JUNE 18, 1960

foreign trade

CANADA

EXPLORING THE VENEZUELAN MARKET (page two)

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cover These oil derricks silhouetted against the sky on Lake Maracaibo illustrate Venezuela's economic dependence on oil, which brings in 90 per cent of its foreign earnings. But the country has other resources and other problems, as the article on page two points out. The four reports from Venezuela in this issue brief the reader on a market of continuing opportunity, despite certain recent developments.

CANADA

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Exploring th

With four years in Venezuela as a background, the author discusses how the country is developing and what opportunities it affords for selling Canadian products. Mr. Gravel will begin a tour of Canadian cities in July; for his itinerary, see page 36.

R. E. GRAVEL, *Commercial Counsellor, Caracas.*

VENEZUELA'S economy is almost entirely based on oil, which brings in about 90 per cent of its foreign earnings of $2 billion. Production of approximately 16 million metric tons a year of high-grade iron ore (roughly comparable to Canada's iron ore output) puts this industry in second place as a foreign-exchange earner (1958: over $111 million).

Other facets of this economy are worth noting, not only as a means of appreciating over-all Venezuelan development, but also to appraise the direction of future expansion. To emphasize the economic significance of the endeavours mentioned below, it should be noted that the petroleum industry only employs about 1 per cent of the population and iron ore mining a still smaller fraction.

Beef herds probably constitute the most important single element in Venezuela's agriculture. In fact, before the advent of oil in the early twenties, beef was Venezuela's main export. Today, adverse climatic conditions (extremely wet and dry seasons) together with a rising domestic consumption of beef have brought a meat shortage that has made imports necessary. Nevertheless, the local government, through credit and technical assistance, is now trying to bolster this and other segments of the economy.

Coffee ranks as Venezuela's third largest export (1958: $31.5 million), followed by cacao (1958: $11 million). Both of these, although important as exports, are not as significant domestically as other agricultural products such as beef. Other commodities—corn, sugar, rice, copra, sesame, tobacco, cotton, bananas—are also important although in recent years some of them (such as sugar, rice and cotton) have had to be imported to satisfy local needs in full.

Venezuela has acquired a fairly wide variety of light industries, including the making of textiles, refining of sugar, automobile assembly, and manufacturing of flour, beer, carbonated beverages, paints, tissue and kraft paper, plastics, animal feeds, powdered milk, cigarettes, tires, soap, cement, etc. A giant government petrochemical and steel industry is also being established.

Current Economic Trends

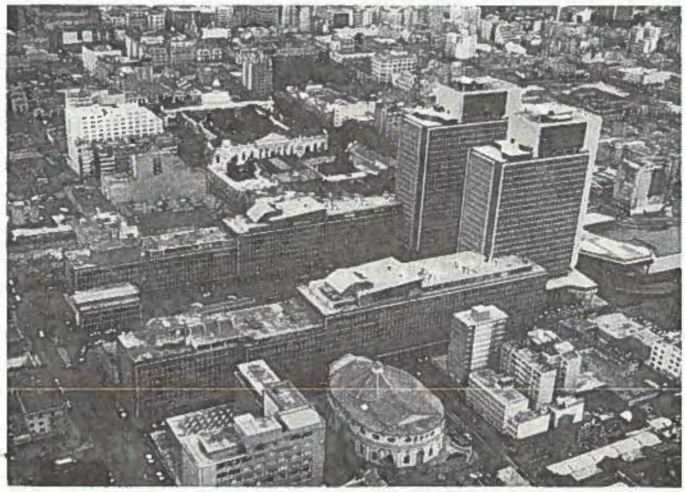
Early in 1959 the Government adopted a new policy of protectionism to stimulate the development of local industry and to check the outward flow of foreign exchange. The following measures were taken last year:

1. New licensing requirements—June 1959 (including powdered milk, hams, flour, cables).

2. Further licensing requirements, of specific interest to Canada—November 20, 1959 (including automobiles, whisky).

3. Tariff increases—December 10, 1959.

See the article "Venezuela Increases Import Restrictions" in



Venezuelan Market

Foreign Trade of June 4, 1960, for further discussion of this aspect of Venezuelan trade.

Venezuela currently finds itself in a period of transition and readjustment and despite a fundamentally sound economy is facing problems with its international balance of payments and its national budget.

There have been some unfavourable signs. The deficit in foreign exchange operations reached U.S.-$280 million in 1959 (U.S.$360 million in 1958) and would actually have been considerably more were it not for the fact that some gold was sold and dollars brought into the country via notes. The international reserves dropped to about $700 million at mid-1959 and are now still lower.

The causes of this outflow of dollars include excessive imports, payment by the Government of over half of the $1.5 billion outstanding debt left by the Pérez Jimenez Government, and most important, the flight of "nervous" money because of apprehension about Venezuela's economic and political future and, more specifically, the fear of exchange control or devaluation.

There has also been evidence of inflation. The amount of money in circulation continues high (about Bs.5 billion, Can.$1.4 billion). A deficit budget encourages inflation. Furthermore, there has not been sufficient national production and this has resulted in a notable increase in the cost of living.

However, economists feel optimistic about the solution of these problems and they point to two powerful factors in the economy: the large output of the oil industry and the high dollar income.

In spite of some industrial development in recent years, Venezuela still imports most of its needs. In 1958, for example, the value of merchandise imports reached nearly Bs.4.8 billion (Can.$1.4 billion.). Imports consisted mainly of machinery and instruments, metals and manufactures, food products, glass and ceramics, chemicals, etc. The principal exports (exclusive of oil and all of relatively minor importance) are iron ore, coffee, cacao, sisal, corn, gold, diamonds, and hides. The value of merchandise exports in 1958 reached Bs.7.8 billion (Can.$2.2 billion, approximately).

TABLE I

CANADA'S TRADE WITH VENEZUELA

(in Canadian dollars)

Year	Exports to Venezuela	Imports from Venezuela
1955	30,755,871	187,277,463
1957	39,843,687	248,144,971
1958	43,654,573	209,590,086
1959	46,007,524	204,697,170

Canadian-Venezuelan Trade

Venezuela continues to be Canada's largest and most active South American trading partner. Our exports to this area have increased steadily, as noted in Table I. This trend has particular significance when one notes that Venezuela's over-all imports decreased by approximately Bs.1.4 billion in 1958. (A similar reduction probably took place in 1959.) Thus Canada has increased her share of the local market from 2.2 to 3.1 per cent and has risen from sixth to fifth place among Venezuela's suppliers.

The increase stemmed largely from a striking upsurge in sales of wheat, powdered milk, eggs, wood pulp and miscellaneous industrial equipment. This sales impetus is reflected in Table II, which also shows other main commodities that Canada sells to Venezuela.

It is difficult to predict any change in the pattern of Canadian

Left to right: In fast-growing Caracas, Venezuela's capital, the magnificent new buildings and towers of the Centro Simón Bolívar house government offices; are equipped with underground parking and shopping facilities. Maracaibo, the second largest distribution centre in Venezuela, today has a population of almost half-a-million. This is a view of the heart of the business district. Barquisimeto, the capital of Lara State, is Venezuela's third city. It deals mainly in the produce of the area—sugar, coffee, cacao, cereal, cattle and copper—but is striving for greater industrialization.

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sales to this country. However, it is perhaps safe to assume that Venezuela will increase its demand for capital equipment and supplies markedly, in keeping with its extensive development program. Canada has already capitalized on these new sales openings by supplying rails, cast iron pipe, electrical equipment, automobiles, etc. Many Canadian firms have also sought out local engineering opportunities. These firms often enjoy a comparative advantage in many sections of the broad field of engineering (e.g., aerial photography, hydro, mining) primarily because of their recognized experience and the similarity of resources and development problems in both countries. We can certainly increase our participation in this remunerative field because any equipment or services related to development will inevitably find uses in Venezuela.

Venezuela's increased protectionism, mentioned earlier, is aimed at stimulating industrial growth. On the other hand, some of our other exports may conceivably lose their hold on this market. Flour, formerly our most important single export to Venezuela, is now practically excluded, but the build-up of a local flour industry has brought a sharp rise in demand for our wheat.

TABLE II

PRINCIPAL CANADIAN EXPORTS TO VENEZUELA

(in Canadian dollars)

	1958	1959
Powdered milk (whole)	6,902,145	7,685,034
Wheat	3,043,127	5,303,836
Eggs in shell	4,104,623	4,601,197
Newsprint	2,241,839	2,357,707
Cellulose products	1,723,695	2,010,383
Wood pulp, sulphate	183,441	1,685,290
Automobiles (passenger)	1,100,536	1,624,065
Synthetic resin manufactures	211,092	1,517,085
Copper tubes, cable and wire	802,483	1,166,227
Planks, boards	798,184	992,287
Drugs and chemicals	723,979	924,745
Aluminum and aluminum manufactures	386,253	879,635
Certified seed potatoes	695,059	749,273
Flour of wheat	6,384,150	661,073
Bond writing paper	495,159	630,340
Transformers and parts	504,846	624,117
Radio	341,113	608,059
Machinery and parts, n.o.p.	493,958	604,297
Electrical apparatus	253,936	579,513
Marine engines and parts		526,105

A Venezuelan fisherman with a load of Corito, a type of Caribbean sailfish.

Venezuela proposes to increase its output of powdered milk and cables, and this may in time affect our exports of these two products.

Protectionism and local development constitute one of the obstacles we face in this market; foreign competition is the other—of equal or greater significance. A wide array of products from many countries find buyers in this market because of favourable quotations, extended terms, or an aggressive approach towards meeting Venezuela's specific requirements. The United States, West Germany, the United Kingdom, and Italy currently rank ahead of us as suppliers to Venezuela. Their relative shares of this market are:

United States	57.2 per cent
West Germany	8.4 " "
United Kingdom	7.3 " "
Italy	6.6 " "
Canada	3.1 " "

Canada is Venezuela's second most important customer, and Venezuela is Canada's third most important supplier, ranking after the United States and Britain. Practically all of Canada's imports from Venezuela consist of crude oil products and totalled over $200 million in 1959.

Local Business Practices

The Venezuelan market is currently in a temporary slump and it may be advisable to refrain from selling on other than secured terms when there is some uncertainty about the standing of a local account. Otherwise, extended terms adjusted according to the specific item being sold must normally be granted in order to secure business. Local agents are often in the best position to secure business and should certainly be seriously considered when a Canadian exporter is contemplating an active sales campaign.

The office of the Commercial Counsellor in Caracas will be glad to supply Canadian businessmen with further information on trading with Venezuela. ●

Markets in Brief

VENEZUELA

Area: 352,150 square miles.

Population: 6,500,000 (official estimate).

Climate: four climate zones: tropical, moderate, cool and cold. Caracas has an average temperature of 68.9°F.

Language: Spanish. Sales literature in Spanish essential.

Currency: bolivar; one bolivar equals approximately U.S.$0.30; one Canadian dollar equals 3.51 bolivars.

Weights and measures: metric system.

Capital: Caracas, altitude 3,000 feet.

Chief ports: La Guaira, Maracaibo, Puerto Cabello, Guanta, Ciudad Bolivar, Puerto Ordas.

Marketing centres: Caracas (population 1,200,000); Maracaibo 423,222; Barcelona 44,689; Maracay 102,065; Ciudad Bolivar 44,349; Valencia 131,468; Barquisimeto 177,554; San Cristóbal 82,639.

Economy: oil, iron ore, cattle-raising, coffee, cocoa, gold, diamonds, manganese, forest and fisheries.

Total Venezuelan imports: 1958—U.S.$1.43 billion; 1957—U.S.$1.83 billion.

Chief imports: automobiles, agricultural machinery and implements, electrical and industrial machinery, drugs and chemicals, whisky, food products, wheat, lumber, electrical appliances, manufactures of metal, wire, etc.

Chief suppliers: United States, Germany, United Kingdom, Italy, Canada, France, Netherlands.

Value of imports from Canada: 1958—Can.$43,654,573; 1957—Can.$39,840,006.

Chief imports from Canada: milk powder, wheat, eggs, newsprint, cellulose products, wood pulp, automobiles, synthetic resin manufactures, copper tubes, cables and wires, planks, boards, drugs and chemicals, aluminum and its manufactures, seed potatoes.

Total Venezuelan exports: 1958—U.S.$2.32 billion; 1957—U.S.$2.36 billion.

Chief exports: crude petroleum and refined products, iron ore, coffee, cocoa, sisal, corn, gold, diamonds, hides.

Chief markets: United States, Canada, United Kingdom, Germany, Brazil, France, Netherlands.

Value of Canadian purchases: 1958—Can.$209.5 million; 1957—Can.$248.1 million.

Chief Canadian purchases: crude and refined oil.

Dollar exchange: freely available.

Prices: preferably in U.S. currency, either f.o.b. Canadian port or c.i.f. Venezuelan port.

Samples: import duty-free except for a few commodities, e.g., jewellery.

Trade agreements: most-favoured-nation agreement with Canada. Equal tariff treatment of imports from United States, United Kingdom, and other countries enjoying m.f.n. status.

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

Canadian banks: The Royal Bank of Canada, Caracas, Maracaibo, Puerto La Cruz, Ciudad Bolivar, Puerto Ordas. Bank of London and Montreal, Caracas.

Correspondence: by airmail only; letters, 10 cents per half ounce.

For detailed information on this market write to:

Latin American Division,
International Trade Relations Branch,
Department of Trade and Commerce,
Ottawa, Ont.

or

Commercial Counsellor,
Canadian Embassy,
Apartado 9277,
Caracas, Venezuela.
(by airmail only)

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The Venezuelan Bill of Exchange

Here is sound advice for the Canadian exporter who may be unfamiliar with practices peculiar to Venezuela in the issuing and collection of drafts.

