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CANADA

foreign trade

NORTH WEST AFRICA—A MARKET SURVEY (page two)

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cover These newly built apartment blocks in the city of Algiers represent an attack on the housing problem and demonstrate that progress is continuing, despite the rebellion. The leading article in this issue reports on progress and trade possibilities in Algeria, Morocco and Tunisia, a region that the author visited recently. See page two.

CANADA

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A market survey of Tunisia, Algeria, Morocco—three countries of North West Africa that are commanding increasing attention among world traders What are present possibilities for Canadian sales? Future prospects?

NORTH WEST AFRICA

W. G. BRETT, *Acting Commercial Secretary, Paris.*

NORTH WEST AFRICA has borne many names—Numidia, Carthage, Barbary, the Maghrib—and it has been famous for slaves, ostrich plumes, monkeys, pirates and ivory. But Canadian traders eyeing this corner of Africa today cannot think as a Scipio, a Barbarossa or even as a Masefield. They must look at the area in the light of its present political divisions: Tunisia, Algeria and Morocco. Each has special market characteristics that the businessman must take into account.

Tunisia

Tunisia, the old Carthage, is the easternmost of the three countries. An independent republic since 1956, it faces all the problems of a new nation. But, as any foreigner in Tunis will tell you, the problems are handled by one of the most efficient administrations in the Arab world.

The land, comprising some 48,200 square miles, supports about 3.8 million people, most of whom are engaged in agriculture. In addition, there is an iron ore and phosphate industry that provided exports valued at about $22 million in 1957. To date, Tunisia, in spite of active exploration, has not discovered significant deposits of petroleum or gas. However, a pipeline from the Algerian field of Edjeleh, close to the southwest border of Tunisia, is being built to the Mediterranean coast near Skhira, and a refinery, reportedly planned for 500,000 tons capacity, is on the drawing boards.

Other plans include an esparto grass plant to process this important export crop ($2.2 million in 1957), further phosphate enrichment, and development of a wide range of light industry ranging from sawmills to tire recapping. The Tunisian Government, though anxious to diversify the economy, does not forget that agriculture is basic. It recognizes the need for technical assistance, agricultural extension work, conservation and reforestation.

To the visitor, one of the obvious resources of the country is its attraction for the tourist. As an increasing number of prosperous Europeans press south in summer and winter to the Côte d'Azur, to Costa Brava and Dalmatia, the vanguard looks to the southern Mediterranean.

Ties with France

The Canadian export manager appraising this market must consider several special factors. Perhaps the most important of these is the country's relationship with France. As in any new country, much of the entrepreneurial skill remains in the hands of French residents and traditional commercial ties with France are strong. In 1958, 71 per cent of Tunisian imports came from France and 62 per cent of her exports were absorbed by France. A recent financial-commercial accord gives Tunisia, nominally within the franc zone, complete autonomy of access to a special account in the Bank of France. There are actually two accounts: one of U.S.$15 million for clearance of usual exchange transactions, and a sub-account of U.S. $3 million for clearance arising from special bilateral arrangements with the Soviet Union, Yugoslavia, Communist China, the United Arab Republic and Spain.

The Franco-Tunisian commercial accord permits several bread-and-butter Tunisian exports (wine,

grain, olive oil) to enter France advantageously at prices above those established by world supply and demand. In return, substantial tariff advantages, often outright exemption, are extended to a long list of French exports. Nevertheless, given competitive prices, there is a fair-sized list of products that can be imported from dollar-area suppliers. These include various chemicals, fertilizers and pharmaceutical products, as well as farm machinery, synthetic rubber, lumber, textiles, copper, nickel and aluminum.

At this time, in the full flood of change, Canadians may find some difficulty in establishing satisfactory contacts in Tunisia. There is a high current of national and Islamic feeling and a growing Moslem business community is developing. But the old connections, reinforced by the preferential access for French goods, continue and the agency selected by a Canadian firm will depend on the type of commodity involved. Tunis is very much the capital of this country and no decentralized distribution is required. Relying on the export of a relatively few bulk commodities, Tunisians are alive to balanced trade and a considerable sector of the market is taken up by bilateral arrangements. There are excellent banking facilities and sources of reliable credit information. In almost every instance French correspondence is adequate.

Business with Tunisia will not push any sales curve off the top edge of the chart, but many Canadian exporters would do well to examine how their product fits the growing needs of this tidy market.

Algeria

The overriding fact in Algeria today is the persistent rebellion of the FLN (the Front of National Liberation). This struggle colours all phases of Algerian life and naturally affects commerce and the rate of investment. The result, viewed from a purely commercial angle, has not been completely dampening, however. In an effort to hold Algeria, France has undertaken a great many measures to under-gird the economy. These vary from the grand sweep of the Constantine Plan for industrial development to the modest advances in village light industry, construction, education and health. In addition, there is the war-born flush of prosperity as hundreds of thousands of French troops spend their pay in Algerian shops.

In spite of the turmoil and the fear, the Chamber of Commerce of the Algiers area has totted up over 200 new capital commitments since the Constantine Plan was inaugurated. But this is not to claim that Algeria is rich. Vast in area, only 52 million acres in the northern tier of the country are arable. The population verges on 10 million; all but about one million are Moslems and many of these are involved in subsistence agriculture. But "Algiers the White" (bigger than any city in France except Paris), Oran, the substantial centres of Bône and Constantine, plus the relatively rich littoral and foothill areas —all are worth the attention of Canadian exporters.

Promise of the Sahara

Whatever the advances in North Algeria, they pale before the promise of the desert lands to the south. From the desolation of the Sahara, oil piped across 400 miles of desert and mountain has reached the Mediterranean at Bougie near Constantine. The main producing centres are Edjeleh—whose oil will reach the sea at the Tunisian port of Skhira—and Hassi Messaoud. Crude from the latter field has only to be scoured to make it fit to run the powerpacks on the drilling rigs and the diesels of the trucks that ply the one north-south road. At Hassi R'Mel to the west, great gas basins have been tapped from which gas will flow to Oran, perhaps to feed the petrochemical industry envisaged in the Constantine Plan. It may also power the steel and iron industries projected for the Constantine area.

Access to the Market

With the minor exception of goods of a warlike nature, the Algerian market presents the same opportunities as that of Metropolitan France. The mounting list of liberalized products culminating in the decree of December 24, 1959, (which left only some 325 tariff items under control) applies to Algeria as well. Import licences are obtainable from local authorities who also compile quota lists. Naturally there is a strong flow of trade with France and many traders in France maintain branches in Algeria. Financial connections are even more intimate. Nevertheless, geography and climate give the Algerian market a distinct character and automatic coverage by French agents of Canadian firms cannot be taken for granted.

Opportunities for Sales

The outstanding example is the trade in "fripperie" (used clothing). This is a trade that Canadian houses should investigate. There are some nine million Moslems in Algeria, very few of whom are in a comfortable income bracket. Most would prefer to wear the traditional burnoose, but it takes from five to seven sheepskins to provide the wool for this handsome garment and sheepskins to a man who eats meat four times a year are expensive. Hence the Algerian is thankful to ward off the bitter cold of the night by wearing any of an astonishing range of cast-off cottons and woollens. Fortunately the motley is in most instances covered by a loose, flowing cotton robe.

"Fripperie" aside, suppliers of other Canadian products should check their coverage of this area. If their French agent is not cultivating the market, they should try direct representation through an agent in Algeria. Interest shown lately in such widely disparate products as apples, washing machines,

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lumber and plastics could well extend to other lines. Shipping connections are now quite good; most skippers of some six lines that carry on a frequent if irregular service are generally willing to put in to Algiers with 50 tons destined for that port. The general rule (for consumer goods at any rate): if you can sell to Metropolitan France, you can certainly sell to Algeria.

Morocco

Morocco, the westernmost of these markets, is in many respects the most enigmatic and interesting. Fronting on both the Atlantic and the Mediterranean, it is about three times the size of Tunisia and has nearly three times the population (9.2 million). Like Tunisia, it faces the demanding problems of any young nation. Parallels between the two countries are striking. In general, however, the intrinsic wealth of Morocco has a broader base and many of its opportunities are closer to development. This is particularly true of the thriving phosphate industry which earns over $60 million a year. Like Tunisia, Morocco enjoys a special relationship with France, though this has not yet been channelled into a commercial-financial accord such as the Franco-Tunisian agreement. The nature of any forthcoming relationship must affect an appraisal of Morocco as a market.

At present, there is a resolute policy of self-denial that has, by reducing imports about 30 per cent, brought Moroccan trade to near balance at about $230 million (10 months 1959). Again we see widespread and tightly controlled bilateralism, which probably mirrors persistent concern over the heavy commercial dependence on France. Entry of dollar goods is strictly limited by quotas: U.S.$2.47 million for consumer goods and U.S.$4.71 million for capital goods and parts in the last half of 1959. Among the few products of interest to Canadians are asbestos, carbon black, pharmaceuticals and synthetic rubber.

In Morocco's drive to increase exports, production of high-quality canned sardines plays a major part. Our picture shows two Moroccan girls at work in a local cannery.

There is great concern in Morocco over industrial development and agricultural improvement. An oil refinery is to be built at Fedala, between Casablanca and Rabat, and extensive petroleum exploration is proceeding (as yet without results) in the southern areas. A determined multi-front effort to increase exports promises success, especially in the field of high-quality sardines. The recent devaluation of the currency (one dirham=Can.$0.19) has encouraged this campaign. As in Tunisia, one of the most promising money-earners is the tourist trade, particularly in this fascinating land of great contrasts and friendly, handsome people.

Although Rabat, the capital, is thus the administrative centre of Morocco, the undisputed commercial centre is Casablanca and it is here that the exporter's agent should be located. Tangier, always a special city, has been a sort of international financial centre and host to many companies of "convenience". With Moroccan independence in 1956, it retained its special character under royal charter but the agreed six-month notice of the charter's withdrawal was delivered in October 1959, and a great deal of its previous activity is disappearing. Freedom of import is already curtailed and free exchange ended in April. There is some compensation in proposals for a free port.

In this brief survey the reader will have noted that the three areas have much in common. In many sectors the economies are emerging from an almost primitive stage and young governments are exercising

stern control in an effort to achieve economic maturity. There are also common problems of agriculture and industrial development and of market concentration. But the countries are distinct markets with uneven rates of development in various sectors. Opportunities will no doubt appear in each at different times and separate business contacts must be made. And though paying the necessary attention to the evolution of each country may be demanding, in most cases the effort should prove rewarding. •

Who Will Buy Saharan Oil?

Oil from the Sahara flowed for the first time only four years ago. Reserves are incalculable; production problems are being met. The big question is where to sell capacity output.

