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foreign trade

CANADA

INDIA, PAKISTAN AND CEYLON IN 1959 (pages 2-11)

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CANADA

cover

In one of the great Indian steel plants, a technician checks the exact dimensions of a roller on a new rolling mill. This picture effectively introduces reports on India, Pakistan and Ceylon, where development plans stress the building up of industry to employ an increasing population. For details on industrial progress, trade, and agriculture in these countries, see pages three to 11.

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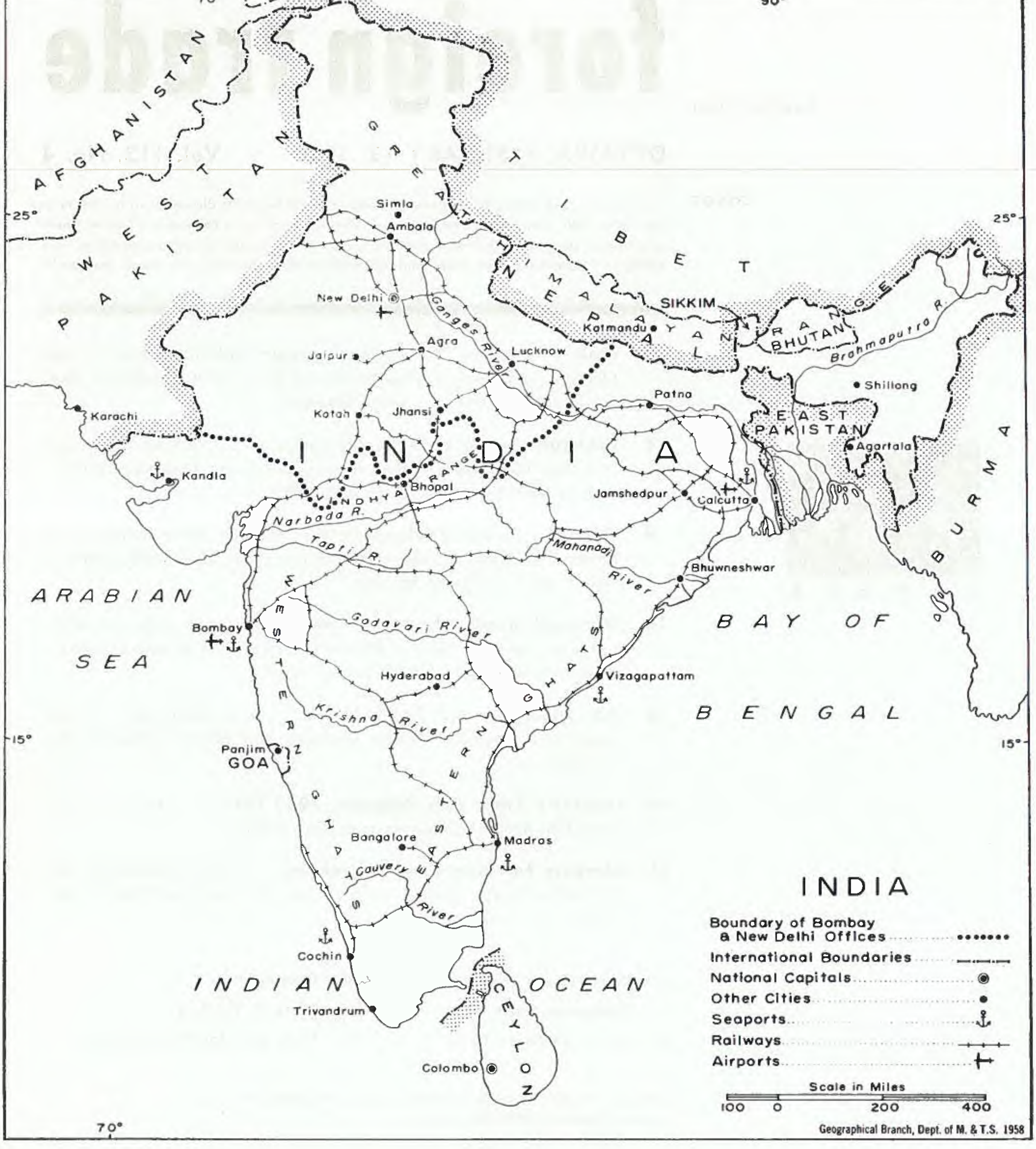

INDIA · PAKISTAN · CEYLON · IN 1959

India

Industrial expansion is proceeding apace, hydro-electric power developments are taking shape, and agricultural output rising slowly. Food supply continues to be a problem; non-essential imports are still severely restricted.

B. A. MACDONALD, *Commercial Counsellor, New Delhi.*

BUSINESS in India, with a few exceptions, is flourishing. Even the cotton textile industry, the world's second largest, is moving out of the depression that began some two years ago. The exception is mainly import trade. The import regulations for the current licensing period, announced on October 1, 1959, and valid until March 31, 1960, contained few important changes. All luxuries and non-essentials continue to be either banned entirely or severely restricted. There is no reason to expect that the next period, beginning April 1, will see any change—in fact, this policy will almost certainly continue for at least the next five or ten years. The demand for capital goods and for many industrial raw materials will, however, be limited only by the country's foreign exchange resources accruing from exports or available from foreign loans, credits, or other forms of financial assistance.

The Ministry of Commerce and Industry announced on December 18, 1959, that from that date all discrimination against imports from the dollar area was abolished. Although the business community and the press have generally welcomed this decision, it is recognized that it does not mean any important change in India's import policy. The former discrimination against dollar countries was largely formal in character and not significant in practice.

An increasing number of businessmen in the leading industrial countries seem to be discovering India. In travelling about the country today, one gets the impression that almost every manufacturer whose products are known on the international market has established or is discussing the possible establishment of a factory here, usually with Indian collaboration, either private or government.

Traffic to India Growing

The off-season discount in fares which once prevailed in passenger traffic to and from India is largely disappearing. A sea-passage outward, either eastbound or westbound, now must be applied for many weeks, if not months, in advance. The same holds true of airline reservations, despite the addition during the past year (1959) of three international carriers to the 12 which were already serving India, the advent last June of the *Comet* jet on the BOAC services, and the expected appearance early in 1960 of jets on both the Air India International and the Pan American services. Airline services within India itself are being expanded and internal railway and motor traffic is increasing rapidly.

It is now unwise for a foreign traveller to arrive in any city in India without a confirmed hotel reservation. On planes and trains and in hotels and clubs throughout the country, foreign languages other than English are increasingly heard and especially German, Japanese, French, Italian and the Scandinavian languages. English—including American and various Commonwealth accents—is, however, well to the fore.

All this reflects the fact that the industrialization of India is proceeding apace although it will probably be another decade or two before she achieves a self-sustaining economy. But if she gets the necessary capital and technical assistance from more industrially-advanced countries, her industrialization will be one of the great features of the second half of the twentieth century.

Industrial Production Rising

The estimate for the general index for industrial production for 1959 is about 149 (monthly average; base 1951=100) compared with an average of 140 in 1958. Comparable estimates for individual industries are not yet available. However, the really striking rises in capacity, in actual production, and in diversification taking place in most industrial fields are obscured by the fact that in the general index the textile industries, recently depressed, have a weighting of 48 per cent.

Certain industrial areas of Bombay, Calcutta, Madras, Bangalore, and New Delhi give the visitor somewhat the same impression as visits to the newer industrial areas of Montreal, Toronto-Hamilton, Edmonton or Vancouver. But the quickening of industrial expansion is not confined to the major Indian centres. New industries are springing up in many smaller cities throughout the country. At Bareilly in the north, for example, India's first synthetic rubber plant is to be established at a cost of Rs.160 million ($32 million) as a joint project of an Indian firm and a U.S. rubber company.

Steel and Aluminum

The year 1959 has been a notable one for the steel industry. The first units of the three great plants being built by the Hindustan Steel Co. Ltd., (an agency of the Central Government) at Bhilai in Madhya Pradesh, at Rourkela in Orissa, and at Durgapur in West Bengal, with financial credits and

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technical assistance from Russia, from Germany and Austria, and from the United Kingdom respectively, were commissioned. At Bhilai in December the ammonium sulphate plant, billet manufacturing plant, and a second blast furnace went into production. At Rourkela the slabing mill and the L.D. processing plant were commissioned in the same month and on December 29, the plant at Durgapur was formally opened by President Rajendra Prasad.

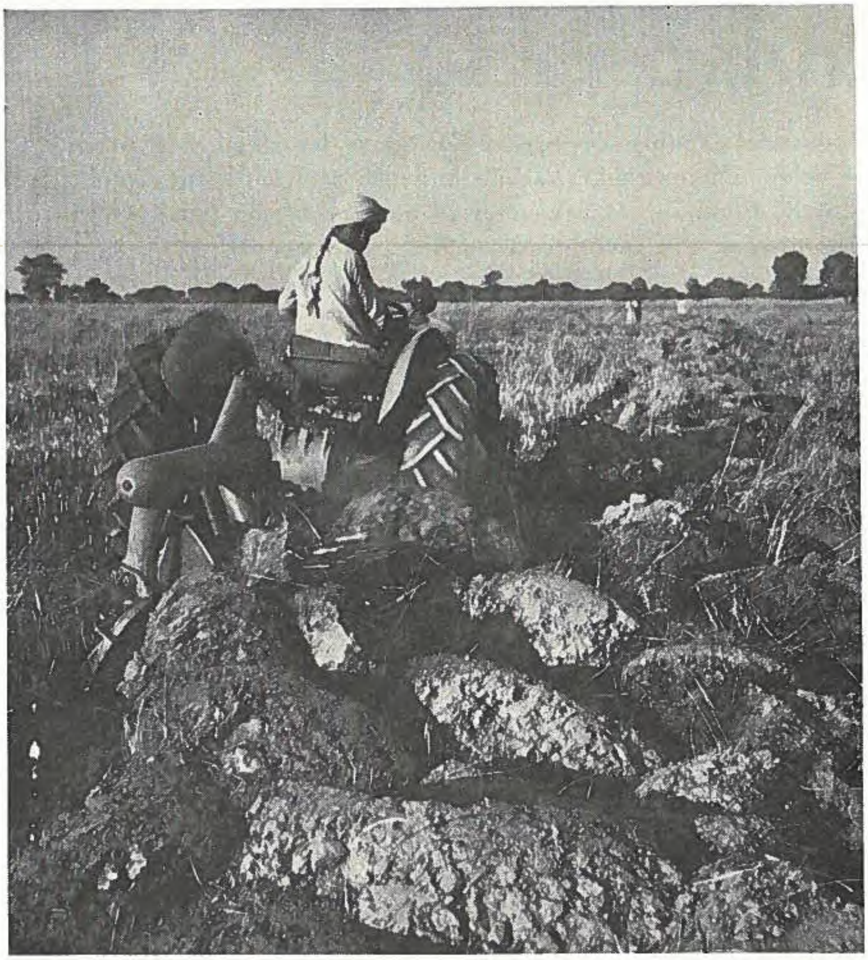
The three older steel plants (the Tata Iron and Steel Co. Ltd., at Jamshedpur in Bihar; the Indian Iron & Steel Co. Ltd., at Burnpur, West Bengal; and the Mysore Iron & Steel Works in Mysore) all completed expansion plans in 1959.

When these new units and expansions are operating at capacity, their production will be approximately as follows (the figures in brackets give previous production):

	(millions of tons)	
Bhilai	1.00	(0)
Durgapur	1.00	(0)
Rourkela	1.00	(0)
Total for new plants	3.00	(0)
Tata Iron & Steel Co. Ltd.	2.00	(0.90)
Indian Iron and Steel Co. Ltd.	0.9	(0.50)
Mysore Iron & Steel Works	0.10	(0.03)
Total for older plants	3.0	(1.43)
TOTAL	6.0	(1.43)

A fourth large steelworks is being considered for the Third Plan—a plant to produce 40,000 tons (25,000 tons of saleable steel) of tool and other special steels. Tata's has also applied for a licence to establish a similar plant with a capacity of 100,000 tons (65,000 tons of saleable steel).

In February 1959 the Indian Aluminium Company increased the capacity of its smelter at Hirakud from 10,000 to 20,000 tons and later in the year this Canadian-Indian enterprise completed plans for a further expansion of its production facilities. It has pioneered in the production of aluminum in India and is by far the most important producer. The three largest U.S. producers of aluminum are also taking an active interest in India and two of them have announced plans for entering the field.


Stepping up agricultural production has become a crucial problem in India as her population increases. One attack on this problem is the teaching of modern farming methods. Here a farmer in the Terai area uses a tractor to plough deep into the soil.

Hydro-Electric, Atomic Power

One of the most serious impediments to India's industrial progress is the power shortage. The Second Plan provided for the addition of 3.5 million kw. during 1956-61 to the approximately 3.1 million kw. of total installed capacity at the beginning of that period. It is now expected that because of foreign exchange deficiencies, there will be a shortfall and that total capacity will not exceed 6.4 million kw. at the end of Plan Two.

Under the Colombo Plan, Canada has assisted in the supply of electricity by contributing to the construction of new generating plants at Mayurakshi in West Bengal State (4,000 kw.) and at Umtru in Assam (7,500 kw.). During the first half of the current year (1960) the first stage of the new Hydel station at Kundah, in Madras State, (145,000 kw. first stage), which is also a Canadian Colombo Plan project, will come on stream for the Madras Electricity Board.

The Water and Power Commission of the Central Government has numerous other hydro projects to be started when it has the necessary financial resources and the Canadian Government may possibly take up one or more of these as part of its Colombo Plan contribution.

