustomed to spending long hours on their feet. At the same time, it is important to present to visitors a fresh, eager, interested appearance. Hence, sufficient manpower should be used to avoid having indifferent attendants who reduce the effectiveness of the exhibit.

In addition to using an exhibit to promote sales, an exporter has an excellent opportunity to see what his competitors are doing. What kind of goods are they selling? At what prices? What special sales gimmicks are they using? What technical improvements have they developed?

Consolidating the Gains

Some exhibitors are inclined to relax at the conclusion of a fair and reflect upon their success. But what is the use of going to the trouble of getting the feel of the market or of spending money on a first class exhibit unless sales leads are followed up?

It is obviously an advantage to have an agent on the spot who can represent the exporter personally. Whether it is an agent or his principal, however, a key part of the follow-up is prompt attention to correspondence, preferably in the same language as the inquiry. Lack of an agent need not preclude pursuit of sales opportunities: Canadian Trade Commissioners are equipped to do this on behalf of exporters. But it must be remembered that they cannot sell goods—they can only put the exporter in touch with prospective agents and importers.

The Department Can Help

The Department of Trade and Commerce both in Ottawa and abroad can help exporters who are interested in using the trade-fair technique. It maintains at head office directories of the important general trade fairs and specialized trade shows. Detailed information on some of these fairs is already on hand and can be obtained for others. Canadian Trade Commissioners abroad can help by assessing market potential for products or by putting the exporter in touch with the appropriate authorities.

Many companies that wish to use an exhibit for sales promotion do not have the resources in either money or staff to do so. Such firms may wish to take advantage of the annual program of trade-fair exhibits sponsored by the Department.

Each year Trade and Commerce sponsors exhibits in a number of foreign fairs in promising markets. Where there is no suitable fair, a solo show or samples display may be organized (these techniques have already been used successfully). Many of these exhibits are on a cost-sharing basis, enabling the exporter to have an active part in the promotion. For a list of fairs in which the Department will sponsor exhibits in 1960, see page 19 of *Foreign Trade* for February 13, 1960.

Companies that have used the trade-fair technique to market their products or services abroad can testify to the rewards that this type of sales promotion brings. Other Canadian firms interested in increasing their foreign sales should write to the Trade Publicity Branch, Department of Trade and Commerce, Ottawa. ●

Trade Offices Opened in Moscow and Glasgow

WILLIAM J. VAN VLIET has been appointed Commercial Counsellor at the Canadian Embassy in Moscow. Opening of this new trade office followed the signing on April 18 of a protocol renewing for three years the trade agreement between Canada and the U.S.S.R. Mr. Van Vliet was with the Canadian delegation which negotiated this renewal of the 1956 agreement in Moscow. Mail can be addressed to Mr. Van Vliet at the Canadian Embassy, 23 Starokonyushenny Pereulak, Moscow. Telephone: 415142. Cable: CANAD.

Mr. Van Vliet joined the Trade Commissioner Service as an agricultural specialist in 1949 and the following year was posted as agricultural adviser to the Canadian Mission to OEEC in Paris. In 1951 he was transferred to Copenhagen, Denmark, as Acting Agricultural Secretary, and subsequently to Bonn, West Germany, and to Berne, Switzerland, as Commercial Secretary. In 1956 he returned to Ottawa to take over the position of Chief of the Grain Division, following which he undertook temporary duty at the posts in Guatemala City; Vienna, Austria; Tehran, Iran; and Athens, Greece.

PAUL V. McLANE has been appointed Canadian Government Trade Commissioner in charge of the new trade office in Glasgow. The Department's decision to open a fourth office in the United Kingdom (the others are in London, Liverpool and Belfast) reflects the improved prospects for Canadian trade that have resulted from Britain's progressive liberalization of imports. The mail address for this office is Cornhill House, 144 West George Street, Glasgow, C.2. Telephone: Douglas 6751. Cable: CANTRACOM.

Mr. McLane joined the Trade Commissioner Service in 1928 and was posted to Kobe, Japan, in 1929 as Assistant Trade Commissioner. In 1939 he was transferred to Hong Kong as Trade Commissioner and in 1942 was brought back to Ottawa and appointed Chief of the Import Section, Shipping Priorities Committee. His next posting was to Auckland, New Zealand, in 1945; the following year he moved to Wellington as Commercial Secretary. Subsequent postings took Mr. McLane to Port-of-Spain, Trinidad, in 1953, as Trade Commissioner; to Vancouver in 1955 as the Department's Western Representative, and to Athens in 1958 as Commercial Counsellor.