W. G. BRETT, *Acting Commercial Secretary, Paris.*

UNTIL the Second World War, only the nomads, the Foreign Legion and a handful of venturesome geologists had penetrated the vastness of the Sahara. Since then great progress has been made. The first serious survey aimed at uncovering underground resources dates only from 1947 and the first tentative drilling started in 1952. In January 1956 a producing well was brought in at Edjeleh, near the Libyan border. In June 1956, Hassi Messaoud, the nomads' "Spring of Good Fortune", began to flow. Already a 24-inch pipeline stretches from Hassi Messaoud to the sea and another line from the Edjeleh field should reach the coast in October of this year. Now, in the early months of 1960, all is geared for production of eight to ten million tons a year, with an eventual potential of up to 50 million.

Structure of the Industry

The pilot group charged with long-range planning, co-ordination of research, and firsthand investigation to define prospect limits is the Bureau de Recherches de Pétrole, set up by the French Government in 1945. BRP's second function is to provide financial aid to existing or future research enterprises. Fostered by preliminary work of the BRP and spurred by the 1956 strike, interest in the Sahara expanded enormously. By 1958 there were some 40 companies of various types actively concerned with exploration. One, RAP (Régie Autonome des Pétroles), dating from 1959, is a state company and there is direct state or BRP interest in at least 19 others. This report is chiefly concerned with three of these entities:

- SN Repal (Société Nationale de Recherche et Exploitation des Pétroles en Algérie)—formed in 1946 by the Government of Algeria (50 per cent) and BRP (48.45 per cent). This group works the southern half of the Hassi Messaoud field and the gas basin at Hassi R'Mel.

- CFP (A) (Compagnie Française des Pétroles (Algérie))—a mixed group formed in 1953 sharing the Hassi Messaoud field with SN Repal.

- CREPS (Compagnie de Recherches et d'Exploitation de Pétrole au Sahara)—founded in 1953 by RAP and Royal Dutch Shell. This group produces in the eastern field whose focal point is Edjeleh.

Producing Areas

The Saraha is vast and many strikes have been made and many traces have appeared. Intensive research will doubtless define other producing areas but at present there are three main centres: Hassi Messaoud, Edjeleh and Hassi R'Mel. The latter is essentially a gas-producing area but the other two and their satellite strikes have much in common.

Hassi Messaoud—This field, about 700 kilometers south of the Algerian port of Bougie, is the best known. As defined at present, it covers approximately 16,000 square kilometers with reserves of about 450 million metric tons. Recovery is from a depth of about 3,300 meters. The oil is sulphur-free, extremely light (40° A.P.I.) and coloured, as the French say, "comme un vieux cognac". There are about 50 producing points but the natural rate of flow per well is quite low. Reinjection of the gas that is now burnt off might increase the flow from 30 to 50 per cent. Because of hard lower strata, the drilling rate is quite low. There has been a subsidiary strike of undetermined importance at El Gassi, some 80 kilometers to the south, and another gas strike some 150 kilometers to the southwest.

The field is developed by two societies, SN Repal and CFPA. A

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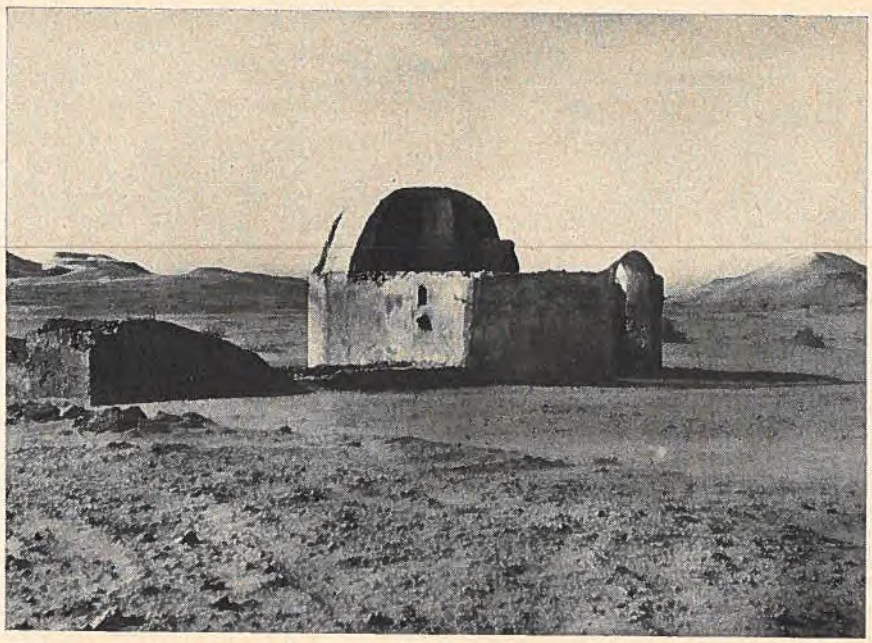
24-inch pipeline reached Bougie on the Mediterranean in December 1959.

Edjeleh—The Edjeleh strike, on the Libyan border, is considerably farther south and east—about 1,120 kilometers from Bougie but only 760 kilometers from its outlet port, Skhira, on Tunisia's east coast. The pipeline should be completed by October 1960. A crude, somewhat heavier but with much the same character as that of Hassi Messaoud, has been found at various levels between 1,300-2,600 feet and a damp gas between 400 and 1,400 meters. In this general area, some 12 promising formations have been outlined. These make difficult a precise calculation of total reserves but a figure of 200 million tons has been advanced. It is believed that the area will require some 200 wells for full output. The Tiguentourine sector will enter production later and the flow calculated for 1961 is between 7 and 8 million metric tons. This field, the first proof positive of economic resources in the Sahara, was discovered and is worked by CREPS.

Hassi R'Mel—This gas basin, roughly measured at 80 x 40 kilometers and located about 500 kilometers directly south of Algiers, contains about 2,000 billion cubic metres of gas. There are about eight wells yielding a humid gas containing about 200 grams of gasoline per cubic meter. The effective recovery coefficient is from 37 to 50 per cent. The field is worked by SN Repal, which will build a 60-centimeter gasline to Mostaganem on the Mediterranean coast, with offshoots to nearby Oran and Algiers.

This brief survey makes no mention of signs found elsewhere in the Sahara. In fact, the estimate of reserves even from the producing fields is not precise. But conservative calculations indicate a flow of 18 million tons in 1961 and 22 million in 1962. Beyond this no opinion is ventured. Apart from the impact of Saharan oil on the structure of the world petroleum industry, there will be a dramatic effect on Algeria itself. The oil and gas will provide for the proposed iron and steel complex in the Bône area and the petrochemical industry envisaged for Oran. This will reinforce the far-reaching Constantine Plan for industrial development and back the substantial investment in light industry projected for northern Algeria.



This was Hassi Messaoud, in the Sahara, known as a watering-place to generations of nomad desert-dwellers and virtually unchanged until the oil strike in the 1950's.

The usual evidences of an oil boom can already be seen in the producing area. Until recently the oasis of Ouargla, some 80 miles from Hassi Messaoud, was simply a "Beau Geste" fort and administrative centre. It was peopled by a handful of picturesque natives for whom life held nothing more than the prospect of becoming street-cleaners in Algiers, a pursuit on which they have held a traditional monopoly. Now the oasis is splashed with soft-drink advertising and the like, and the visitor is hard put to avoid the motor-scooter hazard.

The Marketing Problem

For oil more than most commodities, market considerations must embrace both the domestic and foreign field; in neither are the immediate prospects for Saharan oil particularly glowing. The basic causes are the composition of demand for petroleum products in France and the persistent world surplus. There are factors common to both, such as the pervasive influence of the major international oil corporations and the role of the Government.

The very light consistency of Saharan crude poses other problems. A running sample produces a preponderance of "white" products: about 20 per cent fuel to 40 per cent gasoline. Unfortunately this assorts badly with internal French needs, which run heavily to black crude products. In 1958 France consumed petroleum in the following proportions: gasoline 24 per cent, middle distillates 34, heavy fuel oil 32.

Other Producers Compete

A survey of the French petroleum market must consider refinery capacity and how it accords with prospective inflow. In the first place, the refineries are adapted to crack the heavier Mid-Eastern crudes that

Hassi Messaoud today has become the best known of the Saharan oilfields. Picture shows the temporary base of SN Repal, one of the two producers in the area.

now serve French needs, and would require substantial modification for a throughput of raw Saharan. Capacity runs to about 37 million tons but new plants slated for the Strasbourg region should boost this to 45 million by 1961. The refineries will be served by pipeline from the Mediterranean port of Lavera near Marseille. The question is, what sort of crude will they take? The refineries are held by independent companies that are bound to consider price and market needs. On a purely price basis the Mid-Eastern crudes are more attractive. Hassi Messaoud oil should sell at about $2.77 per barrel f.o.b. Bougie, compared with $2.31 for Iraqi crude, the Mid-Eastern product most comparable to Saharan. The reasons for the higher price of Saharan crude are many and complex, involving high exploration and transport costs and lower well productivity.

The French Government has shown its concern about Algerian crude distribution problems and has recently formed the Union Générale des Pétroles (UGP), which will acquire a controlling interest in the holdings of the French operation of Caltex, a United States group. The new organization will compete with other refining and distributing companies. It is an official entity, however, and through it refinery operators will be invited to make formal contracts with producers of Saharan crude. Other devices have been suggested to stimulate demand for light Saharan derivatives. One proposed is relief from gasoline taxes to promote consumption by motorists—but this is rather like feeding a beer-drinker peanuts.

On the wider screen of world demand, the picture is no more cheerful. There has been excess flow from many traditional suppliers and Russian and Romanian oil is lapping at the eastern rim of Europe. From another quarter come startling increases in coal efficiency and strong forces demanding bigger coal output. Perhaps the most serious threat to Algerian development comes from neighbouring Libya, where comparable crude is found at shallow-well levels only 100 miles from the Mediterranean coast. The extent of these reserves is undetermined but Libyan oil is now widely held to be much more than a backyard showing.

Naturally the French authorities have been mindful of market prospects in the OEEC; to supply a highly industrialized grouping of some 280 million people would certainly solve the problem. It is suggested that any increase in demand beyond present consumption in the Six would be satisfied by Algerian crude. Even in modified form, however, this proposal is unacceptable and resistance has been noted from the international companies and other members of the Common Market. One objection is that such an arrangement would not be in keeping with the general spirit of the GATT.

Challenging as the marketing problems are, the advantages are many. The main ones are the availability to France of "franc" oil with consequent foreign exchange savings of up to $500 million, and the valuable stimulus to the Algerian economy. Nowhere do conditions change more rapidly than in the world of international petroleum, but the future will doubtless see crude flowing strongly from the great new fields of the Sahara.

