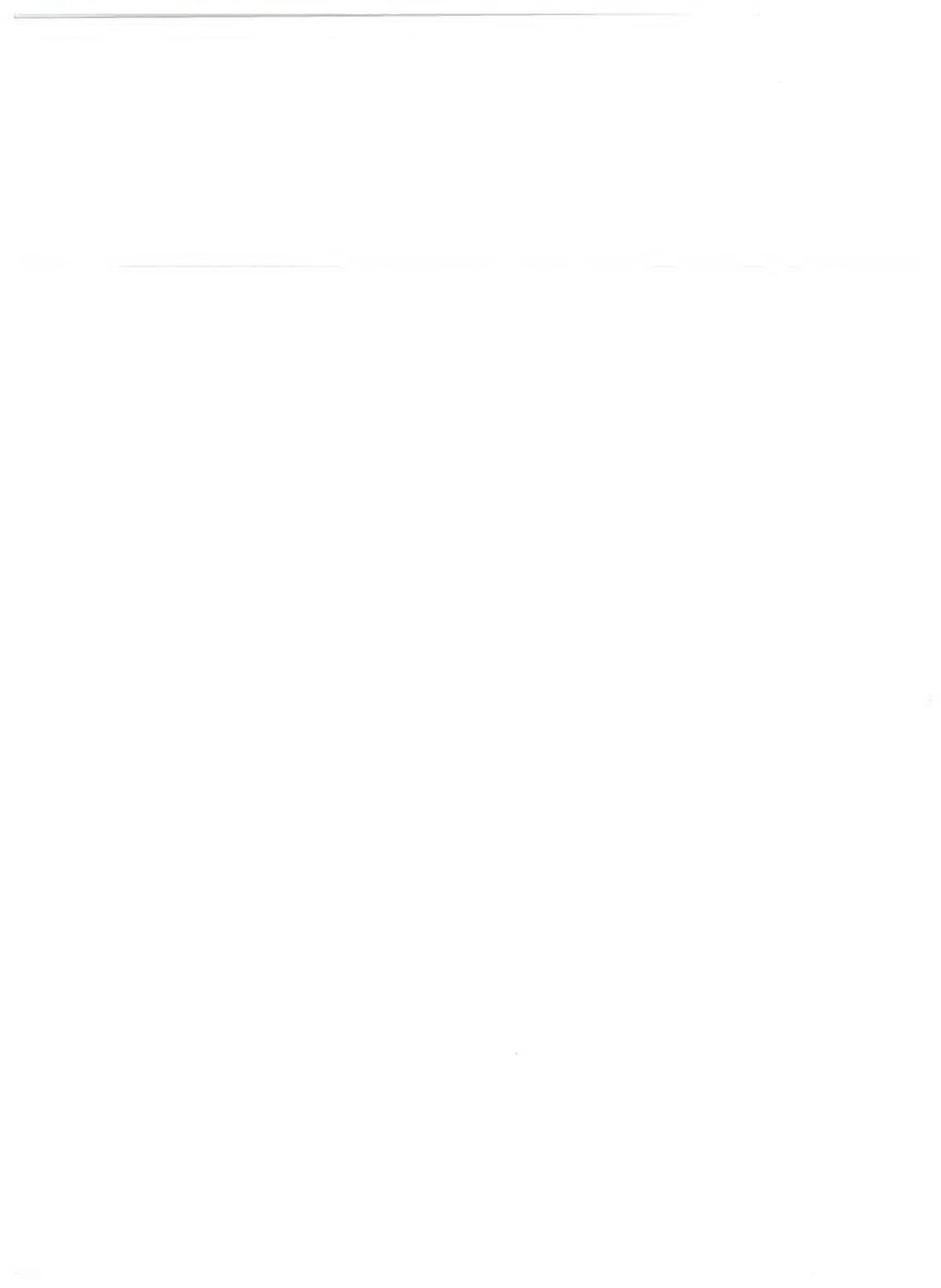


DECEMBER 31, 1960

foreign trade



TRADE AND COMMERCE MEETS BUSINESSMEN (page 18)



foreign trade

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COVER

For ten days, individual businessmen and Trade Commissioners got down to brass tacks in half-hour interviews as the Export Trade Promotion Conference proceeded. Our cover photograph shows Bruce I. Rankin (back to camera) Deputy Consul General (Commercial), and A. A. Caron, (centre) Consul and Trade Commissioner, New York, discussing a marketing problem with N. A. Fallon of the Canadian Marconi Company, Montreal. For a story on the Conference, see page 18.



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Philippines struggles to strengthen economy by boosting exports and cutting down imports. New trade pattern emerging; reduces opportunities for some Canadian goods but expands them for others.

Philippines Makes Headway

R. H. GAYNER,
*Vice-Consul and Assistant
Trade Commissioner, Manila.*

THE PHILIPPINES, mainly an agricultural economy, relies on exports of copra, sugar and hemp for foreign exchange to buy products not manufactured locally. In the brief 14 years of its independent existence, it has striven to diversify its economy, to rely less upon imports, and to develop its natural resources and broaden the scope of its exports.

Starting practically from scratch after the war, the Philippines has made great progress in 14 years. Evidence of this is the fact that in 1949, 37.3 per cent of imports consisted of consumer goods and 62.7 per cent of producer goods. By 1959 these figures had changed to 12.4 and 87.6 per cent, respectively.

Throughout this period, and particularly since 1956, the great problem has been to maintain sufficient reserves of foreign exchange with which to pay for imports. In 1952 foreign exchange reserves stood at U.S.\$355.9 million. By January 1959 they had dropped to U.S.\$127.3 million—a result of low prices for sugar and copra and large disbursements for capital and consumer goods.

Conserving Foreign Exchange

In an attempt to arrest the depletion of foreign exchange reserves in mid-1959, the Central Bank began applying a 25 per cent tax on all applications for foreign exchange. (This was lowered to 20 per cent in November 1960.) At the same time, measures were taken to restrict credit and to cut down imports further by administrative slowdown in the processing of applications for foreign exchange. In addition, the Government cut down expenditures, particularly on capital goods, and reduced its inflationary deficit-financing policies. Foreign exchange reserves were

further bolstered by increased earnings from exports of logs and lumber, plywood, chrome and copper ores, abaca (manila hemp), canned pineapple and desiccated coconut.

The 25 per cent foreign exchange tax has had the effect of draining off a great deal of purchasing power, and it has had an even greater effect on bank credit. The business community, pressuring the monetary authorities for some sort of relaxation, feels that economic growth is stifled by too severe restrictions on imports. Many observers believe, however, that economic growth in the Philippines can only be achieved through foreign investment in the country or investment of self-obtained dollars, and that one of the prime necessities to lure foreign investment is a sound economy backed by a sufficient reserve of foreign exchange.

Multiple Exchange Rates

To meet the demand for easement, particularly in view of rising foreign exchange reserves, the Central Bank announced a "decontrol program" on April 25 of this year. This program introduced a type of devaluation through the establishment of a multiple rate of exchange. The Central Bank now buys foreign exchange at two rates. Foreign currency earned by exports is redeemed 70 per cent at the old official rate of P2.00 to U.S.\$1.00 and 30 per cent at the so-called free market rate (P3.00 to U.S.\$1.00) announced by the Central Bank. This means that exporters now receive P2.30 for each U.S. dollar earned, a net increase in the exchange rate of P0.30.

The Central Bank sells foreign currency at a rate of P2.00 to U.S.\$1.00 for imports which it classifies as essential. Virtually all these selling transactions are further subject to the 25 per cent "margin fee" (foreign exchange tax), thus making the effective rate P2.50 to U.S.\$1.00. Quota allocations of foreign exchange, announced quarterly by the Central Bank, are maintained

PHILIPPINE EXPORTS

	1958	1959
	(f.o.b. value, millions of U.S. dollars)	
Sugar, centrifugal	115.6	112.7
Desiccated coconut	16.4	18.4
Pineapples, canned	4.4	8.0
Abaca, unmanufactured	28.8	38.6
Logs and lumber	69.7	80.5
Chromite ore	12.6	16.6
Copper concentrates	14.8	16.1
Plywood and veneers	7.3	14.9
Others	221.7	225.8
Total domestic exports	491.3	531.6

Source: Central Bank of the Philippines.

PHILIPPINE IMPORTS

	1958	1959
	(f.o.b. value, millions of U.S. dollars)	
Textile yarns, fabrics, made-up articles and related materials	53.9	38.7
Base metals	50.3	50.5
Paper, paperboard and manufactures thereof	17.0	19.7
Manufactures of metals	19.0	15.2
Machinery and parts other than electric	77.7	78.4
Transport equipment	28.6	27.3
Electric machinery, apparatus and appliances	20.3	29.4
Food	117.8	68.3
Minerals, fuels and lubricants	61.0	59.4
Others	113.3	122.5
Total	558.9	509.4

Source: Central Bank of the Philippines.

on these types of imports. Foreign exchange for less essential commodities is sold at a rate of P3.00 to U.S.\$1.00, plus the exchange tax, making an effective rate of P3.60 to U.S.\$1.00. Under the new regulations, any person who qualifies as a regular importer may buy foreign exchange at the free market rate. The Central Bank has left the volume of such "free market" transactions to the discretion of the commercial banks, and quota allocations have been abolished on these less essential commodities.

Though the Central Bank appears to have satisfied the demand for at least partial decontrol of imports,

in fact, this is something of an illusion. Many goods formerly classified as essential were re-classified as non-essential. And because of the tight money situation, very few can afford to import at a rate of P3.60 to U.S.\$1.00. The net result has been a further tightening of restrictions on imports and a devaluation for the benefit of exporters.

Production Picks Up

The Central Bank policy of attempting to cut back non-essential imports and develop exports is showing results, as demonstrated by the decrease in imports in 1959 from 1958 (a trend that is continuing in the first half of 1960) and by the increase in exports. In addition, the establishment of dollar-saving and dollar-earning industries is continuing. In recent months the first sheetglass plant in the Philippines has been set up; International Harvester has opened a tractor and farm-equipment assembly plant; three new 30,000-barrel oil refineries are under construction (there is at present only one in the Philippines); a new hydro-electric plant generating 100,000 kw. has come into production; a second wheat flour mill is operating and a third is under construction, and one new pulp and paper mill has begun operating.

Agricultural output has picked up. Last year was the first in which the Philippines did not have to import rice, and this year shows signs of producing an equally good crop.

Before the Philippines can attain the sort of development envisioned by its leaders, it must create a more favourable environment for foreign investment. Large sums of foreign capital are needed for the creation of heavy industries such as shipbuilding, steel smelting, etc., which the Filipinos are anxious to have. However, even before that, a great deal of foreign capital must be procured for development of mineral resources. The great problem is to make this need compatible with the rising force of nationalism in the

PHILIPPINE SUPPLIERS

	1949	1955	1959
	(in per cent)		
United States	80.0	65.0	45.5
Japan	2.7	7.9	17.7
European countries	2.4	7.9	13.6
Canada	2.3	3.3	2.7
Indonesia	2.7	3.5	8.1
Malaya and Singapore		2.3	1.1
Hong Kong	.3	1.6	1.6
Other countries	9.6	8.5	9.2

Source: Central Bank of the Philippines.

EXPORTS FROM CANADA TO THE PHILIPPINES

	1958	1959
	(in Canadian dollars)	
Flour	8,700,865	5,355,082
Wheat	668,596	2,193,397
Sulphate kraft pulp, unbleached	225,972	1,159,665
Other pulps	56,786	162,920
Newsprint	878,202	1,590,090
Mining machinery and parts	223,785	221,918
Machinery and parts, n.o.p.	66,219	987,470
Aluminum	1,324	29,415
Copper	312,071	256,009
Asbestos	155,552	276,189
Fertilizers	1,439,373	311,631
Others	1,359,457	2,387,643
Total	14,088,202	14,931,429

Source: Dominion Bureau of Statistics.

country which, as it applies to the business community, is labelled the "Filipino First" movement. There is general dissatisfaction here with the alleged control of the economy by aliens and alien importers are restricted in their activities; alien retailers may not pass their firms on to their heirs. Nevertheless, capital projects are being undertaken and new industries gradually being developed.

Trade Pattern Changes

Changes are also taking place in the pattern of imports and in the direction of foreign trade. Many Filipino leaders wonder what will happen to their export markets as a result of the recent formation of world trading blocs. By 1974 the preferential treatment of Philippine

goods entering the United States market will cease under terms of the trade agreement between the United States and the Philippines. By then the Philippines must be ready to compete in world markets.

The Philippines has been cutting back imports from the U.S. and is buying more and more from Japan and Europe. Both Japan and Europe have made great sales efforts in this market and, on machinery and the like, are strongly competitive in middle and long-term financing.

What does this mean for Canadian businessmen? For Canada's largest single export to the Philippines, wheat flour, it may mean the virtual disappearance inside 18 months of the Philippine market. At present, because of the preference of local millers for guaranteed protein wheat, it appears that future Canadian wheat sales to this market will not be significant.