Import and Exchange Regulations in West Africa

Following is a summary of the import and foreign exchange control regulations in effect in West African countries.

ANGOLA

IMPORTS into Angola are subject to import licensing. The import permit carries with it the right to the necessary foreign exchange. All foreign exchange is allocated from Lisbon and is made available only for imports authorized by the Government. In general, preference is given to imports from Portugal and Portuguese Overseas Provinces. Otherwise import requests are considered on their merit or essentiality to the economy of the territory. A general tax known as the Development Tax, which amounts to 2½ per cent ad valorem, is levied on imports. In special cases, however (such as imported wheat and wheat flour during the calendar year 1960) all customs charges except for payment of the Fiscal Clearance Stamp are waived. The Government also maintains a system of price controls and subsidies covering certain consumer goods. Export and export currency controls are also in force.

BELGIAN CONGO

With certain exceptions, prior import licences are required for goods imported into the Belgian Congo from Canada and other countries, but not from Belgium-Luxembourg. For the most part, shipments of goods of any origin not exceeding a c.i.f. value of 10,000 Belgian francs are exempt from licensing. Import licences in the Congo carry the right to foreign exchange necessary for payment, and customarily are granted freely.

FRANCO-AFRICAN COMMUNITY

The four Republics previously known as French Equatorial Africa have formed a Customs Union. Precisely what the effect will be on their tariffs and import restrictions is not yet known. Currently, as in the past, all imports into these territories are subject to import and exchange controls, including licensing requirements. Normally licences are not available for imports from the dollar area. However, a prior allocation of the necessary foreign exchange may be requested from Paris by territories wishing to import dollar goods under special circumstances.

GAMBIA

A wide range of goods including certain food products, crude materials, mineral fuels, lubricants and related materials, chemicals, machinery and transport equipment, and manufactured goods may be freely imported into Gambia from the dollar area.

GHANA

Effective March 19, 1960, the Government of Ghana liberalized controls on the import from the dollar area of all goods except arms, ammunition, explosives, gold, cinematographic films, petroleum products, and manufactured and unmanufactured tobacco. All goods from Canada except those specified may now enter Ghana without import trade control licences.

LIBERIA

No exchange control and no import control for exchange purposes are in effect in Liberia. Exchange may be purchased freely and an import permit is required only for firearms, ammunition, and certain medicines. Imports of used clothing are restricted by licence. Purchases of the great majority of accounts are financed either on the basis of sight dollar drafts or letters of credit.

NIGERIA

Effective February 1, 1960, the Government of the Federation of Nigeria liberalized controls on imports from the dollar area of all goods except sugar, coal, petroleum products, gold and gold products, and used clothing. All goods from Canada except those specified may now enter Nigeria without import trade control licences.

SIERRA LEONE

Specific import licences are required only for a very few goods from Canada such as medicine and pharmaceutical products, gunpowder, ammunition and small arms. All other goods can be freely imported under Open General Licence and dollar exchange is available. With the exception of the few goods requiring specific licences for import from the dollar area, there is no discrimination against dollar goods. ●

Ethiopia, with aid from FAO, has been training its people in better methods of producing, processing and marketing its agricultural products. The process literally begins at the grass roots: here the Ethiopian assistant to FAO's expert on small farm implements shows how to sharpen a scythe properly.

—UN Photo.

Ethiopia's Economy Improves

Slump in coffee exports weakened foreign exchange reserves, but measures taken are proving effective. Market small, but low-priced Canadian consumer goods should find a place.

D. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

ETHIOPIA'S economy depends heavily upon the production and sale of one commodity—coffee. The over-supply of and depressed prices for coffee in world markets about mid-1958 brought a slump in Ethiopian coffee exports and a drop in her foreign exchange reserves. The reserves had increased steadily since 1945 and at first the downtrend was not taken seriously. It was not until August 31, 1959, that the State Bank issued regulations to the effect that import licences for a large number of specified products would not be issued unless deposits covering the full value of the goods were made at the time the licences were issued. A month later it was announced that the State Bank would cease to grant foreign exchange for the import of a number of luxuries and products made locally in sufficient quantities.

New Import Regulations

These regulations were repealed and new ones brought into force on February 13, 1960. The prohibited list was cancelled and the prior deposit system intensified. For a number of non-essential and luxury goods—including motor vehicles, alcohol, beer, boots and shoes, cotton yarn, flax, hemp, silk and jute manufactures, sugar, canned foods, cosmestics, radios, cameras, watches, etc.—the importer must now deposit 125 per cent or in some cases 150 per cent of the value at the time the licence is issued.