Swiss Trade with East Europe

The Swiss sell about $67 million worth of goods to Eastern Europe every year and buy about the same amount in return. This business does not bulk large in total Swiss trade, however; it accounts for an average of only 3.75 per cent of Swiss exports and 3.08 per cent of imports. Swiss shipments to Eastern Europe include instruments and apparatus, machines and parts, aniline dyes, cotton thread and yarn, chemicals, watches, pharmaceuticals, and artificial textile fibres. Goods coming from these countries are mainly agricultural products such as malt and hops, sugar, eggs, meat, corn and wine. A number of Swiss trading firms are also engaged in transit trade, selling non-Swiss commodities to Eastern Europe. Swiss agents have become skilled over the years in overcoming problems such as payment in convertible currencies and dealing with state trading agencies.

Frozen Foods Catch On in Britain

British frozen-food production and consumption are rising and so is demand, which has far outpaced supply. The result? Britain looks abroad for frozen foods, many of which Canada produces.

D. B. LAUGHTON,
Agricultural Secretary, London.

THE growth of the British frozen food industry has been spectacular in the past few years. During each month of 1959, some 1,500 stores began stocking frozen foods for the first time. Today there are 55,000 retail outlets in the U.K. handling frozen foods and the value of the 1959 domestic pack is estimated at $132 million.

In spite of this outstanding growth, however, British production of frozen foods cannot keep pace with rising demand. The U.K. has a population of 52 million and though the standard of living is rising steadily, only one family in six owns a refrigerator and many of the units lack freezer storage space. Frozen foods, in fact, still represent only three-quarters of one per cent of total food sales in Britain, compared with 5 per cent in the United States.

Output of frozen vegetables has made the biggest gain in the past five years and has almost trebled since 1954. Production includes mainly peas (70 per cent) and beans (13 per cent); the remainder consists of smaller packs of a wide variety of vegetables.

Frozen-fruit production centres around strawberries, followed by apples and loganberries. Annual output varies widely with the harvest and the surplus remaining after the demand for fresh fruit has been satisfied.

Britain currently has five major frozen-food packers, each promoting his own brand of a wide variety of domestically produced and imported fruits and vegetables. In addition, there are a dozen or more prominent processors of frozen fish and frozen chicken products. Some of these firms also handle other meats (often imported from Denmark or New Zealand) but the volume is still small.

The fruit and vegetable processing sector of the British frozen-food industry joined the frozen-fish producers some two years ago to form the National Association of Frozen Food Producers. This organization is said to represent 90 per cent of the British frozen-food industry. It is undertaking the exchange of technical and commercial information among its members and has encouraged the United Kingdom Government to expand its frozen-food research program.

Imports Analyzed

The British frozen-food importers have reacted more promptly than producers to the sharp increase in demand. Imports of frozen vegetables jumped from 1,750 long tons in 1954 to 8,200 in 1958 and 13,500 in 1959. Sweden remains the principal supplier and frozen peas probably account for 80 per cent or more of the total tonnage.

Frozen vegetable imports are free of duty when they originate in the Commonwealth but all other suppliers are subject to a 10 per cent ad valorem tariff.

At present there is no detailed tabulation of frozen-fruit imports into the United Kingdom, but the accompanying table contains reasonably accurate estimates.

What the British Buy

From the Canadian point of view, strawberries and peas offer the best possibilities in the frozen fruits and

BRITISH PRODUCTION OF QUICK-FROZEN VEGETABLES

	1954	1957	1959
	(long tons)		
Peas	10,976	20,784	28,369
Beans (green)	1,193	4,764	7,221
All others, mainly asparagus, carrots, spinach	2,011	4,474	6,401
Totals	14,170	20,022	41,991

BRITISH IMPORTS OF FROZEN VEGETABLES

From	1954	1958	1959
	(long tons)		
Netherlands	664	2,041	2,786
Belgium	476	1,189	1,540
Sweden		3,264	5,674
New Zealand	618	981	1,735
Other countries		744	1,775
Totals	1,758	8,219	13,510

BRITISH PRODUCTION OF FROZEN FRUIT

	1954	1958	1959
	(long tons)		
Total Production	1,037	1,455	1,022
Of which:			
Apples (including puree)	168	255	194
Loganberries and raspberries	178	243	183
Strawberries (including puree)	458	609	353

BRITISH IMPORTS OF FROZEN FRUIT

	(estimated)			
	1956	1957	1958	1959
	(cwt.)			
South Africa (mainly pineapple)	8,000	6,000	1,000	5,000
Australia (all kinds)	2,000	500	500	
Netherlands (mainly berries)	15,000	10,000	10,000	10,000
Totals	25,000	16,500	11,500	15,000

vegetables group. In a recent summary of London frozen-food prices, a trade source indicated that strawberries were selling in 8-, 9-, 10-, and 16-ounce packages and that, within each size group, there was an unusually wide price variation, even at wholesale. For example, the 8-ounce size ranged in price from $2.45 to $3.55 per dozen packages. The 10-ounce size, which accounts for the greatest volume, was priced at about $4.00 per dozen. The major brands also offer raspberries in the same range of sizes as strawberries but usually at slightly higher prices.

Despite the predominance of frozen peas in the trade, most big companies offer a wide variety of frozen vegetables. The range normally includes sliced green beans, broad beans, brussels sprouts, broccoli, spinach and corn, as well as some mixed vegetables (macedoine). The most popular sizes in peas are the 10-ounce packages, selling at $2.40 to $2.50 per dozen wholesale, and the 5-ounce packages, at about $1.25 per dozen, although the sizes vary from 4½ to 16 ounces. Because the 1959 pack was unexpectedly large, most processors have cut prices by two or three cents per package.

Market Prospects

The U.K. industry is speculating about the future of many of the specialty packs, such as TV dinners. Excluding fish and shellfish preparations and straight cuts of poultry and meats, the frozen-food industry in the London area now offers sausage rolls, steak and kidney pie, chicken and turkey pies, potato puffs, mushrooms, french fries, waffles, cream-filled sponge cakes, pizza pie, ravioli and numerous other products. There are no statistics or even worthwhile estimates of the volume of this trade, but its growing variety and continuing place in retail-store freezers show that these products should not be overlooked when market opportunities in the United Kingdom are considered.

Another possibility worth exploring is the demand among U.K. processors for bulk supplies for repackaging under their own brands. In addition, some established U.K. processors prefer to have certain low-volume specialties custom-packed in consumer packages under their own labels, so that they can offer a complete line.

There is no doubt that the prospect of supplying other processors is less attractive in the long run than the establishment of consumer acceptance and loyalty for a Canadian brand. When one considers the potential of the U.K. market this certainly seems worthwhile, though even at this early stage in the development of frozen foods in Britain, it would require a substantial investment in time, effort and capital to capture a share of the market.

These possible opportunities cannot be investigated further without the detailed product and price information that is only available from the Canadian processor. However, one thing is almost certain—the longer such a study is postponed, the greater will be the difficulty and cost of winning a place in the market.

Data for Exporters

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

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

What's Ahead for Uruguay?

—a look at the economic problems that plague this country and how they affect the pattern of its foreign trade.

BLAIR BIRKETT, *Commercial Counsellor, Montevideo.*

URUGUAY'S economic troubles deepen from year to year. Output of its basic products—meat and wool —cannot keep pace with expanding population and has not even been able to hold its own. Exports have remained depressed—too low to correct the balance-of-payments situation. As a result, severe import restrictions have been imposed and Uruguayans have had to make do with fewer and fewer consumer goods. The immediate effect has been to boost the cost of living out of all proportion to the average person's income.

There was no improvement in Uruguay's internal economic situation in 1959 or during the opening months of 1960. Deficits in the national budget and in the budgets of the state-owned organizations, losses under the multiple exchange system, a rapid increase in credits to the private sector of the economy—all these contributed to accelerate inflation. An Internal Consolidated Debt totalling pesos 465.5 million has been authorized for issue to finance the 1958 deficit of pesos 147.7 million and accumulated deficits since 1949. A national budget for the period 1960-63 is being studied. It envisages surpluses for the four years as a result of the proposed collection of income tax, never yet imposed on Uruguayans.

Farm Output Down

Last December Uruguay signed a U.S.$7 million loan agreement with the World Bank. The loan is intended to improve livestock and agriculture and is for a term of 12 years. Some 600 estancias (farms) are participating in the project and it is understood that the Bank will shortly be sending an agricultural expert to assist in carrying out the plan. Expectations are that in three years the plan should add $3 to $4 million to the annual income of the 600 participating farms. And because most of the increased production will be sold abroad, Uruguay's exchange earnings should rise by almost as much.

The 1959-60 wheat harvest was disappointing; it yielded only about 215,000 tons against a normal 600,000 to 700,000. During the first quarter of the year 30,000 tons of wheat were received from Argentina as part of a loan of 100,000 tons and today imports are arriving from the United States under Public Law 480.

On March 15 the Government lifted the ban on the export of sunflowerseed oil. It intends now to export total production and meet domestic requirements with imported soybean oil, which will benefit from a reduction of 50 per cent on customs duties and other charges.

Shipments abroad of wool (greasy, scoured and tops) from October 1, 1959, to February 29, 1960, totalled 46,087 bales, compared with 93,972 for the same period of the previous season. The

WINTER CEREALS, AREAS SOWN 1955-60

(thousands of hectares)*

	1955-6	1956-7	1957-8	1958-9	1959-60†
Wheat	819	688	778	691	296
Linseed	114	135	168	118	73
Oats	50	83	121	90	38
Common barley	11	11	11	16	13
Malting barley	23	50	28	51	41
Birdseed	5	14	4	4	3

†The 1959-60 figures are the second official estimate.
*One hectare=2.47 acres.

WINTER CEREALS, PRODUCTION 1955-60

(thousands of tons)

	1955-6	1956-7	1957-8	1958-9	1959-60*
Wheat	876	589	598	360	215
Linseed	53	72	73	72	48
Oats	41	56	52	33	23
Common barley	10	10	9	8	9
Malting barley	20	34	22	16	26
Birdseed	3	7	1	2	2

*The 1959-60 figures are the first official estimate.

present clip is estimated at some 25 per cent less than normal. The drop in exports is the result mainly of the delay in establishing the new exchange treatment for exports.

The meat industry is improving under the favourable exchange treatment afforded exports of all meats and meat products. Total shipments abroad are, however, still far below the volume reached in the early fifties.

Foreign Trade Falls Off

Corrected figures of Uruguay's foreign trade (with accurate statistics now available for fuel oil and lubricants), are given in the accompanying table.

URUGUAYAN FOREIGN TRADE

	Exports	Imports	Balance
		('000 U.S.$)	
1955	183,678	228,463	— 44,785
1956	211,054	212,607	— 1,553
1957	128,249	254,667	—126,418
1958	138,622	168,014	— 29,392
1959	97,798	143,227	— 45,429

The low figure for exports last year is accounted for mainly by reduced shipments of wool. Wool and tops made up 59 per cent of the total value of exports, meat and by-products 18.9 per cent, and skins, hides and hair 10.3 per cent.