There Are Opportunities

For Canadian exporters of raw and semi-processed materials such as wood pulp, metals and chemicals, the Philippines presents possibilities for a growing market. Canadian exporters of consumer goods may have more difficulty in view of the strong competition from Japan and the U.S. and increasing local production.

Exporters of machinery, capital equipment and engineering know-how would be well advised to keep in touch with developments in the Philippines. At present there is an increasing amount of oil exploration, some half-dozen hydro-electric and thermal electric projects are under consideration, two new railway projects are being studied—one in northern Luzon and one in Mindanao island in the south—and a medium-sized steel smelter and mill are being planned.

If the Philippines can achieve economic stability and can encourage foreign investment, there should be a great deal of industrial activity here, with Japan, Europe and the U.S. competing strongly for a share of the market. ●

Scotland Today: Trade and Industry

ABOUT one-third of all that Scotland manufactures goes overseas and, with the industrial diversification in recent years, the variety of exports is increasing. Scotland has always been dependent on exports and the Scottish Council (Development and Industry) has begun a campaign to boost foreign sales by 10 per cent. The Council's plans call for more trade missions overseas, the provision of expert advice on foreign trade fairs, and building up its own export committee.

Scottish exports to Canada are made up mainly of marine engines, earthmoving equipment and other products of the engineering industry; light castings; golf clubs; textiles; confectionery and other foodstuffs, such as jams, marmalade, and whisky; linoleum; curling stones; fish products, and some paper products. Canada sells to Scotland, in order of importance, iron ore, grain and flour, paper, timber, puncheon packs, aluminum, flaxseed, fruits, provisions, wood pulp, empty casks, rubber, spool wood, tobacco, cheese, footwear, canned goods and honey.

The Scot is fairly conservative in his tastes and his purchasing power is limited, but he does like and buy quality goods. For the most part, however, this is a very competitive market and to get a foothold here Canadian manufacturers must have a product that is competitive in price and of a quality and kind not available locally. The Glasgow office is in full operation and will welcome inquiries from Canadian producers.

Industrial production in Scotland in the first six months of 1960 rose by 10 per cent over the average achieved in 1954, according to the *Digest of Scottish Statistics*. General prospects for industry are encouraging, though a slowing down is again evident, in line with the trend throughout the United Kingdom. Scotland, with only one-tenth of the total population of the United Kingdom, accounts for 36 per cent of the total U.K. output of ships, a higher percentage of heavy engineering equipment, mining machines and boiler plant than its population appears to warrant, 60 per cent of the sugar machinery produced, and 90 per cent of the sewing machines. It manufactures all of Britain's aluminum and almost all of its jute, has one of the largest aircraft engine production and repair factories in Europe, and a growing electronics industry. It makes more than half of Britain's linoleum, two-thirds of its typewriters, one-third of its calculating and accounting machines, cash registers, clocks and carpets.

Chemicals and allied industries showed the greatest production rise in the first six months of 1960, followed by food, liquor, tobacco, metal manufactures, clothing, engineering and electrical goods, paper, printing and publishing, and construction. Output of the mining and quarrying, marine engineering and timber furniture industries declined.

The shipbuilding industry is meeting strong competition but modernization on the Clydeside has put it in a stronger position. New orders obtained in the first half of 1960 were higher at 117,000 tons, but they were less than half the tonnage completed. Orders at the end of June 1960 of some 120,000 tons were about 10 per cent less than those on hand at the beginning of the year. There are hopes however that the new *Queen* will be built on the Clyde and this will give Glasgow a real lift.

—P. V. McLANE, *Trade Commissioner, Glasgow*.



Fourteen of the fifteen members of the Canadian Trade Mission to the European Economic Community, photographed in the Canadian Embassy, Brussels, first stop on the Mission's three-week itinerary that covered the Common Market countries.

Business Explores the Common Market

Thirteen leading Canadian executives recently spent three weeks on a Trade-and-Commerce Mission to the Six, talking trade with leaders of government and industry.

A. M. TEDFORD, *Assistant Director, Commodities Branch.*

DECEMBER 31, 1960

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LATE in October a Canadian Trade Mission made up of thirteen senior business executives returned to Canada after three weeks spent in exploring the potentialities of the European Economic Community as a market for Canadian goods. Organized by the Department of Trade and Commerce and headed by the Deputy Minister, James A. Roberts, the Mission was composed of men drawn from companies prominent in the Canadian chemical, pulp and paper, and metal and mineral industries. It visited in turn Belgium-Luxembourg, the Netherlands, West Germany, Italy and France. In each country it met senior officials of government—particularly those concerned with economic and trading policies—as well as leading industrialists and men prominent in business and trade associations. In Brussels, headquarters of the European Economic Community, it met with important figures in the EEC.

Our Trade with EEC

The importance of the EEC to Canadian trade does not need emphasis. Together the Six constitute the third largest market for Canadian products; last year Canadian sales to them reached \$316 million, or some 6 per cent of our total exports. About 40 per cent of this trade was in agricultural products and another 40 per cent in primary and semi-processed materials exported largely by the chemical, metal and mineral and pulp and paper industries. (It was this latter fact that dictated the selection of the men making up the Mission.) Moreover, after a slight decline in 1958 and last year, our sales to the Common Market countries are once again rising.

From the Six, Canada obtains a substantial portion of its imports. These imports, largely of manufactured goods, have been growing steadily—from \$235 million in 1957 (the year in which the Common Market treaty was signed) to \$245 million in 1958 and to about \$300 million in 1959. The figures for the first eight months of 1960

Members of the EEC Mission

Leader

JAMES A. ROBERTS, Deputy Minister, Department of Trade and Commerce.

Industrial Representatives

D. W. AMBRIDGE

President, Abitibi Power & Paper Company, Ltd.

J. R. BRADFIELD

President, Noranda Mines, Limited

FRASER W. BRUCE

President, Aluminum Company of Canada, Limited

GEORGE DeYOUNG

President, Atlas Steels Limited

E. B. GILLANDERS

Executive Vice-President, The Rio Tinto Mining Company of Canada Limited

J. R. GORDON

President, The International Nickel Company of Canada, Limited

W. S. KIRKPATRICK

President, Consolidated Mining & Smelting Company of Canada Limited

H. H. LANK

President, Du Pont of Canada Limited

ELLIOTT M. LITTLE

Chairman of the Board, Anglo-Canadian Pulp and Paper Mills, Limited

PAUL OUIMET

Legal Adviser, Iron Ore Company of Canada

A. L. PENHALE

President, Asbestos Corporation Limited

E. R. ROWZEE

President, Polymer Corporation Limited

L. D. SMITHERS

President, Dow Chemical of Canada, Limited

Secretary

A. M. TEDFORD, Assistant Director, Commodities Branch, Department of Trade and Commerce.

(\$187 million) show that this trend is continuing.

Objectives of the Mission

"It is to preserve and protect these markets and to secure our fair share of the expansion which is bound to come from your increased prosperity that the Canadian Government has sponsored this high-level trade mission to the EEC countries," said Deputy Minister Roberts, speaking on behalf of the Mission to the annual general meeting of the Netherlands-Canada Chamber of Commerce in Rotterdam. "Our objective," he added, "is to observe at close range the requirements of your industries and consumers and to discuss with leaders of government and senior industrialists the many commercial factors that can influence the lives of millions of our citizens on both sides of the Atlantic."

In addition, the Mission was charged with impressing upon European businessmen and government officials the advantages to their economies of taking the commercial interests of Canada fully into account in future planning. In turn, the information which is gathered will help Canadian industry to assess how it can best serve the requirements of the Community and to consider what changes in production and marketing may be necessary to achieve these objectives.

The members of the Mission began carrying out their assignment as soon as they flew into Brussels, headquarters of the EEC. For the businessman, being part of a trade mission means that he has an entrée to the highest policy level of government and industry across a broad front; travelling on his own pursuits, he is more likely to meet executives and officials at the operating level and to learn mainly about the competitive factors in his field. The Mission, however, was able to hold valuable discussions with the men who are shaping the destinies of the Common Market. For example, it met with Dr. Walter Hallstein, president of the Commis-

sion of the European Economic Community, and the six other members. Dr. Hallstein explained to the Mission the philosophy behind the formation of the Common Market and its organization, aims and objectives. Later the Mission met with the heads of the Commission's sections on economic and financial affairs and on external relations.

An outline of the Mission's itinerary and of its program in each city may give the reader some idea of what it accomplished in three extremely busy weeks.

Belgium

Brussels—High-level discussions with officials of the Commission of the European Economic Community, as described above. Luncheon meeting with Jacques van Offelen, the Belgian Minister of Foreign Trade, followed by a round-table discussion with officers of the Ministries of Foreign Trade and of Economic Affairs, largely on commercial policy and on Belgium's relations with the EEC.

Mission members met separately with the trade associations in their particular fields—such as metals and mining or pulp and paper, and also had talks with officers of the Federation of Belgian Industries and with the managing director of the Banque du Commerce on the economic climate in Belgium and Belgian policy on trade promotion both at home and abroad.

The Netherlands

The Hague—Meeting with the Federation of Netherlands Industries to explore how the Netherlands fits into the Common Market picture and what role she expects to play in it. Also investigated what materials Dutch industries buy from foreign sources and Dutch policy towards the other Common Market countries.

Rotterdam—This visit included a tour of the reconstructed port and attendance at the annual general meeting of the Netherlands-Canada Chamber of Commerce at which

Mr. Roberts was the special speaker.

The Hague—The final event was a conference with and luncheon at the Dutch Ministry of Economic Affairs. The secretary-general of the Ministry, Prof. Dr. G. Brouwers, outlined the economic recovery and development of the Netherlands, the harmonization of its policies with those of the Common Market, and its commercial relations with the EEC.

West Germany

Bonn—Here the Mission had a useful meeting with Professor Dr. Mueller-Armac, state secretary to the Ministry of Economics, plus a short talk with Dr. Ludwig Erhard, the Minister of Economics. Subjects covered included the current economic situation in Germany, its relations with the Common Market, and the evolution of German trade with the Common Market and with other countries. Members were assured that Germany will still require raw materials from foreign countries, including many that Canada can provide.

Dusseldorf—A tour of a part of the industrial Ruhr, followed by a luncheon meeting with the Dusseldorf Chamber of Industry and Commerce. At the luncheon Dr. Franz Kirchfeld, chairman of the Chamber's Foreign Trade Committee, spoke; this was followed by a question period. Later came group discussions with representatives of the various industries.

Hamburg—An interesting tour of the Port of Hamburg, followed by a luncheon given by the Hamburg Chamber of Industry and Commerce.

Frankfurt—Again, meetings with the local Chamber of Industry and Commerce and discussions with its members. One interesting and unscheduled feature of this visit was an informal talk with two trade union representatives on the part

that labour has played in Germany's economic recovery.

Italy

Milan—In this northern Italian city, the Mission members met with officers of ENI, (National Hydrocarbons Board), whose major field is petroleum and natural gas. Some of the businessmen also met officers of ASSOMET, the association that deals with metals and which is a part of the General Federation of Italian Industries. With the Federation they discussed industrial development policies, and attitudes and incentives towards the establishment of branch plants in Italy. Meeting also with IRI, the state-controlled industrial complex which has sales of over \$2 billion a year and many interests.

Rome—Discussions with government officials, particularly in the Ministry of Foreign Trade.

France

Paris—Highlight of the four days in Paris was the discussions with senior officials of the Ministries of Finance and of Economic Affairs and Industry, and the meetings with French businessmen, particularly the Conseil National du Patronat Francais.

The mission had a particularly interesting interview with Dr. Bernard Clappier, one of the Group of Four who prepared the report on proposals for the Organization for Economic Co-operation and Development (to succeed the Organization for European Economic Co-operation) and with Wilfrid Baumgartner, the French Minister of Finance. One afternoon was set aside for interviews with people who wished to talk to the Mission because they were concerned about products in the fields familiar to its members.

Summing-Up

The very fact that 13 of the senior business leaders in Canada were prepared to divorce them-

selves from their busy schedules and take part in a trade mission to the Common Market indicated their real concern with Canada's trading position. Before they left Paris on the flight home, the Mission held a round-table discussion on and a review of its findings. It also voiced its deep appreciation of the warm hospitality it received everywhere and the enthusiasm that its visit aroused. In each of the Six it was made aware of the close bonds of friendship between Canada and the EEC.

Turning to trade, the Mission felt that the rapid implementation of the Rome Treaty setting up the Common Market had given a profound impetus to economic growth within the EEC and this growth could be expected to continue. There are ample opportunities for Canada to share in this advance through sales of competitively priced primary and semi-processed industrial materials. At the same time, the emergence of the Common Market has presented Canadian industry with a new challenge

—a challenge that must be met by maintaining and if possible improving the competitive position of its products.

