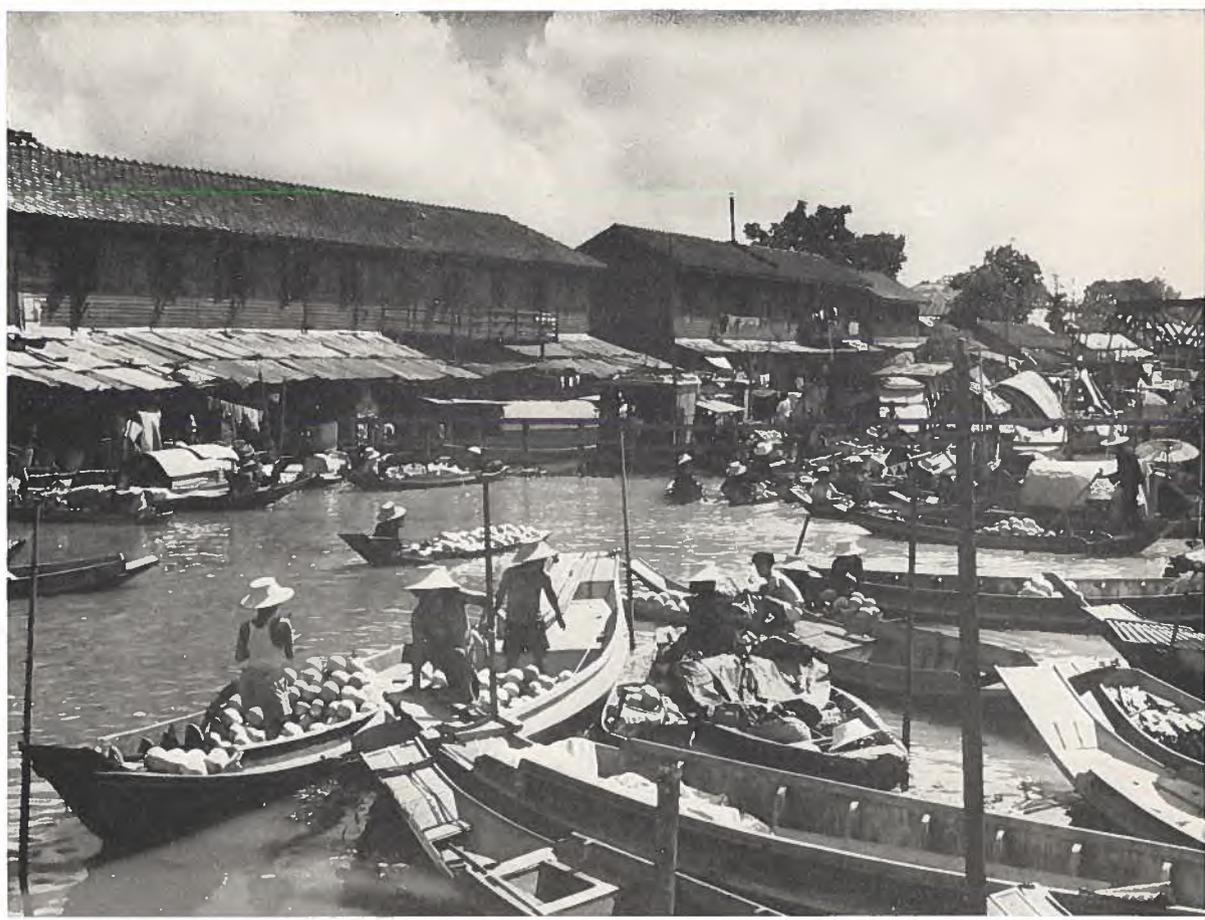


DECEMBER 17, 1960

# foreign trade



**THE PROMISING FAR EASTERN MARKET** (page two)



# foreign trade

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COVER

The floating market in Bangkok, Thailand, where local produce is sold to local buyers. Thailand was one of the countries covered by the author of our leading article (page two) when he toured the Far East last spring. Enthusiastic about what he discovered there, he passes on that enthusiasm and some knowhow to Canadians considering wider markets. —Photo by BOAC



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## As the Businessman Sees



—Hong Kong Tourist Assoc.

*The famous harbour of Hong Kong, as seen from Stubbs Road on the Peak and looking over to Kowloon. Many exporters find the Colony, with its efficient trading services, a useful base for building up their business in the far East.*

# The Promising Far Eastern Market

An experienced Canadian export manager offers practical advice to fellow exporters—and suggests paying more attention to the growing demand in the Oriental countries.

*\*STUART P. AIKMAN, Export Manager, Monsanto Canada Limited.  
As told to O. Mary Hill.*

CANADIAN exporters, it seems to me, do not cultivate markets in the Far East nearly enough. They concentrate on Europe and Latin America, where the competition is much keener. Yet with the rapid growth of secondary industry in the Orient, the demand for raw materials and semi-processed products is increasing and German, Swiss, British and American businessmen are catering to this demand. So should Canadians—by personal selling. Too far away? Not in these days of air travel, when nearly every part of the Far East is covered by excellent air services.

My own company, Monsanto Canada Limited, began to develop business in this area about seven years ago and this business has grown with the building up of light industries. Every year one of the Monsanto executives canvasses these markets, beginning either with the Philippines and Malaya and working north, or with Japan and working south. Last spring I made the latest of several trips to the Far East. I left Canada in March and when I returned in June I had visited Japan, Taiwan, Hong Kong, the Philippines, South Vietnam, Thailand, the Federation of Malaya, and Singapore.

It is perhaps trite to remark that personal visits are the best way to promote export trade. This has particular point, however, in the Far East. There the exporter deals largely with Orientals—be they Chinese, Japanese, Thais, Malays, or Filipinos. Their business practices differ from ours. In the main, they operate small production units and they like to keep these within the family. Most companies have their number one man and in the long run, you must do business directly with him. Personal acquaintance matters a great deal but you must pursue this acquaintance slowly but steadily. These are cogent

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*\*At the time Mr. Aikman undertook this journey, he was with Monsanto; he has since become a marketing consultant with Leetham Simpson Ltd. in Montreal.*

reasons for personal sales promotion in these countries.

One way of encouraging more Canadians to explore trade opportunities in the Far East may be to detail some of the trade potential and problems there as suggested by my own experience, particularly on my latest visit. I am omitting Japan, because it has received a good deal of attention in the pages of *Foreign Trade* and is already one of our biggest trading partners.

### **Taiwan**

Some Canadian exporters believe that Taiwan buys largely from the United States and that most of the foreign exchange for imports is provided by ICA. ICA money has in the past financed a large proportion of purchases abroad. But the island has been building up export industries steadily and is now earning foreign exchange to be spent on imports from any source. The improved foreign exchange position has brought some relaxation in controls; for example, imports of essential and semi-essential goods are no longer on quota.

This build-up of domestic industry has improved the market in Taiwan for certain types of raw materials. Many of the companies are small, but taken together they add up to a good demand. Monsanto is selling plastic raw materials to the developing plastics industry and there may well be similar opportunities for selling to, say, the paint and varnish manufacturers.

Much of the buying, including most of the purchasing financed by U.S. aid, is done by the Central Trust of China. This includes the bulk buying of raw materials by tender. To participate in this business a foreign supplier must have an alert and aggressive agent on the spot and good agents are not too easy to find in Taipeh. The majority of them are Chinese and many of them came originally from Shanghai; some of them employ Taiwanese sub-agents. There are also a number of United States agencies

with some Chinese personnel, but these firms often handle too many accounts to give them close personal attention. On the whole, a good Chinese firm is perhaps the best choice but the exporter should make certain that his agent understands English. He should also stress that he wants to be informed quickly of any calls for tender issued by the Central Trust of China. These do not follow any particular pattern in timing.

On my latest visit to Taipeh, I found that the regulations about payment for imports had been relaxed. Formerly business was done on letter of credit only. Now, subject to written permission, documents against payment terms are allowed and so too is the sending in of consignment stocks, with payment against sales. Firms may also use a delayed letter of credit—that is, the letter of credit is not opened until the goods arrive and the importer's money is not tied up as long.

One word of warning about visits to Taiwan—make your hotel reservations well in advance. There are only two first class hotels in Taipeh and only one in the south.

### **Hong Kong**

Monsanto has found that Hong Kong is a useful base for building up business in the Far East. It offers all the facilities for carrying on export-import trade: a large number of banks, good agents, warehouses that charge reasonable rates, and efficient handling of goods. Shipments can be landed at the port of Hong Kong without any formalities and steamship connections with other Far Eastern countries are excellent.

One of the problems in serving customers in the Far East is shipping time. For this reason Monsanto—and other Canadian companies may want to follow our example—uses Hong Kong as a depot from which to supply other markets. We maintain stocks there ready for shipment, say, to South

Vietnam or Thailand, thus making possible delivery in two weeks instead of two months.

To follow this practice successfully, one must have a good agent and it is hard to discover a man who feels free to take on new accounts. Practically every exporting country is trying to sell in Hong Kong and the competition is fierce and unrestrained. Our agent, a capable one, looks after all the documents on shipments to other Far Eastern points, makes the shipping arrangements, invoices the buyers and collects from them.

Aside from the competition, selling in Hong Kong is as simple as selling in Montreal, with no import licences and no exchange problems. Payment can be made either in Hong Kong dollars or U.S. dollars. But to survive, you will need an agent who is on his toes and here the advice of the Canadian Trade Commissioner can be valuable.

### **Philippines**

In most of these countries, much of the export-import trade is in the hands of the Chinese. Today some of the Far Eastern Governments are trying to give their nationals a greater share in it. This holds true in the Philippines and makes it important to choose as your agent either a Filipino or a U.S. company that has qualified under the Philippine regulations. To be honest, either choice has its drawbacks. The Filipinos have not had a great deal of experience in this type of business and the U.S. agencies tend to be ultra-conservative. The Chinese still carry on most of the smaller business though they may employ Filipinos as "front men". Make sure that whatever agent you select is in good standing with the Government.

### **South Vietnam**

I met no Canadian businessmen in South Vietnam on my last trip, possibly because they do not realize its potential as an outlet for certain types of goods. At the moment, it is not as competitive a market as

the other countries in this area. Here the Chinese still dominate business; they do the greater part of the trading and control most of the light industry. However, as in the Philippines, the Government is favouring the Vietnamese and making things more difficult for the Chinese.

Choosing the right agent may well prove the most difficult problem here. Local Vietnamese, the French, the Chinese, Americans and other foreigners are all established in the agency business. The French are less popular now and, as I pointed out already, the Government does not look too kindly on the operations of the Chinese. On the whole I feel that a Swiss or perhaps an American agent is the best choice.

For a man in search of orders, the timing of a visit to South Vietnam is important. ICA loans finance a good part of its import trade. Most of this ICA business is carried on under quotas issued four times a year, about two months before the quarter to which the quota applies. Once the quota is announced, an agent must apply immediately for foreign exchange if he is to get any of the business. In other words, marketing in South Vietnam comes to a climax once every three months; it is almost useless to try selling in between.

If the Canadian company's agent is to act quickly to secure ICA business, he must know what the company is in a position to ship, what quantities it can supply and at what price. This means keeping him informed about latest c.i.f. prices and making sure that he has adequate amounts of up-to-date sales literature. The government bureau that approves applications for foreign exchange rejects any application that includes prices higher than the previous minimum price for that commodity, regardless of quality. The letter of credit must be opened when the application for exchange is approved, so (as in Taiwan) speed of delivery matters. Monsanto maintains stocks in Hong Kong to give these customers better service.

This Indo-Chinese market is, I emphasize, a difficult one to understand without personal investigation. It is lively, fairly competitive, and for certain producers, well worth cultivating.

### **Thailand**

Thailand, a stable little country with a sound currency, has a completely free market. This means brisk competition and I met many European businessmen travelling there (especially Germans) and a number of Americans. Commercial activity centres around Bangkok and most agents there have contacts up-country for selling consumer and other products. To be successful however—as in most of the Far Eastern countries—the exporter must keep his prices as low as possible.

Up to now the Chinese have controlled most of Thailand's industry. Currently a movement is on foot to restrict their business activities and it is wise to keep abreast of any changes. Fortunately, good Thai or European agents are not hard to find.

One other development in Thailand needs to be watched closely. The Government has been considering imposing a type of sales tax on imported goods sold to Thai customers and has hinted that this tax may be made retroactive. (The agent might possibly absorb this tax and pass it on to the company he represents.) The object of the tax is apparently the raising of revenue.

### **Malaya and Singapore**

Since the Federation of Malaya became an independent state over two years ago, alert exporters have regarded these two as separate markets. If a Canadian company, for example, ships products to the Federation through Singapore, he must pay duty on them when they cross the Malayan border. At Monsanto we no longer ship exclusively to Singapore but also make use of Port Swettenham and other Malayan ports, depending on the destination of the goods. As these ports develop,

Singapore becomes less active and its entrepôt trade falls off.

I am impressed by the progress that the Federation is making. Industry is expanding sensibly and systematically, (fostered by Pioneer Industry legislation as in Jamaica) especially in the industrial estate of Petaling Jaya on the outskirts of Kuala Lumpur. Protective duties have been placed on imports of finished goods but prospects for selling the materials and equipment that the new plants need are promising.

In trading with Malaya I feel that the best plan is to select an agency based in Kuala Lumpur which has branches in other centres, such as Ipoh and Penang. Then choose a separate agent for Singapore, unless your Kuala Lumpur representative has a branch there. Our Singapore agent recently moved to Kuala Lumpur, as have a number of other trading companies.

The Chinese still carry on most of the agency work in the Federation and there is no discrimination against them, though the Government is encouraging more Malays to go into business. If you can find a suitable agent in this area, it might be useful to have him carry small stocks in Kuala Lumpur and Singapore and thus serve customers more quickly. Most business in Malaya today is done on sight draft and sometimes on extended terms; letter of credit is out because of the competition. The majority of the import restrictions have been removed and there is no shortage of foreign exchange.

Side by side with full-scale industries, the Malayan Government is encouraging cottage industries in certain fields. This interests Monsanto, because plastics is one of these. The Government encourages Malays to buy or lease small moulding machines and trains them in using them. This small-scale production also is expanding the raw materials and equipment market.

### **Go Back Again**

Most business visitors to the Orient find there a different tempo,

a different approach. These people are not businesslike in the North American sense. They love trading and look upon it as a major entertainment; they see no need to come to the point quickly. Before the Canadian can get down to brass tacks with them, he must sip a leisurely cup of tea, inquire after their families, carry on light conversation. Any other approach is considered impolite. After meeting your prospective customer in his office you will probably meet him again in the evening, when he entertains you at a Chinese dinner in a leading restaurant. And it is only by repeated visits to traders in these

countries that the westerner can acquire an understanding of the techniques they use.

Visits help enormously with another problem—the granting of credit. Many of the traders do not run large bank accounts and there are few tangible evidences of their credit standing; credit ratings are largely unknown. Personal acquaintance with the importer, a chance to discover his reputation in the community, is the best answer to the problem. Monsanto tends to allow more credit than the man's bank statement alone would warrant and our judgment does not often prove to be faulty.

A first coverage of the Far Eastern market can accomplish a good deal, but the results will not be lasting unless the exporter keeps in close touch with his agents and customers. Our practice is to write directly (and airmail) to all our customers who can read English and to keep our agents supplied with samples and, when feasible, with bulletins printed in English. We are now discussing the printing of a bulletin in Singapore in Chinese for distribution in this area. But we emphasize above all regular visits to all our agents and our key customers in these countries—in the conviction that there is no substitute for on-the-spot sales promotion. ●

## Going Up: Sales to Britain

Canadians are profiting from opportunities in the prosperous, largely unrestricted market in the U.K. What Canadian products have the largest share of this increased demand?