The United States headed the list of Uruguay's customers in 1959, taking 11.8 per cent of her exports; the Netherlands came next with 9.7 per cent, the United Kingdom and West Germany each 9.3 per cent, Russia 8.6 per cent, Hungary 5.6, Yugoslavia 5.2, Italy 3.8, Czechoslovakia 3.5, Bulgaria and Poland 2.9, Communist China 2.8.

Raw materials made up 38.2 per cent of total imports in 1959, fuel and lubricants 35.9 per cent, machinery, etc., 7.5 per cent, and groceries, beverages, etc., 4.4 per cent.

The United States topped the list of suppliers with 15 per cent; France followed with 5.7 per cent, West Germany 5.4 per cent, Italy 3.6 per cent, the United Kingdom 3.2 per cent. Communist countries supplied 7.2 per cent, Latin American countries 14.3 per cent, and Canada 0.5 per cent.

U.S.S.R. Biggest Wool Buyer

Trade with Communist countries increased markedly in 1958, largely because the Soviet Union, instead of buying through Western European countries as in the past, made big purchases of raw wool direct from Uruguay. This continued in 1959 and the Soviet Union maintained its position as Uruguay's leading customer for wool; certain other Eastern European countries also upped their purchases of primary products. In 1959 exports to the Communist Bloc accounted for 33.2 per cent of Uruguay's total exports (23.4 per cent in 1958 and 9.2 per cent in 1957), though imports from these countries (excluding petroleum from the U.S.S.R.) accounted for only 7.2 per cent of the total.

So far in 1960 the Soviet Union has made only negligible purchases of wool. Proposals are being considered, however, for an exchange with Uruguay of U.S.$52 million worth of wool for U.S.$75 million worth of crude oil—the credit to run for three years.

Trade with Canada

Canada's exports to and imports from Uruguay during the past three years, in Canadian dollars, were:

	Exports	Imports
1957	3,788,626	808,707
1958	939,006	840,898
1959	1,682,993	657,764

In 1957, imports from all countries reached such a peak that Uruguay found herself in a financial crisis by November and had to apply drastic measures to remedy the balance-of-payments situation. The following year then proved a lean one for foreign traders, except those in the European countries that had bilateral agreements with Uruguay. Imports of Canadian aluminum, newsprint, asbestos, wood pulp, agricultural machinery, etc., stopped altogether or fell sharply. In the third quarter of 1959, in anticipation of the monetary reform, many products were freed from the bilateral system of trading and interest revived in the products of the non-agreement countries, including Canada. We thus made a much better showing by the end of the year than at December 31, 1958. Improvement continues today, within the limited range and quantity of goods permitted entry.

Foreign Exchange

The Banco de la Republica has estimated foreign exchange income for 1960 at U.S.$180 million. Should this estimate prove correct, exchange available for imports during the current year would be enough to cover minimum requirements. It is doubtful that it will prove correct, however. Total income from exports in the past three years was as follows:

1957	U.S.$128,200,000
1958	138,600,000
1959	97,800,000

Because production—principally of wool and meat—shows no signs of recovery, and demand for and the price of necessities continue to rise, it is difficult to see how export sales can strike a new high this year and minimum import requirements be met. Imports will probably have to be kept as low as in 1957 or 1958.

Monetary Reform

The Exchange Reform Law that came into force last December is slowly affecting the pattern of foreign trade. Under this law and supplementary decrees, Uruguay dropped its multiple exchange rate system with import permits and quotas and established a single free market for all types of exchange transactions; the rate is to fluctuate with supply and demand. To date, returns of exchange for exports, because of the slow movement of wool, have not been big enough to make the scheme work properly. The Central Bank has had to sell dollars on several occasions to keep the rate at the level of these past 12 months.

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The reform called for free import of merchandise, with some products subject to prior deposits of 50, 100, or 150 per cent. (Lists of all products that may be imported with and without prior deposits may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa. Import of goods not listed is temporarily prohibited.) The reform also established retentions on certain basic exports that account for over 90 per cent of total exports—including, among others, wool, meat and wheat. In addition, a new parity for the peso has been set, thus releasing part of the gold reserves held as backing for the currency.

Although exports have not come up to expectations, they should improve from now on, and the Government has indicated that more imports will shortly be placed on the free list. There is no indication, however, when imports of less essential products will again be allowed.

Free Trade Area

On February 18, the Treaty of Montevideo, instituting the Latin American Association of Free Trade, was signed, setting up a trading area that includes Argentina, Peru, Brazil, Chile, Mexico, Paraguay and Uruguay. Bolivia is expected to join shortly, and provision is made for other Latin American countries to do the same.

The treaty, which will come into force 30 days after ratification by three of the member countries, is aimed at the elimination of duties and charges on intrazonal trade, plus virtually complete liberalization of trade in the products of the member countries within a period of 12 years. Emphasis of the treaty is on the development of industry rather than of agriculture. Establishment of the Free Trade Association represents a first step towards a Latin American Common Market, though no major changes in the overseas trade of member countries are likely in the near future because of the agreement. ●

Britain Boosts Chemical Production

THE outlook is bright for Britain's chemical industry, with a record of growth over the past decade that has been almost as explosive as some of its products. Investment in new plant and equipment jumped from £38 million in 1938 to a high of £170 million in 1957. Practically all parts of the industry have shared in this growth but the most spectacular increase has been in the manufacture of petrochemicals—production is now second only to that of the United States. Total output is expected to rise this year in spite of anticipated severe competition in both domestic and foreign markets.

Chemical exports in 1959 totalled a record £293 million, up sharply from 1958's £261 million, but imports also hit a new high of £138 million, some £18 million more than in 1958. The United Kingdom is poorly supplied with raw materials for the chemical industry and this explains to some extent the steady rise in imports, many of which are raw materials for further processing.

The development of a large oil-refining capacity has provided an important source of raw materials, as the demands of the chemical industry have outgrown available industrial byproducts. The industry's needs for petrochemical products and for plastics, man-made fibres, etc., are supplied principally from domestic sources. The prospect is that the British petroleum industry will make available to chemical manufacturers an increasing proportion of the raw materials they need, assuring adequate supplies for the foreseeable future.

The use of petroleum and petroleum gas as the principal feed-stock of the petrochemical industry has taken place only over the last decade. The main types of chemicals produced from petroleum are solvents, synthetic detergents, plastics, synthetic fibres, synthetic rubbers, pesticides, insecticides and fungicides, and chemical products for use in the petroleum industry itself, such as gasoline additives and anti-freeze. Plants under construction or planned for completion by the end of next year will boost production by 80 per cent.

Byproducts of coal carbonization have been used in chemical plants almost from the beginning. These are supplied by the gas industry and from the byproduct coke ovens of the iron and steel works and the coal-tar distillers. New developments may affect the role of coal as a major supplier of raw material. One is the construction of Lurgi complete coal gasification plants that produce a bigger percentage of tar in the coal carbonized but a smaller amount of gas. Another factor is that the steel industry is using less coke per ton of steel produced; a third is the possible import of natural gas.

There is a vigorous program of research in all sections of the industry and a wide interchange of information with other countries, leading to the sale and purchase of licensing rights. The pharmaceutical sector alone is said to be spending over £5 million a year in research.

Canada plays the part of customer, competitor and supplier to the British chemical industry. Our sales last year, at some $27 million, declined from the $35.7 million of 1958 but are expected to hold up well in 1960.

—A. W. EVANS,
Trade Commissioner, Liverpool.

Japanese Buy More Canadian Farm Products

Japan's continued dependence on imported foodstuffs promises well for sales of Canadian farm products, particularly wheat. Future outlook for some products is clouded, however, by uncertainty about Japanese import policies.

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

JAPAN bought more Canadian farm products in 1959 than ever before—$94.9 million worth, or 68 per cent of total Canadian sales to Japan. Wheat was the leader in this trade, followed by flaxseed, barley, rapeseed and flour.

Although there are over 16 million farmers in Japan—almost 40 per cent of the working population—they are unable to feed its 92 million people; land under cultivation totals less than 15 million acres, one-tenth of the farmland in Canada. With the exception of rice, therefore, Japan is heavily dependent on imported foodstuffs to supplement domestic output. In 1958, the percentages of imported foodstuffs were: wheat 64; barley 39; soybeans 70; sugar 89; and rice only 4. Japan's rice production in 1959 totalled 12.5 million tons, the fifth bumper crop in succession.

Canadian Shipments Grow

Canada's share of the Japanese market for foodstuffs is impressive. The accompanying table lists the main Canadian agricultural products imported by Japan during the past three years.

The predominant position of wheat in our agricultural trade with Japan is obvious; in 1959, only the United Kingdom took more Canadian wheat than Japan. In line with the growing Japanese popularity of hard wheat, Canada displaced the United States as Japan's main wheat supplier. Thus, of total Japanese wheat imports last year of 2,412,228 metric tons, Canada supplied 1,126,869, the United States 873,177 and Australia 396,234.

Although wheat consumption in Japan is rising with the population, barley consumption is declining. Barley imported into Japan is used largely for making a rice substitute known as "seibaku". This is made by hulling the grain, followed by pearling, steaming, rolling and pressing. As a result of bumper rice crops, the demand for seibaku has been diminishing in recent years and there has been a drop in barley imports from Canada. Imports in 1959 totalled 488,367 metric tons, of which Canada supplied 114,793, Australia 232,644 and the United States 137,943.

Canadian exports of wheat flour to Japan in 1959 climbed con-

These Japanese children are certainly enjoying their bread and butter—bread made from Canadian wheat. Last year Japan bought $69 million worth of our wheat.

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siderably over previous years. This flour is the high-protein clear type needed by industries producing monosodium glutamate, a food-seasoning preparation used extensively throughout Japan and exported to many countries.

Oilseeds

Edible vegetable oils consumed in Japan include soybean, rapeseed, rice bran, palm, cottonseed, safflower, etc. Most of the output goes to households and restaurants; the remainder is used as raw material for margarine and drugs. Soybeans are by far the most important because of their extensive use in Japanese foods. Two soybean preparations are "miso", a paste used primarily in soup, and "tofu", a soybean curd. Two-thirds of Japan's soybean needs must be imported; in 1959, the United States supplied 95 per cent (997,953 metric tons) and Canada 1,016 metric tons.

Canada was Japan's biggest supplier of other oilseeds—65,039 metric tons, out of total imports of 330,975. In order of importance, flaxseed ranked first, at $8,831,170 (2,664,788 bushels), followed by rapeseed $3,552,866 (80,999,363 pounds) and mustardseed $553,472 (11,158,250 pounds).

