

APRIL 9, 1960

foreign trade



THE FISHERIES IN '59 (page two)



foreign trade

Established in 1904

OTTAWA, APRIL 9, 1960

Vol. 113, No. 8

COVER

Canada's large lakes and rivers support a commercial fishery that lands well over a 100-million-pound catch every year. Here, for example, fish are scooped out of a pound net on Lake Erie. The harvest from inland waters, however, appears modest beside the nearly two billion pounds of seafood and shellfish landed last year. For an analysis of fisheries output, exports and imports, and the latest statistics, see page two. —NFB Photo



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Published fortnightly by the Department of Trade and Commerce.

The Hon. GORDON CHURCHILL, Minister. JAMES A. ROBERTS, Deputy Minister.

Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.

Price: \$2.00 a year in Canada; \$5.00 abroad. Single copies: 20 cents each.

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THE Canadian catch of seafish and shellfish in 1959, at 1,942,081,000 pounds, was 69,657,000 pounds larger than in 1958 though the value, at \$94,507,000, was 9 per cent smaller. The increase in the over-all catch resulted mainly from heavier landings of Atlantic cod and Pacific herring. However, the valuable Pacific salmon output was down 43 per cent and this accounted for the smaller returns.

Fishermen in the Atlantic Provinces landed 1,329,469,000 pounds, a 9 per cent gain over the 1958 total of 1,218,017,000 pounds and the exact reversal of the situation last year, when Atlantic landings fell 9 per cent. Increases in the cod, haddock, alewives, and lobster fisheries helped to raise the value of the Atlantic fishery to \$59,128,000—or 16 per cent over 1958.

Pacific Coast fishermen caught only 612,612,000 pounds, a 6 per cent drop from over-all landings in 1958. The value of the entire Pacific fishery dropped 33 per cent—from \$52,482,000 in 1958 to \$35,379,000 in 1959. Salmon landings were the lowest since 1921. However, it should be noted that 1959 was a low-cycle year for sockeye salmon and in addition, there was a wage dispute between the fishermen and the operators or producers during the height of the salmon season. The halibut catch was slightly higher than in 1958, and herring landings totalled 443,260,000 pounds valued at \$7,335,000, compared with 405,124,000 pounds worth \$6,712,000 in 1958.

Current returns of the inland fisheries (annual average well over 100 million pounds) are not yet complete and are not included in the above total of landings in the Canadian fisheries. However, the distinct progress being made by the International Great Lakes Fishery Commission in its efforts to eliminate the predator lamprey is worth noting. Present operations are centered in Lake Superior. Another significant happening in the fresh-water fishery during 1959 was the experimental program conducted by

The Fisheries in '59

Landings up 3.7 per cent

Value down 9 per cent

Exports second only to '58

Markets opening up

T. R. KINSELLA, *Chief, Fisheries Division,
Agriculture and Fisheries Branch.*

the Department of Fisheries in Lake Erie with the introduction of the mid-water trawl for the first time. This form of marine fishing gear was developed by specialists from Canada's West Coast.

Exports and Imports

The value of exports of fisheries products in 1959 reached \$147,816,000, the second highest in the history of the Canadian fishing industry, surpassed only by the all-time record of \$155,016,000 in 1958. Shipments were consigned to 83 countries. The smaller sockeye pack of 256,420 cases in 1959 compared with 1,074,305 cases in 1958—the largest output since 1905—was the principal reason for the lower returns. However, there were losses also in fresh and frozen fish (which included inland fish), fresh and frozen seafish fillets and blocks, smoked fish, salted groundfish, and pickled and dry salted fish. On the other hand, exports of canned sardines, of molluscs and crustaceans (mainly lobsters), fish and whale meal, marine oils, and miscellaneous fisheries byproducts gained in value.

Imports of fisheries products into Canada during January–November 1959 were smaller than in the same period of 1958 and were valued at \$15,050,627 as against \$15,996,000 during the corresponding period in 1958. Imports of Japanese canned salmon, which were negligible, largely accounted for the drop. However, sales of canned sardines from Norway and canned shellfish from the United States improved. Marine oils were down. It is interesting to note that fisheries products, mostly specialty items, were imported into Canada from 39 countries last year.

Fresh and Frozen Fish

The export value of fresh and frozen fish, as well as fillets and frozen blocked fish, dropped slightly from the 1958 totals. However, a welcome development in November 1959 was the removal of the con-

trols on imports of fresh and frozen salmon into the United Kingdom. Before the Second World War, annual shipments of Canadian frozen salmon from both coasts to Britain averaged about 5 million pounds.

The freeing of fresh and frozen salmon imports was followed in February 1960 by the relaxation of the restrictions on imports of all fresh or frozen fish into the United Kingdom. This was of prime interest to our exporters of frozen halibut who before the war shipped from Canada to Britain over 2 million pounds a year. Of lesser significance was the fairly recent removal of the controls on imports of fresh and frozen fish from the dollar countries into France, Italy and Australia. The renewal of the trade agreement between Iceland and Russia for the annual delivery of up to 32,000 tons of Icelandic frozen fillets to Russia during the three-year period 1960–62 should also help to stabilize the frozen-fish market.

Preliminary returns indicate that imports of fresh and frozen ocean perch and groundfish fillets and blocks (cod and related species) into the United States during 1959 totalled 184.8 million pounds, compared with 165.5 million in 1958. Canada was the leading supplier of frozen cod fillets, providing 28.4 million pounds out of the total of 54.9 million. Iceland was second with 17.2 million pounds, followed by Denmark (5.6 million) and Norway (3.1 million). West Germany, St. Pierre and Miquelon, Greenland, the Netherlands and the United Kingdom also exported some quantities to the United States market.

Canada and Iceland furnished most of the frozen haddock and ocean perch fillets and Canada, with 43 million pounds out of a total of 85.3 million, was the principal exporter of frozen blocked fish to the United States. Iceland (16.4 million pounds), Norway (12.5 million), Denmark (10.2 million), and West Germany (1.4 million) were also important suppliers.

These frozen blocks or slabs of fish went to some 41 manufacturers

of fish sticks in the United States, the bulk of them in the Atlantic Coast States. These firms produced 60.3 million pounds of fish sticks against 60.9 million in 1958 and 53.1 million in 1957. The United States output of fish portions in 1959 reached 37 million pounds, compared with 21.8 million in 1958. Prohibitive tariffs on both the cooked and uncooked fish sticks and portions prevent Canadian exporters from shipping these products to the United States; they have to content themselves with providing the raw material.

Of significance in the fresh and frozen fish trade in 1959 was the implementation of the specifications of the Canadian Government Specifications Board governing the voluntary inspection of fish plants and fisheries products. These are designed to bring about a more uniform fishery product at the retail level. Fresh and frozen products that meet the requirements will be marked "Canada Inspected" or "Packed under Government Supervision" to show that they have passed government inspection.

Salted Fish

A larger quantity of groundfish (cod and related species) was processed in the wet salt form in 1959 than in 1958 and a considerable supply was exported to Italy, Portugal, and Cuba. The total quantity put up as dried salted fish was smaller and the exportable surplus was in keen demand in traditional outlets.

A very important development in the salt fish trade was the complete withdrawal during September 1959 of the retail price ceilings on salt cod in Jamaica, one of our largest outlets for this product. Puerto Rico, normally the principal market in terms of quantity, also took a forward step in January, when the existing price ceilings on salt cod were increased by two cents a pound.

The output of salt cod in the leading producing countries was lower

Canadian Exports of Fisheries Products by Countries, 1955-1959

	1955		1956		1957		1958		1959	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
All Areas	128,843	100.0	133,706	100.0	132,455	100.0	155,016	100.0	147,816	100.0
United States	91,975	71.4	96,758	72.4	97,006	73.2	103,321	66.7	98,645	66.7
Total British Caribbean	6,822	5.3	7,389	5.5	7,928	6.0	6,850	4.4	7,909	5.4
Jamaica	3,736	2.9	4,021	3.0	4,456	3.4	3,319	2.1	4,336	2.9
Barbados	426	0.3	529	0.4	535	0.4	482	0.3	431	0.3
British Guiana	420	0.3	540	0.4	635	0.5	754	0.5	801	0.5
Leeward and Windward Islands	800	0.6	968	0.7	981	0.7	911	0.6	995	0.7
Trinidad and Tobago	1,271	1.0	1,153	0.9	1,157	0.9	1,189	0.8	1,130	0.8
Other British Caribbean	169	0.2	178	0.1	164	0.1	195	0.1	216	0.2
Total Non-British Caribbean	10,349	8.0	10,092	7.5	9,759	7.4	9,671	6.2	9,027	6.1
Puerto Rico	4,425	3.4	3,205	2.4	3,887	2.9	4,017	2.6	2,773	1.9
Cuba	2,169	1.7	2,820	2.1	2,488	1.9	2,204	1.4	2,736	1.8
Dominican Republic	1,490	1.2	1,831	1.4	1,670	1.3	1,599	1.0	1,669	1.1
Haiti	894	0.7	1,214	0.9	656	0.5	798	0.5	677	0.5
Panama	377	0.3	314	0.2	362	0.3	377	0.3	146	0.1
Other Caribbean	994	0.7	708	0.5	696	0.5	676	0.4	1,026	0.7
Total Europe	14,829	11.5	15,257	11.4	13,294	10.0	31,501	20.3	28,751	19.4
United Kingdom	5,783	4.5	8,799	6.6	7,731	5.8	25,453	16.4	22,363	15.1
Belgium and Luxembourg	2,069	1.6	1,284	1.0	1,003	0.8	1,013	0.7	1,139	0.8
Germany	197	0.2	1,191	0.9	369	0.3	565	0.4	487	0.3
Italy	2,534	1.9	1,525	1.1	1,732	1.3	1,214	0.8	1,364	0.9
Netherlands	1,558	1.2	661	0.5	364	0.3	1,091	0.7	613	0.4
Portugal	734	0.6	172	0.1	261	0.2	532	0.3	993	0.7
Spain	800	0.6	847	0.6	1,083	0.8	932	0.6	285	0.2
Other Europe	1,154	0.9	778	0.6	751	0.5	701	0.4	1,507	1.0
Total All Other Countries	4,868	3.8	4,210	3.2	4,468	3.4	3,673	2.4	3,484	2.4
Other Commonwealth	3,890	3.0	3,455	2.6	3,114	2.4	2,783	1.8	2,495	1.7
Brazil	35	*			397	0.3	308	0.2	524	0.4
Belgian Congo	77	0.1	17	*	63	*	19	*	32	*
Taiwan	80	0.1			164	0.1	40	*		
Philippine Islands	298	0.2	338	0.3	293	0.2	93	0.1	99	0.1
All other countries	488	0.4	400	0.3	437	0.4	430	0.3	334	0.2
Total Commonwealth Countries	16,495	12.8	19,643	14.7	18,773	14.2	35,086	22.6	32,767	22.2

*Less than half of one-tenth of one per cent.

in 1959 and Canadian exporters had little difficulty in marketing supplies. However, in Brazil exchange difficulties continue and more recently a similar problem was encountered in Cuba, where the demand was strong but importers were unable to obtain the necessary currency for prompt payment.

Canada's trade agreements with the Governments of Spain and Portugal covering the provision of dollars for the purchase of Canadian salt cod were continued in 1959. Italy and Trinidad were free

of any import restrictions and important quantities of salt cod were sold in both.

A new product—salt cod fillet blocks—has been developed by the fish processing experimental plant of the Department of Fisheries in Valleyfield, Newfoundland. Sample lots were sent to a few key markets in 1959 to test consumer acceptance and many favourable comments were received. Further experiments will be made in 1960-61 with a view to assisting the salt fish industry.

Exports of salted scalefish (pollock, hake and cusk) were larger in 1959 than in the previous year; the Dominican Republic, British Guiana and Puerto Rico were the principal outlets. Pickled fish (herring, mackerel and alewives) and smoked herring bloaters sold without difficulty. Most of the tropicure pickled mackerel and herring went to Jamaica; the Dominican Republic and Haiti were the main markets for smoked herring bloaters. Haiti was also the leading outlet for pickled alewives.

Canadian Exports of Fisheries Products by Forms, 1955-1959

(total value in millions of dollars)

	1955	1956	1957	1958	1959
All Fish Products	128.84	133.71	132.46	155.02	147.82
Fresh and Frozen	73.52	77.97	81.46	88.20	85.74
Whole or dressed	26.21	28.50	29.80	35.73	33.15
Fillets	29.05	31.10	33.39	35.17	33.37
Shellfish (in shell and meat)	18.26	18.37	18.27	17.30	19.22
Cured	23.94	22.84	24.51	22.70	21.79
Smoked	1.41	1.76	1.60	1.58	1.43
Bloaters and kippers	0.95	1.23	1.00	1.01	0.92
All other	0.46	0.53	0.60	0.57	0.51
Salted and Dried	19.11	17.71	19.42	18.20	17.72
Cod	17.23	15.59	16.84	15.69	14.77
All other	1.88	2.12	2.58	2.51	2.95
Pickled	3.42	3.37	3.49	2.92	2.64
Herring	1.69	1.65	1.88	1.75	1.45
All other	1.73	1.72	1.61	1.17	1.19
Canned Fish and Shellfish	20.20	19.63	16.02	35.63	28.00
Salmon	16.24	14.98	11.27	30.64	22.46
Sardines	1.67	2.12	2.28	2.80	2.95
Lobster	1.84	2.07	2.06	1.82	1.93
All other	0.45	0.46	0.41	0.37	0.66
Miscellaneous	11.18	13.27	10.47	8.49	12.29
Meal	5.67	7.59	6.18	3.85	6.70
Oil	2.21	2.24	0.93	1.32	2.35
All other	3.30	3.44	3.36	3.32	3.24

The quantity of salted groundfish exported during 1959 reached only 106,937,000 pounds against 110,527,000 in the previous year. Pickled fish and dry salted herring and salmon shipments reached 20,113,000 pounds, in comparison with 24,920,000 in 1958.

Canned Fish

Although 1959 was a low-cycle year for sockeye salmon, the two-week strike during the latter part of July and the first part of August—the peak of the salmon-fishing season—had some effect on the size of the total pack of British Columbia canned salmon in 1959. Only 1,089,799 cases were put up, compared with 1,900,025 in 1958 (the year of the gigantic sockeye run to the Adams River) and 1,424,264 in 1957.