S. G. TREGASKES, *Commercial Counsellor, London.*

CANADIAN exports to the United Kingdom have increased substantially in the first nine months of 1960—by 20.2 per cent, rising to nearly \$671 million, compared with the \$558.2 million of the first nine months of 1959. This figure represents a postwar record.

Canadian businessmen and exporters frequently inquire why Canadian exports have increased in such a spectacular way this year and what products have contributed most to this increase. Briefly, the main reasons for the rise are the high level of industrial activity in the United Kingdom which has created a stronger demand for raw materials from Canada and the removal during 1959 of most of the import restrictions on processed foods and consumer goods originating in dollar countries. The lifting

of these restrictions has permitted the export of products of this type from Canada for the first time in nearly twenty years.

### Export Base Broadening

Detailed statistics of Canada's exports to the United Kingdom are available from the Dominion Bureau of Statistics for the first six months of this year and a comparison with those for the first six months of 1959 shows that 505 export items are listed in the first half of 1960 as against only 409 in the similar period of 1959. This suggests that the base of our export trade to the United Kingdom is broadening and that opportunities await Canadian manufacturers of a much wider range of products.

The export figures compiled by the Dominion Bureau of Statistics

are broken down under ten main headings:

- Agricultural food products
- Agricultural non-food products
- Animals and animal products
- Fibres, textiles and products
- Wood, wood products and paper
- Iron and its products
- Non-ferrous metals and products
- Non-metallic minerals
- Chemicals and allied products
- Miscellaneous commodities

Under each of these categories, many products are listed. Some appear for the first time among exports to Britain for 1960; others show a decrease in value in 1960 from 1959; still others record substantial increases. An analysis of our exports to the United Kingdom under each heading in the first six months of 1960 follows.

● **Agricultural Food Products**—In this category, Canadian sales to Britain decreased by \$17 million in the first half of 1960 compared with the first half of 1959—to \$100 million from \$117 million. The main reason was the decline in shipments of grain: wheat fell by \$12 million, barley by \$7 million, and oats by \$1½ million. Certain agricultural products, however, found a larger market; examples are fresh apples, canned apples, canned corn, soups, frozen vegetables, canned vegetables, soybeans, rye, bran shorts, food starches, macaroni and spaghetti, yeast, and vegetable food products. Products that appear in the 1960 statistics but not in 1959 include fresh pears, apple juice, nuts, pickles, sauces and ketchups, baked beans, tomato paste, canned tomatoes, tomato soup, canned peas, cereal foods, vegetable cooking fats, dessert powders and spices.

● **Agricultural Non-Food Products**—Exports in this group increased in the six-month period of 1960—to \$35 million from \$31 million in 1959. Sharing in this increase were gin, balsam, linseed oil and cake, soybean oil and cake, linseed or flaxseed oil, rubber boots and shoes, rubber clothing, rubber manufactures, flaxseed, grass-seed, flower seeds, tobacco, fodders n.o.p., and non-food starches. Products appearing in the 1960 statistics but not in 1959 are rubber waste, rubber belting, inner tubes and tires for motor vehicles, and ground oat feed.

● **Animals and Animal Products**—In this category, exports dropped from nearly \$18 million during the first six months of 1959 to just over \$16 million in the same period of 1960. Exports of canned salmon fell by \$6 million from 1959 to 1960 but this large decrease was nearly counterbalanced by increases in many products and by the export of many new items. For example, products with larger sales included frozen salmon, canned lobster, canned shellfish, fishmeal, fur skins, horsehair, cattle hides, upper

leather, moccasin and leather slippers, boots and shoes, canned meats, herring oil, sausage casings, etc. Commodities that appear in the 1960 statistics but not in 1959 include purebred cattle, frozen fish, sole leather, leather clothing, fresh pork, butter, dried eggs and frozen eggs.

● **Fibres, Textiles and Products**—This category of products shows the most remarkable increase—from \$300,000 in 1959 to \$3.6 million in 1960. Products exported from Canada to the United Kingdom during the first six months of 1960 but not during the first six months of 1959 include cotton duck, cotton fabrics, men's shirts and pyjamas, underwear, cotton blankets, wool carpets and mats, foundation garments and textile gloves and mitts. Products with larger sales in 1960 than in 1959 included cotton thread and yarn, cotton waste, women's dresses, cotton clothing, wool waste, men's and women's wool garments, synthetic fibre thread, fabrics and dresses, and papermaking felts.

● **Wood, Wood Products and Paper**—A substantial increase in the dollar value of these exports was recorded in the first half of 1960 over the same period of 1959—from nearly \$60 million to over \$85 million. This increase was shared by nearly all types of lumber, plywood, wood pulp and newsprint, and building, insulating and container board.

● **Iron and Its Products**—Exports of iron and its products in the first six months of 1960 more than doubled the figure of the first six months of 1959—rising from nearly \$10 million to over \$21 million. Some items which appear in the 1960 statistics but not in those of the previous year are billets and ingots of steel, steel wire and rods, engines for motor vehicles, parts and attachments for mowers, and gas and oil stoves. Products that gained significantly from 1959 to 1960 include iron ore, ferro-silicon,

pipe fittings, marine engines and parts, aircraft engines, garden and farm tools, hardware, washing machines, mining machinery, adding machines and other bookkeeping machines, typewriters, office machinery, power pumps, shoe machinery, woodworking machinery, motion picture apparatus, icemaking machinery, textile machinery, automobiles, ball bearings, guns and rifles, electric stoves and valves.

● **Non-Ferrous Metals and Products**—Nearly all products in this category rose in the first half of 1960 over the same period in 1959, to contribute to an over-all increase for the category from \$106 million to \$149 million. Included are aluminum, copper, lead, nickel, platinum, zinc, wireless apparatus, electrical apparatus, molybdenite, cobalt, cadmium, selenium and manufactures of non-ferrous metals.

● **Non-Metallic Minerals**—Products in this category have shown relatively little change, with an export value of \$6.1 million in the first half of 1959 and of \$6.6 million in the first half of 1960.

● **Chemicals and Allied Products**—Exports of chemicals made substantial gains in the first six months of this year, up from \$11 million in 1959 to nearly \$16 million in 1960. Products contributing to this increase include acids, non-potable spirits, creams, lotions and other cosmetics, perfumery, cobalt oxides, polystyrene and plastics, and synthetic rubber.

● **Miscellaneous Commodities**—Exports under this heading increased from \$700,000 in the first six months of 1959 to nearly \$1 million in the same period of 1960. Products with bigger sales than in the earlier period include dolls, toys, sporting goods, brushes, buckles and fasteners, buttons, jewellery, fountain pens, refrigerators and parts, stationery, cameras, dental equipment, scientific apparatus, boats and canoes, aircraft and parts, paintings, and cartridges. ●

## The Mexican Market I

More than a quarter of our sales to Mexico last year consisted of chemical products—but the market is changing rapidly. To keep abreast of developments, here is an account of the Mexican industry today. Part II will discuss Mexican imports of chemical products.

A. A. LOMAS, *Assistant Commercial Secretary, Mexico, D.F.*

MEXICO'S chemical industry has recently become one of the most important sectors of the economy, accounting for almost 10 per cent of the value of all manufacturing. Its rapid growth—varying from about 10 per cent a year for basic products to 25 per cent for intermediate and finished products—is quickly changing the Mexican chemical market. Despite major increases in domestic production, however, total imports of chemical products are actually rising to keep pace with the demands of industry. An analysis of production and import trends may reveal opportunities for Canadian exporters; last year Mexico bought about \$7.5 million worth of chemical products from Canada.

Mexico's apparent consumption of chemical products in 1959 is estimated at U.S.\$342 million, of which local production accounted for about 60 per cent. Apparent consumption is calculated as follows (in millions of U.S. dollars):

Domestic production	\$200
Imports	157
Total	357
Less exports	15
Apparent consumption	342

### Basis of Industry

Until recently, the chemical industry was concentrated near Mexico City, Monterrey and Guadalajara. Although these areas continue to be the most important, new

plants are going up closer to raw material sources in Tampico, Salamanca, Coatzacoalcos and the coal-fields of the north.

Today there are about 1,000 chemical companies in Mexico, representing a total investment of over U.S.\$250 million. Many are subsidiaries or affiliates of U.S. and European firms and most of the new processes are based on foreign developments. During 1959 alone, 99 new chemical plants were established and to keep pace, many existing companies enlarged or diversified operations.

Nature has richly endowed the country with raw materials to support this development. There are quantities of basic raw materials such as sulphur, lead, zinc, copper, coal, manganese, petroleum, natural gas, mercury, fluorspar, arsenic, and a wide variety of agricultural and forest products of chemical importance. A government-supported program of electrification ensures generally adequate power for most conversion processes. Rapid industrialization in other areas of the economy provides the necessary stimulus for chemical development by guaranteeing growing domestic markets for many chemical products.

### Inorganic Chemicals

Although it is in the field of petrochemicals that major expansion is taking place, the inorganic

chemical industry developed first. Many heavy chemicals are being manufactured locally and Mexico is striving for self-sufficiency in most types of industrial acids, alkalis and salts, and related products such as synthetic fibres, paints, fertilizers, insecticides, soaps and detergents. Some of these are discussed below:

● *Caustic Soda*—Since World War I, a number of companies have worked the Lake Texcoco alkaline deposits and the lake brine to recover soda ash for making caustic soda; annual output totals about 40,000 tons of soda ash and 22,000 tons of caustic soda. It is estimated that the lake contains 100 million tons of sodium carbonate and can therefore supply Mexican needs almost indefinitely. Two electrolytic plants in Mexico City and Monterrey are also making caustic soda, as well as chlorine, hypochlorite, hydrochloric acid and carbon tetrachloride. The Mexican market for caustic soda is estimated at 85,000 tons a year, of which about 65 per cent is supplied by local plants, including several paper mills which produce for their own consumption.

● *Acids*—For many years, Mexico's sulphur needs were met by imports of up to 10,000 tons a year, despite substantial output from natural gas conversion. The relatively recent discovery of major sulphur domes on the Isthmus of Tehuantepec has changed this situa-

tion completely and the four large plants using these deposits have been exporting up to a million tons of sulphur a year since 1957. As a result of the availability of low-priced domestic sulphur and the growing demands of local industry, there has been rapid expansion in production of sulphuric acid. There are now ten large producers with over-capacity to supply the domestic market of 250,000 tons a year, of which about 50 per cent is used by the fertilizer industry.

Mexico is also reaching self-sufficiency in hydrochloric and nitric acids. Production of the former totals about 10,000 tons a year, or more than 90 per cent of domestic needs; the 5,000-ton output of nitric acid must still be supplemented by imports of about 1,500 tons. Phosphoric acid production will increase greatly with establishment of a new 50-ton-per-day plant in the near future.

● *Salts*—A wide range of inorganic salts is being produced here, principally common marine salt, evaporated at several locations on both the Pacific and Gulf Coasts. Annual

production totals about 150,000 tons, most of it for domestic consumption in the food, tanning, textile and chemical industries. In addition there is local production of sulphates of aluminum, copper, magnesium, sodium and zinc; sulphides of sodium and antimony; chlorides of calcium and mercury; nitrates of silver and bismuth; carbonates of calcium and magnesium, and others in lesser quantities.

● *Fertilizers*—Probably the most phenomenal growth in the chemical industry has taken place in fertilizers. Agriculture is still the mainstay of the Mexican economy and efforts to increase and improve crops have boosted fertilizer consumption by about 400 per cent in the past decade. The market is estimated at over 450,000 tons a year and domestic production has not been able to keep pace with growing demand. Local plants now turn out about 100,000 tons of ammonium sulphate, 85,000 tons of superphosphates and 100,000 tons of organic and mixed fertilizers; the remaining needs are met by imports. In addi-

tion, almost all the phosphate rock requirements (estimated at 70,000 tons for 1960) must be purchased from abroad. In an attempt to narrow this gap, several new plants are under way or projected for production of triple and superphosphates.

### Organic Chemicals

The most significant gaps between Mexican production and consumption have been in organic chemicals and substantial quantities have been imported each year. Planned developments in the petrochemical field will soon change this position. Until recently, most organic chemical production has been based on coking byproducts, including tar, naphthalene, creosote, benzol and ammonium sulphate. These in turn have been used for making preparations such as phthalic anhydride and DDT. Among other organic products, there has been excess production of acetic acid, for which the market is about 400 tons a year, and this is expected to lead to the manufacture of acetates to reduce imports of about 2,000 tons a year. Although there is also over-capacity in citric acid, plans are under way to manufacture it from molasses. Formaldehyde is being made in sufficient quantity to supply domestic needs, including requirements of the large plywood industry for formaldehyde compound adhesives. Developments in the production of other products (mainly organic) include the following:

● *Pharmaceuticals*—The Mexican pharmaceutical industry (see *Foreign Trade* of August 16, 1958) turns out in some 450 plants an estimated 20,000 medicinal preparations valued at about U.S.\$120 million a year. Production is still based primarily on bulk imports of antibiotics, vitamins and fine chemicals worth about U.S.\$12 million. Local production is expanding in raw materials such as inorganic salts, glandular extracts, vaccines and vegetable drug extracts, so im-

### MEXICAN PETROCHEMICAL PROGRAM

#### Products for Private Industry

(Published June 7, 1960)

	Quantity (metric tons per year)	Location	Estimated date of production
Ammonia	39,500	Salamanca	May 1961
	39,500	Minatitlan	May 1961
	39,500	Chihuahua	Pending
Ammonium sulphide	1,650	Salamanca	September 1960
Benzene	57,500	Minatitlan	July 1961
Toluene	10,000	Minatitlan	June 1961
Ortho-xylene	12,800	Minatitlan	late 1961
Meta-xylene and para-xylene	41,000	Minatitlan	late 1961
Cumene	15,000	Minatitlan	late 1961
Styrene monomer	10,000	Ciudad Madero	June 1962
Synthetic rubber GRS	20,000	Ciudad Madero	June 1962
High index BMCI	24,000	Salamanca	November 1961
Polyethylene HP	10,000	Atzacapozcalco	June 1962
Polyethylene LP	10,000	Ciudad Madero	July 1961
Dodecylbenzene	14,800	Ciudad Madero	July 1961
Sulphur	11,500	Ciudad Madero	November 1960

#### Petrochemicals Already Being Manufactured

Dodecylbenzene	14,800	Atzacapozcalco
Sulphur	11,500	Atzacapozcalco
	46,200	Poza Rica

ports will probably decline in relation to total sales. Salicylic and acetylsalicylic acids are also being made here and production of steroid hormones and cortisone has increased to such an extent that Mexico is now a major exporter of these products.

● **Fibres**—The synthetic fibres industry has been expanding rapidly and production of rayon and acetate staple fibre, filament yarn and tire cord now reaches over 20,000 tons a year. A relatively small amount of nylon 6 is also being made but not enough to satisfy the market—about 4,000 tons a year. Plans are under way to produce nylon 66 and to increase the output of nylon 6. Most of the primary chemical materials are imported, including cellulose pulp, cellulose acetate, caprolactam and some acetone.