Animal Products

Japan's imports of undressed hides and skins in 1959 totalled 86,293 metric tons valued at $38.7 million. The United States was the main supplier (40,231 metric tons), followed by Australia (17,961), Argentina (5,390) and New Zealand (4,079). Canadian sales to Japan of calfskins and kips were valued at $473,298 and cattle hides at $405,256.

Japan imported over 138,000 metric tons of beef tallow last year. Canada's share was marginal—3,800 metric tons valued at $670,072—though this represented 12 per cent of our total exports of this product.

Canadian fresh pork appeared on the Japanese market in 1959 for the first time in recent years. Sales in 1959 exceeded two million pounds valued at $459,924, and further purchases have been made in 1960.

JAPANESE IMPORTS OF CANADIAN FARM PRODUCTS

	1957	1958	1959
Wheat except seed	$53,673,393	$62,773,140	$69,164,925
Flaxseed	11,398,705	5,315,440	8,831,170
Barley	13,833,462	7,225,310	5,269,843
Rapeseed		1,671,585	3,552,866
Flour of wheat	1,032,528	932,750	2,169,843
Whisky	1,178,909	1,313,158	1,624,092
Tallow	1,100,659	858,602	670,072
Mustardseed	1,334,109	436,698	553,472
Seeds, n.o.p.	229,197	611,875	475,250
Calfskins and kips, raw	520,502	633,255	473,298
Fresh pork			459,924
Animal grease and soap stock			432,931
Cattle hides, raw	520,973	329,920	405,256
Bran shorts and middlings	508,877	516,911	391,251
Screenings, chaff	253	72,160	100,127
Soybeans			90,046
Others	191,042	158,360	231,225
Total	$85,422,609	$82,849,164	$94,895,591

Import Liberalization

Out of Yen 394 billion of agricultural products imported into Japan in 1958, only 26 per cent was admitted free of import restrictions under the Automatic Approval System. Japan recently relaxed a number of import trade control restrictions on some raw materials, machinery and consumer goods, but relatively few agricultural products were affected. Discrimination against beef tallow and lard from the dollar countries was removed on April 1, and will be removed on hides and skins by July 1, and on soybeans, the last agricultural product remaining in this category, by October. There is a suggestion, however, that an adjustment allowance will be imposed on soybean imports that will have the effect of maintaining the protection enjoyed at present by domestic producers once import discrimination is removed. A recent three-year price average shows that locally grown soybeans are selling at 42 per cent above imports. But this situation also applies to many other agricultural products because of the relatively high cost-structure in Japanese agriculture. If protection is to replace import liberalization, the processors and consumers will shoulder the burden. Of interest is the recent examination of Japan's agricultural policy by Committee II on Expansion of Trade of the GATT—a conference in which Canada took an active part.

Looking Ahead

This year, sales of Canadian wheat to Japan are likely to be as big as in 1959—40 million bushels. Japanese millers prefer Canadian Manitobas and their milling capacity totals 190,000 barrels a day. As we have seen, the outlook for barley is less favourable because of bumper rice crops. Japanese rice production is likely to be maintained at a high level with improved methods of cultivation and, in addition, Japan is being subjected to pressure to import more rice from her rice-growing Asian trading partners. Consequently, total barley imports into Japan in 1960 are unlikely to exceed 150,000 tons. The demand for oilseeds will depend on the outcome of the Japanese crop.

It is difficult to predict what effect the proposed easing of Japanese import controls may have on sales of Canadian farm products to Japan without knowing whether or not other import restrictions will be imposed. The coming months may give the answer. ●

SHRIMPS: the U.S. Industry

Big U.S. market for frozen shrimp has outgrown domestic supply. Search for new fishing grounds, successful management of current ones, and conservation stressed, as industry eyes increasing imports.

W. ADAIR STEWART, *Assistant Commercial Secretary, Washington.*

THE legendary fate of Sam McGee from Tennessee has become the real thing for most of the common shrimp reaped from the southern waters of North America. Few shrimp wind up, as Sam did, on the marge of Lake Le Barge and no poet has chronicled their northern adventures. But the commercial importance of the frozen shrimp industry speaks for itself.

In terms of value to the processor, about 85 per cent (or some $90 million worth) of the annual United States shrimp output goes to the freezers. The canned pack accounts for most of the remaining 15 per cent. Only a few shrimp are smoked or made into other specialties.

Because, generally speaking, the larger, more valuable shrimp go into the frozen pack, the percentage by weight of catch turned into frozen shrimp is somewhat smaller. Of a recent annual total supply of about 202 million pounds of domestic shrimp (heads-off weight), some 160 million pounds were processed into frozen products. From this process emerged 61 million pounds (manufactured weight) of frozen packaged headless shrimp, 50 million pounds of frozen breaded (cooked and uncooked), and smaller quantities of frozen raw peeled and deveined, and frozen cooked and peeled shrimp were produced.

Nearly 67 million pounds of shrimp imports, mostly packaged frozen headless, were added to the domestic supply. Exports of manufactured shrimp products reached four million pounds.

Literally dozens of varieties of shrimp have been identified in the waters fished by commercial fishermen and they actually catch about 20 varieties. Of these only three—the white, pink and brown—make up 90 per cent of the annual catch. Even the colour differences among these varieties is less pronounced than the names would suggest and once they have been processed, one can scarcely be distinguished from another.

A fourth species of some commercial importance in the Gulf of Mexico fishery goes by the everyday name of "sea bob". A good proportion of these enter canneries and eventually some of the pack finds its way to Canada.

For several reasons, including the nature of the shrimp itself, the shrimp fishery developed as and to a large extent remains an inshore operation, though the trend is towards larger vessels and longer trips. Hopes for an important deep-water fishery in the Gulf have recently been encouraged by exploratory fishing for the Royal Red shrimp, a large species found in depths ranging from 150 to 400 fathoms. Commercial exploitation on a big scale has not yet developed.

The Gulf and South Atlantic states continue to be vastly more productive of shrimp than other regions, although the North Atlantic, West Coast and Alaska shrimp fisheries do contribute each year to U.S. production, which totals about 250 million pounds. From 1930 to 1954 Louisiana ranked first among the shrimp-producing states. In 1954, however, Texas took the lead with a catch of 93 million pounds against Louisiana's 78 million. Alaska that year produced 1.5 million pounds, California 1 million, and Washington 21,000. All have increased their output since then and Alaska's has doubled.

Production at Maximum

Authorities now believe that exploitation of U.S. domestic supplies of shrimp has come close to the maximum. They also believe that the demand for shrimp in the U.S. market will go on increasing, provided prices do not rise high enough to discourage consumption. How to meet future demand is the problem the industry faces.

Satisfying the market will depend on three things: successful management of domestic supplies, the discovery of new grounds accessible to the U.S. fleet, and the meeting of domestic supply deficits by imports.

Successful management and conservation of the domestic shrimp fishery and the prosecution of it are to a large extent influenced by the geographic location of the shrimp and its peculiar life cycle.

Even the largest shrimp taken may be only a year old, for by and large the shrimp is an annual, passing through all the stages of its life, growth and reproduction in only one year. Because of the biological pattern, the fishing season starts along the Atlantic coast in spring and moves southward as the shrimp make for deeper and more stable waters in the Atlantic and the Gulf of Mexico. It ends in December or later on the Mexican grounds.

Shrimping in the Carolinas and Georgia begins in May, reaches a peak in midsummer, and drops off until the close of the season in November. On the Florida west coast the season starts in June and continues through December. In the northern Gulf Coast area, white shrimp is landed from August through January and periodically through the remaining months.

There are two seasons for it in Texas—an important one in the fall and a minor one in the spring.

A similar seasonal pattern applies to the brown shrimp. Heavy brown shrimp runs begin in July and last through January, progressing southward during the season.

Legally, shrimp conservation falls within the jurisdiction of the states and is carried out chiefly through regulations restricting or prohibiting fishing activities during certain seasons of the year.

New Grounds Bring Changes

Continuous attempts are made to find new fishing grounds accessible to the U.S. fleet. Discovery of the rich beds of the Dry Tortugas and the Gulf of Campeche are examples of successful exploration. To exploit these new resources, however, both the primary fishing and processing industries have been forced to undergo important changes. Larger, better-built vessels had to be built for the longer trips to offshore grounds. By 1956 there were nearly 4,000 shrimp trawlers in operation, worth from $40,000 to $70,000.

Most of the threefold increase in shrimp consumption in the last two decades represented frozen shrimp products and this fact, combined with long runs at sea, has led to big increases in the use of equipment for freezing at sea.

Specialized shrimping ports, such as Tampa, Florida, and Brownsville, Texas, have grown up. More shore facilities for freezing and processing have been required.

The expansion and maturing of the U.S. shrimp industry have been accompanied by an increased awareness of the importance of quality, and federal grading services have been made available, on a permissive basis, to the fresh and frozen processing industries. Non-participants compete on a quality basis for the market.

In spite of the expansion and modernization, however, the industry still finds itself in difficulties trying to provide a product at an acceptable price to the consumer and yielding an acceptable return to the producer.

Rising Imports Fill Need

Increased exploitation of known resources and future discoveries make further increases in the domestic supply possible in theory at least, but it is clear that foreign sources hold the greatest potential. The importance of imports is indicated by the fact that in 1957 they provided 36 per cent of a 191-million-pound total supply. In 1950 they provided 26 per cent of a 154-million-pound supply.

Potential sources of foreign supplies are numerous and growing. In 1940 ten countries were exporting shrimp to the United States; in 1957 there were more than 30. Close to home, the Latin American countries appear to have resources that could be more fully exploited. The last 15 years have seen the Mexican shrimp industry grow to multimillion dollar proportions and U.S. imports of Mexican shrimp have increased over ten times. Less is known of the production potential of the other Central and South American countries, but information suggests that they are considerable. Small but growing shipments have been received from Argentina, Greenland and India.

Facing the prospect of rapidly growing imports, the U.S. industry generally feels that some restrictions are necessary for the good of the industry. Fishermen and boatowners are naturally convinced of this. Distributors and processors have mixed feelings, because they want reasonably priced supplies on the one hand and an orderly market on the other.

As a result of this general concern for the future, legislation to establish a system of quotas and impose other restrictions on shrimp imports has been introduced into Congress. The U.S. Tariff Commission has also instituted an investigation to determine whether duty-free shrimp imports are causing serious injury to the domestic industry. A public hearing was held in March. ●

Cuba's State Agencies

THE new Revolutionary Government of Cuba has in recent months created a number of new state agencies and dissolved several old ones. Principal changes up to the end of June are listed below:

● INRA (National Agrarian Reform Institute) has been set up to direct Cuban agricultural and industrial reforms.