G. F. FONS, *Office of the Commercial Counsellor, Caracas.*

IN Venezuela the bill of exchange has proved to be the credit instrument best able to protect the interests of the foreign exporter, because of the following peculiarities of the Venezuelan import trade:

a. Payment for all imports, except for a very few lines that still sell on letter-of-credit terms, is based on bill-of-exchange terms.

b. "To order" shipments are forbidden by Venezuelan customs regulations.

c. The importer's signature on an original order often carries little weight as evidence of an existing contract enforceable under Venezuelan law.

d. In Venezuela the unpaid bill of exchange, provided it is properly issued and accepted, allows immediate embargo and seizure of the debtor's assets.

Ten Rules Cited

For the guidance of the Canadian exporter, here are ten rules on the issue and collection of drafts in Venezuela.

1. *Remember that your Venezuelan accounts are over 3,000 miles away in a country that differs in language, legislation and customs. Therefore, take care to issue these drafts so that they enjoy all possible legal advantages.*

To this end, a letter of exchange should contain (Articles 410 and 411—Venezuelan Commercial Code):

the terms "bill of exchange" or "pay to the order of . . ." in the text of the document and in the language used for issuing same

the order to pay a given amount

the name of the person who is to pay (drawee)

the due date (if omitted, the document is considered due on sight)

the place where payment is to be effected

the name of the person to whom or to whose order the payment shall be effected (if left blank, the draft loses its executive features)

date and place at which the draft is issued

signature of person who issues the draft.

2. *Take advantage of the special clauses provided by Venezuelan law so that your drafts will not lose their executive force as bills of exchange.*

Waiver of Protest and Presentation—Waiver clauses are explicitly admitted by Article 454 (Venezuelan Commercial Code) and the local trade uses them to such an extent that drafts are hardly ever protested in Venezuela. The corresponding clause *"sin aviso ni protesto"* (without notification or protest) should be inserted in the text of the bill of exchange. This relieves the drawer or collecting bank from presenting the draft for payment and from protesting it if it is not paid; they can then take direct embargo action. Should drafts with a waiver clause be protested, however, the person who makes the protest is committed to pay the expenses.

The clause *"por valor recibido"* (sometimes *"valor convenido"* or *"valor entendido"*—value agreed upon or understood) stresses the abstract character of the bill of exchange and should therefore be inserted in the text.

3. *Secure your collections by having your drafts guaranteed by local companies of good standing.*

It is often advisable to have your drafts guaranteed by a third party of good standing, such as a local insurance company or bank or, if your debtor is a joint stock company, by its manager. Take care that the guarantor *actually guarantees the drawee* (Article 439, Venezuelan Commercial Code). This is achieved by endorsing the draft with the clause *"bueno por aval del aceptante sin aviso y sin protesto"* (valid to guarantee the drawee without protest and notification), and having the guarantor sign the draft below this clause.

4. *In draft operations involving Venezuelan customs clearance, the co-operation of brokers should be secured.*

Because of the short and strict terms of clearance at Venezuelan Customs, fines and storage charges are often incurred and the shipment is even liable to be sold at public auction if clearance is not effected within those terms. Local banks cannot be expected to exercise the necessary control over this and will understandably limit themselves to the collection if they act as consignees. It is possible to minimize the danger of clearance delay or subsequent seizure of the goods by designating a reliable customs broker as consignee, with the actual importer as ultimate consignee. A local bank can then handle the draft. The broker should be instructed to clear the goods and keep them in his warehouse until the importer complies with his financial obligations.

It is advisable for Canadian exporters to use the services of brokers well known and recommended by the Trade Commissioner's office. The only difficulty here may arise from the fact that some Venezuelan importers prefer a given customs broker to handle all their business. It is therefore important to make sure before entering into an arrangement of this nature that the Venezuelan importer is willing to have the shipment consigned to a given customs broker.

5. *Give preference to time drafts due on specified dates. But first make sure that your Venezuelan customer is in full accord with such a move.*

There is some danger and inconvenience in the use of sight drafts because the Venezuelan practice differs considerably from the Canadian. According to local procedure, the draft is payable only on first presentation after the goods have been delivered.

Sales terms of "sight draft, documents on payment", which are usually considered almost as safe as letter-of-credit terms, can cause unexpected difficulties in Venezuela because of the Venezuelan interpretation of "sight draft". When the collecting bank attempts to obtain payment before delivering the documents to the importer, an impasse is often reached by the latter's demand for prior delivery of the documents since, according to the importer's interpretation, the sight draft is not payable until the goods have been delivered to his warehouse. Unless the importer agrees to immediate payment, this could lead to customs fines and storage charges for delays in clearance. At times, it could even lead to seizure of the goods by customs and their subsequent disposal at public auction, in view of their non-acceptance by the importer.

This rather free interpretation of the term "sight draft" has meant that even the local trade is showing an increasing preference for time drafts, where the due dates are clearly stated. However, the terms of these drafts should take into consideration the time that elapses before the shipment arrives in Venezuela and is cleared through customs.

6. *Stipulate any interest rate higher than 5 per cent.*

According to Article 414 (Venezuelan Commercial Code), if no other interest rate is stipulated, it is understood that 5 per cent interest from date of issue is to be paid.

7. *Reach a clear understanding with your Venezuelan customer about who is to absorb the bank charges.*

Venezuelan importers often resent the addition of such small charges and some even refuse to pay them. Similar refusals to pay interest charges for delayed draft collections have been reported. The exporter should therefore come to a clear understanding with the importer before the shipment is made about who is to absorb such charges.

8. *Avoid discrepancies in the notation of currency amounts.*

In drafts where amounts are given in figures and words, if there is a discrepancy the amounts expressed in words will be held valid. If amounts are transcribed twice, either in figures or in words, the smaller amount will be held valid. (Article 415-Venezuelan Commercial Code.)

9. (a) *Instruct your collecting bank to present your drafts for acceptance within the legal terms.*

(b) *Maintain the executive features of your unpaid drafts by regularly requesting payment by registered mail.*

(a) Terms of Acceptance (Articles 429 and 431-Venezuelan Commercial Code)—Bills of exchange can be presented for acceptance until their due date. Sight drafts must be presented for acceptance within six months from date of issue.

(b) Statute of Limitations for Drafts (Article 479-Venezuelan Commercial Code)—The statute of limitation for legal action against the drawee is three years from due date of the draft. Draft commitments of the drawer or endorsees are subject to "limitation" one year after the date of protest (or due date of draft if protest is waived by clause). Such terms of limitation are interrupted by any collection activity or by a simple letter requesting payment. However, such interruptions of the period of limitation will only have effect against a debtor individually contacted and not against all debtors collectively.

10. *Prepare for legal action.*

In urgent cases you need not confer a power of attorney—you may simply instruct your bankers to endorse the draft to the lawyer of your choice, who will then introduce the action under his own name. On request, the office of the Trade Commissioner will be pleased to recommend a local lawyer of good standing.

Bills of exchange in English must be translated into Spanish by an official interpreter. This causes a few days' delay and results in additional charges, usually not more than $15.

Commonwealth Sales Rising

Canada's exports to the United Kingdom have been rising so far this year. For the first four months of 1960 they reached nearly $267 million, a gain of $47 million over the January-April figure for 1959. Canadian shipments to other Commonwealth countries are going up too—by nearly $14 million for the first four months of the year, or to $93.7 million from $79.7 million in 1959. Sales to the United States and those to "all other countries" also increased.

Advertising Abroad

In Venezuela, advertising agencies with international affiliations and extensive experience offer good service, backed up by a well equipped graphic arts industry.

J. E. MONTGOMERY, *Assistant Commercial Secretary, Caracas.*

VENEZUELA'S advertising industry has developed rapidly in the last ten years. To reach a population of 6½ million people, with varying degrees of literacy and of purchasing power, local agencies have had to be selective in their use of media and have developed many special techniques.

The chief centres of population are widely scattered and grouped around three basic industries: oil, iron ore and agriculture. Communications present problems. Despite these complications, the industry has grown to the point where there are now approximately six major agencies with the capacity to plan a complete program of promotion and publicity for their clients. About twenty smaller agencies can carry out small specialized assignments and competition for accounts has become keen.

The most widely used and effective media are radio, television and the daily press. For products for popular consumption, radio and television are chiefly used. Newspapers, magazines and the movie-houses offer, to a certain degree, a selection of consumer groups for products of more limited interest. Market peculiarities in Venezuela vary greatly with the type of product and the type of market for which it is intended, but no specific national peculiarities have been found.

Radio and TV

Radio offers the best opportunity of reaching the largest possible audience and assists in overcoming the illiteracy handicap. This is particularly true of the interior, where the highest rates of illiteracy occur and which is easily reached by radio. There are about 45 broadcasting stations in Venezuela, of which most are independent and exclusively local. Three radio networks with six radio stations are in operation throughout the country; these stations reach approximately 250,000 radio sets. Like the regional newspapers, radio can be used to vary an advertising theme and draw attention to local distributors. All radio broadcasts must be made using Venezuelan artists and material exclusively.

Television is a particularly popular advertising medium. Local advertisers have not been slow in realizing the advantages of putting across their messages through a medium that combines both aural and visual impact. It has been found particularly useful for consumer goods with a widespread appeal. There are seven television stations —one government and four commercial in Caracas, one in Maracaibo and one in Valencia. Only one, however, can be received in the interior.

The 170,000 television sets in operation provide a large market. The programs consist of live drama, musical and variety shows, plus filmed U.S. programs. The foreign programs are dubbed with Spanish voices. Unlike the general practice in the movie-houses, TV films from abroad are rarely presented in a foreign language with Spanish subtitles. Both live and filmed commercials are used. All commercial talent must be Venezuelan and licensed.

Newspapers and Magazines

Newspapers are the traditional means of reaching the Venezuelan public. The large advertising accounts tend to concentrate on those with national circulation. There are four Spanish-language newspapers and one English paper published in Caracas and all have national circulation. In the interior, there are two other important dailies. For advertising industrial products and retail goods, the press is considered the most suitable medium.

Two types of magazines are distributed: local periodicals and Spanish-language editions of foreign publications. Venezuela has four local magazines of wide distribution and these are all of general interest. Previously, advertising in the magazines was confined to black-and-white printing. Recently a U.S. automobile manufacturer commissioned two magazines to produce a six-page four-colour spectacular to dramatize its sales program. It was the first time that local magazines had undertaken such a large project. The results were highly successful and having gained experience, these magazines will undoubtedly offer the same service to other customers.

There are practically no magazines catering to special interests. Some local industries produce their own and circulate them regularly to potential customers. These company publications have either a straight sales appeal or are institutional. Foreign magazines with international editions in Spanish are also popular and offer the Canadian exporter a means of reaching potential consumers without using local advertising services.

Other Media

Many other media are available. Commercial film shorts in moviehouses appear to be increasing in effectiveness. This is the only visual method that covers all parts of the country. There are about 700 cinemas in Venezuela and more than four million people are estimated to attend yearly. As an advertising medium using commercial films, filmstrips and slides, they are becoming increasingly important. Commercial material for use in this way may be produced abroad.

Outdoor advertising is well developed here and 24-sheet poster circuits are available, as well as neon spectaculars and road signs. Advertising on public transport is not widely used and is confined to buses in the principal cities. Direct mail is in its infancy because local mail service is slow, but some firms do offer facilities. To be effective, such a program must use messenger services. The Government regulates promotions involving premiums and permission must be requested before launching campaigns of this type.

The major fairs and exhibitions are agricultural and displays are particularly worthwhile to promote agricultural machinery and related lines. To be effective, however, these should be coupled with an adequate follow-through by the local distributor. Displays in hotels are particularly popular with local retailers for bringing their products to the attention of tourists and travelling businessmen.

Advertising Agencies

There are a large number of agencies in Venezuela, both general and specialized, and the bigger ones are capable of organizing and carrying out an entire sales promotion campaign. The majority charge a 20 per cent gross commission. Some firms charge 17.65 per cent on space and 15 per cent on production if the billing is sufficiently large. Many agencies maintain regional offices outside Caracas; these represent the head office and also pick up accounts themselves. Trade reports indicate that 1959 was an excellent year for their business, because of the increasing competition and harder selling in retail business. Clients have become more selective in their choice of an agency.

Only one agency in Caracas has its own research department and another has a subsidiary company that does research. The research is not standardized and only periodic checks on media (particularly radio and television) are carried out. A typical example of the services provided by these research firms is a valuable press-readership study that one company presented to its clients recently, based on extensive samplings of individual reading habits throughout a large part of Venezuela. Another agency recently offered on a commercial basis the "diary" method of research into television and radio audiences. Interest in motivational research is increasing but this has not been developed yet. Services are still confined to market surveys, media study, advertising appeal and opinion study.

Venezuelan agencies are competent to use material prepared abroad but it is almost always adapted in some way. It is not difficult for these agencies to translate from French or English. The large ones have reciprocal agreements with North American and European public relations companies and these connections enable them to benefit from world advertising experience and apply its lessons locally. They receive regularly up-to-date technical advice from their foreign affiliates or send members of their staff for on-the-job training abroad. Through their international affiliations, the local companies can offer prompt service to Canadian exporters.

Printing Services

The Venezuelan graphic arts industry has made rapid progress and is now able to supply all normal needs; its equipment includes printing, converting and packaging machines of all types. The industry is placing specific emphasis on high-quality lithographing. Canadian suppliers who wish to use local printing and packaging can be assured that the machinery and technical know-how of the Venezuelan graphic arts industry can meet their requirements.

During the past ten years, Venezuela's economy has grown rapidly; it is now facing a period of consolidation. As a result, there is strong competition in advertising between locally produced and imported goods. Canadian firms interested in further details on advertising here or on available agencies should get in touch with the Commercial Counsellor, Caracas.

Silos for Storage

Egypt will soon be using its first two silos designed to store grain—one in Cairo with a capacity of 60,000 tons and one of 45,000 tons in Alexandria. Built by a German firm as part of Egypt's first Five Year Plan (1957-1961), they cost about £E2.5 million but will prevent losses from rodents, insect pests, and the heat. Over a million tons of wheat are imported into Egypt every year and until recently it was shipped in in bulk, bagged, and stored in the open. Under the Second Five Year Plan, the two silos will be enlarged and others of various sizes built to bring grain-storage space up to 882,000 tons.