The new regulations have a more restrictive effect than the old ones because of the requirement that the extra 25 or 50 per cent must remain on deposit until the goods actually arrive in the country. The first 100 per cent could, and still can, be used by importers much sooner. Because profit margins for some commodities are limited by law, the extra cost of importing these goods is not likely to raise prices but it will reduce profits. For other items not limited in this way, prices will rise. The aim of the authorities is, of course, to reduce imports and husband foreign exchange reserves.

Situation Improving

These moves, plus increased exports, have produced the desired effect. During the fourth quarter of 1959, at a time when foreign exchange reserves usually decline, they showed remarkable stability. On the export side, oilseeds and pulses had a record year in 1959 and hides and skins earned two to three times as much as in previous years. Even coffee exports, although they did not approach the high figures of 1957, were more than satisfactory—73 per cent above 1958 and more than double 1956. Much of the credit for this improvement goes to the Ethiopian Coffee Board, which has enforced strict grading regulations and thus improved standards of quality.

Surprisingly, the prior deposit system has not yet cut imports because of the time lag between the opening of credits and the actual arrival of imports. The effect is expected to be felt this year.

Credits and loans to Ethiopia from several sources have also helped to reduce the drain on exchange reserves. Ethiopia has received a credit equivalent to $10 million from Czechoslovakia for investment in industry, mining, agriculture and transportation and one for an unspecified amount from Russia. West Germany has offered a credit of DM50 million in addition to a DM30 million credit granted a year ago for social and industrial development. The U.S. Development Loan Fund has lent money for a cotton-weaving mill and gifts of wheat have been received from the United States and Russia.

Industrial development is also proceeding. A new power project near Addis Ababa, built under Italian reparations, has been opened and another textile mill, also to be paid for by reparations, will be built on the shore of Lake Tana. A plywood factory at Addis Ababa represents a third Italian project. Ethiopian Air Lines has installed an engine overhaul base at a cost of E.$2.25 million and the Indo-Ethiopian Textile Co. has begun production. A second sugar refinery is planned near the present one sponsored by Dutch interests, and the port of Assab on the Red Sea is nearing completion.

CANADIAN EXPORTS TO ETHIOPIA

	1957	1958	1959
	(in Can. dollars)		
Autos and parts	62,894	40,743	37,184
Engines and agricultural machinery	21,766	20,162	6,224
Whisky and gin	20,863	10,322	20,709
Paper and printed material	6,227	1,769	1,840
Scientific apparatus	1,493		
Clothing	726	625	250
Chemicals	198	821	3,007
Domestic appliances	57		542
Canned food	97	112	355
Medicinal preparations			72
Other	2,238	1,246	1,329
Total	116,559	75,800	71,512

CANADIAN IMPORTS FROM ETHIOPIA

	1957	1958	1959
	(in Can. dollars)		
Coffee, green	58,948	6,797	27,512
Agricultural products	1,574		938
Animals, living		10,654	12,966
Furskins, dressed			2,123
Total	60,522	17,451	43,539

Trade with Canada

Canadian trade with Ethiopia continues to be small and few Canadian products have established themselves in this market. Apart from the present emphasis on cutting down imports to conserve foreign exchange—a situation which is likely to improve within a year—there is scope for developing sales of Canadian consumer goods of the type that appeal to a population with low purchasing power. This assumes, of course, that prices (including the long freight haul) are competitive.

Data for Exporters

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

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

Trade and Tariff Regulations

Canada-U.S.S.R. Trade Agreement Signed

THE Honorable Gordon Churchill, Minister of Trade and Commerce, announced in the House of Commons on April 25, 1960, that he had signed a Trade Agreement with the Union of Soviet Socialist Republics in Moscow on April 18. The documents which were signed are a Protocol and an exchange of letters. The following outline of the Agreement is based on Mr. Churchill's announcement.

The Protocol renews for a three-year period the Trade Agreement between Canada and the U.S.S.R. of February 29, 1956, as well as the understanding set out in the letters which the two Parties exchanged at that time concerning the right of the Canadian Government to fix under the Canadian Customs Act values of goods for ordinary and special duty.

