MARCH 26, 1960

foreign trade

CANADA

THE NETHERLANDS SELLS SPRINGTIME (page 18)

Established in 1904

foreign trade

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cover From these brilliant fields come the tulip bulbs prized by gardeners the world over. This springtime photograph shows the tulips in bloom at Lisse, heart of the main bulb-growing district that stretches between Haarlem and Leyden. The pageantry is short-lived, for the flowers will soon be ruthlessly snipped off and the foliage left to wither before the bulbs are harvested. Note the shipping canal in the background. For more pictures of the Netherlands bulb industry, see pages 18 and 19.

CANADA

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

Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.
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Australian businessmen are eager to make Canadian contacts, now that the two countries have signed a trade agreement and nearly all restrictions on dollar imports have been swept away. What and how can Canadians sell "down under"?

Australia Seeks

H. STEWART HAY, *Assistant Commercial Secretary, Sydney.*

THE signing of the new Canada-Australia Trade Agreement on February 12, 1960, and the recent extensive liberalizations of trade have drawn attention to the importance of the growing Australian market as an outlet for Canadian goods. The new agreement (which was outlined in the February 27 issue of *Foreign Trade*) assures continuation of the preferential tariff treatment which in the past has been a major factor in the growth of Canadian exports to Australia. In addition, the Department of Trade and Commerce has announced the opening of a new trade office in Canberra.

Restrictions Disappearing

Because of this agreement and the progressive relaxation since the end of 1958 of import restrictions that have hampered trade for several years, Australian importers and businessmen are once again able and eager to trade with Canada. Until recently, Australia's balance-of-payments problem made it necessary for her to restrict dollar purchases to goods considered essential to the development of the country. Effective February 24 Australia has abolished import restrictions on most products, though a few are still subject to licence no matter what their source. Discrimination against dollar goods has been discarded except on motor vehicles, and the restrictions on their import from North America will be entirely swept away effective October 1 this year. The time is thus opportune for Canadians to take a closer look at this sister Dominion, with the same rising standard of living and rapid development.

Favourable export returns, careful regulation of imports, and the substantial inflow of overseas investment capital have combined to raise Australian international reserves to almost A£550 million.* And though complete freedom of imports does not yet exist, the Australian Government is pledged to the removal of the few remaining barriers as quickly as circumstances permit.

Canada's Sales Rising

Canadian-Australian trade has grown steadily in recent years and should continue to climb as exporters in both countries show increasing interest in each other's markets.

Australia's secondary industry is expanding vigorously; in fact, it has a greater proportion of the work force engaged in manufacturing than in North America and the value of output tops that of the productive primary industries. Most of the major industrial raw materials are available locally and some basic industries, such as steel, have lower production costs than in North America. The most important single raw material still imported is petroleum, although extensive exploration could bring Australia's first major strike almost any day. Consumer demand and purchasing power are currently high, with a slight trend towards inflation that may initially favour imported manufactures.

Canadian goods with the best continuing sales opportunities include raw materials and capital equipment not available locally, and manufactured goods with unique or superior features. Competition for Australian business is keen at both the industrial and retail level and from both local manufacturers and major overseas suppliers. Most Canadian goods benefit from the

*A£1=Can.$2.14.

CANADA'S EXPORTS TO AUSTRALIA

($000's)

1959	$54,194
1958	52,755
1957	48,883
1956	47,747

CANADA'S IMPORTS FROM AUSTRALIA

($000's)

1959 (10 mos.)	$34,649
1958 (12 mos.)	32,920
1957 " "	28,728
1956 " "	26,310

CANADA'S PRINCIPAL EXPORTS TO AUSTRALIA

- Newsprint
- Lumber
- Automobiles and parts
- Aluminum
- Asbestos
- Drugs and chemicals
- Office machinery
- Agricultural machinery
- Industrial machinery
- Wood pulp
- Canned fish

CANADA'S PRINCIPAL IMPORTS FROM AUSTRALIA

- Sugar
- Dried fruit
- Wool
- Canned meat
- Fresh meat
- Coconut oil
- Canned fruit
- Wine
- Sausage casings

Canadian Trade

British Preferential tariff which on many items—especially high-tariff consumer goods—gives Canada a substantial edge over non-British suppliers. Against this, our prices must be low enough to compensate for high ocean-freight costs and frequently high Canadian production costs. If landed prices are competitive, this buoyant market of over ten million people, with a high and relatively evenly distributed average income, has excellent sales potential. In the few months since dollar discrimination was relaxed, Canadian goods such as wrist-watches, outboard motors, wallpaper, whisky, smoked salmon and playing cards have once again been featured in Sydney shop-windows.

According to local importers, the following goods are in demand, and Canadians can supply them:

Canned, frozen and smoked fish
Dried peas and beans
Drugs and pharmaceuticals
Electrical equipment
Fire-fighting apparatus
Floor coverings
Furs
Heavy industrial machinery
Hand and power tools
Hardware
Industrial chemicals and oils
Insecticides
Jewellery and novelties
Light aircraft
Paper and paper specialties
Sporting equipment
Textile piece goods, furnishings, blankets
Toys and dolls

There are many opportunities for Canadian participation in Australian industry, either directly through branch operations or indirectly through licensing or other arrangements. Some 30 Canadian firms are already engaged in activities ranging from the manufacture of automobiles and agricultural equipment to the printing of greeting cards under licence and the bottling of patent medicines. The Federal Government offers various inducements designed to attract major overseas industry. So do the several State Governments, which actively vie with one another in capturing new investment capital from abroad. Dividends may be remitted freely to Canada; a double taxation agreement operates between the countries and there is no capital gains tax. Australia, with its booming but stable economy, is considered one of the most attractive and secure investment areas anywhere.

Australian Minister Points Up Opportunities

At the signing of the Trade Agreement between Canada and Australia in Canberra on February 12, 1960, the Rt. Hon. John McEwen, Australian Minister for Trade, made the following statement:

"I would like to make brief mention of the great opportunities for trade that now exist in Australia for Canadian businessmen. The increase in the total level of imports into Australia which has resulted from recent steps taken by my Government (the ceiling is now £875 million), and the removal of practically all discrimination against the dollar area, should give Canadian exporters an unrivalled opportunity to expand their sales to Australia. Also this Agreement will give opportunities to the greatly expanded industries of Canada to market their manufactured products in Australia. I trust they will take advantage of these opportunities and that forthcoming decades will witness even more significant developments in our mutual trade."

Mission to Canada

Australian exporters are most interested in boosting sales to Canada. In April 1960 a government-sponsored trade mission, billed as the largest and most important ever to go abroad, will travel to Canada. Led by Sir Douglas Copland, former Australian High Commissioner in Ottawa, it will spend several weeks making contacts in a number of Canadian business communities. The mission hopes to capitalize on publicity generated by a smaller mission to Vancouver in 1959, on Australian participation in the last Canadian National Exhibition, on a recent feature supplement on Australia in the *Financial Post,* and on the opening of a new Australian Trade Commissioner post in Ottawa.

Check Your Representation

The Canadian exporter with a product or service that might be marketed in Australia who has not yet developed active contacts should seriously consider establishing representation. If the firm formerly had contacts which, because of import licensing, have lain dormant in recent years, these should be revitalized. Canada's Commercial Counsellors in Sydney and Melbourne will be pleased to advise on agents, to furnish preliminary market information, and to arrange itineraries for personal visits to this active market. ●

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Advertising Abroad

In Australia, **newspapers and the periodical press get the major share of the advertiser's spending.**

S. V. ALLEN, *Commercial Counsellor, Sydney.*

ADVERTISING in Australia has grown phenomenally in recent years, in step with the marked industrial expansion, greater investment from overseas, domestic commercial growth and rapid population increase. There is now no dearth of excellent advertising media or services and practically all of the advertising methods and practices common to North America are used here to some degree. Responsible advertising agents, counsellors and consultants, and trade associations are backed up by a large fraternity of publishers that can provide services of a high standard. Overseas firms have a wide selection of agents from which to choose when they seek advice about reaching the right readers or listeners.

Approximately 200 advertising agencies offer their services in Australia. Of these, about ten of the largest have overseas affiliations but only a few Australian firms are branches of foreign agencies. At least two of the large international firms maintain organizations in Sydney, with branches elsewhere to service the Australian interests of their clients.

Three important advertising associations play a vital rôle in the Australian advertising world. These are the Australian Association of Advertising Agents (commonly referred to as the "4 A's"), the Outdoor Advertising Association of Australia, and the Australian Association of National Advertisers (whose members use about 80 per cent of the advertising services sold in Australia). Space brokers are unknown.

Five responsible accrediting authorities covering the press (three), radio and television media are located in Sydney to facilitate "recognition", and to maintain ethical advertising standards. There are also adequate services for measurement of coverage. An Audit Bureau of Circulations was created about 25 years ago to cover the main consumer advertising media. For the verification of trade and business-press circulation and that of free-of-charge publications, a Circulations Audit Board performs similar services. Both are located in Sydney. Radio and TV advertising are monitored along North American lines.

Advertising Growth

Advertising expenditure in Australia now exceeds A£68 million a year. The *Broadcasting and Television Year Book 1959,* with the assistance of the Australian Association of Advertising Agencies, estimated advertising expenditures a year ago at some A£62.1 million a year, compared with A£45 million for 1956/57. More recent estimates, when available, will probably

Neon signs, a widely used form of advertising in Australia, light up the northern approach to the great Sydney Harbour Bridge. In fact, they line the eastern side of this highway for nearly one mile. Some of the signs look rather familiar.

indicate a growth of about 10 per cent in 1959. This trend will continue.

In the year ended June 30, 1958, members of the AAAA (which includes 70 per cent of all Australian agencies) did business valued at A£33.1 million. Of this, 54.3 per cent went to press advertising media, 12.3 per cent to radio, and 5.3 per cent to television. In the same period, all agencies did an estimated A£43.2 million worth of business. Direct advertising by retail stores amounted to A£9 million and manufacturers placed directly another A£10 million. It is expected that the shares of radio and television went up somewhat in 1959 and press advertising decreased correspondingly. Direct retail advertising also went up sharply.

Large Advertisers

Almost 200 Australian firms are listed in the *Broadcasting and Television Year Book, 1959* as national, inter-state and large-scale advertisers. The commodities produced by the firms included under this heading, and which presumably they advertise, fall roughly into the following groups. These indicate what products local manufacturers, distributors and servicing organizations advertise regularly.

Group	No. of firms listed
Food, tobacco and alcoholic beverages	44
Hardware, sporting goods and household wares	38
Textile fibres and fabrics	7
Wearing apparel	22
Electrical appliances and office equipment	16
Petroleum products, fuels and utilities	9
Banks, insurance companies, transport and engineering services	10
Pharmaceutical products, proprietary drugs, cosmetics, etc.	30
Supplies for industry and construction	25
Cars and other vehicles and accessories	10

The high degree of concentration of Australia's population (eight out of ten million) in or near several large cities and especially along the east, west and southeast coasts has resulted in the establishment and operation of large metropolitan newspapers, some with daily circulations of close to 500,000. Advertising by retailers, including department stores in the principal cities, therefore reaches a large reading public. Trade and other periodicals are numerous and of a high standard. The tabulation on this page gives details on press facilities available regionally to meet local, state or national advertising needs, and which periodicals have a more limited and specialized group of subscribers.

Radio and Television

Of the 164 radio stations, 108 are privately-owned commercial or other stations. Fifty-four belong to the government-owned Australian

NEWSPAPERS AND PERIODICALS IN AUSTRALIA

By State	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania
1958 population (in '000's):	3,689	2,741	1,417	897	705	335
Number of Newspapers						
Metropolitan daily	6	3	2	2	2	2
Weekly and general	5	1	3	3	2	3
Suburban	26	62	8	10		
Free country	18		6			
Provincial press	146	146	54	34	37	
Number of Magazines and Periodicals						
Broadcasting and radio	8	5			1	
Foreign community	14	8			1	
Motion pictures and photography	11	4				
Motoring and aviation	17	12	3	1	2	
Religious	20	29	8	10	3	3
Scientific, educational, technical and professional	37	41	7	6	2	2
Sporting	19	12	2	3		
Stock, farm and garden	38	24	10	8	13	3
Trade and commerce	84	57	20	10	11	9
Unions, associations and organizations	114	58	23	23	9	2
Women, fashions, etc.	14	6	3	4	1	1
Miscellaneous	26	46	8	5	3	5

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Broadcasting Commission and do not carry commercial advertising of any kind. Twenty-six of the commercial stations are in the state capitals with a combined population of 60 per cent of the whole country. Licensed radio-receivers total over 2.2 million or a ratio to population of 21.9 per cent. Revenue of the commercial stations in recent years has exceeded A£7 million and most have operated at a profit.

Television is only three years old. Sydney and Melbourne each have two commercial stations and one ABC station and similar facilities are operating in or have been licensed for the other state capitals. Peak-time TV audiences are estimated at over 900,000 in Sydney and in Melbourne at 700,000. The Broadcasting Control Board has assigned frequencies on ten channels which envisage a minimum of 120 TV stations throughout Australia eventually. Transmission is of a high standard and there are large-scale facilities for the production of commercials and documentaries. TV programs from overseas are readily licensed for import by local users.