Commodity Notes

Automobiles

IRELAND—The Cork plant of Henry Ford & Son, Ltd., has announced that it intends to export 500 automobiles a month to the U.S. market, all of the *Anglia* de luxe model. First deliveries were scheduled for May, and a special shipping service will be inaugurated to transport them—Dublin.

Bauxite

BELGIAN CONGO—Looking ahead to the projected hydro-electric installations at Inga on the Congo River, a new company has been organized to search for, develop and process the bauxite deposits said to lie nearby.

The Société de Recherches et d'Exploitations de Bauxite du Congo (Bauxicongo) is chartered at Leopoldville and will have its head office in Brussels. Capital consists of 26.5 million class A no par value shares, all issued, 50 per cent paid up, and 13,250 class B n.p.v. shares held by Forminière, Cobeal, Cobeal-Congo and Société de Recherche Minière du Sud-Katanga—Leopoldville.

Chipboard

IRELAND—Chipboard Ltd., Scariff, Co. Clare, Republic of Ireland, is about to produce chipboard, chiefly for the furniture industry, and it is hoped that exports will total about £500,000 a year. The machines used in the plant are all German. Local timber will be employed; quick-growing conifers with their high moisture content are found to be most suitable —Dublin.

Fish

NORWAY—The Lofoten cod fisheries season just ended yielded the second poorest catch since the war. According to preliminary figures, it totalled about 37,000 tons, with a firsthand value of Kr.37 million, compared with the lowest postwar catch of 33,841 tons in 1958. Unfavourable weather and the prohibition of seine fishing in the Lofoten fisheries during the last two years were mainly responsible. The winter herring fisheries also had exceptionally poor results this year, with a total catch of 2 million hectolitres (1 hectolitre equals about 3.3 bushels), just over 50 per cent of last year's catch and the smallest since the war. This is the third consecutive year that the winter herring fisheries have been considered a failure—Oslo.

Industrial Furnaces

INDIA—If plans develop as expected, India will soon have its first facilities to design and make industrial reheating furnaces. Lynx Machinery Company of Calcutta, in collaboration with OFU Ofendbau Union, Dusseldorf, has set up a subsidiary for this purpose, OFU Lynx Private Ltd. The German company will hold 49 per cent of the equity capital—New Delhi.

Kraft Pulp

SWEDEN—Skogsägarnas Industria AB (SIAB), a subsidiary of the Forest Owners Association of South-East Sweden, has plans for a mill with an initial capacity of 70,000 tons a year of bleached kraft pulp, later to be increased to 140,000 tons.

Building permits have been granted and SIAB has started excavation work; the mill is scheduled to be in production in two or three years. The 22,000 private forest owners within the district of the association have recently subscribed Kr.40 million out of the Kr.150 million needed for a mill with a 140,000-ton capacity.

The mill when completed will use broadleaf wood for about 50 per cent of its raw material requirements—Stockholm.

Minerals

FIJI—A recent report by a government geologist features new finds of copper, zinc and other metals in the southwest of the main island of the Fiji group. This report, one of a series being prepared by the Geological Department to provide basic information for prospectors, comments, "It is clear that further prospecting for base metals, gold, silver and manganese is warranted".

Annual exports of gold in recent years have averaged approximately 75,000 ounces, and have ranked third in value among Fiji's exports. Manganese ore has also contributed to the wealth of the Colony—Wellington.

Motor Vehicles, Parts

PORTUGAL—In line with government authorization granted during 1959, Portugal's first automobile factories should be in production in 1961-62. Manufacturers must use a minimum of 20 per cent local material at the end of the first year and 60 per cent at the end of four years.

To make it easier to meet these conditions, Portuguese factories producing accessories have improved their equipment and methods. Radiators, security glass, tires and inner tubes, synthetic upholstery leathers, cellulose and other paints, pistons, cylinder liners, etc., are now being made in reasonable quantities.

Firestone Portuguesa, S.A.R.L., which has set up a $4 million tire factory, has also obtained permission to build a plant for making wheels and rims for light and heavy vehicles. With an initial capacity of 120,000 units a year, the factory will supply the new car, truck and tractor industries—Lisbon.

Nuclear Fuels

ITALY—The Italian Committee for Nuclear Research has reached an agreement with Allis-Chalmers Manufacturing Co. and an Italian firm, Bombrini, Parodi, Delfino, to carry out a program to develop uranium-thorium 233 as fuel for power reactors. The program includes the construction and operation in Italy of a plant for uranium-thorium fuel elements and the building of a manufacturing pilot plant with remote control. A survey will also be made to discover whether thorium can be used as fuel in existing power reactors. The program will cover five years and involve an expenditure of over $6 million—Rome.

Oil

FRANCE—Crude oil production in the franc area in 1959 totalled 3,768,000 tons, an increase of 57 per cent over 1958. This includes 1,294,000 tons from the Hassi-Messaoud (Sahara) region still in the early stages of development. A further 1,231,000 tons came from Esso-Reproduction in the Parentis oilfield in France and another 753,000 tons from Gabon—Paris.

UNITED STATES—Michigan's oil industry boomed in 1959. Drilling permits issued totalled 727, an increase of 246 over 1958. The principal reason for the increase was the discovery of new fields in the southern and eastern counties of lower Michigan in the past two years.

Well completions in 1959 numbered 598, against 413 in 1958. In 1959, 411 of the completions were field development wells, and 187 exploratory or wildcat wells; 17 of the latter resulted in new oil or gas fields. At the end of 1958, 13 major and independent oil companies reported 1,078,511 acres under lease. These same companies reported 2,214,867 acres under lease at the end of 1959.

Crude oil produced in Michigan in 1959 totalled 2,046,284 barrels. This did not begin to supply the demand for petroleum products and Michigan refineries imported 39,336,000 barrels of crude oil—Detroit.

Pepper

SARAWAK—The Sarawak Government has built a pepper-processing plant and storage warehouse to encourage the export of first-grade pepper from this British Colony. The plant is at the disposal of exporters, dealers and growers who may use all or any of the dryers, separators or brushing machines to process "loose" pepper up to the quality required by overseas markets—Singapore.

Pulp and Paper

FINLAND—Finland plans to expand the capacity of its wood-using industries by 40 per cent within the next two years, at a cost of about $326 million. Annual production is to be boosted from 3.7 to 5.2 million tons a year. Twenty of the country's leading pulp and paper industries are building new mills or planning extensions, which should add about 1.45 million tons to total pulp production by 1962-63. All of the new output of mechanical and semi-chemical pulp will be processed further in Finnish mills; the remainder will be exported. Production of the paper and board industries will also rise during the period from 1.98 million tons to 2.8 million. To meet the increased requirements of raw materials, felling will be upped from 40 million cubic metres a year to about 48 million—Stockholm.

Steel

FRANCE—French steel output in 1959 reached an all-time high of 15.2 million tons, 4.1 per cent above 1958's 14.6 million tons—Paris.

Wheat

SUDAN—A new flour mill costing S£500,000 will be in operation in Khartoum late this year. Financed by local Greek and Sudanese interests and using Italian machinery, it will have a capacity of 75,000 tons of flour a year—enough to satisfy the Sudan's current requirements. The owners have signed a five-year management contract with the Italians.

A plan to build bulk-handling facilities for grain at Port Sudan on the Red Sea has been delayed. The new mill, the first for the Sudan, is expected to provide sufficient incentive to farmers to grow wheat, a crop not yet planted on a large scale. Initially all wheat will be imported in bags—Cairo.

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Prunes for Canadian Tables

All the prunes that Canadians consumed last year—some 12.3 million pounds—came from California. There a well organized industry with many export markets keeps careful check on quality, encourages research to improve production.

A. J. HICKS,
Consul of Canada, Los Angeles.

TO the uninitiated, a prune is a wrinkled black fruit with a stone on the inside which is a standby at breakfast or as a dessert in most households. To untold thousands of old-timers (and maybe young-timers too), bush workers, railroad gangs and others, the term CPR or CNR strawberries meant just one thing: prunes. To the expert, a prune is a dried plum (although not all plums are, or become, prunes) and to the Californian engaged in the dried fruits business it is one of those varieties of plums that may be dried without fermenting while it still contains the pit.

Prunes originated in Western Asia in the region of the Caucasus Mountains and the Caspian Sea. Until modern times, most prunes were produced in Central Europe and the Balkan States. Today the great bulk of the world's prune crop comes from California. The Santa Clara, San Joaquin, Napa, Sonoma and Sacramento Valleys whiten with the prune blossom in the spring. The fruit matures about the middle of August and is ready to be harvested. A bearing tree produces from 130 to 300 pounds of prunes a year.

The most popular variety is the French prune. The original stocks of this "prune d'agen" are said to have been brought to California in 1855 during the gold-rush days by a French immigrant, Louis Pellier, who had each shoot carefully embedded in a raw potato. The fruit of this variety is of excellent quality, with high sugar content, fine texture, and small smooth pits. Other varieties grown commercially are the Robe de Sergeant, Imperial and Sugar prune.

Prunes are allowed to ripen on the tree and they either fall to the ground by their own weight or are shaken from the tree by mechanical "shakers" and roll into wooden collecting bins.

After collection, they are first dipped in a mild, boiling alkaline solution for 5 to 15 sceonds. This causes innumerable tiny cracks or fissures in the skin, enabling the moisture to escape more rapidly in the drying process. After this dip, the prunes are thoroughly rinsed and are spread out to dry in a single layer on large trays.

In the old days the sun was the drying agent but now most prunes in California are dried by mechanical dehydration. Filled trays are stacked and rolled into dehydrators, where temperature and humidity are carefully controlled by a forced draught of heated air. Prunes are dried for storage in from 18 to 24 hours.

In the sun-drying process, the fruit is spread on trays in dry yards to catch the direct rays of the sun. After a few days the prunes have lost about 60 per cent of their moisture and the trays are stacked to continue the drying process. This procedure takes from a week to ten days. Finally the prunes are placed in large bins to equalize the moisture content.

Prune sizes are normally indicated by the designations small, medium, large and extra large; the sizes are determined by the number of prunes in a pound. The smallest prunes count 120 to the pound and the largest 15 to the pound.

Size	*Average Count Per Pound*
Extra large	43 prunes or less
Large	53 prunes or less
Medium	67 prunes or less
Small	85 prunes or less

When prunes are received in the packaging plants from the producer they are carefully graded for size and are stored in large bins of about one-ton capacity. As an order from the trade is filled, the prunes are thoroughly washed mechanically. They are then sterilized by immersion in boiling water and are passed over shaker screens that remove excess moisture. The hot fruit is immediately packed and sealed in 30-pound cases or in one- and two-pound consumer packages. This method guarantees a clean pack of sterilized fruit.

Production Shifting

The latest production figures for the dried prunes industry in California are as follows:

1954	174,249 tons
1955	130,943 "
1956	190,082 "
1957	161,193 "
1958	95,512 "
1959	150,000 "

In a California orchard, a portable mechanical "shaker" harvests prunes. The big claw in the background shakes the tree and the prunes tumble into collecting bins.

The reason for the tremendous drop in production in 1958 is that this was a disastrous year for the dried fruits industry in California. Some unknown factors, possibly climatic, caused an unprecedented shortage in the prune crop.

However, California in 1959 harvested approximately 416,000 tons of dried fruits, including raisins. This about equals the annual average of 415,000 tons. Quality of all fruits (including the 150,000 tons of prunes) was excellent. Because the 1959 fruit crop was abundant, prices should remain fairly stable. The 1958 crop was short or damaged and prices therefore were high.

California is experiencing a shift in areas of production of dried fruits. The influx of population into the Santa Clara Valley has sharply curtailed the production of prunes in that area but has provided an incentive for new plantings in northern California, principally in the Sacramento Valley. According to the California Crop and Livestock Report issued August 19, 1959, there are at present 21,214 non-bearing acres of prunes. Most of this is in new plantings that should come into production within a very few years. Bearing acreages in 1959 were 84,700 and in 1958, 83,704.

The California dried fruits industry has over the years striven constantly to improve the quality of its products through better growing, processing and distribution methods. The switch to artificial drying enables the grower to harvest his crop at optimum maturity and dry it into a sound, clean, edible product without the hazard of weather, insect infestation, mould or other damage. The use of mould inhibitors, special fumigants, modern cleaning methods and the most up-to-date methods of orchard care all have added to the quality of the finished product. It is now sold in bright new foil packages, wax-wrapped cartons, visible bags and other attractive consumer packages.

Export Markets

Before World War II, the United States exported approximately 40 per cent of its entire dried fruit crop. In fact, much of the planting of California fruits for drying was encouraged by the excellent export market the industry then enjoyed. The war caused a total disruption in the exporting of dried fruits. For many years after the war, because of disturbed economic conditions in most European countries and in the Orient, practically no commercial exports were made. As economic conditions in Europe improved, exports picked up and today practically all European markets trade freely in Californian dried fruits. Although the prewar acreages have not yet been reached, the industry is striving to expand the export outlets so vital to its existence. In 1959 California harvested some 416,000 tons of dried fruits and raisins. This returned to California growers better than $90 million and the total f.o.b. value should exceed $135 million.

Canada has been and is an important customer for all dried fruits. In 1957, according to figures furnished by the Foreign Agricultural Service of the United States Department of Agriculture, Canada imported from the United States some 18,285 tons of dried fruits, including 6,587 tons of dried prunes—a sizable amount. It is amusing to speculate that this means about 50 prunes for every person, man and boy, living in Canada! Canadian figures give imports of prunes from the United States in 1958 as 13.5 million pounds and in 1959, 12.3 million.