To their colleagues, the industrialists of Canada, the Mission brought this message—that it is imperative for government, business and labour in Canada to take immediate and imaginative steps to check rising costs and to achieve the maximum use of Canadian resources, skills and manpower, if we are to hold or increase our share of the prosperous EEC market. ●

Switzerland as a Market for Toys

Some 60 per cent of toys sold by Swiss stores are imported—many from the U.S. How should Canadians go about getting a much larger share of this business?

Y. B. HEISLER, *Commercial Assistant, Berne.*

THE Swiss toy trade is active and well-organized. There are over 250 retail stores, including department stores, that handle toys exclusively or as one of their more important lines. Switzerland has a population of roughly five million people, so the market appears to be adequately served.

About 60 per cent of the sales made by the Swiss retailers are of foreign toys; the domestic industry—some 30 small and medium-size enterprises—supplies the remainder, with the emphasis on wooden and metal toys. There are only two doll manufacturers and two producing plastic toys. In view of the keen foreign competition in mechanical toys, dolls and plastic toys, a number of Swiss manufacturers concentrate on specialty items particularly suitable for the Swiss market or with typical Swiss designs and

motifs. The degree of precision and perfection in their products is high.

In 1959, Switzerland imported Sw.F.33.3 million worth of toys, an increase of Sw.F.3 million over the preceding year. West Germany is by far the main source of supply: 47 per cent (Sw.F.15.5 million) of total Swiss toy imports in 1959 came from that country. These shipments consisted mainly of mechanical and metal toys and electric trains in particular. However, plastic toys are becoming increasingly popular. These are often manufactured under licence from United States firms or as a result of an exchange of tools and dies with North American producers.

The United States is Switzerland's second most important source of supply, with 1959 imports valued at Sw.F.4.7 million, or 12.5 per cent of total toy imports. The prin-

cipal types purchased in the United States are dolls (mainly drinking and wetting), construction toys, hobby kits, puzzles, model aircraft, cowboy and Indian suits, rubber squeeze toys and plush animals. As a general rule, the Swiss buy American toys which are either exclusive, newly developed and not as yet available from cheaper European sources, or quality mass-produced toys at competitive prices. Some of the Swiss department stores and large retail organizations visit the New York Toy Fair regularly.

Italy and the United Kingdom in 1959 each sold Sw.F.2.8 million worth of toys to Switzerland. Italian dolls are extremely popular and account for almost the entire purchases from Italy. Other countries find it hard to compete in this sector, although French dolls seem to be gaining in popularity. From the

United Kingdom come principally construction sets, educational toys, plush animals and plastic toys. The last two are partly manufactured under North American licences or through exchange of tools and dies.

Japan, with shipments to Switzerland valued at Sw.F.1.9 million in 1959, is a serious competitor because of improved quality in mechanical and wooden toys and also inflatables.

Canada has in recent years done very little business on the Swiss toy market; imports in 1959 reached only Sw.F.2,926.

Import Channels

The Swiss toy retailers import either direct or (to a lesser extent and mainly from overseas exporters) through established agents and distributors. Assortments are generally large but purchases and stocks of individual items rather small. Roughly, there are five categories of Swiss firms importing toys:

- a branch-store company specializing in toys, with large and modern stores in the principal centres
- department stores
- chain-store organizations
- Swiss Association of Toy Retailers and its members
- agents and distributors.

The specialized branch-store company and the department stores have buying offices in the principal producing countries and particularly in the United States (New York) through which the bulk of their foreign purchases are made. Many department stores do group buying and visit the principal Toy Fairs, especially those of Nuremburg, Brighton, Lyon, Paris, Milan and New York.

The chain-store organizations sell the cheaper lines of toys, mainly made of plastics and celluloid. Most of these are imported direct from Germany, Hong Kong, Japan, the United Kingdom, the United States and Denmark.

The Swiss Association of Toy Retailers, with approximately 50 members, mainly in the smaller cities of the German-speaking part of Switzerland, does group buying mainly from European sources, although its members do not purchase exclusively through the Association's buying centre.

There are not many agents and distributors, mainly because of the practice of direct buying that the important organizations and retail outlets follow. However, overseas suppliers often work successfully through exclusive agents on the Swiss market.

Duties and Margins

There are no payment restrictions affecting toy imports and the import duties are generally reasonable and rather lower than in most European countries. All duties are based on weight. Switzerland's membership in EFTA has resulted in toy import duties 20 per cent lower than normal on goods arriving from the other EFTA member countries (United Kingdom, Sweden, Denmark, Norway, Austria and Portugal).

The mark-up of Swiss toy wholesalers averages between 15 and 20 per cent of the selling price and, as a rule, retailers have a profit margin of 33½ to 50 per cent. In general, toys from North America retail in Switzerland at double and more the factory price.

Sales Possibilities

Switzerland's toy importers are always interested in good quality competitive products and especially in novelty goods not readily available in Europe. Because many United States manufacturers interchange tools and dies with European companies, mainly in West Germany and the United Kingdom, American novelty items and new mass-produced toys are usually available from European manufacturers one or two years later in exactly the same designs and col-

ours, and sometimes at appreciably lower prices than the original American models.

The larger Swiss firms usually buy their toys for the Christmas season from January to June. In general, they do not place orders on the basis of an examination of catalogues and brochures, even if the toys offered are attractive and competitive in price. They always ask for samples, especially of dolls, because hair-style, colour and clothes are very important.

Catalogues and brochures must therefore be submitted in sufficient time to permit a careful study, the placing of sample orders, and receipt of these samples in good time. The large retailers publish substantial toy catalogues that take time to prepare. These catalogues receive wide distribution and result in considerable sales. As a rule, catalogues, brochures and quotations (on a c.i.f. European port basis) must be received in Switzerland a few weeks before the opening of the New York Toy Fair.

There may be possibilities in the Swiss market for Canadian toy manufacturers, especially if they offer novelty items, toys with new gimmicks and, in general, toys not available from European sources. Canadians can make useful contacts with potential Swiss buyers at the New York Toy Fair and through buying agents in New York.

Further information on the Swiss market for toys is available from the Commodities Branch of the Department of Trade and Commerce. The Commercial Counsellor in Berne will be glad to assist Canadian firms in establishing connections with Swiss toy importers.

London Office Moves

The Canadian Trade Commissioner's office in London is moving and by the first of January the Minister (Commercial) and his staff will be established at One Grosvenor Square, London, W.I. The new telephone number is Mayfair 9492.

The Mexican Market II

Mexican imports of chemical products have been rising steadily and now account for 15 per cent of all imports. Canadian suppliers would do well to take a serious look at this interesting market.

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

IN the preceding issue of *Foreign Trade* we reviewed the rapid progress made in recent years in the Mexican chemical industry. Inevitably such major developments

will reduce certain chemical imports. At the same time, however, a growing market in the chemical-using industries, plus inadequate domestic supplies of many raw and

intermediate materials, should ensure a continuing large volume of total chemical imports.

Mexican imports of chemical products have been rising steadily in

MEXICO'S LEADING CHEMICAL IMPORTS 1959

Principal Chemical Elements and Compounds

	Quantity '000 lb.	Value '000 U.S.\$	More (+) or less (-) than 1958	Ad valorem duty per cent	Import licence needed	Main supplier 1959
Hydrochloric or muriatic acid	794	192.6	—	10	no	U.S.
Hydrofluoric acid	596	130.6	—	25	no	U.S.
Phosphoric acid, excluding phosphoric anhydride	1,663	138.3	—	12	yes	U.S.
Sulphurous acid and anhydride	2,464	148.7	+	10	no	U.S.
Nitric or azotic acid	2,873	268.4	+	10	no	U.S.
Freon gas	1,291	348.8	+	5	no	U.S.
Gas of vinylic origin	5,854	667.8	+	3	no	U.S.
Elemental phosphorus	5,925	1,204.9	+	2	no	U.S.
Aluminum hydrate	4,314	144.0	—	15	no	Germany
Aluminum oxide	4,906	251.5	+	3	no	U.S.
Ammonium phosphate	1,947	130.2	—	7	yes	U.S.
Ammonium nitrate	45,120	1,593.7	—	2	yes	U.S.
Ammonium sulphate	54,787	1,077.7	+	3	yes	U.S.
Calcium phosphate	3,447	281.7	—	8	yes	U.S.
Magnesium oxide	3,890	321.0	+	7	no	U.S.
Potassium chloride	26,849	456.6	—	3	no	U.S.
Potassium sulphate	3,485	116.0	+	7	no	U.S.
Sodium carbonate or soda ash	142,206	2,526.0	+	7	yes	U.S.
Liquid caustic soda	39,540	970.0	—	7	yes	U.S.
Solid caustic soda	56,987	2,413.3	+	8	yes	U.S.
Tribasic sodium phosphate	2,352	129.3	—	10	no	U.S.
Sodium hexametaphosphate	1,443	164.7	+	10	no	U.S.
Sodium pyrophosphate	2,889	239.7	—	10	no	U.S.
Sodium sulphate, calcined	4,695	144.6	+	7	yes	U.S.
Sodium sulphite	2,829	154.5	+	3	yes	U.S.
Sodium phosphates, n.o.p.	29,852	2,828.3	—	12	yes	U.S.
Titanium oxide	9,464	2,327.0	+	7	yes	U.S.
Inorganic salts, n.o.p.	1,685	223.9	—	20	yes	U.S.
Citric acid	2,290	538.0	+	25	no	U.S.
Phthalic acid	1,342	195.4	+	40	yes	France
Organic acids or anhydrides	612	191.9	+	4	no	U.S.
Organic acids, solids, n.o.p.	352	147.4	+	30	no	U.S.
Methyl alcohol	6,926	317.6	+	7	yes	U.S.
Butyl alcohol or butanol	810	122.6	+	7	no	U.S.

the past five years—from U.S.\$104 million in 1955 to U.S.\$157 million in 1959. They now account for 15 per cent of all purchases abroad. For 1959 this total figure may be divided into the following principal groups (values in millions of U.S. dollars): chemical elements and compounds 57.0; fertilizers 14.4; curing, tanning and colouring materials 9.7; narcotics and drugs under special licence 13.7; drugs, medicines and pharmaceuticals 11.4; essential oils, perfumes, soaps and cleansers 4.8; explosives 1.4, and products not otherwise specified 44.6.

Although space will not permit a detailed analysis of all these

groups, Canadian chemical manufacturers may be interested in the accompanying table which shows the leading imports in 1959 under the heading "chemical elements and compounds". Also shown are the ad valorem rates of duty (as of June 1, 1960), information on import permits, the principal foreign supplier, and an indication (by + or —) of whether imports increased or decreased in relation to 1958.

It must be emphasized that the table covers only one group of imports and does not include the very large imports in the tanning, pharmaceutical and other groups. Because of their possible interest to Canadian exporters, however, the

following are 1959 figures for leading imports in the fertilizer group (in millions of U.S. dollars): chemical fertilizers of mineral origin 5.5, anhydrous ammonia (in tank cars) 3.5, chemical fertilizers of urea base 1.8, chemical fertilizers of ammonium phosphate base 1.2, and chemical fertilizers of calcium superphosphate base 0.8.

Worth Investigating

Canadian firms interested in selling chemical products in Mexico should bear in mind the following:

- The total Mexican chemicals market is expanding and imports have been increasing.

MEXICO'S LEADING CHEMICAL IMPORTS 1959

Principal Chemical Elements and Compounds

	Quantity '000 lb.	Value '000 U.S.\$	More (+) or less (—) than 1958	Ad valorem duty per cent	Import licence needed	Main supplier 1959
Polybasic alcohols	812	211.8	+	4	no	Canada
Ethylene glycol	1,109	159.5	+	12	yes	U.S.
Diethylene glycol	620	98.5	+	12	yes	U.S.
Glycols, n.o.p.	1,680	272.7	+	12	yes	U.S.
Butyl acetate	1,313	195.1	+	10	no	U.S.
Ethyl acetate or acetic ether	1,635	212.7	+	8	no	U.S.
Vinyl acetate, liquid (vinyl monomer)	4,699	760.5	+	7	no	U.S.
Ethers, n.o.p. (from phthalic acid)	3,861	897.7	+	6	yes	Germany
Ethers or esters, n.o.p.	3,557	951.6	+	8	yes	U.S.
Ethylene trichloride	972	96.5	+	7	no	Britain
Acetone	5,249	404.2	+	12	no	U.S.
Methyl-isobutyl-ketone	1,962	293.9	+	7	no	U.S.
Methyl-ethyl-ketone	1,212	168.0	+	7	no	U.S.
Sodium cyanide, white	2,259	366.9	—	5	no	Britain
Sodium cyanide, black	2,424	164.3	—	5	no	U.S.
Sodium glutamate	277	237.6	+	7	no	U.S.
Potassium xanthate	823	168.1	—	5	no	Germany
Sodium xanthate	480	97.2	+	5	no	U.S.
Organo-metallic salts, n.o.p.	1,441	617.2	+	20	no	U.S.
Vinyl benzene	7,520	961.4	—	4	yes	U.S.
Urea	22,869	1,208.6	+	4	yes	U.S.
Naphthol	282	113.9	—	5	no	Germany
Salts derived from cellulose	18,832	5,953.3	+	5	no	U.S.
Organic salts, n.o.p.	627	419.9	—	15	no	U.S.
Rennet extract	48	125.1	—	10	no	U.S.
Liver extract	26	134.5	+	7	no	Germany
Hormones, natural or synthetic	15	1,617.7	+	7	no	U.S.
Pyrodoxine hydrochloride (Vitamin B6)	2	87.2	+	3	no	U.S.
Vitamin A	59	308.9	+	3	no	U.S.
Vitamin B12	18	509.9	+	3	no	U.S.
Lactose or milk sugar	1,483	166.0	+	40	no	Netherlands
Benzene or benzol	4,992	254.6	+	5	yes	U.S.
Toluene or toluol (methylbenzene)	27,821	1,201.2	+	4	yes	U.S.
Xylol or xylene	4,567	229.9	—	4	yes	U.S.