● BANDES (National Bank for Economic and Social Development) has been dissolved and its functions divided between the National Bank of Cuba and INRA.

● BANFAIC (National Bank of Agricultural and Industrial Development) has been dissolved and its functions transferred to a newly formed Department of Agricultural and Industrial Credit within INRA.

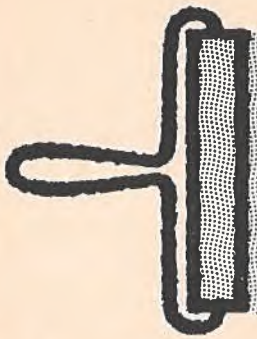
● JUNTA CENTRAL DE PLANIFICACION (Central Planning Committee) has been created to co-ordinate the economic activities of all state agencies. The Prime Minister is the President. It replaces and absorbs COMISION DE FOMENTO NACIONAL (National Development Commission) and JUNTA NACIONAL DE PLANIFICACION (National Planning Committee).

● INIT (National Institute of the Tourist Industry) has been created to replace all previous government agencies in this field.

● INAV (National Savings and Housing Institute) has been formed to operate the government lottery, and to construct housing for workers with the profits.

● BANCEC (Bank for Foreign Commerce of Cuba) has been formed to supervise all foreign trade activities of Cuban state agencies. It replaces and absorbs the functions of the former BANCO CUBANO DEL COMERCIO EXTERIOR (Cuban Bank for Foreign Commerce) and EMPRESA TRANSFORMADORA DE PRODUCTOS AGROPECUARIOS (Agency for Handling Agricultural and Animal Products).

—R. R. PARLOUR,
Commercial Secretary, Havana.



Paints and Varnishes

The Market in Peru

United States supplies major share of limited demand for imported paints; only very low-priced or specialized types can compete with local production.

JOHN S. BRUCE, *Office of the Commercial Counsellor, Lima.*

THE Peruvian paint industry has developed considerably during the last eight years. The eleven firms turn out mainly oil and water paints, enamel and prepared paints, and also some anti-corrosive paints for naval and construction use. Lacquers with a pyroxylin base, synthetic enamels, bituminous paints and baking paints are also produced: in fact, Peru is able to manufacture almost any type of paint required locally.

In 1958, output of one of Peru's most important paint producers totalled 847.6 tons and recent enlargements and installation of new equipment put this firm in a position to quintuple its output. Its present production consists of coloured pigments, basic pigments, bright oil paints, special anti-corrosive and marine paints.

The accompanying table will give some idea of the paint production in Peru in 1956 (latest statistics available) compared with 1954.

PAINT PRODUCTION IN PERU

	1954		1956	
	Quantity	Value U.S.$	Quantity	Value U.S.$
Enamels			11 gal.	44
Synthetic enamels	9,580 gal.	34,630	5,656 "	22,624
Paints with a base of rubber	120 gal.	852	135,021 "	385,617
Paints with a base of casein	114,075 kilos	8,648	6,690 kilos	2,174
Water paints	1,133,483 "	108,639	2,090,871 "	188,514
Oil paints	78,100 gal.	187,277	132,780 gal.	314,276
Paints with a base of aluminum	600 "	2,103	304 "	885
Flat oil paints	20,900 "	29,305	14,961 "	36,213
Bituminous paints	405 "	936	770 "	1,494
"Dope" paints	950 "	3,285	1,715 "	4,776
Paints in paste form	358,150 kilos	103,389	360,610 kilos	106,361
Paints in powder form	264,158 "	25,661	89,069 "	22,761
Enamel paints	490,000 gal.	349,282	170,030 gal.	516,139
Pyroxylin lacquers	440 "	3,049	4,400 "	24,000
Baking paints	740 "	5,100	3,755 "	22,262
Plastiglass paints	690 "	5,200	270 "	1,553
Duco paints	100 "	577	12 gal.	81
Anti-corrosive paints			24,272 "	63,323
Non-specified prepared paints	352,600 "	421,812	504,443 "	603,234
Varnishes	26,700 "	39,883	included in above	
Synthetic alkyd varnishes	4,700 "	14,301	"	"
Anti-fire paints	550 "	649	"	"
Marine paints	8,500 "	25,635	"	"
Bright oil paints	21,000 "	46,194	"	"
		$1,425,396		$2,316,331

Note: Average rate of exchange: 1954/1957—S/.20=U.S.$1.00; 1958—S/.23=U.S.$1.00; 1959/1960—S/.28=U.S.$1.00.

Imports Decline

Because the Peruvian paint industry is capable of satisfying the major part of domestic requirements and can easily increase its production, prospects are that imports will either remain at the present figure or decrease. Industrial activity is expanding in many fields, with a consequent increase in demand for paints and varnishes. It is probable, however, that the Peruvian paint manufacturers will be in a position to meet increasing domestic needs.

During 1958, 75 firms in Peru imported paints, as follows: 30 agents and general importing houses, 9 stores, 6 automobile and automotive parts dealers, 5 mining enterprises, 2 aviation companies, 12 industrial plants, 2 fish enterprises, 3 contracting firms, 1 steamship company, 1 workshop, 1 petroleum

enterprise, and 3 agricultural enterprises.

The current market trend is to purchase Peruvian-made paints. The main reason for this is tariff protection. In 1956, imported paints accounted for approximately 35 per cent of total Peruvian consumption. In 1958, this fell to 29 and during 1959 to 24 per cent. In 1960, the percentage will probably be even less. This drop in consumption of foreign paints resulted principally from the imposition during the first half of 1958 of an internal surtax of 200 per cent on the basic rates of customs duties for all types of paints and varnishes, and the devaluation of the Peruvian sol by more than 40 per cent between January 1958 and December 1959. Imports of varnishes in 1956 stood at 207 tons. They decreased to 194.2 tons in 1957 and to 185.1 tons in 1958. Imports of paints have also fallen from 1,041.4 tons in 1956 to 705.2 in 1958.

Import Procedure

The sources of supply of imported paints have not varied much in the last few years. The United States is by far the largest supplier, followed by Germany and the United Kingdom. Up to 1958, there were good opportunities for imports of celluloid, pyroxylin and other similar base paints, water paints or pigments specially required for the leather industry, and enamels. Paints may be imported freely without import licence and there are no foreign exchange controls. Although production costs have risen considerably, the locally made paints are still cheaper than imports; the difference in price varies from 50 to 100 per cent, according to the type.

The U.S. gallon is the basic measure used by the Peruvian paint industry, which packs its various products in 50/55 gallon drums; and in cans of 5-, ½-, ¼-, ⅛-, 1/10-, 1/16-, 1/32-, and even 1/64-gallons. (The last two sizes are used mainly for gold paints, consumption of which is very small.) Pigments are sold in 25- and 50-kilogram bags, and pastes in 1- and 5-gallon kegs (20 and 100 pounds respectively).

One or two Peruvian manufacturers produce paint under licence from foreign manufacturers and the local manufacturer may sell the product under his own trade name. Imported paints are handled by manufacturers' representatives or distributors who carry stocks. Under prevailing conditions, these stocks have either been severely curtailed or not replaced. Agents and distributors are usually granted 75-day sight draft against documents.

Import opportunities are now confined primarily to very low-priced or highly specialized paints. There is also a limited market for imported high-gloss interior paints but sales are small. ●

The Market in Argentina

Thriving local industry and current high surcharges on imports restrict opportunities; this situation will probably continue.

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

ARGENTINA is almost entirely self-sufficient in finished paints, varnishes and lacquers and in the primary materials necessary to produce them. The local industry is well developed and, in line with current Argentine policy, it is well protected against competition from similar foreign products. As a result, this country is not a worthwhile market for Canadian producers of ready-mixed paint products. The only possible but unlikely exception is highly specialized items resulting from comparatively new processes not yet adopted here.

Local Production

The local association of paint manufacturers has 54 members and in addition there are a half-dozen or so non-members. Among these are three branch factories of British firms (one of which has an affiliate in Canada) and one of a well-known United States firm which also operates a branch in Canada. The latest techniques are therefore available to the local industry and since the abolition of exchange control made possible the purchase of the most suitable primary materials wherever they may be found, the quality of the local product has improved.

No production statistics are published either by the Government or by private bodies. The only clue to the volume and value of this comparatively important Argentine industry is that the 1958 volume of all types of paints, enamels, varnishes and lacquers weighed about 100 million kilograms of 2,204 pounds each and the value of all sales totalled an estimated U.S. $66.6 million, f.o.b. factory. The manager of one of the principal factories has provided a rough estimate of the annual production of each group as follows (in million of kilograms)—oil paints 16; water paints (largely emulsified) 4; synthetic (almost all enamels) 23; paints in paste form 7; varnishes, all types 2; nitrocellulose types 5; all others 3.

All local paints are packed for retail sale in metric system measures, either litres for liquid paints or kilograms for solids, or in divisions or multiples of them. Metric-system measures must be shown clearly on all labels although other kinds of measures may also appear.

Sales opportunities are confined almost wholly to primary and secondary materials required for further manufacture. The table below includes all of the classifications of the import statistics relating to paints (including enamels, varnishes and lacquers) whether of finished items or of the primary and secondary materials needed by the local industry.

Imports Small

The first item in the table is almost wholly paints in paste form (all from the United States) rather than wood sealers; neither product presents any manufacturing problem and both are produced locally by many companies. The trade believes this was a special government purchase because of the low unit price per kilogram. Ordinarily the trade does not import paints in paste form.

Some 83 per cent by value of the imports of the liquid paints and enamels with cellulose base came from the United States, 7 per cent from West Germany, 6 per cent from Norway, and the remainder from Spain, France and Japan. These paints were chiefly imported in bulk, for repacking here in retail containers. However, the major portion of the U.S. share was brought in as a capital investment by the local branches or affiliates of well-known United States manufacturers not connected with the paint industry, who were either setting up new plants or extending present ones. Ordinarily the trade does not import this type. The same applies to water paints, entirely shipped from the United States.

Of the paints and pigments n.e.e., in powder or lumps, much the greater part consisted of pigments. This item is normally imported for further manufacture by the paint industry. However, it did not include any ochres, ferrite or lithopone; these are separately classified but there were no imports in 1958. Suppliers were Britain 42 per cent, France 30, West Germany 20, U.S. 6, Japan and Italy, the remainder.

The United States supplied some 79 per cent of the oily varnishes; the rest came from West Germany as did all the volatile varnishes. These were almost wholly insulating varnishes.

The dry lacquers came mainly from Europe. The United Kingdom, with 39 per cent, was followed by West Germany 20, United States 17, Denmark 13 and Netherlands 9 per cent; the small remainder was split up among Italy, Belgium, Sweden and France. Dependable trade opinion is that these products, officially classified as lacquers, were more likely pigments for use chiefly in the textile and printing trades rather than in the paint trade. The water-type lacquers were supplied entirely by the United States.