Official broadcasting standards govern control of advertising matters, including censorship of scripts by the Director-General of Health for specific druggists' sundries and over the use of certain expressions without proper qualification. Time limits on advertising used for both sponsored programs and spot announcements have been established. Contests are permitted under specific rules.

Advertising Practices

Techniques in English-speaking countries overseas undoubtedly have influenced Australian advertising practices. Alert Australian business executives have visited overseas countries at one time or another; the population is over 99 per cent of European stock and 99 per cent of all adults are literate. Ready access to overseas periodicals and publications is another consideration; so is the fact that a great many Australian manufacturing companies are branches, affiliates or licencees of overseas firms. As a result, there are few major differences between local and overseas advertising practices. Though many overseas techniques can be adapted to Australian use, and even though there is no language problem, local professional advice is desirable. It ensures that the local tone of advertising is compatible with the slightly more conservative taste in some areas and with minor but important differences in word usage. No significant prejudices influence layout, colour or design, nor are there regional differences of importance.

Most advertising copy used is created locally and reaches a high standard. Full agency services are adequate and extensive. Apart from advertising agencies, in five main cities of the country 21 firms are listed as public relations consultants. Good specialized market research organizations are available and spending on research is relatively high. Some large manufacturers make extensive market studies on their own.

Advertising rates to clients are governed by rules of the professional associations. The customary agency fee averages 15 per cent; publications allow agencies 10 per cent discount and radio and television stations allow 12½ per cent. Full rates are charged for advertising placed directly, except by retailers who create and place their own copy in newspapers under contract. For material for aural media, agencies receive a 12 per cent production commission. Production costs for all media are slightly higher than overseas for comparable work and the costs of space somewhat lower.

Other Types of Advertising

Transportation advertising in trains, buses and streetcars (or on the outside of them) is increasing appreciably; so is radio and TV advertising. Outdoor advertising, and especially neon signs—which are widely used—is of a good standard, but billboard or poster displays are limited by municipal restrictions which in most cases involve strict licensing. Flag type or streamer advertising is limited, but plane or helicopter-towed advertisements are commonly used over large cities and the many beaches in parts of Australia. Direct mail advertising of the type employed abroad is only beginning; retail distributors and service stations are important users. Some firms employ coupon and premium advertising, especially branches of large overseas organizations who have used such techniques elsewhere, but certain restrictions apply in some states. Unit costs for specific products so promoted are therefore higher than overseas because of the limited opportunities and the smaller market. Institutional and prestige advertising are not yet used appreciably.

Point-of-Sale Advertising

The use of point-of-sale helps is increasing and store demonstrations of new products are common. One significant difference is in the use at cinemas of slides and "shorts" for local and even some nationally advertised goods. This is because movie theatres in Australia usually schedule four showings a day at three-hour intervals and sell reserved seats for each. The continuous movie is unknown. Intermissions between the shorts and main features and the interval before the show starts provide opportunities for slides or film shorts of about two minutes. For some nationally advertised products, the latter have proved effective.

Attractive and convenient counter displays and helps are being used for consumer goods but there is scope for development. One interesting practice is the use of pint milk bottles for advertising other food products and for advertising the space itself. Another is the frequent use of special newspaper supplements to cover local sources of one type of merchandise—for example, building products.

Trade fairs have not yet been developed or used as widely as overseas, but interest is increasing. There is, for example, no national annual show equivalent to the Canadian National Exhibition, although for consumer products especially, the commercial and industrial exhibits at the annual Royal Agricultural Show in Sydney have long been important. Recent general trade fairs have included the Sydney Industries Fair, July 1959, the International Trade Fair at Melbourne, March 1959, and the Brisbane Royal National Centenary Show, August 1959. None has been truly national as they have depended predominantly on local support and interest. So far, large vertical shows concentrating on one special trade have not been held, nor have organized trade exhibits at conventions been used to any extent.

Canadian firms wishing to exhibit at trade shows in Australia should do so in co-operation with and on the advice of their Australian agents or distributors, where they are established sellers in this market.

Brand Names and Labels

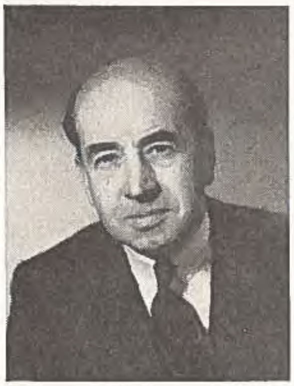
Australian legislation, the Trade Marks Act 1955-58, provides for the registration of trade marks such as names, brands, numerals or distinctive marks for the purpose of identifying articles as the product of owners. Registration covers an initial period of seven years, with subsequent renewals for 14-year periods. Fees payable are £4 on application and a further £6 for registration. Certain words such as "Royal" and devices (such as a Royal crest) are prohibited. Registration of an owner's Australian address is required and the services of solicitors, trade mark agents or patent attorneys should be employed for this. Details of the application procedure, a list of the product classifications under which registration may be effected, plus a list of registered patent attorneys may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa. Copies of the Trade Marks Act 1955-1958 can be obtained from the Trade Marks Office, Canberra, A.C.T. ●

The author is indebted to the following books for certain data and other information used in this article. Canadian advertising agencies and exporters who wish to advertise in Australia will find them useful.

Press Directory of Australia and New Zealand. *£1.10.0d.*
Country Press Ltd.,
Newspaper House,
44 Pitt Street,
Sydney, Australia.

Broadcasting and Television Year Book. *£2.2.6d.*
Greater Publications Pty. Ltd.,
Derwent House,
136 Liverpool Street,
Sydney, Australia.

New Deputy Minister Appointed



JAMES A. ROBERTS, who assumed the position of Deputy Minister of the Department of Trade and Commerce on March 3, 1960, came to Ottawa in the summer of 1958 as the Department's Associate Deputy. In the past eight months, because of the illness of the former Deputy, the late John H. English, he has carried a heavy administrative load. Yet he has been able to investigate some of Canada's markets at first hand: he accompanied The Canadian Chamber of Commerce mission to The West Indies in January 1959, recently paid a brief visit to Britain to look into trade opportunities there, and has travelled to various parts of Canada and the United States to meet and talk to businessmen.

He was already well known to the business community when he entered government service, particularly as a former president of the Canadian Exporters Association (1951), and as a regional director of The Canadian Chamber of Commerce. His own business career, that began in the insurance field in his native Toronto and took him to England (1937-39), was interrupted by the war. As Brigadier commanding the 8th Canadian Infantry Brigade, he served in the campaign in France, the Netherlands and Germany; won the D.S.O., was mentioned in dispatches, and was awarded a decoration by the Netherlands Government. (Personal note: he brought back to Canada a Dutch bride.)

When the war was over, he re-entered business as president of Mercury Mills of Hamilton, Ontario. He left the firm after seven years to specialize in investment, as president of his own firm and as a partner in Roberts, Stanley and Co. (public relations and marketing studies). In 1958 he made the transition to Ottawa and the civil service.

Despite his many responsibilities since he joined Trade and Commerce, he has happily adopted one Ottawa custom. Winter weekends find him taking to the Gatineau ski hills with the other members of the Roberts family.

New Zealand Builds Up Industry

Industrial expansion is proceeding apace, with government help and encouragement; brings in its wake changes in import trade. Canadian exporters will thus find this survey of industry's progress and plans illuminating.

J. H. STONE, *Commercial Secretary, Wellington.*

NEW Zealand in the past two years has experienced a period of industrial expansion comparable to that in Canada over the past twenty years. "It is true to say that New Zealand is entering an industrial age," declared the Minister of Trade and Commerce in a recent speech. Mineral and power resources are being developed, existing industries are expanding, and a variety of new ones will come into production in the next few years if present plans are carried out. This expansion will have its effect on future Canadian trade.

A high rate of growth in manufacturing has particular importance for New Zealand for several reasons. First, the population is growing so fast that the labour force will double in approximately twenty years. Second, the recurrent balance-of-payments crises of recent years have underlined the country's over-dependence on exports of a handful of agricultural products susceptible to wide variations in price. Third, the high standard of living to which New Zealanders have become accustomed may be difficult to maintain unless more real manufacturing of products, as opposed to the assembling of imported components, can be achieved to keep the cost of imports within the country's means.

New Industries Established

Among the important new industries is an aluminum rolling mill. A United Kingdom associate company of a Canadian aluminum producer has begun to build a plant to produce 5,000 tons of aluminum sheet and foil a year and 2,000 tons of wire and cable. Representing an investment of some $6 million (partly from New Zealand sources), the mill will employ about 250 people and is expected to be in production by 1961.

An Australian company has signed an agreement with the New Zealand Government covering an investigation of the economics of smelting aluminum in New Zealand's Southern Alps, using bauxite from the vast reserves of northern Australia. Reportedly, the South Island region now being surveyed has a hydro-electric power potential sufficient to produce 250,000 tons of ingot a year.

Large deposits of aluminum ore have also been discovered in northern New Zealand and this find may have an effect on the future of New Zealand's aluminum industry. The cost of transporting the ore to the source of power, and the extent and quality of the bauxite (yet to be determined) are to be the objects of intensive study.

A merchant bar mill based on New Zealand scrap will produce about 50,000 tons of reinforcing rods, angles, and engineering rounds by the end of 1961, according to a recent government announcement. The company which is to construct this mill will be controlled in New Zealand, although overseas firms will probably participate in the financing and technical operation of the enterprise. An investment of some $10 million is involved and a saving of approximately $4 million a year in imports has been predicted. The mill will not, however, supply New Zealand's total needs in this field.

Of even greater long-term interest is the recent formation of a mixed publicly and privately owned company to look into the prospects of establishing a basic iron and steel industry using New Zealand's extensive iron sands. The Government is to hold 51 per cent of the shares of the investigating company and has reserved the prospecting and mining rights for iron-sand areas for eight years.

Although the limited market for steel and the absence of suitable coal supplies have foiled past attempts to smelt iron in New Zealand, newly developed techniques of steelmaking may make a basic industry economic for this relatively small but high-consumption market. The Government has announced that only one basic iron industry may be established and all interested parties have been invited to participate in the investigating company. The original firms will have a substantial priority in any operating company set up later.

New Oil Refinery

By 1964, New Zealand's first oil refinery will be turning out some 90 per cent of the country's needs in gasoline, diesel fuel, gas oil, fuel oil and bitumen. Six oil companies have formed a joint enterprise to operate the refinery and they will raise 40 per cent of the required capital in New Zealand. Close to $50 million is the estimated cost of the new refinery but the $55 million bill for New Zealand's annual imports of petroleum products will drop by some $9 million when crude oils are processed domestically.

Meanwhile the search for oil goes on. Over 90 bores have been drilled in New Zealand since 1866 when the first well, one of the few to strike oil, was sunk. Only four wells are now producing under 200,000 gallons of crude in the immediate area of the first strike. Three separate groups are actively engaged in exploration, using seismic surveys and other modern prospecting techniques, and deeper drilling may improve the chances of striking oil in commercial quantities.

These spectacular projects, which have aroused wide public interest, have tended to eclipse the regular expansion of established firms into new fields and new products.

The paper industries have announced plans to install a second newsprint machine; a new kraft mill to be established in the South Island will eventually be fed by its own pulp-making machinery. The production of radiata pine lumber is also to be increased by a large new sawmill at Kinleith. Two firms plan to produce wallpaper. Canadian consultants have played an important role in the growth of the paper industry and will be advising on the construction of the new South Island kraft mill.

The motor vehicle assembly industry, at the Government's suggestion, is studying means to produce more components locally. New Zealand factories already turn out radiators, tires and tubes, finishes and other parts and a gradual increase in the value of domestic components is to be expected.

New Zealand manufacturers of a wide variety of other goods, from carpets to household appliances, have expanded their range to fill the gap created by the strict import controls of the past two years. For example, the carpet industry expects to provide the country's entire needs within three or four years and the paint industry is already self-sufficient.

Canadian, British and American design and engineering skills, as well as financial, technical and management associations, have long contributed to New Zealand's manufacturing industry and new associations are formed regularly. Canadian fork-lift trucks, stoves, washing machines and other appliances are made in this country under licence and the list of such products will increase substantially if present plans are carried out. A wide variety of international firms have been set up in New Zealand either as branches, associate companies, or by licensing arrangements. More are coming every year.

Government Encourages Industry

The New Zealand Government, through the Department of Industries and Commerce, is actively seeking to attract new manufacturing ventures. A New Industries Section, corresponding to the Industrial Development Division of the Canadian Department of Trade and Commerce, has been organized to assist firms in surveying the market and in compiling information required to make a decision on a new enterprise. Information on labour laws, rates of pay, rentals and taxation is available; so is advice on the potential market for products.

Although only two industries require a government licence to operate, most new businesses want assurance from the authorities that import licences will be issued to cover any imported equipment and raw materials needed. The operation of exchange control normally requires Reserve Bank approval for the remission of royalties or profits. Capital stock issues are also controlled. By these means, the Government can channel new investment into fields considered in the best interests of the country. Particularly welcome are enterprises that will contribute to the diversification of New Zealand's export trade, reduce expenditures on imports, or create new employment. The Government has announced, however, that import controls or tariffs will not be used to shelter uneconomic industries unduly.