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- Domestic production is growing and diversifying rapidly, especially in petrochemicals.

- Apart from the basic petrochemicals, which are being developed by the government-controlled PEMEX, many of the local producers are subsidiaries or affiliates of United States firms which, in turn, often have Canadian operations.

- Canadian companies that are selling to U.S. and European sub-

sidaries in Canada and to firms in the United States should investigate the Mexican market for similar products.

- Although a local agent may not be necessary when there are only one or two large customers, some form of representation should be considered when the product has a wider application.

- Even when no market exists for made-in-Canada products, Canadian

manufacturers should investigate the possibilities for process licensing and the sale of knowhow.

Canadian chemical manufacturers who wish to obtain further information on the Mexican market for their products should direct their inquiries to the Chemicals Division of the Department of Trade and Commerce in Ottawa, or to the Commercial Division of the Canadian Embassy in Mexico. ●

Ireland Expands Textile Industry

Diversity of textile products results from government grants and protection of domestic producers; sales to this market limited to low- and medium-quality goods of attractive design and some higher priced lines. Canadian goods benefit from duty preference.

G. SHERA, *Office of the Commercial Secretary, Dublin.*

IRELAND is establishing a textile industry capable of producing a wide variety of goods. It is estimated that there are between 15 and 20 factories now engaged in the combing, spinning, dyeing and processing of woollen and worsted yarns, cotton yarns, spun rayon and nylon yarns, for both the weaving and knitting industry.

Domestic Production

Many of these plants have been established in co-operation with the Government's drive to absorb the surplus labour force. Substantial government grants and import restrictions in the form of high protective tariffs and import quotas are being used to promote this industry. Most of the new plants are equipped with modern machinery but some of the older ones, principally those doing weaving, still use old methods and equipment.

This country is expected eventually to become self-sufficient in all types of textile piecegoods and yarns. Even now, practically all types of plain woven and plain dyed cotton, synthetic, woollen and worsted piecegoods are turned out. In addition, jute printed cotton, printed synthetic and bleached linen piecegoods; cotton, synthetic fibre, wool and worsted yarns; blankets, towels, rugs, and bedspreads, etc., are produced in substantial quantities. Coloured woven cotton, coloured woven rayon, jute, cotton, and woollen carpets and carpeting are made in more limited ranges.

Items Not Produced

The following list shows textiles either not produced or produced in insufficient quantities to meet local demand: cotton baby blankets, showerproofed cotton poplins, rubberized textile piecegoods, quilted

fabrics, printed tablecloths, printed bedspreads, certain embroidered fabrics, fancy woven cotton fabrics, jacquard woven rayons, synthetic fabrics containing fancy yarns, corduroys, velvets, umbrella cloth, bedford cord, piqués, pile fabrics, combined cloths, slipper cloth, lamé cloth or other metal yarn cloth, chenille cloth, bouclé cloth and holland blind cloth.

Custom Duties and Quotas

Certain woven piecegoods (not printed) are admitted only under quota. For the period December 1, 1959, to November 30, 1960, this quota has been set at 2,700,000 square yards and is the same as that for the previous twelve months.

For printed cotton piecegoods, a special import licence is issued on a three to one basis (i.e., three yards of imported material for each one

CHIEF TEXTILE RAW MATERIALS IMPORTED—1958

Imports	Principal Suppliers	Total	
		('000 £)	('000 £)
Synthetic fibres (staple length for spinning)	United Kingdom	143	188
	Canada	34	
Yarns of wool or hair-woollen hosiery	United Kingdom	44	49
Yarns of wool or hair-weaving	United Kingdom	377	383
Yarns of wool or hair-handknitting	United Kingdom	99	100
	United States	15	
Synthetic fibre (yarns and thread) nylon	United Kingdom	28	50
	United States	15	
Nylon (continuous filament)	United Kingdom	609	731
	France	43	
	Switzerland	42	
Rayon (continuous filament)	United Kingdom	351	443
	Netherlands	40	
	Sweden	20	
	Canada	2	
Cotton piecegoods, printed, etc.	United Kingdom	76	109
	Japan	23	
Bleached or dyed poplin	Japan	231	351
	United Kingdom	113	
Dress cloth	Japan	356	1,026
	United Kingdom	331	
	United States	142	
Furnishing and upholstery materials	United Kingdom	164	323
	Netherlands	29	
	Belgium	16	
Rayon dress materials	Japan	118	297
	United Kingdom	71	
	West Germany	38	

yard of local manufacture used), with a 10 per cent ad valorem duty levied on imports not of Canadian or United Kingdom manufacture. Without special licence, imports of printed cotton piecegoods are subject to an ad valorem import duty of 1/8d. per square yard, or 33½ per cent, whichever is greater, from Canada and the United Kingdom; all other countries pay 2/6d. per square yard, or 50 per cent, whichever is greater.

Furnishing fabrics may be imported under licence on the three to one basis with 10 per cent duty levied on all imports except those from Canada and the United Kingdom. Without special licence the duty is 33½ per cent ad valorem for Canada and the United Kingdom

and 50 per cent ad valorem for all other countries. Synthetic piecegoods and union piecegoods containing less than 60 per cent cotton pay the same import duties as printed cotton piecegoods.

Woollen, worsted and synthetic piecegoods, if exceeding 4½ oz. per square yard in weight and unprinted, are duty free but require an import licence.

Method of Sale

The bulk of textile imports are sold through resident commission agents who book orders on behalf of their principals. Goods are shipped directly to customers. In isolated cases, foreign mill representatives call on local purchasers but this method is not popular with

the trade. The commission paid varies with the particular line and is a matter of prior agreement between both parties. Quotations should be made in sterling, c.i.f. Irish ports, and should include delivery dates.

Sale Prospects

Because Canada has a duty preference, prospects for textile piecegoods are promising, provided attractive designs and good variety can be offered at competitive prices. Low to medium quality goods are most needed in this market. Better quality goods have a limited sale, although the demand is growing. There are also certain facilities available for the free import of wearing apparel if it is intended for further finishing or processing and subsequent re-export.

Help for the Business Traveller

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

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

How Japanese Trading Companies Operate

N. W. BOYD, *Assistant
Commercial Secretary, Tokyo.*

Our Tokyo office explains the unique rôle that export-import houses play in carrying on Japan's foreign trade, and why Canadian exporters should be aware of the services they offer.

THE rôle assumed by trading companies in the promotion of Japan's international trade is vitally important and probably unique. It is estimated that these companies handle over 80 per cent of the country's trade, both export and import. Because they buy or sell through these companies, Canadian exporters frequently have little direct contact with the end-users of their products or with the manufacturers whose goods they purchase.

There are literally hundreds of these trading companies, both large and small. Some specialize in handling a relatively restricted group of commodities, such as food-stuffs, textiles or metals. The large trading organizations, however, resemble general merchants who handle a diverse range of products; they maintain a worldwide network of agencies and branches. The top eleven trading companies in the 1959-60 fiscal year carried on domestic and international business valued at over \$30 billion, 30 per cent greater than in the previous year.

Postwar Changes

Before the war, both foreign trade and domestic commerce in Japan were controlled to a large extent by a number of "Zaibatsu", or family combines. Two of these Zaibatsu predominated; one of them handled 20 per cent of Japan's pre-war international trade and 40 per cent of her domestic business. The larger the trading company, the greater the range of products handled. Cotton, however, played a particularly important part in the development of these companies, especially in the Osaka area. The leading ones were financed to some extent from their own resources and had great influence in the business community.

When the war ended, about 42 Zaibatsu holding companies were

dissolved and in 1947 the two giants were completely liquidated. This decentralization enabled the smaller trading companies to strengthen and diversify their operations. Some of the so-called cotton traders in Osaka were particularly successful in this way and established trading connections with manufacturers in different sectors of the economy. At the same time, the shortage of foreign exchange encouraged barter transactions and exporters of textile goods were often obliged to import in exchange food-stuffs and machinery and other commodities.

Operations Diversified

Other factors favouring the diversification of the operations of trading companies since the war have been the change in the composition of exports and imports and the emphasis on new trading areas. Before the war, over half of Japan's exports consisted of textile goods. This has decreased to 30 per cent and exports of iron and steel products and machinery have increased correspondingly. Consequently, trading companies that were able to specialize in textiles before the war are now obliged to handle an ever-increasing variety of export products. The pattern of import trade has undergone a similar change; there is less emphasis on textile raw materials and more on machinery and mineral fuels.

The change in export markets and sources of supply has also been a factor in the postwar transformation of Japanese trading companies. Before the war China was Japan's best customer and an important source of raw materials for Japanese industry. The sharp postwar contraction of the China trade has forced Japanese companies to seek new markets and sources of supply, particularly in North America, and to broaden their trading interests.

In addition to building up their business by providing the customary services performed by most international trading companies with a worldwide network of branches and agencies, Japanese trading companies have developed to their present importance through their strong financial position in a capital-short nation. Before the war, they were able to undertake financing from their own resources. Because of losses during the war, they now depend more upon banking institutions for assistance. Nevertheless, with their substantial volume of sales, trading companies as a general rule have more financial power than most manufacturers. Indeed the banking institutions appear to be more inclined to give backing to trading companies and there has been some criticism of their "over-lending" to this section of the business community.

The traders are active in market research and design and provide advice on costs. Their personnel know foreign languages and customs, often through personal experience abroad. They are proficient in handling the documentary requirements of foreign trade.

Because of their strong distribution networks in both the domestic and overseas markets, trading firms act as central supply systems, purchasing from manufacturers and supplying the wholesalers. At the same time, a large proportion of the Japanese manufacturers' raw materials is received through the trading companies. The relationship between the customer and the trading company varies. In one case, 30 per cent of the total volume of transactions of one trading company results from business with related or affiliated manufacturers.

Concentration of Power

For some time there has been a trend toward a concentration of economic power reminiscent of pre-war Japan. The two trading companies of "Zaibatsu" extraction that were reorganized into several smaller establishments at the conclu-

sion of the war have regrouped. They are once again the two largest traders in Japan, although they have not regained their prewar importance in either relative or absolute terms. The former "textile traders" have continued to consolidate their interests in non-textile lines, mainly through group affiliations. These developments have been facilitated by the strong financial position of the trading companies and their investment policies and credit extensions. To illustrate the progress that has been made, investments and loans by the top eleven Japanese trading companies, which stood at \$40 million in September 1956, totalled \$120 million in March 1960. The most common form of company affiliation has been the acquisition of control through purchase or exchange of stock. Sometimes the manufacturer has taken the initiative to strengthen his distribution system. The development of group affiliations has not been confined to a relationship between a trading company and manufacturers. Because of the growing dependence on banking institutions for financial help, the ties between specific trading firms and individual banks have become increasingly apparent. The trading company may be the largest individual borrower from the affiliated bank.

The recent move toward liberalization of trade and exchange by Japan is providing an impetus to this strengthening of affiliations by the Japanese trading companies. The traders who are likely to derive the most benefit from liberalization of trade and exchange are those with sound and adequate financing, strong distribution networks both at home and abroad, and (perhaps above all) a well-balanced business in terms of domestic and foreign transactions and the capacity to handle a wide variety of goods.

Canadian exporters who would like more information about trading companies and suggestions on how to approach them should write to the Commercial Counsellor at the Canadian Embassy in Tokyo. ●

Brazil Exports Carnauba Wax

VEGETABLE waxes are one of Brazil's natural riches and an important continuing, although declining, source of foreign exchange. Carnauba wax, by far the most important of these, is a significant factor in the economies of the states of Piauí, Ceará and Rio Grande do Norte, the semi-arid region in the northeast where the carnauba palm abounds.

The carnauba palm takes from eight to ten years to reach the productive stage, and thereafter gives two yields a year. At maturity each tree provides an average of approximately 200 grams of wax a year. It takes 5,000 trees to produce one ton of wax. This low yield, combined with the long period from planting to maturity, discourages any large capital investment in systematic cultivation. The wax accumulates on the leaves of the palm and is extracted by a process in which the leaves are dried and then beaten. The wax shakes off as a powder. This rudimentary method results in a loss of approximately 60 per cent of the palm's total yield, it is estimated. Carnauba wax is used mainly in the manufacture of candles, polishes, coloured waxed paper, varnishes, phonograph records, electric cable linings and tailor's chalk.