For a population of about 20 million in 1958, the total imports of both ready-to-use products and prime materials were small. In addition to the items listed, some natural resins are brought in. However most synthetic resins used in the paint industry are produced in Argentina factories.

IMPORTS—1958

Product	Kilograms	U.S. Dollars
Paints in paste form n.e.e. and wood sealers	1,695,211	161,690
Liquid enamels and paints with base of celluloid, cellulose and similar	5,718	81,638
Water and paints	17,499	6,300
Paints or pigments n.e.e. in powder or lump form	25,595	43,426
Varnishes, oily, with base of drying or polymerized oils	35,335	28,375
Varnishes, volatile, in general	1,451	1,527
Lacquers, dry, in general	100,644	260,659
Lacquers, water type	73	180
Total	1,881,526	583,795

Import Regulations

The 1958 figures, although they are the latest available, are not dependable as an indicator of the types and origin of imports that may have taken place from the beginning of 1959 to date, because the system of controlled exchange rates and import and exchange permits was abolished effective January 1, 1959. Since then it has been possible to import freely any class or kind of paint products from any currency area, rather than make purchases according to the type of foreign exchange available.

In actual practice, however, imports have shown no important increases because of the protection accorded to local industry through the system of exchange surcharges imposed on the same date that the exchange permit system was abolished. An explanation of these changes is contained in the article "Argentina Alters Trade Controls" published in the July 4, 1959, issue of *Foreign Trade*. Since then the so-called "previous deposit" requirement has been eliminated and the maximum surcharge of 300 per cent has been reduced to 150 per cent, except for certain items "under study" which must pay temporarily an extra 50 per cent. All of these exchange surcharges are based on the c. and f. invoice value of the goods. These surcharges and duties give such marked protection to the local product that foreign ready-to-use products find it almost impossible to compete. Because the value of the peso has fallen so much over the past decade, the basic customs duties do not give much protection but the surcharges constitute a severe handicap. Canadian paint manufacturers who wish to have specific information about these surcharges and how they work out should write to the International Trade Relations Branch, Depart-

ment of Trade and Commerce, Ottawa.

Exports of paint products to date have been very small and have been shipped to nearby countries only (chiefly Paraguay and Bolivia, but also to Peru and Chile), aided appreciably by the bilateral trade treaties in force.

Because the Argentine industry operates behind a high protective wall, production costs are also high. Present policy is to allow existing bilateral treaties to lapse and when these aids to export end, it is not expected that the Argentine product will be able to compete effectively in foreign markets.

As long as the exchange surcharge system continues in force, the prospects for the sale of Canadian paints in Argentina will continue to be extremely poor. Although it has been announced that the surcharges are purely temporary, they may continue in force for a long time. Argentina is preparing a completely new customs import tariff and when it comes into force, it has been stated, the exchange surcharge system will be abolished. Nevertheless official policy is to protect local industry and it is unlikely that foreign paints will capture any worthwhile portion of the Argentine market. ●

U.S. Promotes Export Trade

Eager to increase its export trade to cut down a balance-of-payments deficit, the U.S. Government proposes to assist exporters in a variety of ways.

T. M. BURNS,
Commercial Counsellor, Washington.

THE President of the United States recently submitted to Congress plans for an expanded program of government assistance to United States exporters. This additional government encouragement has been proposed as a result of two major developments. First, the deficit in the United States balance of payments in 1959 reached a record $3.7 billion and this has caused the U.S. authorities considerable concern. The feeling is that this deficit should be reduced substantially by increased exports. Second, many countries in recent months have eliminated or reduced discriminatory import restrictions against goods coming from the dollar area. In most cases, these restrictions had been in force ever since World War II and their elimination meant that markets closed to U.S. exporters for fifteen or twenty years once again offered opportunities.

The proposed export promotion and assistance program is divided into two broad categories. First comes the expansion and development of services available through the U.S. Department of Commerce and United States missions abroad. Second is the establishment of an export credits insurance scheme to be administered by the Export-Import Bank.

Broadly, the increased activity of U.S. government departments and agencies is taking the following forms:

- A strengthening of the trade promotion services of the Department of Commerce, including its field offices located throughout the U.S.
- The application of a higher priority to commercial activities in United States embassies and consulates abroad and an increase in the number of officials specializing in trade promotion.
- Expansion of agricultural trade promotion by the Department of Agriculture.
- Establishment of permanent overseas trade centres.
- Increasing use of United States Government exhibits in international trade fairs abroad to draw attention to United States goods.
- Greater emphasis on the promotion of tourist travel to the U.S.

The U.S. Department of Commerce will take steps to stimulate the interest of the business community in the greater potential for export sales. The distribution of information about trade opportunities abroad will also be improved. This program will involve the preparation and distribution of market surveys on a specific product and country, the dissemination of practical advice to U.S. firms designed to help them get into the export business, and the publication of more reports providing up-to-date information on foreign economic and trading conditions.

The State Department will increase the number of commercial officers in its posts abroad. It has been suggested that the current figure of about 115 commercial attachés abroad will be doubled by the time this program has been completed. This will involve the recruiting of additional staff from younger men and women wishing to qualify for commercial work abroad.

In the first stages of the export-promotion program, it is expected that two overseas trade centres will be established. One of these will be

located in an industrially advanced country, the other in a less developed one. These centres will house permanent displays of United States goods and these displays will be rotated periodically. Steps are also being taken to improve commercial libraries and reading rooms at U.S. posts abroad.

Some of the activities mentioned above are already being undertaken by government departments. Others, such as the increase in the number of commercial specialists abroad and the establishment of trade centres overseas, will require supplementary appropriations. It is expected that the Administration will submit its request for increased funds for these purposes to Congress within the next few weeks.

Export Credits Insurance

The establishment of export credits insurance by the Export-Import Bank represents a new development for the United States. Details of these arrangements which have been announced include a new system of export guarantees, covering political risks only, in short-term transactions where credits are not over 180 days. It is expected that political risk guarantee contracts will cover to the extent of 90 per cent risks of non-transferability or non-convertibility of foreign currencies; losses resulting directly from war, civil commotion and expropriation, and those resulting from the imposition of import restrictions or the cancellation of import permits. As in all other countries offering this service, the exporter who obtains a guarantee agreement on short-term transactions will be required to declare and pay fees on all his eligible export shipments as they are made. Guarantees under these short-term transactions will not include credit risks.

It should be noted that in Canada the Export Credits Insurance Corporation, a Crown Company, has been providing protection for Canadian exporters for the past fifteen years. The Corporation insures Canadian exporters against non-payment by foreign buyers due to *both* credit and political risks. Insurance is provided for consumer goods and other commodities sold on short-term credit, generally not in excess of 180 days, and also for capital goods or heavy equipment where credit terms may run to a number of years after delivery. The provision of export credits insurance by the Export-Import Bank will protect U.S. exporters against non-payment due to political risks but not against credit losses. The Canadian system provides protection against both credit losses and losses arising from political causes.

Medium-Term Credits

The Export-Import Bank will also offer an expanded program, in conjunction with commercial banks, of medium-term credits (one to five years). The Bank will take part in the financing of medium-term transactions in sole reliance upon the credit judgment of a U.S. commercial bank in these circumstances:

1. Whenever a commercial bank is prepared to finance, for its own account and without recourse to the exporter, the first three or four semi-annual instalments of a three-to five-year credit, Eximbank will finance the remaining instalments.

2. If the exporter and a commercial bank will participate in each of the instalments—the exporter to the extent of 15 per cent of the invoice value and the commercial bank to the extent of 10 per cent of the invoice value for its own account and without recourse to the exporter—Eximbank will finance 55 per cent of the invoice value of the export. In each of these circumstances, the foreign buyer must have paid at least 20 per cent of the invoice value by the time of delivery.

The Export-Import Bank is studying procedures to accelerate the processing of applications for assistance on medium-term transactions currently available from the Bank. ●

Wines from the Holy Land

THE wines of Israel, produced from grapes grown on the Plains of Judea, the Valley of Sharon and the hills of Samaria, are now exported to 26 countries, principally the United States, the United Kingdom, and Canada. Belgium, West Germany, Holland, Switzerland and Brazil purchase smaller quantities. Over 80 per cent of these exports are handled by the Co-operative Winegrowers' Society which includes 90 per cent of all growers. Export earnings in 1959 reached $420,000 compared with $326,000 in 1958; estimates for this year are set at $650,000. Canadian imports of Israeli wines and brandy increased from $23,000 in 1958 to $28,355 in 1959.

Israel's vineyards have expanded almost threefold to 9,000 acres since 1958. With the expected increase in grape yields during the next few years, the Co-operative Winegrowers' Society of Rishon le-Zion and Zichron Yaacov is enlarging the capacity of its wineries by one million litres to bring it to 18 million. These two wineries, reportedly among the largest in the world, have received $550,000 worth of new equipment in recent years from France and West Germany. A new brandy distillery costing $280,000 has been built.

Favourable climate and soil and a continuous process of grape selection and improvement have gained an international reputation for Israeli wine. Modern production methods were introduced at Rishon le-Zion in 1881 and later at Zichron Yaacov by Baron Edmond de Rothschild. With his wealth and broad vision and the aid of French specialists, he rejuvenated an industry that now numbers 15 wineries.

Israel was famed even in antiquity for its wines. According to the Bible, Noah planted the first vineyard in Israel. The story is told of scouts sent by Moses to espy the land. They returned from Canaan to the wilderness with a cluster of grapes so luscious and heavy that two men had to carry it on a stick. Today, these two scouts bearing the gigantic grape cluster have become the trademark of Israel's wine producers.

—C. SWIFT,
Office of the Commercial Secretary, Athens.

India Builds Up Paper Industry

Indians demand more paper as education spreads and industry grows; must import newsprint until young papermaking industries get on their feet.

H. A. GILBERT, *Trade Commissioner, Bombay.*

INDIA'S output of paper and paper products is expanding every year, though annual per capita consumption is still among the lowest in the world, at about two pounds per person. A comparison with the three biggest consumers in the world—the United States with 405.6, Canada 280 and Sweden 222 pounds per person—points up how far India still has to go with her plans for the spread of education, growth in industrialization, and improvement in the standard of living.

It will be some time before India's consumption of paper and paper products approaches that of the leading consuming countries. But there is ample evidence that the Planning Commissioners for the First and Second Five Year Plans and the coming Third Plan have been mindful of the importance of increasing output of paper and paper products in line with the over-all industrial development of the country. The per capita consumption of paper is an index of a nation's educational, social and industrial advancement.