With the removal of the restrictions on imports of canned salmon into the United Kingdom in Sep-

tember 1958, the demand for supplies in all markets became exceptionally strong. Preliminary reports indicated that the packs of the other salmon-producing nations—the United States, Japan and Russia—were also lower in 1959. This did not improve the world supply position for this product.

Exports of all varieties of our Pacific Coast canned salmon in 1959 were valued at \$22,462,000, a considerable drop from the \$30,640,000 of the previous year. The United Kingdom and the Canadian domestic market continued to be the leading outlets, with Belgium, New Zealand, France, Australia, the United States, Italy, the Netherlands and Trinidad included in the long list of additional markets.

France, an important prewar purchaser of Canadian canned salmon, removed controls on imports of this product in July 1959 and Italy took

similar action on January 23, 1960. However, certain restrictions were still in force in New Zealand, Australia, and South Africa and imports were subject to allocations administered by the importing countries.

The demand for Canadian sardines continued strong in 1959 in all traditional outlets and exports of canned sardines reached \$2,953,000 in value compared with \$2,798,000 in 1958. The principal purchasers were Jamaica, Trinidad, Australia, Cuba, South Africa, British Guiana, Leeward Islands, Barbados, Dominican Republic, Panama, Guatemala, Fiji, New Zealand, and Austria. Imports of canned sardines into the important Australian, New Zealand, and South African markets were still controlled.

Molluscs and Crustaceans

An encouraging note in 1959 was the increased catch of lobster—45,625,000 pounds valued at \$17,296,000 as against 42,919,000 pounds worth \$15,360,000 in 1958.

The United Kingdom authorities abolished the controls on imports of canned lobster and paste on June 8, 1959, and shipments moved to that market without restriction for the first time since 1939. The United States, Sweden, West Germany, Belgium, France, the Netherlands, and Switzerland were other outlets for the canned product. Restrictions on imports of canned lobster were removed in France in July 1959. Almost all the fresh and frozen lobster found a ready market in the United States.

Production of clams, scallops, oysters, squid and other shellfish was also higher in 1959. Exports of shellfish totalled \$21,230,550 in value as against \$19,160,000 in 1958.

Fish Byproducts

Herring landings on the Pacific Coast during 1959 reached 222,015 tons, second only to the 1956 record of 245,697. However, the landed value of \$7,355,000 for the over-all catch of herring in 1959 represented

a record for this species. In 1958, fishermen caught 202,561 tons with a landed value of \$6,712,000.

Almost all of the Pacific herring was processed into meal and oil. Put up as herring meal in 1959 were 37,578 tons as against 34,760 in the previous year; 4,746,304 gallons of herring oil were produced in comparison with 4,127,761 in 1958. The United States was the leading outlet for Pacific Coast herring meal in 1959; the United Kingdom, Mexico, and Hawaii also bought important quantities.

Atlantic Coast fish-meal production in 1959 reached 21,083 tons, compared with 19,849 tons in the previous year. The 1959 output of Atlantic fish oils (including cod and seal) totalled 1,299,319 gallons, down from 1958's 1,405,409 gallons. Atlantic fish-meal exports went chiefly to the United Kingdom and

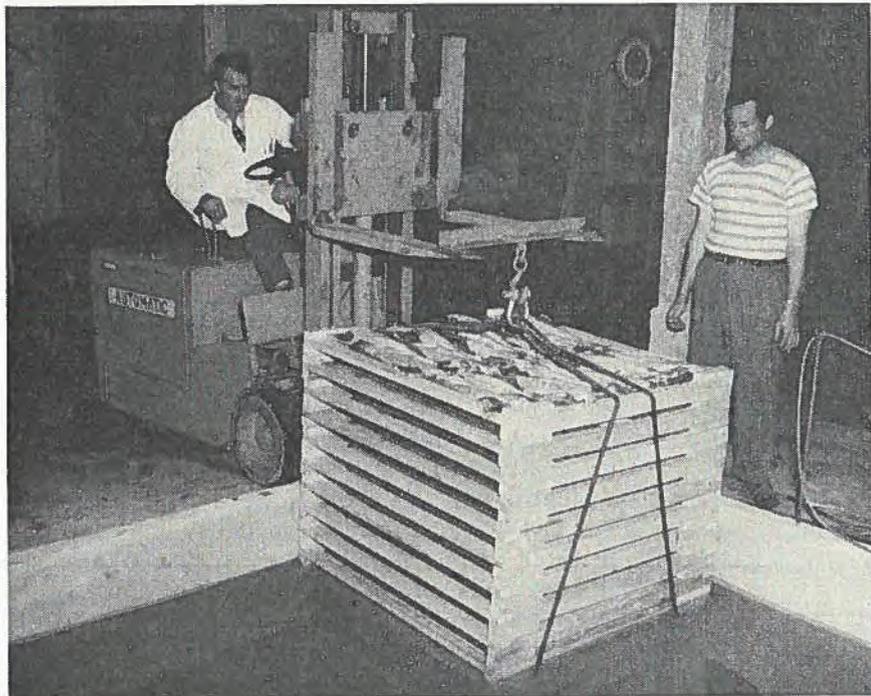
the United States. Low-priced fish meal from Peru—which has made phenomenal strides in increasing its production during the past few years—had a depressing effect on our fish-meal sales, pushing down prices in our traditional markets.

The United Kingdom was the major market for Pacific herring oil, followed by West Germany and the United States. Atlantic Coast cod liver oil was exported to the United States, the United Kingdom and Jamaica. Halibut liver oil for pharmaceutical purposes found outlets in the United States, Guatemala and Cuba; markets for whale oil in 1959 were the United Kingdom, the Netherlands, El Salvador, the United States, and West Germany. Fish livers and viscera for oil, fish scales, fish skins, fish solubles and seaweeds were in demand in the United States.

During the first part of 1959, the fishing industry participated in the Canadian Trade Fairs in Jamaica and Trinidad. Special exhibits of Canadian fisheries products were also presented at international trade fairs in Europe. A successful fisheries reception for United States purchasers and foreign buyers of fish was held at Canada House, New York City, during the fall of 1959.

The annual meeting of the Fisheries Council of Canada will take place this year in Vancouver, B.C., from April 25 to 27 and a record attendance of members of the fishing industry from coast to coast is expected. As in previous years, representatives of the Department of Trade and Commerce will be present and will participate in the panel discussions on the marketing of Canadian fisheries products throughout the world. ●

Better methods of curing groundfish for export are constantly sought. Here in the experimental plant maintained by the Federal Department of Fisheries at Valleyfield, Newfoundland, a rack of freshly split fish is lowered for curing into a tank of constant-strength brine. If the new method proves feasible, it will cut down the time needed for curing fish.



The UN Special Fund Offers Business Opportunities

Forty-four projects in 50 countries at a total cost of \$75 million—this is the program undertaken by the UN Special Fund. Outlay on each averages almost \$1.7 million. Canadian engineering firms may find a market for their equipment or services as these projects get under way.

R. A. FRIGON,
Chief, Engineering and Equipment Division.

WHAT is the UN Special Fund? It is an international agency set up to complement and supplement existing United Nations technical and financial aid programs. Donor countries have pledged \$58 million to the Fund for 1959 and 1960; Canada is contributing \$4 million.

The Fund provides grants for more extensive projects than the technical assistance programs undertake. It will concentrate on urgent projects with an immediate impact. Unlike the agencies already giving financial assistance, it will not contribute funds to capital investment projects but instead will emphasize those that will lead to new capital investment.

To accomplish its objectives, the Special Fund will stress surveys, research, training and demonstration (including pilot projects). These activities will be carried out by providing staff, experts, equipment, supplies and services, as well as by establishing institutes and demonstration plants and by other appropriate means, including fellowships. The Fund will be in a position to supply equipment on a larger scale than has been possible under the technical assistance programs.

Discovering Opportunities

What types of opportunities await firms eager to take part in this international activity that Canada supports? How do interested businessmen come into contact with these projects?

From the selection of projects shown at the end of this article, it is apparent that they will call for a good number of experts and substantial quantities of materials. Some of the men will be needed to implement teams organized by the responsible agencies. Experienced firms of consultants and survey companies will undoubtedly be needed if the urgent and practical nature of the program is to be implemented. Such firms

have available large inventories of experience and can put it rapidly to work. In addition to these teams, various types of equipment will be required for surveys and for feasibility studies or for the implementation of pilot schemes. Later on, the capital projects that are expected to follow the work undertaken under the Special Fund will also provide opportunities.

Contact with the Special Fund and its projects can be made in various ways, because several agencies are involved in any one project. Interested persons within easy reach of Ottawa should address initial inquiries for general information to the Engineering and Equipment Division of the Department of Trade and Commerce. If they plan a visit to New York, they can secure introductions to United Nations officials through the Deputy Consul General (Commercial) in New York. Inquiries or offers of equipment or services for specific projects should be addressed to the responsible United Nations body acting as executing agency. It may be any of the United Nations specialized agencies, such as the Food and Agricultural Organization, the International Bank or the Special Fund itself, if it is the designated agency. Those in search of business may also find it necessary to communicate with the sponsoring government. Canadian Trade Commissioners located in the countries concerned and in the headquarters cities of the United Nations agencies (such as Rome, Washington and New York) are always ready to initiate the necessary inquiries and to make introductions on behalf of interested Canadian firms.

Canadian firms will find in the Special Fund projects a challenge to their special abilities. Canada's development is at the stage that many newer nations now are planning for. Our engineers, managers, economists, sociologists, professors, administrators, consultants and businessmen understand the many problems that confront new nations. Our survey firms, consultants, manufacturers and construction organizations can contribute teams of men and equipment experienced in resources development at all stages—preliminary surveys, industrial feasibility studies, initial management, construction services, and supply of equipment. Many such teams are already active abroad, contributing not only to the well-being of the developing countries but also acquiring the further experience that comes only from challenging and difficult tasks. The Special Fund and its projects stand beckoning to those who would venture afield.

Selected UN Special Fund Projects

Afghanistan

Project: Survey of land and water resources and agricultural station.

Financial provision: \$1.9 million.

Duration: Three years.

Purpose: To provide information on the comparative potentials of various parts of the country with a view to stimulating agricultural and general economic development, and to provide the Kataghan Province with new cultivation techniques, while training agricultural extension workers for other parts of the country.

Executing agency: The Food and Agriculture Organization of the United Nations.

Requirements: Experts, fellowships and equipment.

Brazil

Project: Survey of the Sao Francisco River Basin.

Financial provision: \$1.9 million.

Duration: Five years.

Purpose: To determine the physical and economic feasibility of introducing large-scale irrigation in the lower-middle reaches of the Sao Francisco River Basin.

Executing agency: The Food and Agriculture Organization of the United Nations.

Requirements: Surveys, experts and survey equipment.

Chile

Project: Mineral survey.

Financial provision: \$1.7 million.

Duration: Two-and-one-half years.

Purpose: To provide geological and mineral information on selected areas of the northern part of Chile, in sufficient detail to attract development capital.

Executing agency: The United Nations.

Requirements: Surveys, experts, equipment.

India

Project: Power Engineering Research Institute.

Financial provision: \$4.7 million.

Duration: Three years.

Purpose: To establish facilities for investigation of and research into problems arising from the development and use of power resources in India, and to develop through applied research suitable types and designs of domestic equipment.

Executing agency: United Nations Educational, Scientific and Cultural Organization.

Requirements: Experts, fellowships, equipment.

Pakistan

Project: Mineral survey.

Financial provision: \$1.9 million.

Duration: Three years.

Purpose: To investigate and assess coal and iron ore bodies in West Pakistan to determine the feasibility of an iron and steel industry in the country, and also to assess the exploitability of certain aluminum ore bodies.

Executing agency: The United Nations.

Requirements: Experts, equipment, drilling.

Pakistan

Project: Soil survey.

Financial provision: \$2.7 million.

Duration: Four years.

Purpose: To assess the various soil resources of the country, through aerial photography and field soil sampling. This survey will help the Government in its planning of irrigation and reclamation projects, soil conservation and afforestation, and of land settlement schemes.

Executing agency: Food and Agriculture Organization.

Requirements: Experts, surveys, fellowships, equipment.

United Kingdom, The West Indies

Project: Engineering faculty for the University College of The West Indies.

Financial provision: \$3.4 million.

Duration: Five years.

Purpose: To assist in the establishment of a faculty of engineering in the University College of The West Indies.

Executing agency: United Nations Educational, Scientific and Cultural Organization.

Requirements: Experts and equipment.

United Kingdom, Nigeria

Project: Survey of a multi-purpose dam site on the Niger River.

Financial provision: \$1.4 million.

Duration: One year.

Purpose: Geological and topographic investigations of a dam site on the River Niger and topographical, agronomical and biological investigations into the irrigation potential of the Niger Valley between Kurwasa and Lokoja.

Executing agency: International Bank for Reconstruction and Development.

Requirements: Experts and surveys. ●

Hong Kong Seeks Edible Offal

An island of three million people that looks abroad for most of its food supplies offers a small but promising market for Canadian suppliers of edible offal.

D. J. McEACHRAN, *Assistant Trade Commissioner, Hong Kong.*

IN recent months the Canadian Trade Commissioner in Hong Kong has received many inquiries from Hong Kong businessmen for sources of a product that Canada can supply at competitive prices—edible pork offal. Canadians have, in fact, sold increasing amounts of this product—particularly frozen pork stomachs and livers—in the past few months. Hong Kong must support some three million people in the tiny space of only 391 square miles, a fact that points up the importance to the Colony of imported food-stuffs, valued at roughly \$233 million in 1958 out of total imports of about \$765 million.

China Is Leading Supplier

During the first nine months of 1958, Canada was the fourth major supplier of meat offal to Hong Kong, after Communist China, the United States and Australia. Hong Kong borders on Communist China and it is not surprising that pork and pork products imported from that country virtually dominate the local market. China is the leading supplier of fresh, frozen and chilled pork; live swine; ham; dried salt pork and edible offal. Offal shipments from China do not reach Hong Kong regularly, so that large and spasmodic arrivals tend to disrupt prices for this product on the Hong Kong market. All importers are aware of this and place only small orders with other overseas suppliers. In addition, cold storage space in Hong Kong is expensive and buyers are constantly on the alert to avoid being caught with

large stocks on hand when large and lower-priced shipments arrive from China.