The production and export of wax is essential if the present income level of the northeastern states of Brazil is to be maintained, but there has been a gradual trend toward lower output. Remuneration to the producer is small and in the last ten years, although the actual value of vegetable waxes has doubled, a drop in prices in comparison with cost-of-living indices has resulted in a reduction of 65 per cent per ton in returns to the domestic producer.

In 1959 Brazil exported 9,800 metric tons of carnauba wax valued at U.S.\$15.7 million, as compared with a yearly average of 11,500 metric tons valued at approximately U.S.\$18 million over the past twenty years. The principal markets for this commodity are the United States, which purchases about 70 per cent of total exports, followed by Germany, France, the U.K. and the Netherlands.

I. W. F. GRAHAM,
*Office of the Commercial Counsellor,
Rio de Janeiro.*

Egypt Plans Industrial Expansion

Second Five Year Plan, begun last July, will see nearly £1,700 million invested, mainly in building up industry. Chances of Canadian participation in the mooted projects appear limited.

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

THE Second Five-Year Plan for the Egyptian Region of the United Arab Republic was inaugurated last July by Vice President Abdul Latif el Boghdady, the Minister of Planning.

This Second Plan is designed to meet many Egyptian needs of which the Government is extremely conscious. Its short-range objective is to assist in realizing the Government's goal of doubling national income in ten years. In 1959, this stood at an estimated E£1,300 million; by 1965, it is expected to reach E£1,800 million—a rise of 40 per cent. But because the population is expected to increase in the next five years from 25.4 to 28.4 million, per capita income will rise only 28 per cent—from E£50 to E£64.

In addition to raising income and providing new opportunities for employment—important in a country with serious under-employment and a population expanding by 600,000 every year—the implementation of the Plan should mean a net saving of E£151 million in foreign exchange. This will be achieved by boosting exports and by replacing imports with locally made products. Egypt will become the most industrialized Middle East country.

How Money Will Be Spent

The Second Five-Year Plan envisages a capital investment of E£1,697 million over the five years. How is this money to be used? The table below shows that the largest share will go to manufacturing, even when electricity, mining, petroleum, storage and transportation are excluded. In

second place comes agricultural development.

Industrial Development Stressed

The plan for industrial development comprises more than 370 projects calling for an investment of E£401 million and providing employment for 190,000 workers. The value of gross production will increase as a result of these projects by more than 50 per cent, to E£1,210 million.

● Food, drink and tobacco, currently the largest section, will have

70 new factories, to raise output by 30 per cent to E£640 million.

● The textile industry, based on high-quality Egyptian cotton, has a natural advantage. Some 78 projects are planned, to increase production by 55 per cent.

● Chemicals and medicines are slated to have the largest number of projects—90. Production in this field has increased from E£27 million to E£61 million in the last eight years, largely because of new nitrogen fertilizer plants, and the new plan calls for a doubling of production by 1965.

● The basic metal industry, led by the new iron and steel plant, will have the largest increase in value of production—from E£18.8 million to E£124.4 million.

● The engineering industries are to receive E£62 million of new in-

DISTRIBUTION OF INVESTMENT

	(millions of E£)
Irrigation, drainage, reclamation and the Aswan High Dam	392
Industry	401
Food, drink and tobacco	105.2
Chemicals, medicines	88.8
Textiles	47
Engineering	62
Metals	50
Electricity	139.5
Mining, including petroleum	28.2
Transport and storage	180.9
Railways	100
Roads	20
Internal navigation	6.7
Pipelines	3
Merchant marine	8
Ports and harbours	7.3
Air transport	4.5
Telephones and radio	21.7
Grain storage	6
Refrigeration storage	1
Petroleum storage	2.7
Other	55.9
Suez Canal	35
Housing	174.6
Public utilities	48.8
Public service (education, health, etc.)	111

LOANS AND CREDIT FACILITIES

	(millions of E£)
World Bank	20
U.S.S.R., for industrial purposes	61
U.S.S.R., for the two stages of the High Dam	130
West Germany	44
East Germany	7.5
Japan	10.5
Yugoslavia	3.5
Italy	16
Czechoslovakia	7
United States	
Development Loan Fund	5
Export-Import Bank	6.1
Loans in local currency, especially proceeds of sale of U.S. surplus agricultural products	30.5
Other countries	12

vestment to boost production by 20 per cent.

Financing the Plan

It is expected that most of the capital required can be raised locally without resorting to inflationary methods. However, foreign loans and credits will be needed to finance the foreign exchange cost. The expected sources of this foreign capital are listed in the table on page 16.

Of the E£355 million detailed in the table of credit facilities already made available to Egypt, E£242 million is so far uncommitted. Assuming a ratio for foreign to local currency of two to three, Egypt will need at least a further E£400 million in foreign exchange. Domestic exchange resources are expected to provide E£120 million and the remainder will have to come from new foreign credits.

Canadian Participation

What are the opportunities for Canadian firms to participate in the Second Five Year Industrial Plan? In the First Plan—which began in 1957 and was later shortened to three years—Canadian activity was confined to the supply of a few raw materials for existing industries—such as asbestos, rayon pulp, nylon tire fabric, cobalt and aluminum—and to consulting engineering services in the pulp and paper field. Although the authorities usually put the supply of complete projects and related needs out to international tender, countries who offer long-term credits and other favourable financial terms receive a preference.

In investment, the Government favours first its own public (i.e., state) capital; second, domestic private capital; third, foreign loans and credits by government and official institutions, and fourth, foreign private capital "so long as it wants to receive the benefits provided by the U.A.R.," to quote the Minister of Economy. In the light of this, opportunities for Canadian exporters to supply goods on cash or short-term credit appear limited. ●

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Paints and Varnishes

The Market in Indonesia

Little opportunity here for Canadians; paints not widely used and only two types may be imported.

M. B. BLACKWOOD, *Commercial Secretary, Djakarta.*

ONLY spray paints for motor vehicles and paint for ships' hulls may be imported into Indonesia. Import restrictions have been imposed on other kinds to protect the domestic industry and to save foreign exchange. Another factor limiting this market is that very few buildings are made of wood, mainly because of the tropical climate and

18,000 metric tons a year. All raw materials must be imported. The end product in most cases is of inferior quality but sells readily in this unsophisticated market.

Raw materials for paint manufacture as well as those types of paints which may be imported are subject to import licensing. The rate of duty on paints is 20 per cent and in

INDONESIA'S IMPORTS OF PAINTS

Country of Origin	1958		1959	
	(metric tons)	(rupiahs)	(metric tons)	(rupiahs)
Japan			105	607,545
United States	63	395,404	95	610,371
Netherlands	44	315,997		
United Kingdom	10	81,563	34	315,551
Communist China	21	75,161	31	116,994
West Germany	21	154,774	23	143,137
Australia			22	144,712
Switzerland	4	59,859		
Others	14	78,541	5	49,208
Total	177	1,161,299	315	1,987,518

Source: Bureau of Statistics, Djakarta

Note: For statistical purposes the rate of exchange in 1958 and 1959 was U.S.\$1.00=Rps.11.40.

the ravages of termites and other insects. Most of the larger houses, business and public buildings are built of brick and concrete, with an exterior finish of plaster which is whitewashed. Interior walls are plaster, usually decorated with a non-washable calcimine type of paint. Oil-based paints, enamels and varnishes are used only for exterior and interior trim.

Although there are some 30 paint factories in Indonesia, over 70 per cent of total production is accounted for by about six firms. The volume of paint produced is small in comparison with Indonesia's 85 million population—approximately

addition there is a 25 per cent import surcharge on the duty-paid value.

Indonesia's import restrictions apply equally to dollar countries and other currency areas. Price is the main factor which determines whether or not a licence will be granted. For brands of paint not already known in this market, samples must usually be submitted for testing purposes. Because the types which may be imported are extremely limited, Indonesia offers only a small market for paints, and export prospects for Canadian firms are not encouraging. ●

TRADE AND COMMERCE TO SPARK AN



EXPORT trade possibilities, promotion and problems—these were the subjects of discussion when businessmen and Trade Commissioners faced each other across a desk in Ottawa during the Export Trade Promotion Conference. For ten working days—from Monday, December 5, to Saturday, December 17—about 1,000 interviews a day took place in No. 1 Temporary Building, borrowed for the occasion. Altogether some 1,288 firms applied for interviews not with one Trade Commissioner alone but with an average of eight. Many companies sent more than one representative; one Toronto firm dispatched twelve. The majority came, naturally, from Ontario and Quebec, with the large number of industries, but some 4 per cent arrive from western Canada and 2.6 per cent from the Atlantic Provinces.

In what areas were these businessmen most interested? Actually, from Albania to Venezuela, there was scarcely any country in which they were *not* interested. First and second in order of preference were two in which the relaxing of import restrictions has widened sales opportunities—the United Kingdom and Australia. Then came one that is changing rapidly these days—Cuba. South Africa, Latin America, India, New Zealand, the West Indies, Europe, Ghana and Nigeria—the United States—Trade Commissioners from all these had their days filled, with up to 20 appointments each. Their colleagues were almost as busy.



(Top) Trade Commissioners from near and distant posts converged on Ottawa throughout the day (and the evening) before the export conference began. This group from the Far East had just landed at Uplands Airport. Left to right: M. B. Blackwood, Indonesia; M. P. Carson, Singapore; C. M. Forsyth-Smith and D. J. McEachran, both of Hong Kong, and E. H. Maguire, Singapore.

James A. Roberts, Deputy Minister, giving the opening speech, called the 100 or more Trade Commissioners present "Canada's first-line offensive team in winning markets abroad". On the left of the picture is B. C. Butler, Minister (Commercial) in London, who later spoke on behalf of his colleagues, and on the right H. Leslie Brown, Assistant Deputy Minister (external trade promotion) and director of the T. C. Service.

(Right) Before the dinner given by the Hon. George Hees, Minister of Trade and Commerce, for businessmen, Trade Commissioners, and senior Department officials, Mr. Hees (right) and Prime Minister Diefenbaker, guest of honour and speaker, chatted with J. A. Ronson, London, and Stephen Shiner, Ajax.



MEETS BUSINESSMEN EXPORT DRIVE

One businessman emerged from his first three interviews to report that he already could see \$10,000 worth of new business as a result. Another was on his way to solving a labelling problem that had impeded his sales to the United States. A third who had never exported before was able to pinpoint the countries in which he could launch a sales campaign with the greatest hope of success. Some 20 per cent of the visitors were new exporters, keen to get started in the field.

Originally the conference attracted the attention mainly of export managers. But as news of it spread and the idea caught fire, more and more presidents, vice-presidents and general sales managers joined in the trek to Ottawa. The result: a new awareness among business management in Canada of the importance of export trade.

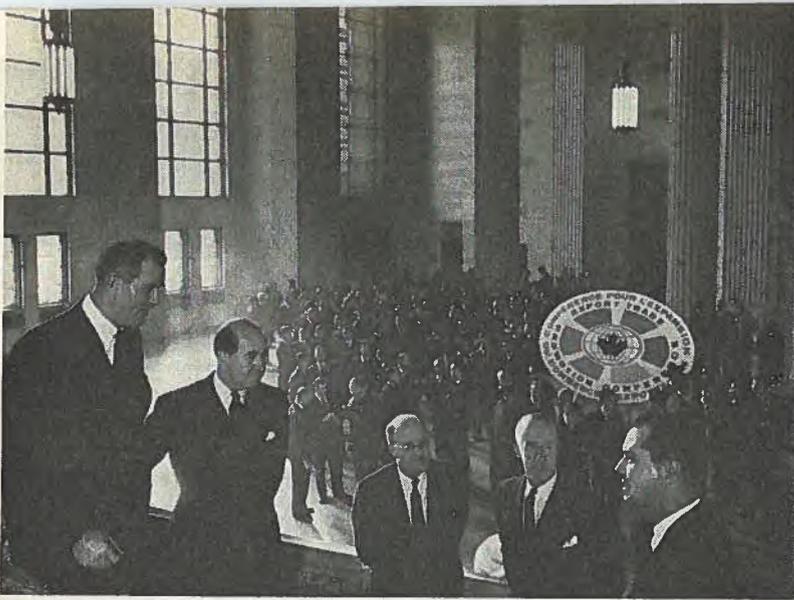
Before the businessmen arrived and while a staff of forty Trade and Commerce employees were working three shifts a day to complete arrangements, the 111 Trade Commissioners called to Ottawa from their posts abroad held private sessions with the Minister and senior officers of the Department. Together they devoted four days to reviewing trade programs, policies and practices, and to exchanging ideas on the more efficient carrying-out of their challenging assignment of increasing Canada's export trade in a competitive world.