Foreign Exchange Fund

To ensure that import controls will not retard desirable industrial growth, the Government has set aside a $30 million Development Fund, quite outside of the annual import programs, to provide any additional foreign exchange needed for imports of capital equipment that cannot be fitted into the annual import quotas. The Government does not finance new enterprises nor the expansion of existing ones through this fund. Rather, the $30 million is an extra amount of foreign exchange set up as a possible addition to planned expenditures from foreign exchange reserves. To qualify for import licences charged against this reserve, projects must have the approval of the Government.

Hydro-Electric Power Expansion

New Zealand's hydro-electric power system will encounter heavy increases in demand in the next few years because of this high rate of industrial expansion and the expected growth in population. Although estimates of the total available power potential differ, only a small proportion of total resources has been developed. Even by 1970, when twice the present generated power will be available, only about one-third of the known potential will be in use. At present, power is produced by standard hydro generators, by a steam station, and from three turbines driven by one of the world's two geothermal (i.e., volcanic steam and water) developments. New hydro stations are being built in both islands and a power cable to connect the two grids may be undertaken next year. An accelerated $9 million five-year program of exploration and investigation has been announced.

The planning and engineering of New Zealand's hydro-electric generation has been largely carried out by engineers of the State Electricity Department. Canadian firms have, however, supplied generating equipment and continue to win a share of the contracts available.

Canadian trade with New Zealand must inevitably be affected by this fundamental change in the character of the economy. Indeed the changes are already apparent. Progressively, New Zealand is declining as a market for finished consumer and capital goods. Instead, it tends to import an increasing proportion of raw and intermediate materials, components and parts for finishing, assembly, or complete manufacture in this country. Logically, New Zealand's industrial strength should lie in a more intensive processing of her own raw materials and in the production of goods that require variety, short runs and a large degree of highly skilled labour, rather than mass production at low unit cost. With a population that must remain relatively small, however, opportunities should continue for the vast number of products that cannot be made economically for a small market, for commodities in which Canada has a natural advantage, and for ever increasing amounts of materials, components and supplies for New Zealand industry. ●

The Librarian Suggests

If you are interested in the EUROPEAN FREE TRADE ASSOCIATION, *here is a selected list of articles about it that have appeared recently in newspapers and periodicals. It was compiled by the Library of the Department of Trade and Commerce as an aid to businessmen.* Foreign Trade *cannot undertake, however, to provide or to order copies of any of the publications.*

The European Free Trade Association

External Affairs, September 1959, p. 270-273. (Published monthly by the Department of External Affairs, Ottawa.)

What U.K.'s New Trade Alliance Can Mean for Us

Financial Post, Toronto, November 28, 1959, p. 26.

Establishment of a European Free Trade Association

Board of Trade Journal, London, November 27, 1959, p. 853-854. (Published weekly by U.K. Board of Trade, London.)

European Free Trade Association

Economic Record, September 1959, p. 3, January 1960, p. 1. (Pamphlet published monthly by the U.K. Information Service.)

European Free Trade Association: the Aims of the Seven

Board of Trade Journal, December 11, 1959, p. 941-947. Extract from a booklet entitled "EFTA, European Free Trade Association."

Will Seven, Six Split?

Financial Post, December 5, 1959, p. 22.

Outer Seven Group Lists Import Rules

Journal of Commerce, New York, December 9, 1959, p. 13.

Free Trade Club: the Convention Summarized

The Economist, November 28, 1959, p. 837.

Mr. Amory Greets U.S. Interest in EFTA

Financial Times, London, December 15, 1959, p. 9.

Trade Prospects for the Outer Seven

Euromarket, October 1959, p. 10. (Published by Euromart Publications Limited, London.)

Europe's Trade-Effect of the Six and Seven

Financial Times, London, December 10, 1959, p. 15.

Paris Meetings on OEEC and EFTA

Board of Trade Journal, January 22, 1960, p. 151. Text of resolutions of Paris meetings in January 1960.

Canada Seen Partner in Six-Seven Bridge

Financial Times, Montreal, December 18, 1959, p. 1.

EFTA the Most Significant Trade Development in 1960

Board of Trade Journal, December 18, 1959, p. 1,001.

European Free Trade Association

Text of Convention and other documents approved at Stockholm on November 20, 1959. As presented to the British Parliament. (H. M. Stationery Office, London, Command Paper 906, November 1959.)

The European Free Trade Association: a Preliminary Appraisal. By Miriam Camps

Britain and the European Market—Occasional Paper No. 4, September 7, 1959. 38 pages. (Published in London by Political and Economic Planning.)

Sixes and Sevens

Bank of Montreal Business Review, January 26, 1960, p. 1. (Published monthly at the Head Office of the Bank in Montreal.)

Europe's 6 and 7 Seen Near Accord. Official of Common Market Calls Pact Stemming Rift a Good Possibility

New York Times, February 17, 1960, p. 55.

Europe, the European Economic Community and the Outer Seven. By Kurt Birrenbach

International Journal, Winter 1960, p. 59-65. (Published quarterly in Toronto by the Canadian Institute of International Affairs.)

U.K. Reported Dropping Effort. Hope Wanes for Fusion of Europe's Trade Blocs

Journal of Commerce, New York, February 18, 1960, p. 1.

Scandinavia and the Seven

The Economist, London, October 3, 1959, p. 59-60.

European Free Trade Association

Text of schedules to Annex B to Convention approved at Stockholm on November 20, 1959. Lists of qualifying processes and of basic materials; forms of documentary evidence of origin. As presented to the British Parliament. (H.M. Stationery Office, London, Command Paper 906-1, November 1959.)

A New Prospect (Editorial)

Financial Times, London, December 15, 1959, p. 8. U.K. Chancellor favours the Seven coming together with the Six; favours a wider EFTA. Action by U.S. might facilitate European economic integration.

Outer Seven Urges U.S. Support of Trade Cooperation in Europe

New York Times, January 26, 1960, p. 44.

The European Free Trade Association. By Wilfrid Lavoie, Department of Trade and Commerce, Ottawa.

Foreign Trade, January 16, 1960, p. 25. A discussion, from the Canadian point of view, of the main features of the convention.

Data for Exporters

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

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

Index to *Foreign Trade*

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

Trinidadians Eat More Apples

Apple sales in Trinidad last Christmas nearly doubled those of 1958. Canadians are still top suppliers, though the United States is becoming a powerful competitor. Important in this largely seasonal trade are old-time vendors like Apple Annie, who set up their stands on Port-of-Spain's Marine Square and are regarded as a traditional part of Christmas, like the hawkers of Christmas trees here in Canada.

R. F. RENWICK, *Commercial Secretary, Port-of-Spain.*

DURING the last Christmas season, Port-of-Spain's downtown streets gave the impression that Trinidadians had wholeheartedly adopted the old adage about "an apple a day". From the capital city to San Fernando, Couva and Pointe-a-Pierre, West Indians have taken to crisp juicy Canadian apples as never before.

Christmas Vendors

A year-end report from Princes Town states that vendors in the town's triangle have so far won out against all efforts of the town's Welfare Council to dislodge their shacks. They continue to sell apples at night under the illuminated tree in the centre of the triangle. The Mayor of Port-of-Spain, in an effort to ease traffic congestion on the town's sidewalks, allotted a good-sized, heavily patronized parking area in the city for vendors' booths. This sparked some brisk jockeying for desirable sales locations, as well as specially convened delegations to municipal authorities. It all led to a decisive move to Marine Square. Old hands in the trade, such as "Apple Annie", predict that vendors will be back next Christmas in the same stands and that the Marine Square apple market will become a Christmas institution in Port-of-Spain.

Apple Imports Climb

There is little evidence at present to cast much doubt on this lively forecast. Trinidadian sales of apples (all imported) have expanded at a phenomenal rate, as shown in the accompanying table. In 1958 over 2.2 million pounds were imported, valued at W.I.$561,670 (c.i.f.) or about Can.$311,165 at current rates of exchange. This compares with total imports of only 455,000 pounds six years ago. When customs returns for 1959 are in, it will probably be found that imports soared to the 3.2 million-pound mark—and Canadian exporters have secured most of this new business. Saguenay Shipping Ltd., which does most of the shipping from Montreal, Three Rivers, and other East Coast ports to Port-of-Spain, happily reports arrivals of 44,410 cartons in the 1959 season, up from 22,550 cartons in 1958, or an increase of 97 per cent. Substantial sales will continue, though imports of Red Delicious and McIntosh apples may dip a little this year.

In January 1960 cold storage plants in Port-of-Spain and San Fernando contained ample unsold stocks and the trade is so seasonal that selling apples in January is like trying to dispose of secondhand Christmas trees. By New Year's the street vendors, who sell 65 per cent of all apples to their 765,000 fellow citizens, have usually withdrawn from the trade. This leaves the wholesaler (who may also be the importer) with only the grocery stores as an outlet. On the shelf, flanked by other cheaper fruits, apples are at the mercy of the careful housewife (Trinidad's annual per capita income is only $341) who will probably only finger the merchandise and decide to serve banana soufflé instead of apple tart. The fact that she can buy an apple for W.I.12 or 14 cents that earlier in the season cost 26 cents seems forgotten or else discounted as Christmas luxury spending.

Imports of small parcels of apples sometimes begin to arrive in the last week of September. About 13 per cent of total imports arrive in October, 31 per cent in November, and the trade builds up to the pre-Christmas peak when 54 per cent of imports are received. Agents and distributors try to arrange weekly arrivals (ideally at 7.00 a.m. Monday morning) which allows the remainder of the week for customs clearance and distribution to wholesalers or larger retailers. Because of the lack of storage facilities and the expense of storing, customs sheds often serve as the importers' warehouse. Wholesalers buy from agents or importers before and after arrival of shipments and sell from one to 100 cartons to street vendors or dealers at varying mark-ups, according to buyer, season, and state of the market.

A few small orders of apples are received in the spring by direct shipment from New Zealand. Export prices for these are somewhat higher than for Canadian apples and it is only at the end of the Canadian season that they are taken up. New Zealand apples are considerably more expensive c.i.f. Port-of-Spain, because of the necessity of refrigeration during the three-week voyage. In the future, May and June arrivals of New Zealand Red Delicious and Richereds (a type of Red Delicious) are expected. Australia tried the market in 1953 and 1956 but transhipment of Tasmanian apples in Australian or British ports is so expensive that Australia has been out of the market for the past three years.

During the past five years, United States exports have increased so much that they now constitute a serious threat to Canadian apple exporters. In the five years from 1954 to 1958, U.S. growers boosted sales to Trinidad by a thumping 36,000 per cent—from a trial shipment of 1,678 pounds in 1954 to about 600,000 in 1958 (15,000 cartons of 40 pounds each). The trade reports that imports from this source were moderately lower in 1959.

Canadian apples enter Trinidad free of duty under the British Preferential tariff. A levy of W.I. $0.50 (U.S. 29.5 cents) per 160 pounds is made by the Trinidad and Tobago Customs under the general tariff, and is applicable to imports from the U.S. This duty amounts to W.I.$0.125 (U.S. 7.4 cents) per carton of 40 pounds; the Trinidad surtax of 15 per cent is not collected on apples.

From the Trinidad importer's point of view, this duty is more than offset by the prevailing fluctuating premium on the Canadian dollar. West Indian dollar quotations are rare indeed; a firm U.S. dollar quotation is preferred. Current selling rates at Port-of-Spain banks indicate

IMPORTS OF FRESH APPLES INTO TRINIDAD AND TOBAGO

		1954	1956	1957	1958
Canada	*W.I.$	122,341	173,009	209,016	373,907
	lb.	454,882	507,107	702,270	1,524,722
United States	W.I.$	512	92,361	104,687	155,644
	lb.	1,678	319,295	372,405	599,518
New Zealand	W.I.$		61	15,936	32,040
	lb.		300	64,000	90,000
Netherlands	W.I.$	6,527			
	lb.	28,181			
Australia	W.I.$		20,955		
	lb.		67,880		
Others (Puerto Rico, U.K., St. Vincent, Ireland)	W.I.$	151	57	16,062	79
	lb.	342	188	64,324	212
TOTAL	W.I.$	129,531	286,443	329,765	561,670
	lb.	485,083	894,770	1,138,999	2,214,452

*W.I.$=Can.$0.55. Values quoted are c.i.f.

Source: *Overseas Trade* 1953-1958, Government of Trinidad and Tobago, Central Statistical Office.

that importers here have to pay about W.I.$0.09 more for Canadian than for United States dollars. Canadian growers must therefore be willing to quote lower prices than their U.S. rivals to obtain the business. The following typical landed, duty-paid costs per carton in Port-of-Spain illustrate this point:

United States	
Cost in Port-of-Spain, W.I.	$9.55
Deducted duty	0.125
Landed in bond	9.425
At exchange rate 1.72=U.S.$5.48	
Canada	
Cost in Port-of-Spain, W.I.	$9.55
Duty	Nil
Landed in bond	9.55
At exchange rate 1.81=Can.$5.28	

Over the past season the effect of the preferential duty was nullified but in any event, Canadian exporters still dominated the market and increased the relative importance of their year's sales.