Also responsible for the pattern of small overseas orders from Hong Kong are the numerous small trading firms that vie for business in food products. There are, of course, several large houses that either operate their own retail establishments or are well connected with major consumers, but most of the importing companies operate on a much smaller scale. Many engage salesmen to sell directly to restaurants, retail stores, side-street stalls and door-to-door hawkers.

In view of these difficult trading conditions, why are Hong Kong buyers interested in supplies from countries other than Communist China? There are several reasons, including price, quality and availability, but the most interesting to Canadians is that local importers wish to establish overseas connections to ensure sources of supply if shipments from China decline or stop altogether for short periods.

Accurate average prices for offal are difficult to determine; China's irregular shipments and the tendency of local importers to specu-

late cause wide variations in day-to-day market prices. Recent Canadian sales are believed to have been concluded at about U.S.\$0.18—U.S.\$0.20 per pound c.i.f. Hong Kong for frozen pork bellies, and U.S.\$0.20—U.S.\$0.24 for pork livers.

As the accompanying table shows, Canadian exporters of offal face strong competition from the two biggest suppliers—China and the United States. China has the dominant competitive advantage because of its geographical proximity, and because Hong Kong consumers prefer the fresh, smaller and supposedly more tender Chinese offal. Probably the most important advantage, however, is that the Chinese hold stocks in Hong Kong and are thus able to adjust prices to meet the day-to-day competition from other overseas suppliers.

Canadians Can Compete

The Chinese hold on the market does not preclude other suppliers from selling to Hong Kong, as U.S. sales indicate. The major advantages of United States vis-à-vis Canadian exporters are mainly freight costs and frequencies of sailings. None the less, Canadian suppliers can and do compete successfully.

Canadian sales of edible offal to Hong Kong totalled \$4,176 in 1955, \$2,166 in 1956, \$53,105 in 1957 and \$109,331 in 1959; there were no shipments in 1958. The figures cover Canadian exports of edible beef, pork and mutton offal and show the small and widely fluctuating market in Hong Kong. It is estimated that virtually all these sales were of pork offal and included bellies, livers and fat. The increased shipments during 1959 are an indication of the worthwhile sales possibilities, and the Trade Commissioner in Hong Kong will be pleased to assist Canadian exporters in making suitable connections. ●

SOURCES OF OFFAL IMPORTS INTO HONG KONG

	Jan.-Sept. 1959	
	('000 pounds)	('000 H.K.\$)
China	6,994	8,387
United States	3,876	3,763
Australia	323	543
Canada	358	480
Denmark	384	346
Netherlands	113	111
Others	122	136
TOTAL	12,170	13,766



In the sunny patio of a Mexico City hotel, A. C. Bornemisa, export manager for Canadian Cannery Ltd., (right) talks business with a well known commission sales agent. Like many other Canadians, Mr. Bornemisa preaches and practises the gospel of personal visits to foreign markets.

THE EXPORTER LOOKS AT THE AGENT

O. MARY HILL, Editor, "Foreign Trade."

IN January the Export Study Club of Montreal organized an evening meeting to discuss marketing in Latin America and the West Indies. The moderator and the two main members of the panel were experienced export managers who have travelled widely in the Caribbean and South America. The audience—who had plenty of opportunity to ask questions or to put forward their views—also contributed to the interest and value of the discussion.

I attended this meeting and was struck by the emphasis on the relations between the exporter and his commission sales agents in these countries. The information that I gathered on this important aspect of exporting is presented in question-and-answer form on the following pages. The reader should bear in mind that it applies primarily to two areas only, though much of the advice given holds good in other markets.

SELECTING AGENTS

What is the first essential in choosing an agent?

One export manager answered this question in three words: "Do it yourself". Obviously, this means personal visits to the countries in which your firm wishes to sell. Prepare for your trip carefully and write the Canadian Trade Commissioners in the area well before your arrival. Tell them the purpose of your visit and something about your products. They can then line up prospective agents for you to interview. This saves time.

Can the Trade Commissioner select an agent for you?

Yes, said the panel, he can, but he should not be asked to do it. The man responsible for the company's export sales should make the choice, except in small or remote markets or under unusual circumstances. In Fiji, for example, a Canadian company recently made a one-year trial agreement with an agent whom the Trade Commissioner recommended.

Are there any tested methods of selection?

A number of techniques have worked well for various firms. One, ask the prospective agent: "How would you go about selling my product if I gave you the agency?"—and listen carefully to his answer. Two, find out whether he can draw up a list of prospective customers. Three, visit some possible buyers with him and note how he is received and how he presents your products.

What points should be checked?

Be sure to check the agent's financial standing; the banks will supply useful information. Inquire about his proven sales ability. Find out what other Canadian or U.S. firms he represents. Does he handle allied lines? This assures him an entrée as your representative. Does he sell any competing products? What about his local reputation? Is he prepared to spend money to develop sales?

How important are the agent's connections?

Obviously, the agent should have access to potential customers and his connections help. But their importance varies from country to country in Latin America and even from city to city. One example that the panel cited: Medellín, in Colombia, where connections are more vital than in Bogotá. Often it is sufficient that he have a sound business reputation, though in some regions it is useful to be well connected in the family sense. Entrée alone is not enough; it must go hand-in-hand with ability.

Is a large agency a better choice than a small one?

One member of the panel phrased the question like this: do you want a large firm with experience, or a

small, hungry and active one. A suitable small firm is more difficult to find and the exporter is taking a bigger chance, but the staff may work harder to make a name for themselves. The large agency offers prestige, but it may have too many irons in the fire. Note: you may have to sell yourself to the bigger firm before it will take on your product. Make sure it has time to devote to your line.

Is it wise to appoint a non-national of the country as your agent?

In Latin America a number of Europeans—particularly Germans, Swiss and Italians—have set up as commission sales agents. In some of these countries, they may do well as agents, because Europeans who have settled in Latin America now control much of the industry. The decision will depend on your product and on the country. Investigate the standing and connections of these non-nationals carefully. Remember in dealing with them that their reactions and attitudes are still European.

How soon should the exporter make a choice?

Opinions differed on this. Some felt that the exporter should select an agent on the spot; others counselled that he wait until he has moved on to his next stopping-place and has sorted out his impressions. This has the disadvantage that he cannot train the man selected. One export manager remarked that on a first trip the exporter should not operate on too tight a schedule. He should stay in a country long enough to get all the information he needs to make the right selection. Choosing in haste may mean regretting at leisure.

Is a trial period useful?

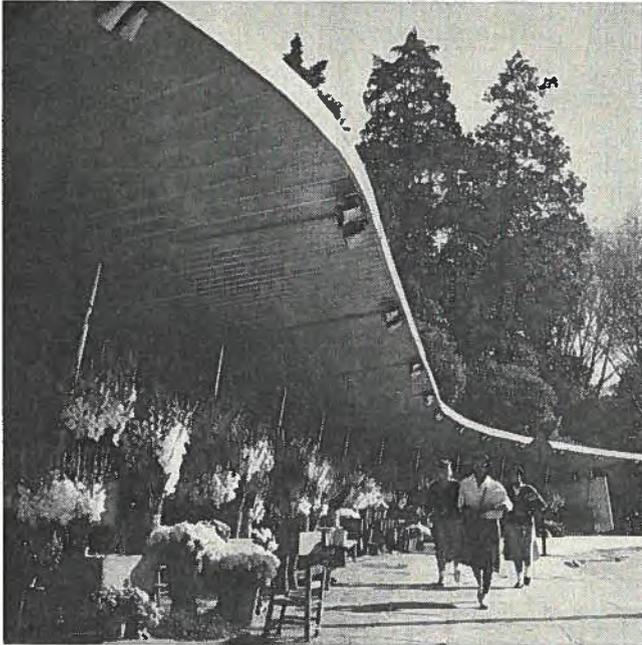
Many firms approve the practice of giving the agent non-exclusive rights for one year, on the understanding that satisfactory performance will mean an exclusive contract. A letter of agreement is usually sufficient for the trial period. Help the agent as much as possible during this initial year.

Should one agency cover two countries?

Most firms find this undesirable, even when trading connections between the two are close or a bilateral trade agreement is in force. The branch offices may not be as efficient as the head office and there may be a prejudice in the second country against non-nationals.

What about contracts?

Firm agency agreements should be covered by a contract. Be sure to specify that the contract is subject to the laws of Canada. It should contain a cancellation



The outdoor markets in Mexico City, built on modern lines, attract sightseers and serious buyers. Note the flower display.

clause to save possible complications in the future. If you do not intend to use the agency's branch offices, make this clear in the contract.

TRAINING AGENTS

One of the speakers on the panel pointed out that the export manager's relationship with agents somewhat resembles the sales manager's with the domestic sales force. But, he added, there are important differences. The agent is not an employee of the firm and he gets paid only when he makes a sale. In dealing with agents the export manager faces the handicaps of distance, of differences in language, business customs, and possibly modes of thought. None the less, there are many ways of making his scattered sales force more efficient and productive. The agent represents the company in his area and is the spokesman for it during the 95 to 99 per cent of the year when no one from head office is with him. Time spent in training and encouraging him pays.

What kind of training should the exporter provide?

He should make certain that the agent has a thorough knowledge of the product—how it is made, what it will do, how it should be handled, how it compares with competitive products. "All too many agents," one speaker commented, "try to handle a line with only the vaguest notion of what they are doing, trying to bluff their way through." The agent should also know something about the company he represents.

How can this training be provided?

Primarily, at first hand and on the spot. An important reason for personal visits to export markets is the opportunity for training agents and their staff yourself. Take the agent with you when you call on potential customers. Let him try the sales approach, watch the impression he makes, coach him when you spot weak points. Persuade him to come and see the company's plant in Canada, watch the manufacturing process, and meet the staff at head office. Some companies consider this so important that they contribute part of his travel costs or perhaps pay his expenses while he is in Canada.

What sales aids should the company provide?

The answer varies with the product, but the agent should have in his hands material that will help him in replying to customers' questions. Before he begins to sell he should have data sheets, f.a.s. and c.i.f. price schedules, samples and sales literature in the appropriate language. (Highly technical literature, the experts say, can be supplied in English, which is rapidly becoming the technical language.) A system of manuals, handbooks, or other reference material, kept up-to-date, is most useful. Illustrations have a double value in foreign countries and any sales material should have as many as possible. One caution about providing material in Spanish—have it translated in the country where it will be used. Spanish in Mexico, for example, differs from the Spanish in Argentina. It is also useful to have the text read over by someone familiar with the particular trade.

What is the best way to keep in touch with the agent between visits?

The secret is simple: pay prompt attention to his letters. "Nothing weakens the relationship with an agent faster than poor handling of correspondence," said an export manager. He went on to advise replying in kind, answering cable with cable, for instance. Better still, answer letter with cable. Reply to all letters at once, even when you cannot furnish immediately all the information the agent asks for. Bulletins and circular letters at intervals help to keep him abreast of latest company news and developments. "Correspondence," said one speaker, "is the lifeblood of an export business."

Should the exporter make regular visits to his agents?

The feeling about this was "absolutely essential." Said one panellist: "If we are to get into export and stay there, we have got to get out from behind our desks and into the field. You should always have in mind a rough schedule of visits to see your various agents on a more or less regular basis. Be prepared to break the schedule and trouble-shoot if business requires it."

How should visits be timed?

A visit should be made at the best time of year in that area, avoiding national or seasonal holidays if possible. Make sure that you won't land in on an agent when he is away or busy with a number of other visitors. And don't stay too long or too short a time; this takes judgment, because the average Latin American or West Indian won't tell you when you are wearing out your welcome.

Are there other ways to keep an agent on his toes?

One method is to maintain at head office a complete record of transactions with each agent and check it regularly to see whether he is slipping. It is useful to evaluate his ability and his performance from time to time. A program of advertising support, worked out and perhaps paid for jointly, has value. The agent will tend to push the products of the company that co-operates with him most fully. Make sure that he looks after your small as well as large accounts.

SOLVING PROBLEMS

Even careful selection and training doesn't guarantee that no problems will arise. The panel singled out a few of the more common ones.

Should commission rates be adjusted from time to time?

The exporter should keep a sharp eye on the rates of commission that agents for his main competitors receive. He may then wish to review the rates that his firm is offering. He should consider whether he is paying the agent enough for the service he expects.

These Canadian-made fire trucks found their way to Ibaguè, Colombia, thanks to the co-ordinated sales efforts of the Canadian producer and his carefully selected Colombian agent.



Should an exclusive agent receive a commission on sales that the company makes through an export house?

This question was debated at some length. The consensus was that the agent should be given an over-riding 1 or 2 per cent commission on such sales, partly because he may eventually be called on to service the account.

How much freedom should the agent have in making decisions?

Most export managers believe that the agent should not be any more free to make decisions than a company salesman here in Canada, despite his distance from head office. He should not be allowed much latitude in pricing, except in special circumstances and under well-defined conditions. He should never take the responsibility of granting credit; the company should make the decision after the agent has supplied necessary information.

Should the exporter always accept the agent's views on the market?

It is often wise to confirm the agent's views with an independent source, especially when he appears to be excessively optimistic or pessimistic. The Trade Commissioner can be consulted or perhaps a local banker.

If the agent begins to slip, what can be done?

First, investigate why his sales are falling off. Is the commission too low to provide incentive? Does he handle too many lines? Is he not pushing your product? Has he enough staff?

Then have a frank talk with him. If he is getting old, suggest that he take on a younger man to handle your product; perhaps you yourself can suggest a candidate. One Canadian company has found this approach works. When the older man retires, the younger one takes over.

Should all contact with customers be left to the agent?

The answer to this was an emphatic "no". On his regular visits, the export manager should call on the customers with the agent. This continuous direct contact becomes vital if the agent gives up the account.

Is it possible to change agents?

This depends upon the contract that you made with the agent and whether it contains a clear-cut cancellation clause. Most contracts permit cancellation after 30 to 90 days' notice. Cancellation may prove more difficult in the Dominican Republic. ●

Paints and Varnishes

The Market in Israel

Israel imports no finished paints and varnishes except for special finishes not made locally. Small market for Canadian raw materials if they can compete with U.S. products.