Research Emphasized

The entire dried fruits industry of California has joined together to encourage and finance research. This research is carried on at the Agriculture College of the University of California at Davis; at the U.S. Department of Agriculture Research Centre at Albany, California; at the Stored Products Laboratory in Fresno, and at the Field Experimental Station in Fresno. The objective is to improve the quality of the crop from the orchard through to the consumer.

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All research is co-ordinated and is reported to the industry every three months. In this way the industry is kept aware of the latest discoveries and recommendations.

An important and, from a sales point of view, an indispensable facet of the production of dried fruits in California is the rigid and meticulous inspection of the crop. All California dried fruits destined for both the domestic and export markets are subject to this demanding examination for grade, quality and condition. Almost all have a preliminary inspection before being sent from the producer to the processor, to ensure that the commodity meets minimum grade specifications. After processing, there is a careful examination to ensure minimum requirements for quality. All uniform export contracts include a provision whereby a certificate issued by the Dried Fruits Association is mandatory. This certificate is not issued unless, after examination, the product meets the highest standards of quality. The inspection certificate issued by the Dried Fruits Association is a part of the documents submitted for payment for each shipment and acceptance of the certificate is final as to grade, quality and condition. This service was inaugurated in 1910 and in the intervening years it has won world-wide acceptance. Because of these consistent and dependable standards, the industry does not have any difficulty in meeting the quality requirements for import into Canada. ●

Northern Ireland Attracts Industry

Government incentives offered to new industries, plus free entry into the British market, are inducing many U.S. and other foreign companies to set up plants in this area.

W. R. VAN, *Trade Commissioner, Belfast.*

THE average Canadian exporter or manufacturer usually has a limited knowledge of that important part of the British Isles, Northern Ireland. In many parts of the world it is regarded only as a land of saints and scholars, of bogs and mountains, with charmingly inconsequential people disposed to be "agin the government". This untrue though rather pleasant impression probably is accompanied by the idea that, apart from a potent kind of whisky and a world-famous linen, Northern Ireland possesses little industry. Nothing could be more wrong.

What kind of a country is Northern Ireland? Has it some importance for Canadians? Why should they endeavour to learn more about it? Does it offer opportunities to our businessmen and manufacturers?

Northern Ireland (or Ulster as it is sometimes known) covers an area of some 5,200 square miles, including most of the northeast sector of the island. (The remainder comprises the Republic of Ireland.) It is sparsely populated, with only some 1.4 million people, though this is nearly one-third the population of Ireland as a whole. Northern Ireland is an integral part of the United Kingdom, but has a government of its own responsible for certain internal affairs. Today it is sharing in the prosperity of the British Isles.

In the past Northern Ireland depended mainly on agriculture, shipbuilding and the linen industry. The changing times, however, have made it necessary to make the economy less vulnerable by diversifying it. It does not enjoy the high rate of industrialization in the United Kingdom proper, but it is participating more and more in the progress made by the British economy. By planning and foresight, the Government of Northern Ireland is making every effort to assure that any recession or down-trend in the business cycle will not have the serious repercussions common in the past. This calls for a new and diversified industrial approach.

Incentives Offered

To plan and propose industrial expansion and diversification is one thing; to attract and encourage investment, especially foreign, is another. What has Northern Ireland to offer foreign manufacturers on the lookout for a place to establish branch plants? It provides many incentives, as the steady influx of new industries in recent years proves: since 1945, some 140 firms have been established. Included in the attraction to foreign industrialists is the generous assistance of the Northern Ireland Government, financial and otherwise; the wide selection of uncrowded sites with all services readily available; docking facilities and rapid cargo-handling services. Important too is the free entry into the United Kingdom market proper (population 50 million), and, when the European Free Trade Area comes into effect, to the market offered by the other member countries.

The inducements that the Government offers vary. Included are tax concessions; ready-built modern factories at low rental or factories built to requirements; generous grants for plant and machinery to firms that prefer to build for themselves, plus assistance towards the cost of installation and training of labour, and rebates on final costs.

There is no shortage of labour. In fact, Northern Ireland still has 8 per cent of its people unemployed, compared with an average of under 2 per cent for the remainder of the United Kingdom.

Millions of pounds have been spent on roads to ensure swift delivery of merchandise to the ports. New wharves have been built, channels deepened, and modern dock machinery installed, including a 200-ton crane at Belfast. The introduction of container services and a ferry service for wheeled vehicles has speeded up the delivery of goods to the United Kingdom proper.

Northern Ireland container services simplify packing and can cut costs. Deliveries within 150 miles of the port are usually made within 24 hours of arrival —often on the same day.

Companies Established

The products of the many new firms that have established themselves in Northern Ireland in recent years vary widely—from abrasives to nylon hosiery, record players to tabulating machines, toys to radios and electrical components. Most of these companies have prospered and many of them have expanded beyond their original expectations. Understandably, the new industries have tended to concentrate in and around Belfast, the capital city and the main port, but a fair proportion have been spread over the whole area. Existing firms are also tending to diversify their products.

Among the firms of international repute that have started production in Northern Ireland since the war are Courtaulds Limited (viscose rayon) employing nearly 1,200 workers, Associated Electrical Industries (steam turbines) with a £5 million plant, and Birmingham Sound Reproducers (record players) with a payroll of over 1,800 persons. United States firms have made an important contribution to the postwar industrial program; there are now nine in operation with a total investment of over $53 million and making such things as oil-well drill bits and drilling equipment, nylon hosiery, and abrasives. A recent new arrival is Oneida Ltd. (tableware). It expects to employ 250 in an 80-thousand-square-foot government-built factory. The Chemstrand Corporation has erected a $10 million plant to produce 10 million pounds a year of "Acrilan" man-made fibre. Du Pont is scheduled to start production of neoprene synthetic rubber this year.

Not to be overlooked are the opportunities for licensing arrangements. Many Northern Ireland firms would welcome the opportunity of producing suitable products under a licensing or other mutually advantageous arrangement. ●

Engineers Go International

THIRTY-THREE Canadian consulting engineering firms today have a clearer picture of the opportunities provided by projects financed by the World Bank and the United Nations Special Fund—and of how to seize these opportunities. The reason? A two-day visit to Washington and New York, arranged for them by the Department of Trade and Commerce.

The 43 consulting engineers drawn from these firms travelled first to Washington to consult with World Bank officials. Their program began at the Canadian Embassy where the Ambassador and the Minister Counsellor (Economic) received them and spoke briefly. At the Bank, the group was addressed by the vice-president, Mr. Knapp, and the chief consulting engineer, Gail Hathaway, and was then entertained at an informal luncheon. The afternoon was left free for individual interviews with the World Bank staff. In the evening, the Minister Counsellor gave a reception at the Canadian Embassy, attended by the engineers, World Bank officials, and representatives of foreign countries.

The following morning the engineers arrived in New York and began a busy day with a briefing from the Deputy Consul General (Commercial) for Canada. They then proceeded to the offices of the UN Special Fund for a meeting with David Owen, chairman of the UN Technical Assistance Board and of the Special Fund. Mr. Owen and other officials outlined the policies and procedures of the Fund in selecting consultants. Later the Canadians entertained officials of the Special Fund and the UN Technical Assistance Board at a luncheon presided over by Canada's Permanent Representative at the United Nations, C. S. A. Ritchie. That evening the Deputy Consul General held a reception at Canada House; his guests included officers of international agencies and of private firms interested in international business.

The Canadians returned home well satisfied with the information they had gathered in their whirlwind tour and happy to have been among the 43 to which it had to be limited. One of them wrote to the Department afterwards: "It did give Canadian consulting engineers such as us an insight into the workings of the various world organizations, of the problems involved in obtaining foreign work and how to go about getting this foreign work. We are sure that these have been two fruitful days."

The Egg Market in West Germany

Expanding German market offers Canadians new opportunities for marketing shell and processed eggs.

MALDWYN THOMAS, *Vice-Consul and Assistant Trade Commissioner, Hamburg.*

WEST GERMANY is and probably will continue to be a large net importer of eggs. In past years Canada has not been a major supplier; however, in 1958 and 1959 Germany bought modest amounts of Canadian frozen, dried and liquid eggs. The present uncertainty about some traditional sources of supply, especially for processed eggs, makes this market worth examining.

Shell eggs form by far the largest part of total German egg consumption. Although home production has increased steadily over the past decade, imports have risen even more rapidly and the gap between production and consumption widens. In 1950 Germans used 6.2 billion eggs, of which 32.6 per cent were imported. In 1956 consumption rose to 9.31 billion, 37.4 per cent of which were imported, and by 1958 stood at 11.2 billion eggs, 42.4 per cent imported.

When we turn to processed eggs, imports play an even more important role and sometimes account for total German consumption. In 1958, for example, practically all of the 3,400 metric tons of dried egg, the 3,200 metric tons of fluid yolk, and the 4,000 metric tons of frozen egg used in Germany came from abroad. Traditionally, Germany has always imported most of her processed-egg requirements. The German industry limits itself to the production of shell eggs for domestic consumption and cannot keep up with the demand for these alone.

The Netherlands and Denmark are the leading suppliers of eggs in shell and Communist China dominates the processed-egg market, although not to the same extent as in past years. Canada is a small but growing supplier of processed egg. To appreciate the importance of the egg market for Canada and for the other suppliers, it is necessary to examine it in detail according to the type of egg consumed (fresh or processed). Customs duties are not levied by the type of process but by end use. All egg imports from the dollar area are liberalized.

The import statistics reveal that Holland and Denmark, Germany's two small agricultural neighbours who ship many foodstuffs to the German market, are also the main suppliers of shell eggs. Both countries have a highly developed poultry industry and traditionally regard Germany as one of their major markets for fresh eggs in shell. Grading and quality standards are uniformly high and the German consumer is familiar with eggs from either country. Canada is not a traditional source of supply although a token quantity went to Germany last year. United States shipments to the German market have been negligible, although they rose in 1959. The German trade, however, points out that imports of shell eggs are increasing steadily with the demand and that any source of supply is welcome if quality and price are competitive.

Grading Weight for Fresh Eggs

Class	German (grams)	North American (pounds)
S	68.06	18
A	62.36	16.5
B	57.64	15.25
C	52.92	14
D	47.50	12.5
E	41.67	11

The table below compares the German and North American grading systems for fresh eggs.

Five per cent of the eggs in the package may belong to the next lowest class, as long as the average weight for the class is not exceeded.

Shell eggs coming from Canada must be individually stamped with the word "Canada". Storage eggs could probably be marketed, but they would likely command a c.i.f. price 25 per cent below that of fresh eggs and would have to be stamped with the letter "K" ("Kuehlhaus"—cold storage).

Customs duties on fresh eggs vary according to season. From February 16 to August 31, the duty is raised to assist German production.

The Egg Industry

Because German fresh eggs all go to the consumer market, little processed egg has been produced in the country. For the past half-century, Communist China has been the traditional supplier. Chinese grading standards and quality specifications have set the pattern for the market and all other suppliers follow them. The quality of Chinese processed egg is generally considered excellent because Chinese hens are raised on natural fodder and the German trade prefers the deeply coloured yolk that results. But in the last two or three years, for reasons not officially known but probably the difficulties that the Chinese Communist Government is having in implementing its system of communes, Chinese exports to Germany have fallen off and for short periods have ceased altogether. This has given other countries a chance to get a foothold on the German market.

Among these countries is Canada, whose sales to Germany, although modest, are diversified and growing. Canada's strongest showing has been in frozen egg, but in 1959 we also sold dried egg, fluid egg and albumen on the German market.

Before examining the different types of processed egg in detail, the importance of pasteurizing or otherwise treating all processed egg before shipment should be emphasized. A new German law governing the import and transit of foodstuffs of animal origin and dealing specifically with infection caused by salmonella bacteria came into effect early in 1958. Since then, prior treatment has become a necessity. If salmonella or other infection is discovered after arrival, it is the practice in the trade for exporters to take the goods back. The German import trade feels that it would be much cheaper to pasteurize or otherwise treat the egg during processing in Canada than to have it treated in the Hamburg free port or in other treatment centres outside Germany where, for example, pasteurization costs run as high as DM400 per metric ton.

Frozen and Dried Egg

Frozen egg, used principally by the baking industry, normally forms one of the most important sectors of processed-egg consumption in Germany. In 1959, however, imports fell off considerably because price conditions on the subsidized fresh-egg market made it more feasible for bakeries to use fresh eggs instead.

At present the market for frozen whole egg and egg white is particularly weak and Canadian exporters are advised to offer frozen yolk. Although Canada has sold considerable quantities of frozen egg to Germany over the past year, the Canadian product does not command as high a price as frozen egg from China, Poland or France, which has a much darker yolk. The baking industry also complains that the Canadian egg has only 50 to 75 per cent of the rising power of egg from these countries.

In the past Canadian frozen egg has been shipped in round pails. The import trade, however, recommends that in the future rectangular pails be used because these can be shipped more effectively and thawed out more easily than round ones.

In 1959 Canada for the first time supplied dried egg to the German market. China remains the dominant source but she no longer supplies 90 per cent of German imports. The principal user of dried egg is the noodle industry which holds the dark Chinese yolk in high regard. Dried egg is usually packed in tin-lined wooden cases of 200 pounds net weight.

Liquid Egg Yolk

Liquid egg, produced practically all in yolk form, is used principally by the margarine industry but the noodle, ice-cream and baking industries also buy considerable quantities. China remains the principal supplier but Chinese exports have dropped off considerably and other European countries have taken up the slack. In 1959 Canada succeeded in selling a small quantity to Germany (not yet recorded in the import statistics). The German import trade considers the outlook for liquid egg imported from overseas countries, particularly China, doubtful because of a new German food law that became effective in December 1959. At present the principal preservative used in fluid egg is benzoate of soda which in large enough quantities is said to be poisonous. Under the new law, when foods are manufactured with fluid egg preserved with benzoate of soda the quantity must be indicated on the container. It is felt that German margarine manufacturers will be reluctant to record the benzoate of soda content on their labels and will switch to fluid egg preserved in salt. Fluid egg preserved in salt does not keep for more than four to five weeks and hence it may prove difficult for certain overseas suppliers to ship to the German market. When pasteurized liquid egg is preserved in salt it is susceptible to infection and therefore particular care is needed to ensure absolute cleanliness during all stages of handling and shipping.