Construction of the Canada-India experimental reactor at Trombay, (a few miles from Bombay), is making good progress; this is a joint project of the Canadian and Indian Government atomic authorities under the Colombo Plan.

Although no final decision has been taken, it is understood that India's first commercial atomic power plant will be established within the next year or two, probably near Ahmedabad in north Bombay State.

The Third Five-Year Plan

Much thought and discussion were devoted during 1959 to the Third Five-Year Plan that will begin in April 1961. The estimate of total expenditure over the five years is rupees 100 billion (or $20 billion). The foreign exchange included in this total is rupees 20 to 30 billion (or $4 to $6 billion). Opinion in private industrial circles at first considered the target too high but lately it has swung round to the Government's view that these figures are the minimum desired. It is possible that both the size and the pattern of the Plan, but especially the latter, may have to be modified in the light of defence needs if relations with Communist China deteriorate.

Agricultural Production

Agricultural production improved in the crop year 1958/59 over the previous year, as shown by the following table:

	1957-58	1958-59
	(in million tons)	
Total foodgrains of which:	62.5	73.5
Wheat	7.7	9.7
Rice	24.9	29.7
Other cereals	20.4	21.9
Pulses	9.5	12.2

Production of commercial crops also improved on the whole in 1958-59. Raw jute output totalled 5.18 million bales as against 4.05 million, sugar cane 7.2 million tons (6.9), and oilseeds 6.9 million tons (6.1). Agricultural conditions during the autumn of 1959 were generally good and it is expected that the final figures will reveal good results, especially for rice and for plantation crops such as tea, rubber and coffee.

Food Shortage Discussed

The food position continues to be difficult in some respects. Despite the appreciable increase in production, the price of both wheat and rice increased markedly in many parts of the country and at various periods. The Government's policy of encouraging co-operative farms and state control of the trade in foodgrains has aroused both strong criticism and strong support. However, the criticism became so vocal by late August 1959 that Shri Ajit Prasad Jain, Minister of Food and Agriculture, resigned.

The publication of the report sponsored by the Ford Foundation on *India's Food Crisis and Steps to Meet It,* prepared by a team of 14 American agricultural experts assisted by India's own specialists, was an outstanding event. Among the opinions expressed in the report was that the target for foodgrain production by the end of Plan Three (or 1965-66) must be raised to 110 million tons from the 73 million tons in 1957-58. By that time the population will total about 480 million. To achieve that target, the *rate* of increase of production must be trebled. If production rises no faster than at present, the gap between supplies and target will reach 28 million tons by 1966. The team believed that no "conceivable program of imports or rationing can meet a crisis of this magnitude".

Taken out of context, these opinions are perhaps unduly alarmist. But the population pressure on food supply is going to present a critical problem unless agricultural productivity is increased. Among the remedies suggested is massive application of fertilizers. Domestic fertilizer production is to be expanded but imports are likely to rise also.

The establishment of a wheat reserve of five million tons within the country (with the aid of one or more Western countries with a wheat surplus) is being considered as a safeguard in case of drought or flood and as a defence against price rises in wheat and rice whenever rumours of scarcity become current. One of the difficulties in maintaining such a reserve is the lack of adequate storage facilities.

Meanwhile, a further movement of U.S. wheat to India under the latest P.L.480 agreement has begun. The agreement was signed between the two countries in November 1959 and provided for the supply of three million tons of wheat against repayment in rupees.

Trade Picture

The following table shows the trend of India's foreign trade in 1957, 1958 and the first seven months of 1958 and 1959.

Canadian total exports to India rose from $29 million in 1957 to $79 million in 1958, making her Canada's fifth export market. Our imports from India totalled $29.2 million in 1957 and $27.7 million in 1958.

Our sales to India during the first nine months of 1959 reached

	January to December		Seven months ended July	
	1957	1958	1958	1959
Exports	6,377.4	5,705.6	3,116.5	3,135.6
Re-exports	51.1	84.0	46.5	38.1
Total exports	6,428.5	5,789.6	3,163.0	3,173.7
Imports	10,258.2	8,641.8	4,568.4	5,090.3
Balance of trade	– 3,829.7	–2,852.2	–1,405.4	–1,916.6

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only $37.3 million as against $59 million in the first nine months of 1958. The fall of $21.7 million was due mainly to a decline of nearly $20.9 million in sales of wheat, and to the fact that the large sales of railway rails (Can.$4.5 million) and of aircraft ($2.2 million) which took place in the first half of 1958 did not recur in the similar period of 1959. Imports from India during the first six months of 1959 rose slightly to $14.6 million, as against $13.4 million in the same period of 1958. ●

Pakistan

Successful efforts to increase exports, plus a good wheat harvest, are improving the foreign exchange position. Control of imports will continue to be necessary; this limits Canadian sales apart from Colombo Plan shipments.

L. A. CAMPEAU, *Commercial Secretary, Karachi.*

WHEN the new regime in Pakistan took over in October 1958, it undertook to rehabilitate the economy by earning more foreign exchange to wipe out the deficit in the balance of payments. Deficits in 1957 and 1958 were the result mainly of a deterioration in the terms of trade, difficulty in disposing of Pakistan's main export crops (raw jute and cotton), and large imports of foodgrains. The new regime took on the task of reorganizing import and export trade, and helping those industries and businesses that have a direct influence on the foreign exchange situation. A land reform limiting individual holdings and a rehabilitation program to provide housing for refugees were also initiated. Furthermore, an Investment Promotion Bureau was created to attract private foreign investment, with the assurance to private foreign capital of repatriation privileges for profits reinvested in approved enterprises. Inflationary pressure eased, however, in 1959 because of a vigorous drive to step up national production, to check profiteering and hoarding, and to encourage voluntary saving through a campaign to popularize austerity.

The introduction of an export promotion scheme in January 1959 brought an increase in exports during the first six months of last year. The scheme entitled exporters of goods other than raw jute and cotton, hides and skins, wool, rice and tea to receive foreign exchange for certain imports. The most important producers that the scheme is trying to help are those turning out jute and cotton manufactures. It has certainly raised shipments of cotton textiles, fish and such commodities as cotton waste, gunnies and resins, aluminum utensils, embroidered goods, cotton thread, etc. Exports of both cotton yarn and piecegoods have increased about 60 per cent. Exports of minor commodities like eggs from East Pakistan also received an impetus and earnings from these sources have risen significantly.

Import Policy Changed

The import policy is linked with the national effort to achieve solvency by stepping up production in agriculture and industry. Pakistan's foreign exchange reserves have risen slightly, so some relaxation of import restrictions has been possible. Some 201 items may now be imported under licence. The new import policy, which was announced this summer for the period July-December 1959, restored some of the consumer items that had been taken off the licensable list for the last period. The basis on which licences are granted is determined by the licensing authorities according to the foreign exchange that is allocated for different items. A new licensing system came into operation in Karachi on January 1, 1960, and will be extended to the provinces later if it proves satisfactory. The procedure envisages the issuing of licences within hours of the announcement of the import policy of the Government. In future this will be published once a year instead of every six months.

Some of the main commodities that can be imported under the export bonus scheme that entitles certain exporters to import licences and that are of interest to Canadian exporters include: arms and ammunition; chemicals, drugs and medicines; automotive vehicles and parts; scientific and surgical instruments; non-ferrous metals; tools, hardware; electrical apparatus and appliances, refrigerators and air conditioners; office machines; tractors and agricultural implements; newsprint; photographic film; optical lenses; barley, malt; raw and synthetic rubber; fountain pens and parts; nylon yarn and twine; aircraft; glues; plastic wrapping film; pigment and dry colours, and thermoplastic moulding compounds.

Development Plans

External economic aid has continued to play an important part in the economic development of Pakistan. To June 30, 1959, foreign economic aid totalled about $1 billion, or almost 17 per cent of the total public expenditures on development since the start of the Colombo Plan in 1951. Roughly 10 per cent of this has come from Canada.

Five Year Plan

The First Five Year Plan has finished its fifth and final year and the Pakistan Government is now concerned with the Second Five Year Plan which begins this year. It envisages an expenditure of about Rs.19,000 million, compared with Rs.10,800 million for the First Plan. Almost half of this amount is to be assigned to the development of agriculture, water and power and to village aid. About 29 per cent of the total outlay is expected to go to the development of water and power alone and this in itself will help agricultural production. Communications will also receive attention; included are rehabilitation of the railways and expansion of civil aviation. External assistance necessary for carrying through this Second Five Year Plan is estimated to total about Rs.7,500 million, or Rs.1,500 million per year.

Wheat and Rice

Wheat—West Pakistan had a good wheat harvest, better than in many of the previous years. Production in 1957-1958 totalled 3.65 million tons, and in 1958-1959 it reached 3.86 million, an increase of 200,000 tons or 5.7 per cent. Imports of foodgrains had to be continued to meet shortages in both wings of the country. Negotiations on building up wheat reserves have been going on with other governments and Pakistan is considering a new wheat policy that might result in the abolition of wheat rationing. It has been estimated that the country must have a running reserve of about 500,000 tons of wheat to guard against any possible shortfall in supplies. The feeling is also that if large stocks are available, this fact will restore confidence in case of rising prices.

Rice—Production during 1958-1959 amounted to 7.9 million tons against 8.5 million the previous year. However, reports indicate that in spite of flood damage, the crop on the whole may turn out to be normal. The Central Government has been examining its policy on imports of rice. With effect from December 1, 1959, the private trade can purchase and export the superior varieties of rice on its own account but the Government exercises control over the quality being exported. Pakistan has so far earned a good deal of foreign exchange from the sale abroad of superior quality rice. The central and the provincial governments are therefore taking special care to ensure that the quality is maintained, as prospects for further exports appear bright.

Foreign Trade

The principal exports from Pakistan are raw materials—jute, raw cotton, raw wool, hides and skins, and tea. These used to make up about 95 per cent of total exports but the percentage is now down to about 85, with manufactured goods accounting for about 10 per cent. This is one result of a broadening of the economy in recent years, plus the impetus given to manufactured goods under the export bonus scheme. It is interesting to note that jute yarns and manufactures account for almost 75 per cent of total exports of manufactured goods.

In the calendar year 1958, Pakistani exports totalled Rs.1,416.9 million; in the first six months of 1959 they reached Rs.671.7 million, compared with Rs.763.2 million during the corresponding period of 1958. The decrease in the first half of 1959 was due to the fact that raw cotton and raw jute exports have been declining. In fact, the fall-off would have been greater had it not been for larger exports under the export bonus scheme of some Rs.122.0 million, or roughly $24 million. Chief customers were the United Kingdom, the United States, Japan, France, Federal Republic of Germany, Belgium, Luxembourg, Italy, India and Communist China.

In 1958, imports totalled Rs. 1,887.7 million—Rs.941.6 million on private account and Rs.946.1 million on government account. During the period January-June 1959, imports amounted to Rs. 720.9 million, a decrease of Rs. 296.8 million from the same period in 1958. Principal imports were grains, machinery, iron and steel, vehicles, oils, chemicals, drugs and medicines. Chief suppliers were the United States, the United Kingdom, West Germany, Japan and India.

Trade with Canada

Canadian sales to Pakistan in recent years have increased from Can.$10.5 million in 1956 to Can. $15.4 million in 1958. During the first seven months of 1959, they reached Can.$11,075,781 compared with Can.$10,383,573 for the same period in 1958. The above figures include materials supplied by Canada under the Colombo Plan; these represent between 85 and 90 per cent of our total sales to Pakistan. No breakdown of straight commercial transactions is available but the principal items were contractors' outfits, wheat, wood pulp, structural steel, steam engines, paper-mill machinery, transformers and parts, files and rasps, aircraft, automobiles and parts, trucks, cranes, derricks, hoists, copper and aluminum, drugs and chemicals, and a wide variety of commodities in lesser amounts.

Imports into Canada from Pakistan in 1958 totalled Can.$476,697 compared with Can.$503,690 in 1957. Jute and jute butts were the leading items, followed by sports goods, raw cotton, raw wool, waste and surgical instruments. Because of an effective trade drive, figures for the first half of 1959 show imports into Canada from Pakistan at Can.$613,870 against Can. $292,488 in 1958—or a 110 per cent increase over the same period in 1958.

It is difficult for Canadian exporters to increase their share of the Pakistan market because of the strict import control and strong European and Japanese competition. Although the foreign exchange situation has improved recently, it will remain difficult for some time to come. The only channels of trade offering increased possibilities are indenting and government tenders, which are big business in Pakistan (50 per cent of total imports). An agent is necessary, however, as direct offerings are seldom accepted.

Outlook

The year 1960 may bring an improvement in Pakistan's foreign exchange position, with an expected increase in exports of tea, fish, jute manufactures and cotton textiles, coupled with the hope of a substantial rise in jute and cotton exports. Although the drain on foreign exchange reserves has been reduced and the economic situation has certainly improved, business will continue to face many problems. The increase in export earnings has not been important enough to warrant great optimism and it is too early to judge the impact on industrial production and on economic conditions in general. As exports increase, the trend is to cut imports of some goods that can be produced locally. ●

Ceylon

Canadian commercial sales to island should rise, as development plans bear fruit. Opportunities also appearing for Canadian firms to offer engineering services or to share in growth of private industry.