The Protocol also provides that each of the Governments will give sympathetic consideration to any representations which the other Government may make concerning the implementation of the renewed Agreement and with regard to other matters which may affect their commercial relations. In the 1956 Agreement, this consultation clause related only to matters arising from the implementation of the Agreement. The Protocol thus enlarges the scope for representations. Should the necessity arise, this would make it possible for Canada, for example, to take up with the Government of the U.S.S.R. any particular problems which may be encountered in respect of the sale in world markets of Soviet products in which Canada has a substantial export interest.

The Protocol is in force provisionally from the date of signature. It is to be ratified as soon as possible, and will enter into force definitively on the date of exchange of instruments of ratification, which is to take place in Ottawa. Mr. Churchill indicated that Parliamentary approval will be sought at an early opportunity.

Under the 1956 Agreement, as now extended, Canada and the Soviet Union exchange most-favoured-nation treatment with respect to customs duties and related matters. Each of the two countries on a reciprocal basis accords non-discriminatory treatment in its seaports to merchant ships of the other country. Either Government may, however, apply prohibitions or restrictions of any kind directed to the protection of its essential security interests. Canadian export controls are therefore not affected.

The letters which Mr. Churchill exchanged with the Soviet Minister of Foreign Trade, Mr. N. S. Patolichev, provide that, in each year of the renewed Agreement, the Soviet foreign trade organizations will purchase Canadian goods up to a total value of $25 million Canadian, including not less than 200,000 metric tons of Canadian wheat, provided the total annual value of Canadian purchases from the U.S.S.R. is not less than $12½ million Canadian. Should the total value of Canadian purchases from the U.S.S.R. be less than $12½ million Canadian in any one year, the Soviet undertaking to purchase from Canada would be reduced and would be determined on a 2:1 basis: that is, the Soviet Union would purchase twice as much from Canada as Canada imported from the Soviet Union. Wheat will constitute not less than half the value of such annual Soviet purchases. It will be noted that no commitment to purchase Soviet goods has been made by the Canadian Government.

The letters also provide that the authorities of the two countries will meet at least once a year alternately in Ottawa and Moscow to consult concerning the implementation of the Agreement and any other matters affecting Soviet-Canadian trade relations.

In addition, the letters set forth an understanding that, as a measure towards attaining the mutual objective of an expansion of trade, the two Governments will facilitate visits for business purposes between the two countries.

Mr. Churchill stated that it is the hope of both countries that trade will flow reasonably regularly in each year of the Agreement. Both sides are aiming to diversify as well as to expand trade. The annual consultations envisaged in the letters will provide the occasion for an exchange of views with respect to the operation of the Agreement. They should also prove of value in building up greater understanding between the two countries on trade matters.

The Minister of Trade and Commerce expressed his hope that within the framework of the renewed Agreement and in pursuance of the undertakings in the letters which have been exchanged, there will be a mutually advantageous growth in trade between the two countries. As in trade with other countries, the level of our purchases will be determined by the commercial decisions of Canadian importers. The actual growth in trade and the nature of the goods to be exchanged thus will depend mainly on the decisions of the businessmen and business organizations of the two countries. The Canadian market is highly competitive and it will be necessary for the Soviet export authorities to understand our requirements if they are to sell successfully in Canada. Similarly, it will be important for Canadian exporters to make known to the Soviet import organizations the products and goods which they are in a position to supply on competitive terms. In general, there will be a need for much closer contact between the traders of the two countries than has been the case in the past.

Further information about the new Canada-U.S.S.R. Trade Agreement may be obtained from the International Trade Relations Branch of the Department of Trade and Commerce.

Denmark

IMPORT LIBERALIZATION—As of March 1, 1960, the Danish Government has extended the list of commodities which no longer are subject to import licence requirements. The main groups recently freed are:

Fish and shellfish for canning
Tinned pineapples, tinned citrus fruits, tinned apricots and tinned peaches
Linseed oil
Tinned fish products
Tinned soups
Beer and mineral waters
Tobacco goods
Cement
Superphosphate
Paints and lacquers
Perfumes, soap and cosmetics
Candles

Sensitive paper and film
Plastic material and plastic goods
Leather and leather goods (but not footwear)
Veneers
Laminated wood and finished wood products
Paper and paper products
Printed matter
Textiles
Porcelain, earthenware and glassware
Bijouterie
Iron and metal goods

Machines and apparatus
Installation material
Radio and TV material
Vehicle and aircraft
Instruments and apparatus
Musical instruments
Toys and sporting goods
Furniture
Fountain pens, pencils, and other office articles

Further details on individual items may be obtained upon application to the International Trade Relations Branch, or the Commercial Counsellor, Canadian Embassy, Copenhagen.