(Top) D. G. Joss (left), vice-president and general manager, Black Diamond Cheese, and A. C. Carlaw, director and general sales manager, Dominion Oilcloth & Linoleum, were the first two businessmen to arrive for interviews with the Trade Commissioners. They received an exuberant greeting from Trade Minister Hees at the entrance to conference headquarters.

Grouping of Trade Commissioners by geographical areas, plans of the building, and effective signs helped visitors to find their way speedily from one interview to another. Here Mr. Hees explains the system to H. J. Adelman (centre), general sales manager, and E. S. Lindo, assistant to the vice-president, of the Reliable Toy Company, Ltd., of Toronto.

(Left) Over 1,000 interviews a day between Trade Commissioners and businessmen took place in the well-worn surroundings of No. 1 Building. Here D. J. McEachran, assistant trade commissioner in Hong Kong, talks with S. J. Randall (centre), president and managing director, General Steel Wares, Toronto, and with Gage Campbell of the same firm.



EXPORT TRADE PROMOTION CONFERENCE

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(Top left) The Trade and Commerce "high command" photographed in the foyer of the Supreme Court Building. (Left to right) Hon. George Hees, Minister; James A. Roberts, Deputy Minister; H. Leslie Brown, Denis Harvey and B. G. Barrow, Assistant Deputy Ministers. Absent is J. H. Warren, Assistant Deputy, on duty at the GATT Conference in Geneva.

(Centre) During a conference break, Deputy Minister Roberts (left) and T. R. G. Fletcher, who becomes Acting Director of the Trade Commissioner Service on January 1, exchange views with two Trade Commissioners—L. D. Burke, serving in Sydney, Australia, and Harry J. Horne, in Chicago.

(Bottom left) Theo J. Monty, Commercial Counsellor in Lisbon, is interviewed by reporters during the conference on market for Canadian products in Portugal.

(Top right) Businessmen flocked to the conference from every part of Canada. Here John H. Haylock, (left) president and managing director of Atlantic Traders Limited, Halifax, greets R. H. Edgett, assistant sales manager, Seaboard Lumber Sales Co. Ltd., Vancouver.

Any Jewellery for Export?

Here's how to capitalize on changing British tastes in costume jewellery.

S. G. HARRIS, *Assistant Commercial Secretary, London.*

IN the increasingly affluent British society, the jewellery trade is a fast-moving, expanding business. The traditional conservative British designs, though still popular, are slowly giving way to newer, more North American fashions. This, plus the removal of dollar import restrictions, is making for a brisk transatlantic trade.

This trend was evident at the recent *Sixth International Watch and Jewellery Fair* which took place at Olympia in September. It was the first time the fair had been held since the liberalization of import licensing restrictions on November 9, 1959, and it was well attended by interested members of the trade. Although the fair was international, foreign firms were represented largely through their English agents and distributors.

Interest in Costume Jewellery

Swiss and German watches and clocks and their English counterparts were shown in large exhibits, together with much expensive gold jewellery and silver flatware and tableware. Of more interest to Canadians, however, were the cheaper costume-jewellery lines. The new vogue in expensive jewellery (pearls and coloured stones set in gold mounts, with a slightly Victorian flavour) was reflected in the cheaper lines—rolled gold and gilt brooches and bracelets. Agents for U.S. and Canadian firms reported that their costume jewellery was selling well and that their quality and prices—plus the smart styling in brooches, necklaces and bracelets

—made them competitive with British and European offerings.

Tariff Advantage for Canada

Other interesting items of North American manufacture were metal cufflinks of the familiar one-piece, swivel-ended variety so common with us but relatively novel in the United Kingdom. Although German and Austrian firms presented similar styles, agents reported that North American cufflinks were very popular. Many of these originated in the United States, but metal bracelets, necklaces and cufflinks of almost identical designs are also made in Canada and Canadian producers might well try to win a larger share of this lucrative market. It is important to note that Canadian goods enjoy a 25 per cent tariff advantage over similar non-Commonwealth products.

The marketing channels in costume jewellery in the United Kingdom are well organized, with manufacturers and importing agents selling in large quantities to wholesalers, who in turn approach the retail trade. Through their salesmen, the wholesalers parcel out large orders in small quantities to individual shops. The exceptionally few manufacturers with their own branded lines maintain salesmen selling direct to the retail trade, and a few chain and department stores buy direct from the wholesalers or importers. The bulk of business, however, is channelled through wholesalers centered principally in London and Birmingham.

British wholesalers normally take a 33½ per cent commission but this may be as low as 20 to 25 per cent on popular fast-moving lines. There is also a government purchase tax of 25 per cent on the wholesale price and the retailer may be expected to mark up this price by anywhere from 75 to 100 per cent or more.

The Wholesalers Suggest . . .

The costume jewellery exhibitors at the Watch and Jewellery Fair were chiefly wholesalers, all of whom carried dozens of lines covering the whole range of costume jewellery. Some of the wholesalers who handled Canadian and U.S. lines complained that they were unable to obtain continuing supplies for repeat orders and that the importing distributors were not stocking goods but merely acting as commission agents while taking distributors' commissions. Several wholesalers commented that they would be much happier about handling North American lines if they could be assured of prompt deliveries from a British-based distributor, at reasonable prices. Fashions are very fickle, they explained, and public taste in jewellery not only changes from year to year, but from season to season and month to month. Delivery dates of six weeks and more can be ruinous to a dealer who is varying his merchandise continually to present new and interesting lines. They suggest that perhaps several Canadian firms could co-operate in setting up a

central showroom and distribution centre in the United Kingdom, which would overcome recent difficulties and offer prompt service to meet market demand. This suggestion some Canadian firms might like to consider more closely.

Fair at Blackpool

In February, a larger show, the *12th International Gifts and Fancy Goods Fair*, will be held in Black-

pool. This fair is said to be the biggest costume jewellery show in the world and already 1,200 exhibitors, many from overseas, have booked 300,000 square feet of space. This is a vertical fair covering everything in the gift and jewellery line and is expected to attract 30,000 buyers (the public is not admitted). It should give a clear indication of how well costume jewellery imports are progressing in

the expanding United Kingdom market. Anyone interested in this or the Watch and Jewellery Fair, or in making further inquiries into the United Kingdom market, should get in touch with the Minister (Commercial), Office of the High Commissioner for Canada, Canada House, London, S.W. 1, or the Commodities Branch, Department of Trade and Commerce, Ottawa. ●



Advertising Abroad

In Lebanon, cinema slides and filmlets are a valuable and popular medium and reach most income groups. Up-to-date agencies can handle campaigns of all the usual types.

C. O. R. ROUSSEAU, *Commercial Secretary, Beirut.*

THROUGH the centuries, from the Phoenicians to the present, the Lebanese have been known as traders without peer and naturally they have not overlooked the value of advertising. The growth of the Lebanese advertising industry has been accelerated by the fierce competition in this free but limited market. To sell in Lebanon, a foreign manufacturer must be prepared to meet competition from all over the world. He must use every means at his disposal to launch his product or to hold and better his position. He must therefore be prepared to employ advertising extensively.

All types of advertising facilities are available in Lebanon and the many local companies are equipped to give the advertiser the coverage he wants in all the usual media—newspapers, magazines, cinema, television, and outdoor advertising that includes posters, board signs, and even lumitext. The exception is radio: the network is government-owned and advertising is not allowed.

The Media

● *Newspapers*—A large number of newspapers are published in Lebanon. The majority are printed in

Arabic but there are also French, English and Armenian papers. The advertiser who decides to use this medium must be guided by an advertising agency. The agency knows the circulation of each newspaper and which ones are read by the income group to which he is directing his sales pitch. It is not the practice here for agencies to contract on a long-term basis for specific space in newspapers, although it has been done in some cases. The agency negotiates for space on behalf of the client as occasion demands. Most of the leading papers have eight pages and the average rate is 35 cents (U.S.) per centimeter column. There is one financial paper published biweekly, and it carries rather selective advertising.

● *Magazines*—A few good magazines are printed in Arabic, French and English. The average rate for advertising in these is about 35 to

40 cents per centimeter column; a full page, black and white, costs \$58 to \$60, and a full page, four-colour, \$120.

● *Cinema*—Cinema advertising is very popular with the Lebanese. Slides are used extensively but short filmlets of 20 to 22 feet, which have the great advantage of animation, are becoming common. The screening time for a filmlet is twice that of a slide, which takes seven seconds. Unlike North American theatres where showings are continuous, Lebanese cinemas have three showings daily, at three, six and nine o'clock. Filmlets are usually shown with the news and slides are projected during the intermission.

Cinema advertising has become so popular that the advertising agencies have made a complete study of its use and of the rates prevailing in the different regions of the country. These rates vary with the region and the frequency of projection and it is therefore difficult to give representative cost figures.

Slides can be produced in Lebanon but local production of filmlets is poor and agents import them from abroad. If necessary, a short trailer giving the name of the local agent is added. All slides and films must be translated into Arabic or at least carry Arabic subtitles.

Any advertiser preparing a campaign in Lebanon should include this valuable medium and should discuss with his agency the percentage of his budget to be allotted to cinema advertising.

● *Television*—Towards the end of the summer of 1959, television broadcasting began in Lebanon. At present only one station is operating and its programs last from seven to ten p.m. It broadcasts on two channels, one in Arabic and one in French and English. It is estimated that about 150,000 people watch television every night. By the end of 1960 another TV station will be in operation. It will have a tie-up with one of the largest United States

broadcasting companies and it is expected that the competition it will provide will raise the standard of broadcasting.

Until now, all advertising on television has been handled exclusively by one advertising agency that deals only with this medium. The average cost of a one-minute advertisement on TV is approximately \$60. Sponsored programs are also used effectively.

● *Outdoor advertising*—This type of advertising is used extensively in the commercial center of Beirut but so far the countryside has not been marred by large billboards as in North America. All types of outdoor signs are used: board signs, neon signs, plexiglas, etc. Beirut prides itself on having a lumitext which at night continually flashes the news and spot advertising to the milling crowds in the Place des Canons, the city's main square. A few of the larger local advertising agencies are equipped to design and produce outdoor signs; they also rent the sites and then offer them to their clients.

Advertising Agencies

There are many agencies operating in Lebanon, but only a few can offer the range of services that a comprehensive campaign requires. Some of the smaller companies could be regarded as space brokers; others specialize in one type of advertising, such as streetcar cards. Four agencies, however, are equipped to offer the advertiser coverage in all media—newspapers, magazines, cinema, television, outdoor and direct mail—as well as market research services. These companies are able to design advertising to suit local tastes, or to translate and adapt foreign material to fit the local market. The larger agencies have correspondents abroad and in some cases have subsidiaries or representatives in many of the other Arab countries. Their charges are in line with accepted practice in North America and are usually 15 per cent.

The Lebanese advertising fraternity has formed an association, the Publicity and Advertising Agents Association, which was sanctioned by a government decree on October 13, 1959. The stated purpose of the association is to organize the Lebanese advertising business in order to safeguard the interests of all concerned—the advertiser, the advertising agency, and the media.

The advertising industry in Lebanon is adequately equipped to look after the needs of advertisers interested in this market and through affiliates can render services in all the countries covered by the Beirut office. Canadian companies exporting or wishing to export to this market should seriously consider advertising as part of their merchandising program. Foreign and local products are advertised widely here and a Canadian producer who wishes to compete must keep his name in the public eye.

Canadian Goods Go to Fête

AN International Fête in London provided proof of the number and variety of Canadian products that have returned to the United Kingdom market, most after an absence of 20 years. The one-day Fête is held every two years to aid the Save the Children Fund of London, and this year 40 countries took stalls and stocked them with their products and foodstuffs. The Canadian booth, organized by the Canadian Women's Club of London, received many donations from British firms that handle Canadian goods and from their Canadian principals. These Canadian products, once more appearing in British shops, included camping and picnic equipment; toys, dolls, plush animals; women's shoes, men's slippers; fountain pens; hand tools; rubber boots; whisky, beer (including bottled), soft drinks; pickles and relishes; drapery material; canned fish, salmon and lobster paste; nuts; canned vegetable and fruit juices, and towel sets. The Fête earned a substantial sum for the Fund.



Commodity Notes

Aluminum

BRAZIL—Aluminum production in Minas Gerais is expected to reach 130,000 tons a year by 1965, well above the official production target of 42,000 tons. Current output is only about 16,000 tons a year.

Estamparia Caravelas of Mogi-das-Cruzes, State of São Paulo, will invest some Cr.\$200 million to expand production of aluminum sheet, machinery and accessories for paper factories, and metallic tubes. The plant expects to achieve a daily output of 50 tons of aluminum products by early 1961—São Paulo.

Automotive Shock Absorbers

INDIA—Construction has started at Mulund on a new plant to manufacture automotive shock absorbers, with production slated to begin early in 1961. Initial capacity will be more than 120,000 shock absorbers a year. This is a joint venture with a U.S. company and is typical of one type of foreign investment that has been coming to India increasingly—Bombay.