I. V. MACDONALD, *Commercial Secretary, Colombo.*

THREE hundred million dollars—that is the amount the island of Ceylon spent on imports during the first nine months of 1959, with purchases from abroad up by almost 30 per cent above the corresponding 1958 period. Largely neglected by Canadian exporters because of its small size and remoteness, Ceylon is in fact one of the more promising markets in the Far East. Per capita income is already high by Asiatic standards, there is little import control, foreign exchange is readily available, and present plans for increased food production and industrial development will further enhance market prospects for western products. Canadian firms could participate more in the economic development of this sister Dominion.

Canada's Trade with Ceylon

At present, Colombo Plan shipments comprise the greater part of Canadian exports to Ceylon. However, normal commercial exports rose by a substantial percentage during 1959, with larger sales of newsprint, asbestos, tools, pharmaceuticals, malt and sparkplugs. These products—with canned fish, clocks and medicines—account for most of the million dollars' worth of current private Canadian sales to this country. Canada has become a major customer for Ceylonese produce (chiefly tea, coconut oil, rubber and desiccated coconut) and ranks fourth among her export markets after Britain, the United States and Australia. As a purchaser of our goods, however, Ceylon comes well down on the list.

The outlook for improvement in Canadian commercial exports to Ceylon seems good. Industrial and consumer demand for Western products and services is increasing. Assuming stability in prices for tea, rubber and coconut oil (tea and rubber earnings are especially important) and sound government fiscal and economic policies, the present rise in Canadian sales should continue. However, Ceylon is a selective market for Canadian industry and our exporters face several disadvantages, particularly the relatively high shipping costs and adaptation to U.K. standards. Other points to consider in approaching the Ceylon market are: suitability of products for a tropical climate; terms of payment (favourable payment terms could be decisive); medium and long-term financing for large transactions; import duties (they range from very low to very high); tariff preferences; competition; whether there is local production, and the possibility of a licensing agreement where export sales are not practicable. In addition to commodity exports, Canada is in an excellent position to offer engineering and consulting services for the development of Ceylonese basic and secondary industries. Already Canadian firms have taken part in hydro-electric schemes, communications, paper production, aerial surveys, etc., both privately and under the Colombo Plan. With this introduction, further contracts should be easier to obtain.

Trade Opportunities

The United Kingdom is well entrenched as Ceylon's first trading partner and in 1959 increased its exports to the island substantially. Simultaneously Ceylonese imports into Britain dropped, to give a favourable balance of trade for the U.K. Other countries making gains in the Ceylonese market during 1959 were India, Burma, Germany, Egypt, Australia and Canada. Japan, France and Communist China sold less in 1959; rice shipments from the latter to Ceylon are scheduled to decline further under the 1960 barter agreement, largely because of competition from Burma. Ceylon's imports consist chiefly of transport equipment (10 per cent), textiles (10 per cent), rice (9 per cent), machinery (6 per cent), fish (5 per cent), fruit and vegetables (5 per cent), dairy products (4 per cent), chemicals (4 per cent), fertilizers (3 per cent), electrical apparatus (3 per cent), and a wide variety of other manufactured goods.

In addition to the Canadian products and services mentioned above, the following might find a market in Ceylon:

Synthetic resins, wallpaper, wood pulp, outboard motors, refractory bricks, toys, commercial fishing and fish-processing equipment, fresh apples, milk powder, boat kits, aluminum (semi-fabricated), paint components, sauces, commercial refrigerators, asbestos products, air conditioners, fiberglass, scientific instruments, power lawnmowers, packaging materials and equipment, fertilizers, sulphur dusting powder, automobile repair equipment, potash, oilcloth, acetylene black, canned foods, vinyl film, and various other industrial raw materials and consumer goods.

Canadian exporters who have been successful in other Far Eastern markets are likely to find similar opportunities in Ceylon.

Import Regulations

Import control no longer discriminates against the dollar area and does not play an important part in determining the extent or the nature of Canadian exports to Ceylon. It is applied from time to time to create a government trading monopoly or to protect infant local industries in the absence of dumping duties. "Ceylonisation", on the other hand, affects the *channels* of trade and was introduced to assist new Ceylonese firms to compete with the older established British and Indian companies. A firm is considered officially as Ceylonised when the majority of owners and directors are Ceylonese citizens or, for a public company whose shares are quoted in Ceylon, when the majority of directors are Ceylonese. Although most former British trading companies have elected for Ceylonisation, a few major firms have not yet complied with the requirements and are therefore restricted to their traditional sources of supply and trade volume.

"Registered Ceylonese traders" may import from dollar sources freely but "non-national established importers" must obtain individual licences. These, however, are granted almost automatically for their traditional dollar imports. Non-Ceylonised companies are not permitted to import from Germany, Japan, the U.S.S.R., Communist China, Czechoslovakia, Taiwan, Hungary, Austria, Bulgaria, Poland, Romania, Spain and Yugoslavia. Trade with these countries is confined to registered Ceylonese traders, who are also granted concessions to deal in certain specified products. Despite the efforts of the Government and registered Ceylonese traders, imports from Ceylonised countries and of Ceylonised goods in 1958 constituted only 16.5 per cent of the total. For Canada, Ceylonisation does not affect primarily established trading relationships but does prevent new agencies being placed with non-Ceylonised companies and new types of exports being sold through established non-Ceylonised connections.

Industrial Development

Ceylon's rapid population growth (present population 10 million), dependence on imported foodstuffs, and vulnerability to any fluctuation in export earnings demand an intensive program to stimulate food production and industrial development. Colombo Plan and other foreign aid has made a notable contribution in this direction, but there is a wider scope for voluntary co-operation

CANADA-CEYLON TRADE

	9 months ended September 1958	9 months ended September 1959
	(in Canadian dollars)	
Canadian Exports of which:	4,879,294	4,414,307
Flour	3,680,029	3,290,028
Newsprint	216,500	372,736
Asbestos	59,602	130,243
Files and rasps	20,900	73,983
Sparkplugs	57,686	65,036
Automobile parts	73,291	59,673
Drugs and chemicals	3,457	41,189
Medicinal preparations	7,757	7,288
Malt	6,956	15,582
Cereals	9,729	15,176
Clocks and parts	24,451	19,689
Canned fish	11,495	4,064
	8 months ended August 1958	**8 months ended August 1959**
Canadian Imports of which:	8,019,124	9,596,750
Tea	5,280,212	5,193,756
Coconut oil	935,886	2,445,444
Desiccated coconut	308,080	304,191
Rubber	1,391,340	1,550,338

between overseas industrialists and private business in Ceylon. An aggressive and imaginative policy to attract Commonwealth industry to Ceylon would benefit the country and do much to eliminate unemployment, an important cause of recent social unrest.

If suitable guarantees and incentives are forthcoming, Ceylon offers Canadian firms an opportunity to get in on the ground floor in an expanding Commonwealth market with a potentially bright industrial future. The Government supports new manufacturing projects with assisted financing, plant sites, tax concessions, research facilities and a possibility of generous protection through tariffs and import control. The country itself offers low-cost and adaptable labour, a co-operative business community, congenial surroundings, and access to other Far Eastern markets through good shipping connections. Although there is no organized capital market in Ceylon, Canadian companies wishing to arrange local participation in a branch-plant venture could make a public share offering or come to a private agreement with Ceylonese interests. Businessmen in Ceylon are keen to co-operate with overseas firms and are officially encouraged to do so. Participation by Canadian manufacturing and engineering firms in the Ceylonese economy would mean also an increased flow of Canadian exports.

Nationalization

The present Government of Ceylon during its three years in office has nationalized port services and road transport. It does not appear to have plans for extending nationalization into industry or agriculture. The late Prime Minister Bandaranaike stated that the tea and rubber estates would not be nationalized for at least another ten years. Even then, the Government would have to consider whether the estates would function more efficiently under its ownership. Support for the nationalization movement appears to be declining steadily, although it is still mentioned in the platforms of several political parties. The Government, however, sponsors and participates to a certain extent in new industrial undertakings, some of which are wholly government-owned and others jointly owned with private companies. The Government has also been active in the import trade but has confined itself to rice, flour, sugar, Maldive fish and dhal. Government control of fish and dhal is now being relaxed.

These attractive Ceylonese girls are hard at work harvesting paddy. Ceylon grows rice primarily to feed its own people and also has to import additional supplies.

Ten Year Plan

An ambitious and comprehensive plan to accelerate economic development in Ceylon has been drawn up by the National Planning Council for the ten-year period 1959-1968. This plan touches on almost all aspects of Ceylonese industry, agriculture and fisheries. It is to be carried out partly with foreign aid, including Canadian Colombo Plan contributions. The basic objective is to ensure a greater rate of increase in national income than in population. Total public and private investment is estimated at almost $3 billion; this assumes a much greater inflow of foreign capital both to the private and public sectors. The Ten Year Plan offers Canadian consultants, exporters and manufacturers excellent prospects to initiate or increase earnings in this market in hydro-electric and irrigation schemes, industrial undertakings, mechanization of fisheries, fertilizer production, professional services, transport equipment, construction, various engineering lines, food packing and port improvement. Although the Plan is comprehensive, it does not set a limit on the range of industrial development.

Concurrent with the Plan, it is hoped to establish a Development Savings Bank, an institution conceived in Ceylon to mobilize investment funds from all classes of society. It would combine these with additional financing to enable the politically important low-income groups to have a direct stake in the development of the private sector. This ingenious device "to promote economic development and social justice in Asian countries within a framework of democracy" is called in Ceylon the Loganathan Plan (after its banker-author) and is supported by the International Chamber of Commerce.

Despite somewhat larger earnings from exports, Ceylon's balance-of-payments position deteriorated during 1959 because of a sharp rise in imports. The result was a Rs.122 million fall in foreign assets during the first nine months, bringing the value of external assets as of September 30 down to Rs.761 million. The decline reflects in part increased inventories of imported foodstuffs. Ceylon's international borrowing capacity remains good and at present only a very small percentage of export earnings is employed to service the modest foreign debt.

The deterioration in the business environment in Ceylon following the 1958 race riots and other political disturbances now appears to be halted. With a growing awareness throughout the island of the urgent need for harmony and for the creation of an attractive investment climate, the hope is for an atmosphere that will favour economic development and industrialization. This development should offer greater opportunities for Canadian exporters—opportunities that should be fully and quickly exploited. ●

Commodity Notes

Coal

JAPAN—Five Japanese steel mills have announced their decision to import about 55,000 tons of Canadian coal during the first quarter of this year, in addition to the 110,000-ton contract covering 1959—Tokyo.

Cobalt

BELGIAN CONGO—The price of cobalt has dropped lower than at any time since 1949, following the end of U.S. stockpile purchases. The Belgian Congo in 1958 continued to be the largest producer of cobalt in the world with 6,497 metric tons, 48.5 per cent of total world production outside the Soviet Bloc.

Demand began to improve with the ending of the recession and the 12.5 per cent price cut of February 1959. In the first half of 1959, exports of cobalt alloys dropped to 2,043 metric tons, compared with 2,515 in the first half of 1958. Exports of cobalt granules for the half-year rose from 1,935 metric tons in 1958 to 3,431 in 1959—Leopoldville.

Coffee

CUBA—To benefit growers, new regulations have been issued entrusting purchase and export of the 1959-60 coffee crop to the government-owned National Institute of Agrarian Reform (INRA). INRA will pay coffee holders $27.35 per 100 pounds for "natural, extra type" coffee, having less than 12 per cent moisture content, packed, free alongside truck at hulling plant or warehouse, and $46.00 for "washed" coffee. It will henceforth be the sole purchaser of washed coffee.

Production of washed coffee from the coming crop is expected to exceed 12,500 tons. This, added to last year's surplus, will provide a substantial quantity for export—Havana.

Copper

PERU—The first exports of copper bars from the mines at Toquepala in southern Peru are expected to be made this month. The installations at the mine, the smelting plant and the port of Ilo are almost complete. The Southern Peru Copper Co. has already invested U.S.$240 million in the various projects, of which U.S.$115 million was provided by the Export-Import Bank. The mines contain an estimated 1,000 million tons of copper with an ore content of 1.1 per cent—Lima.

Guar

UNITED STATES—A new plant was opened recently in Charleston, South Carolina, by Stein Hall Southern, Inc., to process guar, a gum extracted from seed grain in India and Pakistan. Guar is used in a number of important industries, including paper manufacturing, mining, textile and food processing. The $800,000 plant and warehouse were built as part of the South Carolina Ports Authority's $21 million expansion program and are leased to Stein Hall on a self-amortizing

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basis. Stein Hall also will import a wide range of products, including burlap, latex, tapioca and sago flours, natural gums, tea, potato starches and dextrines —New Orleans.

Iron and Steel

TURKEY—In December, 1959, three U.S. firms—Westinghouse Electrical International, the Blaw Knox Company, and the Koppers Company—signed a letter of intent for construction of a $144 million steel mill at Eregli on the Black Sea coast, near Turkey's largest coalfield. Initial annual output is expected to total about 300,000 tons of iron and steel sheets and some tinplate; this will ultimately be boosted to one million tons.

Italian investors have reportedly agreed with a big Istanbul company to set up an iron and steel works at Edremit on the Marmara coast. The blast furnace would be electrically fired and iron ore would come from established nearby mines. Estimated annual output is 100,000 tons of concrete reinforcing bars and profiles; construction is expected to begin later this year. It is estimated that 1960 output at the state-owned Karabuk plant will total roughly 200,000 tons of rolled products. Expansion—financed by a $14.5 million DLF credit—should up this to 300,000 tons and eventually to 480,000—Athens.