Liquid egg is normally packed for shipment in 125 and 200-kilo beechwood barrels, a method which has proved better than more sophisticated packings attempted from time to time.

Albumen

Albumen forms a fairly small sector of processed-egg production and the German food industry uses it to make icings, meringue and certain kinds of confectionery. Most albumen is imported in crystal form. The Netherlands and Denmark dominate the market and so far almost no imports have come from Canada. At present the market for albumen is poor because some of the subsidized domestic egg production, as well as some of the imported fresh eggs, are converted into albumen. As long as German fresh-egg production is subsidized at the present level, the outlook for imported albumen will remain uncertain. The beating power of albumen is of particular importance to the food industry and the minimum requirement should be adhered to.

Canadian producers selling to the German market should ask for normal terms of payment, which are cash against documents. A demand for letter of credit would be accepted unwillingly by German buyers. In fact, a number of exporters (e.g., Australia) have been selling to Germany successfully on consignment.

Specifications for all eggs and tariff information may be obtained from the Agriculture and Fisheries Division, Department of Trade and Commerce, Ottawa, or interested Canadian exporters may write to the Canadian Consul and Trade Commissioner, Hamburg 1, or to the Canadian Commercial Counsellor, Bonn. ●

SPAIN—Opportunities Improve

Successful introduction of Stabilization Plan and liberalization of 60 per cent of imports have improved import opportunities, especially for raw materials and supplies for industry. Careful choice of agent important for Canadian firms.

M. T. STEWART, *Commercial Counsellor, Madrid.*

SPAIN is basically an agricultural country; 40 per cent of its 30 million people depend on agriculture for their living and agricultural products (mainly oranges, olives, almonds, cork, etc.) provide the bulk of Spanish exports. The country also has considerable mineral wealth and sales abroad of iron ore, base metals and mercury have become important.

Industry in Spain has developed slowly and manufacturers have concentrated largely on supplying the domestic market. In recent years some interest in export markets has sprung up. Heavy industry—including iron and steel foundries and shipbuilding—has made considerable progress, especially in the north; the shipyards can build modern ships of various types and sizes at competitive prices. Spanish workmen and technicians are able and hard-working.

The long Civil War put the Spanish economy back several decades and only within the last ten years has the country achieved a fair degree of recovery. A great deal of the plant and equipment dates back to before the First World War. Transportation is inadequate and much of the equipment used is obsolete. The railway system needs to be overhauled completely, from the roadbed up, and a good part of the rolling stock is worn out and must be replaced, at high cost.

M. T. Stewart, author of this report, is now touring Canada and advising businessmen on trade with Spain. For his itinerary, see page 36.

Agriculture too is inefficient because of the primitive equipment still in use. However, the Spanish authorities realize that greater prosperity depends upon using modern methods to boost agricultural output.

In general, Spanish industry is protection-minded and a large percentage of the successful firms have expanded behind a wall of import controls and tariffs. Most of their products would probably not be competitive in international markets. As for imports, Spain is a conservative country and foreign producers will have to overcome resistance from well entrenched interests. The domestic market is well supplied with consumer goods, almost all of them processed in the country.

Last July, Spain was admitted to full membership in OEEC and following this move, a Stabilization Plan was introduced. The Plan has created an entirely new atmosphere for both domestic and foreign business. It has effectively halted inflation, which had become a real problem. Public expenditure has been kept within reasonable limits and credit restrictions have curbed speculative activity. The peseta has been stabilized at the rate of 60 to the U.S. dollar, and prices (particularly of foodstuffs and necessities) have been held steady, with practically no increases. Foreign exchange reserves, at a dangerous low at the end of June 1959, have increased month by month and are now larger than for many years.

Soon after entering OEEC, Spain liberalized some 50 per cent of her import trade. Further liberalizations became effective May 1, 1960, (see *Foreign Trade* of May 7, 1960) bringing the total to 60 per cent. She also received loans totalling more than $400 million.

Foreign Trade

These two developments had an immediate effect on Spain's foreign trade. Until recently, the country carried on most of its export and import trade under bilateral agreements, partly because the loss of gold reserves during the Civil War made the adoption of this state-trading system almost inevitable. The shortage of dollars naturally hampered trade with the hard currency countries, such as Canada. Now Spain has dollars and, thanks to liberalization, importers may buy raw materials wherever they wish and wherever they can obtain the most competitive prices.

Under present conditions, the Spanish market is worth more than one billion dollars a year and as the economy is gradually freed from controls and continues to develop, this figure should rise. The OEEC plan for Spain for 1960 estimates some $450 to $500 million in liberalized imports, $225 million for products under global quotas, $40 to $55 million for those included in bilateral trade agreements, and $95 to $100 million for imports on government account. This gives a total of between $810 and $880 million, for

CANADIAN EXPORTS TO SPAIN

1958		1959	
Total:	**$6,715,895**	**Total:**	**$6,180,445**
of which:		of which:	
Aluminum in primary forms	2,208,652	Drugs and chemicals, n.o.p.	1,408,716
Cod light salt, 43% or less, mc	917,912	Asbestos milled fibres	1,330,796
Drugs and chemicals, n.o.p.	826,136	Aluminum in primary forms	1,212,237
Asbestos milled fibres	603,378	Ammonium sulphate	371,959
Scrap iron or steel	529,247	Aluminum mfrs., n.o.p.	370,000
Gas engines and parts	389,794	Bars iron or steel	341,897
Taps and dies	172,889	Cod light salt, 43% or less, mc	221,862
Pulp sulphite bleached dissolving	144,503	Manufactures of paper, n.o.p.	140,849
Plates, sheets, and strips, steel	139,669	Pulp sulphite bleached dissolving	122,972
Manufactures of paper, n.o.p.	111,348	Plates, sheets and strips, steel	116,491

CANADIAN IMPORTS FROM SPAIN

1958		1959	
Total:	**$6,748,722**	**Total:**	**$5,735,726**
of which:		of which:	
Olives sulphured or in brine	1,639,719	Olives sulphured or in brine	1,513,729
Almonds shelled	1,027,340	Almonds shelled	631,251
Pig iron, n.o.p.	643,341	Cork slabs, boards, tiles, n.o.p.	465,114
Cork slabs, boards, for mfrs.	403,912	Wines, non-sparkling	270,146
Cork slabs, boards, tiles, n.o.p.	338,999	Olive oil crude and refined	219,783
Wines, non-sparkling	269,371	Pig iron, n.o.p.	207,845
Onions, fresh	206,131	Cork slabs, boards, for mfrs.	180,963
Ginger and spices, n.o.p., ground	193,623	Onions, fresh	175,304
Olive oil, n.o.p., edible	119,207	Hatters' furs not on the skin	173,404
Salt for fisheries	110,530	Ginger and spices, n.o.p., ground	169,190

the A list of countries—that is, the OEEC countries and others with convertible currencies. For the B list—countries with bilateral payments agreements with Spain (Eastern European countries and Finland, almost all the South American countries, and Mexico, Egypt, Morocco and Tunisia) and countries with no payments agreements, such as Guatemala, Peru, the Dominican Republic, Liberia, Communist China and Japan—the estimate is an additional $85 to $95 million. The grand total is, however, considerably less than the expected $1,150 million for one year estimated last July when Spain adopted the Stabilization Plan.

Global quotas, with some exceptions, are expected to be divided into two parts—50 per cent for the first half of the year and the remainder for action in July and August, with the bidding deadline usually 30 days after the announcement of the opening of the quota. Import licences are required for all goods on the global list.

Canadian Opportunities

Canada's share of the Spanish market has always been small—we ship about $6 million worth of commodities a year, on the average (the figure rose to $6.2 million in 1958) and bought from her $5.7 million worth last year. The Spanish dependence upon bilateral agreements, as pointed out above, plus the postwar shortage of dollars, worked against us. The improved trading situation has not yet been reflected in our sales. Imports into Spain of liberalized materials in the last few months of 1959 were smaller than expected because of excessive stocks, black market practices, etc. Since then conditions have improved and trading opportunities appear more attractive. The Spanish market certainly deserves more attention from Canadian exporters than it has yet received.

Opportunities are particularly good for selling raw materials and basic supplies for industry—such things as aluminum ingot, crude asbestos, nickel, wood pulp, pulpwood, and possibly timber. Some machinery and equipment should also sell and there is a potential market for heavy chemicals, fertilizers, and pharmaceutical raw materials. Spain is in the market for farm tractors and agricultural implements in quantity. Some of this equipment will be turned out in local plants but substantial imports will also be needed in the next few years. Canadian producers will find it more difficult to sell manufactured goods here. There are exceptions but in general, raw materials and semi-manufactured products stand the best chance. Our leading exports to Spain last year were aluminum in primary forms and aluminum manufactures, certain chemicals, asbestos fibres, iron and steel bars, light salted cod, paper manufactures and sulphite pulp.

Selling in Spain

The Spanish market has definite peculiarities that exporters should understand. For this and other reasons, the choice of the right agent or distributor is extremely important. Control over all imports and exports has been exercised from Madrid for the past twenty years and it has been necessary to have an agent there—one with the proper connections with the various authorities. ("Connections" count in Spain and their importance should not be overlooked.) Now that the import business is less tightly controlled and more normal, representation in the other large centres may become useful. Barcelona, for example, has more than one and a half million people, is a very busy port, and has a large concentration of industry, particularly textiles. It also serves as a distribution point for a large hinterland. Representation might well be divided between Madrid and Barcelona.

Promotion material should be supplied in Spanish and the text should be corrected by an expert in Madrid and printed in Spain if possible. This will cut down costs and avoid customs charges, delays and other difficulties.

In almost every case, when a Canadian firm is looking for a suitable representative in Spain many special problems have to be considered. The office of the Commercial Counsellor at the Canadian Embassy will be glad to help exporters find the right solution to these. ●

General Notes

Ceylon

AID FOR FISHING INDUSTRY—Under an agreement signed recently between the Japanese Embassy and the Ceylonese Fisheries Department, Japan has agreed to send a team of Japanese fisheries experts to Ceylon and to supply equipment for a fisheries centre in Negombo. The Japanese experts, supplied under the Colombo Plan Technical Assistance Scheme, will help the Fisheries Department to organize and run the centre for three years. The Ceylon Government will provide the land and certain necessary equipment, plus local staff to understudy the Japanese experts—Colombo.

Indonesia

NEW SHELL COMPANY—The Indonesian Government has approved the foundation deed of P. T. Shell Indonesia, a new Shell group company established at Djakarta under the laws of Indonesia. Founders/shareholders of this company who will take over Shell group interests in Indonesia—currently vested in Bataafsche Petroleum Maatschappij (BPM)—are the Canadian Shell Limited of Toronto and Shell Overseas Explorations Co. Limited, London, England—Djakarta.

DEVELOPMENT BANK—The Government of Indonesia has decided to establish an Indonesian Development Bank to finance the over-all reconstruction plan of the National Planning Board, expected to begin in 1961. The Bank will have a capital of Rp.10 billion. The money will come from sums frozen at the banks under last year's government monetary measure, plus 55 per cent of the profits from state-owned enterprises (estimated at Rp.4.5 billion a year). The head office of the bank will be in Djakarta but branches are to be set up in other regions and in foreign countries—Djakarta.

Jamaica

GOVERNMENT FINANCE INSTITUTION—The Government's Development Finance Corporation will grant long-term loans from $13,500 up to firms engaged in developing housing and the tourist trade. The establishment of the corporation illustrates the Government's concern with providing financial facilities for a growing economy—Kingston.

CANADIAN PLANTS SET UP—A subsidiary of a Canadian company is now making bonded automobile brakes in Jamaica. Another Canadian plant—the first such factory in Jamaica—will soon be turning out typewriters, typewriter cases and radios for the world market. Also under construction is a $270,000 toothpaste factory—Kingston.

New Zealand

POWER CABLE STUDIED—An underwater power cable joining the two grids of the New Zealand electric-power system could be constructed economically, according to a report by consulting engineers retained by the Government. The cable would cost almost $50 million, including a link with the huge Benmore power project now under construction, but it would make lower-cost South Island power available to the North Island, where the more accessible power potential has been almost entirely developed.

Describing the proposed cable as simple, economic and practicable, the consultants recommend a direct current circuit of 500,000 volts, with a submarine link of over 25 miles. It would be of higher voltage and greater capacity than any similar project outside the U.S.S.R.

Present North Island power projects will meet expected demand only until 1965. If the cable is to be ready by that date, further investigation of tides and sea floor, and design studies, will have to be undertaken this year. In deciding whether or not to proceed with this project, New Zealand will be influenced by prospects of accelerated industrial development in the South Island which will call for more power, as well as current investigations of the hydro-electric and geothermal power resources of the North Island—Wellington.

Portugal

CREDIT RESERVES IN BRAZIL—Portuguese currency credit reserves retained in Brazil at the end of 1959 totalled 236 million escudos (Can.$7,788,000), according to the *Boletin Comercial* of Rio de Janeiro. The balance is the result of a program of accumulation initiated in 1953 which is now beginning to bear fruit with the gradual development of mutual trade. As the bulletin points out, trade between Portugal and Brazil is no longer confined exclusively to the Christmas season, when Brazilian importers have traditionally purchased Portuguese foodstuffs—Lisbon.

Sweden

ENGINEERING AND TRADE—A comparison between Sweden's foreign trade in 1950 and 1959 indicates a changing pattern for both exports and imports over the past decade, according to a survey published by Göteborgs Bank. The most noticeable trend is an increase in the relative share of engineering products. In 1950 no less than 55 per cent of the value of imports was accounted for by food, fossil fuels, and textile raw materials and manufactures, but in 1959 the proportion was only 37 per cent. Imports of machinery, cars and chemical products have gone up from 22 to 33 per cent.