P. V. McLANE, *Commercial Counsellor, Athens.*

PAINTS, varnishes, lacquers, asphalt products, pigments and printing inks for home and industry are produced in Israel, partly from local and partly from imported materials. An export market has been developed with Turkey, Greece, Italy, Argentina and other countries. Plastic paints based on rubber emulsion, polyvinyl acetate emulsion and alkyd resins have been introduced. About 90 per cent of total paint production for building and industry comes from six large factories, and up to a dozen smaller plants account for the remainder. Total output is about 4,500 tons a year, though productive capacity is much larger. The following are the products and finishes made:

Quick-drying synthetic paints for industrial and architectural purposes, including metal and woodwork

Car-finish primer, synthetic and cellulose putty, special qualities for leather dyeing and leather cloth

High-gloss stove enamel, refrigerator enamel
Heatproof and weatherproof metallic paint for metal surfaces (aluminum paint)

Rust-preventing primer for all kinds of metal; wood primer and various zinc chromate and red-lead-based primers for industrial purposes

Anti-corrosion paint, anti-fouling and boat-topping paint for underwater services; all kinds of ships' paints (funnel, deck, cabin, enamel, etc.)

Silkscreen finishes (textile printing)

Furniture finishes

Lacquers and special effect lacquers (wrinkle-finish, etc.)

Alkali and acid-resisting paints for indoor and outdoor purposes (based on epoxy resins, vinyl derivatives, chlorinated rubber, etc.)

Gold and silver varnishes (tinprinting, undercoating, etc.)

Glossy finish for rubber products

Plastic paints (polyvinyl acetate emulsion, rubber emulsion)

Various: aircraft dopes, insulating varnishes, asphalt and bitumen finishes, dryers, paint removers, thinners, fillers, flat alkyd paints, road-marking and traffic paints, printing inks, colours, etc.

Pigments: colours, zinc and chrome-based

Aniline dyestuffs

Artists' oil colours and water colours, picture varnishes, graphic colours and varnishes, waterproof drawing inks, flexographic inks for paper, kraft, metallic folio and cellulose film.

Raw Materials Imported

Annual domestic requirements, based on the years 1957 and 1958, have been estimated at 5,000 tons of paints, varnishes, inks and related products. Imports of raw materials totalled 5,873 tons* during 1958,

*This high figure probably includes imports for other industries, such as carbon black for the rubber tire industry and pigments for inks.

including the products in the accompanying table, and exports of various colours and lacquers reached 318 tons.

Israel was recently accepted as a provisional member of GATT. For the time being, however, she has a single-column tariff, applicable to imports from all sources. Paints, varnishes and associated products and materials bear a maximum customs duty of 70 per cent ad valorem, plus a 10 per cent pur-

RAW MATERIAL IMPORTS, 1958

	Quantity (tons)	Value (I£)†
Chrome pigments	35.9	39,366
Iron oxide pigments	122	41,483
Prussian blue	9.6	19,692
Henna	5.3	5,549
Linseed oil varnish	10.2	7,644
Tall oil	30	11,475
Colour materials, colours, lacquers, etc.	180	381,492
Aluminum paste (except prepared paints)	36	54,024
Minium (red lead)	304	128,968
Pigments, other, n.e.s.	795	729,882
Carbon black (except black aniline dyes)	1,626	650,995
Colouring substances, dried, other, n.e.s.	221	361,144
Food colours	6.3	38,193
Enamel powder	1,030	564,970

MAIN SUPPLIERS OF RAW MATERIALS, 1958

West Germany	I£940,723
United States	936,151
Netherlands	935,435
United Kingdom	891,124
Switzerland	631,884

†1.8 Israeli pounds equal one U.S. dollar. (official)

chase tax on c.i.f. prices. Detailed tariff information may be obtained from the Department of Trade and Commerce.

Sales Opportunities Slight

In line with Israeli policy of protecting local industry and, at the same time, of conserving foreign exchange, imports of finished paints and varnishes are not permitted. Exceptions are made, however, for small quantities of special finishes not yet made in Israel. On the other hand, large quantities of various raw materials and ingredients used in the paint industry are imported from a number of sources on a letter-of-credit basis. Consignment stocks are rarely permitted. In theory, imports of industrial raw materials are completely liberalized on a global basis. In practice, however, licences are granted in accordance with Israel's economic and political commitments and the availability of free foreign exchange.

With an adverse trade balance of almost three to one, Israel is still heavily dependent on outside financial assistance. Imports in many cases are tied in with the sources of such assistance. These include war reparations from West Germany, aid and loans from the United States, and government-guaranteed industrial credits from France. At least two of the larger paint factories in Israel were established in recent years with U.S. capital; no doubt they have some arrangement to buy U.S. raw materials. In addition, Israel has concluded bilateral clearing agreements with several European countries that provide outlets for many of its slower moving industrial products in exchange for imports from these countries.

Under prevailing conditions in Israel, imports of prepared paints and varnishes, of Canadian or other manufacture, are out of the question. There are opportunities, however, for the sale of special finishes not produced in Israel and for the various raw materials used in the

paint industry, including chrome and other pigments, Prussian blue and tall oil. Canadian suppliers who believe they can compete with U.S. exporters of these materials should

write to the Commercial Counsellor at the Canadian Embassy in Athens. He can put them in touch with local agents for following up sales opportunities on the Israeli market. ●

The Market in Turkey

Domestic output is increasing and competition from European sources is keen. Canada has not yet entered this market.

P. V. McLANE, Commercial Counsellor, Athens.

THE local paint and varnish industry has developed considerably in recent years, thanks to easier and more regular supplies of raw materials. There are up to 60 paint factories in Istanbul and Izmir, although not more than ten are important producers. The largest are Durmus Yasar of Izmir (producing "Sadolin" Scandinavian paints under licence), Cavusoglu of Istanbul, and the Istanbul plant of Marshall Chemicals and Oil Co., United States.

According to official sources, the local industry's over-all capacity in 1957 (latest available) was:

Oil paints	3,932 tons
Varnishes	6,880 "
Cellulose paints	360 "
Paint powders	4,873 "
Linseed oil	1,174 "

It is reported that actual output still falls well below these figures but is increasing steadily.

As will be seen from the tariff items quoted below, the import duty on varnishes is comparatively low

Tariff No. 32.09—Prepared paints and varnishes (including liquefied pigments), prepared colours.

(a) Varnishes	Duty
32.09.11—Synthetic and cellulose varnishes	5 per cent ad valorem
32.09.12—Cellulose and chloro-rubber varnishes	5 per cent ad valorem
32.09.19—Other varnishes	5 per cent ad valorem
32.09.22—(Only) Coloured varnishes and those containing bronze or aluminum	5 per cent ad valorem
(b) Prepared Varnishes (Gloss) Paints	
32.09.21—Synthetic and cellulose paints in containers of:	
up to 1 kilo	15 per cent ad valorem
up to 5 kilos	15 per cent ad valorem
5 kilos and more	14 per cent ad valorem
32.09.29—Others	
in containers of:	
up to 1 kilo	15 per cent ad valorem
up to 5 kilos	15 per cent ad valorem
5 kilos and more	14 per cent ad valorem
(c) Other Paints	
32.09.31—Colours dissolved in oils or liquids	30 per cent ad valorem
32.09.39—Others	
Non-varnish industrial mineral-oil paints in containers of 5 kilos and over	25 per cent ad valorem
Others	30 per cent ad valorem

but it is somewhat higher on paints. Turkey has a single-column customs tariff and the rates of duty apply equally to imports from all countries.

Imports Analyzed

Imports of paints and varnishes during 1958 were as follows:

	Quantity (in kilos)	Value (Turkish liras)
Synthetic and cellulose varnishes	25,129	73,492
Cellulose and chloro-rubber varnishes	38,501	141,201
Other varnishes	109,527	346,608
Synthetic and cellulose paints	299,462	910,606
Varnishes, coloured and containing bronze and aluminum	7,614	27,115
Others (paints)	277,713	656,803
Others (colours dissolved in oil or liquids)	10,321	21,386
Others	71,608	167,520

Following the receipt of generous international financial assistance in mid-1958 and the revision of exchange rates, there has been a progressive easing of import trade restrictions. Since September 1958, global quotas for paints and varnishes have been established as follows:

GLOBAL QUOTAS FOR PAINTS AND VARNISHES

<i>Quota No. 1—announced September 23, 1958</i>		
32.09.11—only cellulose varnishes	}	\$100,000
12—cellulose and chloro-rubber varnishes		
19—other varnishes		
21—only cellulose paints		
22—coloured, bronze and aluminum varnishes		
29—other varnishes (gloss) paints		
<i>Quota No. 2—announced February 17, 1959</i>		
32.09.11—only cellulose varnishes	}	\$1.25 million granted globally for these and aniline, etc., dyestuffs.
12—cellulose and chloro-rubber varnishes		
19—other varnishes (excluding insulating varnishes)		
21—only cellulose paints		
29—other paints		
<i>Quota No. 3—announced August 3, 1959</i>		
32.09.11—only cellulose varnishes	}	\$2 million granted globally for these and aniline, etc., dyestuffs.
12—cellulose and chloro-rubber varnishes		
21—only cellulose paints		
29—only arsenical paints		
<i>Quota No. 4—announced February 16, 1960</i>		
32.09.11—only cellulose varnishes	}	\$200,000 granted globally.
.21—only cellulose paints		

Official trade figures for 1959 are not yet available and it is not known whether Turkey's paints and varnish imports have varied much from those shown above for 1958. To date, Turkey has not bought any from Canada.

Import Regulations

Applications for import licences must be made to the Central Bank of Turkey and be accompanied by pro-forma invoices and/or a firm offer from the foreign supplier, as well as a deposit of 10 per cent of the Turkish lira countervalue of the application in cash. No application may be made in respect of more than 15 per cent of the quota for the item concerned. On the granting of the import licence, the initial 10 per cent deposit must be increased to 100 per cent—within one month in the case of importers and within two months in the case of manufacturer-importers. The relevant letter of credit must be opened during this period. Import licences are normally valid for six months.

Canadian Opportunities

The Turkish market for paints and varnishes is a relatively small one and demand is largely confined to cellulose-based products. The

past pattern of imports indicates that Italy and Hungary are the main established suppliers, with Germany, Britain, and a few other European countries supplying smaller quantities. Canadian manufacturers would have to compete with cheaper prices and quicker deliveries normally offered by European exporters. Canadian firms that wish to test the competitiveness of their paints and varnishes on the Turkish market are advised to write to the Commercial Counsellor at the Canadian Embassy in Athens, Greece. He will be pleased to assist them in contacting prospective customers through the medium of experienced agents in Turkey.

Thais Import Knowhow

Foreign aid programs from the U.S. and under the Colombo Plan from Canada have awakened the desire for industrialization in Thailand. A greater flow of foreign capital is expected to enter that country and the Thais fully realize that they must rely on foreign engineering and skills to undertake industrial development on a large scale.

With the future availability of cheap power from the Yanhee dam, there are good prospects for Canadian engineering firms obtaining contracts for engineering services and for capital goods. Extensive highway plans are under way and an engineering firm offering good financial terms would stand a good chance.

As far as general Canadian products are concerned, the Thai market continues to be very price-conscious. For example, in recent government tenders the successful bidders have almost invariably been those with the lowest offers. Although a better product is offered than the specifications provide for and the price is therefore higher, tenders are not carefully checked with this in mind and should be submitted exactly according to specifications so that higher prices will not lose contracts.

The role of personal contacts in creating interest for Canadian goods and services in Asian markets cannot be overstressed. Canadian businessmen and executives of consulting engineering companies would do well to have a look at the possibilities offered by the Thailand market over the next few years.

A postwar success story . . .

ITALY

Out of the ruins of war, the Italians have built a new and vibrant industrial complex at a rate surpassed in Europe only by West Germany. How was it accomplished? Where will it lead?

J. G. IRELAND, *Assistant Commercial Secretary, Rome.*

ITALY emerged from the war with industry almost completely disrupted. But since 1945 she has boosted industrial output by about 7 per cent a year—the fastest recovery, except for West Germany, of any country in Europe.

In most sectors of Italian industry, 1938 production levels were regained by the end of 1948. The average general index of industrial output during the first ten months of 1959 reached 233 (1938=100 and 1948=102). Production statistics are not available for the war years but it is estimated that in 1945, total industrial output was lower than at any time since World War I.

Reconstruction, 1945-48

Italian industry emerged slowly from the great depression of 1929-32 and suffered from the economic sanctions advocated by the League of Nations in 1935 and the resulting national policy of self-sufficiency. The problems facing industry in 1945 were not only those of war destruction and conversion from wartime manufacturing, but also those of renewing antiquated equipment and re-establishing trade channels. The fact that Italy must import most of its industrial raw materials also presented difficulties during this era of shortages and high prices of raw materials, and dearth of merchant shipping.

Most of the early postwar credits granted under UNRRA and other relief and aid programs were needed to buy foodstuffs, though certain sums were available to purchase industrial supplies and to assist industry. These amounts were hardly sufficient for large-scale renewal of antiquated equipment. They did permit the import of much-needed raw materials, the purchase from the Allies of war-surplus materials, and limited foreign purchases of equipment, particularly for the heavy engineering and electric-power industries.

Plant Renewal, 1949-52

By 1952, total Italian industrial output had surpassed the 1938 volume by 50 per cent and the renewal of outmoded equipment was well under way. During this period, \$U.S.1.3 billion was allocated to Italy under the European Recovery Program (between April 1948 and December 1951). Some 20 per cent of this was used to buy machinery and industrial equipment from dollar countries, particularly for the electric power, steel and engineering industries. ERP loans were granted to finance only part of a project and therefore this period was one of intensive capital investment. Other capital was acquired through loans from the Export-Import Bank totaling over \$100 million, and from a credit of £50 million held by the

United Kingdom. The Eximbank loan was used to buy raw materials from the United States, and the sterling credit for the purchase of machinery and ships from the sterling area.

In 1958, Italy returned to an unrationed distribution of power, regularized the flow of supplies of raw materials and stabilized the lira on international markets. In late 1951 it almost completely liberalized imports from OEEC countries and by mid-1952 extended this liberalization to a few products from the dollar area. In subsequent steps, restrictions and licensing requirements were lifted for additional imports from dollar countries, though many Canadian exports such as wheat, grains, oilseeds, aluminum, many chemicals, and machinery remain subject to Italian controls. (See *Foreign Trade, Trade and Tariff Regulations*, August 29, 1959, and February 27, 1960.)