● **Plastics**—The market for plastic manufactures is also growing rapidly and it is reported that about 250 firms are active in this field. Although a wide variety of plastic materials are being made, most of the basic chemicals are imported or are compounded from imported intermediates and monomers. Imports include phenol, styrene, vinyl resins, glycols, and some alkyd resins but many of these will soon be made locally as a result of petrochemical developments.

● **Detergents**—Mexico has been making laundry and industrial soaps for many years, using local vegetable oils. Current soap sales are estimated at 100,000 tons a year but this is being seriously affected by increasing production of synthetic detergents (now about 40,000 tons a year). Until recently most of the basic chemicals needed for the manufacture of detergents were imported, but sodium phosphate and dodecylbenzene are now available in Mexico and production of other basic materials is planned.

● **Paints**—The fast-growing Mexican paint industry was described in *Foreign Trade* of May 21, 1960. At

present there are four zinc oxide plants and one lithopone plant supplying the industry in Mexico. Two major companies are beginning to produce titanium dioxide, previously imported, and it is expected that carbon black, of which 10,000 tons are used a year, will also be made locally. Most colour pigments are already being manufactured here and projected petrochemical plants will greatly increase availability of toluene and xylene, about 90 per cent of which has been imported.

### **Petrochemical Program**

During the past two years, petrochemicals have suddenly captured the attention of government, industry and the public. Because of the government monopoly of the oil industry through the Federal organization *Petroleos Mexicanos* (PEMEX), activity in this field is generally charged with some emotion and certain political overtones. By law, the production and use of natural hydrocarbons, basic refinery products and certain petrochemicals have been reserved for PEMEX. Private industry, however, is being invited to participate in the petrochemical program through the manufacture of derivatives of these basic products.

Mexican crudes are of the asphaltic, paraffinic and naphthenic groups and are generally high sulphur-bearing. Producing fields are spread throughout the country and major refinery centres have been established at Ciudad Madero, Mexico City (Atzacapotzalco), Minatitlan and Salamanca, with smaller refineries at Poza Rica and Reynosa.

The Government has recently announced its basic petrochemical program which will in time convert these areas into vast chemical manufacturing complexes. Included in the projects are three plants for producing anhydrous ammonia to be used in making fertilizers, explosives and plastics. For the aromatics, new facilities are planned to produce benzene, toluene, ortho-

xylene, meta-xylene, ethyl benzene and cumene. Major operations are proposed in the synthetic rubber field, including plants for the output of styrene, butadiene, GRS and high index BMCI. Polyethylene will be made at two plants. Also planned is large-scale production of ethyl chloride (for the manufacture of tetraethyl lead), ethylene, ethylene dichloride and bromide, and vinyl chloride.

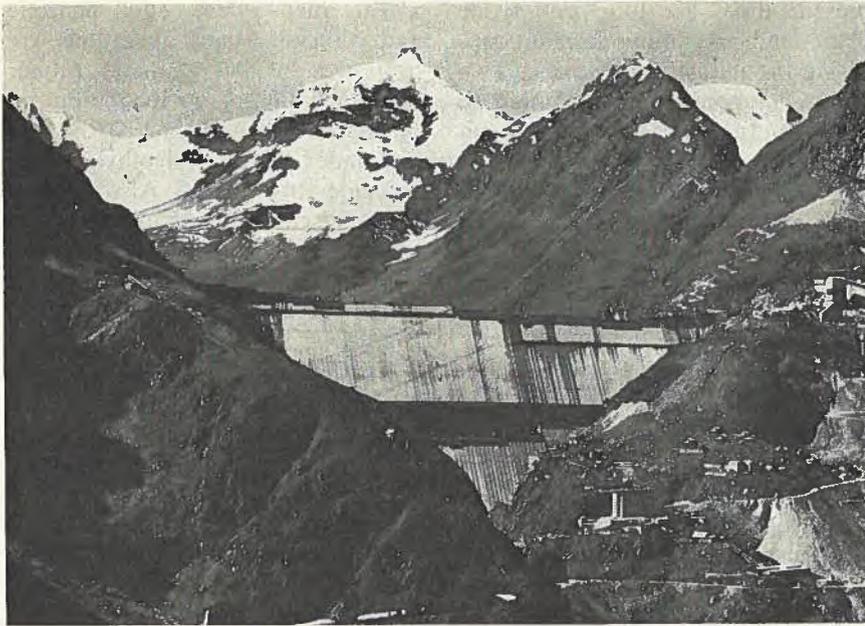
This program, under which most of the new plants should be in production within three years, is a vast undertaking requiring not only huge expenditures for construction and equipment but also the most exacting engineering and scheduling. PEMEX has therefore signed licensing and engineering contracts with several big foreign companies, including the Lummus Company, Fluor Corporation, Arthur G. McKee Company, Universal Oil Products Company, Imperial Chemical Industries, Phillips Petroleum and the Canadian Polymer Corporation.

Although PEMEX will use a large proportion of the basic products in its own intermediate processing, many will be made available as raw materials for private industry. The table on page 8 lists these products, locations of manufacture, and estimated dates for the plants to be brought into production. ●

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### **Music Copying Made Easy**

AN Australian has invented a machine, said to be the first successful one of its kind in the world, that promises to take the drudgery and expense out of music copying and printing. The inventor says his machine can copy sheets of music quickly, cheaply and accurately, and can be operated by persons with no knowledge of music. The operator punches a keyboard with his right hand and operates a line-and-space selector with his left. The machine can cut stencils for reproducing duplicate copies and print in the words of a song or the composer's expression marks. It can use ordinary, unruled paper because it rules its own lines. World patents have been taken out.



—Paris-Burgat

*The great Grande Dixence hydro-electric development, under construction in the Canton of Valais, will be completed about 1965. The dam will rise to 930 feet.*

# Switzerland Develops Electric Power

Intensive development of waterpower supplies Swiss railways, industries and homes with electricity; development of sites continues, plus study of atomic power for long-term future.

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

SWITZERLAND'S production of electricity is based almost entirely on waterpower, virtually the only natural resource of the country. The Swiss have developed it to the point where it not only runs the railways—they are now 100 per cent elec-

trified—but also provides energy for a highly industrialized economy.

The first hydro-electric power stations were built at St. Moritz in 1879 and Lausanne in 1882. In 1896 one of the first stations in the world designed to transmit power

over relatively long distances was constructed at the Rhine Falls on the Rhine River near Schaffhausen, with a capacity of 12,500 kw. Most of the hydro projects in the 1800's and early 1900's were constructed on the rivers of the valleys and plains, where it was possible to make use of a large volume of water with a small head, and the building of expensive water reservoirs was unnecessary.

As sites in the valleys and plains near centres of consumption were exploited, it became necessary to examine and develop water potential in the mountain regions. The hydro-electric power stations in these regions depend on reservoirs and they generate power with a lower volume of water but with a greater head. Although the cost of construction is higher, these stations provide not only flood control but also a source of power that is regular and can be controlled. In stations downstream on the rivers, the volume of water fluctuates with the seasons.

## Consumption of Electricity

During the last twenty years the population of Switzerland has increased by slightly more than 1 per cent a year. During this same period the annual per capita consumption of electricity has risen by 5 per cent, until today it totals 3,100 kwh. per person. This rate of consumption is exceeded only by Norway, Sweden, and Luxembourg in Europe, and by Canada and the United States. It is double the consumption in Germany and Austria, two-and-a-half times as much as in France, and three times as much as in Italy.

Swiss production of electricity in the year April 1, 1958, to March 30, 1959, totalled 18.18 billion kwh.; of this, only .103 billion came from thermal stations. About .942 billion kwh. were imported.

Electricity consumption during the same twelve months reached 16.26 billion kwh. and 2.8 billion kwh. were exported. This power was used as follows:

	Per cent
Households, business and agriculture	35
Electro-chemical and electro-metallurgical industries	16
Exports of power	15
General industry	14
Transmission losses	10
Railroads	7
Electric boilers and irrigation	3
<b>Total</b>	<b>100</b>

### Imports and Exports

The exchange of electric power between Switzerland and the neighbouring countries of Italy, France, Germany and Austria is of mutual advantage. In summer Switzerland has a surplus of power while the other countries generally have a shortage. The situation is reversed during the winter months. To facilitate these exchanges, there are more than 20 high-tension transmission lines.

Imports of electricity into Switzerland are completely free. Exports, on the other hand, are strictly controlled by the Federal Office for Electric Economy, which grants export licences only if there are no buyers in Switzerland for the block of power being offered. As an importer and exporter of electric power, Switzerland is a member of the Union for the Co-ordination, Production and Transmission of Electricity (UCPTE) set up by the Organization for European Economic Co-operation (OEEC). The terms of reference of the Union are to co-ordinate the efficient exchange of electric power among member countries and to encourage the exchange of information.

### Hydro-Electric Stations

As of January 1, 1960, 426 hydro-electric power stations were producing 300 kw. or more. Of these, 76 were producing 20,000 kw. or more. The need for even more electricity is evident from the fact that at the beginning of 1960, 23 stations that will have a capacity of 5,000 kw. or more were under construction. Most of these are being built in the mountain cantons of Grisons, Valais and Tessin.

An outstanding example of the stations under construction is the Grande Dixence hydro-electric development in one of the lateral valleys of the Rhone River system. This dam, which will use water from the glaciers in adjacent valleys, will have a record height of 930 feet and will form a lake  $3\frac{1}{2}$  miles long and an average of a half-mile wide, with a total storage capacity of 520 million cubic yards of water. It will have a high-water mark 7,750 feet above sea level.

The first steps in the construction of the Grande Dixence were taken in 1950. When the whole project is completed about 1965, the installed capacity of the two power plants will total one million h.p. developed by using a head of 6,300 feet in two steps. The Grande Dixence is the largest project of its kind ever undertaken in Switzerland and it will add approximately 10 per cent to the present capacity of Swiss power stations.

### Future Developments

A recent survey of Switzerland's water resources indicated that it is practical to develop approximately 30 per cent, or 34 to 35 billion kwh., of the unused hydro potential. Construction is in progress or plans are being made that will take up about one-half of this potential. It is estimated that it will be 15 to 20 years before the entire usable potential is developed.

Even though the existing hydro-electric production represents only approximately 50 per cent of the potential, the possibility of using atomic power is being studied. It is expected that Switzerland will try to develop a Swiss-designed and produced atomic power reactor. It may take at least four or five years before a prototype reactor is ready and another few years before a full-scale reactor could be placed in operation. Thus, the development of hydro-electric power stations must continue to meet the increased requirements of electricity for a number of years to come. ●

### Egypt's Cotton Textile Industry

IN Egypt's drive for greater industrialization, no enterprise is better suited for expansion than the cotton yarn and textile industry. The basic raw material, the world-renowned Egyptian raw cotton, is available in abundance. Labour is both cheap and plentiful and a good deal of technical experience has been accumulated.

Total capital investment in the textile industry now represents about one-quarter of paid-up capital in the whole industrial sector and its labour force of 100,000 makes it the largest single employer apart from agriculture. Productivity is low by European standards, but so are wages. Thus Egypt has what is needed to improve its competitive position.

After surmounting various difficulties since its beginning in 1899, the textile industry expanded rapidly in World War II when imports were cut off. In 1952, when problems were many, a Cotton Consolidation Fund was set up to promote efficiency, improve quality and develop exports. Technical controls were adopted, central sales offices opened in Geneva and Damascus, and training centres established. These efforts enabled the industry to weather the recession in the world textile industry in 1958.

The increase in exports has been spectacular: they rose this year above 1959 by 40 per cent for yarn and 62 per cent for cloth and are contributing materially (10 per cent of total exports) to much needed foreign exchange reserves.

Egypt's best customers for yarn are the Communist countries, which recently increased their purchases from 40 to 80 per cent of total exports. The most important markets for textiles are the neighbouring Arab countries, whose purchases in the last few years have averaged two-thirds of total exports. Sales to Western Europe and the United States have been increasing in the last three years.

The current Five Year Industrialization Plan calls for an increase in annual production by 22 million pounds of yarn (200.8 million in 1959) and 20 million metres of cloth (500 million in 1959) as well as increased capacity for dyeing and finishing.

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

More Americans are taking to the waterways in bigger boats—but Canadian boat-builders are not increasing their U.S. sales in proportion. Our Trade Commissioner in Detroit gives basic information on this nearby market, plus suggestions on how to exploit it.

## Boating Boom in Michigan

ROBERT GORDON, *Consul and Trade Commissioner, Detroit.*

POWER-BOATING in Michigan in the postwar years has become a major recreation for thousands, thanks to the high standard of living enjoyed by much of the population and the unequalled opportunities for water sports that the state offers. Within its boundaries it has more than 11,000 lakes and over 3,000 miles of shoreline bordering on the Great Lakes. Many large areas of water are close to heavily populated cities and thousands of its lakes lie within easy reach of vacationers.

Michigan now has an estimated 500,000 boat-owners—some 250,000 of them in the Detroit metropolitan area alone. New subdivisions bordering Lake St. Clair in the

eastern suburbs are being developed with canals running from the lake so that the home-owner can dock at his back door. Detroit also has used-boat lots where an old boat can be used as a down payment on a newer and larger model bought on the instalment plan.

The popularity of boating has given the boat-building industry in the U.S. a boost, because most of the power boats are made domestically, not imported. According to the *Directory of Michigan Manufacturers*, Michigan alone had in 1959 some 97 boat-building firms.

The market for boats covers a wide range of types. The size of the average boat sold has increased in recent years. Several years ago,

the 14-foot was the most popular size but during the 1960 season the 16-foot outboard hull sold best in this area. In addition to the outboard hulls, there are many inboards sold in the parts of Michigan bordering the Great Lakes, where larger and more powerful craft are required. Moulded plywood boats are the most popular type in the Detroit area, but the split between wood and other materials, such as fiberglass and aluminum, is about even. It seems, however, that boats made from wood are regaining some of their former popularity.

### Trends in Design

New developments in the boating field hold considerable interest for the future of the industry. Jet boats were seen on the Detroit River for the first time in the summer of 1960. These operate by drawing water into a turbine through a grating (which screens seaweed and other extraneous material) and expelling it at the rear of the boat with jet force. The boat is steered by changing the direction of the jet. These boats have a draft of only a few inches and hence open up areas of water formerly impassable to standard hulls. Extensive research is also being carried out on hydrofoil boats, in which the hull of the boat is raised above the water by hydrofoil wings. The hydrofoil gives a smoother ride and provides equal performance using lower horsepower. One of the latest developments in the power-boat field is



expected to result from experiments being conducted by a large American outboard motor manufacturer. He is trying to develop a hull that will take an outboard-type motor inside the boat.

### Canadian Share

How are Canadian boat builders doing in this lucrative U.S. market almost on their doorstep? As production and sales of boats in the United States have been expanding and imports of boats have increased, our share of the business has been declining appreciably. In 1959, 10,024 foreign boats in the \$15,000 and under class were imported; they were valued at \$5,612,044. This is a substantial increase over the 7,331 boats valued at \$2,449,921 imported in 1954. In that year, we shipped to the United States 6,105 boats in the \$15,000 and under class, valued at \$1,288,131. In 1959, our business in a much larger market amounted to only 1,047 boats valued at \$575,913.

Import figures for the chief boat suppliers to the United States in 1959, according to the United States Department of Commerce, are as follows:

#### IMPORTS OF BOATS

(less than \$15,000 unit value)

	No.	Value \$
Netherlands	434	840,356
Japan	4,609	673,863
Canada	1,047	575,913
United Kingdom	592	462,283
Germany	901	333,133
<b>Total</b>	<b>10,024</b>	<b>5,612,044</b>

### How to Sell

What stands in the way of the Canadian boat-builder gaining a larger share of the U.S. boat business? He often finds that competing against the U.S. manufacturer is difficult because the latter offers good distribution services, extensive advertising, new lines, and often better terms.