Briquettes

IRELAND—A new Board na Mona briquette factory has just been opened in Co. Offaly, with a rated output of 100,000 long tons a year. The growing use of this type of fuel is making rapid strides. The uniformity of the product now results in its use in the raising of steam at an economic figure—Dublin.

Fertilizers

BRAZIL—In 1959 Brazil's imports of chemical fertilizers totalled 286,777 tons valued at U.S.\$15.5 million. This is considerably lower than in 1958 when imports totalled 426,000 tons valued at U.S.\$25.7 million. Leading suppliers were West Germany (calcium nitrate, ammonium sulphate, urea), and the United States (potassium sulphate, potassium chloride, and calcium superphosphates). Other purchases were made from Belgium, East Germany, Chile, Italy, Switzerland and Austria—Rio de Janeiro.

INDIA—Construction will begin soon on a 40,000-ton-a-year superphosphate fertilizer factory in Madras State, to cost about Can.\$1.28 million. A new company,

Premier Fertilizers Limited, has been formed for this purpose. West German firms are collaborating and will supply machinery, set up the factory and train personnel. The plant will operate on imported sulphur and phosphate rock. There are now 15 factories in India producing superphosphate fertilizers, with a combined capacity of 344,000 metric tons a year—New Delhi.

Graphite Electrodes

SOUTH AFRICA—African Metals Corporation and an overseas company recently signed an agreement to co-operate in the production of graphite electrodes in South Africa. The Union at present imports 2,600 tons of these electrodes each year, ranging in diameter from 4 to 18 inches—Johannesburg.

Gypsum

UNITED STATES—It was announced recently that the Province of Newfoundland and the Flintkote Company have reached an understanding which provides for the acquisition of huge gypsum reserves by the company. Under its terms, Flintkote would have immediate access to some 40 square miles of Newfoundland's gypsum-producing properties at Flat Bay and subsequently to an area of nearly 3,000 square miles. Flintkote intends to supply gypsum and gypsum products to the domestic United States market as well as parts of Canada—New Orleans.

Hides

VENEZUELA—The Ministry of Development will authorize the import of 400,000 hides in one year to fill the requirements of the leather industry—Caracas.

Honey

UNITED STATES—The United States' 1960 honey crop is 6 per cent above the annual production figure for the last six years. It is estimated at 247,523,000 pounds, 2 per cent more than in 1959. The ten leading honey-producing states this year, in order of production, were Minnesota, California, Florida, Wisconsin, New York, Texas, Indiana, Michigan, Ohio and Iowa.

They account for 59 per cent of the nation's honey—Detroit.

Liquor

GHANA—A £400,000 distillery, financed by the Ghana Industrial Development Corporation at Accra, Ghana, came into operation late in 1960. At present imported neutral spirit and local trade spirit are being used to produce gin, schnapps, brandy, whisky and vodka, but the ultimate aim is to use neutral spirit produced from indigenous raw materials, such as sugarcane, maize and millet. A total of 2.4 million bottles of spirit a year, as well as 100 gallons of alcohol a day produced from local trade spirit by means of a small rectifying still, is anticipated—Accra.

Lumber

UNITED STATES—A commission lumber sales organization in Chicago has arranged with a large trucking firm to haul lumber to Chicago from a number of cities in Alberta and British Columbia. The lumber will be loaded in unitized packages and delivered on a drop-ship basis to lumber yards that do not have rail sidings. Although the rate is slightly higher than that charged by the railways, service is often more convenient. Minimum shipments are 30,000 pounds and deliveries are made only to yards in the area served by the trucking firm, since it is a contract carrier—Chicago.

Mercury

ITALY—Exports of Italian mercury during the first six months of 1960 rose appreciably compared with the same period of the previous year. In the current year, exports reached 816.7 tons with a value of about \$4.5 million, compared with 412.5 tons valued at \$2.4 million for the same period last year—Rome.

Metal Plates and Laminates

BRAZIL—In 1959 Brazilian imports of metal plates and laminates totalled 134,230 tons, worth U.S.\$29.1 million, compared with 70,197 tons worth U.S.\$18.8 million in 1958. Imports of steel and iron plates—28,000 tons in 1958—increased to 70,000 tons in 1959, or 150 per cent. Leading suppliers were the United States 26,381 tons, West Germany 10,373, and Norway 8,906—Rio de Janeiro.

Paper

SWEDEN—Fiskeby AB, near Norrköping, has recently embarked on the largest single investment ever made in the Swedish paper industry. The \$31 million project, scheduled for completion in 1962, includes the building of a new sulphate mill and the installation of two paper machines, one of which will be Europe's biggest sack-

paper machine with an output of 65,000 tons a year. After the extension, Fiskeby will have an annual capacity of 200,000 tons of paper and board. The new sulphate mill alone will produce 70,000 tons a year—Stockholm.

Pinewood

BRAZIL—Some 790,000 cubic meters of pine lumber were released for export in 1959 by the Ministry of Agriculture's Rural Economic Service. Exports of this commodity have declined lately because rapid industrialization has increased domestic consumption. The largest importer of Brazilian pine is Argentina, which takes over half of total exports, followed by the United Kingdom which bought 24 per cent in 1959—São Paulo.

Radio Transmitters

INDIA—India's government-owned Bharat Electronics Ltd., Bangalore, will undertake manufacture of medium-wave radio transmitters under an agreement signed recently with Nippon Electric Company. Initially, the Japanese firm will supply 30 transmitters from its own plant but thereafter sets are to be made on a progressive basis. This procedure of linking overseas purchases with schemes for progressive manufacture in India is becoming increasingly common. Bharat Electronics, a rapidly-growing enterprise, already has manufacturing agreements with Marconi and Pye of the United Kingdom and Philips of the Netherlands—New Delhi.

Tobacco, Cigarettes

NEW ZEALAND—Production of tobacco and cigarettes reached a record in 1959-60 with an increase over the previous year of 10.5 per cent, the Government Statistician reports. Output of cigarettes, at 2,653 million, was the highest on record. Production of 5.2 million pounds of prepared tobacco, although not a record, was 3.7 per cent above the previous year. Of the total leaf used, 4.5 million pounds or 38.7 per cent was grown in New Zealand.

Trade figures for 1959 show that only small imports of cigarettes and manufactured tobacco were made. In the previous five years imports of these commodities, particularly cigarettes, were at extremely high levels. Consumption of tobacco in all forms dropped from 4.91 to 4.71 pounds a head during the latest year—Wellington.

Tractors

VENEZUELA—Government officials estimate that the agrarian reform program will create a need for some 2,000 tractors a year in the five-year period beginning 1961. The Government is anxious that the tractors should be assembled in Venezuela—Caracas.



Trade and Tariff Regulations

Communist China

SHIPPING REGULATIONS—Canadian exporters who wish to sell to Communist China will be interested in the regulations on the dispatch of goods and other merchandise.

Service both by parcel post and letter packets is suspended. Regular postal service to Communist China is available for letters, printed matter, commercial papers and samples. Letters and samples must not contain dutiable articles.

The size of printed matter is limited to 3 feet for the combined length, breadth and depth, with the greatest dimension 2 feet. If in the form of a roll, the roll length and twice the diameter must not exceed 3 feet 3 inches, with the greatest dimension 2 feet 8 inches.

The maximum weight for packages containing printed matter is 6 pounds 9 ounces, except for sewn or bound books which may be mailed up to 11 pounds. For commercial papers the weight limit is 4 pounds 6 ounces and for samples 1 pound.

Shipments over the weight and size indicated above must go by express or freight.

Under the export control regulations of Canada administered by the Department of Trade and Commerce, the following goods may be forwarded freely to any country in the world, including Communist China, without an export permit, if they are of Canadian origin: advertising matter, except technical data; books, magazines and periodicals. Such commodities of United States origin may not be exported from Canada without permission.

The above supersedes a similar notice in *Foreign Trade* of November 19, 1960, page 33.

India

IMPORT CONTROLS—The Government of India's import trade control policy, announced for the licensing period October 1, 1960, to March 31, 1961, has been further clarified by a recent declaration of import policy for twelve additional items as follows:

Import quotas

Surgical instruments, apparatus and appliances

No change in import quotas but the concession of supplementary licence granted last licensing period withdrawn

Machine tools	Reduced from 30 to 20 per cent
Watches	Reduced from 10 to 5 per cent
Photographic negatives and printing paper	Reduced from 33½ to 25 per cent
Printing paper	Reduced from 12½ to 7½ per cent
Packing and wrapping paper	Reduced from 7½ to 5 per cent
Filter paper	No change as compared with April-September 1960 quota
Paper, not otherwise specified	No change but the additional licence which was granted last licensing period has been withdrawn
Giant motor, motorcycle, and bicycle tires and tubes and flaps and solid tires	No change but licences will not be valid for import of bicycle tires and tubes
Diamonds unset and imported uncut, excluding bort and industrial diamonds	No import quota
Card clothing and card accessories	No change
Wheeled and crawler tractors up to and including 50 draw-bar horsepower	No import quota

Italy

DOLLAR LIBERALIZATION EXTENDED—According to the Commercial Counsellor for Canada, Rome, the Government of Italy has announced a further removal of import restrictions on commodities from dollar countries, effective December 14, 1960.

The new liberalization measures cover a range of items of interest to Canada in the agricultural, chemical, textile, ferrous and non-ferrous metals and machinery, and electrical goods fields.

A list of the commodities liberalized and other details pertaining to trading regulations on exporting to Italy are available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

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. Electric light galleries

2. Handles for picks, axes, spades, forks, hatchets, hammers, rakes and hoes
3. (a) Match splints
(b) fusees, vestas or wax matches or other patent lights used as such
4. Knitted outer clothing
5. Small brass nuts, nipples, coupling bushes and parts of electrical light fittings and fixtures
6. Pianos
7. Bleached pulp boards or printers' boards
8. Dog spikes, pickaxes, shovels, spades and agricultural hoes

Reduction in duty on:

1. Ferro-alloys

Rebate in duty on:

1. Brass strip for use in the manufacture of slide fasteners and stringers therefor
2. Chrome leather splits for the manufacture of industrial gloves
3. Composite oxide of chromium and zinc catalyst for use in the production of methanol
4. Certain types of striped blazer cloth for the manufacture of blazers for boys and girls
5. Certain components for the manufacture of brakes, clutches and steering equipment for motor vehicles

Refund of duty on:

1. Main and mizzen mast (of light alloy), rigging, special prestressed wire with fittings, terylene rope, sails, fittings; winches; blocks; anchor winch; anchors; anchor windlass; motor; propeller (self-adjusting); steering gears; dinghies (fibreglas and specially constructed to serve in lifeboats); life raft; diesel stove; navigation instruments; wireless equipment; direction finder; depth sounder; speedometers; radar reflector.

Venezuela

TARIFF AND TRADE RESTRICTIONS—The *Venezuelan Official Gazette*, No. 26,409 of November 17, 1960, published an announcement that, effective December 15, the tariff on springs of all classes will be as follows:

Tariff No.	Item	New Tariff
699-29-01	Metal springs of all classes	
699-29-01-1	For beds, mattresses and upholstery	
	(a) springs (filled) for aerated covers or cushions for car seats	Bs.6.00
	(b) unspecified	Bs.1.00
699-29-01-2	For wagons and locomotives	Bs. .10
699-29-01-3	For unspecified vehicles	Bs. .05
699-29-01-4	Unspecified springs	Bs. .05

The *Gazette* also announced that, effective December 15, 1960, all abrasives will be subject to import licensing—Caracas.

CHANGES IN IMPORT LICENSING—The Canadian Commercial Counsellor in Venezuela has reported a number of changes in Venezuelan import licensing regulations which are of interest to Canadian exporters. These are as follows:

DECEMBER 31, 1960

The import ratio for powdered milk has been reduced to four kilos for every one kilo purchased locally.

Iron and steel tubes and plywood have been made subject to import licence, but the necessity for maintaining plywood under import licence is to be reviewed every three months.

Licences for assembled automobiles have been restricted to 55 per cent of 1958 imports for the second half of 1960.

Importers of eggs are now required to purchase one locally produced egg for every ten eggs imported.

IMPORT MARKING REGULATIONS—The Canadian Commercial Counsellor in Venezuela reports that as of November 1, 1960, all packages or wrapped articles either produced in Venezuela or exported to Venezuela must have an indelible marking on the package showing the net weight or volume in metric units.