On the export side, forest products accounted for 43 per cent in 1950, but dropped to 31 per cent in 1959. The share of iron ore, iron and steel and their manufactures fell from 18 to 16 per cent, but machinery, cars and ships increased from 19 to 30 per cent—Stockholm.

TELEVISION EXPANSION—Since television was introduced in Sweden in September 1956 the Swedes have bought about $200 million worth of TV sets, according to the Swedish Telecommunications Board. The number of TV licences now totals 765,000, which places Sweden next to Britain in number of sets per 1,000 inhabitants in Europe.

The Swedish television network now includes 33 transmitters and 2,400 kilometres of radio links. By the end of this year 12 more stations and 700 kilometres of link connections will be added, and the number of licences will probably reach about one million—Stockholm.

Venezuela

TENDERS FOR HIGH-TENSION LINE—The Venezuelan Development Corporation and its affiliated firm, C.A. de Administractión Y Fomento Eléctrico (CADAFE), have called for tenders to build the high-tension line between the Caroni River hydroelectric plant and consumption centres in north and central Venezuela. It will be a 220,000-volt line about 406 miles long—Caracas.

Tours of Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, Egypt, will visit Ethiopia during the week of June 20.

H. E. CAMPBELL, Trade Commisisoner in Kingston, Jamaica, will visit Nassau, Bahamas, from July 3-9.

L. D. R. DYKE, Acting Commercial Secretary in Athens, Greece, has postponed his visit to Turkey indefinitely.

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. H. GAYNER, Acting Consul General and Acting Trade Commissioner in Manila, the Philippines, will visit Taipei, Republic of China (Taiwan), from June 14-27.

R. F. RENWICK, Commercial Secretary in Port-of-Spain, Trinidad, will visit Antigua and St. Kitts from July 8-12.

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

R. G. WOOLHAM, Assistant Commercial Secretary in Tokyo, Japan, will visit Korea from June 20-24.

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. Armstrong at Cairo, Mr. Campbell at Kingston, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gayner at Manila, Mr. Renwick at Port-of-Spain, and Mr. Woolham at Tokyo.

Some 275,000 tons of produce a year goes from Dutch farms into local food-processing plants—photo by Malak.

The Dutch Food-Preserving Industry

Dutch plants process fruits, vegetables, meat and fish, both produced at home and imported from abroad. Canada buys some of the output but also supplies certain canned fruits and fish.

J. C. BRITTON, *Commercial Counsellor, The Hague.*

THE NETHERLANDS food-processing and food-preserving industry has expanded considerably since the war and its importance is steadily increasing. Today it not only processes the sizable quantities of its own agricultural products that its people do not consume fresh, but also processes and re-exports imported foods. The Dutch have acquired special skills in this field and their preserved and processed food products have won a high reputation in many markets.

The food-preserving industry in the Netherlands falls into three major categories—fruits and vegetables, meats, and fish.

Fruits and Vegetables

Every year approximately one million metric tons of vegetables and some 450,000 metric tons of fruit are sold through auctions in the Netherlands. Over 15 per cent of the vegetables and 20 per cent of the fruit are processed industrially. At present, more than 200 large and small fruit and vegetable processing plants are operating, including well over 100 with an annual processing capacity of 250 to 300 tons of vegetables or 70 to 100 metric tons of fruit. The various plants turn out a wide variety of semi-manufactured and finished products. Among the semi-manufactured ones, fruit pulp, pickled gherkins and silverskin onions have a world-wide reputation. The finished products cover everything made from the rich assortment of fruits and vegetables grown by Netherlands horticulturists.

The following table shows the relative importance of the various products of the Netherlands fruit and vegetable processing industry in 1958.

	Quantities processed in 1,000 metric tons	Percentage of total production
Vegetables processed into:		
Canned and bottled vegetables	81	46.3
Sauerkraut	31	17.7
Pickles	24	13.7
Dehydrated vegetables	23	13.2
Frozen vegetables	13	7.4
Other products	3	1.7
Total	175	100
Fruit (including fresh semi-tropical fruit) processed into:		
Fruit pulp, jam, etc. (including applesauce)	52	49.5
Fruit juice, fruit beverages	18	17.1
Fruit preserved in juice, water and syrup	16	15.2
Apple and pear syrup	8	7.6
Frozen fruit products	4	3.8
Dried fruit products	1	1
Other fruit products	6	5.8
Total	105	100

The above figures illustrate the importance of canning and bottling in the processing of vegetables. With fruits, pulping is the chief process.

Most of the large vegetable-preserving plants are equipped to apply the various methods of preservation. In addition, a number of plants (mostly smaller ones) specialize in dehydrating and pickling. The principal vegetables used for canning are peas, beans and gherkins; silverskin onions, gherkins and cauliflower go into mixed pickles. For freezing, peas, spinach, Brussels sprouts and beans are the main varieties.

Fruit pulp is the leading semi-manufactured product of the domestic fruit-processing industry and is used to make jam. The output of the pulping plants exceeds domestic requirements and consequently large quantities are shipped abroad.

Other varieties used for fruit pulp include apples, plums and cherries.

Before the war, fruit-drying was unknown in the Netherlands, and the bulk of the dried fruit imports came from the United States. The postwar shortage of foreign exchange cut down imports, including dried fruits, from the dollar countries drastically. This led to the establishment of fruit-drying plants in the Netherlands; at present several convection-type plants produce high-quality dried apples.

Processed Exports

Netherlands trade statistics indicate the significance of exports of processed fruits and vegetables. Netherlands imports of these products totalled about $12 million in 1958, but its exports in the same year were valued at nearly $24 million. The principal markets for Dutch processed fruits and vegetables are the United Kingdom and West Germany; these two combined take more than half of the Netherlands exports. Shipments to Canada in 1958 are shown below.

Imports of processed fruits and vegetables into the Netherlands consist largely of canned and bottled

NETHERLANDS FRUIT PULP EXPORTS

	1958 Metric tons	1958 $1,000	1959 Metric tons	1959 $1,000
Strawberry Pulp				
Total	13,761	3,120	10,481	2,124
United Kingdom	6,486	1,512	4,974	1,053
West Germany	6,112	1,320	4,504	855
Canada	795	194	765	162
Raspberry Pulp				
Total	2,795	850	3,708	822
West Germany	1,027	326	2,019	444
United Kingdom	367	90	434	99
Switzerland	673	217	539	116
Canada	28	10	284	62
Red Currant Pulp				
Total	1,272	380	1,014	222
United Kingdom	241	69	301	67
France	508	156	417	91
West Germany	352	101	263	55
Canada	9	4		
Black Currant Pulp				
Total	1,461	620	786	346
United Kingdom	860	360	278	113
West Germany	383	159	394	171
Canada	116	65	17	9

PROCESSED FRUIT AND VEGETABLE EXPORTS TO CANADA

	1958 Metric tons	1958 $1,000	1959 Metric tons	1959 $1,000
Runner beans	28	7.5	43	12.3
French beans	12	4	15	4
Beans, spinach, carrots, mixed vegetables	56	11	39	8
Gherkins, silverskin onions and pickles	15	6	15	6.5
Other vegetables	83	22.5	134	44
Gherkins	115	23		
Preserved onions, not in cans	914	308		

NETHERLANDS IMPORTS OF CANNED APRICOTS AND PEACHES 1959

	Metric tons	$1,000
Canned Apricots		
Total	397	131
Union of South Africa	102	37.5
United States	180	61.2
Canada	14	4
Canned Peaches		
Total	2,726	775
United States	2,116	581
Canada	103	35
Japan	454	114.3

vegetables; dried fruits and vegetables; fruit in juice, water and syrup; fruit pulp and fruit juice. Chief among the canned and bottled vegetables are tomatoes, peas and beans; Belgium/Luxembourg and Italy are the leading suppliers. Canada obtains a share of the Dutch trade in canned apricots and peaches. The table on page 23 shows Canadian exports of processed fruits to the Netherlands in 1959. The principal suppliers are listed for purposes of comparison.

Meat and Meat Products

Meat production in the Netherlands is divided into two major groups: bacon and other meat preserves, and meat products. There is no sharp distinction between the two groups; several of the larger firms produce both. Some 180 packing plants are currently engaged in the manufacture of processed meats and about 18 of these also produce bacon. In 1959 these plants exported 59,802 metric tons of canned meats and meat products with a value of about $65 million.

The domestic pig is the principal raw material for the Netherlands meat-processing industry. Cattle in Holland are reared primarily for a maximum milk yield and are of minor importance as a source of meat. The Netherlands cattle population nevertheless aids the meat-processing industry by supplying valuable hog feeds and thus greatly improving the quality of the pork.

A substantial part of the meat produced from Netherlands hog farming has always gone to export markets and foreign shipments have become the mainstay of the pork-processing industry. Originally, fresh pork and ham were the principal exports. In addition, smaller quantities of bacon were shipped to Britain, the most important outlet for Netherlands pig meat. The Netherlands now supplies important quantities of bacon to the United Kingdom—some 16,429 metric tons in 1959, with a value of $10.1 million.

Ham represents more than 50 per cent of the Netherlands' total exports of processed meat products, followed by pork luncheon meat (18 per cent) and mixed beef/pork luncheon meat (11 per cent). The United Kingdom is the chief outlet for the Dutch processed meat products, taking more than 50 per cent of exports by volume in 1959, as against nearly 36 per cent purchased by the United States and Canada together. In terms of value, however, the United Kingdom and the United States and Canada each took 44 per cent of exports. In the official Dutch statistics, Canada's purchases of Netherlands processed meat products in 1959 totalled 42 metric tons valued at approximately $27,000.

As an importer of meat products, the Netherlands offers few prospects as an outlet for other meat-supplying countries. Of 1959 imports of processed meat products worth $1.4 million, the bulk ($835,000 worth) came from Argentina. The United States shipped canned ham to a value of $203,500.

NETHERLANDS CANNED FISH EXPORTS, 1959

	Metric tons	$1,000
Canned Salmon		
Total	539	757.5
France	353	473
Canned Herring		
Total	7,715	2,330
Belgian Congo	1,396	336.5
Sierra Leone	987	255.5
Lebanon	661	197.5
Nigeria	592	152
West Germany	516	140
Canada	17	10
Other Canned Fish		
Total	5,616	1,518
Italy	1,449	361
United States	2,817	723
Netherlands New Guinea	366	98
Canned Lobster		
Total	77	194.5
France	73	184.5
Other Canned Shellfish		
Total	1,787	496.5
Belgium/Luxembourg	1,248	341.5
United Kingdom	384	93.5

NETHERLANDS CANNED FISH IMPORTS, 1959

	Metric tons	$1,000
Canned Sardines		
Total	917	595
Portugal	893	568
Canned Salmon		
Total	2,633	2,372
United States	166	256
Canada	303	293
Japan	2,043	1,682
Canned Lobster (including crayfish)		
Total	219	482
U.S.S.R.	78	191.5
Belgium	64	112
Japan	43	91.5
Canada	7	33

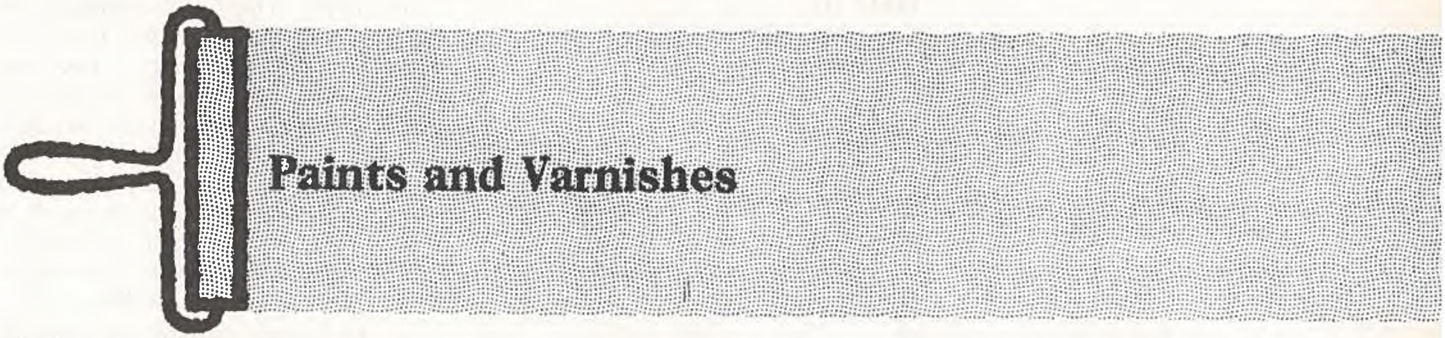
Fish Products

Fish canning, of little importance before the war, has made considerable progress since. At present about 15 modern canning plants produce canned fish, almost entirely for export. This postwar progress resulted primarily from the efficient organization of the Netherlands fishing industry. Fishermen receive technical advice from the Institute for Fisheries Research and the Commodity Board for Fisheries Products.

In 1959 Netherlands exports of processed fisheries products totalled 15,743 metric tons, valued at about $5.4 million. The principal consumers are listed above.

Netherlands imports of processed fisheries products include mainly canned sardines, salmon, lobster and crayfish. Details are given above.

The Netherlands is predominantly a price rather than a quality market. In canned fish and also in other preserved foods, competition is keen and price the paramount consideration. ●



The Market in Venezuela

High duties protect domestic industry and limit imports, except when special arrangements permit duty to be waived. Some scope for imports of raw materials.

R. D. SIRRS, *Assistant Commercial Secretary, Caracas.*

SCARCELY twenty years ago Venezuela imported practically all of her paint, varnish and lacquer requirements. In fact, until 1952, when the local tariff was revised, most of the paints used were purchased from abroad. However, in recent years this picture has changed radically and today, with the exception of a few specialized paints, the domestic industry satisfies nearly all of the country's needs. Furthermore, new types of paints are being introduced, so that the tendency to eliminate imports will continue. They now account for a mere 2 or 3 per cent of the total market. Many of these imports are products that could be obtained locally but which are allowed entry under special arrangements. (These are discussed later on.)