Methanol

AUSTRIA—A new plant to produce methanol, to be constructed east of Vienna at a cost of approximately Can.$1.2 million, is scheduled to be completed by the end of 1960. The methanol is to be derived from natural gas and the plant is intended to make Austria's production of formaldehyde independent of imports—Vienna.

Particle Board

FINLAND—Softwood particle board made by gluing long, flat chips with synthetic resins under heat and pressure is a new product of Jäykkälevy Oy. This porous but rigid board is suitable for supporting and insulating surfaces in buildings.

The company also produces plastic-surfaced particle board to be used for decorative walls, etc., and for concrete shutterings. In the latter, the edges of the board are treated with tar products. In normal use the board retains its shape under all atmospheric conditions—Stockholm.

Power Fishing Boats

INDIA—The Maritime State Governments of India have launched programs for mechanizing local craft and improving the design of fishing boats. During the last five years, new designs for mechanized fishing boats have been developed in the states of Bombay, Mysore, Kerala, Madras, Andhra, Orissa and West Bengal.

At present, about 1,300 powered fishing boats, ranging in length from 20 to 40 feet, are in operation. The mechanization has enabled fishermen to fish waters previously inaccessible, to save time going to and from the fishing grounds, and to fish for long hours—Bombay.

Tractors

BRAZIL—The Chairman of the Automobile Industrial Executive Group (GEIA) said recently that the decree creating the National Agricultural Tractor Industrial Plan was ready for President Kubitschek's signature. The plan provides for mass production by a limited number of manufacturers. At first a minimum of 60 per cent by weight of the parts will be made in Brazil; this will be raised to 85 per cent by June 1961. The tractors will be fitted with engines with an initial Brazilian parts content of 60 per cent. Their cost is expected to be lower than that of similar products imported and paid for through the "General Category" exchange market. To facilitate sales, four-year loans will be made available by the Banco do Brasil—Sao Paulo.

Venison

NEW ZEALAND—An increasing trade in deer meat is forecast by a West Coast company which hunts and packs deer for North American and European markets. Present shipments amount to approximately 10,000 pounds per month; plans call for an immediate expansion to 16,000 pounds and exports of 80,000 pounds per month within one year. Six permanent deer hunters operate in areas inaccessible to vehicle traffic but close to aircraft landing strips. The meat is to be flown out to packinghouses on the coast. Deer have become a serious menace to the forests and are regarded as a pest—Wellington.

Wool

NEW ZEALAND—New Zealand's wool production in the year ended March 31, 1959, set an all-time record at 540 million pounds (greasy basis), 9 per cent higher than the preceding year's record of 496 million pounds. This achievement is in line with the steadily increasing amount of wool produced over the past eleven years —from 362 million pounds in 1948 to the present 540 million, an increase of 33 per cent.

The over-all average price per pound of greasy wool sold at auction during the past year was 36.07 pence, a decrease of over 5 pence from the previous year and the lowest price in ten years. Despite the higher production, the crop had a value of only £81 million against £85 million the previous year and £112 million in 1956-57. The sheep population of New Zealand has increased from 32.5 million in 1948-49 to 46 million last year—Wellington.

These top London models gave added attraction to the Canadian-made dresses they paraded before a standing-room-only audience at the Washington Hotel in December.

Montreal Invades the London Market

A group of Montreal dress manufacturers lost no time in cultivating British merchandisers when U.K. barriers to imports were removed late last fall. Their initiative paid off in immediate sales.

H. H. STEIN, *Executive Director, Montreal Dress and Sportswear Manufacturers Guild, As told to O. Mary Hill.*

HOW long does it take to make sales in a market long closed to Canadian products when once again the doors swing open? "Twenty-three days," says H. H. Stein, executive director of the Montreal Dress and Sportswear Manufacturers Guild. Guild members can produce orders from British buyers worth more than $200,000 to prove it.

On November 9, 1959, the United Kingdom Government removed import restrictions on a variety of products from the dollar countries, including most textiles and clothing. On December 2, twenty-three days later, eight Canadian firms played host at a showing of Montreal-made dresses, blouses, skirts, slacks, separates, co-ordinates and maternity wear at the Washington Hotel in London's Curzon Street. The result: a trip that was undertaken largely to explore the market and study the changes that two decades had wrought became a sales success.

Preparing in Haste

Hard on the heels of the announcement of the U.K. relaxation, the Guild called a meeting of its members. Representatives of 35 firms turned up to discuss a possible descent upon Britain before the spring-and-summer buying season ended. The obstacles loomed large. Few of the manufacturers felt that they could prepare lines for showing abroad at such short notice. Transportation, accommodation, publicity, models, a co-ordinator and commentator for the show—all these would have to be secured without delay. But under Guild sponsorship, eight of the members decided to chance it. While their workrooms rushed the making-up of the chosen garments, the Guild officers sought the advice and help of the Department of Trade and Commerce in Ottawa and of the Commercial Division of Canada House in London. In Montreal a press release and a mimeographed letter inviting London buyers to a fashion presentation on December

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2 were prepared and sent off to Canada House, which was busy drawing up an invitation list. Dispatching of the clothes by air freight was arranged for November 27; Canada House advised the forwarding agents and the U.K. Customs office at London Airport of the need for haste in clearing the shipment. Eight display rooms and a salon for the showing were reserved at the Washington Hotel.

The Canadian delegation, still slightly breathless, arrived in London by air on the morning of November 27. By this time, the wheels were turning fast. Finding a commentator had proved simple. By chance the Guild had discovered that Elizabeth Hughes, a Montrealer with experience in fashion writing and fashion shows, was free-lancing in London. Over the transatlantic telephone, she had agreed to engage eight models and to act both as co-ordinator and commentator for the show. Canada House had sent out the letter of invitation to about 100 buyers and representatives of the press, radio and T.V.—there was no time for printing more elegant invitation cards. (Later the Canadians and the models added names to the invitation list.) The press release was distributed. The management of the hotel was persuaded to provide a larger room for the presentation; the manufacturers took possession of the display rooms and in the next day or two set up on racks (the British, they discovered, call them "rails" and this created some confusion at first) the approximately 1,000 garments that they had shipped over.

Wooing the Trade

At this point the most pressing problem was to persuade the British retail trade to come, see and buy. The season for viewing and ordering spring and summer lines was nearly over and most of the buyers, merchandise managers and jobbers had spent their allocations. They knew little about Canada's garment industry and what it could produce. Back in the 1930's the Canadians did a $5½ million business in foreign markets and the United Kingdom was a leading customer. Under the U.K. Token Import Plan instituted after the war when dollars were scarce, the quota for the entire Canadian industry, including outerwear and lingerie, was a mere $105,000 a year. Under these circumstances, few Canadian firms found it worthwhile to cater to the British market.

H. H. Stein, executive director of the Guild, which organized and presented the fashion show, talks with a buyer from Harvey Nichols, a leading London store.

In their three days in London before the showing, the eight firms combined promotion with fact-finding. They split up into ones and twos and went calling on important buyers and merchandise managers. In half-hour interviews they extended personal invitations to the showing and also discussed the requirements and preferences of the British customer. They emerged with useful information on buying seasons, on sizes, on tastes, and on the reaction to imports from the United States, their main competitor. They found that sizing was not the bugbear they had expected: although the British sell dresses by hip measurements, the trade was willing to accept North American sizing. They found that half-sizes and maternity wear were not emphasized by British manufacturers and that opportunities in these lines were promising.

The Show Is On

When the day of the fashion presentation arrived, most of the difficulties had been resolved, thanks to patience and ingenuity. One example was the runway for the models: it was made of the huge wooden blocks on which bakers knead bread, with beer kegs underneath to raise it to the proper height and covered with rugs and trimmed with fancy paper to disguise its plebeian origin. The time factor had dictated what type of clothes to present—not haute couture, but lower-priced garments retailing at from $6.95 to $13.95. Only this type could be made up quickly enough to meet the deadline for shipment.

Following North American custom, the Guild intended to serve cocktails to its guests at 11.30 a.m. and to put on the show about 45 minutes later. But by 11.15 the room was packed and the audience demanded the show first and the "pause that refreshes" later. The models, after a mad scramble, were ready at 11.45 and the 48 different numbers (six to each model), were smoothly displayed.

The Canadians had the impression that the buyers, to begin with, were distinctly blasé. But as the showing proceeded, they warmed up. Just as soon as the last model left the runway the manufacturers were bombarded with questions. Soon a queue was forming outside the display rooms upstairs to see the rest of the collection then and there, or to make appointments. Brisk selling marked the next few days; most of the Canadians intended to leave for home on December 5, but they stayed almost a week longer. When the orders were tallied, the Montrealers found that they had sold about 40,000 garments, even though the buyers had to ask for additional funds to purchase them. And as word of their presence—and of their presentation—spread among the trade, orders and inquiries began to come in from various provincial centres. Terms of sale were net ten days, Canadian funds, f.o.b. Montreal, shipment by air.

How British Reacted

What did the British like best about the clothes? One thing, says Mr. Stein, was the fabrics used and especially the "miracle" fibres, such as the drip-dry cottons. (Cottons, man-made fibres, woollens and blends were all included.) They liked the novel designs and the novel styling. The consensus was that the merchandise had both freshness and originality, plus a quality and finish unusual at the price. One trade journal remarked particularly on the dark-toned cotton sheaths. Mr. Stein comments that the British manufacturers, protected for many years from competition in the domestic market, have lacked incentive to introduce new fabric designs and to smarten up their styling. The British shopper, especially in the middle and low income groups, has begun to want something imported and "different". This worked in the Canadians' favour.

Not only United Kingdom buyers were represented at the show. A visitor from Amsterdam attended and bought some of the clothes, although her shop does not normally handle low-priced lines. A buyer from the Unilever chain of stores in West Africa arrived; so did two retailers from Wales. The latter were so happy with what they saw that they offered to pay for their orders before they were even shipped. An import house was so impressed with this introduction to the Canadian garment industry that one of its representatives left almost immediately for Montreal to do some prospecting on his own. He concluded two agency agreements there and is now busy showing a sample range in various British cities. He is pleased with the results.

The response to its "crash program" far exceeded the Guild's hopes. The eight manufacturers went over to reconnoitre the market but they appreciated the orders that they brought back. These will be delivered by March 15 and not until spring selling gets well under way will the Canadians learn the verdict of the British shopper. But already they are planning a larger promotion, possibly in May, not only in London but also in centres such as Liverpool, Manchester, and Leeds. With more time to prepare, they will be able to include low, popular and medium-priced lines. Those who pioneered in November all want to go again and they expect to be joined by many of their 220 fellow Guild members. At the moment, future plans are still in the making.

Beating the Competition

Mr. Stein and his companions on this trip have no illusions that it will be easy to achieve sales of, say, about $2 million to $3 million a year, the Guild's tentative goal. One hurdle is the customs tariff. Canadian garments made entirely of woven cotton or woven woollen fabric (the U.K. Customs interprets the word "entirely" very strictly) enter the United Kingdom free of duty; dresses and garments of synthetic fibres pay a duty of 27½ to 30 per cent, and those of pure silk, 30 per cent. The Guild naturally looks for the stiffest competition from United States manufacturers. In dresses or sportswear of cotton or wool, the tariff works against the U.S. manufacturers, who must pay a duty of from 17½ to 25 per cent on cottons and 20 to 25 per cent, roughly, on woollens. In silks and synthetics, the Canadians and the Americans both pay duty and at the same rates. However, the Guild members received the impression that the British like to place orders in Canada if they can get the same style and finish as the Americans offer. It keeps business within the Commonwealth.

Mr. Stein and those who accompanied him on this trip came home well satisfied with their initial foray into the British market. As Mr. Stein put it, "There seems no doubt at all that we can compete favourably for the market in the U.K. The manufacturers who participated in this first mission will be augmented by others at a later date, and the Montreal industry will continue to make a determined bid to develop a profitable export trade between Canada and the U.K. It is our belief, as evidenced by the orders obtained, that we have an excellent opportunity to compete with American and West European producers. Realizing the value of our merchandise, the up-to-date styling and superior workmanship, we are confident that we can obtain a major share of this export market."

Help for the Business Traveller

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

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

Advertising Abroad

In South Africa, **advertisers must take careful note of the country's racial groups and fit text and illustration to the group they want to influence.**

L. J. TAYLOR, *Assistant Trade Commissioner, Johannesburg.*

THE most important advertising medium in South Africa, with its population of 12 million Africans and three million Europeans, is the English-language newspaper. There are eight English morning papers and seven evening ones. These, with the three weekend papers, absorb over 50 per cent of South Africa's expenditures on advertising in the press. The English dailies have a large circulation among Afrikaans-speaking people who number about one-third of Johannesburg's evening-newspaper readers. There are two morning, two evening, and two weekend papers in Afrikaans, and though the advertising lineage per edition is comparable to the English papers, the Afrikaans group accounts for only 11 per cent of press advertising expenditure.*

South African newspapers are quite similar to Canadian. The type of ads they carry include prestige advertising of national and international brand-name products, with or without local dealer riders; informative advertising by retail stores, chiefly large department, chain and furniture stores; and small fillers.

In the smaller cities and towns a large number of twice weekly, thrice weekly, and weekly newspapers are published. Many of these are bilingual and a few are specifically for non-Europeans or for one ethnic group. Only a small percentage of advertising is placed in this section of the press.