The larger U.S. manufacturers usually sell directly to wholesalers

or dealers and employ a staff of salesmen who visit their accounts regularly. They also do extensive advertising and organize sales promotion projects in conjunction with dealers. Smaller firms prefer to use the services of a manufacturers' representative or agent, who usually receives 5 per cent commission on the dealer price of all boats sold in his territory. It is then up to the manufacturer to process orders, arrange for direct shipment, and collect from the dealer.

Chicago in the fall of the year. This show is open to the trade only and the public is not admitted.

Direct-to-dealer distribution, which is particularly attractive to boat-builders in Ontario because of geographical proximity to the market, may be more profitable if a large number of dealers can be interested in handling the line. To achieve this, the savings on the agent's commission and wholesaler's mark-up must be diverted into maintaining an adequate sales force

### How Big is the U.S. Market?

- *An estimated 7.8 million boats were in use in the United States in 1959, compared with about 5.3 million in 1955, an increase of 47 per cent.*
- *Of this 7.8 million, about 4 million were outboards and 800,000 inboards, including auxiliary sailboats.*
- *Some 5,844,000 outboard motors were in use in 1959 and many of these powered the 2.5 million rowboats and other miscellaneous craft which navigated United States inland and coastal waters.*
- *Some 5,000 different models, ranging from 12-foot outboards to 42-foot cabin-cruiser types, are turned out by domestic manufacturers.*
- *The average boat buyer in 1958 spent about \$1,300 for his boat, motor and accessories.*
- *The U.S. today has about 5,000 marinas and boat clubs and 700,000 launching sites.*

To overcome this strong competition, the Canadian may choose one of two main courses of action: he may appoint an agent (either on a state or national basis) to handle his lines at the wholesale and retail trade level, or he can sell directly to dealers in Michigan.

If he chooses the first alternative, the personal sales function of the agent cannot be over-emphasized in obtaining a firm commitment from the wholesaler or dealer to handle a specific line. In order to secure a reliable agent, it may be advisable for the Canadian manufacturer to exhibit at the annual trade show of the boat industry which is held in

and promoting an effective advertising program. It may also be useful to exhibit at the Detroit Boat Show held annually in the City of Detroit, either on one's own account or in collaboration with a Detroit dealer. The next show takes place in February 1961 in Detroit's new Cobo Hall, where the hope is to fill 300,000 square feet of space. If this target is achieved, the Detroit Boat Show will become the second largest in the United States. Information about this show can be obtained from the Detroit Boat Show, Inc., 1634 East Warren, Detroit 24, Michigan, or by writing the Canadian Consul and Trade Commis-

sioner, 1139 Penobscot Building, Detroit 26, Michigan.

### Shipping, Customs, Terms

Most U.S. firms and particularly boat dealers have not the time nor the knowledge to clear shipments from Canada through Customs and for this reason many shy away from handling Canadian boats. Canadian manufacturers who wish to sell to American dealers thus should arrange to quote duty-paid prices, f.o.b. some U.S. centre, such as Detroit or Chicago.

One way of handling the customs problem is to consign shipments

care of a U.S. customs broker near the port of entry. The broker can look after documentation, customs clearance, payment of duties and forwarding of the shipment. The Canadian manufacturer will then be billed for these charges either on each shipment or monthly, so that laid-down dealer prices can be calculated to cover the duty and other costs.

The dealer's discount ranges between 30 and 50 per cent, with extra quantity and seasonal discounts. Terms of payment vary, but are generally sight draft, bill of lading attached; or 25 per cent with

order, balance sight draft, bill of lading attached; or, with well-established dealers, open account.

### Trade Commissioner Can Help

Canadian boat-builders thinking of entering this lucrative market can get help on market evaluation and sales approach through the Canadian Trade Commissioner in Detroit. He can provide names of agents, wholesalers and dealers for direct contact. Success, it must be emphasized, depends on an aggressive marketing program and follow-through by the Canadian manufacturer himself. ●



### Aluminum

FRANCE—A record 173,000 metric tons of primary aluminum were turned out in metropolitan France last year, another 42,315 tons were produced in Cameroun, and about 33,000 tons of unalloyed ingots were imported. Reduction capacity in France has gone up this year from 170,000 to 250,000 tons—Paris.

SPAIN—It is estimated that exports of Spanish aluminum, produced at the Avilés and Valladolid factories, will total approximately 20,000 tons in 1960. Exports to the U.K. are expected to reach some 8,050 tons, and further attempts are being made to find new outlets—Madrid.

### Cement

UNITED STATES—Michigan cement plants have a total capacity of 30 million barrels a year. In 1959, of the 22 million barrels produced 15 million were sold in the state and seven million were shipped outside. Increased consumption because of road-building and construction will require 30 million barrels by 1980, it has been estimated.

## Commodity Notes

A 500-million-barrel deposit of high quality limestone recently found in Munroe Country has supplemented Michigan's sources of this raw material and will assure a high production of cement in years to come—Detroit.

### Footwear

ITALY—The footwear industry is expanding considerably. On the basis 1953=100, the production index stands at 168 for the first five months of 1960. The industry comprises large factories, small workshops and home production. It is particularly successful in the export field; in 1951, Italy exported 300,000 pairs of leather footwear valued at \$1.5 million; in 1959, sales totalled 17.5 million pairs valued at \$76.0 million—Rome.

### Frozen Fish

NORWAY—A sample shipment of about ten tons of Norwegian frozen fish is now being sent to markets in France and Northern Italy to test the chain of refrigerated transport and storage facilities required to

deliver the fish to the consumer in first-class condition. The experiment, being undertaken under the sponsorship of the European Productivity Agency, will aim at finding the cheapest and most efficient method of transporting fish to these markets. Norwegian engineers will accompany the consignment on its journey by rail to North Italy and France, making tests during the trip to determine whether satisfactory standards of refrigeration are maintained. They will also test conditions at the refrigerated storage plants that will receive the fish, in the refrigerated vans that will distribute it, and in the deep-freeze counters from which it will be sold—Oslo.

#### **Frozen Foods**

**SOUTH AFRICA**—Quick freezing of food started on a kitchen scale in a small plant in the heart of Cape Town just after the war. Nowadays hundreds of tons of food are frozen in three leading factories in the Union and the presence of a freezing cabinet in nearly every retail foodstore shows the progress that the South African quick-freezing industry has made—Cape Town.

#### **Galvanized Wire**

**PERU**—A Peruvian firm has been established by local investors to manufacture galvanized wire, using materials produced in the steel mill at Chimbote. The company's capitalization is approximately \$315,000; annual production is estimated at 5,000 tons, about 50 per cent of present imports—Lima.

#### **Hams**

**VENEZUELA**—The Ministry of Development announced on October 30 that no import licences for ham will be granted because local production is now sufficient to meet demand. This will apply to cured and canned hams but not to fresh pork imported for curing locally—Caracas.

#### **Kraft Paper**

**UNITED STATES**—St. Mary's Kraft Corporation of St. Mary's, Georgia, recently announced that it is enlarging its plant to add a third 236-inch Beloit paper machine. The plant expansion will cost about \$8 million and work has already begun—New Orleans.

#### **Lead**

**SOUTHWEST AFRICA**—A lead smelter and refinery will be built at an estimated cost of £4.3 million adjacent to the copper smelter being built at Tsumeb, South West Africa. The factory will come into production toward the middle of 1963. The general manager of Tsumeb Corporation recently predicted that the smelter would produce between 80,000 and 90,000 tons

of refined lead a year; it will also have facilities for the recovery of silver, cadmium and arsenic. It is expected that much of the equipment will be bought in South Africa. The corporation will invest £7.2 million during the next 3½ years in the metallurgical factories being built at Tsumeb and in development of its mine in the northern part of the country—Cape Town.

#### **Nylon Fabrics**

**IRELAND**—Millstreet, Co. Cork, expects by May 1961 to have in operation a new £250,000 factory producing nylon fabrics, carpets, upholstery, coats and toys. The entire output will be for export. This new venture is owned and operated by a group of British industrialists—Dublin.

#### **Nylon 66**

**MEXICO**—Joint U.S.-Mexican capital has recently been invested in a firm Chemstrand S.A. for the purpose of manufacturing nylon 66. This is the first venture of its kind in Mexico, which until now has produced only perlon and nylon 6. However, this new product with its distinct advantage of durability will find a ready market in the local manufacture of tire cord and textiles. Production is expected to begin about May 1961—Mexico, D.F.

#### **Olive Oil**

**ITALY**—The latest estimate of olive oil production for 1960 is 350,000 metric tons, compared with an annual average over the past 12 years of 243,600 tons. Despite the pronounced increase in the production of olive oil as well as output of about 100,000 tons of other types of edible oil, domestic supplies fall short of total demand by 100,000 to 150,000 tons a year—Rome.

#### **Phthalic Anhydride**

**ITALY**—A new plant with an annual capacity of 10,000 tons of phthalic anhydride has recently been opened near Genoa to meet the steadily increasing demand from manufacturers of resins, plastics and colouring materials. The plant is a member of the leading chemical group of Montecatini. All machinery and equipment, including a reactor, has been supplied by Italian manufacturers—Rome.

#### **Power**

**GREECE**—On September 5, Greece's electric-power grid was linked up with the Yugoslav power grid and through it, with the power networks of all Europe, as far as Spain and the Netherlands. A second thermo-electric unit at the Ptolemais (Western Macedonia) lignite development district will be built at a cost of \$15 million and will have an installed

capacity of 125,000 kw. and an output of 900 million kw. a year.

Greece's electrification program, initiated in the early fifties and now being carried out by the government-controlled Public Power Corporation, is the sector of the Government's economic development plan which has made the greatest progress. By the end of 1958 per capita power consumption had risen to 233 kwh. a year from 93 kwh. in 1951. It is expected to reach 800 kwh. by 1970. PPC projects currently under way include, among others, the 80,000 kw. Megdova River hydro-electric plant built at a cost of \$30 million, and the 550,000 kw. three-dam hydro-electric development on the Acheloos River at a cost of \$120 million—Athens.

### Steel

FRANCE—Construction has begun on a steel plant with an annual capacity of half a million tons at Bône in Eastern Algeria. The \$164 million project is being built in agreement with the French Government by the French Steelmakers Association.

Incorporated as the Société Bonoise de Sidérurgie, it will be owned by 32 private steel companies who are responsible for 90 per cent of total French steel production and whose share in the new enterprise will be 51 per cent. Two international banks will control 29 per cent and the Société des Mines de l'Ouenza 20 per cent. Work is scheduled for completion in 1964, although production is due to begin before the end of 1962—Paris.

SOUTH AFRICA—During the next 12 years, ISCOR, the major steel producer in the Union, plans to spend over \$750 million in doubling its present ingot capacity of 2.35 million tons. This will probably mean a completely new mill, as well as extensions to existing ones at Pretoria and Vanderbijlpark. The first stage of this expansion in 1961 will cost \$150 million. Most of the engineering requirements will be handled by South African firms. Two Groef rotor plants were recently installed as part of the present modernization program at ISCOR, which is controlled by the Government—Johannesburg.

### Tomatoes

JAMAICA—Following last year's success in marketing cucumbers in the U.S., a trial plot of fifty acres of tomatoes for export is being planted this winter. Supplies from Cuba, the traditional U.S. supplier, are expected to be much smaller and Jamaica hopes to obtain a share of the business—Kingston.

### Wallpaper

NEW ZEALAND—The first plant to produce wallpaper in New Zealand was opened recently. This mill,

the largest in the southern hemisphere, is producing 34 patterns of paper, and the company, a joint enterprise by New Zealand's United Empire Box and the British firm Smith and Walton, plans soon to offer some 200-odd patterns—Wellington.

### Zinc, Lead and Copper

PERU—The Cerro de Pasco Corporation has announced that it will invest U.S.\$6.8 million in the expansion and improvement of its facilities. The present 32,000-ton capacity of the electrolytic zinc plant at La Oroya will be enlarged to 52,000 tons of special high-grade zinc. The concentrator at the company's principal operating mine at Cerro de Pasco will be expanded to accommodate an increased volume of copper and lead-zinc ores to be mined by the open-cast method. It is believed that this investment will not affect appreciably the world supply of these metals, but the proportion of concentrates exported will be reduced—Lima.

## Trade Commissioners on Tour

### In Canada

**B. HORTH**, Assistant Commercial Secretary in The Hague, Netherlands:

Vancouver—Jan. 20-24

When he completes his tour, Mr. Horth will be posted to New Delhi, India, as Assistant Commercial Secretary.

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

### In Territory

**W. D. WALLACE**, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from January 9-20.

**J. E. MONTGOMERY**, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracay, Valencia, and Puerto Cabello on January 4-5.

*Businessmen who would like Mr. Wallace and Mr. Montgomery to undertake assignments should get in touch with them at Caracas as soon as possible.*

# Venezuela Buys Plywood

Canadian sales of plywood to this market have dropped at a time when Venezuelans have been buying larger quantities. Why? The Caracas office provides the answer.

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

PLYWOOD in Venezuela is used mainly in two ways: either as concrete facing forms or by the furniture industry and for other carpentry purposes, such as panelling for homes and offices. A local plywood manufacturing industry has grown up over the past four years behind relatively high tariff barriers and using local lumber—mainly mijao, cedar and mahogany. Raw materials for making plywood from special species of wood are imported either as veneers or peeler logs. Low-quality plywood is used extensively for facing forms in concrete construction; the normal size is 8 x 4 feet x  $\frac{1}{4}$  inch.

The latest available Venezuelan statistics for plywood imports are shown in Table I.

The figures given in the table are based on the country from which

the plywood was shipped and do not necessarily indicate accurately the country of origin. They are thus useful only for comparative purposes. For example, Israel was a major supplier of plywood to this market during 1958 and 1959 but is not mentioned in the trade figures.

Venezuela imports various species of wood in the forms of plywood. Table II below indicates the major suppliers and the species they ship to Venezuela.

## Local Industry

There are six major producers of plywood in Venezuela and total daily production approximates 60 cubic metres. This does not satisfy local demand, but because the industry is protected by fairly high tariff barriers it dominates the market.

Plywood is grouped under two headings in the Venezuelan tariff schedule. Ordinary plywood (poplar or low-quality African okume) pays a duty of Bs.1.25 a gross kilogram. Fine plywood (mahogany, maple, walnut, cedar, rosewood) pays a duty of Bs.1.50 a gross kilogram. With the tariff based on weight, customs charges are relatively high.

Venezuelan producers sought for some time to have plywood put under import licence and action was finally taken effective June 18, 1960. They are also pressing for the removal of the tariff on peeler logs of special species that they import; the present tariff on these is Bs.0.15 a gross kilogram. The current customs charges mean that the duties approximate 100 per cent of the value of the logs.