Risks of the Trade

Traditionally only the Trinidad carriage trade bought Canadian apples and only the Extra Fancy quality in barrels or boxes was imported in refrigerated holds. Since the Canadian National Steamships passed from the scene, shipments have been mainly Fancy Delicious or McIntosh in cardboard cartons carried in ordinary general cargo stowage space. British Columbia apples are not exported directly from Vancouver but travel east to an Atlantic port for ocean shipment.

More and cheaper apples have thus reached a greater number of consumers, but the risks have increased. The tray-type or cell-pack corrugated carton gives good protection to each individually packed apple and most arrive in perfect condition. Freight handling, however, may result in some arriving flat-sided, bruised or spotted. When apples are in good demand, dealers are too busy realizing their investment to complain. But when demand falls off, only slight signs of deterioration trigger minute inspection and detailed claims on the shipper, who must guarantee sound fruit on arrival.

Another risk, particularly noticeable early in the season, is the possibility of infestation by codling moth (Carpocapsa Pomonella L.). Trinidad is free from this pest and the island authorities are rightly taking all precautions to protect citrus plantations from possible danger. Actually it is not known whether the moth could survive and reproduce in Trinidad's climate. But until this is scientifically established, apples arriving in port and found on inspection to contain codling moth will be refused entry. Immediate destruction of an entire shipment from any vessel may be ordered, under authority of the Plant Protection Regulations of the Government of Trinidad and Tobago. This is a serious risk and is for the Canadian exporter's account, though the consignee is held directly responsible for incidental charges.

Under these hazardous circumstances the trade is not to everyone's taste and there are only a few engaged in the business in Canada. Trinidad importers number a mere half-dozen who have built up good trade connections and have the experience and resources necessary to cope with unforeseen events.

For growers who wish to quote, prices should be c.i.f., including a Can.$0.25 per carton commission for the agent/importer, rather than net. Freight averages Can.$0.90 per carton, or $34 per 2,000 pound ton by weight rather than measurement, plus $7.20 per ton for receiving, storage and delivery.

Although Port-of-Spain has a grocery-store demand for larger size apples (86 to 96 per carton), these could be reserved for Venezuelan buyers (see *Foreign Trade*, January 2, 1960, page 13). Most of Trinidad's requirements are for the smaller sizes of 140 to 160 or up to 200 per carton, because these travel better and are prized by the street vendors, who sell by the piece. ●

Britain's Gas Industry

CANADIAN manufacturers of domestic or industrial gas appliances and equipment may be interested in how the gas industry is faring in the United Kingdom, one of the world's oldest users. With little natural gas of its own, Britain has maintained and expanded the manufactured gas industry for the past 150 years and is doing so even now, when other forms of fuel and energy are available or being developed. In recent years over £50 million has been spent annually to bring obsolete plant and equipment up-to-date. In 1949 the gas industry was nationalized.

In 1958, 25 million tons of coal were carbonized by the gasworks and nearly 28 million tons by coke ovens operated outside the gas industry. The industry also used 700,000 tons of oil for gas-making. From this production, almost 600,000 million cubic feet of gas were supplied to 13 million consumers.

Gas is used extensively in industries that require a fine degree of heating accuracy, such as pottery and iron and steel making. Temperatures of 2,000 degrees Centigrade may be called for in process work on jet aircraft engines, rockets and guided missiles. In 1958, industrial consumption reached 165,000 million cu. ft.

Supplies of suitable coal are becoming scarce. The Scottish Gas Board, however, is building a plant that will make gas from low-grade opencast coal by a complete gasification process. Surplus "tail" gases from oil refineries are also used, and in a few remote areas consumers burn liquefied petroleum gases.

A small amount of natural gas has been found in Scotland and Yorkshire and some of it has been tapped to supply local needs. Experiments are now being conducted with refrigerated natural gas in liquid form imported from the United States. Already five trial shipments have been made and costs are being examined. If these shipments prove to be commercially feasible, there might be future opportunities in this field for the import of larger quantities of natural gas at a lower per unit cost.

—J. L. MURPHY,
Office of the Minister (Commercial), London.

ARGENTINA'S AGRICULTURAL YEAR

Argentine farmers, in spite of lower yields this past season, look forward to a brighter future, with new government floor prices for wheat, fewer import restrictions, and improved farming methods. Developments should boost Canadian opportunities to sell breeding stock and farm machinery.

G. E. BLACKSTOCK, *Assistant Commercial Secretary, Buenos Aires.*

ARGENTINE agriculture has made slow but steady progress since 1958 and the long-term outlook continues to be bright. Short-term prospects have also improved with the introduction during 1959 of most of the important features of the new economic recovery program, and the abolition of the majority of import restrictions and artificial exchange rates.

Many crops in 1959-60 produced slightly smaller but higher quality yields than those of 1958-59. Bad weather at seeding time reduced seeded areas but yields per hectare (2.47 acres) were generally good.

Wheat Crop Down

Early estimates of this season's wheat production were extremely gloomy; they have now been revised upwards, though the crop will probably be well below last year's. All reports of the new harvest, now nearly completed, indicate that the wheat will be of very good quality with high per-hectare yields. During the year the National Grain Board relinquished its monopoly of the wheat trade and the Government established floor prices for wheat; under this system, the Government buys any wheat for which a better price cannot be obtained privately.

In 1958-59, the wheat harvest totalled 6.7 million metric tons which, counting the carryover from the previous year and allowing for domestic consumption, left slightly over four million tons* available for export and carry over into 1959-60. At the end of 1958-59, over 2.5 million tons of wheat had been exported. Of the remaining 1.5 million tons, well over half-a-million represented either export sales not yet fulfilled or commitments made to local millers from the new crop which was slow to be harvested. The 1959-60 harvest, estimated at about 1.3 million tons less than last year's, will provide no more than about 1.5 million tons for export during the current year.

Brazil is Argentina's biggest foreign customer for wheat and is under agreement to buy up to one million tons a year. Because of a serious drop in its own production this year, Brazil will probably want to buy well up to 100 per cent of this amount in 1960. It is not likely, however, that more than about 600,000 tons will actually go to Brazil, because of a marked tendency for Argentine grain dealers to sell what wheat they can on the European market; such sales bring hard currency returns instead of book credits on a bilateral treaty basis.

Other Grains

Oats and barley yields will be cut this year, but that of rye will rise slightly and of linseed substantially. The first official estimate for this year's oats production is 825,000 tons, against last year's 850,000; barley is expected to dip to 982,000 tons from 1.05 million last year, and rye to 817,000 tons from 840,000. Despite a 5 per cent drop in the seeded area of linseed, it is estimated that production will climb by 12 per cent to 708,000 tons, the highest in 13 years.

Corn was sown heavily last year and early estimates were for a large crop. In March, however, a period of excessive rainfall and flooding began that persisted intermittently through the rest of the season. It caused heavy losses, seriously delayed the harvest, and produced corn of such high moisture content that equipment for drying it was unable to cope with the situation. Serious congestion in all port and interior storage facilities was the result. The final official estimate of production was 4.9 million tons. This year corn sowing began under the same condition of excessive

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*Metric tons are used throughout this report.

moisture that prevented a good crop last year. The seeded area was reduced, as some growers decided to go more heavily into other crops such as sunflowerseed. December brought good growing weather but during the past two months the fear of drought has increased and some losses in the corn crop are already evident. Private estimates of production for 1960 are between 4.5 and 5 million tons. The first official estimate of seeded area just issued is nevertheless much higher than had been expected (3 million hectares, up 6 per cent from last year).

Rice production in 1959 made a comeback. Early in the season prospects seemed so poor that P.L. 480 imports from the United States were arranged. At the end of the year, conditions had improved so much that the P.L. 480 arrangement was dropped and some sources asserted that there would be an exportable surplus.

Oilseed Output Satisfactory

Early in 1959, when edible oil production prospects were poor and prices high because of the expected shortage, Argentina arranged to buy 75,000 to 100,000 tons from the United States under P.L. 480. As time went on it became evident that the first estimates had been too low, and toward the end of the year the arrangement was dropped. (P.L. 480 imports up to that time had reportedly reached no more than 4,000 tons.) A total of roughly 168,000 tons of edible oil was actually produced, about 60 per cent from sunflowerseed, 23 per cent from peanut oil, and most of the remaining 17 per cent from cottonseed oil. Little or nothing was available for export, though domestic needs were adequately filled.

Argentine vegetable-oil crops vary widely. Cultivation is usually a gamble and the decision to sow is often made at the last minute. In 1958, for example, vegetable-oil output totalled 328,000 tons and exports 105,000. But exports the year before were less than half that amount, in 1956 less than a tenth, and in 1955 there were none. It is almost certain that the adoption of modern techniques, plus the control of insect pests and of the two serious diseases that at present cut into production, could practically ensure an annual output of 250,000 tons of edible oil.

Apples, Pears, Sugar

Apples and pears both promise good crops this year. According to the first official estimate, the 1959-60 apple harvest will total 457,000 tons. This, though down slightly from last year's bumper crop, is over 50 per cent above the average of the last ten years. Pear production is estimated officially at 103,000 tons, up 12 per cent from 1958-59 and 6 per cent over the last ten-year average.

Sugar growers and exporters have been going through a difficult period; they have made no shipments for some months. This situation stems from the fact that the last two sugar-cane crops in Argentina were exceptionally heavy at a time when international sugar prices were falling; the 1959 crop estimate of 11.5 million tons, though down from last year's record by 10 per cent, is still much above average. In addition, under the current system of government support for the industry, marginal producers, instead of being discouraged, are continuing to grow cane in the usual amounts.

Potatoes from Local Seed

There is usually a fairly substantial and regular market here for Canadian seed potatoes. In 1958, however, Canadian exports of seed potatoes to Argentina amounted to no more than about 15,000 bags, just a little over 10 per cent of the total imported. In June 1959, prospects looked excellent in the seed potato business and chances were good that Canada might obtain a substantial share of the business. But because of domestic price changes for potatoes caused by a sudden drop in consumption plus an accumulation of local stocks from a bumper crop, the market suddenly collapsed and only a small amount of seed potatoes was imported. Although it is still too early to comment on the possibilities of a market in Argentina for Canadian seed in the coming year, it is quite possible that 1960 will see another big harvest of potatoes from local seed. These are almost invariably of inferior quality, but quantity appears to count for more than quality in the Argentine potato market.

Livestock and Animal Products

Argentine cattle herds began to expand in 1959 from the dangerously low point at the end of the previous year. Producer prices fixed discouragingly low, plus high taxes on farmers, led to heavy slaughtering, particularly of young and of female stock. This, plus excessive home consumption, reduced beef cattle herds—which had been estimated at 47 million head at the end of 1956—to 41 million at the end of 1958 at the highest estimate. Some observers were saying it had even gone below the 40 million mark. But the minimum price for steers was boosted late in 1958, and when the official exchange rate was abolished at the beginning of 1959, exporters began to receive much better returns. The wholesale price ceiling was removed in December 1958 and within three weeks the price of beef tripled. By May the slaughter of young and of female stock dropped by 50 per cent and home consumption declined by 30 per cent. In September, the prices that packinghouses were paying for live animals had reached the highest point ever, and producers continued to rebuild their herds to cash in on the boom.

Today the picture is promising. Cattle herds are still far from their former strength but are growing steadily. Export markets are favourable and the industry is generally optimistic and buoyant. In pork and mutton, production and exports increased during 1958, encouraged by the abolition of the official exchange rate at the beginning of the year and, for pork, by the removal at the end of April of an export retention of 20 per cent. An export retention of 10 per cent still remains for mutton.

Under the terms of a recent agreement with Chile, Argentina will supply that country with substantial amounts of frozen meat. It has also made an agreement to sell chilled beef to Brazil and the first quota of 1,500 tons was shipped recently. Late in 1959 Argentina also contracted to export to Chile up to 40,000 head of breeding stock of the Shorthorn, Hereford, Aberdeen Angus or Holstein breeds. This is taken as an indication of Argentina's confidence that its cattle herds are recovering.

It was announced recently that the 20 per cent import surcharge on all kinds of animal breeding stock had been abolished. This will certainly stimulate imports and is of considerable interest to Canada. Cattle breeding stock from Canada, particularly Holstein, enjoys an excellent reputation here.

The new wool clip is estimated to be close to 200,000 tons, an increase of some 5 per cent over last year's clip. The total available for export—including the carryover from last year's stocks—will be about 230,000 tons, slightly more than 1959's record exports of 225,000. This year, even with the bigger clip, no problems are anticipated in disposing of the exportable surplus, as long as current high international prices are maintained.

No official figures of total exports of Argentine butter and casein for 1959 have been issued yet, but they are expected to rise considerably over 1958, particularly butter. The prospects at the moment are not as bright as last year, but this is a result more of the world price situation than of Argentine productivity. Prices could improve any time during the coming year, and Argentina should be able to maintain the high level of exports of these products.

Cheese shipments rose gradually in 1958. A 20 per cent export retention, which had not been applied to other dairy products, was dropped during the year and gave added impetus to sales.