Dynamic Development

Venezuela's first paint manufacturer of any significance (PINCO) was established in Caracas in 1940. In 1949 the country's largest single paint manufacturer (MONTANA) also set up a plant in Caracas and gave considerable impetus to the industry. This firm alone now accounts for well over 40 per cent of total output.

Venezuela's first paint manufacturer, with two other firms in the same group (Tucan and Pittsburgh), runs a close second in total paint output. Four other firms, including local subsidiaries of Sherwin Williams (third largest supplier) and Dupont, are also significant producers. These firms as a group are estimated to turn out Bs.80 million worth of paints, lacquers, varnishes and solvents a year. Yet this figure represents only approximately 70 per cent of the industry's total capacity.

The production build-up is shown in Table I.

TABLE I

VENEZUELAN PRODUCTION OF PAINTS, ENAMELS, VARNISHES AND SOLVENTS

(metric tons)

	1945	1950	1955	1958
Paints				
Oil	457	555	5,329	7,408
Paste		394	2,474	7,531
Powder	419	2,101	4,034	4,968
Total	876	3,050	11,837	19,907
Enamels	153	358	2,451	3,023
Varnishes	14	16	1,523	2,961
Solvents	19	56	1,102	3,160

Products for household and industrial use that the Venezuelan paint industry turns out include:

Rubber base paints (for internal and external use)
Oil paints (all types)
Enamels (all types, including synthetic alkyd and modified enamel oil bases)
Alkyd resin paints
Anti-corrosive paints (e.g., epoxy base)
Melamine base paints
Marine paints (e.g., vinyl base, etc.)
Acrylic base paints
Other synthetic resin paints
Bituminous paints
Heat-resistant paints (e.g., aluminum paste)
Aluminum paints
Cement paint (e.g., silicate)
Powdered paints (e.g., casein)
Water emulsion paints
Primers (e.g., oxide red lead, aluminum, zinc chromate)
Varnishes (spar, synthetic, gloss, internal and external use)
Lacquers (e.g., cellulose)
Solvents
Wood fillers

The biggest sellers are the cheap lines of oil paints (first place) and powdered paints (casein). The latter, because they are cheaper, are particularly popular in the interior of Venezuela. Rubber-base paints occupy third place and are also major sellers. The automobile industry (assembly) is now using locally made lacquers and paints.

The standard Venezuelan paint measure is the U.S. gallon, although its equivalent in litres is also shown on each container, in keeping with the general use of the metric system. Labelling and advertising material must, of course, be in Spanish.

Imports Shrinking

Venezuela's imports of paint products are largely confined to a few purchases made by the oil industry or by some government

TABLE II

VENEZUELAN IMPORTS OF PAINTS, VARNISHES, LACQUERS, ETC., BY MAIN SUPPLIERS**

Country	1956* Kilos	1956* Bolivars	1958* Kilos	1958* Bolivars
Oil, synthetic resins, emulsion, oil in paste or liquid, into whose composition there enter synthetic oils or resins, emulsionable (to be used with water).				
United States	403,044	815,084	297,429	645,111
United Kingdom	366,729	405,084	81,353	124,181
West Germany	246	561	1,687	20,357
CANADA	23	114	2,102	11,604
Netherlands			7,467	6,007
France	8,213	42,263	1,235	6,000
Varnishes				
United States	249,320	941,054	214,781	630,391
United Kingdom	347,477	742,738	134,862	274,848
Netherlands	679	2,045	6,079	26,973
Italy	63	188	14,892	26,486
West Germany			3,681	14,703
Lacquers				
United States	250,078	738,806	65,153	194,469
West Germany	2,066	6,182	16,463	50,786
United Kingdom	1,764	3,756	9,853	20,230
France			3,940	13,492
Fine Paints				
United States	10,254	46,785	48,571	127,706
West Germany	9,169	49,558	18,552	79,544
United Kingdom	12,076	18,917	4,733	26,237
Italy	732	3,805	1,488	25,574
Netherlands	1,829	8,861	1,955	18,865
Bituminous				
United States	57,986	62,657	76,985	173,420
Netherlands	22,621	6,176	65,099	19,420
Curaçao	77,133	21,575	4,340	4,165
In paste or liquid to be used with water				
United States	57,162	105,183	29,447	60,247
West Germany	4,058	11,190	10,036	29,632
Japan			848	25,504
In powder				
United Kingdom	34,016	16,376	28,199	15,015
United States	2,218	6,209	3,070	13,983
West Germany	110	754	124	2,859

*January to December.
**Venezuelan Government statistics.

offices. The oil industry, for instance, finds it possible to import certain paints (e.g., anti-corrosives) because it receives a duty exoneration. The Venezuelan Navy also buys specialized marine paints from abroad (especially Italy). However, because most of these types are now being produced locally, with only a few exceptions, the buyers mentioned above in many instances have already turned to domestic sources of supply. The local industry's current over-capacity also results in more competitive prices. The relatively small volume of imports (3 per cent of market) which are subject to duty exoneration will thus probably decrease. Furthermore, it is good public relations for local oil companies and other "favoured" entities to purchase Venezuelan products whenever possible.

"Favoured" imports are generally reflected in Table II. Canada plays a very small rôle in this business. Imports are primarily centred on foreign paint firms who sell a specialized product not available elsewhere, and who have some form of direct connection with the local oil industry or who (most important) offer the most competitive foreign price.

A number of obstacles to imports have already been cited. However, the high duty rates which resulted from the renegotiation of the U.S.-Venezuelan Trade Agreement in 1952 remain the main deterrent to imports. They also provide the prime reason for the rapid build-up of local industry which today probably controls over 96 per cent of the market. Existing duty rates are as follows:

	Import Duty Rates Bs. per gross kilogram
Paints, etc. (into whose composition there enter synthetic oils or resins, to be used with water)	1.50
Varnishes	2.60
Lacquers	3.00
Fine paints	1.50
Bituminous	1.00
In paste or liquid (to be used with water)	1.25
In powder	2.00

The above constitutes the sole import restriction. No import licences are required and there is no exchange control.

Raw Materials Imported

Practically all of Venezuela's raw materials for paints are imported. The only exceptions are a few locally produced items such as oil derivatives (varsol, kerosene) and a few chemical products (calcium carbonate). This demand for raw materials will no doubt continue and thus offer the best Canadian export opportunities. The United States is by far the most important supplier of raw materials. However, from other sources such as Germany, the United Kingdom and other European countries come items such as crude castor oil, fish oil, linseed oil, mica, talc, whiting and some iron oxides and mineral earth pigments.

This office will be pleased to provide any additional information on the development of the local market and on the prospects for imports. ●

The Market in Colombia

More and more of Colombia's paints and varnishes are made at home, but the industry must import 70 per cent of its raw materials. It is here that the best sales opportunities lie.

ADOLFO AMADOR, *Office of the Commercial Secretary, Bogotá.*

BEFORE World War II the Colombian paint and varnish industry consisted of five small factories which produced, in a rudimentary form and without modern techniques, water and oil paints. This output covered only a small part of total consumption and the remainder was imported from the United States, Canada, and some European countries. War imposed heavy demands on these suppliers for most of their products and exports were therefore either curtailed or suspended. Paints and varnishes were among these products and Colombian industrialists were forced to investigate the possibility of manufacturing finishes locally on a larger scale.

Local Industry Efficient

In 1945 the first important paint-making plant was started in Medellin. From then on, as industrial development increased, other larger plants were founded. Today there are six modern factories in Colombia of which the biggest, with 100 per cent Colombian capital and personnel, accounts for 50 per cent of total production. The other five, with participation of foreign capital, make another 40 per cent. (Most of these companies use foreign patents and formulas in their products.) In addition to the big plants, there are 11 small factories that turn out oil paints, water paints and casein. These account for the remaining 10 per cent of national production. The following are the paints, varnishes and lacquers produced:

Enamels
Synthetic enamels (decorative)
Enamel for industrial uses
Acid-resisting enamels
Hammered and corrugated enamels
Bakable enamels

Paints
Oil paints
Water paints
Latex paints
Synthetic resin paints
Marine paints of all kinds
Special industrial paints
Fluorescent, luminous and phosphorescent paints

Varnishes
Synthetic resin varnishes
Cellulose varnishes
Spirit varnishes

Lacquers
All types of lacquers for wood and vehicles

Fillers and Maintenance Products
Sealers
Fillers
Maintenance wax and polishers
Rubber cement

Formulated to the highest standards, Colombian finishes compare favourably with similar products from the United States and other countries. All the new plants are equipped with the most modern machinery, including batteries of roller mills, Kady mills, Cowles dissolvers, steel ball and pebble mills, Morehouse mills and associated units. The varnish rooms have oil-fired varnish kettles, filter presses and storage tanks. The lacquer building is fire- and explosion-proof and solvents are stored in underground tanks.

Some of the bigger plants have their own container and can-manufacturing facilities that turn out containers from two-ounce to one-gallon sizes in tin and terne plate, using semi-automatic equipment. The usual container size is the U.S. gallon (or parts thereof) although the "cunete", a five-gallon (U.S.) container, is also used. These are filled, labelled and packaged by modern machines.

Table I shows total production of paints and varnishes during the past three years.

Table I

Colombian Paint and Varnish Output

	Gallons	Pesos	U.S.$
1957	2,023,611	45,154,161	6,450,594
1958	2,225,972	49,669,577	7,095,654
1959	2,500,000	55,750,000	7,964,285

Imports, Import Controls

Although the volume and variety of paint and varnish production are expanding, it is still necessary to import certain specialized finishes. These could be made in local factories, though production would be uneconomic because of the small quantities involved. Import of these products is shown in Table II.

TABLE II

COLOMBIAN IMPORTS OF VARNISHES

Country of origin	1958 Value c.i.f. in U.S.$	1959 Value c.i.f. in U.S.$
Oil varnishes		
United Kingdom		82
United States	2,020	79
Total	2,020	161
Cellulosic varnishes		
United States	6,455	6,789
Netherlands	2,430	
Total	8,885	6,789
Other varnishes, colouring matter added or not		
Germany	3,026	3,953
Canada	780	
Netherlands	2,115	
France	49	
Italy	4,170	11,442
United Kingdom	229	127
United States	122,162	43,171
Netherlands West Indies		29
Switzerland	17	
Total	132,548	58,722

All imports into Colombia require an import permit and the local industry receives a good deal of protection. In the first place, manufacturers are protected by high specific and ad valorem duties. In addition, Colombia places all imported products on one of three lists: the free list for essential articles not manufactured in the country, such as raw materials; the "previous licence" list for articles locally manufactured but not in sufficient quantities to cover domestic needs, and the prohibited list that includes luxury goods and those made in the country. The products of the paint industry, in addition to having tariff protection of 2.50 pesos per kilo and 50 per cent ad valorem, are included in the previous licence list, which means that they require a previous licence issued by the import authorities. The licence is granted only when it is proved that the finishes to be imported are not made by Colombian firms.

Practically all of the finishes made in Colombian factories are used within the country. Colombian firms generally sell their products in two ways: direct from the factory to large organizations, or to big distributing firms that in turn sell to retailers. Direct factory sales are f.o.b. and on cash terms; sales to distributors are made on 60-day terms with a 30 per cent trade discount and an additional 3 per cent discount when the invoice is paid within the first ten days. Distributors sell to retailers on 60-day terms and a 20 per cent trade discount, plus an additional 3 per cent for cash. Sales are made in Colombia through a limited number of distributors and by about 300 retailers.

Sales Opportunities

General economic developments point to a growing market for paint products in Colombia and an assured growth in the future. The demand for consumer goods, for example, is expanding continually, and there is an ever-growing supply of locally made refrigerators, freezers, washing machines, electric and gas stoves, typewriters, office machines, office furniture, radios, etc. House construction is booming and will continue to do so as the standard of living of Colombia's 15 million inhabitants improves. Large quantities of paint are also required for the maintenance and construction of air, sea, river and land transportation vehicles that have to be operated in difficult mountain terrain and in tropical climates.

It cannot honestly be said, however, that Canadian paint exporters will be able to boost their sales to Colombia in future, because this country is already making most of the finishes it needs; imports of even specialized products are diminishing every day. But Canadians can participate in this market by supplying raw materials.

Colombia's paint manufacturers obtain about 30 per cent of their raw materials locally. These consist of barite, calcium carbonate, calcium silicate, diatomite and a low-quality kaolin. The remaining 70 per cent, totalling about 2,500 tons a year, is imported from other countries. Imported raw materials include: alkyd resins, pigments, drying agents, anti-skinning agents, nitrocellulose, other resins and latex, plus numerous organic solvents such as methanol, isopropyl alcohol, methylene chloride, methyl isobutyl ketone, methyl ethyl ketone, xylol, and toluol.

If Canadian suppliers of raw materials for the paint industry can establish a pricing policy competitive with that of European manufacturers, they can probably obtain a substantial share of this market.

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

Pakistan

BRUSSELS NOMENCLATURE ADOPTED—It has been announced that the Pakistan Import Customs Tariff will be revised by the adoption of the Brussels Nomenclature, effective July 1, 1960.

South Africa

CUSTOMS TARIFF—The South African Customs Tariff was amended on February 19, 1960, by increases in rates of duty on certain brass, bronze, copper and copper alloys.