## Prospects for Canadian Sales

Canadian exports of plywood to Venezuela lost ground between 1958 and 1959 (as the table shows) because of the uncertain financial position of the local wood-products trade. In addition, many public works projects sponsored by the Venezuelan Government were completed and very few new building

TABLE I IMPORTS OF PLYWOOD INTO VENEZUELA

	1958		1959	
	Quantity (kilograms)	Value (Bolivars)	Quantity (kilograms)	Value (Bolivars)
Alaska	6,213	5,366		
Austria			28,926	43,198
Canada	388,701	258,480		
Denmark			700	4,304
Finland			5,804	1,372
France	53,018	70,535	105,474	423,274
French West Africa			1,170	1,380
Italy	182,975	332,017	102,962	276,068
Japan	2,722	3,118		
Morocco	5,130	6,177		
Netherlands	5,570	8,331		
Puerto Rico		50		
Spain	31,875	43,344	49,010	73,187
Surinam	13,880	15,645		
Sweden	62,410	96,059		
United Kingdom			538	1,983
United States	61,619	97,147	2,692	32,436
West Germany	2,448	6,228	294,670	203,903
Total	816,561	942,497	591,946	1,061,105

TABLE II

## Species of Plywood Imported and Main Suppliers

Country	Species
Alaska	fir, pine
Canada	Douglas fir
United States	fir
Spain and France*	obeche, sapele
Surinam	South American hardwoods
Italy	poplar
Japan	luan
Morocco	North African hardwoods
Sweden	mainly wallboard and prest-wood rather than plywood
Austria	Softwoods
Israel	sapele, utile, okume, mahogany (mainly from North African veneers)

\*Originating in their African territories.

schemes were started during that period. The following figures give Canadian sales for 1958 and 1959 and were provided by the Dominion Bureau of Statistics.

Canadian Exports of Plywood to Venezuela

Year	Quantity	Value
1958	588,473 sq. ft.	\$57,918
1959	41,743 sq. ft.	2,685
1960 (Jan.-June)	102,464 sq. ft.	9,181

The figure for 1958 includes substantial shipments for construction work on the national steel mill in

eastern Venezuela. This mill was constructed under government contract and therefore plywood facing forms for the concrete were exempt from duty.

The chief problem in increasing sales of lumber and wood products to this market is financing. Venezuelan importers of lumber and wood products are willing to buy only on sight draft and prefer long payment terms. However, Canadian exporters would be well advised to use caution in granting long-term credit.

Canadian exporters should not expect to increase sales appreciably

unless they are willing to offer unlimited credit, but there is every indication that spot sales will continue. Opportunities for Canadian suppliers seem to be best in two main lines—special marine plywood and plywood for concrete facing forms, particularly for use in government projects where the shipments would be exempt from duty.

Canadian plywood exporters interested in this market can obtain further details about government public works, buyers, and possible agency connections by writing to the Commercial Counsellor in Caracas. ●



## Advertising Abroad

**In Norway,** newspapers and periodicals are the major media; the Government does not permit radio or TV advertising.

B. G. R. BARTON, *Office of the Commercial Counsellor, Oslo.*

ADVERTISING is well entrenched in Norway and is widely used. However, it has not achieved the same prominence as in a number of other countries; for example, one seldom sees a full-page advertisement in a newspaper. Naturally, costs have to be balanced against estimated returns and it is probable that the population and its distribution has limited the amount of money that companies consider it profitable to invest. Norway has only some 3½ million people and about one million of them live in towns. The standard of living is high throughout the country and it is probable that the

market is evenly divided among all classes, although tastes and needs may differ slightly from one area to another.

During the last few years advertising expenditures have risen sharply. Figures obtained from the National Sales and Advertising Association show that, whereas in 1949 there were 11 fully licensed advertising agencies in Norway with business totalling \$1.5 million, this number had increased by 1959 to 23 fully licensed agencies with business totalling \$17 million. (Because there are a number of smaller agencies, these figures do not give the

total amounts spent on advertising in these years.)

Both radio and television are state controlled and advertising in either of these media is not permitted. Thus the bulk of Norwegian advertising is done in newspapers and periodicals.

### Newspapers

The Norwegian Newspaper Guild consists of 168 newspapers with a total circulation of about 1.6 million. It is estimated that 159 of these newspapers reach 1,037,000 families, and that the average price of a 100-millimetre (3.937 inches) single-column advertisement appearing in all these papers simultaneously is about \$800, or approximately eight cents per family. Of course, advertising costs vary considerably with the newspaper chosen, the position of the ad inside

the paper itself, and whether two colours or black-and-white only are employed. Prices range from about \$75.00 for a two-colour advertisement of 100 millimetres (3.937 inches), single column, on the front page of a leading Oslo daily, to about \$4.00 for a black and white of the same size in one of the local newspapers. Reproduction is good and there is little to choose in this respect between photographs and line drawings. Modern practice tends to cut explanatory text to a minimum, but the name of the product, the manufacturer or the dealer should receive good display. As a general rule, the Oslo daily newspapers have the widest circulation throughout the country. The following table lists papers with a circulation of over 20,000.

City	Newspaper	Circulation
Oslo	Aftenposten (morning)	158,000
	Aftenposten (evening)	132,000
	Arbeiderbladet	68,000
	Dagbladet	94,000
	Morgenposten	47,000
	Verdens Gang	33,000
	Morgenbladet	25,000
	Nationen	25,000
	Vart Land	24,000
	Drammen	Drammens Tidende
Kristiansand S.	Faedrelandsvennen	22,000
Stavanger	Stavanger Aftenblad	35,000
	Bergens Tidende	61,000
Bergen	Bergens Tidende	61,000
Aalesund	Sunnmørsposten	23,000
Trondheim	Adresseavisen	59,000
Svolvær	Lofotposten	21,000

## Magazines

Weekly magazines are also a good medium and their combined advertising income is given as over \$3 million a year. All the leading magazines are published in Oslo but have a nation-wide circulation. The seven largest weeklies are:

Weekly	Circulation
Norsk Ukeblad	276,000
Illustrert Familieblad	185,000
Alle Kvinners Blad	160,000
Allers	132,000
Hjemmet	135,000
Norsk Dameblad	100,000

In addition to these there is *Det Beste* (the Norwegian edition of *Reader's Digest*) with a circulation of 177,000, and published once a fortnight. As far as is known, all of these magazines accept two-colour advertisements and full-page spreads are not uncommon. The above are all family magazines and advertising in them is confined chiefly to consumer goods and household requirements.

A further group of periodicals consists of those addressed to various trades. There are a number of trade and business publications and between them they cover a wide field. Of these, the weekly *Farmand*, with a circulation of 24,000, is estimated to have about 100,000 readers. A business weekly directed mainly to management, it is roughly the Norwegian equivalent of *Canadian Business*.

## Filmstrips

There are about 650 movie theatres in Norway but many of these are in small places and do not schedule regular showings. All the larger cinemas are municipally owned and it is with these that the prospective advertiser is chiefly concerned. Both advertising slides and filmlets of two to three minutes are widely employed. The slides are usually shown while the audience is entering the building but the filmlets come on immediately after the lights go down, when people have found their seats and are presumably in a more receptive mood. The advertiser may not choose the particular cinemas he wishes, but a group of filmlets are combined on one roll and are sent out on a pre-determined round, usually lasting one week. Such a round includes 58 cinemas and costs the advertiser \$2,300, plus the cost of the film, etc. Wider coverage of some 100 cinemas costs about \$3,300. Short flashes with advertising text tails are not considered acceptable.

## Other Forms

Country billboards are not permitted in Norway but there are cer-

tain localities, usually in the towns, where posters are allowed. Both the State Railways and the various municipal transport companies have advertising space for hire. Private companies use their own vehicles as rolling advertisements and, in the summer, an occasional aircraft may be seen trailing an advertising streamer. Point-of-sale counter cards and counter displays are becoming more popular and whole window displays of a single company's products are not unusual.

## Direct Mail

There is a small amount of direct mail advertising and it is expected that this will increase. It is sometimes combined with small samples and many firms use the small Christmas gift method, but usually on a limited scale. Coupon awards and premium advertising are considered undesirable and are not encouraged, but combined competition-lotteries are quite common, with the customer filling in a form and sending it in. Packages are, of course, widely used for advertising and there are a considerable number of illuminated signs, both indoor and outdoor.

Norway has signed the international agreement on advertising practices and, apart from this, special regulations apply to the advertising of wines, spirits and pharmaceutical products.

## Advertising Agencies

It is traditional in Norway that foreign firms be represented by local agents, and it is usually these agents who arrange advertising for their principals, either directly or through an advertising agency. The Canadian advertiser is therefore advised to approach either his local agent or one of the responsible advertising agencies in Norway, which are well equipped to give all the service necessary. The Commercial Counsellor in Oslo will be pleased to supply the names and addresses of suitable agencies to Canadian inquirers. ●

# Argentina Makes Sound Progress

Increasing oil production, opening of basic steel plant, plans to improve transportation, expansion of industry have marked past year. Foreign investment up; financial problems faced realistically.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

ARGENTINA'S economic situation has improved greatly over the past year and there is ample evidence that this will continue at an increasing pace until the economy is once more on an even keel. It started with the decision to seek foreign aid to develop latent natural resources and potential industries and to institute the orthodox financial policies which were the prerequisites of such aid. The visible results to date are:

- A substantial increase in crude petroleum production, the forerunner of much greater future output.
- The start of a basic steel industry.
- The halting of inflation and of the rise in the cost of living.
- The stabilization of the price level.
- The stabilization of the value of the peso in the free exchange market.
- A surprisingly rapid replenishment of the gold and foreign exchange reserves.
- An improved balance-of-payments position.
- A reduction in the heavy budget deficit.
- A new and practical program for the rehabilitation of the railway system and big plans for building primary and secondary roads throughout the whole country.

Certain intangible but no less important results include the creation of a fiscal atmosphere which warrants the confidence not only of

foreign lenders but also of foreign investors in new industries, the tendency of the state to divest itself of all enterprises not of vital national importance by turning them over to private operators, and the trend towards multilateral trade, resulting in the gradual elimination of bilateral trade agreements and in Argentina's joining international trade and tariff groups.

## Fuel and Power

The fuel, power and steel industries have received special attention. Rapid and effective development of crude petroleum deposits has always been the key to Argentina's economic rebirth. However, it was difficult finally to overcome nationalistic prejudice to the point where the local petroleum monopoly, YPF, was able to invite foreign technicians and capital to explore and exploit oil-bearing areas under a series of drilling contracts. These contracts have already paid off handsomely and more are to be let both to foreign and Argentine companies. Monthly petroleum production in July 1959 of 404,798 cubic metres\* had increased to 915,371 cubic metres by September 1960. For the year 1960, output is expected to reach about 11.5 million cubic metres. At present only about 28 per cent of crude oil requirements need be imported as against more than 60 per cent in 1958. Self-sufficiency in crude oil is confidently expected by the end of 1961 and shortly after exports may

\*One cubic metre=6.27 barrels of 42 U.S. gallons each.

begin. This would make possible the diversion to other essential purchases of the large amounts of foreign exchange—usually an annual minimum of U.S.\$300 million—normally spent on petroleum products.

A byproduct of the battle for petroleum is the heavy volume of natural gas produced. A pipeline to Buenos Aires from the northern oil-fields was recently completed and another is expected to arrive soon from the southern field. At that time, the amount of gas will be much greater than consumption, with consequent benefit to industry from the resulting low price compared with other fuels. Other gas pipelines are to be built to provide power for all the important production centers.

A substantial tonnage of coal still continues to be imported. However, a French company has taken over the Rio Turbio field and Argentina may soon be self-sufficient in this fuel as well.

Steps are also being taken to increase the output of electric power. An extensive program for the interior is being studied and financing sought from the World Bank. One foreign power company plans to re-invest in new plants the funds received in payment for certain other plants expropriated by the Government. For Buenos Aires, new generating plants are being built in the New Port area to produce 140,000 kw. and a new one in the South Dock to produce initially 600,000 kw. and eventually a further 600,000.

## Progress in Steel

The first blast furnace in the State steel mill Somisa, located at San Nicolás, went into operation at the end of June and by August the entire plant was running. The Somisa project really initiates the Argentine basic steel industry and

rapid expansion is planned. Currently Argentina consumes only about 2 million metric tons of steel a year despite its 21 million population. Consumption is expected to reach 4.5 million tons by 1965 but unless this new industry grows swiftly, large amounts of foreign exchange will still have to be spent on steel imports—estimated at U.S. \$300 million in 1965 for some 3 million tons of steel products.

### Railways, Rivers and Roads

In addition to the loans being sought from outside sources, the Government is reported to have earmarked the equivalent of \$120 million for transport expansion, which is expected to cost upwards of \$1,650 million. Some \$70 million of the Government's contribution would go to the Highway Administration, \$30 million to the National Railways, and \$20 million to the Ports and Navigation Administration.

The 1958 road census showed 57,350 kilometers of roads but only 30 per cent of these were usable all year and 70 per cent of these re-

quired resurfacing. The new plan proposes to increase the permanently usable highways to 38,027 kilometers. This program is to be spread over five years and the work thrown open to public tender. Credit terms of up to five years will be sought from the eventual contractors, under guarantees from government banks.

A Government Minister has stated that over the next ten years the railways will require 1,600 passenger coaches, 1,000 diesel-electric locomotives, 35,000 freight cars, and 800 motor-coaches. On these purchases too, extended credit terms will be sought. The appropriations for rivers and harbours will be spent mainly on an extensive dredging and channel-marking program, breakwaters and moles, river ships, tugs and lighters, port warehouses, cranes, fork-lift trucks and other harbour equipment.

### Loans and Credits

Argentina's foreign debt was recently estimated at the equivalent of U.S.\$1,282 million, repayable between 1960 and 1990, plus interest

payments totalling U.S.\$230 million. During the past few days, further loans and credits have been obtained both by official bodies and private firms. The Export-Import Bank loaned the Argentine Banco Industrial on November 15, U.S. \$10 million to permit industrial firms to finance purchases of U.S. machinery and equipment for factory rehabilitation. Eximbank also loaned the San Nicolás steel plant a further U.S.\$12.5 million in addition to the U.S.\$60 million loaned in 1955. Negotiations are under way for a substantial loan from Eximbank to undertake improvement of the transport system and a low-cost housing program and U.S.\$100 million is being sought as a start. A local electrometallurgical firm has just secured an Eximbank loan of U.S.\$2.5 million. Talks are under way with one group of U.S. manufacturers covering heavy equipment orders up to a value of U.S.\$70 million, repayable in five or six years, and with a second group covering orders up to a value of U.S.\$25 million on long credit terms.

A consortium of German and French banks is officially reported to have extended a loan of U.S.\$150 million to the Argentine Government for re-equipping the railways and the natural gas monopoly to the extent of 80 per cent of the loan, the other 20 per cent going to private industry. This sum would be used in quotas of U.S.\$50 million, would carry interest at 7 per cent, and be repayable in seven years. A German bank is also reported to have just loaned the Argentine oil monopoly 10 million marks, half of which must be spent on German goods.

Even before these recent loans and credits were arranged, the matter of servicing the previous foreign debt was causing concern. These payments are beginning to fall due before the projects in which they were invested have had an opportunity to produce the income needed to make repayments. According to

*In Argentina's largest packinghouse, women are cutting up meat for canning. Large herds of Shorthorns, Herefords and Aberdeen Angus provide the raw material for a large and long-established overseas trade in frozen, chilled and canned beef.*



a World Bank report, the annual payments of capital and interest combined until 1965, the critical period, are:

	(in millions of U.S.\$)
1960	204.5
1961	316.6
1962	281
1963	195.7
1964	138.4
1965	108.3

To these amounts must be added the debt-service payments arising from the loans granted after the above report was issued. Because meeting these payments would greatly reduce Argentina's working capital, her reserves of gold and foreign exchange, it is essential that the loans be refinanced to permit repayment over a much longer period; negotiations on this are already under way. It is calculated that by 1965 the increased foreign exchange earnings from expanded exports, plus the savings in exchange expenditures now made for imports, will permit these debts to be serviced without braking economic progress. However, even with satisfactory refinancing, annual debt-service payments of about U.S.\$150 million must be anticipated for the next 15 years. They will constitute a substantial part of the total annual exchange income, which this year will approximate U.S.\$1,000 million. It seems certain that import austerity will continue for some time, at least for non-essential goods.