Farm Machinery Needed

In October a government decree abolished all surcharges on imports of agricultural machinery and equipment not being manufactured in Argentina. This to a limited extent reopened the door to this market, closed for a number of years. The move was a much needed step towards the modernization of farming methods, but it should also be an opportunity for Canadian agricultural machinery and equipment manufacturers to get back into the Argentine market. Domestic production of this equipment is increasing and a number of foreign firms are making plans to invest money in building Argentine plants or in expanding existing ones, particularly for making tractors.

New Deal for Farmers

Farmers in Argentina have decidedly improved their lot in the past year, chiefly through:

- The new foreign exchange control system, in force since January 1, 1959, that eliminated the artificial "official" or pegged rate of exchange at which export sales of most agro-pastoral products were liquidated by the Central Bank.

- The gradual reduction of import surcharges on necessities such as seed, breeding stock, machinery and equipment.

- The elimination of export retentions.

As a result, farmers are at long last receiving a much more equitable share of the export price of their products than they have received for many years. It is a promising sign of healthy new activity in Argentine agriculture, clear evidence of gradually resumed expansion in an atmosphere of optimism. ●

Burma Develops Power

TWELVE years ago, Burma began to survey possible sites for hydroelectric power developments. Seven projects were selected for further study and the first of these, at Balu Chaung, is nearing completion of the first stage.

The Balu Chaung (Balu River) has a series of three waterfalls located near Liokaw, about 250 miles north of Rangoon. Three power developments are planned, to have eventual plant capacities of 24,000, 168,000 and 48,000 kw. Work on the first stage with an initial installed capacity of 84,000 kw. is expected to be completed this year. The work is being carried out by Japanese firms using Japanese plant, equipment and construction materials under the Reparations Agreement negotiated between Burma and Japan.

Test operations and the supply of power to Rangoon will be started this year, plus a program of extending supply transmission lines to north and central Burma, eventually terminating in Mandalay. The project will form the nucleus of a national grid system to supply more and cheaper power.

Some controversy is attached to the Balu Chaung project. It is felt that the development of such a large block of power relative to existing loads will create surplus capacity for many years. Moreover, because the site is far removed from load centers, costly transmission lines must be erected.

This unique situation of having surplus electric power will allow the Burmese to study other developments to use up the excess. Irrigation projects, for example, would allow increased production of rice as well as crops of peanuts, jute, etc.

Although there have been many new industries developed in recent years, Burma remains underdeveloped in this field. The Rangoon area has a steel mill, a pharmaceutical factory, a spinning mill and several flour mills. The establishment of a fertilizer plant and of a paper mill to use bamboo and rice straw is being studied.

Total power output in Burma is small compared to a small province of Canada, but with more power coming in, there will be incentive to set up more industries to use it.

—M. P. CARSON,
Trade Commissioner, Singapore.

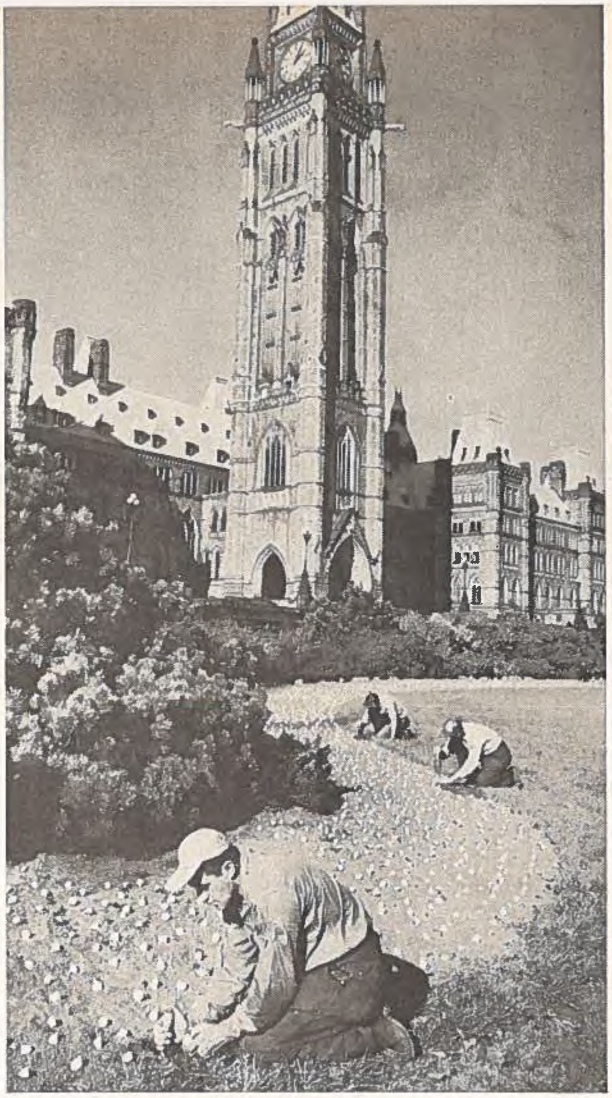
At Lisse, heart of the bulb-growing district, this beautiful park each spring becomes the woodland setting for the world's largest outdoor flower show. Established eleven years ago, it now attracts a million visitors.

The Netherlands Sells Springtime

When flowering is finished and the leaves of the plant have withered, the bulbs are carefully dug up and the sand adhering is sifted out. Bulb cultivation calls for great skill and also much hand labour. The growing of bulbs of all kinds is strictly supervised; immature or under-sized ones cannot be exported.

Here the bulbs are being loaded into boats on
more bulb exporters. The canals that bisect
water-table in the soil and simplify the initial
beech trees in the background, sheltering fiel

In front of the Parliament Buildings, Ottawa, National Capital Commission gardeners plant Dutch tulips, using a blueprint to ensure the most attractive blending of colours. In ten months of last year, Canadians bought nearly $650,000 worth of tulip bulbs from the Netherlands producers.



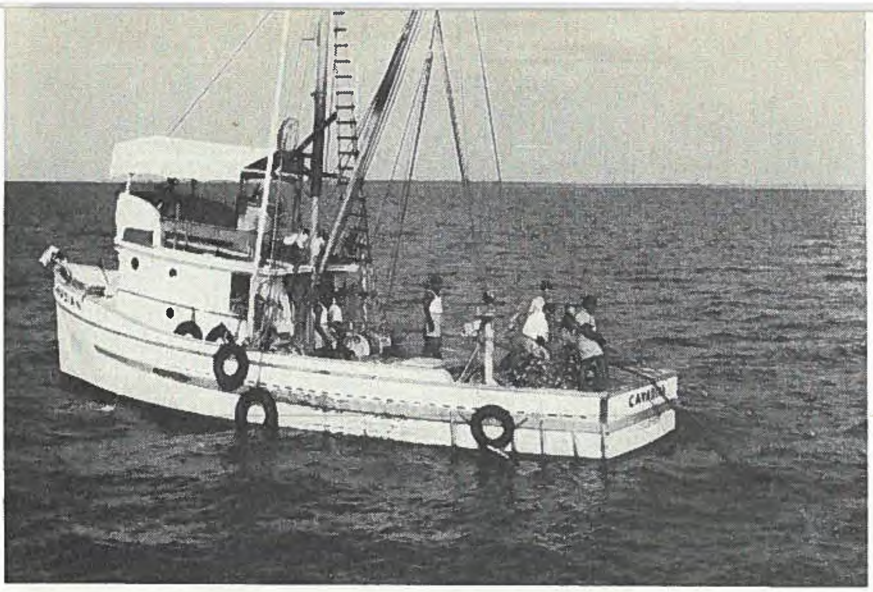
IN the Netherlands next month, a wide strip of land bordering the North Sea will glow with colour, as far-spreading fields of spring-flowering bulbs burst into bloom. When summer comes the bulbs will be dug up and, beginning in mid-August, will be dispatched to other European countries, to North and South America, to South Africa, and even to distant Australia. They will bring springtime beauty to the buyers and earn for Dutch exporters close to fifty million dollars.

The Dutch have specialized in the cultivation of bulbs since they were brought to Europe from the Middle East in the 16th century. To the natural advantages of the right climate and a sandy soil with a suitable water table, they have added a skill acquired through long experience. Research, particularly in the bulb laboratory at Lisse, has kept down plant diseases, kept up quality, developed new varieties, and coped with special problems. Today there are 23 main groups of tulips alone.

In 1958, about 20,211 acres in the Netherlands were planted with bulbs. Tulips have become the undisputed leader, with narcissi and hyacinths (the hardest to raise) in second and third place. The Dutch guard their reputation as the world's premium bulb exporters jealously, with strict regulations, strictly enforced.

' to one of the 650 or
: help to control the
ation to market. Note
wind and sandstorms.

The two men on the left, inspectors from the Canadian Plant Inspection Service, come to Holland during the shipping season and make sure that bulbs purchased by Canadian buyers comply with regulations. The Dutch Government itself sets up and enforces strict standards of plant health and cleanliness.



Plans for large-scale modernization and expansion offer opportunities for exports of marine accessories, motors, nets, lines and floats, and refrigeration equipment. Among the equipment that Canada has already supplied to the fishermen under the Colombo Plan are two fishing boats and a trawler. One of the former is pictured above.

Ceylon Modernizes Her Fisheries

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

MODERNIZATION of Ceylon's fishing industry is now under way and promises to open up sales opportunities for a variety of Canadian products and services. The ultimate goal of the scheme—self-sufficiency in staple fisheries products—will mean the saving of large amounts of foreign exchange now spent on imported fish and will permit the buying of other types of imported goods. But to achieve this objective the present catch of 780,000 cwt. will have to be increased to 4 million cwt. by 1968.

The steps to be taken in modernizing fisheries equipment and methods make Ceylon a potential market for Canadian equipment in this field. These steps are:

- Mechanization of existing small fishing craft
- Introduction of new fishing techniques
- Construction of new mechanized boats
- Construction of fishing harbours and boat-building yards
- Introduction of new trawlers, pelagic tuna boats, and related shore facilities
- Construction of adequate freezing, ice and cold-storage plants
- Improvement of marketing and transport facilities
- Provision of adequate credit facilities
- Increased technological and biological research on fisheries problems.

The mechanization of a proportion of existing craft (there are reportedly 17,000) will provide a market for large numbers of outboard motors and, to a lesser extent, diesel inboards, although higher initial cost may hinder sales of the latter. According to government estimates, over 1,500 traditional Ceylonese small craft should be equipped with motors by 1962, compared with approximately 175 in 1959.

Other Canadian equipment needed might include nylon fishing nets and long lines, both of which are undergoing trials in local conditions and appear to be superior to those from competitive sources. Although Canada enjoys preferential tariff treatment, promotion will be necessary to impress upon buyers of fisheries equipment that somewhat higher Canadian prices are more than compensated by higher quality and longer life. A natural complement to sales of fish nets is the demand for floats, and it is hoped that rising standards will lead also to a demand for Canadian foam-plastic floats. These are, of course, considerably more expensive than the wooden floats now in use but can be identified more easily and are virtually indestructible. The number of trawlers and tuna boats in use is to increase from five in 1959 to 27 in 1963, offering a limited market for echo-sounding devices, radio equipment and possibly radar. Two fishing boats and one trawler—the *Canadian, North Star* and *Maple Leaf,* supplied by Canada under the Colombo Plan—have been employed to train fishermen in the use of bottom long lines, shark lines, troll lines, gill nets, set nets with lights, and hand lines.

Processing Equipment

Boat-building in Ceylon may offer a market for Canadian marine hardware, marine paints and preservatives, but construction of fishing harbours and boat-building yards is unlikely to include Canadian participation because of the relatively small size of such operations. Facilities for the handling, processing, packing, storage and distribution of fresh fish, however, could come within the scope of Canadian suppliers. Under Colombo Plan aid, Canada has already donated a cold storage plant which is in operation at Colombo. It serves only a small portion of the total catch however, and freezing and cold storage facilities generally are still inadequate. In addition to stationary refrigeration equipment and ice-making machinery, there are prospects for refrigeration equipment for use on road vehicles, and also for freezers and refrigerated display cases for retail stores.

Canning facilities and machinery, packaging and labelling machinery are other items which will be in demand, together with engineering, management, and marketing services to help distribution to the growing Ceylonese market and ensure that the increased production is efficiently employed. The establishment of a privately operated and fully integrated Canadian-type fisheries operation in Ceylon might possibly yield attractive dividends, not only on local sales but also in the canning and export of tuna, crab, and Ceylon lobster (crayfish).

Other opportunities for Canadian participation in Ceylon's fisheries development lie in the possible domestic manufacture of gear from Canadian raw materials, where export of the finished product from Canada is not feasible. Alternatively, experienced manufacturers and suppliers of fisheries equipment could offer consulting services to Ceylonese firms interested in local manufacture.

Distribution Problems

Although traditional and picturesque, Ceylon's present fishing industry is unable to cope with the demands of a rapidly expanding population. Increasing imports, chiefly of dried fish originating in India, Pakistan, the Middle East and the nearby Maldive Islands, have resulted. Imports, in fact, are larger than the local catch and considerably higher in value. Marketing methods are rather undeveloped although the Department of Fisheries, with the advice of overseas experts, has attempted to foster co-operative sales channels to provide inland markets with good-quality fish with a minimum of commission charges. The co-operative scheme involves the use of insulated trucks, three of which Canada supplied under the Colombo Plan. The more common channel of distribution, however, is private merchants to whom the individual fishermen are frequently indebted.