During the period 1949-52 Italian industry, for the first time in almost two decades, was able to demonstrate that it would be playing an increasingly important rôle in determining patterns of European and world trade in the coming years.

Recent Accomplishments

Italian industry entered 1960 with a flourish. In 1959, total electric-power generating capacity was three times greater than in 1938. In iron and steel, 1959 output

totalled over 8.75 million metric tons compared with 3.18 million in 1938. The Italian mechanical industry has about doubled production over prewar; an outstanding example is automotive output which rose from 71,000 units in 1938 to over 450,000 in 1959. Production of ships, typewriters, calculating machines and farm machinery also increased. The chemical and petroleum-refinery industries have chalked up big gains in the past 20 years. The recent discovery of natural gas in northern Italy and of oil in Sicily has contributed to industrial progress in a country that must import most of its coal and oil. In 1958, natural gas output of 5.2 billion cubic metres supplied over 12 per cent of energy requirements. Domestic output of crude oil during 1958 provided Italian oil refineries with about 5½ per cent of their needs.

With the rapid expansion of industry since the war have come modernization programs and adoption of the most up-to-date techniques of production. Proof of the excellence of Italian design and workmanship is the substantial success of Italian products in world markets. These products include motorcars, scooters, office machinery, sewing machines, textile products, precision tools, and heavy machinery and equipment such as transmission towers.

One of the factors underlying Italy's remarkable expansion is its ability to attract foreign capital. Restrictive practices of the prewar period, plus wartime damage and disruption, have created many investment opportunities, and the Italian Government has offered incentives to stimulate investment by both domestic and foreign suppliers of capital. Today Italy is a net importer of capital and the most important supplying countries are the United States, Switzerland, West Germany and the United Kingdom. Another boost to industry is the Government's declared policy—in

accordance with obligations assumed under the IMF and GATT—of freeing Italian foreign trade from government restrictions and moving toward complete convertibility of the lira. To help them along the road to expansion, Italian industrialists also enjoy the advantage of an over-supply of good cheap labour.

Effect of Common Market

Italy is an ardent supporter of and stands to benefit a good deal from the European Common Market. Italian per capita income is one of the lowest in Europe and there is a huge, steadily increasing domestic market for many products of industry as the standard of living rises. Certain sectors of Italian industry are, however, still composed of a large number of relatively small and inefficient firms that have grown up under restrictive government policies. The Common Market probably will bring about mergers among these small firms and spark a further movement toward business rationalization.

Some Public Ownership

Italian industry is an amalgam of private and government-controlled enterprises. Some of the more important government-controlled ones are pig iron (government-controlled firms produce more than 80 per cent of total national output), crude steel (50 per cent), mechanical manufacturing industries (35 per cent), electric power industry (25 per cent), and merchant shipping (13 per cent). Private industry comprises a few large, wealthy firms and many medium and small-sized ones.

With the Government breaking away from prewar protectionist policies and operating its industries along fully competitive lines, competition is keen between public and private enterprise. This competition, plus hard work and Italian knowhow, are helping to keep rapidly expanding Italian industry healthy. ●



J. R. Caux



G. L. Gagné



S. G. Harris



K. O. Hillyer



D. A. Hilton

Assistant Trade Commissioners Posted

Eleven new Assistant Trade Commissioners began their pre-posting tour of Canada on April 3. Travelling from the East Coast, they will complete their itinerary in Vancouver on June 15.



R. F. Turcotte

J. REAL CAUX was born in St. Flavien, Lotbinière, Quebec. He received a B.A. degree from Laval University in 1953, an M.A. (Literature and History) in 1955, and an M.A. in Political Science in 1959. Mr. Caux has been posted to The Hague, Netherlands, as Assistant Commercial Secretary.

GILLES L. GAGNÉ was born in St. Quentin, New Brunswick. He received a B.A. from St. Louis University in 1955, and an M.A. (Economics) from the University of Ottawa in 1957. Mr. Gagne has been posted to Mexico City as Assistant Commercial Secretary.

SYDNEY G. HARRIS was born in Nakina, Ontario, and graduated from the University of Toronto with a B.A.Sc. in 1954 and an M.A.Sc. in 1955. In 1958 he received a Ph.D. (Metallurgy) from the University of Birmingham. Dr. Harris has been posted to London, England, as Assistant Commercial Secretary.

KEITH O. HILLYER was born in La Paz, Bolivia. He obtained a B.A.Sc. (Aeronautical Engineering) degree from the University of Toronto in 1956, and an M.Comm. (Business Administration) in 1959. Mr. Hillyer has been posted to Singapore as Assistant Trade Commissioner.

DAVID A. HILTON was born in Calgary, Alberta, and graduated from the University of Alberta in 1955 with a B.Comm. degree. In 1959 he received an LL.B. from Dalhousie University. Mr. Hilton has been posted to Chicago, Illinois, as Vice Consul and Assistant Trade Commissioner.

YVON C. JAURON was born in Grand'Mère, Quebec, and graduated from the University of Montreal with an M.A.

(Economics) degree in 1957. He received the Diploma of the Institut d'Études Politiques, Paris, in 1959. Mr. Jauron has been posted to Rome, Italy, as Assistant Commercial Secretary.

MALCOLM ROWAN was born in Huddersfield, England, and graduated from Queen's University in 1959 with a B.A. (Politics and Economics) degree. Mr. Rowan has been posted to Rio de Janeiro, Brazil, as Assistant Commercial Secretary.

J. LOUIS P. DE SALABERRY was born in Ottawa, Ontario. He graduated from the University of Ottawa in 1957 with the degree of B.A. (Political Science). Mr. de Salaberry has been posted to New Orleans, Louisiana, as Vice Consul and Assistant Trade Commissioner.

IAN R. SMYTH was born in Cornwall, Ontario. He graduated from the University of British Columbia in 1959 with a B.A. degree and Honours in Political Science. Mr. Smyth has been posted to Melbourne, Australia, as Assistant Commercial Secretary.

KENNETH D. TAYLOR was born in Calgary, Alberta. He received a B.A. degree from the University of Toronto in 1957 and an M.B.A. from the University of California in 1959. Mr. Taylor has been posted to Guatemala City as Assistant Trade Commissioner.

RICHARD F. TURCOTTE was born in Montreal, Quebec, and graduated from McGill University in 1959 with a B.A. (Political Science and Economics) degree. Mr. Turcotte has been posted to Hamburg, Germany, as Vice Consul.



Y. C. Jauron



M. Rowan



J. L. P. de Salaberry



I. R. Smyth



K. D. Taylor



Commodity Notes

Basic Chemicals

INDIA—Representatives of Bayer's of West Germany were expected to visit India in January to conclude an agreement with the Government for production of basic chemicals and intermediates. Almost all the intermediate chemicals for the manufacture of drugs and pharmaceuticals are to be made at a new government factory at Apta Kharpada in Bombay State. Capital investment in the project is placed at Can.\$24 million. The plant will turn out basic chemicals worth about Can.\$18 million a year—Bombay.

Bottle Tops

PERU—A U.S. \$800,000 plant for making bottle crowns or tops is nearing completion in Lima. The plant is owned by Crown Cork del Peru, a subsidiary of Crown Cork International of the United States. It will turn out tops for beer and soft-drink bottles and also decorative trays; the tinsplate and raw cork will be imported. Three companies in Peru make metal bottle tops and supply about 45 to 50 per cent of the local market. Crown Cork del Peru expects to capture the remainder and thus eliminate imports. Peru currently buys abroad about \$600,000 worth of bottle tops a year—Lima.

Cement

CEYLON—Work has started on a second cement factory at Puttalam which will cost \$7.6 million and will produce 125,000 tons a year. Extension to the first plant at Kanhesonturai will increase its production from 80,000 to 100,000 tons. These developments include the setting up of a raw-meal drying and grinding plant, a second kiln, improvement of docking facilities, and the provision of new stores, laboratories and workshops. As a direct result of the establishment of a cement factory at Puttalam, the Ceylon Government Railway is now making arrangements to re-open the railway line to Puttalam—Colombo.

Communications Equipment

INDIA—The Marconi Wireless Telegraph Co. has announced an agreement with the Indian Ministry of Defence for the manufacture in India, under licence, of

Marconi VHF multi-channel radio terminals and repeaters and ancillary equipment. This equipment is designed to carry up to 48 telephone channels, any one of which may be subdivided to give either 18 or 24 telegraph channels. Marconi will supply all necessary technical assistance—Bombay.

Electric Power

PERU—A contract has been negotiated between the National Economic Development Fund, a Peruvian Government entity, and French interests for the installation of a new power station on the Amazon River at the port of Iquitos. The project will reportedly involve an investment of over U.S.\$850,000. The gas-turbine power station is scheduled for completion late in 1961 and will have an initial capacity of 1,500 kw.

While this development is going on, a mission composed of seven Japanese experts in hydro-electric power plants is surveying the possibilities of electric power development in several sections of Peru. This is generally believed to be a forerunner of possible Japanese investment in hydro power—Lima.

Oil

TURKEY—The main building contract for a new oil refinery at Izmit, near Istanbul, has been awarded to the United States firm M. W. Kellogg Company, a subsidiary of Pullman Inc. Construction is expected to start almost immediately and be completed within two years.

Owned and operated by Turkish and U.S. principals, (Turkish Petroleum Corporation 51 per cent and California Texas Oil Corporation 49 per cent), the \$25.65 million plant will have an annual refining capacity of one million metric tons, processing 20,800 barrels of crude per day. It will include a crude distillation unit, naphtha unfiner, platformer, distillate hydrotreater and fluid catalytic cracker—Athens.

Oilseeds

FRANCE—Floor and ceiling prices for French oilseeds, of which rapeseed is by far the most important, are established every year. The market is left free,

however, and growers are assured of complementary payment from the Mutual Guarantee Fund if their selling price falls below the minimum.

In a recent decree the French Government authorized this payment where prices for the 1959 crop have been below a specified minimum, which for rapeseed is 76.85 NF (\$15.00) per quintal (220.4 pounds) ex-country warehouse. According to the trade, this should mean a supplementary payment of 2.20 NF (43 cents) per quintal, compared with only .50 NF (9 cents) for the 1958 crop—Paris.

Paints and Varnishes

ITALY—One of Italy's leading industrial organizations in the mining and chemical fields, Montecatini, has begun to build a group of factories for making paints, varnishes and enamels. About 74 acres in the Province of Milan have been set aside and it is hoped that production will begin before the end of 1960.

Montecatini intends later to make products obtained from hydrocarbon derivatives for the textile, leather and paper industries. An up-to-date research laboratory to study varnish products will also form part of the group of plants.

It is estimated that Italy consumes about 150,000 tons of paints and allied products each year. When the new factories are in full production, Montecatini will be able to supply about half the domestic demand—Rome.

Steel

SPAIN—The Spanish steel company, Altos Hornos de Vizcaya, Bilbao, has received loans from three West German firms, including Krupp, totalling some 500 million pesetas. The money will be used to build modern plants for the production of steel by the LD process. Two "blind" converters will be put up in Sestao, with an annual production capacity of 360,000 tons, and a DM7 million oxygen factory will be built. The new installations, plus the three plants at Baracaldo, Sestao and Sagunto, will bring the firm's steel production capacity up to 1.2 million tons by 1964. The total cost of the project is calculated at about 1,200 million pesetas—Madrid.

Sulphur

INDIA—On the basis of a report submitted by the Indian Bureau of Mines, the Central Government has decided to undertake the manufacture of sulphur from pyrites available at Amjor in Bihar State. The present annual consumption of sulphur in India is 100,000 tons, all of which is imported—Bombay.

Synthetic Diamonds

SOUTH AFRICA—The De Beers Company recently announced the successful manufacture of synthetic dia-

monds in its research laboratories. The diamonds are small and suitable only for abrasive grit, not for other industrial uses or gem stones. No decision has been made about whether to embark on large-scale commercial manufacturing, but it is said to be technically and economically possible—Johannesburg.

Synthetic Rubber

ARGENTINA—A second synthetic rubber plant is to be built in Argentina by the Fish International Company of the United States at an estimated cost of \$60 million. The factory will be northwest of Buenos Aires on the Parana River and will depend for its raw material on the northern Argentine oil and gas fields. The first synthetic rubber plant, announced some time ago, will be established by the Texas Butadiene Co. in Puerto Deseado, Patagonia. It will depend for prime materials on the southern oil and gas fields—Buenos Aires.

Tea

CEYLON—In 1959 Ceylon harvested another record tea crop of more than 413 million pounds, equalling the former record set in 1958. It is reported that the state-subsidized scheme for fertilization of tea estates, particularly those of smallholders, has been the prime stimulus for this record production—Colombo.

Tobacco

CEYLON—The recent rains during the northeast monsoon have been very favourable for the growers of cigarette tobacco. Over 5,000 acres have now been planted and it is reported that all the plots are in excellent condition. Tobacco growing is now the main agricultural interest of the cultivators in some of the up-country districts, who prefer it to the traditional vegetable growing and paddy cultivation because of the higher cash return and prompt payment by buyers—Colombo.

Tours of Territory

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

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

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.

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. Bullis at Kingston and Mr. Dyke at Athens.



Advertising Abroad

In Austria, newspapers reach the greatest number of its seven million people; they are read eagerly and regularly in every coffee-house in the country.

H. K. ROTT, *Office of the Commercial Counsellor, Vienna.*

ALL advertising media known and used in Canada today are at the disposal of businessmen in Austria. Canadian exporters may therefore wish to boost their products through advertising in this small but growing market—particularly now that Austria has further liberalized imports from dollar countries.

Austrian businessmen have been slow in making use of advertising. In 1959, for instance, annual expenditure on all types totalled the equivalent of \$30 million—about \$4.30 per head of population compared with Canada's \$15. At present there are only five advertising agencies in Austria providing all the services expected of similar firms in Canada; there are 350 space brokers and about 120 independent advertising consultants. The relative lack of interest in advertising has been due to two things: the somewhat conservative character of Austrian businessmen, most of whom have been in business for years and consequently feel that they and their products are known, and the fact that for many years after the war Austria was strictly a seller's market. This made intensive advertising seem superfluous to many firms. Stiffening competition resulting from a return to normal market conditions, plus European economic integration, leads Austrian advertising executives to expect a con-

siderable upsurge in demand for their services.