France

ADDITIONAL DOLLAR IMPORTS LIBERALIZED—Effective April 5, 1960, the Government of France announced another step in the removal of certain import restrictions on a variety of products. The new liberalization further reduces differentiation in treatment accorded to imports from the dollar area and to those from Western European countries. Among the products freed from the dollar area the following appear to be of interest to Canadian exporters:

Certain types of alloy steel
Accounting machines
All types of taps, cocks, valves and similar appliances
Photographic image projectors, enlarger and reducers (other than cinematographic)
Instruments and appliances used in geophysics
Record players and automatic record changers
Picture postcards, Christmas and other picture greeting cards
Reconstituted wood, being wood shavings, wood chips, sawdust, wood flour or other ligneous waste agglomerated into natural or artificial resins or other organic binding substances in sheets, blocks or the like
Exposed and developed plates and film, negative or positive
Copolymers of vinyl esters and of acrylic or methacrylic acid
Natural barium sulphate, crushed or pulverized
Silicon with an SI content of more than 99.9 per cent
Aromatic cyclic alcohols
Ethers, ether-alcohols, ether-phenols and similar products
Ketones, except aromatic ketones
Certain acids and their salts and esters.

Details regarding the status of individual products may be obtained from the European Division of the International Trade Relations Branch.

Iraq

IMPORT PROGRAM FOR 1960—The Government of Iraq recently announced its import program for the calendar year 1960. Under the program all goods are divided into one of three categories:

1. Goods for which import licences will be granted under limited allocations.

2. Goods which are prohibited and for which licences will not be delivered.

3. Goods which are not subject to quota and for which import licences will be granted throughout the year.

For the first category, the amounts of the allocations have not been published. The import licensing program for 1960, as in 1959, does not differentiate between the hard and soft currency areas as sources of imports.

The complete schedule of commodities affected by Iraq's 1960 import control program may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Jamaica

IMPORTS OF FOOTWEAR—The Jamaican Trade Board advised importers on April 7th that it is prepared to grant permits, outside the quota, for the following types of footwear during 1960:

Infant's footwear (up to infant size 6)
Slippers with soles of chrome or split leather, and of fabric or felt
Slippers with soles and uppers of foam rubber
Slippers of felt uppers with leather soles
Slippers with felt uppers and sponge soles (men's)
Slippers with uppers of fabric towelling and sponge soles
Rubber water boots
Rubber or plastic overshoes
Ballet shoes
Athletic footwear (except tennis shoes)

Each application for an import permit should be accompanied by an exact sample pair of the footwear described therein.

Spain

FURTHER IMPORTS LIBERALIZED—Following the first list of liberalized imports (see *Foreign Trade* of August 15, 1959), a second list of liberalized products was published in the *Official Gazette* of April 1, 1960. This liberalization applies equally to Canada, Western Europe, the United States and certain other countries. The items of possible interest to Canada are listed below and the International Trade Relations Branch will be pleased to supply information on specific products.

Codfish
Insulin and poliomyelitis vaccine
Calcined alumina
Cattle hides
Casein for industrial use
Mineral waxes
Raw materials for plastics
Chemical raw materials for the photographic industry
Artificial pigments
Chemicals for industrial use
Spare parts for tractors

Importers may file import declarations with the Registrar of the Ministry of Commerce in Madrid from May 1, 1960, on—Madrid.

General Notes

Cuba

NEW FOOD INDUSTRIES—The National Association of Food Importers has announced plans to establish a $5 million flour mill (Cuba's third) in Las Villas Province, a factory in Camagüey Province for condensed and evaporated milk and dairy products, a soap factory, a fish cannery, and a plant to produce canned fruits, vegetables and juices. Capital will be raised by a public sale of stock. It is hoped that eventually the new industries will mean an annual saving of $20 million in foreign exchange—Havana.

Communist China

REGISTERED MAIL—Effective January 4, 1960, the Hong Kong Post Office accepts letters and packets for registration to all destinations in Communist China. According to the customs regulations for control of personal postal packets sent to or from Hong Kong, an addressee is exempt from applying for an import licence for goods sent from Hong Kong, provided the quantity is within rational limits for personal use and that variety and quantity meet the requirements set forth in the table of quantitative limitations. The addressee must also submit to the Chinese Customs the required certificates and pay customs duty or the consolidated business tax, according to the regulations—Hong Kong.

Ghana

BROADCASTING PROJECT—Marconi Wireless Telegraph Company Limited of Britain has won the tender for Ghana's external broadcasting project. The Government of Ghana has announced that work will begin immediately and will be completed early in 1961. The system will enable Ghana to broadcast not only in Africa but throughout the world.