In addition to the Canadian-donated vessels, the Department of Fisheries operates the trawler *Braconglen* and there is one privately-owned tuna boat used by a Japanese-Ceylonese company. Almost all the 17,000 fishing boats registered in Ceylon are rather primitive, with short range and small capacity.

Prices for fresh fish of local origin are high in relation to the low per capita income because of the inadequacy of the local catch and the necessity to import. Seer, a better grade of local fish, sells at around Can. 65 cents per pound retail and mullet at 37 cents per pound. Prices for smaller varieties are somewhat lower. The price of imported dried fish from the Maldive Islands has been fixed by the Government at 45 cents per pound for fish sold through the co-operatives, where buyers are limited to one ounce per week per person. Similar Maldive fish is available on the free market for approximately $1.20 per pound. Crab and Ceylonese lobster are sold individually by approximate size and not by weight, and range in price from about 10 to 30 cents each. Distribution of shellfish is not highly developed and canning and freezing services have not yet been established.

It is essential that a Canadian company obtain the services of a local representative to obtain sales. Several engineering firms in Colombo have branches in fishing areas, but in most cases they carry competing lines and it may be necessary to consider the appointment of alternative types of agents—for example, commercial companies, boat-building firms, co-operative organizations, or possibly automotive distributors. For non-technical products, the choice is wider, although the Canadian firm should choose the most appropriate and active of potential representatives.

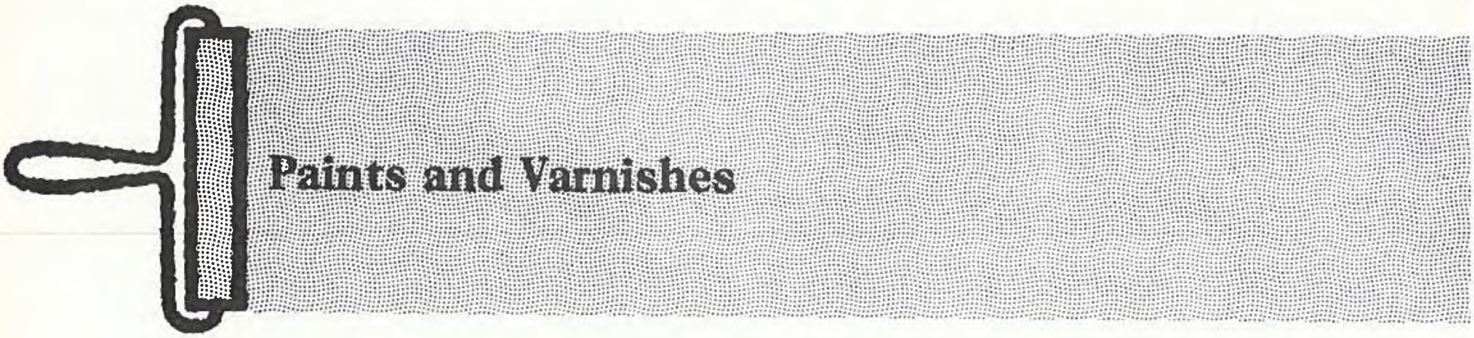
Progress Slow

Despite Ceylon's favourable fisheries resources, government encouragement, Colombo Plan assistance, and the urgency of increasing food supplies, progress in modernization so far has not been spectacular. The chief problems facing planners are the lack of an organized market, lack of adequate financing facilities, inadequate distribution and lack of technical background among the fisherfolk. Canada has contributed to the establishment of extension schools for fishermen.

More efficient fishing methods will be of greatest value only if the marketing of fish is also improved. Changes in existing trading techniques will call for special sales effort by firms selling modern equipment and methods.

Development in the fisheries industry in Ceylon has suffered from political and economic uncertainties. Present signs, however, point to increasing stability in Ceylon's labour force, more incentive for business enterprise, and an expanding market. All of these suggest profitable expansion of the fishing industry and sales opportunities for export-minded Canadian manufacturers in this field.

Exporters interested in selling in Ceylon should write to the Canadian Commercial Secretary, P.O. Box 1006, Colombo, or to the Commodities Branch, Department of Trade and Commerce, Ottawa. ●



The Market in Ireland

Good domestic output and high duties limit imports; some scope for raw materials or new types of paint.

W. R. VAN, *Commercial Secretary, Dublin.*

THE Republic of Ireland, with a population of under three million people, possesses a well-established and progressive paint industry that benefits from a high protective tariff. There are 16 manufacturers, mostly subsidiaries of British firms, making a complete range of paints both for domestic and industrial use. Domestic paints include oil glosses and flats, emulsion paints and water paints based on casein and glue.

The industrial category includes air-drying and stoving paints, including oil protective paints for gasworks, ships, oil refineries, etc. The heading "coach finishes" covers cellulose (cars), stoving (cars) and air-drying synthetic paints (buses, railway coaches and engines). Sundries include road-marking paints and insulating varnishes. Apart from the above, some alkyd and epoxy resin finishes and PVA emulsion paints are produced. Combined output of the Republic's paint industry is estimated at between 450,000 and 500,000 gallons a year. The yearly consumption of varnish approximates 50,000 to 60,000 gallons.

The Imperial measure is used exclusively. Raw materials come in a variety of packages (e.g. dry colours, lithophones, titanium dioxide, etc., chiefly in bags of about 112 pounds, and liquids in steel drums of approximately 40 gallons each).

Demand is restricted by the small population. The mild climate is also a factor because buildings do not have to be painted as frequently as in harsher climates.

The United Kingdom is naturally the principal source of paints to supplement domestic production and also supplies raw materials required by Irish manufacturers. Germany ships most of the barytes because of favourable quality and price.

These statistics are not comprehensive, because items comprising raw materials and semi-finished materials are grouped under innumerable other headings.

Up to the present, alkyd resin media for the manufacture of gloss paints have been imported, but one or two of the leading paint manu-

IMPORTS OF PAINTS INTO REPUBLIC OF IRELAND

Colouring materials, including distempers

From	Cwt. (112 lb.)	Value (£)
Britain	7,485	100,560
United States	42	1,760
West Germany	296	740
Netherlands	42	401
TOTAL, including all others	7,919	104,108

Lacquers, artists' colours, paints, dryers, mastics and colours put up for retail sale

From	Cwt. (112 lb.)	Value (£)
Britain	8,153	52,168
West Germany	86	1,651
Netherlands	135	1,305
United States	1	1,270
TOTAL, including all others	8,521	57,168

Cellulose pigmented

From	Cwt. (112 lb.)	Value (£)
Britain	430	4,549
West Germany	2	62
Netherlands	3	41
TOTAL, including all others	437	4,701

Prepared paints and enamels

From	Cwt. (112 lb.)	Value (£)
Britain	2,960	35,214
United States	52	855
Denmark	5	92
West Germany	3	90
TOTAL, including all others	3,023	36,342

Dry colours

From	Cwt. (112 lb.)	Value (£)
Britain	49,635	246,135
West Germany	28,853	57,353
Netherlands	2,019	6,803
Belgium	1,292	2,662
France	420	1,860
TOTAL, including all others	84,039	320,041

Liquid varnishes

From	Imperial gallons	Value (£)
Britain	9,754	14,387
Sudan	20	432
Netherlands	92	127
TOTAL, including all others	10,095	14,981

facturers expect to begin making these locally this year.

Automobile assemblers and manufacturers in the Republic use a large proportion of locally produced paints but they do bring in small quantities of specialized lines. Small imports of expensive yacht finishes and anti-fouling, etc., paints enter the Republic. So does a small amount of varnish for use on the inside of metal containers for the packing of foods.

Import Duties

There is a flat ad valorem import duty of 50 per cent on paints as follows: "Paints, distempers, and putty, comprising putty in any form and paints and distempers in liquid or paste form (excluding white lead either dry or in the form of stiff paste, artists' colours in tubes, and any dry colours)."

On "liquid dryers for use in the preparation of paint or varnish, and consisting of a metallic resinate, or a metallic linoleate, or a metallic oleate, or any substance of a like nature, or a mixture of two or more of those substances in white spirit, turpentine, linseed oil, or other medium", there is a duty of 7/6 full rate or 5/- per gallon when originating from the United Kingdom, Canada or other Commonwealth countries. Varnish as such, with white lead, enters the Republic duty-free. Cellulose varnish is dutiable.

A duty-free licensing provision is attached to the foregoing where it can be proved that local manufacturers are unable to meet the demand or to make a particular product. Most raw materials used by domestic manufacturers are normally allowed entry duty-free but under licence; there is no discrimination against dollar suppliers and currency is available.

Paint agents are few in number; travellers from the United Kingdom cover the market. Local manufacturers sell direct to the trade and most of them carry on adequate advertising campaigns in trade journals and the press.

In raw materials for the paint industry, agents operate on a commission of from 2½ to 5 per cent.

For the general run of paint products (excluding specialized products not made locally) sales prospects are slight, without intensive advertising. The only outlet of any consequence is for raw materials and new products. Sales of raw materials depend on our competitive position vis-à-vis existing sources of supply. Local manufacturers are also interested in producing under licence new types of paints not made in Ireland. ●

The Market in Britain

Prospects for Canadian sales in Britain remain strictly limited, because of large output of U.K. industry and stiff U.S. competition.

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

THE British are well to the fore in paint technology. Any Canadian exporter with his eye on the British market should also remember that technical developments pioneered in the United States are adopted in Britain fairly quickly. Recently, for example, a large British manufacturer, wishing to diversify its activities by entering the paint field, came to an agreement with one of the leading U.S. paint manufacturers (which also has a subsidiary in Canada) authorizing it to use all the accumulated knowhow of the U.S. firm.

United Kingdom Imports

Specialized paint products from North America still come into Britain and they now face no restrictions. In the category of paints, pigments and extenders in paste form, there were no purchases from Canada in the first nine months of 1959; imports totalling 11 tons came from the United States, much less than in previous years. In ready-mixed paints and enamels, only 175 gallons came from Canada but about 21,000 from the United States. Canada supplied in the same period 2,000 gallons of non-pigmented varnish and lacquer and the United States shipped more than 35,000 gallons. In other categories of paints, imports from North America came, for all practical purposes, exclusively from the U.S. and totalled only 93 tons.

Canada enjoys freedom from duty for nearly all types of paints going to the United Kingdom market. Nevertheless, the strength and technical competence of the British industry suggest strongly that almost any special types of paints that Canada sells here in worthwhile volume may be imitated and produced on the spot. The British industry is fiercely competitive. The Society of British Paint Manufacturers recently deplored a "serious downward trend in profit margins" in the past seven or eight years.

Imports of this range of products into Britain from all sources amount to less than 1 per cent of domestic production. One prominent paint merchant believes that they could all be handled by just one wholesaler of respectable size. This holds true in spite of strenuous recent efforts by Continental producers, particularly German (the chief exporter to Britain) to increase sales here. A 12½ per cent tariff faces most such products from non-Commonwealth countries.

United Kingdom Exports

British exports of various types of paints, varnishes, etc., are, on the other hand, important. They amount to about 10 per cent of production (more than ten times British imports) and go to practically all countries, including Canada.

A press report recently pointed out that Britain was "singularly lacking" in satisfactory statistics for the paint trade. Nevertheless, the following figures give some rough idea of the composition of British exports:

EXPORTS TO ALL COUNTRIES

	1957	1959
	(Value £)	
Paints, pigments and extenders in paste form	1,821,442	1,887,153
Distempers and water paints	571,393	674,167
Bituminous paints, solutions and emulsions for use as paint	355,864	418,404
Paints and painters' enamels, ready-mixed—		
cellulose pigmented	361,821	508,603
emulsion paint	948,727	N.A.
all other ready-mixed paints	7,035,943	7,728,047
Varnish and lacquer, not pigmented	1,365,396	1,541,654
TOTAL	12,460,586	12,758,028

A breakdown of exports by destination in the last two years is not yet available. On the basis of the 1957 figures, it appears clear that the chief markets for distempers and water paints are the under-developed countries, both Commonwealth and foreign. These territories also take the largest proportion of Britain's exports of bituminous paints; small quantities are shipped to Scandinavia and Benelux.

Much the same pattern applies to exports of pigmented cellulose and emulsion paints. The markets for other ready-mixed paints include not only the under-developed countries of Africa, Asia and the Middle East but also Western Europe and, on a small scale, Canada and the United States. More than half of British exports of ready-mixed paints in 1958 went to Commonwealth countries, principally the Colonial territories.

Further details on various aspects of the British industry are available on request from the office of the Minister (Commercial) at Canada House, London. ●

The Market in Northern Ireland

Britain dominates this market, but Canadians might consider licensing local plants to produce new or specialized products.

W. R. VAN, *Commercial Secretary, Belfast.*

NORTHERN Ireland is consuming increasing quantities of all types of paints. The government-sponsored program of industrial expansion, involving the erection of new factories and the establishment of a variety of new industries, has stepped up the demand for industrial paints. Not only postwar housing development, but also new schools, hospitals and office buildings, (more recently in Belfast) have all contributed to greater consumption of household and decorators' paints.

It is impossible to obtain figures on total domestic production of paints and varnishes because they are included in over-all statistics on "chemical and allied trades" in the Northern Ireland *Census of Production.* It is generally accepted that domestic output represents only a small proportion of the territory's total requirements.