Newspapers Most Important

By far the most important medium, in terms of actual outlays and almost certainly in terms of coverage, is the newspaper. It is estimated that in 1959 about 45 per cent of advertising expenditures went to the press. Austrians are avid newspaper readers; most of them, at least the city dwellers, sub-

scribe to one or two newspapers, or buy them daily at newsstands. In Vienna, people sit in coffee-houses for hours poring over the newspapers and magazines provided by the management. As a result, newspaper publishing is big business—Austria has 173 daily and weekly newspapers, plus 2,071 periodicals and specialized trade journals, for a population of seven million.

The papers are smaller than in Canada, both in format and number of pages. Total circulation figures are, however, impressive: more than two million newspapers are sold each Sunday and slightly fewer on weekdays. Assuming that a paper is read by two or three people before it is discarded, each Austrian adult

ADVERTISING IN THE AUSTRIAN PRESS

Name of paper	Sunday Circulation	Cost of full-page ad*
In Vienna:		
Kurier	256,000	\$1,065 (2 editions)
Das Kleine Volksblatt	194,000	300
Arbeiterzeitung	187,000	630
Neues Oesterreich	185,000	615
Express	170,000	910 (2 editions)
Die Presse	65,000	680
In Upper Austria:		
Ob. Oesterr. Nachrichten	59,000	490
In Salzburg:		
Salzburger Nachrichten	62,000	400
In Tirol:		
Tiroler Zeitung	44,000	425
In Styria:		
Kleine Zeitung	93,000	215
Neue Post	62,000	370
Südost Tagespost	56,000	370
In Carinthia:		
Die Neue Zeit	26,000	225
Volkszeitung	25,000	225

*To the prices quoted, a 10 per cent advertising tax must be added.

reads at least one newspaper a day. Because of the large number of papers, the circulation of each is smaller than that of some of the important papers in Canada. This is shown in the accompanying table that lists the most widely read Austrian newspapers, with Sunday circulation figures and the approximate price of full-page ads. (Most ads cover only a quarter-page or less and are therefore cheaper.)

Only the Vienna newspapers, and possibly the *Salzburger Nachrichten*, have readers all over Austria; the other papers are decidedly local but can often be used to advertise specialized products such as agricultural implements. It is not easy even for the Austrian to make the most effective choice of newspapers in which to advertise. Most papers have close political ties and are not read by people with different political affiliations even if they belong to the same income groups. Austrian firms usually solve this difficulty by placing identical ads in a number of party-bound papers which, of course, adds to the cost. Some independent papers tend to address specific social strata or income groups. With these variables to contend with, Canadians should seek expert advice in order to make the best use of Austria's most important advertising medium.

Newspaper ads usually consist of drawings and text, and the text is at times lengthy; the purpose of the drawings is often only to direct attention to it. Copy, in order to be effective, must be written in idiomatic Austrian German. It would be a mistake for Canadian companies to use the same German text for advertisements in West Germany and Austria. The alterations would be minor, but Austrian advertising men feel that failure to make them will rob ads of a good deal of their effectiveness in Austria.

Photogravure, which does not reproduce well in newspapers, is a must in the five magazine-type illustrated papers published every week. These illustrated papers are, how-

ever, of minor importance as an advertising medium; their circulation is relatively small and most Austrians, instead of buying them, scan them free in the coffee-houses.

Billboards, Posters

The second most important medium is billboard advertising, used primarily to promote the sale of brand-name goods. According to Austrian estimates, almost 20 per cent of advertising budgets were spent on billboard advertising last year. In 404 cities and towns there are 8,160 poster sites and about 2,600 in Vienna alone. Space is rented in Vienna by a company owned by the city, at \$5.50 a week or \$8.80 a month for 100 small-sized posters (about 2' x 3').

The Austrian Federal Railways, government-owned bus lines and city streetcars also rent space for poster advertising. Coverage is quite good because the first two carry an average of 150 million and 58 million passengers a year. It is impossible to estimate the number of people that see advertisements in streetcars, but it is certain to be high. The Municipal Transportation Company of Vienna operates 3,430 streetcars, and smaller cities in Austria run an additional 1,500. The public transit systems are the most important means of city transportation.

Posters are usually simple, with modest text and splashy colours. The municipally-owned space-rental company in Vienna is trying to improve the standard of advertising by selecting and displaying at prominent sites the best "posters of the month".

Films, TV

Cinema advertising ranks third in Austria and takes about 10 per cent of advertising expenditures. Most of the 1,080 movie theatres show slides (with or without sound texts) and short advertising filmstrips as part of their regular program. The former are used primarily by retailers; the latter by companies selling brand-name prod-

ucts. Although slides are often viewed by cinema-goers with a certain amount of impatience, good and imaginative filmstrips frequently evoke real interest. People grow restless only if these last longer than four or five minutes and the advertiser's message becomes too obvious. The production of filmstrips is expensive, but charges for screening range from only three to eight cents per foot of film a week in any cinema.

Radio and TV advertising is possible but for a number of reasons has not made much progress. Coverage might potentially be good because there are 1.9 million radios and 140,000 TV sets registered in Austria, and probably even more in operation. Television was started in 1955 and is now making considerable headway. Because of its novelty it creates much interest and is watched, according to conservative estimates, by about half-a-million people daily. Austrians are, however, not great radio listeners.

Both radio and television are administered by the state-owned Austrian Broadcasting Corporation and there are no private stations. Spot announcements and sponsored programs are being offered, but the Austrian Broadcasting Corporation is reluctant to allow commercial advertising to assume as prominent a role as in North America. Moreover, audiences who sit more or less willingly through a 15-minute advertising program in movie theatres do not take too kindly to advertising on radio or TV. Rates are rather high: a single 15-second spot on TV costs at least \$400. Advertisers who do not make much use of television feel nevertheless that TV advertising will play a fairly important role in the years to come.

Direct-Mail Promotion

Direct mail advertising is used a good deal but it is rather expensive because folders, circulars and envelope stuffers have to be multi-coloured to receive much attention. Two enterprises in Austria provide material for all purposes, arranged

according to occupation and, to some extent, income groups. Direct-mail advertising is often used effectively to introduce new products. Large stores also pay considerable attention to point-of-sale advertising, and the sale of certain cheap brand-name articles is promoted by occasional giveaways. Neon signs are used profusely in the main shopping streets.

Consult an Agency

Canadian companies interested in advertising in Austria should work closely with their agents, who know

the peculiarities of the market and the services offered by local advertising agencies. All of the latter have international connections and appear able to handle an entire advertising program. The services of advertising agencies normally include market research and the planning and execution of advertising, including design and development of slogans. Agencies are best able to decide where and when the promotion will do the most good. As part of their regular service they undertake to test the effectiveness of advertising, sometimes in co-opera-

tion with two Austrian companies that use Gallup Poll-type methods of research. Charges of advertising companies consist of actual expenses plus a 15 per cent fee based on the total advertising budget. If discounts are granted (say, by the companies controlling poster sites) these are credited to the customer.

Canadian companies that wish to find a market for their products in Austria and are interested in further information on advertising facilities are invited to write to the Commercial Counsellor for Canada in Vienna. ●

Colombia Buys Wheat and Flour

Guaranteed quantities of wheat and flour are to be sought annually under open tender. Government plans for more domestic production may offer opportunities for our farm-machinery exporters.

J. H. BAILEY, *Commercial Secretary, Bogotá.*

THE demand for wheat and flour products in Colombia is steadily increasing. At present this demand is being met from three sources: imports of United States surplus products under a Colombia-U.S. PL 480 agreement, increased domestic production, and imports by the official purchasing agency, Instituto Nacional de Abastecimientos (INA), under open tender. The following table shows the increase in total wheat consumption over the past few years, projected demand for

Crop Year	Total Consumption	Delivered	Delivered
		by Can.	by U.S.
(in metric tons)			
1954-55	200,000	83,000	25,800
1955-56	217,000		66,700
1956-57	225,000		90,700
1957-58	275,000	5,000	106,700
1958-59	307,000		87,500
1959-60	323,000		
1960-61	332,000		
1961-62	341,000		

several years ahead, and deliveries made by Canada and the United States since the crop year beginning July 1, 1954.

Immediately following the first United States surplus disposal agreement with Colombia signed in 1955, Canada's share of the market fell sharply. For the next few years, however, the prospects of increasing Canadian sales appear much brighter. Under the new PL 480 agreement signed in October 1959 Colombia will import between 260,000 and 300,000 metric tons of United States wheat annually but will also be obliged to purchase an additional 62,500 tons of wheat products through regular commercial channels. Of this latter amount, at least 10 per cent will be imported through open tenders in the form of ordinary flour and granular flour. There are thus opportunities for

Canadian exporters to re-enter this market but it will be necessary for them to compete with U.S. suppliers who have the advantage of lower freight rates from Gulf ports.

The results of bidding on the first open tender for 10,000 tons of Dark Hard Winter or Manitoba Northern wheat issued under the new agreement in December were as follows (prices in U.S. dollars per metric ton):

Suppliers	f.a.s.	Freight	c. & f.
Winning U.S. bid	\$69.53	\$13.35	\$82.88
Lowest Can. bid	\$73.50	\$23.37	\$96.87

It appears that if Canadian exporters are going to make sales in this market they will have to work on extremely narrow margins, as this particular tender was awarded on the basis of f.a.s. prices. In other cases where freight is to be taken into account by the Awards Committee, Canadian suppliers will have to negotiate especially low charter rates for the shipment of their wheat. Although Colombians appreciate the extra quality of Canadian wheat and the government importing agency will make some allowance for this, it is not normally

sufficiently important to overcome a large price differential.

Colombian imports of flour from 1954 to 1958 were as follows:

IMPORTS OF REGULAR FLOUR

Year	Total Imports	Delivered by Canada	Delivered by U.S.
	(in metric tons)		
1954	13,630	7,650	5,960
1955	7,680	3,810	3,870
1956	1,800	70	1,730
1957	6,750	40	6,710
1958	12,860	2,820	10,040

GRANULAR FLOUR

Year	Total Imports	Delivered by Canada	Delivered by U.S.
	(in metric tons)		
1954	11,230	10,210	990
1955	9,970	8,850	1,110
1956	10,040	7,650	2,320
1957	5,260	3,350	1,910
1958	4,340	760	3,580

Canadian sales of regular flour to this country have been limited by PL 480 sales (there has been a continued preference, as the figures indicate, for Canadian granular flour) during the past few years but the door has now been opened wider for Canadian suppliers of both types of flour. Under the new agreement, Colombia will be obliged to import at least 6,250 tons of flour a year through commercial channels. To date INA has not issued any open tenders under the new agreement. As an indication of prices being quoted in this market by American suppliers, however, it was noted that under a PL 480 tender in August 1959 the winning bid was U.S.\$88.16 per metric ton for 3,000 tons of flour with a protein minimum of 13.5 per cent, an ash maximum of 0.46 per cent, a maximum humidity of 14 per cent and produced 100 per cent from Hard Spring wheat.

In addition to competition from U.S. suppliers, Canadian wheat and flour exporters are also faced with long-term competition from increased domestic production. Although local millers have indicated that Canadian and U.S. wheat and

wheat products will always be required for blending purposes and foreign granular flour will be widely used in the alimentary paste industry, the effect of the Government's efforts to increase domestic wheat production should not be overlooked. One of the most vital factors in promoting this increase is the support price of \$131.64 per metric ton (approximately \$3.58 per bushel) offered growers by the Instituto Nacional de Asbestecimientos. During the last crop year, Colombia produced approximately 130,000 tons of wheat and this amount is expected to increase about 10 per cent during the next few years to approximately 140,000 to 150,000 tons annually. Thus the country will be producing between 40 to 45 per cent of its total estimated annual requirements of 323,000 to 341,000 tons. Colombian mills are currently producing 225,000 metric tons of flour a year, or about 94 per cent of requirements.

The system of wheat cultivation in Colombia differs from region to region and ranges from hand labour in the mountainous regions to completely mechanized operations on the plateaus. The general tendency, as a result of technical assistance granted by the Department of Agriculture and credit assistance extended by the Caja de Crédito Agrario, is to introduce more mechanical equipment in all wheat-growing sections. In some areas the difference in farming methods is striking; one can see the harvesting in one field being done with 40 to 50 labourers using hand tools whereas next door the latest model of Canadian threshing machine will be at work. With the extremely low labour costs in this area, each landowner considers carefully the economic advantages of investment in machinery. It would appear, however, that if Colombia is to increase her domestic production of wheat she will need considerable quantities of farm machinery. Canadian exporters already represented in the area should find opportunities to increase their sales. ●

Italy Exports Cars

THE Italian automotive industry has expanded at a phenomenal rate since the end of World War II and this dynamic expansion is expected to continue. In 1958, 403,500 automobiles and commercial vehicles were turned out; in 1959, this rose an estimated 24 per cent. The Italian Association of Automobile Manufacturers forecast that total production last year would reach about 470,000 automobiles and 30,000 commercial vehicles.

One factor in the persistent demand is the domestic market. Italians have been buying cars steadily in the post-war years and will undoubtedly continue to do so as their standard of living rises in coming years. It is estimated that Italy has one car for approximately every 30 people, compared with one for each eight or nine persons in Britain or France and one for each 2½ persons in the United States.

The success of Italian cars in the export market has played a big part in the rise in production. Exports of motor vehicles have expanded steadily—from about 15,000 units in 1948 to almost 170,000 in 1958 and to 173,700 in the first ten months of 1959. (This latter figure includes some 165,000 cars with engine cylinder capacity of 1.5 litres or less.) West Germany and the United States have become by far the most important markets for Italian automobiles, but sizable sales are also being made to most other Western European countries and to markets around the world. In 1958 exports of motor vehicles accounted for more than 25 per cent of total sales abroad made by the Italian engineering industry and for some 42 per cent of total automotive production.

According to official Italian statistics, the first Italian automobiles to be shipped to Canada since the war were dispatched in 1957—four small cars.

In the next year, 1,888 automobiles with engine capacity of 1.5 litres or less and worth \$1.58 million went to Canada and in the first ten months of 1959, 2,924 valued at \$1.88 million.

—J. G. IRELAND,
Assistant Commercial Secretary,
Rome.