### Foreign Investment

A compilation by the *Buenos Aires Herald* shows that for the two years ended September 1960, the equivalent of U.S.\$286 million in foreign investment was authorized under the law for 159 different projects. Almost 85 per cent of this sum went into four industries—chemicals, U.S.\$129 million in 26 projects; automotive, U.S.\$68.8 million in 15 projects; petroleum refineries, U.S.\$28.9 million in 3 projects and non-electric machinery,

U.S.\$15.6 million in 20 projects. Other groups of interest were metal products, excluding machinery and transport equipment, \$17 million; electrical machinery and products, \$13 million; construction, \$9 million; iron and steel, n.o.p., \$8 million; textile spinning and manufactures, \$5 million. Of the total investment, U.S.\$131 million was spent in the city and province of Buenos Aires.

The principal investing countries were the United States, U.S. \$159 million; Switzerland, U.S. \$36 million; Netherlands, U.S.\$26 million; West Germany, U.S.\$24 million; Italy, U.S.\$10.8 million; France, U.S.\$9.5 million; United Kingdom, U.S.\$8.6 million; Canada, U.S.\$4.7 million and Panama, U.S. \$3.0 million.

### Progress towards Multilateralism

One of the conditions set by the IMF for granting Argentina its original stabilizing loans was the reversion to multilateral trade and the progressive disappearance of bilateral trade agreements. At the high point, 24 of these agreements were in force but of these only 11, which incorporate specified lists of goods to be exchanged, remain; seven are with South American countries and of these, six receive in any case special customs tariff treatment as contiguous or common-boundary countries.

Argentina's trend to multilateralism is further exemplified by her recent application to join the GATT. A new customs tariff is being prepared but there is no indication of its issue at an early date. There is considerable opposition to membership in GATT in some commercial circles; these people claim that it would be premature under existing conditions. It is said that the present system of exchange surcharges superimposed on the tariff system could not be made to conform to basic GATT requirements. Moreover, the growing agrarian protectionism in Europe is considered a threat to Argentina's ex-

ports, 90 per cent of which consist of agro-pastoral products. There are also misgivings in a number of sectors that the operations of the two European trading groups, the EEC and the EFTA, are certain to be detrimental to Argentine interests. Argentina's main markets are in the countries making up these two groups and any tendency to shut out Argentine cereals and meat in favour of home-grown products would damage this country's interests.

### Free Trade Area

Argentina is itself a member of a Free Trade Area which includes all of the countries in southern South America except Bolivia, plus Mexico. Little has been heard of this agreement in recent months, presumably because the time has not yet arrived to put into force any of the tariff reductions called for. These early tariff reductions are not likely to affect the Argentine manufacturer adversely because he is already so highly protected by the exchange surcharges that small customs tariff reductions are likely to pass more or less unnoticed. The ultimate success achieved by any of the member countries will probably not be in the form of an increase of the percentage of its total exports that it sells to the other members. Little is expected from this aspect of the agreement. Rather, the main purpose is to encourage foreign investors to establish new industries and expand existing ones by providing a much larger domestic market. Argentina's future opinion of the merits of the agreement is likely to depend largely on the relative progress of industry in Brazil and Mexico, its main competitors for the market in manufactured goods provided by the other members of the Area.

### Financial and Business Indices

In January-June 1960, agricultural production increased by 3 per cent compared with the same period last year but stock-raising was down

by 2 per cent and industrial production by 6 per cent.

The budget deficit for 1960 is now estimated at 27,200 million pesos, only slightly higher than the estimate of a year ago. (Can.\$1.00 equals 84.50 pesos.) The estimated deficit for 1961 has been set at 19,700 million pesos. These deficits are entirely due to the operation of state enterprises. In the 1960 fiscal year, ended on October 31, the deficit of these enterprises totalled

29,104 million pesos. The national railways and the Buenos Aires transport system accounted for \$21 million of this and the national airline, the oil monopoly and the State river fleet the rest. However, plans have been made to reduce this loss by rate increases on the railways and by selling certain state enterprises to private operators. A substantial part of the State's shares in the San Nicolás steel plant will be sold to private interests and

will carry equal management rights. It is rumoured that some internal airlines will be disposed of.

At October 15 the Central Bank's reserves of gold and foreign exchange totalled the equivalent of U.S.\$685.1 million, a sharp increase from a year ago. Although this good showing was achieved partially through the renegotiation of certain foreign indebtedness, it still exemplifies the noteworthy progress made during the past year. ●

## Canada's Trade Relations with South American Countries

CANADA has trade agreements with all South American countries, providing for exchange of most-favoured-nation treatment with respect to customs treatment, trade and exchange regulations. Canada receives from each of these ten countries tariff treatment equal to that enjoyed by any other exporting country. In addition, in those countries that maintain exchange and import restrictions, Canadian exports are on an equal footing with similar U.S. products and with those of other hard-currency countries. Concessions exchanged exclusively between negotiating countries in South America are generally exempt from the operation of the most-favoured-nation clause in the same way as the preferences are that Canada accords to other members of the Commonwealth.

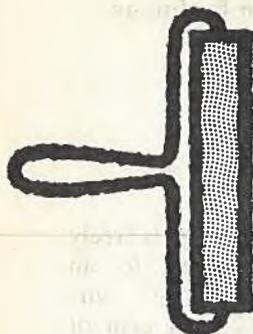
South American countries which, with Canada, are contracting parties to the General Agreement on Tariffs and Trade are Brazil, Chile, Peru and Uruguay. This Agreement provides for scheduled tariff concessions and exchange of most-favoured-nation treatment among the contracting parties and lays down rules and regulations to govern the conduct of international trade. Trade agreements concluded by Canada with individual countries continue in force in conjunction with the General Agreement.

The following table summarizes import and exchange regulations of South American countries which apply to Canadian exports.

Country	Import Licences	Special Tariff Features	Foreign Exchange Market
Argentina	No import licences required	In addition to the import duty, most items are subject to a surcharge ranging from 40 to 200 per cent on the c. & f. value.	Foreign exchange is available on a freely fluctuating market.
Bolivia	No import licences required	Some construction materials and mining equipment have been exempted from import duties. By a decree of December 1, 1958, most imports are subject to specific as well as ad valorem duties.	Foreign exchange is available on a freely fluctuating market.
Brazil	All imports require an exchange commitment certificate. Goods considered essential are classified in the general category and do not require an import licence. All others are	Additional taxes are levied, amounting to 6 per cent of the c.i.f. value plus 5 per cent of the ocean freight charges. Last August Brazil brought into effect the results of its GATT negotiations, including certain direct concessions to Canada.	Varying amounts of exchange commitment certificates for foreign exchange are auctioned weekly at a premium (agio), depending on currency and the import

Country	Import Licences	Special Tariff Features	Foreign Exchange Market
<b>Brazil</b>	classified in the special category and require licences.		category involved. The importer is then entitled to buy foreign exchange, for the amount on which he has paid his agio, at the official rate. Certain government imports and super-essential goods are exempt from the auction system and pay a lower premium.
<b>Chile</b>	There are no import licences as such but imports must be registered in advance.	<p>Three duty charges are levied on all goods imported:</p> <ol style="list-style-type: none"> <li>Specific duty—stated in terms of the non-circulating gold peso (4.85 pesos equals U.S.\$1.00).</li> <li>Ad valorem import excise tax—levied on the duty-paid value of imports, the amounts varying from 3 to 62 per cent with the essentiality of the import.</li> <li>Most imports are subject to either a returnable prior deposit of from 5 to 1,500 per cent of the c.i.f. value or to a special surcharge of from 5 to 200 per cent of the c.i.f. value.</li> </ol> <p>In the new year Chile intends to introduce a new tariff system which will incorporate the surcharges into the tariff structure and will subsequently eliminate prior deposits.</p>	There is a freely fluctuating foreign exchange market, but foreign exchange must be bought through commercial banks.
<b>Colombia</b>	Some items are prohibited, others require a licence; the remainder may be freely imported. However, all imports must be registered before shipment.	Prior deposits are now returned 45 days after customs clearance rather than after 90 days as formerly. The prior deposit has been reduced for over 40 groups of imports from 130 to 20 per cent and for over 10 groups of imports from 130 to 65 per cent. There are now six prior-deposit categories ranging from 1 to 500 per cent.	Foreign exchange is bought at public auctions of exchange certificates to cover the f.o.b. value of imports plus 80 per cent of freight charges. The free-market rate applies to most other transactions.
<b>Ecuador</b>	All goods, except those not exceeding U.S.\$100 c.i.f. value and certain imports entering as foreign investments, must obtain an import licence. Certain goods are prohibited.	All permissible imports are classified into two lists: essential and non-essential. Imports classed as essential are subject to a stamp tax of 5 per cent of the c.i.f. value, paid in local currency on application for a licence. Non-essential imports are subject to a stamp tax of 10 per cent of the	On the basis of an import licence, the Central Bank provides foreign exchange. For essentials, foreign exchange is sold at the official rate and for non-essentials at the free market rate.

Country	Import Licences	Special Tariff Features	Foreign Exchange Market
<b>Ecuador</b>		c.i.f. value, also paid in local currency at the time of application. They must also make a deposit of 25 per cent of the c.i.f. value.	
<b>Paraguay</b>	No import licences are required; however, at the present time a few items are prohibited. This prohibition is effective through January 31, 1961.	Most imports are subject to local currency deposits up to 200 per cent of the f.o.b. value; these must be made before shipment from country of origin. These deposits are retained for 120 days.	Foreign exchange is freely available, subject to an import exchange surcharge of 20 per cent of c.i.f. value (formerly 15 per cent). Payments must be made through authorized banks no later than 90 days from the date of delivery of documents.
<b>Peru</b>	No import licences required.	In addition to the regular specific and ad valorem duties, most items are subject to a customs surcharge of 50 or 200 per cent of the specific duty. A special tax of 10 to 25 per cent of the c.i.f. value is also levied on many items. Further extra taxes amounting to 4.25 per cent of the c.i.f. value plus 2 per cent of ocean freight charges are collected on non-GATT items. Instead of these latter two taxes, GATT-bound items pay a tax of 0.833 per cent of the c.i.f. value.	Since May 1960 exchange certificates are no longer required for imports. All foreign exchange is now purchased on the free market.
<b>Uruguay</b>	Import regulations in Uruguay are undergoing a complete revision and are still subject to change.  Restrictive licensing of imports has been eliminated but prior authorization must still be obtained.	Recently all prohibitions on imports have been eliminated. Some goods may be freely imported without either surcharges or prior deposits. Products for which there are locally-made substitutes are subject to surcharges of 40 or 75 per cent of the c.i.f. value, but are exempt from prior deposits. Luxury goods are subject to a surcharge of 150 per cent and a prior deposit of 100 per cent.	Under the new Uruguayan Exchange Reform Law, exchange for all transactions is available from authorized banks at the freely fluctuating market rate.
<b>Venezuela</b>	Certain items are prohibited or reserved to the Government; over 100 others require a prior import licence; the remainder may be freely imported.	In January 1959 Venezuela introduced a new tariff nomenclature plus increased customs duties on some products.	Exchange control. Prior deposit requirements for exchange at official rate of up to 20 per cent of the value of exchange requirements for open account, and up to 40 per cent of exchange requirements for imports under letter of credit.



## Paints and Varnishes

# The Market in Rhodesia and Nyasaland

*Small Canadian sales may shrink as South Africa establishes branch plants and British competition intensifies.*

L. S. GLASS, *Trade Commissioner, Salisbury.*

LAST year the Federation of Rhodesia and Nyasaland imported 428,000 gallons of ready-to-use paints and enamels, valued at £608,000. In 1957, the figure stood at 868,000 gallons, but the recession of 1957-58 and the effect on the construction industry brought a decline in imports.

The Union of South Africa and the United Kingdom have between them held 90 per cent of the market, with the lion's share going to South Africa. Imports during 1956-58 from these two countries were:

	1956		1957		1958	
	Vol.*	Value†	Vol.	Value	Vol.	Value
South Africa	698	741	741	964	421	622
United Kingdom	128	158	123	155	109	150

\*thousands of gallons.

†thousands of £.

Canada has supplied small quantities. Imports from the United States have shown a regular but not an important increase since 1955, when only 274 gallons were imported, until 1958 when they rose to 8,000 gallons valued at £6,000. Although there is no statistical breakdown of types of paints imported, the local trade says that imports from the U.S. have consisted almost entirely of aerosol spray paints and enamels

and small items such as do-it-yourself touch-up kits for refrigerators and stoves and for covering scratches on furniture.

### Local Industry

At present ten factories are engaged in the production of practically every type of paint, not including firms which confine themselves to bituminous paint or distempers. Not all the products offered by local producers are made in the Federation; some, such as automotive paints, are imported from the

Union of South Africa in bulk and packaged locally. However, during the fiscal year 1957-58 local production reached 193,000 gallons valued at £307,000.

### Local Output Will Increase

It is expected, however, that local output will increase markedly in the near future. Nearly 80 per cent of imports have been coming from the Union of South Africa, chiefly be-

cause of the tariff advantage that Union manufacturers enjoyed. The most-favoured-nation rate of duty is 20 per cent ad valorem and this rate also applies to Canada; the preference rate granted United Kingdom products is 10 per cent, and for the Union the rate used to be 10 per cent less one-tenth, or 9 per cent. Under the new trade agreement between the Federation and the Union, the latter has now lost that preference and reverted to the same tariff as Canada—that is, 20 per cent. Australia has a trade agreement with the Federation which assures it of the lowest tariff rate enjoyed by any part of the Commonwealth. Before, Australian products enjoyed the same rate as the Union, but now they enter at the same rate as the U.K., 10 per cent. Stiff competition from Australia is not expected, however, but the United Kingdom may increase its sales now that South African products are subject to a higher duty. What is more important, locally based manufacturers have tariff protection against Union competition increased by 11 per cent. As a result, Union manufacturers are now planning to open branch plants in the Federation.

### Prospects for Canadian Exports

Canadian exporters shipped small amounts of paint to the Federation in 1957 and 1958. The types sold are not known but were in all proba-

bility special kinds or perhaps aerosol spray paints. Up to the present, this type of paint has been imported entirely from the U.S. and perhaps from Canada. Now a brand

made in the Union has appeared on the market. It easily undersells the U.S. product and is, it is said, of equal quality. With the growing local industry behind a 20 per cent

tariff protection wall and with the opening of subsidiary plants by Union manufacturers, the future does not hold much promise of increased imports from Canada. ●

## The Market in South Africa

*Specialty paints still imported but local production broadening; raw materials offer best opportunities for Canadian suppliers.*

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

SOUTH AFRICA'S first paint factory began producing more than 50 years ago, but the industry did not reach maturity until the Second World War stimulated a threefold expansion. Today 60 factories are making paints. In 1939 the Union still imported 35 per cent of its requirements. Present paint imports total about \$600,000 a year, compared with an annual domestic output of nearly \$35 million. The industry is protected by a 25 per cent tariff and the market for imports is limited to highly specialized or newly developed paints not yet produced in South Africa. A variety of varnishes and lacquers also enter from other countries in spite of a duty of 35 cents a gallon. The Union's imports in recent years are given in Table I.