The new rates are:

Item		*Rate from all countries*
121 Brass, bronze, copper and copper alloys—		
(i) Sheets or sheeting, plain or perforated, exceeding 12 inches in width—		
(a) less than 0.030 inches in thickness	per 100 lb.	£3. 0s.0d.
(b) 0.030 inches and more, but not exceeding 0.099 inches in thickness	"	£2.10s.0d.
(c) exceeding 0.099 inches in thickness	"	£2. 0s.0d.
(ii) Circles, plain or perforated	"	£1.15s.0d.
(iii) Strips, plain or perforated, not exceeding 12 inches in width	"	£1.10s.0d.
(iv) Foil	"	£1.10s.0d.
Ordinary dumping duty is imposed on all the above items when they are imported from or originate in Canada.		
(v) Extruded sections		free

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

Increase in duty on—

1. Bias binding
2. Waistbanding for trousers
3. Printed felt-base floor coverings
4. Foundry moulding boxes
5. Electric domestic cooker heating elements
6. Felt-base paper used in the manufacture of roofing felt and felt-base floor covering
7. All helical, spur, bevel and worm reduction gears, gear-boxes and components thereof, excluding only gears and gear-boxes for the automotive and machine tool industries
8. Crepe paper for decorative purposes and specially printed Christmas wrapping paper
9. Cardboard paper plates
10. Asphalt and vinyl asbestos tiles and linoleum tiles
11. Braided elastic
12. Car, truck and trailer springs for use as replacements
13. Bolts and nuts
14. Coated felt, coated bonded fibre fabrics, coated paper, (i.e., paper coated with preparations of cellulose derivatives or other plastic material)
15. Polyvinyl chloride polymers and co-polymers and preparations thereof
16. (a) Polythene, polyvinyl chloride and any similar plastic (resinous or allied) film and sheeting (sheet) including lay-flat tubing (but excluding fully transparent, i.e., glass-clear, sheet and film)
    (b) Bags made from plastic film and sheeting enumerated in (a)
17. Bandsaw blades
18. Textile cones
19. Conveyor belt fasteners
20. Plastic metal filler (soldering compound)
21. Baby and crib blankets
22. Moulded paper plates and trays
23. Glass paper, flint paper, and emery cloth
24. Essential oils
25. Masking tape and transparent cellulose pressure-sensitive adhesive tape
26. Women's woven woollen overcoats, dressing gowns and other outerwear
27. All ladies' gloves
28. Printed, designed suitcase lining papers
29. Plywood—this particular representation does not refer to the tariff rate on plywood from Canada
30. The following plastic containers:
    (a) collapsible plastic tubes for toothpaste, cosmetics, pharmaceuticals, etc.
    (b) flexible plastic bottles
    (c) squeeze-to-use containers
    (d) cream jars, sizes ½ to 8 oz.
31. Automatic vending machines

Rebate of duty on—

1. Watch component parts used in the assembly and manufacture of watches
2. Liquid petroleum asphalt used in the manufacture of hardboard
3. Lastex fabric for the manufacture of swimwear
4. High tensile wire rod for the manufacture of bolts and nuts

5. Technical melamine for the manufacture of melamine formaldehyde
6. Mica, empire cloth and woven silk for the manufacture of electric transformers and electric motors
7. Printed cellulose casings, cellulose pork sausage casings, printed sausage cartons, for the packaging of meat products
8. Nylon filament yarn for the manufacture of nylon filament stretch yarn
9. Tubular knitted elasticised fabrics for the manufacture of roll-ons
10. Certain components from the United States of America for the manufacture of cabs for trucks and commercial vehicles
11. Isopropyl alcohol for the manufacture of cosmetics
12. Plastic acetate sheeting used in the manufacture of safety goggles
13. Wet ground mica for use as a pigment in the manufacture of paints
14. Glass powder for the manufacture of abrasive paper and cloth
15. Nickel catalyst in the form of flakes using nickel powder or grains suspended in hydrogenated fat used in the manufacture of fish oil
16. Film ("Pukkafilm") used for the wrapping of cheese
17. Mixed filament (54 per cent) and spun rayon (46 per cent) plain dyed piece goods, under 6s. f.o.b. per pound by weight of material and under 5 ounces per square yard for the manufacture of shirts
18. Surface treated calcium carbonate for use in the manufacture of electric cables
19. Bituminized asbestos moulded spacer rings for the manufacture of domestic electric storage water heaters
20. "Albigen A" a non-ionic polymerization product, used exclusively in the textile industry for promoting a stripping effect on dyed textile fibres

Refund of duty on—

1. Woven rayon piecegoods and woven cotton piecegoods for the manufacture of bias binding and waistbanding for trousers for export
2. Steel-cable tape and spun kraft-paper string used in the manufacture of cables for export
3. Rayon material used in the manufacture of belt backing for export
4. Lissapol NX, for use in the manufacture of rayon pulp for export
5. Dry vitamin A powder, water miscible vitamin A, and injectable vitamin A used in the manufacture of animal feed supplements and nutritional products for export
6. Hessian for the packing of seaweed for export

Reduction in duty on—

1. Unassembled automatic chassis lubrication units
2. Technical sevin
3. Wrought steel pipe fittings in sizes up to and including one inch inside diameter
4. Containers of rubber and/or rubberized fabric for the transportation and/or storage of liquids and/or gases

Withdrawal of rebates on—

1. Imitation leather, leather cloth and materials similar to imitation leather or leather cloth; other piecegoods coated with preparations of cellulose derivatives or other plastic material; coated felt; coated bonded fibre fabrics; coated papers (i.e., paper coated with preparations of cellulose derivatives or other plastic material where provisions exist for the rebate of duty)
2. Textile cones for use in the textile industry where provisions exist for the rebate of duty

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

Taiwan

EXCHANGE RATE FOR TOURISTS ESTABLISHED—Business visitors and tourists to Taiwan may now have their foreign currencies exchanged at a rate of New Taiwan $40.00 to U.S.$1.00, under a ruling recently passed by the monetary authorities in Taiwan. Formerly, the rate was NT$36.38 per U.S.$1.00. This move means that visitors to Taiwan no longer have to exchange their foreign currency at the official exchange rate, and may now buy New Taiwan dollars at a rate more in line with the free market rate—Manila.

Venezuela

TOLERANCES IN PROVISIONS AND PRODUCTS FOR CONSUMPTION—The Venezuelan Ministry of Development's decree No. 2830, published in the *Official Gazette* of May 7, 1960, rules that the tolerance allowed between the net content declared on the container of a food product and the actual content is to be not greater than 2 per cent (more or less). The decree comes into force ninety days after the date on which it was announced.

In cases where homogenous series are to be examined, the margin of tolerance is only 1 per cent. When such tolerances cannot be maintained because of the specific character of the product, the Ministry has established a period of 60 days within which importers or manufacturers should apply for the designation of larger margins of tolerance, if this seems to be justified by the nature of the product—Caracas.

Index to *Foreign Trade*

The index to Volume 112 of Foreign Trade, *covering the issues from July 4, 1959, to December 19, 1959, has now been printed. Readers who wish to have copies should write to the Editor.*

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ARGENTINA
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Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
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Calgary—Consulate of Austria, 31 Hollinsworth Bldg.
Halifax—Consulate of Austria, 6 Young Avenue.
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, 525 Seymour Street.
Winnipeg—Consulate of Austria, 54 Harrow Street.

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North Sydney—Consulate of Portugal, P.O. Box 769.
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UNION OF SOVIET SOCIALIST REPUBLICS

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Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
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Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia and Yukon Territories, Bank of Nova Scotia Bldg., 602 West Hastings Street.
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St. John's—Consul General of the United States, King's Bridge Road.
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Windsor—Consul of the United States, Canada Trust Bldg.
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Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Toronto—Consul of Venezuela, 8 King street East, Apt. 508.
Vancouver—Consul of Venezuela, 525 Seymour Street.

THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS

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Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.017812.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 6	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01188	84.17	(1)
Austria	Schilling		.03783	26.43	
Australia	Pound		2.2024	.4540	
Bahamas	Pound		2.7530	.3632	
Belgium, Belgian Congo and Luxembourg	Franc		.01971	50.73	
Bermuda	Pound		2.7530	.3632	
Bolivia	Boliviano	Free	.00008600	11,627.91	
British Guiana	Dollar		.5735	1.74	
British Honduras	Dollar		.6882	1.45	
Brazil	Cruzeiro	General Category*	.004164	240.12	*May 24 (2)
		Special Category	.002209	452.59	
		Official selling	.05192	19.26	(3)
Burma	Kyat		.2063	4.85	
Ceylon	Rupee		.2065	4.84	
Chile	Escudo	Free	.9339	1.07078	(4)
Colombia	Peso	Certificate	.1466	6.82	
Costa Rica	Colon	Official	.1750	5.71	
		Controlled free	.1477	6.77	
Cuba	Peso		.9825	1.017812	tax 2%
Czechoslovakia	Koruna		.1364	7.33	
Denmark	Krone		.1422	7.03	
Dominican Republic	Peso		.9825	1.017812	
Ecuador	Sucre	Official	.06550	15.27	
		Free	.05746	17.40	
Egyptian Region, United Arab Rep.	Pound	Official	2.8213	.3544	
		Export account selling	2.3875	.4188	
El Salvador	Colon		.3930	2.54	
Fiji	Pound		2.4802	.4032	
Finland	Markka		.003070	325.73	
France, Monaco, etc.	New Franc		.2005	4.99	(5)
French colonies	Franc		.004010	249.38	(6)
French Pacific	Franc		.01103	90.66	(7)
Germany	D Mark		.2356	4.24	
Ghana	Pound		2.7530	.3632	
Greece	Drachma		.03275	30.53	
Guatemala	Quetzal		.9825	1.017812	
Haiti	Gourde		.1965	5.09	
Honduras	Lempira		.4913	2.03	
Hong Kong	Dollar	Free*	.1701	5.88	*May 27
		Official	.1721	5.81	
Iceland	Krona	Official	.02586	38.67	(8)
India	Rupee		.2065	4.84	
Indonesia	Rupiah	Official	.02183	45.80	(8)
Iran	Rial		.01297	77.10	
Iraq	Dinar		2.7510	.3635	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 6	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7530	.3632	
Israel	Pound		.5458	1.83	
Italy	Lira		.001583	631.71	
Japan	Yen		.002729	366.43	
Lebanon	Pound	Free	.3086	3.24	
Mexico	Peso		.07860	12.72	
Netherlands	Florin		.2606	3.84	
Netherlands Antilles	Florin		.5251	1.90	
New Zealand	Pound		2.7530	.3632	
Nicaragua	Cordoba	Effective buying	.1488	6.72	
		Official selling	.1395	7.17	
Norway	Krone		.1377	7.26	
Pakistan	Rupee		.2065	4.84	
Panama	Balboa		.9825	1.017812	
Paraguay	Guarani	Official	.008053	124.18	
Peru	Sol	Certificate	.03576	27.96	
Philippines	Peso		.4913	2.03	
Portugal & Colonies	Escudo		.03429	29.16	(9)
Singapore and Malaya	Straits Dollar		.3212	3.11	
Spain and Dependencies	Peseta		.01637	61.07	
Sweden	Krona		.1900	5.26	
Switzerland	Franc		.2277	4.39	
Syrian Region, United Arab Rep.	Pound	Free	.2747	3.64	
Thailand	Baht	Free	.04648	21.51	(8)
Turkey	Lira		.1092	9.16	(8)
Union of South Africa	Pound		2.7530	.3632	
United Kingdom	Pound		2.7530	.3632	
United States	Dollar		.9825	1.017812	
Uruguay	Peso	Free	.08607	11.62	(10)
Venezuela	Bolivar		.2933	3.41	
West Indies Fed.	Dollar		.5735	1.74	(11)
	Pound		2.7530	.3632	(12)
Yugoslavia	Dinar	Official	.003275	305.34	(8)
		Settlement rate	.001554	643.26	

*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. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

Trade Commissioners on Tour


A. P. Bissonnet


B. C. Butler


R. M. Dawson


R. E. Gravel


H. S. Hay


B. A. MacDonald


K. Nyenhuis


M. T. Stewart

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

A. P. BISSONNET, Commercial Counsellor in Stockholm, Sweden:

Winnipeg—June 20
Vancouver—June 22-29
Montreal—July 4-8

B. C. BUTLER, Minister (Commercial) in London, England:

Montreal—June 15-30
Ottawa—July 4-15

R. M. DAWSON, Assistant Trade Commissioner in Guatemala City, Guatemala:

Vancouver—June 20-25

When he completes his tour and leave, Mr. Dawson will be transferred to Manila, the Philippines, as Vice Consul and Assistant Trade Commissioner.

R. E. GRAVEL, Commercial Counsellor in Caracas, Venezuela:

Vancouver—July 11-14
Winnipeg—July 20-21
Toronto—July 25-Aug. 5
Ottawa—Aug. 7-12
Montreal—Aug. 14-25
Quebec—Aug. 26-27

When he completes his tour and leave, Mr. Gravel will be transferred to Hamburg, West Germany, as Consul.

H. S. HAY, Assistant Commercial Secretary in Sydney, Australia:

Ottawa—June 19-

When he completes his tour and leave, Mr. Hay will be transferred to Caracas, Venezuela, as Assistant Commercial Secretary.

B. A. MACDONALD, Commercial Counsellor in New Delhi, India:

Ottawa—July 4-8
Montreal—July 11-15
Quebec City—July 18
Thetford Mines—July 19

When he completes his tour and leave, Mr. MacDonald will be transferred to Athens, Greece, as Commercial Counsellor.

K. NYENHUIS, Trade Commissioner in Leopoldville, Belgian Congo:

Vancouver—July 4-6
Winnipeg—July 7-8
Toronto—July 11-20
Hamilton—July 21-22
Montreal—July 25-Aug. 5
Granby—Aug. 8
Quebec—Aug. 9
Saint John, N.B.—Aug. 11-12

When he completes his tour and leave, Mr. Nyenhuis will be transferred to Copenhagen, Denmark, as Commercial Counsellor.

M. T. STEWART, Commercial Counsellor in Madrid, Spain.

Montreal—June 16-23
Quebec—June 27

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

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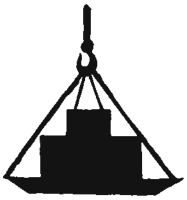

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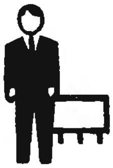

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