Four firms in Northern Ireland make paints and varnishes. Two are relatively small, manufacturing household and decorators' paints only. Output of the other two includes: stove and heat-resisting enamels; water-repellent and chemical-resisting finishes with various bases; bituminous emulsions; decorators' enamels; oil paints, flat and gloss; plastic emulsions, and washable oil-bound paints.

Cellulose-finished paints are not made locally, mainly because of the rigid fire-prevention regulations governing their manufacture.

The do-it-yourself campaign, supported by intensive advertising, has resulted in larger retail sales of the newer types of household paints—jellied enamels, emulsion paints, one-coat finishes, and so on.

Imported Paints

According to the latest statistics compiled by the Northern Ireland Ministry of Commerce, imports of paints, varnishes and shellac in 1958 amounted to 172,000 cwt., valued at £1.6 million. Imperial measures are used throughout the trade.

Britain was the sole supplier, except for small imports from the Republic of Ireland. The British product is highly advertised and the proximity of the source reduces transportation costs and permits quick delivery.

The customs tariff and the regulations governing imports into Northern Ireland are those of the

United Kingdom. Canadian paints and varnishes, if they contain no hydrocarbon oils, are accorded duty-free entry when shipped in accordance with Commonwealth Preference regulations. They are therefore at no tariff disadvantage compared with the domestic product or with imports from Britain or the Republic of Ireland. If they contain hydrocarbon oils, Canadian paints and varnishes are liable to the same duty as those from the Republic of Ireland and enjoy a tariff preference over products of all non-Commonwealth countries. Effective June 8, 1959, paints and varnishes from dollar sources were freed from import licensing restrictions and may now be imported without limit on quantity or value.

Competition is keen, with all the principal British manufacturers already represented by local depots, travellers calling on the trade, or agency arrangements with wholesale paint merchants who carry large stocks. Intensive advertising is being carried on and it is essential where competition is so keen.

Although the Northern Ireland market is open to Canadian manufacturers of paints, the difficulties are obvious. Northern Ireland, as part of the United Kingdom and in close proximity to it, is easily served by the well established paint industry there. Canada's main opportunity lies in endeavouring to have a Northern Ireland manufacturer produce Canadian paints, (especially specialized or new products) under licence. Local distributors would be prepared to consider any new paint products not already on the market. ●

Commodity Notes

Aluminum Bars

PORTUGAL—A decree was published in the *Official Gazette* on February 13 authorizing import on a drawback basis of aluminum bars for the manufacture of electric cables for export. The percentage to be adopted for the calculation of the drawback will be fixed by order of the Minister of Finance—Lisbon.

Chemical Pulp

UNITED STATES—The Lumberton Pulp Company of Lumberton, Mississippi, will manufacture unbleached kraft pulp for world markets. Production is expected to start shortly at 100 tons a day. The plant will employ 250, with an additional 250 woodland cutters—New Orleans.

Corn

MEXICO—Production of corn in Mexico has expanded to the point where imports are unnecessary and there is a surplus for sale abroad. Production has risen from a 1952-56 average of about four million metric tons to some six million in the crop year just completed. This increase resulted from favourable growing conditions and a number of other factors, including higher corn acreage because of depressed cotton prices, and the use of more fertilizer and better cultural practices.

Increased production permitted the Government to stop imports of corn, which had run as high as 800,000 tons in recent years. Instead, an estimated one million tons is available for export and some firm sales to European buyers have already been reported—Mexico, D.F.

Eggs and Poultry

NETHERLANDS—Dutch exports of eggs and poultry rose in value from fl.531 million in 1958 to fl.569.1 million in 1959. Included in this total were 3,150 million eggs for human consumption worth fl.367 million; 77.5 million hatching eggs worth fl.14.6 million, and processed poultry worth fl.115.5 million. West Germany took about 84 per cent of the eggs for consumption and 80 per cent of the processed poultry; Italy took the major share of the hatching eggs. Exports of live poultry declined slightly—from fl.18.1 million in 1958 to fl.171 million last year—The Hague.

Fish

NORWAY—In 1959 Norway's exports of fish and fish products reached a total value of about $120 million, approximately the same as in the previous year, but some \$26.6 million less than in the record year 1957. The biggest reductions were in klipfish, herring meal and canned products. Exports of klipfish totalled about 25,000 tons, 10,000 tons less than in 1958. Stockfish, on the other hand, reached a new high of about 40,000 tons, with the largest quantities going as usual to Italy and West Africa. Exports of frozen fish fillets totalled 21,000 tons against 18,000 in 1958. Sales of salted and fresh fish also rose slightly—Oslo.

Iron Ore

NEW ZEALAND—Plans to establish a company to extract iron ore from the Taranaki District iron sands have been announced. The plant is to produce some 300,000 tons of ore a year when it is in full production. The ore will be exported because there is no domestic iron and steel industry—Wellington.

Newsprint

ARGENTINA—It is reported that a New York firm plans to build a newsprint mill with a daily capacity of 150 metric tons on the Parana River delta. To ensure a continuous supply of raw material, the Government of the Province of Santa Fé will implement a forestation plan to produce the necessary softwoods—Buenos Aires.

Olive Oil

SPAIN—This year's olive oil crop is expected to total about 500,000 tons, with 100,000 tons available for export, valued at \$50 million. Spain's crop is proportionately larger than those in other olive-oil producing countries, such as Tunisia, Algeria, etc., where crops are poor this year.

Spain's olive-oil syndicate is to be reorganized and new experimental sections created to study technical aspects of the industry. Plans are being drawn up to increase exports of olive oil canned or bottled in Spain—Madrid.

Pig Iron

INDIA—The Government of India has so far licensed eight firms to put up small private pig-iron plants. Three are to be located in Bombay, three in Madras, and one each in Orissa and West Bengal. One plant at Coimbatore and another at Barbil (Orissa State) have already gone into production—Bombay.

Pulp and Paper

SWEDEN—Exports of all kinds of paper last year reached 1,075,000 tons, 12 per cent over the 1958 figures. Although production is still running short of capacity, present orders booked suggest a slight increase again this year. Prices fell slightly at the beginning of 1959 but have since remained stable.

Exports of cellulose pulp during 1959 totalled about 2.25 million tons, with increased quantities sold to the United States. Prices quoted for the first quarter of 1960 are about the same as last year, except for a rise of about 5 per cent in the price of unbleached sulphate pulp—Stockholm.

Synthetic Resins

PORTUGAL—Sociedade Nacional de Sabões, Lda., large-scale manufacturers of toilet and other soaps, detergent and vegetable oils, have just set up a new plant to produce synthetic resins. Designed and planned by Portuguese engineers, the \$560,000 factory will use pine resins, vegetable oils and glycerine made in Portugal as basic raw materials. In its first stage the plant is expected to produce 10 tons a day.

Imports will be limited to some chemical products that are not yet made here, such as phthalic anhydride, pentaerythritol, urea and formaldehyde—Lisbon.

Telephone Equipment

CEYLON—The Ceylon Government has obtained a credit of £2.5 million from the British Government under the Commonwealth Assistance Loans Scheme to buy equipment for modernizing the island's telephone system. A team of British telecommunications experts has recommended the installation of four new exchanges at Colombo, 17 exchanges in other parts of Ceylon, and new trunk cables and extensions, including trunk cables between Colombo-Galle, Colombo-Negombo and Colombo-Kandy. The estimated cost of the whole scheme is about £3.5 million, of which £2.5 million will represent the cost of the equipment from overseas. The loan from the U.K. is intended to cover the cost of equipment only—Colombo.

Volcanic Ash

PERU—A new company has been formed in Peru to extract and process volcanic ash from deposits in the southern Peruvian Andes. The ash will be used to make water and sewage pipes, tiles and building blocks, and mortar. This development will help southern Peru by providing an adequate supply of cheap building materials—Lima.

Wood Veneer

IRELAND—The Times Veneer Co. (Eire), Ltd., Artane, Co. Dublin, has started to turn out veneers. The machinery is the most up-to-date type and was bought in Britain, Belgium and the United States. It is anticipated that 85 per cent of production will be for export. As much native timber as possible will be used—Dublin.

Trade and Tariff Regulations

Australia

LIBERALIZATION OF IMPORT RESTRICTIONS—On February 23 Australia carried out a major liberalization measure, with the result that imports currently valued at approximately £800 million and representing about 90 per cent of the country's total imports are now completely exempt from import licensing.

In a statement to the press, the Australian Prime Minister, Mr. Menzies, indicated that this move had been made possible by Australia's improving balance-of-payments position and was intended primarily as a measure to counter rising internal costs and prices.

About 50 commodities still remain under control. The Australian Minister of Trade stated that some of the commodities of particular importance in trade with Japan would remain subject to licensing control because statistics of licences issued had been of considerable value in the administration of the trade agreement with Japan. He also indicated that a few other items would remain under control until special problems associated with them were resolved. In the meantime, the quotas applicable to products under restriction have been increased by 20 per cent.

The following items of interest to Canada are among those included in the list of goods which will remain under control:

Canned salmon and sardines; printed, dyed, or coloured denims; printed piecegoods; shirtings; tire-cord fabric; towels and towelling; aluminum ingots and alloys; roller and ball bearings; files and rasps; polystyrene, polyethylene and P.V.C. synthetic resins; plywood, veneers and lumber, and motor vehicles of dollar-area origin.

Motor vehicles may now be imported without restriction from non-dollar sources and the Australian Minister for Trade has announced that effective October 1, 1960, they will be removed from control altogether. Lumber will be subject to individual licensing from all countries until April 1, 1960, when the restrictions on lumber will be entirely eliminated.

A complete schedule listing the items which remain under control and showing the licensing treatment applicable has been published by the International Trade Relations Branch. Copies will be furnished on request.

Brazil

AUTOMATIC TELEPHONE EQUIPMENT—Law No. 3683 exempts from customs duties and excise tax for five years imports of equipment, parts and specified materials for the manufacture of automatic telephone switchboards, provided that no locally-made "similars" have been registered in Brazil—São Paulo.

France

DUTIES ON IRON AND STEEL PRODUCTS REDUCED—Effective February 8, 1960, the Government of France issued a decree announcing reductions in some rates of duty on certain types of iron and steel. The items involved are 73.01 of the Brussels Nomenclature (pig iron) and 73.15 (alloy steel and high carbon steel). The duties on many items, which range between 12 and 22 per cent, are reduced to 6 per cent. The reductions apply to imports from GATT-member countries, including Canada.

Information on the reduced rates of duty on specific products may be obtained from the European Division of the International Trade Relations Branch.

Ireland

IMPORTS OF SHEEPSKINS WITH WOOL ATTACHED—An order by the Minister for Agriculture in the Republic of Ireland, effective January 27, 1960, decrees that sheepskins with wool on may not be imported without a departmental licence from any country except Canada, Northern Ireland, the United States, Australia, New Zealand and the Isle of Man. Licences are granted only for skins that have been treated in a manner considered satisfactory by the Department of Agriculture—Dublin.

New Zealand

IMPORT RESTRICTIONS MODIFIED—The following telegram dated March 7 has been received from the Commercial Counsellor for Canada in Wellington on New Zealand import restrictions:

"Assistant Secretary Industries and Commerce has given advance notice of major modifications to 1960 import licensing schedule. While greater quotas have been granted to wide range of goods, more emphasis has been laid on consumer items than previously. Altogether about 300 items are affected by new amendments. From Canadian viewpoint most significant change is that timber has been placed on global list. This means that motor vehicles is only major item remaining on special dollar list.

"Customs schedule has been liberalized in four ways. First, many more items have been placed on "R" or Replacement List, for which allocations of up to 150 per cent of past quotas will be granted. These "R" items include electric motors, measuring instruments, emery papers, chemicals and drugs, dyes, pianos, tractors and artificers' tools. Second, some items—for example, pine tar and naphthalene—have been placed in new "A" category for which allocations up to amount applied for will be granted. Third, increased basic allocations have been granted to variety of items of importance to Canada—for example, canned fish, certain textiles, and paperhangings. Fourth, a number of consumer items (particularly garments and footwear) for which no licensing provision had been made in the past two years have now been added to token list for which quotas of 10 per cent (in some special cases 100 per cent) of 1956 imports have been established.

"In addition to these outright amendments, an appendix to new Customs Schedule lists a number of "C" class items for which additional import licences will be considered on merit basis and for which budget provision is being made. In this category are such items as paper-pulp, sensitized surfaces, combines and reapers, woollen piecegoods, knitting machines, and woodmaking machinery."

When further details are received from Wellington on this liberalization they will be published in *Foreign Trade.*

CUSTOMS INVOICES—New customs invoice forms incorporating certificates of value and origin have been prescribed by the New Zealand Customs Regulations 1959, dated July 1, 1959. The new forms must be used for shipments arriving after September 30, 1960. Complete information may be obtained from the New Zealand Trade Commissioner in Montreal—Wellington.

United States

QUOTA ON LOW-TARIFF GROUNDFISH FILLETS FOR 1960—The United States Bureau of Customs has announced that for the year 1960 the import quantity of fresh or frozen fillets of cod, haddock, hake, pollock, cusk and rosefish to be granted the reduced rate 1⅞ cents per pound under Tariff Paragraph 717(b), has been set at 36,533,173 pounds. Last year the low-rate quota was 36,919,874 pounds.