Magazines

Periodicals and magazines are not as important as advertising vehicles in South Africa as in Canada; they receive only 15 per cent of the Union's annual expenditures on press advertisements. There are a number of women's magazines in Afrikaans, but there are only two South African magazines of any importance in English; these are printed on low-grade paper and so far take little account of the growing taste for colour advertising. The South African edition of the *Reader's Digest* has the largest circulation of any magazine in the Union. United Kingdom and United States periodicals have limited sales and are about equally popular. For the African, there are four "glossy" monthlies, two of which are in the major Bantu languages.

Considering the small white population, South Africa has a large number of well-produced trade publications that cover almost every section of industrial and commercial activity. Most of them have a good deal of advertising lineage and account for 10 per cent of the total expenditure for press advertising. They are a useful way of reaching the buyer of industrial and specialized equipment. Several trade directories, year-books and buyers' guides are also published every year. These too are of a high standard and devote much space to advertisements.

Radio

The South African Broadcasting Corporation (commonly known as the SABC and similar to the CBC) has a bilingual commercial service called Springbok Radio. The cumulative number of listeners per week is 1.4 million and Springbok Radio reaches 90 per cent of the Union's European population. The SABC also has a non-commercial service in Afrikaans and one in English. In nearby Portuguese East Africa, Lourenço Marques Radio reaches 250,000 South Africans, mainly in the rural areas, with its one medium-wave and three short-wave transmitters. Both commercial stations offer time for sponsored programs and spot advertisements.

About $3 million a year is spent on radio advertising—27 per cent for advertising medicinal and dental products, 25 per cent for food, drink and tobacco, and 20 per cent for toilet products. Sponsored programs account for 55 per cent and spot announcements for 45 per cent of radio advertising expenditure. Legislation limits to a maximum of 10 per cent the amount of air time

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*The writer is indebted for information in this article to four South African advertising agencies: Intam South Africa (Pty) Limited, J. Walter Thompson, Grant Advertising (Pty) Limited, and Van Zijl & Schultze Forsyth & Tredoux (Pty) Limited. The first three are affiliated with Canadian companies.

available for advertising on Springbok Radio.

Radio advertising is considered effective in South Africa and air time on both commercial services is usually fully booked. Seven firms offer the advertiser production services for commercial announcements and sponsored programs. The technique, format, and presentation of these programs are remarkably similar to those in North America.

Films

Television is still eagerly awaited by South African businessmen and to some extent film advertising in movie houses is a substitute. Movies here are not continuous; slides are shown for 15 minutes before the trailers, and after the trailers, slides and filmlets for another five or ten minutes before the feature. Nearly 40 per cent of the adult population goes to the movies at least once a week; they are therefore considered one of the best advertising media.

The conception and production of filmlets and slides are of a high standard; some large firms, for example, have sophisticated cinemascope films that run up to two minutes. Costs of production are low compared with other countries. Three big companies produce filmlets and contract for space in the 400-odd movie houses in the Union, as well as in other Southern and East African territories.

Billboards, Public Transport

Billboards, in 16, 32 and 48-sheet sizes, are used for advertising in non-European settlements and on the highways. Traffic on most South African roads is light by North American standards. Recreational motoring on weekends is not as popular as in Canada, especially in southern Transvaal which is the most densely populated area in the Union; hence there are few billboards or posters on the open highway.

Legislation closely controls the putting up of signs of any type; neon and other illuminated signs must be approved by municipal authorities. Most shops advertise by suspending signs from sidewalk arcades that protect shoppers from sporadic heavy cloudbursts during the South African summer.

Display placards inside buses and streetcars are not as plentiful as in Canada, though their use varies in different parts of the Union. Outside panels are used more frequently but advertising on public transport services is not considered effective. Except at rush hours, bus service, even in the biggest cities, is infrequent, and the low volume of passengers discourages placard advertising. Placing signs on taxis is not permitted.

Direct Mail Promotion

Advertising agencies disagree on the amount of direct-mail promotion done in South Africa and on its effectiveness. Some firms maintain that direct mail is the best way to sell industrial equipment, but others favour a campaign in the trade press. It is undoubtedly used less often than in Canada to introduce consumer goods. Large department stores sometimes advertise sales by distributing broadsheets from door to door or on street corners. Catalogues, calendars, etc., are widely distributed.

Point of Sale

The originality and quality of point-of-sale techniques vary according to the size and calibre of each store. As in other aspects of South African life, these techniques are a mixture of North American, British and local practices. In the department stores, window displays are more straightforward and the space more intensively used than in Canada, though one large department-store chain is now developing what Canadians would probably consider effective display tech-

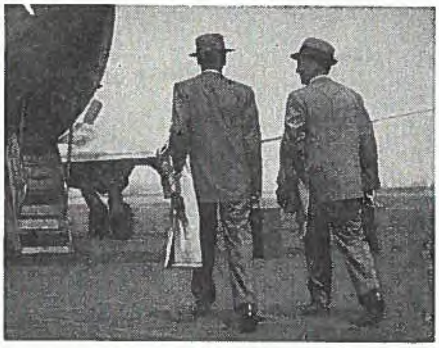
These are typical advertisements that have appeared in South African magazines circulating largely among non-Europeans. Magazines are, however, far less important than newspapers among advertising media in that country.

niques. In the smaller stores displays are similar to Canadian ones. A South African shop is generally more specialized and therefore uses fewer visual devices within the store to attract the attention of the casual shopper. Premium stamps and coupons are forbidden by law.

Agencies Important

South Africa has over 30 advertising agencies. Most of them offer a full range of services—idea origination, copywriting, illustrations and layout, campaign planning, choice of medium, and purchase of space. These agencies are responsible for 70 per cent of the $50 million spent annually on advertising. They sometimes receive their commission from the periodicals, etc., in which the advertisement is placed; in other types of promotion work—such as the direct mail campaign, product and packaging design, market research, public relations, etc.—they receive a fee from the client. There are two firms here specializing in market research and surveys, and a few that supply mailing lists.

South Africa is a complex country with three distinct racial groups other than the European—African, Coloured (mixed blood) and Indian. Each has a multitude of taboos, tastes, customs and prejudices which must be considered. Attention must also be paid to the Afrikaaners; advertisements in Afrikaans must never be mere translations from English. Copy and illustrations must be conceived with the specific likes and dislikes of these consumers in mind. Although in general, advertisements are similar to those in the United Kingdom and North America, the subtle touches which make them distinctively South African should be incorporated. It is therefore advisable that the Canadian exporter considering advertising in South Africa engage a local agency whose firsthand knowledge of the market will enable it to put across the story with the best possible effect.



Tours of Territory

D. S. ARMSTRONG, Commercial Counsellor in Cairo, Egypt, will visit Jeddah in Saudi Arabia and Khartoum in the Sudan from February 19-28.

M. P. CARSON, Trade Commissioner in Singapore, will visit Rangoon, Burma, from February 15-23.

C. T. CHARLAND, Assistant Commercial Secretary in Paris, France, will visit Marseilles, Toulouse, Pau, Bayonne and Bordeaux from February 15-24.

N. L. CURRIE, Assistant Commercial Secretary in Bogotá, Colombia, will begin a visit to Ecuador on February 13, stopping en route at the Colombian towns of Cali, Popayan and Pasto.

L. D. R. DYKE, Assistant Commercial Secretary in Athens, Greece, will visit Turkey from February 16-26.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Zagreb and Belgrade, Yugoslavia, from February 10-17.

R. V. N. GORDON, Consul and Trade Commissioner in Detroit, will visit Cincinnati from February 22-24, Dayton, February 25 and 26, and Cleveland, March 14 and 15.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit Atlanta, Georgia, and Montgomery, Alabama, from February 22-27.

J. B. McLAREN, Assistant Commercial Secretary in Karachi, Pakistan, will visit West Pakistan from February 8-March 4.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Czechoslovakia from March 14-17.

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. Carson at Singapore, Mr. Charland at Paris, Mr. Currie at Bogotá, Mr. Dyke at Athens, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gordon at Detroit, Mr. Harris at New Orleans, Mr. McLaren at Karachi.

Canada's Trade-Fair Program 1960-1961

GEORGE HAZEN, *Trade Fairs Abroad Office.*

IN 1960, as in other years, the Department of Trade and Commerce is participating in a number of general and specialized trade fairs to give Canadian exporters an opportunity to display their goods in other countries. A feature of the 1960-61 trade-fair program is cost-sharing—an arrangement that allows participating firms to share with Ottawa the cost of exhibiting in some fairs. Although the Department will continue to be responsible for co-ordination, construction and over-all administration of the exhibits, participating firms will pay a flat fee to be applied against administrative expenses.

This scheme will undoubtedly appeal to many export-minded businessmen. First, it ensures that all participants are seriously interested in investigating and penetrating foreign markets. Second, with a price-tag attached to participation, each firm will make an effort to assess thoroughly the trade potential in the market, will swing all its weight behind the exhibit, and will undertake the necessary follow-up of trade inquiries.

Trend to Specialized Shows

The number of vertical trade fairs (those that feature only one product or group of products) in which the Department sponsors exhibits is increasing, and the number of horizontal or general trade fairs declining. Although this is particularly true of the Department's trade-fair program in the United States, it also applies to its interest in shows in Europe. The specialized fair is aimed at persons specifically interested in the type of goods being shown. The general one, on the other hand, is useful for making consumers acquainted with products, for testing markets in which it may be possible to sell a wide variety of goods, and for exhibiting in countries where the potential volume of sales is limited.

Advantages of Samples Display

In its search for new trade-promotion tools, the Department is currently examining a technique used successfully by travelling salesmen for many years—the samples display. Under this plan, the Trade Commissioner abroad invites selected potential buyers to view a specialized display of products, thus providing an opportunity not only to promote sales but also to test the market and obtain information for the Canadian manufacturer. There are certain economies in this type of operation: expensive props are unnecessary, unpretentious premises can be used, and the display can easily be staged in various cities in one country—even, in fact, in several countries. Samples displays may be organized in any part of the world in which Canadian firms have expressed sufficient interest.

Although the Department's Commodity Officers inform as many firms as possible about the trade-fair program, they cannot cover all of them. Exporters who feel that there is a market abroad for their products and that it would be useful to exhibit them in a trade display should write at once to the Department of Trade and Commerce, Ottawa.

Program for 1960

The following is a list of the general and specialized trade fairs in which the Department is participating in 1960.

National Association of Home Builders' Convention
Chicago, Illinois, January 17-21

An exhibit of Canadian wood products for home building and industry. End products will illustrate the use of primary materials. An institutional-type exhibit.

National Sporting Goods Association Convention
Chicago, Illinois, January 31-February 4

Sporting goods and sportswear for the United States market. All exhibitors must become members of the Association.

Daily Mail Ideal Home Exhibition
London, England, March 1-26

A display of consumer goods and food products, particularly those already handled by British agents, to follow up recent relaxations in United Kingdom import restrictions. The Department is also co-operating with the British Columbia Lumber Manufacturers' Association in building a "trend" house.

Fur Industries Salon

Paris, France, April 21-26

A display of raw and dressed fur pelts and finished fur garments. Organized by the French fur industry, the Salon will be attended chiefly by members of the fur trade.

Union Expo

Johannesburg, South Africa, April 4-23

A semi-specialized display of engineering products and services, and forest products. Special attraction: a display of fur pelts and garments. "Union Expo" is the name adopted for the Rand Easter Show for 1960 only, in recognition of the 50th anniversary of the Union of South Africa.

Atomic Exposition and Nuclear Congress

New York, N.Y., April 4-7

An exhibit to advertise and sell Canada's technical knowhow in the nuclear energy field, both research and commercial.

American Society of Tool Engineers Show

Detroit, Michigan, April 21-28

An exhibit of Canadian machine tools and processes aimed at United States industrial needs.

Commonwealth and European Food Festival

London, England, April 25-May 7

Canadian food products for the British market.

Frankfurt Fur Fair

Frankfurt-am-Main, West Germany, April 28-May 1

A specialized exhibit of raw and dressed fur pelts and fur garments.

National Bakers' Show

Amsterdam, the Netherlands, May 10-19

An exhibit in co-operation with the Canadian Wheat Board and the Board of Grain Commissioners to demonstrate Canada as a supplier of top-quality wheat.

Design Engineering Show

New York, N.Y., May 23-26

Manufacturing and processing equipment, components for machinery, most of them unique and of original Canadian design.

Building Trades Exhibition

Cardiff, Wales, June

Canadian building products and related commodities.

International Specialty Food and Confection Show

Chicago, Illinois, July 31-Aug. 3

Specialty Canadian foodstuffs.

British Food Fair

London, England, September 1-17

Canadian foodstuffs for the British market, both traditional and new.

Building Trades Exhibition

Manchester, England, October 11-22

Canadian building products and related commodities.

National Metal Congress and Exposition

Philadelphia, Pennsylvania, October 17-21

A specialized display of Canadian machine tools and materials used in the metal industries.