Trade and Tariff Regulations

Ghana

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

New Zealand

1960 IMPORT PROGRAM EXTENDED—In *Foreign Trade of March 25* we published an extract from a telegram received from our Commercial Secretary in Wellington regarding the recent relaxation of import restrictions in New Zealand. The details of this relaxation are given in the following report from the Commercial Secretary.

When the import schedule for 1960 was announced last fall (see *Foreign Trade* of November 21) the Minister of Customs promised that its provisions would be enlarged early in the new year if New Zealand's trading position would support further trade liberalization. This promise was carried out on March 10 with the announcement of a significant increase in almost 200 quotas, and of new token quotas for 47 categories of products previously prohibited under the original schedule of imports. Another 30 commodities may now be imported in any quantity desired, although they are still subject to licensing. Significantly, discrimination against the dollar area on lumber has been dropped, leaving only motor vehicle imports subject to possible discrimination by origin.

This welcome step towards freer trade was made possible by the great improvement in New Zealand's trading position in 1959; for the first year since 1953, a substantial surplus (\$100 million) was recorded in the current balance of payments. This was achieved by a 10 per cent increase in the value of exports compared with 1958, and by reducing the value of imports by over 15 per cent. The net foreign exchange holdings of the banking system at the year's end had risen to \$230 million, despite overseas debt repayments of \$30 million. This was a vast improvement on the figure at the end of 1958 which stood at approximately

\$150 million after net borrowing during the year of about \$120 million.

"Replacement" Licensing Extended—A 1960 innovation in the New Zealand exchange control system was the introduction of "replacement" licences which allow importers to bring in goods to a total value of 150 per cent of the value of licences granted to them in 1959. The 109 commodity groups originally placed under this system have been increased to 161; among the products now affected are:

- Drugs and chemicals for manufacturers
- Scientific instruments
- Furs and skins
- Pianos
- Emery cloth and paper
- Plastic materials
- Electric motors
- Vehicle lamps
- Traction engines and tractors
- Hand tools

Basic Quotas Enlarged—The largest group of products, numbering about 90, listed in the new import schedule consists of those for which stated quotas have been increased by amounts ranging from 10 to 100 per cent. These include:

	<i>Per cent*</i>
Canned fish	40
Sheets, towels and diapers made from piecegoods	33½
Clocks	25
Spirits	30
Fishing tackle	10
Sporting requisites	33½
Wallpaper	10
Ammunition	33½
Firearms, sporting	50
Steel office furniture	100
Machinery, metalworking	100
Hardware	40
Handles, wooden for tools	15
Veneers	25

*The figures shown represent increases in the 1960 quotas, expressed as a percentage of the value of 1959 licences issued for these products.

There are also 50 tariff items for which additional foreign exchange will be made available, although no specific quotas have been published. These include:

- Cattle leather
- Wood pulp for papermaking
- Agricultural machinery and implements
- Dairy machinery
- Factory machinery of various kinds
- Aluminum foil

Token Licensing Widened—The token import scheme introduced this year is extended from the previous 93 items to 140. In most cases this provides licences worth 10 per cent of the value of the applicant's imports made in his own name during 1956. Few of these will be of any real importance to Canadian firms because many of the products are not produced for export in Canada, and also because the scheme, by its nature, favours products and brands imported in the base year 1956. Of possible interest are work gloves, knitted wear, bathing suits and some other apparel; building board; motor lawnmowers; and roofing material, except bitumen laminated kraft paper which is under another quota.

Unlimited Quotas for Some Products—Some 31 additional products will henceforth be free of quantitative control, although still subject to licensing. Under this heading come soya beans, pure silk and lisle hosiery, upholsterers' materials, miners' safety lamps, bookbinders' materials, detonators, and various other special products.

Discrimination against goods from the dollar area, insofar as it existed in practice last year, has now been completely eliminated except for motor vehicles. An importer can use his licences to purchase anywhere in the world and foreign exchange is automatically made available to him regardless of the country of origin of his imports.

Canadian exports to New Zealand have benefited substantially from the progressive trade liberalization of the past nine months. Although the total figure for 1959 was some 10 per cent lower than our exports in the previous year, this drop reflected mainly shipments during the first nine months. From September onwards our exports began to recover, and were substantially higher in November and December than they had been during the last two months of 1958, even exceeding the comparable 1957 figures. Exports to New Zealand in January of this year were \$1,514,229 compared with \$462,921 in January 1959. There is good reason to hope, therefore, that 1960 will be a good year for Canadian trade here.

—J. H. STONE,

Commercial Secretary, Wellington.

Further details regarding licensing treatment accorded to specific commodities under the revised 1960 licensing schedule may be obtained on request from the International Trade Relations Branch.

APRIL 9, 1960

Sierra Leone

TARIFF ON NEWSPRINT—Effective December 3, 1959, newsprint entering Sierra Leone from countries not entitled to preferential treatment bears an import duty of £1-0-0 per ton. Newsprint from countries entitled to preferential treatment (mainly in the Commonwealth), including Canada, will continue to be admitted free of duty. From April 9 to December 3, 1959, newsprint from all countries entered Sierra Leone free of duty.

Turkey

FOURTH QUOTA IMPORTS ANNOUNCED—Additional information on the fourth quota imports which Turkey announced on February 16 (see *Foreign Trade*, March 13, 1960, page 40) reports that the announcement of the fourth quota imports includes detailed lists of the goods which may be imported freely without licence, and of those which may be imported by manufacturers, assembly plants, etc., against the production of a certificate of need from the appropriate authority. These lists include all the items freed since August 1959 and many important additions. It is officially estimated that some 50 per cent of Turkey's requirements from abroad are now free from restrictive measures.

Import licences for freed commodities will be issued by the Central Bank of Turkey on demand and will be valid for a period of six months from the date of issue. "Automatic" import licences will be issued by the Central Bank on production of the relevant certificate of need from the competent authority; these certificates are valid for three months only. Licences will be valid for six months from the date of issue.

Freed imports for which licences will now be granted on demand include:

Cattle for breeding; various seeds; yeast; shellac; lubricating oils and greases; technical sulphuric acid; a wide range of industrial and pharmaceutical chemicals; DDT; textile dyestuffs; X-ray films and plates; anti-freeze; hydraulic brake, etc., oil; vehicle tires and tubes; newspapers and periodicals; nylon fishnet yarns; hessian cloth and bags; umbrella fittings; iron and steel bands; refractory bricks and tiles; pig iron; tinplate; foundry moulds and crucibles; special steels; sewing needles; tin and various other non-ferrous metals; virtually all kinds of spare parts and accessories for motor vehicles; radio receivers; machine tools; industrial machinery; boilers; lifts, etc.; packing machinery; cranes, hoists, excavators, bulldozers and other road-building, handling, etc., plant; diving suits; ball and roller bearings; gears and other transmission parts; fire-fighting, spraying and similar appliances; X-ray and radiology appliances; locomotives; wagonettes; tractor-drawn ploughs, harrows, etc.; spectacle lenses; electricity, gas- and taxi meters; fishhooks; gramophone record moulds; thermometers and barometers.

Allocations for imports against the fourth global import quota include:

Lanolin and acid oils, \$125,000; cinema film, \$100,000; V-belts, rubber gloves and various other rubber manufactures, \$495,000; shoemakers' thread, \$60,000; sanitary fixtures, \$100,000; hand tools,

machine tool knives, etc., \$615,000; chemical fertilizers, \$2 million; printing, etc., inks, \$100,000; photographic papers, \$100,000; ceramic tiles, \$50,000; iron and steel tanks, drums, nails, ships' chains, etc., \$335,000; industrial furnaces, burners, etc., \$150,000; machinery and plant for the canning industry, \$100,000; paper-working machinery, \$50,000; industrial sewing, leather and metal-working machinery, \$400,000; office machinery, \$600,000; underground and underwater cables, \$200,000; motorcycles and bicycles, \$100,000; industrial machinery for replacement purposes, \$2 million.

United States

ESCAPE CLAUSE INVESTIGATION INTO IMPORTS OF CAST-IRON FITTINGS—Upon application of the Cast-Iron Soil Pipe Foundation and others, received February 23, 1960, the United States Tariff Commission, on the 7th day of March 1960, under the authority of section 7 of the Trade Agreements Extension Act of 1951, as amended, instituted an investigation to determine whether cast-iron fittings for cast-iron soil pipe, classifiable under paragraph 327

of the Tariff Act of 1930, are, as a result in whole or in part of the duty or other customs treatment reflecting concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

A public hearing in connection with this investigation will begin at 10 a.m., e.d.s.t., on May 31, 1960, in the Hearing Room, Tariff Commission Building, Eighth and E Streets N.W., Washington, D.C. Persons desiring to be heard should write the Secretary of the Commission at least five days in advance of the date set for the hearing.

Cast-iron soil pipe fittings are currently dutiable under U.S. tariff paragraph 327 at 10 per cent ad valorem.



P. G. Jones



E. G. Gerridzen

Commodity Officers to London

TWO OFFICERS of the Commodities Branch of the Department of Trade and Commerce will leave for London this month for a six-week tour of duty. Their assignment: to look into the opportunities for selling Canadian products in their fields—or, to put it more succinctly, to discover what the British want and the best ways to win customers.

The two Commodity Officers selected handle products that are already making headway in a largely unrestricted British market. P. G. JONES covers toys, musical instruments, sporting goods and marine supplies. He will leave for London on April 19 and will make his headquarters at Canada House, but he will also visit other centers, including Manchester, Leeds, Birmingham and Glasgow.

E. G. GERRIDZEN, Commodity Officer for textile products, will go to Britain ten days after his colleague, on April 29. He too will work out of Canada House, London, and will make contacts in various other cities.

He will push sales of Canadian-made women's wear—already winning customers in Britain—and of allied textile lines.

This sales-promotion tour is, in the judgment of the Department, particularly well timed. It follows the widespread relaxation of British controls on imports of dollar goods that has sparked new interest in the U.K. market and brought many trade inquiries to the office of the Canadian Minister (Commercial) in London. It also takes place just after the Daily Mail Ideal Home Exhibition, held at Olympia, London, from March 1-26 and in which some 100 Canadian firms displayed their products. Mr. Jones and Mr. Gerridzen will follow up leads from both these sources.

Mr. Jones joined the staff of the Department in 1945, bringing with him extensive experience, particularly in the sporting goods industry. Mr. Gerridzen came to Ottawa in 1947; he has a wide knowledge of the textile business.

Head Office Directory

	Gov. Local
Minister: The Honourable Gordon Churchill	2-0337, 2,0336
Private Secretary and Executive Assistant: Mrs. Rita Cook	2-0337, 2-0336
Deputy Minister: James A. Roberts	2-2888, 2-5838
Executive Assistant: A. G. Kniewasser	2-2380
Economic Adviser: O. J. Firestone	2-4176
Legal Adviser: Miss E. I. MacDonald	6-7068
H. B. Scully	6-8539
Assistant Deputy Minister (Trade Promotion): H. Leslie Brown	2-2530, 2-0798
Assistant Deputy Minister (Trade Policy): J. H. Warren	2-4042, 2-2649

Administration Branch

Comptroller-Secretary: Finlay Sim	2-2262
Administrative Assistant: Miss M. L. E. Jones	6-7411
Financial Assistant: S. B. Kayes	2-4312

Personnel Division

Chief Personnel Officer: L. J. Rodger	2-5430
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Office Services Division

Chief: C. Drolet	6-6672
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Agriculture and Fisheries Branch

Director: G. R. Paterson	2-4301
Assistant Director: R. W. Blake	6-7634
Assistant to the Director: A. R. A. Gherson	6-7036

Fisheries Division

Chief: T. R. Kinsella	6-7385
J. M. Bellemare	6-7385

Food and Agriculture Division

Acting Chief: K. L. Melvin	2-3172
Livestock, Animal Products: K. L. Melvin	2-3172
J. Kaffezakis	2-3172
Plant Products: A. J. Stanton	6-7523
J. B. Mountain	2-0914
B. E. Husband	6-6350
Furs, Non-Alcoholic Beverages: D. H. Burns	2-4161

Grain Division

Chief: R. M. Esdale	2-5830, 2-5648
Co-ordinator Markets Development: W. F. Hillhouse	6-7036, 2-5830
H. E. Ryan	2-5830, 2-5648

*Unless otherwise noted, all offices of the Department are in this building. Cable address: COMAGENT, Ottawa. If you are telephoning from out of town, call the government switchboard, CEntral 2-8211, and ask for the local; if you are in Ottawa, dial 9, then the government local.