A team of Canadian technical advisers visited Ghana in the spring of 1958 and submitted a report to the Government. As a result of this report, the Ghanaian Government made provision for £931,400 in its development estimates. However, the cost of the project has now been cut to an estimated £708,209—Accra.

Pakistan

DECIMAL COINAGE—On March 2, the Presidential Cabinet decided to introduce decimal coinage in Pakistan effective January 1, 1961. The metric system of weights and measures will also be introduced as soon as possible after that date—Karachi.

AID-FINANCED IMPORTS—Pakistan is ready to buy some $56 million worth of imports, using U.S. Defence Support Aid funds. Most of the goods will be manufactures needed by its key industries. Purchases may be made anywhere in the non-Communist world. Included in the import funds are $20.5 million for iron, steel, copper and nickel metals and metal products; $10.5 million for industrial and office machines; $8 million for medicinal products; $5.5 million for chemicals; $3 million for aircraft parts and accessories; $2.1 million for wool wastes and tops, and smaller amounts for other goods—Karachi.

Peru

TELEPHONE EXPANSION—The Compañía Nacional de Teléfonos del Perú, which handles all long-distance Peruvian telephone service, is at present studying an expansion program. According to the proposal, the Peruvian firm would invest U.S.$13 million which it has received as a credit from a Swiss company—Lima.

Philippines

FISHERIES RESEARCH—The Philippines Bureau of Fisheries has acquired from Japan through war reparations a fishing vessel designed for oceanographic and biological research, demonstration and fisheries training. It is a 100-gross-ton, steel-hulled ship equipped with electronic devices such as a fish-finder, direction-finder and radar. Modern gear includes multiple winches for purse seining, deep-sea trawling, tuna long-line fishing, and gillnetting; equipment also includes a Japanese stick-held dip net (bouke-ami).

The vessel will explore chiefly the deeper waters far from shore with a view to widening the Philippine fishing frontier and protecting the shallow coastal and fishing areas from over-fishing. A number of fishermen from private firms will be trained in deep-sea fishing to help develop the fisheries and increase production to meet the needs of the expanding population—now about 24 million and increasing by about 3 per cent a year—Manila.

Spain

OIL PROSPECTING IN SAHARA—The new Spanish petroleum legislation, providing for the division of the Spanish Sahara into 108 sections or lots, each with an area of about 250,000 hectares, is attracting foreign capital, and 21 foreign companies or groups of companies have already applied for permission to prospect for oil. Thirty-five lots have been allocated, each one occupied by several companies, with the exception of one that has been allotted solely to the Caltex Company.

The foreign companies include such important groups as Gulf, Pan American, Union Oil of California, Sun, Richfield Cities Service, Tidewater, and Sohio, working in association with Spanish groups, banks etc. For example, Pan American has joined the government-controlled INI (Instituto Nacional de Industria) on a 50 per cent basis; Richfield Cities Service has joined CAMPSA on a 20 per cent basis (CAMPSA is a government-controlled petroleum monopoly in Spain) and the Banco Espanol de Credito, 50 per cent; Union Oil 30 per cent and Sun 25 per cent with Iberica de Petroleos; Gulf with Cepsa 50 per cent; Tidewater and Sohio with Banco Urqujo 5 to 20 per cent. The INI is also working closely with two other U.S. companies and with French interests. It is expected that some $15 million will be invested in the Spanish Sahara every year in oil-prospecting ventures—Madrid.

Trade Commissioner on Tour

B. C. BUTLER, Minister (Commercial) in London, England, is undertaking a tour in Canada. His itinerary is:

Calgary—May 9-10	Brantford—June 7
Edmonton—May 11	London—June 8
Regina—May 12	Windsor—June 9
Winnipeg—May 13-18	Sarnia—June 10
Toronto—May 19-June 1	Kitchener—June 13
Hamilton—June 2-3	Montreal—June 15-30
St. Catharines, Welland—June 6	Ottawa—July 4-15