Tentative Proposals

The Department may possibly participate in the following fairs in the first half of 1961:

National Association of Home Builders' Convention, Chicago, Illinois, January

National Sporting Goods Association Convention, Chicago, Illinois, January

Rand Easter Show, Johannesburg, South Africa, March

Fur Salon Displays and Fashion Shows, various European cities, March

American Society of Tool Engineers Show, United States (city unknown), April

AtomFair, United States (city unknown), April

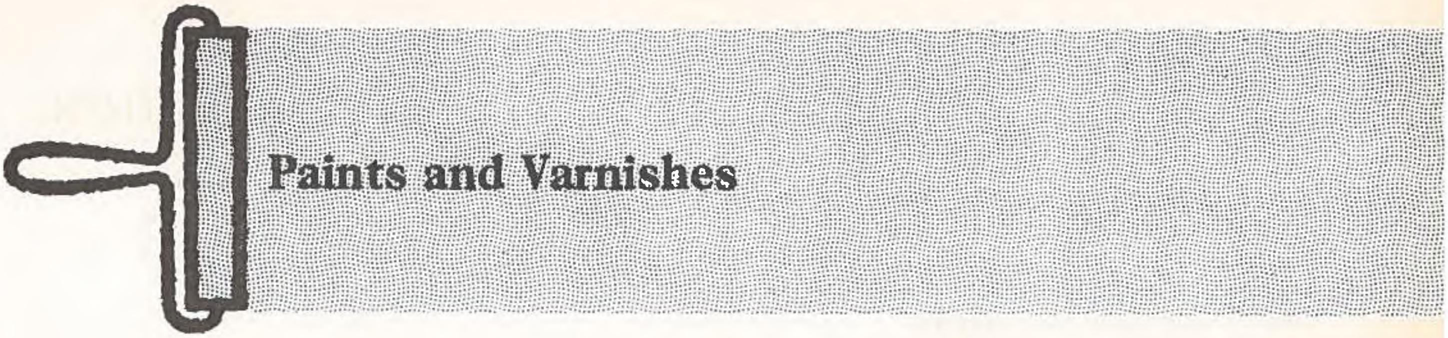
Frankfurt Fur Fair, Frankfurt-am-Main, West Germany, April

German Industries Fair, Hanover, West Germany, April

Tokyo International Trade Fair, Tokyo, Japan, April

Design Engineering Show, United States (city unknown), May

Building Trades Exhibition, Leeds, England, June ●



The Market in Switzerland

Swiss imports of paints and varnishes are rising every year, boosted partly by low tariffs on these products. Canadians might increase their share of this market if they can meet stiff competition from U.S. and European suppliers.

J. H. NELSON, *Assistant Commercial Secretary, Berne.*

THE Swiss market for paints and varnishes is highly competitive. The industry is well developed and produces a wide range of quality finishes. Bordering countries, particularly West Germany, which also have advanced paint and varnish industries, supply a large part of Swiss imports. In addition, Switzerland's central geographical position in Europe makes it a relatively small but important market for other West European countries, notably the Netherlands and Britain. The only major non-European supplier is the United States.

Domestic Production

There are about 100 paint and varnish manufacturing companies in Switzerland, with an annual combined production of slightly less than 30,000 metric tons. In 1957 production totalled 28,500 metric tons, but it declined by 2 per cent to 27,900 in 1958. The drop was caused mainly by a sharp reduction in the building industry and a lessened demand from building and paint firms, as well as from the woodworking trades and industries. The decline was offset to some degree by increased demand for vehicle finishes from official organizations and the wholesale and retail trade.

The outlook for this year is for a possible small increase in paint and varnish sales to the woodworking and building industries. Demand from the metalworking industry will probably fall off, because of a weakness in this market that began to develop towards the end of 1958. Sales of vehicle finishes should continue to expand.

During 1958 the Swiss paint and varnish industry was able to purchase raw materials at stable prices. Labour costs rose, however, partly as a result of a general shortening of working hours, thus increasing the cost of Swiss-made products.

Research has been intensified over the last few years and most manufacturers have extended and improved their laboratories. To provide its members with additional assistance, the Association of Swiss Manufacturers of Paints and Varnishes recently became a full member of the Stuttgart Research Institute for Pigments and Varnishes. Research has been made necessary by keener competition not only within the Swiss industry but also from imports.

Imports Are Climbing

Imports of paints and varnishes have climbed between 1954 and 1958, as shown in the following table. Canada has shipped only insignificant amounts to Switzerland in recent years.

SWISS IMPORTS OF PAINTS AND VARNISHES

	(metric tons)	(Swiss francs)
1954	1,432.0	7,865,240
1955	1,866.0	8,966,672
1956	2,103.4	10,141,518
1957	2,239.2	10,745,186
1958	2,396.1	11,417,216

Information on the specific types of paints and varnishes imported is not available, though it is believed that almost 50 per cent are automotive finishes. This is because the automotive industry in Switzerland is relatively small and there is insufficient incentive for the local industry to produce the large variety of finishes required. If this situation continues, Switzerland will be importing more paints and varnishes each year.

PRINCIPAL SUPPLIERS OF PAINTS AND VARNISHES

	1954		1958	
	(metric tons)	(Swiss francs)	(metric tons)	(Swiss francs)
West Germany	397.2	1,840,226	911.3	4,356,475
France	50.8	242,849	134.0	630,955
Netherlands	134.3	690,521	207.0	1,094,034
United Kingdom	93.8	512,277	61.9	382,246
United States	789.7	4,234,452	972.4	4,568,805

One of the principal reasons for increased imports is the low Swiss tariff on these products. The rate of duty on lacquers, varnishes, etc., is Sfr.40 per 100 kilograms (the Swiss tariff is a specific one and is based on gross weight). The rate of duty for paint in containers weighing less than 10 kilograms is Sfr.40 per 100 kilograms, and in containers of more than 10 kilograms Sfr.30 per 100. It is expected that a new customs tariff will be introduced early in 1960, and though all of the rates will probably be raised slightly, Switzerland will still have a very low tariff on these products.

Selling Problems

Canadian exporters who want to compete successfully in this market must remember first, that it is both quality and price conscious, and second, that European and United States exporters are well established. The metric system of weights and measures is used and, if possible, containers should be in metric sizes. U.S. fluid measure may be acceptable because the U.S. quart is very close to the litre in capacity. Switzerland is a trilingual country and it is preferable to use all three official languages (German, French and Italian) on containers and in sales literature. If this is not possible, at least two of the languages, preferably French and German, should be used.

Exporters to Switzerland sometimes overcome the language problem by having an agreement to ship their products in bulk to a Swiss agent, who in turn packs them in metric containers with trilingual labels. Another advantage of this technique is that import duties are reduced because of the lower gross weight of bulk shipments compared with shipments in the usual containers.

Further information on Swiss imports of these products may be obtained from the Commercial Counsellor for Canada, Canadian Embassy, Berne. ●

Market in the Netherlands

The Dutch industry, the world's third largest paint exporter, is tending to greater specialization and more integration. Canadian manufacturers should look to special products as their best hope in this fiercely competitive market.

B. HORTH, *Assistant Commercial Secretary, The Hague.*

THE Netherlands has 160 paint, varnish and lacquer manufacturers, plus about 60 firms producing paint products solely for use in their own operations. The industry is an old one and probably began as a spare-time handicraft activity. It has expanded rapidly since the war: production in 1938 totalled only 45,000 metric tons; in 1948, it was 69,000 tons, and in 1958 it reached an all-time high of 97,500 tons, worth more than $50 million. Nevertheless, production has not risen as quickly as in certain other European countries nor as in other sectors of Dutch industry. For example, between 1950 and 1957 Netherlands paint production rose by 37 per cent, but production in the chemical industry as a whole increased by 42 per cent.

Per capita consumption of paint is somewhat lower in the Netherlands than in several other European countries—in 1957 it totalled 16.3 pounds per resident, compared with 16.7 in Belgium and 18.5 in West Germany and France.

Production and Trade

All types of paints are made in the Netherlands, from the simplest wall paints to the most advanced synthetic industrial lacquers. Imports are mainly restricted to specialties such as baking enamels, leather finishes, automobile lacquers, and other lacquers for electro-technical applications and for use in the packaging and container industry. The United States, West Germany, Britain and Belgium-Luxembourg are by far the most important sources. Imports in 1958 totalled about 4,500 tons, worth nearly $3 million.

Exports go to more than 100 countries but principally to Western Europe. In 1958 they amounted to 13,090 tons worth well over $8 million. This was a new all-time high and a 4 per cent improvement in value over 1957. In 1958 the EEC countries took 41.5 per cent of Dutch paint exports as against only 22 per cent in 1952; another 10 per cent went to other OEEC countries. Belgium was the best single market, taking about 20 per cent of exports. All types are exported, but the three principal categories are paints for home decoration, industrial finishes and marine paints. Holland is, in fact, the world's third largest paint exporter and sells abroad a greater percentage of her production than any other country.

Increased Investment

At the beginning of 1959, the paint-manufacturing sector of the industry employed 5,964 persons of whom 2,828 were factory workers. Annual production per factory worker was almost 36 tons in 1958, down from more than 40 tons per factory worker in 1950. This reflects in part the trend towards greater specialization within the industry. Investment in new plant and equipment rose from 2½ million guilders in 1953 to 9½ million in 1956 but dropped off to 8 million in 1958 as a result of government restrictions on spending. Industry spokesmen believe that still larger investment will be required if the Dutch paint industry is to thrive under the new trading arrangements now being established in Western Europe. The present trend towards integration, evidenced by various mergers and paint research programs, is expected to accelerate. In 1958, more than one-third of total sales were made by firms with annual sales of over $1¼ million and more than 80 per cent by firms whose annual sales exceeded $250,000.

Research and Sales Development

To maintain the health and strength of their industry, Netherlands paint producers have organized a unique association. Its 145 members include nearly all Dutch paint producers; a sub-group represents the majority of exporting firms and performs such valuable functions as the carrying out of joint market surveys, the collection and refunding of turnover taxes and import duties for members entitled to repayment, the establishment of minimum export prices for various markets, and the supervision of quality controls on export shipments. Working closely with the T.N.O. (the Netherlands equivalent of the National Research Council), this group tests about two hundred export samples a year and actually has the power to levy fines on transgressing members. Another sub-group, the Paint Research Association, carries out a joint research and educational program aimed at raising the technical and scientific level of the Dutch paint industry.

Level of Protection

Canadian firms wishing to export paints and varnishes to the Netherlands will have to take into account a fairly high tariff ranging from 12 to 18 per cent for prepared finishes. In addition, the turnover tax on the duty-paid value ranges from 5 to 10 per cent. (The turnover tax, of course, also applies to domestic paint production.) Import licences are no longer required and there is no discrimination against dollar suppliers. However, the first 10 per cent tariff reduction between the EEC countries, which took place on January 1, 1959, may place the German paint industry in a more preferred position. A second 10 per cent reduction is scheduled for July 1, 1960. It is worth noting that such leading American producers as Du Pont and Sherwin-Williams, which have been exporting successfully to the Netherlands, are now setting up branch plants in other parts of Europe.

Netherlands producers ship their paint products in 1, 5, 10, 15, 25 and 50-litre cans. Imports from Germany are packed in containers of similar size; those from the United States come mostly in one and five American gallon cans. There is only a small difference between the litre and the American quart and potential Canadian exporters are therefore advised to ship their products to this market in American-size containers rather than Imperial gallon cans.

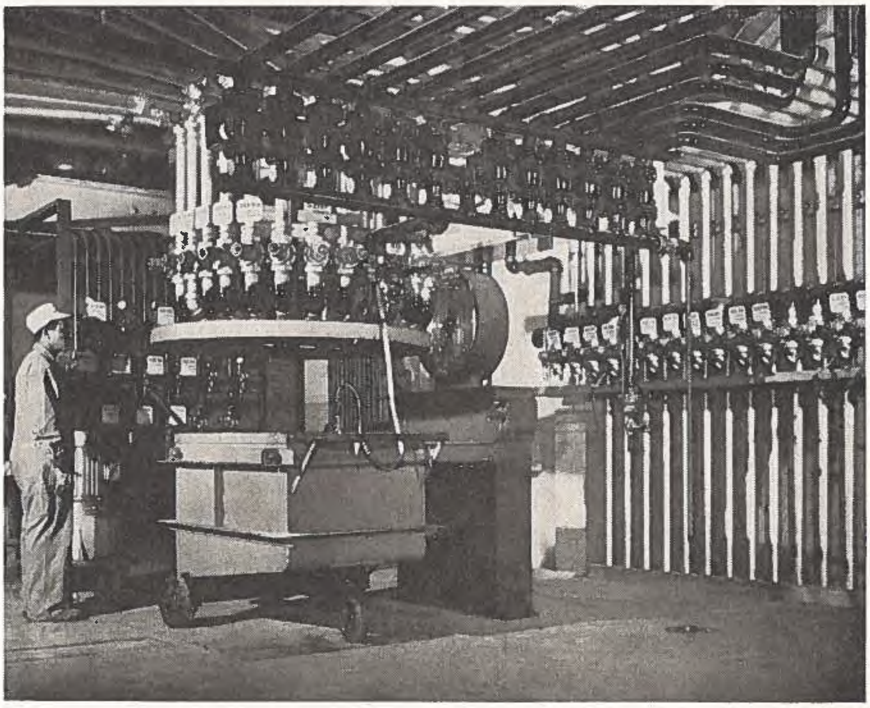
Stocks and Prices

Importers representing American and British firms have to hold fairly large stocks on hand because shipments are normally received at least one month after ordering. Those representing German firms need only hold small stocks because they are able to take delivery at factory with their own trucks as orders are received. Normal payment terms are 30 days cash, with discount of about 2 per cent on payments made within 15 days. U.S. and German suppliers provide their agents with literature in Dutch. Literature supplied in English must be translated by the importer if it is to be of much use, except for highly technical literature which may be acceptable in English because most technical personnel in the Netherlands read and write English well.