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

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

G. A. NEWMAN, Commercial Counsellor in New Delhi, India, will visit Calcutta from January 9-13.

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

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Montgomery and Mr. Wallace at Caracas, and Mr. Newman at New Delhi.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bisset Commercial Counsellor	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel:</i> 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Tel.:</i> BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MU4716
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle CANNBERRA	<i>Mail:</i> (City Address) <i>Cable:</i> DOMCAN <i>Tel.:</i> U-1304
Austria Bulgaria, Czechoslovakia, Hungary, Romania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 57-25-97
Belgium Luxembourg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 13.38.50
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Tel.:</i> 42-4140
Brazil	D. M. Holton Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> CANADIAN <i>Tel.:</i> 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Tel.:</i> 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	<i>Airmail:</i> Apartado Aereo 3562 <i>Surface Mail:</i> Apar- tado 1618 <i>Cable:</i> CANADIAN <i>Tel.:</i> 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	R. A. Bull Acting Trade Commissioner	C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	<i>Mail:</i> Boîte Postale 8341 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2706

Territory	Officer	City Address	Mail and Cables, Office Telephone
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Cuba	R. R. Parlour Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Tel.:</i> 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	<i>Mail:</i> Apartado 1393 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Tunisia, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary C. T. Charland Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 21971
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	<i>Mail:</i> P.O. Box 1639 <i>Cable:</i> CANADIAN <i>Tel.:</i> 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	<i>Airmail:</i> P.O. Box 400 <i>Surface Mail:</i> P.O. Box 444 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	<i>Mail:</i> P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 27743
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 35201

Territory	Officer	City Address	Mail and Cables, Office Telephone
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner G. P. Morin Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation 32 Anatole France TEHRAN	<i>Mail:</i> P.O. Box 1610 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 4-9291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 864-327
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Tokyo	<i>Mail:</i> Canadian Embassy <i>Cable:</i> CANADIAN <i>Tel.:</i> 408-2101/8
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	C. O. R. Rousseau Commercial Secretary W. B. Walton Assistant Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Tel:</i> 50955
Mexico	F. B. Clark Commercial Secretary W. M. Miner Assistant Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	<i>Mail:</i> Apartado 25364 <i>Cable:</i> CANADIAN <i>Tel.:</i> 25-15-60
Netherlands	J. C. Britton Commercial Counsellor G. E. Woollam Agricultural Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 61-41-11
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
Nigeria	H. W. Richardson Commercial Counsellor	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	<i>Mail:</i> P.O. Box 851 <i>Cable:</i> CANADIAN <i>Tel.:</i> 25262

Territory	Officer	City Address	Mail and Cables, Office Telephone
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	<i>Mail:</i> P.O. Box 1379—Vika <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
Pakistan Afghanistan	L. A. Campeau Commercial Counsellor J. B. McLaren Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 50322
Peru Bolivia	W. J. Jenkins Acting Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner R. M. Dawson Vice Consul and Assistant Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	<i>Mail:</i> P.O. Box 2133 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 74260
South Africa (Natal, Orange Free State, Transvaal) Malagash, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mutual Building 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	<i>Mail:</i> P.O. Box 715 <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel:</i> 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 47-54-00
Sweden Finland	J. M. T. Thomas Acting Commercial Secretary	Canadian Embassy Strandvagen, 7-C STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
Switzerland	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-81
Union of Soviet Socialist Republics	W. Van Vliet Commercial Counsellor	Canadian Embassy 23 Starokonyushenny Pereulok MOSCOW	<i>Mail:</i> (City Address) <i>Cable:</i> CANAD <i>Tel.:</i> 415142
United Arab Republic Egyptian Region Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone
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United Kingdom	B. C. Butler Minister (Commercial)	Office of the High Commissioner for Canada One Grosvenor Square LONDON, W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Mayfair 9492	
	S. G. Tregaskes Commercial Counsellor			
	W. Gibson-Smith Commercial Counsellor			
	D. B. Laughton Agricultural Secretary			
	E. J. White Commercial Secretary (Timber)			<i>Cable:</i> TIMCOM
	W. A. Stewart Assistant Agricultural Secretary			
	Geo. Hazen Assistant Commercial Secretary			
S. G. Harris Assistant Commercial Secretary				
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625	
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner	Cornhill House 144 West George St. GLASGOW C.2	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Tel.:</i> Douglas 6751	
	E. J. Ward Assistant Trade Commissioner (Timber)			
United Kingdom (Northern Ireland)	W. R. Van Canadian Government Trade Commissioner	36 Victoria Square BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867	
United States Delaware, Maryland, Virginia, West Virginia	M. Schwarzmann Minister-Counsellor (Economic)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011	
	D. A. B. Marshall Agricultural Counsellor			
	T. M. Burns Commercial Counsellor			
	J. D. Blackwood Assistant Commercial Secretary			
	J. MacNaught Assistant Agricultural Secretary			
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011	
United States (Connecticut, New Jersey, New York, Pennsylvania), Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Tel.:</i> JUdson 6-2400	
	A. A. Caron Consul and Trade Commissioner			
	R. D. Sirrs Vice Consul and Assistant Trade Commissioner			
	F. I. Wood Vice Consul and Assistant Trade Commissioner			

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner L. D. R. Dyke Vice-Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston Street BOSTON 16	<i>Mail:</i> (City Address) <i>Tel.:</i> CONgress 2-1245
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	H. J. Horne Consul and Trade Commissioner N. L. Currie Vice Consul and Assistant Trade Commissioner D. A. Hilton Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RANDolph 6-6033
United States (Michigan, Ohio)	M. J. Vechslar Consul and Trade Commissioner R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	<i>Mail:</i> (City Address) <i>Tel.:</i> WOODward 5-2811
United States California (the ten south- ern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Tel.:</i> MADison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner G. E. Blackstock Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> JACKson 5-2136
United States California (except the ten southern counties), Wyoming, Nevada (ex- cept Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Tel.:</i> SUTter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Tel.:</i> MUTual 2-3515
Uruguay Paraguay Falkland Islands	Blair Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Tel.:</i> 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	<i>Mail:</i> Apartado 11452-Este <i>Cable:</i> CANADIAN <i>Tel.:</i> 32.40.41.44
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Secretary R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	<i>Mail:</i> P.O. BOX 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
West Indies (Jamaica) Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner C. G. Bullis Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	<i>Mail:</i> P.O. BOX 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858

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 1.02138525.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 19	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01186	84.32	(1)
Austria	Schilling		.03764	26.57	
Australia	Pound		2.1983	.4549	
Bahamas	Pound		2.7479	.3639	
Belgium and Luxembourg	Franc		.01972	50.71	
Bermuda	Pound		2.7479	.3639	
Bolivia	Boliviano	Free	.00008569	11,669.97	
British Guiana	Dollar		.5725	1.75	
British Honduras	Dollar		.6870	1.45	
Brazil	Cruzeiro	General Category*	.004277	233.81	*Nov. 29 (2)
		Special Category	.001541	649.01	
		Official selling	.05171	19.34	(3)
Burma	Kyat		.2056	4.86	
Ceylon	Rupee		.2061	4.85	
Chile	Escudo	Free	.9307	1.07446	(4)
Colombia	Peso	Certificate	.1461	6.84	
Congo, Republic of	Franc		.01972	50.07	
Costa Rica	Colon	Official	.1744	5.73	
		Controlled free	.1435	6.79	
Cuba	Peso		.9791	1.02135	tax 2%
Czechoslovakia	Koruna		.1360	7.35	
Denmark	Krone		.1421	7.04	
Dominican Republic	Peso		.9791	1.02135	
Ecuador	Sucre	Official	.06527	15.32	
		Free	.05725	17.47	
Egyptian Region, United Arab Rep.	Pound	Official	2.8114	.3557	
		Export account selling	2.4200	.4132	
El Salvador	Colon		.3916	2.55	
Fiji	Pound		2.4756	.4039	
Finland	Markka		.003060	326.80	
France, Monaco, etc.	New Franc		.1996	5.01	(5)
Franco-African Community, etc.	Franc		.003992	250.50	(6)
French Pacific	Franc		.01098	91.07	(7)
Germany	D Mark		.2347	4.26	
Ghana	Pound		2.7479	.3639	
Greece	Drachma		.03263	30.65	
Guatemala	Quetzal		.9791	1.02135	
Haiti	Gourde		.1958	5.11	
Honduras	Lempira		.4895	2.04	
Hong Kong	Dollar	Free*	.1718	5.82	*Dec. 2
		Official	.1717	5.82	
Iceland	Krona	Official	.02576	38.82	(8)
India	Rupee		.2061	4.85	
Indonesia	Rupiah	Official	.02176	45.96	(8)
Iran	Rial		.01292	77.37	
Iraq	Dinar		2.7414	.3648	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 19	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7479	.3639	
Israel	Pound		.5439	1.84	
Italy	Lira		.001577	634.11	
Japan	Yen		.002720	367.65	
Lebanon	Pound	Free	.3075	3.25	
Mexico	Peso		.07833	12.77	
Morocco	Dirham		.2043	4.89	
Netherlands	Florin		.2597	3.85	
Netherlands Antilles	Florin		.5233	1.91	
New Zealand	Pound		2.7479	.3639	
Nicaragua	Cordoba	Effective buying	.1483	6.74	
		Official selling	.1389	7.20	
Nigeria	Pound		2.7479	.3639	
Norway	Krone		.1373	7.28	
Pakistan	Rupee		.2061	4.85	
Panama	Balboa		.9791	1.02135	
Paraguay	Guarani	Official	.007740	129.20	
Peru	Sol		.03655	27.36	
Philippines	Peso	Free	.3264	3.06	
		Official	.4895	2.04	
Portugal & Colonies	Escudo		.03417	29.26	(9)
Singapore and Malaya	Straits Dollar		.3206	3.12	
Spain and Dependencies	Peseta		.01632	61.28	
Sweden	Krona		.1894	5.28	
Switzerland	Franc		.2274	4.40	
Syrian Region, United Arab Rep.	Pound	Free	.2732	3.66	
Thailand	Baht	Free	.04631	21.59	(8)
Tunisia	Dinar		2.45	.4082	
Turkey	Lira		.1088	9.19	(8)
Union of South Africa	Pound		2.7479	.3639	
United Kingdom	Pound		2.7479	.3639	
United States	Dollar		.9790625	1.02138525	
Uruguay	Peso	Free	.0888	11.26	(10)
Venezuela	Bollivar		no quotation	no quotation	
West Indies Fed.	Dollar		.5725	1.75	(11)
	Pound		2.7479	.3639	(12)
Yugoslavia	Dinar	Official	.003263	306.47	(8)
		Settlement rate	.001549	645.51	

*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 and 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, Camerons, 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

ARGENTINA

Area: 1,080,000 square miles.

Population: 20.6 million.

Climate: ranges from subtropical in the north to temperate in the centre and cold-temperate in the south.

Language: Spanish, sales literature in Spanish essential.

Currency: peso; one peso equals Can.\$0.01181.

Weights and measures: metric system.

Capital: Buenos Aires, at sea-level.

Chief ports: on the Atlantic: Bahía Blanca, Quequen, Puerto Madryn, Comodoro Rivadavia, Puerto Deseado. River ports: Buenos Aires, Rosario, Zarate and Campana.

Marketing centres: Buenos Aires (population) 3,733,000, Rosario 511,577, Tucuman 258,103, Santa Fe 229,694, Bahía Blanca 110,000, Mendoza 109,385.

Economy: mainly agro-pastoral. Primary cereal and animal products account for about 90 per cent of annual exports.

Total Argentine imports: 1960 (9 months)—U.S.\$807.9 million; 1959—U.S.\$983.6 million.

Chief imports: first 9 months 1960 and 1959 (in per cent)—industrial raw materials 40.1, 59.9; fuels and lubricants 15.2, 16.1; machinery 23.6, 17.7; vehicles and parts 12.6, 8.5; foodstuffs 3.0, 2.3; sundries 5.5, 3.5.

Chief suppliers: United States, Brazil, Germany, United Kingdom, Venezuela, Italy.

Value of imports from Canada: 1960 (9 months)—Can.\$11,127,430; 1959—Can.\$7,088,757.

Chief imports from Canada: (in per cent) 1960 (6 months)—aluminum 25, newsprint 24, calculating machines 12, aircraft 8, various 31; 1959—aluminum 26, newsprint 25, asbestos fibre 8, poliomyelitis vaccine 6, various 35.

Total Argentine exports: 1960 (7 months)—U.S.\$719.9 million; 1959—U.S.\$1,008.9 million.

Chief exports: 1960 (7 months) (in per cent)—agricultural products 46, meat and animal byproducts 46, various 8; 1959—meat and animal byproducts 51, agricultural products 44, various 5.

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

Value of exports to Canada: 1960 (6 months)—Can.\$1,156,787; 1959—Can.\$3,432,563.

Chief Canadian purchases: (in per cent) 1960 (3 months)—wool 38, canned corned beef 20, rice 10, quebracho extract 9, various 23; 1959—canned corned beef 37, wool 20, quebracho extract 12, various 31.

Dollar exchange: free uncontrolled exchange market.

Prices: quote only in U.S. dollars, preferably c.i.f. but at least f.o.b. Atlantic ports.

Samples: can be imported free if of no commercial value, otherwise must pay all import charges.

Trade agreements: most-favoured-nation agreement with Canada; equal tariff treatment of imports from all countries,



except in respect of surcharges on a short list of items originating in contiguous countries and Peru, which are exempt.

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

Canadian banks: Royal Bank of Canada, Buenos Aires.

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

For detailed information on this market write to:
Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or
Commercial Counsellor
Canadian Embassy
Bartolome Mitre 478
Buenos Aires
Argentina

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