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

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

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.036605.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 25	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01164	85.91	(1)
Austria	Schilling		.03714	26.92	
Australia	Pound		2.1684	.4612	
Bahamas	Pound		2.7105	.3689	
Belgium, Belgian Congo and Luxembourg	Franc		.01936	51.65	
Bermuda	Pound		2.7105	.3689	
Bolivia	Boliviano	Free	.00008444	11,842.73	
British Guiana	Dollar		.5647	1.77	
British Honduras	Dollar		.6776	1.47	
Brazil	Cruzeiro	General Category*	.003979	251.29	*Mar. 29 (2)
		Special Category	.001805	553.98	
		Official selling	.05099	19.61	(3)
Burma	Kyat		.2026	4.93	
Ceylon	Rupee		.2033	4.92	
Chile	Escudo	Free	.9170	1.0905	(4)
Colombia	Peso	Certificate	.1440	6.94	
Costa Rica	Colon	Official	.1718	5.82	
		Controlled free	.1451	6.89	
Cuba	Peso		.9647	1.0366	tax 2%
Czechoslovakia	Koruna		.1340	7.46	
Denmark	Krone		.1400	7.14	
Dominican Republic	Peso		.9647	1.0366	
Ecuador	Sucre	Official	.06432	15.55	
		Free	.05641	17.73	
Egyptian Region, United Arab Rep.	Pound	Official	2.7702	.3610	
		Export account selling	2.4450	.4090	
El Salvador	Colon		.3859	2.59	
Fiji	Pound		2.4441	.4091	
Finland	Markka		.003015	331.67	
France, Monaco, etc.	New Franc		.1967	5.08	(5)
French colonies	Franc		.003934	254.19	(6)
French Pacific	Franc		.01082	92.42	(7)
Germany	D Mark		.2314	4.32	
Ghana	Pound		2.7105	.3689	
Greece	Drachma		.03215	31.10	
Guatemala	Quetzal		.9647	1.0366	
Haiti	Gourde		.1929	5.18	
Honduras	Lempira		.4823	2.07	
Hong Kong	Dollar	Free*	.1675	5.97	*April 14
		Official	.1694	5.90	
Iceland	Krona	Official	.02539	39.38	(8)
India	Rupee		.2033	4.92	
Indonesia	Rupiah	Official rate	.02144	46.65	(8)
Iran	Rial		.01273	78.52	
Iraq	Dinar		2.7011	.3702	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 25	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7105	.3689	
Israel	Pound		.5359	1.87	
Italy	Lira		.001555	643.09	
Japan	Yen		.002680	373.13	
Lebanon	Pound	Free	.3030	3.30	
Mexico	Peso		.07718	12.96	
Netherlands	Florin		.2559	3.91	
Netherlands Antilles	Florin		.5156	1.94	
New Zealand	Pound		2.7105	.3689	
Nicaragua	Cordoba	Effective buying	.1462	6.84	
		Official selling	.1368	7.31	
Norway	Krone		.1354	7.38	
Pakistan	Rupee		.2033	4.92	
Panama	Balboa		.9647	1.0366	
Paraguay	Guarani	Official	.007907	126.47	
Peru	Sol	Certificate	.03476	28.77	
Philippines	Peso		.4823	2.07	
Portugal & Colonies	Escudo		.03367	29.70	(9)
Singapore and Malaya	Straits Dollar		.3162	3.16	
Spain and Dependencies	Peseta		.01608	62.19	
Sweden	Krona		.1869	5.35	
Switzerland	Franc		.2223	4.50	
Syrian Region, United Arab Rep.	Pound	Free	.2695	3.71	
Thailand	Baht	Free	.04564	21.91	(8)
Turkey	Lira		.1072	9.33	(8)
Union of South Africa	Pound		2.7105	.3689	
United Kingdom	Pound		2.7105	.3689	
United States	Dollar		.9646875	1.036605	
Uruguay	Peso	Free	.08444	11.84	(12)
Venezuela	Bolivar		.2880	3.47	
West Indies Fed.	Dollar		.5647	1.77	(10)
	Pound		2.7105	.3689	(11)
Yugoslavia	Dinar	Official	.003215	311.04	(8)
		Settlement rate	.001526	655.13	

*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 buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$57.64 per U.S. dollar for coffee, cocoa beans and cake, and castor seeds, and (b) Cr.$81.64 per U.S. dollar for all other exports except sugar, cotton and cocoa butter, and a few other products, export returns from which may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning January 1, 1960, one escudo equals 1,000 pesos.
5. France: territory includes Algeria, Tunisia, Guiana, Guadeloupe, Martinique. The new heavy franc (worth 100 old francs) became effective on Jan. 1, 1960. In Tunisia the rate of the franc is reduced by 20 per cent on most foreign exchange transactions.
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.
12. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.