Canadian Export Opportunities

Because of the highly developed Netherlands paint industry, the opportunities for Canadian exporters appear to be in specialties that are already being imported from countries such as the United States and West Germany. It should be pointed

In this Canadian paint plant, an operator draws resin off storage tanks to be used in the making of synthetic resin-based paints. Among these are polyester lacquers.



out that the foreign firms succeeding in this field are those prepared and able to retain technical advisory staff in the Netherlands. Apart from this, there may be chances for Canadian shippers of base materials such as zinc, lead, iron and titanium oxides, lithopone, solvents (butyl acetate and ethyl acetate) and wood resins. Here again, although demand is good, the competition is fierce. ●

Detailed information on Netherlands tariffs and imports and exports of paints may be obtained by writing to the Chemicals Division, Department of Trade and Commerce, Ottawa.

The Market in Austria

Imports of paints and varnishes total less than $1 million a year; come mainly from West Germany. Canadian selling opportunities lie mainly in high-quality products with special features.

P. A. FREYSENG, *Assistant Commercial Secretary, Vienna.*

AUSTRIA, a small, landlocked country of seven million people in the heart of central Europe, has a well-developed and diversified paint and varnish industry. This limits the prospects for Canadian paint and varnish exports to this area.

Austria's paint manufacturing is based on its growing petroleum industry that supplies tar colours (including aniline) and many oil and plastic binders, and on local production of pigments from iron, chrome, and zinc oxide found in the provinces of Styria and Carinthia. Concentrated on the central distribution point of Vienna, the industry has been able to build up export markets in Eastern Europe and the U.S.S.R. This, plus the fact that paint manufacturers have received small but important amounts of foreign capital (particularly from the United States), goes far to explain the wide range of industrial and commercial products that they make. Capacity has grown sixfold since 1914 to the point where it probably meets or even goes beyond domestic needs.

Statistical information on the paint and varnish industry is meagre and only covers Austrian exports and imports of varnishes, commercial paints, retailers' dyes, and artists' paints for the first half of 1959. Nevertheless it is significant that exports of these products for the first six months of last year, at 397.9 metric tons, almost matched the 398.3 metric tons imported during the same period.

What Industry Produces

The industry's range of products is wide. It produces oil paints and varnishes for wooden and metal surfaces in or out-of-doors, and many kinds of synthetic resin paints for use on wood, glass, and metal surfaces, including zinc, aluminum, tin, chrome, and copper. Many of these resin paints are resistant to rust, weather changes, heat, oil, gasoline, fats, acids and dyes. They are used as marine paints for freshwater ships on the Danube, for indoor and outdoor machinery, for railway engines and cars, and for bridges. Synthetic resins also form the base for baking paints and varnishes and infrared light drying varnishes. Nitrocellulose paints and varnishes are made here for car lacquering and leather painting. The industry also offers dispersion paints with polyvinyl chloride and polyvinyl acetate bases for use principally in the construction industry on wood, brick, plaster and cement surfaces. In the field of specialty paints and mixtures, electric-wire and electric-insulation paints with a mixed oil-and-resin base are manufactured, as well as special-effect lacquers with shrivel, grain and hammered effect surfaces.

Germany Biggest Supplier

As the accompanying tables show, Austrian imports of all types of fully finished paints and varnishes during the first half of 1959 totalled 398.3 metric tons valued at about $450,000. Estimated on this basis, imports for the full year may reach 800 metric tons worth some $917,000.

Varnishes made up nearly 75 per cent by value of Austrian imports of paints and varnishes in the first six months of 1959. This proportion includes cellulose varnishes, which by themselves accounted for 12.5 per cent of the total. Some 20.5 per cent of imports were commercial paints, including oil, nitrocellulose, resin, plastic dispersion, asphalt, and water paints. Artists' paints and dyes sold by retailers for a number of purposes (including furniture staining) made up the remainder.

Most Austrian imports come from neighbouring West Germany. By value, some 72 per cent of the imports of cellulose varnishes, 75 per cent of the imports of other varnishes, 54 per cent of the imports of commercial paints, and 70 per cent of the imports of artists' paints come from that country. Among the other suppliers, the United States is the source of 25 per cent of all cellulose varnishes

AUSTRIAN IMPORTS OF ALL PAINTS AND VARNISHES

January-June 1959

	(100 kilos)[1]	(1,000 schillings)[2]
Cellulose varnishes	429	1,528
Other varnishes	2,540	7,526
Retailers' dyes	65	248
Commercial paints and others	857	2,514
Paints for artists	92	449
Total	3,983	12,265

[1]1 kilo=2.2 lb.
[2]1 schilling=Can.$.03670.

AUSTRIAN IMPORTS OF VARNISHES

January-June 1959

	Cellulose varnishes		Other varnishes	
	(100 kilos)	(1,000 schillings)	(100 kilos)	(1,000 schillings)
From:				
West Germany	310	1,098	1,828	5,465
Italy	11	4	13	169
France	8	27	21	45
Britain	1	13	11	69
Netherlands	3	3	49	149
Sweden	N.A.	1	3	9
Switzerland	3	5	421	1,061
Czechoslovakia	N.A.	1		
United States	103	374	104	355
Venezuela	N.A.	2		
Belgium			49	120
Denmark			41	83
Norway			N.A.	1
Total	429	1,528	2,540	7,526

AUSTRIAN IMPORTS OF FINISHED PAINTS

January-June 1959

	Paints, finished including water, oil, resin, and other		Paints for artists	
	(100 kilos)	(1,000 schillings)	(100 kilos)	(1,000 schillings)
From:				
West Germany	472	1,357	67	315
Italy	2	19		
France	13	25		
Britain	60	112	6	28
Netherlands	15	175	18	91
Sweden	36	102		
Switzerland	16	102	1	13
United States	20	85	N.A.	2
Belgium	218	524		
Denmark	5	13		
Total	857	2,514	92	449

imported, Switzerland of 14 per cent of the other types of varnishes, and Belgium and the Netherlands of 21 per cent of the commercial paints and 20 per cent of the artists' paints.

Special Paints in Demand

Because of the strength of the Austrian industry, only finished paints and varnishes that are unique in their use and method of application would appear to meet market demands here. There are openings in Austria for special varnishes, such as automobile varnishes; for high-quality jellied lacquers used in the furniture-finishing trade; and possibly for dispersion plastic paints with a polyvinyl chloride or acetate base, though these are also made here. One United States firm is marketing paint for the homeowner in small spray tins, requiring no special spray-gun, brush, or roller for application. This type of product for the do-it-yourself consumer also has a future here. In intermediary products such as red and yellow iron oxide pigments, French ocher pigment, aniline blue, and possibly PVC binders, Canadian firms might also find openings, provided they can compete in price with German, French and Dutch exporters.

Duties and Licences

All finished varnishes, lacquers and paints generally face an ad valorem duty of 28 per cent, with the duty not to be less than 800 schillings (Can.$29) on 100 kilograms. However, varnishes for protecting the inside of pipes and oven-firing varnish for wire coating may be admitted free of duty if it can be shown that they are not made in Austria, or may be partially or totally exempted from duty if the Government of Austria considers domestic production insufficient. Artists', students' and signboard painters' colours face an ad valorem duty of 30 per cent. In addition, import licences are required for all types of finished commercial paints and varnishes and for artists' paints. Such licences are granted, though sparingly, as the import statistics covering shipments from the United States show.

Selling Tips

The Canadian exporter, as well as meeting official import requirements, must adapt his products and selling techniques to the market if he is going to succeed. Paints and varnishes are not sold here by liquid measurement but by weight: that is, not by gallons or litres but in one-eighth, one-quarter, one-half, one, three, five, twenty-five and fifty-kilogram measures. The exporter should locate an agent in Austria who is willing to import in bulk and has the facilities for weighing and properly canning the product. Businessmen in the trade emphasize that it is useless to try and market for retail or industrial use in gallons.

Furthermore, the Canadian exporter should quote prices c.i.f. North European port, provide sales and technical literature in German, and be prepared to assist his agent with advertising. Austrian importers are accustomed to generous payment terms, particularly from West German suppliers, and prompt delivery.

This is a highly competitive, relatively closed, conservative and small market. Certain U.S. firms that make paints and varnishes with unique features have reached licensing agreements with Austrian firms for manufacture here or have invested directly in local industry. Such investments or associations with Austrian firms have helped sell U.S. products not only in the Austrian market but in markets farther eastward where the Austrian industry has built up a good business.

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Trade and Tariff Regulations

Argentina

REDUCTIONS IN CUSTOMS IMPORT SURCHARGES—It has been officially announced that the ruling system of import surcharges will be replaced some time in 1960 by a new system. Decree No. 17451, signed on December 30 and published in the commercial newspapers of January 2, reduces the surcharge of 300 per cent of the c.i.f. invoice value of certain goods to either 150 or 200 per cent.

The existing surcharge on goods in the official lists No. 1, 2, 3, 4 and 6a remains unchanged. The goods included in lists 5 and 6b, as well as those that hitherto have not been included in any list, will henceforth be subject to a surcharge of 150 per cent instead of the 300 per cent hitherto applicable.

A new list, No. 7, is to be created and the goods included in it will be subject to a surcharge of 200 per cent. The selection of the items to be included in this new list is still under study.

It is indicated that this list will consist of an appreciable number of the items now included in list 5 and of those that at present appear in no list. It is stated that the Tariff Commission will definitely indicate by March 1, 1960, what goods will become subject to the surcharge of 150 per cent and those that will compose the new list 7 or will continue under study for that purpose. Meanwhile a transitory extra surcharge of 50 per cent of the c.i.f. invoice value will be levied upon all unlisted items and upon all items at present in list 5 until such time as the above announcements have been made. This 50 per cent temporary surcharge will be refunded subsequently in cases where the item in question becomes subject to a permanent surcharge of only 150 per cent—Buenos Aires.

Australia

TARIFF BOARD INQUIRIES—The Australian Minister for Trade and Customs recently referred to the Tariff Board for inquiry and report the question whether assistance should be accorded to the production, through tariff action or otherwise, of the following goods:

Motor vehicle type voltage regulators
Hoop and strip of iron and steel
Tinned iron and steel plates and sheets
Hand tools (excluding power-driven tools) as follows:

(1) spades and shovels of all kinds, including household coal shovels and special types

(2) picks, mattocks, hoes, rakes, lawn rakes, forks, pitchforks and similar tools such as combined hoe-rakes, grubbers, weeders and cultivators

(3) felling axes, hand axes, hatchets, choppers, adzes, billhooks, slashers, machetes and similar hewing tools

(4) scythes, sickles, bagging hooks, reaping hooks and grass hooks, and hay and straw knives of all kinds

(5) hedge and grass shears, two-handed lopping shears, pruning shears, sheep shears

(6) all other hand tools of a kind used in agriculture, horticulture or forestry, such as planters, seeders, dibbers, trowels, transplanters, bark scrapers, fruit pickers, lumbermen's log-rolling tools (cant hooks), timber wedges, lawn-edging irons, pruning knives and secateurs, but not including other knives, saws, appliances for spraying liquids or powders, garden or field rollers, or mowers.

Canadian firms exporting these products to Australia 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 Australian agents act on his behalf. Action should be taken as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

Rates of duty on these products may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Jamaica

IMPORT OF MOTOR VEHICLES—The Trade Board, Jamaica, advised importers on January 15 that it is prepared to consider applications for licences to import reasonable quantities of motor vehicles from any country other than those that are Communist-dominated.

However, dealers in used motor vehicles will not be permitted to import any such vehicle of a later year than 1959 unless they are accredited agents for the distribution of such vehicles.

Japan

IMPORT CONTROLS RELAXED—In a number of official notices, Japan has recently announced some further relaxations of controls on imports. Notices published in *Foreign Trade* of November 7, 1959, and of January 2, 1960, described relaxation measures announced at those times. Further announcements by the Ministry of Trade and Industry provide for the import under quota of a number of consumer goods, including whisky, confectionery and others, effective January 27, 1960.

In addition, effective April 1, 1960, restrictions are to be relaxed on 434 items. Additions to the Automatic Approval System of import procedure account for 291 items, and to the Automatic Allocation System schedule for 143 items. Commodities affected include:

Nickel ore; wool waste; cinematograph films, exposed; synthetic resins and auxiliaries; various chemicals, organic and inorganic, including some for rubber and textiles; pigments; oils and fats and derivatives; plastics; tanning materials; certain metallic and non-metallic mineral products; dyestuffs; paper, and others.

Discrimination against dollar imports of beef tallow, unrefined lard, hides and pig iron is to be removed about mid-1960.

A Ministry announcement of December 26, 1959, indicates the intention to liberalize as early as possible raw materials for chemical fibres (pulp, caustic soda, sulphur, carbolic acid and benzole). Also announced is the intention of drawing up yearly schedules for further liberalization with the objective of liberalizing all imports within three years.

Detailed schedules of items affected by the Japanese liberalization measures are available from the Asia and Middle East Division, International Trade Relations Branch.

Portugal

IMPORTS FROM DOLLAR AREA LIBERALIZED—Portugal has ended discrimination against imports from Canada and the United States in favour of the OEEC countries. Effective January 10, 1960, the OEEC liberalization list, which covers 90 per cent by value of the exports of OEEC countries to Portugal, has been extended to embrace Canada and the United States.

The dollar liberalization move enhances Canada's export prospects in Portugal. However, a number of agricultural commodities and raw materials of interest to Canada are still restricted. Among those specifically excluded are animal oils and fats, rice, cereals, fruit, milk, butter and cheese.

United Kingdom

FURTHER REMOVAL OF IMPORT RESTRICTIONS—The removal of import licensing restrictions from a further list of goods, effective February 1, has been announced by the United Kingdom. The goods affected are:

Fresh, chilled or frozen fish (other than salmon and salmon trout, from which restrictions were removed on November 9, 1959)
Unmanufactured tobacco
Manufactured tobacco, other than cigars
Synthetic rubber, raw
Transistors and parts thereof.