Tariff Paragraph 717(b) provides that the aggregate quantity entitled to the 1⅞ cents per pound reduced rate shall be not more than 15 per cent of the average annual consumption of such fish during the three preceding calendar years. All imports above the quota are subject to the higher rate of 2½ cents per pound.

Of the total quantity of fish (36,533,173 pounds) entitled to entry at the rate of 1⅞ cents per pound during the calendar year 1960, not more than one-fourth shall be so entitled during the first three months, not more than one-half during the first six months, and not more than three-fourths during the first nine months of the year.

ESCAPE CLAUSE INVESTIGATION OF BARBED WIRE IMPORTS—The United States Tariff Commission announced on February 9, 1960, that, on its own motion, it has instituted an investigation to determine whether barbed wire, as a result in whole or in part of customs treatment granted thereon under the General Agreement on Tariffs and Trade, is imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

A public hearing in connection with the investigation is scheduled to begin on May 10 at the Tariff Commission Building in Washington. Persons desiring to appear should notify the Secretary of the Commission in writing at least three days before that date.

Barbed wire is on the duty-free list of the U.S. Tariff.

Tours of Territory

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Barranquilla and Cartagena from April 4-9, and Quito and Guayaquil in Ecuador from May 30-June 4.

A. P. BISSONNET, Commercial Counsellor in Stockholm, Sweden, will visit Helsinki, Finland, from April 3-10.

C. G. BULLIS, Assistant Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from April 24-30.

F. B. CLARK, Commercial Secretary in Mexico City, will visit Monterrey from March 28-30.

L. D. R. DYKE, Assistant Commercial Secretary in Athens, Greece, will visit Cyprus from April 19-23 and Israel from April 24-30. Cyprus has recently been transferred from the territory of the office in Cairo to Athens.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit St. Petersburg, Tampa, Port Everglades, Miami, Fort Lauderdale and Jacksonville, in Florida, from March 21-31.

W. J. JENKINS, Assistant Commercial Secretary in Lima, Peru, will visit La Paz and Cochabamba in Bolivia, from March 22-April 1.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey at Bogotá, Mr. Bissonnet at Stockholm, Mr. Bullis at Kingston, Mr. Clark at Mexico City, Mr. Dyke at Athens, Mr. Harris at New Orleans, and Mr. Jenkins at Lima.

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, Central African Republic, Chad, Congo, Gabon	R. A. Bull Acting 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:* Apar- tado 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
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor J. M. Knowles Assistant Commercial Secretary and Vice Consul	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Tel.:* 2-8138

Territory	Officer	City Address	Mail and Cables, Office Telephone
France Algeria; Cameroon Republic, Dahomey, Federation of Mali, Guinea, Ivory Coast, Mauretania, Morocco, Niger, Togoland, Tunisia, Volta	W. G. Brett Acting 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 Cyprus, 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	5a Avenida 11-70, 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 (except State of Bombay), Bhutan, Nepal, Sikkim	J. R. Midwinter Acting 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 (State of Bombay only)	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
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251

Territory	Officer	City Address	Mail and Cables, Office Telephone
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
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

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Malagash, 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, 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) W. A. Stewart Assistant Agricultural Secretary	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
	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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.0522854.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 14	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01151	86.88	(1)
Austria	Schilling		.03659	27.33	
Australia	Pound		2.1333	.4687	
Bahamas	Pound		2.6666	.3750	
Belgium, Belgian Congo and Luxembourg	Franc		.01906	52.46	
Bermuda	Pound		2.6666	.3750	
Bolivia	Boliviano	Free	.00008318	12,022.12	
British Guiana	Dollar		.5555	1.80	
British Honduras	Dollar		.6667	1.50	
Brazil	Cruzeiro	General Category*	.004395	227.53	*Feb. 9 (2)
		Special Category	.001904	525.26	
		Official selling	.05023	19.91	(3)
Burma	Kyat		.1996	5.01	
Ceylon	Rupee		.2000	5.00	
Chile	Escudo	Free	.9033	1.1070	(4)
Colombia	Peso	Certificate	.1479	6.76	
Costa Rica	Colon	Official	.1692	5.91	
		Controlled free	.1431	6.99	
Cuba	Peso		.9503	1.05230	tax 2%
Czechoslovakia	Koruna		.1320	7.57	
Denmark	Krone		.1378	7.26	
Dominican Republic	Peso		.9503	1.05230	
Ecuador	Sucre	Official	.06336	15.78	
		Free	.05600	17.86	
Egyptian Region, United Arab Rep.	Pound	Official	2.7289	.3664	
		Export account selling	2.3300	.4292	
El Salvador	Colon		.3801	2.63	
Fiji	Pound		2.4023	.4163	
Finland	Markka		.002970	336.70	
France, Monaco, etc.	New Franc		.1937	5.16	(5)
French colonies	Franc		.003874	258.13	(6)
French Pacific	Franc		.01065	93.90	(7)
Germany	D Mark		.2279	4.39	
Ghana	Pound		2.6666	.3750	
Greece	Drachma		.03167	31.57	
Guatemala	Quetzal		.9503	1.05230	
Haiti	Gourde		.1901	5.26	
Honduras	Lempira		.4752	2.10	
Hong Kong	Dollar	Free*	.1658	6.03	*Mar. 4
		Official	.1666	6.00	
Iceland	Krona	Official	.02501	39.98	(8)
India	Rupee		.2000	5.00	
Indonesia	Rupiah	Official rate	.02112	47.35	(8)
Iran	Rial		.01254	79.71	
Iraq	Dinar		2.6609	.3758	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 14	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.6666	.3750	
Israel	Pound		.5280	1.89	
Italy	Lira		.001530	653.59	
Japan	Yen		.002640	378.79	
Lebanon	Pound	Free	.2985	3.35	
Mexico	Peso		.07603	13.15	
Netherlands	Florin		.2519	3.97	
Netherlands Antilles	Florin		.5076	1.97	
New Zealand	Pound		2.6666	.3750	
Nicaragua	Cordoba	Effective buying	.1440	6.94	
		Official selling	.1348	7.42	
Norway	Krone		.1331	7.51	
Pakistan	Rupee		.2000	5.00	
Panama	Balboa		.9503	1.05230	
Paraguay	Guarani	Official	.007789	129.39	
Peru	Sol	Certificate	.03428	29.17	
Philippines	Peso		.4752	2.10	
Portugal & Colonies	Escudo		.03317	30.15	(9)
Singapore and Malaya	Straits Dollar		.3111	3.21	
Spain and Dependencies	Peseta		.01584	63.14	
Sweden	Krona		.1835	5.45	
Switzerland	Franc		.2192	4.56	
Syrian Region, United Arab Rep.	Pound	Free	.2652	3.77	
Thailand	Baht	Free	.04521	22.12	(8)
Turkey	Lira		.1056	9.47	(8)
Union of South Africa	Pound		2.6666	.3750	
United Kingdom	Pound		2.6666	.3750	
United States	Dollar		.9503125	1.0522854	
Uruguay	Peso	Free	.08402	11.90	
		Basic buying	.6250	1.60	(8)
		Principal selling	.4525	2.21	
Venezuela	Bolivar		.2837	3.52	
West Indies Fed.	Dollar		.5555	1.80	(10)
	Pound		2.6666	.3750	(11)
Yugoslavia	Dinar	Official	.003167	315.76	(8)
		Settlement rate	.001504	665.04	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$57.64 per U.S. dollar for coffee, cocoa beans and cake, and castor seeds, and (b) Cr.$81.64 per U.S. dollar for all other exports except sugar, cotton and cocoa butter, and a few other products, export returns from which may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning January 1, 1960, one escudo equals 1,000 pesos.
5. France: territory includes Algeria, Tunisia, Guiana, Guadeloupe, Martinique. The new heavy franc (worth 100 old francs) became effective on Jan. 1, 1960. In Tunisia the rate of the franc is reduced by 20 per cent on most foreign exchange transactions.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

Area: 3,289,440 square miles (approximately half the area of South America).

Population: 64.7 million, increasing by over one million a year.

Climate: tropical in the north, sub-tropical in the centre, temperate in the south.

Language: Portuguese; sales literature in Spanish language is *not* acceptable.

Currency: cruzeiro; "free market" rate February 26—Cr. $185.00. This rate does not apply to imported products but to related services, transfer of dividends, etc.

Weights and measures: metric system.

Capital: Rio de Janeiro until April 21, 1960, when Brasilia, now being built in the State of Goias, is scheduled to become the new capital.

Chief ports: Macapa, Belem, Manaus (on the Amazon), Fortaleza, Natal, Recife, Salvador, Vitoria, Rio de Janeiro, Santos, Florianopolis, Porto Alegre.

Marketing centres: Sao Paulo (population) 3,515,600; Rio de Janeiro 3,030,600; Recife 733,900; Salvador 551,500; Belo Horizonte 535,000; Porto Alegre 532,600; Fortaleza 375,600; Belem 302,800.

Economy: largely agricultural, with coffee contributing approximately 5 per cent of national income, but responsible for about two-thirds of foreign exchange earnings; third largest cattle population in the world; cocoa, sugar and cotton important export crops. Rapid industrialization and development of communications in progress to exploit resources in interior; mining increasing in importance.

Total Brazilian imports: in 1958, U.S.$1,352.9 million; in 1957, U.S.$1,488.8 million; imports per capita, $20.92.

Chief imports: (value in per cent) machinery and vehicles 38, petroleum and derivatives 23.4; foodstuffs and beverages 12; chemicals and pharmaceutical products 9.8; manufactured articles 8.6.

Markets in Brief

Chief suppliers: 1958 (in per cent)—United States 35.6; West Germany 10.4; Venezuela 10.2; Argentina 6.6; Netherlands Antilles 4.8.

Value of imports from Canada: 1958—Can.$21 million, 1957—Can.$26 million.

Chief imports from Canada: 1958 (in per cent)—newsprint 17, aluminum 12.5, electrical apparatus 6.7, asbestos 6.5.

Total Brazilian exports: 1958—U.S.$1,242.9 million, 1957—U.S.$1,391.6 million.

Chief exports: 1958 (in per cent)—coffee 55.3, cocoa 7.1, sugar 4.6, pinewood 4, iron ore 3.7.

Chief markets: 1958 (value in per cent)—United States 43, Argentina 8.6, West Germany 6.2, United Kingdom 4.2, Netherlands 3.6.

Value of Canadian purchases: 1958—Can.$27 million, 1957—Can.$35 million.

Chief Canadian purchases: (in per cent) green coffee 74; cocoa beans, butter and paste 7.8; sisal fibre 4; iron ore 3.

Dollar exchange: currently available for imports 120 days after purchase at appropriate currency auctions. All normal imports classified into either General or Special Category for exchange purposes. Cost of U.S. dollar: for General Category, Cr.$224.92; for Special Category, Cr.$424.92.

Prices: quote only in U.S. dollars, f.o.b.

Samples: import restricted if of commercial value.

Trade Agreements: most-favoured-nation agreement with Canada; equal tariff treatment of imports from all countries, but bilateral trade agreements with Argentina, Chile, Czechoslovakia, Denmark, Finland, East Germany, Iceland, Israel, Japan, Norway, Poland, Hungary, Yugoslavia, Portugal, Romania, Spain, Sweden, Turkey and Uruguay result in fostering of imports from these countries by varying exchange rates (currently about 15 per cent) unfavourable to convertible-currency countries such as Canada.

Import controls, documentation, customs tariffs, marking and labelling: all imports require licence automatically available after currency purchase. Consult International Trade Relations Branch, Department of Trade and Commerce, Ottawa, Ontario.

Canadian bank: Royal Bank of Canada in Rio de Janeiro, Sao Paulo, Santos and Recife.

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

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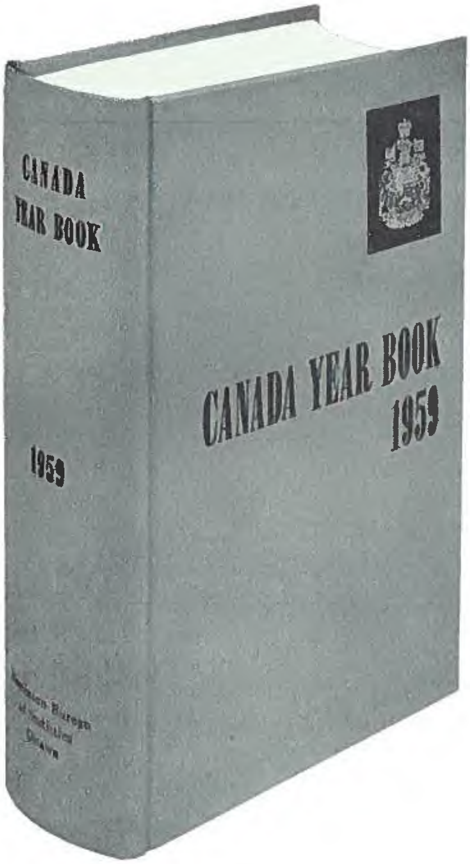

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