Transportation Notes

Brazil

IRON ORE FLEET—The Minister of Transport and Public Works has called a meeting of the heads of the leading steelworks to study the formation of a fleet for shipping iron ore out of the country and importing coal for the steel mills. This fleet would be operated along the lines of the National Petroleum Fleet and would be owned jointly by the companies concerned—Rio de Janeiro.

Canada

EUROPE-GREAT LAKES SERVICE—Canadian Pacific Steamships has announced that it will operate a regular service again this year between Liverpool, London and Antwerp, and Canada and United States Great Lakes ports during the St. Lawrence navigation season. Four vessels will ply the route; two in the Liverpool service and two in the London/Antwerp service. If there is enough traffic, the itinerary will be extended to other northwest European ports such as Le Havre, Rotterdam and Hamburg.

Bookings can be arranged with the Foreign Freight Department, Canadian Pacific Railway Company, Montreal, or with any Canadian Pacific Railway freight agency.

Hong Kong

VANCOUVER-HONG KONG SERVICE—Effective March 12, all Java Pacific Hoegh Lines vessels operating monthly "A" service from Vancouver offer direct calls at the port of Hong Kong. The transpacific crossing takes 18 days and all vessels are equipped to handle reefer cargoes and passengers. In Vancouver, Java Pacific Hoegh Lines are represented by Dingwall Cotts and Co. Limited, 802 West Hastings Street.

India

METRIC SYSTEM IN SHIPPING—The Government of India has announced another step in the progressive introduction of the metric system. The Government has ruled that, from August 1960, commercial charges at the ports of Bombay, Calcutta, Madras, Cochin, Kandla and Vizagapatnam will be based on metric weights and measures. This is intended to complement the changeover to the metric system in the assessment and collection of customs duties and excise taxes—New Delhi.

Ireland

IMPROVED AIR SERVICE—Aer Lingus (Irish Air Lines) has announced plans to open new routes and increase services on existing routes during 1960. The new routes planned include direct flights between Shannon and London that will coincide with arrivals and departures of planes on the North Atlantic service—Dublin.

Netherlands

SHIPPING CONFERENCE MEMBER—The Continental Canadian Westbound Freight Conference, the United States Great Lakes-Bordeaux/Hamburg Range Westbound Conference, the Canadian Continental Eastbound Freight Conference and the United States Great Lakes-Bordeaux/Hamburg Range Eastbound Conference announce that the Poseidon Schiffahrt GMBH of Hamburg was admitted as a member of these conferences on February 19, 1960.

The first two conferences, which cover outgoing services to St. Lawrence River and Great Lakes ports, will cancel their "open rates" when services are resumed this season. Effective at that time, conference member lines will assess freight rates according to the regular conference tariff valid in 1959—The Hague.

Norway

HYDROFOIL BOAT SERVICE—Two west Norwegian shipping companies, Det Stavangerske Dampskibssleskab and Sandnes Dampskibsaktieselskab, have ordered a hydrofoil boat of the PT 50 type from Messina, Sicily, and delivery is scheduled for this spring. The vessel is to be used on the companies' joint line between Stavanger, Haugesund and Bergen. This will be the first hydrofoil boat service in Norway. A number of other Norwegian shipping firms are studying the possibilities of using hydrofoil vessels in coastal services—Oslo.

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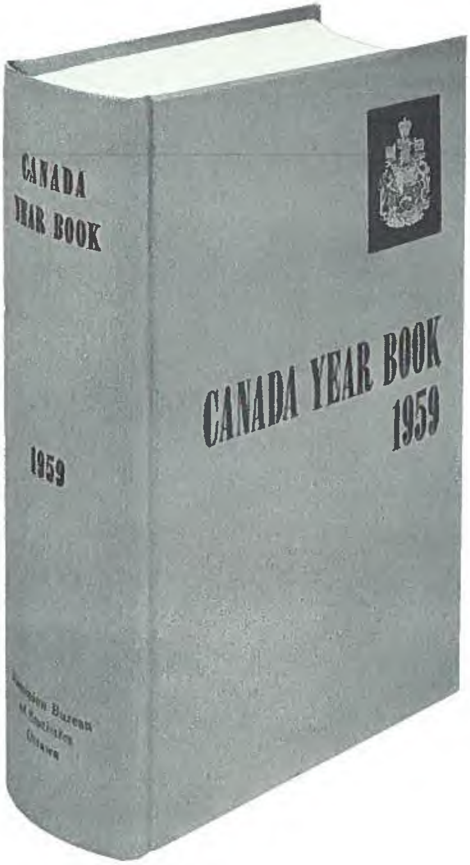

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