With the exception of unmanufactured tobacco, all of the foregoing goods had already been liberalized when imported from the so-called "Relaxation Area" (mainly Western European countries). The effect of the new measure is to permit restriction-free entry of all the above-mentioned products when they originate in and are consigned from dollar countries, such as Canada and the United States, as well as from countries comprising the Relaxation Area.

Uruguay

EXCHANGE REFORM AND NEW IMPORT CONTROL SYSTEM—The Commercial Counsellor in Montevideo reported that on December 17, 1959, Uruguay introduced a fundamental reform of the existing exchange and import control system. Under the new Uruguayan Exchange Reform Law all exchange transactions will take place at free market rates, fluctuating freely according to supply and demand. According to the Uruguayan Minister of Finance, a system of unrestricted import will be established as soon as possible, even for non-essential and luxury goods. However, during the initial period of up to six months (which may subsequently be renewed), the Government is empowered to require prior deposits on certain imported goods and to levy a tax of up to 300 per cent of the c.i.f. value upon imports considered to be non-essential or luxury goods and on goods competitive with domestic manufactures, or to prohibit such imports for a period of six months.

As a first step towards free import, the Government issued a decree on December 22 permitting the unrestricted and non-discriminatory import of certain listed raw materials and semi-manufactured *essential* goods from any source at the new free rate of exchange, without surcharge or prior deposit requirements.

Included in this preferential list were:

Newsprint; wood pulp; most types of hardwood (except oak) and semi-hardwood in logs and beams; pinewood in logs or sawn over 25 mm. diameter; timber for posts, pickets or stakes; seed potatoes; seed oats; alfalfa, fodder, grass and vegetable seeds; raw tobacco; forest tree seeds; poultry; purebred cattle, swine, sheep and horses; copper, brass and bronze ingots; iron and steel in various forms; gypsum; penicillin and various antibiotics and raw materials for the production of certain drugs; raw materials for the production of fertilizers; agricultural pesticides; sodium chlorate and phosphorous sesquisulfide.

Further details are expected shortly and information concerning the treatment of specific commodities will be available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

General Notes

Argentina

EUROPEAN CREDIT AGREEMENT—An agreement signed on December 18 between the representative of the Argentine Treasury and eight groups of European bankers grants credits totalling the equivalent of U.S.$75 million for the purpose of stabilizing the peso. The following are the shares of the European banking groups (in millions of dollars): United Kingdom $17, West Germany $16, France $10.5, Italy $10.5, Switzerland $6.5, Netherlands $5.25, Belgium $5.25, and Sweden $4—Buenos Aires.

Belgian Congo

PROGRESS ON INGA—Research into the hydro-electric development of the Inga Rapids on the Congo River entered its final phase on January 1. Preliminary engineering studies were completed before the end of October, and on December 31, the Minister for the Belgian Congo and Ruanda-Urundi approved a contract for the final studies to be made by the Abelinga consortium. Abelinga is to prepare two reports and draw up specifications that will determine exact power costs under alternative plans.

The studies will be completed by the fall of 1960. As soon thereafter as commitments are made for purchase of the initial electric power, the Government is expected to call for tenders and award contracts for building the dam, power station and ancillary works. Details about the Inga project appeared in the August 15, 1959, issue of *Foreign Trade*—Brussels.

Belgium

SELLING TO NEW SUPERMARKET—A large department store in Antwerp recently opened the most extensive self-service supermarket in Belgium. With an area of about 1,500 square yards, it is located on the main floor of a five-storey building.

This store may offer a small outlet for manufacturers supplying Canadian supermarkets. Interested firms should send samples and prices (preferably c.i.f. Antwerp) to the Commercial Counsellor, Brussels, so that they may be brought to the attention of the store buyers—Brussels.

Chile

NEW MONETARY UNIT—Because of the continued depreciation of the Chilean currency, the value of the present basic monetary unit, the peso, has become practically negligible. As a result, the Government last year issued a decree whereby, effective January 1, 1960, the monetary unit was changed from the peso to the escudo.

The escudo is equivalent to 1,000 of the present pesos and is divided into 100 units to be known as centisimos. At the present rate of exchange the escudo is worth about U.S.$1.00. All currency now in circulation will be gradually withdrawn, and it is expected that the change-over for all practical purposes will be completed by the end of 1960. Apart from issuing new bills in January, the mint will also overprint its present supply of peso bills with their new escudo value.

The change in the monetary unit, apart from providing a new medium of currency, will also simplify accounting procedures in all commercial establishments. Valuable accounting machines that were fast becoming obsolete because of the limited number of digits will be saved by the new decree.

The Government's budget for 1960 has been expressed in the new monetary unit and after December 31 last year all financial balance sheets must be expressed in escudos—Santiago.

Ireland

CANADIAN AERIAL SURVEY—Hunting Airborne Geophysics Ltd., Toronto, has recently carried out, chiefly around Wicklow, an aerial survey to locate possible deposits of base metal sulphides, and to find areas where there may be copper, lead or zinc—Dublin.

Israel

NEW POSTAGE STAMPS—All postage stamps, stamped postcards and air-letter forms in Israel were scrapped on January 1, with the introduction of the new division of the Israeli pound into 100 agorot instead of 1,000 prutot. Until the new stamp issue is put into circulation, a transitional series of stamps is to be issued—Athens.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor G. E. Blackstock Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	S. V. Allen Commercial Counsellor for Canada H. S. Hay Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Austria Bulgaria, Czechoslovakia, Hungary, Romania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis Canadian Government Trade Commissioner R. A. Bull Assistant Trade Commissioner	Forescom Building LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	L. H. Ausman Commercial Counsellor P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	Wm. Jones Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	D. M. Holton Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul N. L. Currie Assistant Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 43-00-65
Cuba	R. R. Parlour Commercial Secretary	Canadian Embassy Edificio Ambar Motors Avenida Menocal 16 HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Hilda 3306

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor J. M. Knowles Assistant Commercial Secretary	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Tel.:* 2-8138
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor W. G. Brett Assistant Commercial Secretary C. T. Charland Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor G. F. Mintenko Assistant Commercial Secretary W. J. O'Connor Assistant Commercial Secretary (Agriculture)	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 21971
Germany	E. H. Maguire Consul J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Ghana Gambia, Liberia, Nigeria, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Tel.:* 4824
Greece Israel, Turkey	W. Van Vliet Commercial Counsellor (temporary) L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner R. M. Dawson Assistant Trade Commissioner	5 Avenida 10-68, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 27743
India	B. A. Macdonald Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 35201
India Calcutta, Madras, Goa	H. A. Gilbert Canadian Government Trade Commissioner G. P. Morin Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	M. B. Blackwood Commercial Secretary	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation TEHRAN	*Mail:* Central P.O., Box 1610 *Cable:* CANTRACOM *Tel.:* 49291

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

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

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

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. 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 1.04987.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 1	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01159	86.28	(1)
Austria	Schilling		.03667	27.27	
Australia	Pound		2.1358	.4682	
Bahamas	Pound		2.6698	.3745	
Belgium, Belgian Congo and Luxembourg	Franc		.01909	52.38	
Bermuda	Pound		2.6698	.3745	
Bolivia	Boliviano	Free	.00008337	11,994.72	
British Guiana	Dollar		.5562	1.80	
British Honduras	Dollar		.6674	1.50	
Brazil	Cruzeiro	General Category*	.004391	227.74	*Dec. 29 (2)
		Special Category	.002143	466.58	
		Official selling	.05035	19.86	(3)
Burma	Kyat		.2000	5.00	
Ceylon	Rupee		.2002	4.99	
Chile	Escudo	Free	.9115	1.09709	(4)
Colombia	Peso	Certificate	.1488	6.72	
Costa Rica	Colon	Official	.1696	5.90	
		Controlled free	.1433	6.98	
Cuba	Peso		.9525	1.04987	tax 2%
Czechoslovakia	Koruna		.1323	7.56	
Denmark	Krone		.1380	7.25	
Dominican Republic	Peso		.9525	1.04987	
Ecuador	Sucre	Official	.06350	15.75	
		Free	.05564	17.97	
Egyptian Region, United Arab Rep.	Pound	Official	2.7352	.3656	
		Export account selling	2.2875	.4371	
El Salvador	Colon		.3810	2.62	
Fiji	Pound		2.4052	.4158	
Finland	Markka		.002977	335.91	
France, Monaco, etc.	New Franc		.1940	5.15	(5)
French colonies	Franc		.003880	257.73	(6)
French Pacific	Franc		.01067	93.72	(7)
Germany	D Mark		.2284	4.38	
Ghana	Pound		2.6698	.3745	
Greece	Drachma		.03175	31.50	
Guatemala	Quetzal		.9525	1.04987	
Haiti	Gourde		.1905	5.25	
Honduras	Lempira		.4763	2.10	
Hong Kong	Dollar	Free*	.1669	5.99	*Jan. 22
		Official	.1669	5.99	
Iceland	Krona	Official	.05849	17.10	(8)
India	Rupee		.2002	4.99	
Indonesia	Rupiah	Official rate	.02117	47.24	(8)
Iran	Rial		.01257	79.53	
Iraq	Dinar		2.6670	.3749	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 1	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.6698	.3745	
Israel	Pound		.5292	1.89	
Italy	Lira		.001534	651.89	
Japan	Yen		.002646	377.93	
Lebanon	Pound	Free	.2994	3.34	
Mexico	Peso		.07620	13.12	
Netherlands	Florin		.2525	3.96	
Netherlands Antilles	Florin		.5088	1.96	
New Zealand	Pound		2.6698	.3745	
Nicaragua	Cordoba	Effective buying	.1443	6.93	
		Official selling	.1351	7.40	
Norway	Krone		.1333	7.50	
Pakistan	Rupee		.2002	4.99	
Panama	Balboa		.9525	1.04987	
Paraguay	Guarani	Official	.007807	128.09	
Peru	Sol	Certificate	.03439	29.08	
Philippines	Peso		.4763	2.10	
Portugal & Colonies	Escudo		.03324	30.08	(9)
Singapore and Malaya	Straits Dollar		.3115	3.21	
Spain and Dependencies	Peseta		.01587	62.99	
Sweden	Krona		.1839	5.44	
Switzerland	Franc		.2199	4.55	
Syrian Region, United Arab Rep.	Pound	Free	.2659	3.76	
Thailand	Baht	Free	.04531	22.07	(8)
Turkey	Lira		.1058	9.45	(8)
Union of South Africa	Pound		2.6698	.3745	
United Kingdom	Pound		2.6698	.3745	
United States	Dollar		.9525	1.04987	
Uruguay	Peso	Free	.08639	11.57	
		Basic buying	.6289	1.59	(8)
		Principal selling	.4545	2.20	
Venezuela	Bolivar		.2843	3.52	
West Indies Fed.	Dollar		.5562	1.80	(10)
	Pound		2.6698	.3745	(11)
Yugoslavia	Dinar	Official	.003175	314.96	(8)
		Settlement rate	.001507	663.52	

*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 to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods. Beginning Jan. 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.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

Businessman's Bookshelf

A Survey of North West Africa (The Maghrib)

Edited by Nevill Barbour. 378 pages. $5.25.

PEOPLE looking abroad today for any reason—businessmen concerned about markets, tourists about holiday spots and relief workers about the welfare of depressed peoples—will welcome this new survey of one of the oldest civilized regions of the world, the Maghrib. Stretching across northern Africa from the Atlantic to the western boundary of Egypt, and from the Mediterranean to northern Nigeria and Timbuktu, this enormous land encompasses deserts in the south and fertile plains and high mountains in the north. Its inhabitants include Berbers, Arabs, Negroes and Europeans; its resources cereals, citrus, grapes, oil, natural gas, uranium, iron, manganese, tin, wolfram and copper.

Edited by Nevill Barbour, long-time student of North Africa and expert on Arab affairs, the book tells the story of each country and territory of the Maghrib from antiquity to the present. Short historical summaries introduce chapters on government, social and economic conditions and the political and economic future of these countries—most of them concerned over the problems of centuries of European rule. It is an absorbing story, and Mr. Barbour, with his team of international experts, tells it in a clear and thoroughly enjoyable style.

Published by: Oxford University Press, Toronto, Ontario.

Canada in World Affairs, 1953 to 1955.

By Donald C. Masters, for the Canadian Institute of International Affairs. 216 pages. $3.50.

CANADIANS conscious of the growing importance of their country at world conference tables will find the series of surveys sponsored by the CIIA useful in sorting out the profusion of events that make the assessment of our rôle in world affairs today so difficult. This account of the years between 1953 and 1955 is well documented; Dr. Masters has drawn on newspapers, books, magazines and parliamentary debates. He covers first Canada's clashes with the United States over tariffs, the St. Lawrence Seaway, Columbia River development and other smaller problems. He details the Canadian part in the Indo-Chinese Truce Commissions, in the Korean crisis, and in the question of the rearming of Germany and its acceptance into NATO in 1955. The succeeding chapters recall Canada's significant rôle in the United Nations disarmament conferences and its initiation of the famous "package deal" for the admission of 16 new members to the UN in the closing days of 1955.

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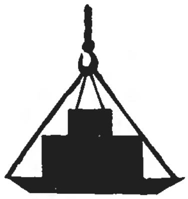

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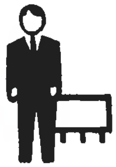

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