The Witwatersrand area surrounding Johannesburg has 30 per cent of the industry and the Cape 10 per cent. The Durban area, with one-half of the productive capacity, has been the centre of the industry from the days when it was the distributing centre for imported paints. Today one of the main advantages of this seaport is as an export base. Practically all of these exports go to other countries in Africa; the Federation of Rhodesia and Nyasaland buys 70 per cent of total paint exports and Mozambique 15 per cent.

Seven of the leading firms hold roughly 75 per cent of the Union market and all but one make a full range of household and industrial paints. United Kingdom interests control three of these firms and the other four are South African owned. Some of the latter also manufacture certain lines under licence from British companies and these firms might consider manufacturing under licence any Canadian paints that are unique or new to this market. United States paint manufacturers have not invested in the local industry to any extent, although some paints are made under licence from U.S. companies. Of the remaining 25 per cent of the Union's production, 15 per cent is shared among a second group of three manufacturers and over 40 firms divide the remaining 10 per cent.

The leading decorative paints in South Africa have polyvinyl acetate bases. Their share of the market is constantly rising at the expense of distemper paints (which use locally mined earth pigments). The possibility in the future of a sizable African market in the Union may reawaken the demand for these cheaper, lower quality distempers. The wide variety of decorative paints with some type of alkyd base is increasing their share of the local market but they are too expensive to oust PVA paints. Oil paints

are having a difficult time holding the line against these new decorative paints.

The leading industrial paints are alkyds, stoving enamels and nitro-cellulose lacquers. Stoving enamels are mainly used to paint automobiles assembled in the Union. Most of the major varieties of special industrial and anticorrosive paints are being made in South Africa.

Acrylic paints are mixed in South Africa but the emulsion itself is imported from the United States. Acrylics are considerably more expensive than other decorative and industrial paints now sold in the Union, though one of the larger car assemblers is already beginning to substitute them for stoving enamels. Leading local manufacturers are watching developments carefully and when and if they feel that the demand is sufficient, they will probably begin producing acrylic emulsions.

### Canadian Opportunities

What can Canadian manufacturers of paints and varnishes export to South Africa? There is still a market for certain specialties such as marine paints, and particularly for clear varnishes and alkyd-based varnishes (although not for nitro-cellulose lacquers, where local production satisfies most of the market). There may well be opportunities for spot sales of acrylic emulsions until local production begins.

The prospects are more promising for selling raw materials to the local paint and varnish industry, and

**TABLE I—IMPORTS OF PAINTS, VARNISHES AND STAINS INTO SOUTH AFRICA**

	1958	1959	1960 Jan.-April	Principal suppliers (per cent of market)
	(Canadian dollars)			
Stoving and baking enamels*	7,150	34,375	11,000	U.S. 90
Miscellaneous ready-mixed paints	380,000	426,250	120,000	U.S. and U.K. 40 each
Bituminous paint		7,700	1,925	U.S. and U.K. wholly
Stains		11,000	8,250	U.K. 80
Varnish, lacquers, etc.	400,000	590,000	220,000	U.K. 60
Artists' paints	130,000	100,000	38,500	U.K. 70

\*Increased U.S. sales account for rise in 1959 and 1960.

**TABLE II—IMPORTS INTO SOUTH AFRICA OF RAW MATERIALS FOR PAINT INDUSTRY**

	1958	1959	1960 Jan.-April	Principal suppliers (per cent of market)
	(Canadian dollars)			
Titanium dioxide	2,535,000	2,125,000	1,010,000	U.K. 65, Germany 15
Black pigments	2,200,000	2,270,000	925,000	U.S. 90, U.K. 8
Other dry pigments	1,310,000	1,665,000	575,000	U.K. 60, U.S. 15
Chrome pigments	210,000	220,000	21,000	U.K. 70, Germany 15
Iron oxide	675,000	745,000	350,000	Germany 70, U.S. 20
Zinc oxide	62,500	62,000	33,500	U.K. 85
Red lead oxides	62,000	30,000	8,300	U.K. 90, Germany 10
Other oxides	154,000	275,000	33,550	U.K. 75
Colours ground in oil	25,000	28,000	19,250	U.K. 60, U.S. 40
Urea formaldehyde	212,000	880,000	490,000	Germany 40, U.K. 35
Melamine formaldehyde	36,000	160,000	90,000	Sweden 50, U.K. 33, U.S. 15
Modified resins	41,250	203,500	242,000	U.K. 50, U.S. 20
Lithopone	225,000	190,000	72,000	U.K. 35, Germany 35
Turpentine	135,000	120,000	46,750	U.S. 80
Tall oil	70,000	42,000	13,000	U.S. and Sweden share market
Pure phenolics	40,000	265,000	85,000	U.K. 50, U.S. 30
Alkyd resins	63,250	330,000	145,000	Netherlands 50, U.K. 25
Polyesters	18,000	63,250	77,000	Shared among European suppliers
Polyvinyl acetate	210,000	150,000	66,000	U.K. 50, Germany 40

Canadian suppliers can participate if they meet the prevailing prices. South Africa still imports over 30 per cent of its paint raw materials (see Table II) and although each year sees the extension of local manufacture (a titanium dioxide plant and a urea formaldehyde plant are to be built in the near future) many basic products are still bought from overseas sources. The United Kingdom, the United States and Germany are the major suppliers of paint raw materials to this market and, as a general rule, price is a more important factor than quality in winning customers. Overseas sup-

pliers must also be prepared to ship certain materials on consignment to their local agents so that they may have sufficient stocks to offer quick delivery to South African paint manufacturers.

For the ordinary synthetic pigments, it may be difficult to beat the prices offered by the United Kingdom, France, Germany and other European countries. However, United States suppliers do get high prices for quality pigments not made in Europe and Canadian manufacturers may be able to market similar pigments here if they meet U.S. prices. Lead and zinc

chromes are made in the Union and a 25 per cent duty restricts imports.

Two or three of South Africa's leading chemical plants manufacture a wide range of solvents—ketones, butyl alcohol, acetates, xylol, methylated spirits, tung oil—but there is still a good market for these as well as others not yet made in South Africa, such as melamine formaldehyde, pentaerythritol, lithopone, nitrocellulose, white spirits and PVA dispersions.

Although alkyd emulsions and polyvinyl acetate are made locally, there are some imports. Acrylics are imported from the United States and if this market expands, there could be opportunities for Canadian manufacturers. Raw linseed oil is imported and refined in the Union; Canada was once the leading supplier but at present we cannot compete with Argentine prices. Alkali, standard and other oils are also imported, but local production practically eliminates imports of soya and sunflower oil and fatty acids. The United Kingdom and Europe are the Union's major sources of supply of the hundreds of different types of specialized additives and plasticizers.

If you make raw materials for the paint industry or specialty paints and if you feel you can meet the competition in South Africa, write to the Canadian Government Trade Commissioner in Johannesburg or Capetown. He will be happy to put you in touch with one of a number of excellent manufacturers' representatives specializing in this field. They will need specifications and prices f.o.b. Atlantic coast ports if they are to assess the potential market for your products.

### Head Office Directory

The Head Office Directory will not in future be published in *Foreign Trade*. It has, however, been printed as a booklet. If you would like a copy, write to the Editor, *Foreign Trade*, Trade and Commerce Building, Ottawa.



## General Notes

### Belgium

**BRANCH PLANTS**—Branch plant activity in Belgium by United States and other foreign firms continues to increase as additional companies move into the European Common Market area. Among the most recent developments are:

Monsanto Chemical Company Limited, in conjunction with a Belgian firm, will build a new plant at Ghent to produce polyvinyl butyral sheets to be used in making automobile and other safety glasses.

Great Lakes Carbon Corporation has formed a Belgian company which will produce Dicalite filtration additives used by breweries, sugar refineries and chemical processors. These products will be exported to the United Kingdom and other European countries.

Parke Davis & Co. Limited, a Belgian subsidiary of the U.S. company, is also building a new plant in Belgium to produce pharmaceuticals. Designed initially to supply the Benelux area, it can be readily expanded to meet the requirements of the Common Market—Brussels.

### Fiji

**TRADE GAP**—Fiji had an adverse balance of visible trade of £2.4 million in the first six months of this year. Imports totalled £8.1 million compared with £7.8 million in the first six months of 1959. Exports totalled £5.7 million compared with £4 million in the first six months of 1959—Wellington.

### Jamaica

**U.S. TRADE MISSION**—A five-man delegation composed of four United States businessmen and an official of the U.S. Department of Commerce will spend ten days in Jamaica this month while on a six-week tour of the Caribbean area. The mission will bring with it a library of 1,000 directories, business publications and trade journals, and will use all communication media to explain in detail questions about trade with the United States—Kingston.

### Mexico

**INVESTMENT FUNDS**—Total investment in the public sector in 1959 amounted to U.S.\$570 million, an increase of \$49 million over 1958. These funds were directed as follows: 82.2 per cent to basic development

projects, 11.9 per cent to social welfare programs, and 5.9 per cent to other activities. During the past year a Board of Supervision of Public Investment and Federal Subsidies and an Office of the General Plan of Public Expenditures were established as part of the Secretariat of the Presidency. These agencies are entrusted with controlling the amount and application of funds. Mexico maintains a good reputation as a borrower of international investment funds—Mexico.

### New Zealand

**EXPORT TRADE**—Export trade for fiscal 1960 was valued at £314.5 million, £53.8 million more than in the previous year. The weight of wool exported amounted to 11.6 million pounds more than in the previous year; the value rose by £23.4 million. Butter exports increased by 156,000 cwt. and the value rose by £23 million. Frozen lamb exports rose by 293,000 cwt. but the value dropped by £265,000. As compared with £81.1 million in fiscal 1959, meat exports totalled £74.7 million.

Among other exports of note were: apples, a new record of 82 million pounds valued at £2.6 million; wood pulp, 76,000 tons valued at £2.9 million, and newsprint, 48,000 tons valued at £3.0 million. The value of pine logs exported to Japan totalled £661,000 compared with £253,000 in the previous year—Wellington.

**MEAT EXPORTED BY PLANE**—The prospects of air-freighting New Zealand meat to Britain and North America is a lively issue in Wellington. The Meat Producers' Board is keenly looking forward to the day when meat transport by cargo plane is a reality. It is surveying air freight rates to enable it to assess the economics of the proposal and is examining various aircraft (including a Canadian cargo plane) to determine whether operating costs will permit air shipments in the near future.

The survey gains new significance because of the impending increase of 6 per cent in freight rates for refrigerated cargo by sea. However, the problem of obtaining sufficient return air freight will have to be solved before air shipments are undertaken—Wellington.



## Trade and Tariff Regulations

### Peru

**DUTY-FREE ENTRY OF 1,000 CARS AND 500 TRUCKS**—On November 18 the Peruvian Government announced that during the next twelve months it will allow the duty-free entry of 1,000 new cars destined for use as taxis, and 500 new trucks, the purchasers of which must prove that the vehicles will be used as work tools.

These vehicles shall be exempt from the payment of the basic rates of import duty, additional customs taxes, surcharges, and consular fees. However, their import will continue to be subject to miscellaneous taxes totaling 11 per cent of the c.i.f. value of the vehicles.

To qualify for this duty exemption automobiles to be used as public taxis must be of the four-door sedan type and their value, f.o.b. port of shipment, must not exceed 60,000 soles, which at the present rate of exchange is equivalent to U.S.\$2,235.

### South Africa

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

#### **Increase in duty on:**

1. Poly-acrylic resins (i.e. poly-acrylic and poly-methacrylic dispersions and their derivatives inclusive of co-polymers)
2. Embroideries
3. Polyvinyl acetate and derivatives thereof, including co-polymers
4. Tricycles

#### **Reduction in duty on:**

1. Tolbutamide tablets for the treatment of diabetes
2. A.C. variable speed commutator motors and A.C. power factor correction commutator motors, from 1 to 350 horsepower
3. Nickel tube
4. Calico weighing less than 1½ oz. per square yard

#### **Rebate in duty on:**

1. Certain embroidery yarns
2. Jute yarns for the manufacture of hessian
3. The following for the manufacture of synthetic resins, synthetic resinous emulsions and synthetic resinous solutions:
  - 2 ethyl hexyl acrylate
  - methyl methacrylate
  - ethyl methacrylate
4. Soda ash used in the manufacture of calcium carbide.

*Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most*

*effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa shortly after the announcements are made.*

**1961 IMPORT CONTROL POLICY**—The following statement has been made by the Minister of Economic Affairs for South Africa:

“Following the recent discussion by the Economic Advisory Council of the foreign exchange prospects for the immediate future the Government has decided to exercise a measure of caution with the issuing of import permit allocations for the coming year until such time that more clarity exists regarding foreign exchange earnings and expenditure.

“No major changes in the existing import control policy are contemplated but as permits for the importation of consumer goods as well as raw materials and other goods were so freely issued this year, it has been decided, as was the case in 1959, which also followed on a year of considerable imports, to make initial issue for 1961 on a lower level than for 1960.

“The initial allocation for group B consumer goods, (i.e., goods which are, generally speaking, freely available from local production) will be on a level of 24 per cent of the assessment basis compared with the 40 per cent issued for 1960 while those for group A consumer goods, (i.e., goods which are not available from local production to any appreciable extent), raw materials and other essential goods will be on a basis of 50 per cent of the permits issued up to the end of August for this year.

“As is customary, further allocations for Group B consumer goods will be considered in the course of next year.

“Importers’ reasonable requirements for Group A consumer goods, raw materials and capital goods, will be met, having due regard, as at present, to the local availability of these goods.

“As regards motor vehicles, with the exception of luxury motor cars with an F.O.B. cost exceeding £800 when new, the importation of which is prohibited, the issue of permits on the basis of the replacement of retail sales will continue having due regard to stocks on hand.”

# Foreign Commercial Representatives in Canada

## ARGENTINA

Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

## AUSTRALIA

Ottawa—Commercial Counsellor, Australian High Commission, 100 Sparks Street.  
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.  
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

## AUSTRIA

Ottawa—Embassy of Austria, Suite 401, 85 Range Road.  
Calgary—Consulate of Austria, 31 Hollinsworth Bldg.  
Halifax—Consulate of Austria, 6 Young Avenue.  
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.  
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.  
Vancouver—Austrian Trade Delegate, 525 Seymour Street.  
Winnipeg—Consulate of Austria, 54 Harrow Street.

## BAHAMAS

Toronto—Trade Commissioner, Room 707, Victory Bldg., 80 Richmond Street West.

## BELGIUM

Montreal—Consul General of Belgium, 709 Sun Life Bldg.  
Toronto—Consul General of Belgium, Room 302, 11 Adelaide Street West.  
Vancouver—Consul General of Belgium, Room 1432, 355 Burrard Street.

## BOLIVIA

Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

## BRAZIL

Ottawa—Brazilian Embassy, 305 Stewart Street.  
Montreal—Trade Commissioner, Brazilian Government Trade Bureau, Room 302, 400 St. James St. West.  
Toronto—Trade Commissioner, Brazilian Government Trade Bureau, Suite 1006, 2 Carlton Street.

## CHILE

Ottawa—Embassy of Chile, 56 Sparks Street.  
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

## CHINA

Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurttemberg Street.  
Vancouver—Consul General of China, 510 Hastings Street West.

## COLOMBIA

Ottawa—First Secretary and Consul, Suite 33, Roxborough Apts.  
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.  
Toronto—Consul of Colombia, 67 Yonge Street.  
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

## COSTA RICA

Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

## CUBA

Montreal—Cuban Consul, Consulate General of Cuba, 1572 Summerhill Avenue.