Canadian Government Exhibition Commission 479 Bank Street**Gov. Local**

Director: Glen Bannerman	6-7412, 2-3558
Administrative Officer: A. D. Simmons	6-6795
Assistant to Administrative Officer: F. J. Bradley	6-7818
Chief, Design Section: T. C. Wood	2-3671
Assistant Chief, Design Section: G. E. Stranks	2-3682
Senior Project Officer: R. L. Greene	2-3524
Senior Project Officer: R. E. H. Ogilvie	2-4139
Production Officer: J. Rachlis	2-3524
Accountant: J. A. Cryderman	2-3776
Traffic Officer: Gordon May	6-7560
Purchasing Officer: G. Lajeunesse	6-6494

Colombo Plan Administration (see Economic and Technical Assistance Branch)**Commodities Branch**

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Assistant Director: E. C. Thorne	6-7163
A. M. Tedford	6-6519

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Synthetic Resins, Rubber: G. E. McCormack	2-5993
Petroleum, Organic Chemicals: T. V. Harquail	6-7601
Pharmaceutical Products, Inorganic Chemicals: G. A. Ferguson	6-6075
Paints, Pesticides, Other Miscellaneous Chemicals: G. R. Gough	2-5177
Oils, Waxes and Polishes, Statistics: W. J. Curran	2-2905

Consumer Goods Division

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Assistant Chief: A. C. Fairweather	6-7815
Beverages: A. C. Fairweather	6-7815
Business Equipment, Radio and Television, Scientific Instruments, Hospital Equipment, Tools: J. A. Findlay	6-6958
Consumer Durable Goods, Electrical Appliances: W. H. Grant	2-3209
Handicrafts, Chinaware, Jewellery, Photographic Equipment: R. A. Drouin	2-5337
Hardware, Heating and Plumbing: D. C. Meyers	6-6383
Ladies' Wearing Apparel, Linens: E. G. Gerridzen	2-5378
Leather, Rubber and Plastic Products: W. L. Herman	2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones	2-4160
Textile Fibres and Fabrics, Miscellaneous Men's Wearing Apparel, Jute Products, Wastes: R. M. Josephson	2-3004
Records, Statistics, Office Services: Miss M. E. O'Connor	6-8760

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Assistant Chief: R. C. Wallace	2-5859
Consulting Engineering, Aerial Surveying, Nuclear Energy: R. A. Frigon	2-4082
Engineering Projects and Industrial Electric Equipment: R. C. Wallace	2-5859
Agricultural and Automotive Equipment, Vehicles, Aircraft, Ships, and Rail- way Rolling Stock: G. C. Clarke	2-3873
Communications and Electronic Equipment: D. L. Draper	6-6479
Machine Tools and Heavy Industrial Machinery: J. R. Johnson	6-7546
Construction Contracting and Process Plant: David Mott	2-5382

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Assistant Chief: M. N. Murphy	6-6974
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O. Hickie	2-4863
Manufactured Wood Products: F. T. Carten	2-5811
Wood Pulp, Newsprint and Other Papers: M. N. Murphy	6-6974
Paper and Paper Products: E. J. Ward	2-5127

Commodities Branch (continued)**Gov. Local****Metals and Minerals Division**

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Iron and Steel: G. W. Rahm	2-5159
Non-Metallic Minerals: R. P. Mulvihill	2-5823
Non-Ferrous Metals: R. J. Hurley	2-3823
Statistics: W. L. Power	2-3823

Transportation and Trade Services Division

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Assistant Chief: H. A. Hadskis	2-2737
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Head:	2-2737
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Assistant Processing Officer: Miss M. T. Langille	6-6976
Import Processing Officer: R. T. Traversy	6-6991
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Assistant Director: V. L. Chapin	6-7594
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Commodities and Precious Metals Marking: G. R. Lewis	6-7075

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L. D. Burke	2-2242
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Assistant Director (Personnel): G. F. G. Hughes	6-6800
Assistant Director (Administration): W. J. Millyard	2-5669
G. F. Farrow	2-5717
Western Representative: K. F. Noble, Federal Building, Room 405, 325 Granville Street, Vancouver 2, B.C.	Mutual 1-7161
Newfoundland Representative: Stott Bldg., 123 Water Street, St. John's, Newfoundland	2698

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Geo. Hazen	2-4379

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Chief: Emile Boucher	2-2760
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Assistant Dominion Statistician: J. T. Marshall	6-7695
Assistant Dominion Statistician: S. A. Goldberg	2-5458
Assistant Dominion Statistician: L. E. Rowebottom	2-5426
Senior Research Statistician: G. B. Oakland	2-3562
Consultant on Classification: N. L. McKellar	2-3437
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Export Credits Insurance Corporation Birks Bldg., 107 Sparks St., P.O. Box 655

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Assistant General Manager: A. W. Thomas	CE2-4828
Secretary: T. Chase-Casgrain	CE2-4828
Economist: D. C. Taylor	CE2-4828
Underwriter: S. Garrett	CE2-4828
Credits Supervisor: C. A. Law	CE2-4828
Claims Supervisor: F. G. Reynolds	CE2-4828
Accountant: B. R. King	CE2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

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 1.050903.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 28	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free .....	.01158	86.35	(1)
Austria	Schilling ...	.....	.03664	27.29	
Australia	Pound .....	.....	2.1369	.4680	
Bahamas	Pound .....	.....	2.6711	.3744	
Belgium, Belgian Congo and Luxembourg ...	Franc .....	.....	.01908	52.41	
Bermuda	Pound .....	.....	2.6711	.3744	
Bolivia	Boliviano ...	Free .....	.00008329	12,006.24	
British Guiana	Dollar .....	.....	.5565	1.80	
British Honduras	Dollar .....	.....	.6678	1.50	
Brazil	Cruzeiro ...	General Category* .....	.003910	255.76	*Mar. 15 (2)
		Special Category .....	.001658	603.13	
		Official selling .....	.05030	19.88	(3)
Burma	Kyat .....	.....	.1998	5.01	
Ceylon	Rupee .....	.....	.2003	4.99	
Chile	Escudo	Free .....	.9045	1.11	(4)
Colombia	Peso	Certificate .....	.1441	6.94	
Costa Rica	Colon	Official .....	.1695	5.90	
		Controlled free .....	.1431	6.99	
Cuba	Peso .....	.....	.9516	1.05086	tax 2%
Czechoslovakia ...	Koruna .....	.....	.1322	7.56	
Denmark	Krone .....	.....	.1381	7.24	
Dominican Republic	Peso .....	.....	.9516	1.05086	
Ecuador	Sucre	Official .....	.06344	15.76	
		Free .....	.05614	17.81	
Egyptian Region, United Arab Rep.	Pound	Official	2.7325	.3660	
		Export account selling ..	2.5000	.4000	
El Salvador	Colon .....	.....	.3806	2.63	
Fiji	Pound .....	.....	2.4064	.4155	
Finland	Markka .....	.....	.002974	336.25	
France, Monaco, etc.	New Franc .	.....	.1939	5.16	(5)
French colonies ...	Franc .....	.....	.003878	257.86	(6)
French Pacific ...	Franc .....	.....	.01066	93.81	(7)
Germany	D Mark .....	.....	.2282	4.38	
Ghana	Pound .....	.....	2.6711	.3744	
Greece	Drachma .....	.....	.03172	31.52	
Guatemala	Quetzal ...	.....	.9516	1.05086	
Haiti	Gourde .....	.....	.1903	5.25	
Honduras	Lempira ...	.....	.4758	2.10	
Hong Kong	Dollar	Free* .....	.1653	6.05	*Mar. 18
		Official .....	.1689	5.99	
Iceland	Krona	Official .....	.02504	39.94	(8)
India	Rupee .....	.....	.2003	4.99	
Indonesia	Rupiah	Official rate .....	.02115	47.29	(8)
Iran	Rial .....	.....	.01256	79.61	
Iraq	Dinar .....	.....	2.6644	.3753	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 28	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.6711	.3744	
Israel	Pound		.5286	1.89	
Italy	Lira		.001533	652.31	
Japan	Yen		.002643	378.36	
Lebanon	Pound	Free	.2989	3.34	
Mexico	Peso		.07613	13.13	
Netherlands	Florin		.2523	3.96	
Netherlands Antilles	Florin		.5084	1.97	
New Zealand	Pound		2.6711	.3744	
Nicaragua	Cordoba	Effective buying	.1442	6.93	
		Official selling	.1349	7.41	
Norway	Krone		.1335	7.49	
Pakistan	Rupee		.2003	4.99	
Panama	Balboa		.9516	1.05086	
Paraguay	Guarani	Official	.007800	128.20	
Peru	Sol	Certificate	.03435	29.11	
Philippines	Peso		.4758	2.10	
Portugal & Colonies	Escudo		.03321	30.11	(9)
Singapore and Malaya	Straits Dollar		.3116	3.21	
Spain and Dependencies	Peseta		.01586	63.05	
Sweden	Krona		.1840	5.43	
Switzerland	Franc		.2195	4.55	
Syrian Region, United Arab Rep.	Pound	Free	.2659	3.76	
Thailand	Baht	Free	.04502	22.21	(8)
Turkey	Lira		.1057	9.46	(8)
Union of South Africa	Pound		2.6711	.3744	
United Kingdom	Pound		2.6711	.3744	
United States	Dollar		.9515625	1.050903	
Uruguay	Peso	Free	.08373	11.94	
		Basic buying	.6250	1.60	(8)
		Principal selling	.4525	2.21	
Venezuela	Bolivar		.2840	3.52	
West Indies Fed.	Dollar		.5565	1.80	(10)
	Pound		2.6711	.3744	(11)
Yugoslavia	Dinar	Official	.003172	315.26	(8)
		Settlement rate	.001506	664.17	

*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.

Selling to the French West Indies

These small but interesting Departments of France import a wide variety of goods that Canadians can supply. Progressive relaxation of import restrictions should make doing business there more and more worthwhile.

R. L. RICHARDSON, *Assistant Trade Commissioner, Port-of-Spain.*

On August 14, 1959, the market in the French West Indies was reopened to Canadian exporters after 20 years of virtual exclusion. A population of close to half-a-million now provides a potential market for foodstuffs, manufactured products, cement and fertilizers, as the French Government continues to liberalize imports.

A long list of products is now allowed into the French West Indies without import licence. Total quotas for the items still controlled have been boosted from \$3.6 million to \$5 million. Because the total quotas now cover a much smaller list of products, the amounts of the individual allocations have been increased considerably. They now include capital equipment for the pineapple industry \$520,000; meat on the hoof or frozen \$345,000; spare machinery parts \$200,000; margarine or other industrial food oils \$190,000; lumber \$165,000; all types of fish \$115,000, and miscellaneous supplies \$95,000.

The French West Indies comprises the two large islands of Martinique and Guadeloupe (380 and 656 square miles) and a number of smaller ones, all of which are Departments of France. Trade has been closely controlled in the past and is thus oriented to France and the French colonies in Africa. The islands have practically no manufacturing industry and they depend on imports for most of their needs. The economy is based on tropical agriculture, with its byproducts, molasses and rum.

The income of Guadeloupe is based on exports valued at about

Can.\$28 million in 1958, of which almost Can.\$24 million worth went to France. Sugar and bananas are the chief crops, earning Can.\$13.5 million and Can.\$11 million, though coffee, molasses and vanilla are exported in smaller quantities. There is a beef industry that meets about half the local demand.

Martinique has a similar economy but it exports more bananas than sugar. In 1958 exports of bananas totalled about Can.\$11 million; sugar earned about Can.\$7 million. Total exports reached Can.\$24 million, of which over 90 per cent went to France. In the past few years Guadeloupe has shown greater economic development and a larger increase in exports than Martinique.

The overseas purchases of these islands in 1958 were valued at more than Can.\$70 million. Of interest to Canadian exporters are products such as flour, meat products (cured), salt fish, powdered and condensed milk, potatoes, onions and cheese. Imports of agricultural products in 1958 were as follows:

Imports of Agricultural Products in 1958

	Martinique	Guadeloupe
	(in Canadian dollars)	
Meat products	950,000	1,000,000
Fish	970,000	630,000
Milk products	580,000	540,000
Eggs	30,000	45,000
Cheese	300,000	190,000
Fresh vegetables	430,000	500,000
Flour	2,100,000	1,800,000
Potatoes	570,000	350,000
Onions	160,000	135,000
Biscuits	60,000	80,000

Building materials are also in considerable demand because most of them must be imported. Cement

imports in 1958 totalled over Can. \$1 million, with supplies coming mainly from Sweden. The amount of construction under way will provide a worthwhile market for wall-board, lumber, plywood and roofing. Homes and business premises are being equipped with modern fixtures and appliances currently imported from France.

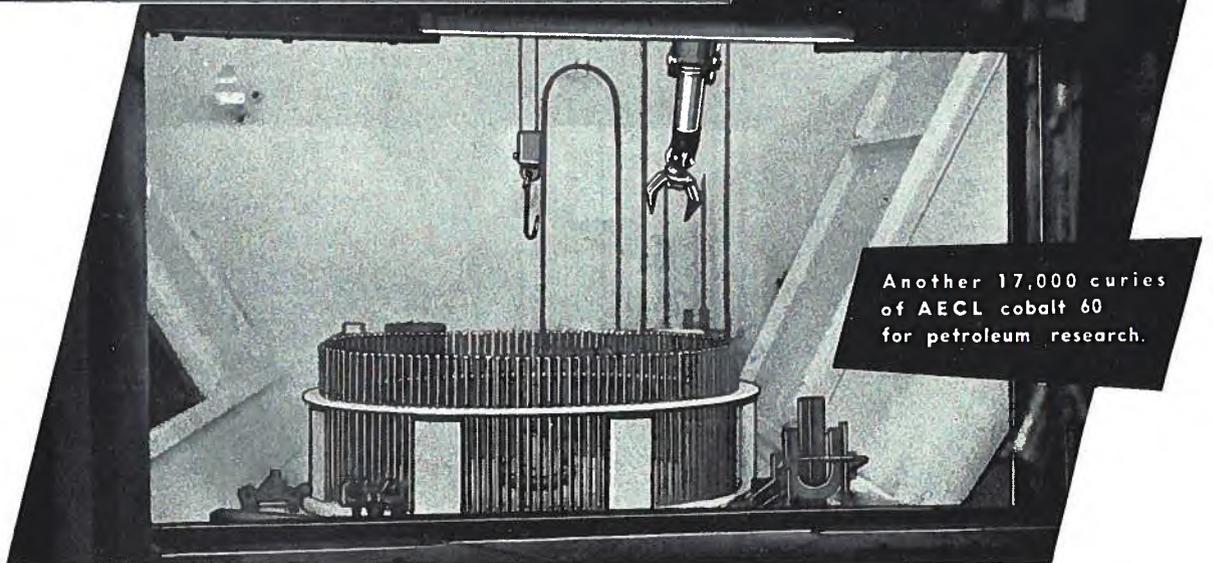
Sugar and banana plantations require a large volume of fertilizers; imports of these totalled over Can. \$13 million in 1958. There is also an opportunity for Canadian pharmaceutical firms to share in a Can. \$1 million market.

A national bank and one local bank are located on each island. Credit Martiniquais and Credit Guadeloupeen, the local banks, finance most of the domestic business. Because of long-established contacts with France, reliable importers can obtain lenient credit terms. Canadian firms would be well advised to obtain credit information on importers. They can thus choose the most reliable ones and be better able to compete with other suppliers in negotiating terms of sale. Delivery of goods may take up to five months.

There is no direct shipping service between Canada and the French West Indies but the relaxation of trade restrictions may encourage one of the shipping lines to make regular stops at one or both main ports—Pointe-à-Pitre on Guadeloupe and Fort-de-France on Martinique. Harbour facilities are adequate to handle regular steamships en route to the Caribbean and South America.

Canadian exporters may contact the International Trade Relations Branch of the Department of Trade and Commerce for information on products permitted entry into this market. The Port-of-Spain office will be glad to provide information on the market in general and to suggest possible contacts. ●

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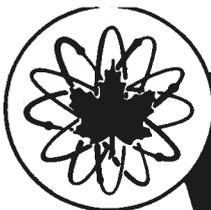
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