## CZECHOSLOVAKIA

Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

## DENMARK

Ottawa—Royal Danish Embassy, 446 Daly Avenue.  
Montreal—Consul General, Royal Danish Consulate General, Room 815, Keefer Bldg., 1440 St. Catherine Street West.  
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 114-118 Danforth Avenue.

## DOMINICAN REPUBLIC

Ottawa—Consul General of the Dominican Republic, 20 Bower Street.  
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

## ECUADOR

Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.  
Vancouver—Consul of Ecuador, 603 West Hastings Street.

## EL SALVADOR

Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

## FINLAND

Ottawa—Attaché, Embassy of Finland, 85 Range Road.

## FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.  
Montreal—Commercial Counsellor of France, 2060 Mackay Street.  
Toronto—Commercial Counsellor of France, 185 Bay Street.

**GERMANY**

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 1 Waverley Street.  
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.  
Toronto—Consulate of the Federal Republic of Germany, 77 Admiral Road.  
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.  
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.  
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

**GREECE**

Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

**GUATEMALA**

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

**HAITI**

Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.  
Halifax—Honorary Consul of Haiti, 50 Sackville Street.  
Montreal—Consul of Haiti, 3449 Prudhomme Avenue.  
Toronto—Honorary Consul of Haiti, Suite 505, 137 Wellington Street West.

**HONDURAS**

Montreal—Consul General, Consulate General of the Republic of Honduras, 5407 Coolbrook Avenue.  
Toronto—Vice Consul (Honorary), Apt. 18, 3 Nashville Avenue.

**INDIA**

Ottawa—First Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.  
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

**INDONESIA**

Ottawa—Second Secretary (Economics), Indonesian Embassy, 275 MacLaren Street.

**IRAN**

Ottawa—Second Secretary, Imperial Legation of Iran, Apt. 404, Sandringham Apartments.

**IRAQ**

Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 2135 Wyoming Avenue N.W.

**IRELAND**

Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

**ISRAEL**

Montreal—Consul of Israel (Commercial), 1555 McGregor Street.

**ITALY**

Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.  
Montreal—Vice Consul and Trade Commissioner, 3615 Cote des Neiges Road.  
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

**JAPAN**

Ottawa—First Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.  
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.  
Vancouver—Consulate of Japan, 510 Hastings Street West.  
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

**LEBANON**

Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 2, Laurier Avenue West.

**LUXEMBOURG**

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

**MEXICO**

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.  
Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.  
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.  
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.

**MONACO**

Montreal—Consul of Monaco, Suite 101, 4920 Western Avenue.

**NETHERLANDS**

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.  
Montreal—Netherlands Consulate General, 1103 Castle Bldg., 1410 Stanley Street.  
Toronto—Netherlands Consulate General, 159 Bay Street.  
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.  
Vancouver—Netherlands Consulate General, 475 Howe Street.

**NEW ZEALAND**

Montreal—New Zealand Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.

**NICARAGUA**

Montreal—Consul General, Consulate General of Nicaragua, 3435 Barclay Avenue.

**NORWAY**

Montreal—Consul General of Norway, Norwegian Consulate General, 1410 Stanley Street.

**PAKISTAN**

Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

**PANAMA**

Montreal—Consul General, Consulate General of Panama, 3553 Grouard Avenue.

**PERU**

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

**PHILIPPINES**

Vancouver—Trade Commissioner, Philippines Consulate, 615 West Pender Street.

**POLAND**

Ottawa—Commercial Counsellor to the Polish Embassy, 362 Stewart Street.

Montreal—Commercial Section, Consulate General of Polish People's Republic, 1570 Pine Avenue West.

**PORTUGAL**

Ottawa—Embassy of Portugal, 285 Harmer Avenue.

St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.

Halifax—Consulate of Portugal, P.O. Box 355.

Montreal—Consulate of Portugal, 4135 Sherbrooke Street West.

North Sydney—Consulate of Portugal, P.O. Box 769.

Saint John—Consulate of Portugal, 4 North Wharf.

Toronto—Consulate of Portugal, 159 Bay Street.

Vancouver—Consulate of Portugal, 1929 West Broadway.

**SPAIN**

Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

**SWEDEN**

Ottawa—Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.

Toronto—Trade Commissioner, Royal Consulate General of Sweden, 1057 Bay Street.

Vancouver—Trade Commissioner, Royal Consulate of Sweden, Dominion Bank Bldg., Room 914, 207 West Hastings Street.

**SWITZERLAND**

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.

Montreal—Consul General of Switzerland, 1572 McGregor Street.

Toronto—Consul of Switzerland, 100 University Avenue.

Vancouver—Consul of Switzerland, 402 West Pender Street.

Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

**THAILAND**

Toronto—Consul of Thailand, Suite 600, 199 Bay Street.

Vancouver—Consul of Thailand, 5416 Marguerite Street.

**TURKEY**

New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

**UNION OF SOUTH AFRICA**

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Drive.

**UNION OF SOVIET SOCIALIST REPUBLICS**

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

**UNITED ARAB REPUBLIC**

Ottawa—Commercial Secretary, Embassy of the United Arab Republic, Roxborough Apts., Apt. 62.

**UNITED KINGDOM**

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.

Edmonton—United Kingdom Trade Commissioner for Alberta and Northwest Territories, Imperial Bank Bldg., Jasper Avenue.

Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.

Regina—Office of the United Kingdom Trade Commissioner, Derrick Bldg., Room 207, 2431 11th Avenue.

Montreal—United Kingdom Trade Commissioner for Quebec, 635 Dorchester Boulevard West.

Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.

Vancouver—United Kingdom Trade Commissioner for British Columbia and Yukon Territories, Bank of Nova Scotia Bldg., 602 West Hastings Street.

Winnipeg—United Kingdom Trade Commissioner for Manitoba, Saskatchewan, and Northwest Ontario, 504 Main Street.

**UNITED STATES**

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.

Calgary—Consul of the United States, 501 Toronto General Trusts Bldg.

Edmonton—Consul of the United States, 214 Empire Block.

Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.

Montreal—Consul General of the United States, 1558 McGregor Avenue.

Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.

Saint John—Consul of the United States, 206 Union Street.

St. John's—Consul General of the United States, King's Bridge Road.

Toronto—Consul General of the United States, 360 University Avenue.

Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.

Windsor—Consul of the United States, Canada Trust Bldg.

Winnipeg—Consul General of the United States, 402 Tribune Bldg.

**URUGUAY**

Ottawa—Chargé d'Affaires a.i., the Roxborough Apts., Apt. 32

**VENEZUELA**

Halifax—Consul of Venezuela, Roy Bldg., Barrington Street.

Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.

Vancouver—Consul of Venezuela, 525 Seymour Street.

**THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS**

Montreal—Commissioner for The West Indies, British Gulana, and British Honduras, Suite 200, 1210 Sherbrooke Street West.

**YUGOSLAVIA**

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.

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

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

Conversion 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 1.02269095.

## Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 5	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01180	84.74	(1)
Austria	Schilling		.03779	26.46	
Australia	Pound		2.1986	.4543	
Bahamas	Pound		2.7483	.3639	
Belgium and Luxembourg	Franc		.01969	50.78	
Bermuda	Pound		2.7483	.3639	
Bolivia	Boliviano	Free	.00008559	11,683.61	
British Guiana	Dollar		.5726	1.75	
British Honduras	Dollar		.6871	1.45	
Brazil	Cruzeiro	General Category*	.002932	234.11	*Nov. 22 (2)
		Special Category	.001547	646.51	
		Official selling	.05168	19.35	(3)
Burma	Kyat		.2053	4.87	
Ceylon	Rupee		.2061	4.85	
Chile	Escudo	Free	.9295	1.07585	(4)
Colombia	Peso	Certificate	.1459	6.85	
Congo, Republic of	Franc		.01969	50.78	
Costa Rica	Colon	Official	.1741	5.74	
		Controlled free	.1470	6.80	
Cuba	Peso		.9778	1.02270	tax 2%
Czechoslovakia	Koruna		.1358	7.36	
Denmark	Krone		.1420	7.04	
Dominican Republic	Peso		.9778	1.02270	
Ecuador	Sucre	Official	.06519	15.34	
		Free	.05718	17.49	
Egyptian Region, United Arab Rep.	Pound	Official	2.8078	.3561	
		Export account selling	2.4175	.4136	
El Salvador	Colon		.3911	2.56	
Fiji	Pound		2.4759	.4039	
Finland	Markka		.003056	327.22	
France, Monaco, etc.	New Franc		.1995	5.01	(5)
Franco-African Community, etc.	Franc		.003990	250.63	(6)
French Pacific	Franc		.01097	91.16	(7)
Germany	D Mark		.2345	4.26	
Ghana	Pound		2.7483	.3639	
Greece	Drachma		.03259	30.68	
Guatemala	Quetzal		.9778	1.02270	
Haiti	Gourde		.1956	5.11	
Honduras	Lempira		.4889	2.04	
Hong Kong	Dollar	Free*	.1721	5.81	*Nov. 25
		Official	.1718	5.82	
Iceland	Krona	Official	.02573	38.86	(8)
India	Rupee		.2061	4.85	
Indonesia	Rupiah	Official	.02173	46.02	(8)
Iran	Rial		.01291	77.47	
Iraq	Dinar		2.7379	.3652	

\*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 5	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7483	.3639	
Israel	Pound		.5432	1.84	
Italy	Lira		.001574	635.32	
Japan	Yen		.002716	368.19	
Lebanon	Pound	Free	.3071	3.28	
Mexico	Peso		.07823	12.78	
Netherlands	Florin		.2592	3.86	
Netherlands Antilles	Florin		.5223	1.91	
New Zealand	Pound		2.7483	.3639	
Nicaragua	Cordoba	Effective buying	.1481	6.75	
		Official selling	.1387	7.21	
Nigeria	Pound		2.7483	.3639	
Norway	Krone		.1372	7.29	
Pakistan	Rupee		.2061	4.85	
Panama	Balboa		.9778	1.02270	
Paraguay	Guarani	Official	.007730	129.37	
Peru	Sol		.03639	27.48	
Philippines	Peso	Free	.3259	3.07	
		Official	.4889	2.04	
Portugal & Colonies	Escudo		.03413	29.30	(9)
Singapore and Malaya	Straits Dollar		.3206	3.12	
Spain and Dependencies	Peseta		.01630	61.36	
Sweden	Krona		.1890	5.29	
Switzerland	Franc		.2271	4.40	
Syrian Region, United Arab Rep.	Pound	Free	.2732	3.66	
Thailand	Baht	Free	.04625	21.62	(8)
Turkey	Lira		.1086	9.21	(8)
Union of South Africa	Pound		2.7483	.3639	
United Kingdom	Pound		2.7483	.3639	
United States	Dollar		.9778125	1.02269095	
Uruguay	Peso	Free	.08877	11.26	(10)
Venezuela	Bolivar		no quotation	no quotation	
West Indies Fed.	Dollar		.5726	1.75	(11)
	Pound		2.7483	.3639	(12)
Yugoslavia	Dinar	Official	.003259	306.84	(8)
		Settlement rate	.001547	646.34	

\*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.\$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.\$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports 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, Guiana, Guadeloupe, Martinique. The new heavy franc (worth 100 old francs) became effective on Jan. 1, 1960.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

## Markets in Brief

### FRANCE

**Area:** 220,416 square miles.

**Population:** 45.3 million at the end of 1959.

**Climate:** temperate, high humidity.

**Language:** French.

**Currency:** franc, nouveau franc (NF.); Can.\$1.00=N.F.5.01 (or 501 old francs) as at December 5, 1960.

**Weights and measures:** metric system.

**Capital:** Paris.

**Chief ports:** Marseilles on Mediterranean; Bordeaux and Nantes on Atlantic Ocean; Le Havre, Rouen and Dunkirk on English Channel.

**Marketing centres:** Paris (population) 2.8 million, greater Paris 6 million; Marseilles 733,000; Lyons 550,000, greater Lyons 800,000; Lille 195,000, greater Lille 1 million; Rouen 116,000, greater Rouen 350,000; Bordeaux 260,000; Toulouse 270,000; Nantes 200,000; Strasbourg 200,000; Le Havre 150,000; Saint-Etienne 180,000.

**Economy:** highly developed and balanced. Ample capital, steady expansion.

**Total French imports:** (c.i.f.) 1957—U.S.\$4,531 million; 1958—U.S.\$4,710 million; 1959—U.S.\$5,122 million (\$113.06 per capita).

**Chief imports:** 1959 (in per cent)—petroleum products 16.5, agricultural products 13.8, textiles and manufactures 11.2, machinery and apparatus 11.1, coal and derivatives 8.6, chemicals 5.7, non-ferrous metals and products 5.3, paper and manufactures 3.6.

**Chief suppliers:** 1959 (in per cent)—Algeria 6.6, other franc zone 17.5, West Germany 14.4, United States 8.3, Belgium and Luxembourg 5.3, Arabian countries 5.7, Iraq 3.6, United Kingdom 3.8, Netherlands 3.3, Australia 2.6, Switzerland 2.2, U.S.S.R. 1.9, Sweden 1.7.

**Value of imports from Canada:** (f.o.b.) 1959—Can.\$43.5 million; 1958—Can.\$45.1 million.

**Chief imports from Canada:** 1959 (in per cent)—oilseeds 7.1, synthetic rubber 13.9, copper 13.4, other non-ferrous metals 0.7, pulps 5.4, aluminum 20.0, asbestos 11.4, wheat 8.7, synthetic resins 3.7.

**Total French exports:** 1959—U.S.\$5,611 million; 1958—U.S.\$4,306 million; 1957—U.S.\$3,778 million.

**Chief exports:** 1959 (in per cent)—iron and steel and manufactures 12.2, machinery and apparatus 8.2, textiles and manufactures 13.8, autos and cycles 10.3, chemicals and products 9.3, agricultural and food products 17.1.

**Chief markets:** 1959 (in per cent)—Algeria 17.0, other franc zone countries 14.8, West Germany 13.0, Belgium and Luxembourg 6.7, United States 8.1, United Kingdom 4.5, Switzerland 4.0, Italy 4.7, Netherlands 2.5, Sweden 1.8, U.S.S.R. 1.6.

**Value of Canadian purchases:** (f.o.b.) 1959—Can.\$58.2 million; 1958—Can.\$41.1 million.



**Chief Canadian purchases:** 1959 (in per cent)—wines and alcoholic beverages 7.9, automobiles 28.5, chemicals and pharmaceuticals 5.4, textiles and apparel 7.4, books 0.9, iron and steel 8.7, food products 2.5, glass and glassware 3.1.

**Dollar exchange:** freely available for all liberalized products imported. However, some commodities remain under import control.

**Prices:** should be quoted in either Canadian or United States dollars, preferably f.o.b. or even c.i.f. whenever possible.

**Samples:** practically no restrictions on imports of samples but they are subject to customs duties if of commercial value.

**Trade agreements:** most-favoured-nation agreement with Canada; equal tariff treatment of imports from all GATT countries, but lower duties on many imports from countries of European Economic Community (Common Market).

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

**Canadian banks:** The Royal Bank of Canada (France), Banque Canadienne Nationale, Bank of Montreal (Agency).

**Correspondence:** airmail preferable; letters 15 cents per half-ounce.

**For detailed information on this market write to:**

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

or

Commercial Counsellor  
Canadian Embassy  
35 Avenue Montaigne  
Paris 8e



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