Paper Production Rises

In 1951-52 annual consumption of paper (in thousands of tons) totalled 218.5, and by 1957-58 has reached 329.8; newsprint accounted for 50.5 in 1951-52 and for 79.3 in 1957-58. Annual consumption of writing and printing paper exclusive of newsprint totalled 95,100 tons in 1951-52 and 142,000 in 1957-58.

Annual installed capacity of the 19 units making paper and paperboard in India totalled 268,600 tons at the beginning of 1959. There are three additional mills with a total annual capacity of 27,000 tons of paper and paper products (other than newsprint) that started production last year. The accompanying table summarizes production and imports of paper and paperboard exclusive of newsprint, and the amounts available for consumption.

INDIA'S PAPER INDUSTRY

	Output	Imports	Available for consumption
	('000 tons)		
1951-52	135	33	168
1952-53	137	39	176
1953-54	137	42	179
1954-55	169	38	207
1955-56	187	50	237
1956-57	197	45	242
1957-58	219	38	257
1958-59	261	13	274

The amount of paper for consumption rose by about an average of 8 per cent a year from 1951-52 to 1955-56 (the First Five Year Plan). In the first three years of the Second Plan, the annual increase dipped to 4 per cent because of import restrictions imposed in 1957 following the shortage of foreign exchange. It is estimated that by 1960-61 production will have risen to 320,000 tons and the total amount on hand will reach some 335,000 which includes 15,000 tons of imports.

The Union Minister for Industry stated recently that a production target of 700,000 tons had been set for the Third Five Year Plan which starts in 1961. The capacity target of 450,000 tons set for the Second Plan has actually been surpassed and now stands at 688,000.

More Newsprint Needed

At present there is only one newsprint mill operating in India; it is publicly-owned and is situated at Nepanagar in Madhya Pradesh. The mill came into production 12 years ago and first started to produce newsprint in 1955; bamboo and salai pulp are used in the proportion of 35:65. Maximum production of 21,800 tons a year was achieved in 1958-59, and capacity is to be boosted to 200 tons a day.

Three or four schemes to set up newsprint mills are under consideration. They envisage production initially from imported pulp which would be gradually replaced by indigenous raw material. Because the demand for newsprint has been rising steadily in the past few years and is now between 75-80,000 tons a year, about 80 per cent of requirements have to be imported. The estimated demand for 1960-61 is 120,000 tons.

India will have to rely on imported newsprint for the next two or three years at least, though there will be a gradual change from imports of paper to pulp as soon as new mills come into production. To make newsprint of satisfactory quality and sufficient tensile strength for high-speed operation from local pulp will depend on the success of worldwide research into a method for using cellulosic raw materials in place of coniferous pulp.

Canada's share of India's newsprint imports has dropped off considerably since 1955, when it stood at 20.5 per cent of total imports. It is now only 3.8 per cent—a slump in value from $2 million to $500,000. The main suppliers last year in order of importance were the Soviet Union, Finland, Communist China, Poland, Sweden, Austria and Canada. One of the reasons why imports from Canada, the world's largest newsprint exporter, are dropping is that high ocean freights make Canadian supplies non-competitive in price. In addition, certain countries are selling for rupee account.

In line with the policy of relying less on imports, the Central Government has granted licences under the Industries Act for 14 projects for the manufacture of paper-mill machinery and parts. These plants will range from those producing papermaking machinery for mills of 50-ton capacity to those making only auxiliary parts and equipment.

Pulpmaking Materials

Paper mills in India are integrated units turning out both pulp and paper; at present there is no pulp mill producing only pulp. To avoid bringing bulky raw material over long distances, three pulp mills with a total daily capacity of 200 tons will be built close to the supply of the raw product.

Pulp in India is processed mainly from bamboo, salai wood, and sugar-cane bagasse. Pulpwoods such as fir and spruce are found in limited amounts in the lower Himalayan regions but are being used for making railway sleepers and packing cases. An examination of the area has revealed that it would not be economical to establish either pulp or paper mills there.

• *Bamboo* is the principal raw material for papermaking. Present consumption of this fast growing tropical plant is some 400,000 tons a year and is expected to rise to 600,000 tons by the end of 1960. It has been estimated recently that total resources of bamboo in India stand at 1.8 million tons a day on a felling cycle of four years. The rayon industry, whose needs of pulp have been met solely by imports (27,407 tons in 1958), will also make demands on bamboo. The erection of a rayon-pulp mill in India has been under consideration for the past two or three years, and a recent press report states that a plant is to be built in the State of Kerala with a capacity of 100 tons of bamboo pulp a day; it should come into production in mid-1962.

• *Bagasse* derived from sugar-cane, when mixed with other cellulosic materials, makes good quality paper and board. Two units are just coming into production, one of which will be using 100 per cent and the other 75 per cent of bagasse as raw material. Sugar-cane output totals some 58 million tons a year, of which 16 million are crushed in the 143 sugar factories. With the proposed expansion of capacity and construction of 57 new mills, it is estimated that 25 million tons of cane a year will be crushed for sugar; this should yield 3.75 million tons of bagasse on a dry-weight basis.

• *Salai* is a broad-leafed tree, with short-fibred pulp. The contour of the logs is uneven and the tree varies in quality from soil to soil and from season to season. The wood has poor keeping qualities and when the logs are debarked they are susceptible to fungus attack and will turn from a brownish to blackish shade within a week in hot and humid weather. A costly bleaching process is needed to tone up the colour of the mechanical pulp. The Nepa mills use salai, plus 35 per cent chemical pulp.

• *Other cellulosic raw materials*—There are other sources of raw material for pulping, such as sabai grass, eucalyptus, wattle, other broad-leaf trees, cotton and paper waste and straw. Except for sabai grass these have not been used to any extent. •

Peru's Trade in Wood Products

THE vast forest zone of Peru—which covers some 289,355 square miles or about 60 per cent of the total land area—is a region of enormous potential. The latest figures show that Peru produced over 40 million square feet of wood in 1956, plus billets totalling 1.2 million kilograms. This timber, most of which came from the Amazon jungles, was valued at more than 103 million soles, or about Can.$3.6 million.

Nineteen different types of wood were milled in 1956, including aguano, mahogany, cedar, eucalyptus, auracauria pine, lagarto, oak, tornillo, ulcamano, and some 14 million square feet of other wood "not specified". The mills also turned out 292,781 square feet of plywood.

Peru's lumber and wood industry comprises 62 sawmills; 33 plants producing sawn wood, plywood and prefabricated structural wood; 17 wood manufacturing plants, and 5 box-and-case manufacturing plants—117 enterprises in all, 72 of which are in Lima. There are also 134 firms making household furniture, 11 that make partitions, shelving, cupboards, built-in office furniture, and windows, plus 6 others specializing in other built-in furniture. Of these enterprises, 132 are in Lima.

During 1956 Peru imported wood and wood products valued at Can. $3.3 million, compared with exports of wood totalling Can.$435,000. The level of imports was maintained during 1957 ($3.3 million) but exports dropped to $200,000. The following year (1958) imports dipped to $2.6 million, and exports to $102,000. Most of the wood was shipped through the Amazon port of Iquitos, capital of the Department of Loreto and Peru's principal river port and trade centre in the eastern region.

Peru does not offer a big market for imported woods in log or billets; most of its imports are of unworked common woods for posts or pilings. Small amounts of pitchpine are brought in, as well as deal, stowing woods, balsa (topa wood) and railway sleepers. The biggest imports, however, are of Oregon and other pines.

—W. J. JENKINS,
Assistant Commercial Secretary, Lima.

Commodity Notes

Aircraft

FRANCE—Cessna Aircraft and France's Max Holste, specialists in light transport craft, now have an agreement giving Holste rights to make Cessna parts and equipment for distribution in Europe and Africa. Cessna in turn acquires sales and manufacturing rights for Holste products in North America.

United Aircraft Corp. (UAC) and Société Nationale d'Etude et de Construction de Moteurs d'Aviation (SNECMA), a nationalized French aviation firm, have also announced a licensing agreement. Under the plan, the French firm will build and market UAC's jet engines, plus all the U.S. firm's piston engines. In return, UAC will get a 10.9 per cent interest in the French company and representation on its Board of Directors—Paris.

Atomic Fuels

ITALY—Recently a firm known as Societa Internazionale Italatom was established in St. Louis, Missouri; 50 per cent of the capital is to be furnished by Montecatini of Italy. The remaining capital is to be provided by U.S. and South African firms.

The new company is to set up a plant to process thorium and uranium and will create a commercial organization to sell atomic fuels in Italy and in other countries. Montecatini will also undertake the general management of the company—Rome.

Cast Products

SWEDEN—A dozen companies in the foundry business, accounting for over 25 per cent of all cast goods produced in Sweden, have formed a joint body for a far-reaching quality control of their products. Known as "Svecast", the group has worked out special quality specifications and will also spread information on the use of cast products—Stockholm.

Chemical Pulp

NORWAY—A new pulp mill, with a capacity of about 14,000 tons of semi-chemical pulp a year, has now started production in Vadheim, western Norway. Most of the production will be exported to the United Kingdom. The mill is the only one of its kind in Norway that uses mainly deciduous timber as raw material. A sulphate cellulose mill is also planned for southern Norway, and a wood processing plant for the county of Trøndelag. Another plant under consideration is a 60,000-ton sulphate cellulose factory at Kirkeness, in co-operation with Finland. This mill would use Finnish timber—Oslo.

Clothing

JAMAICA—Five factories will soon be built to make for export embroidered lingerie, foundation garments, knitted sport shirts, undergarment accessories and children's wear. These companies are subsidiaries of United States clothing firms and have been established here under the Export Industry Encouragement Law. It is expected that the industry will create up to 4,000 new jobs within the next ten years—Kingston.

Dumpers, Loaders, Trailers

PORTUGAL—The Director-General of Industrial Services has authorized the setting up of a factory south of the Tagus River to make heavy-load motor vehicles (dumpers, loaders, etc.) and trailers. Extensive civil engineering works during the past few years in Portugal—such as roads, highways, dams and factories—and the accelerated rhythm at which new projects in the Second Development Plan will have to be carried out, open up new markets for these vehicles —Lisbon.

Fish

SWEDEN—The Swedish West Coast Fishermen's Organization in Gothenburg has received an order from East Germany for Kr.1.7 million worth of deep-frozen herring and fresh-frozen mackerel. This order, plus one in January, brings to Kr.8 million the total of fish exports to East Germany during the first half of 1960. Shipments consist mainly of herring, codfish and fillets.

Last year, East Germany's global quota for Swedish fish totalled Kr.22.5 million. The entire quota was

not used and has thus been reduced to Kr.18 million for 1960. Of the Communist countries, East Germany is Sweden's biggest market for fish. Czechoslovakia buys some too but it is unusual for Swedish fish to be exported to the Soviet Union, Poland or the Balkans —Stockholm.

Footwear

NETHERLANDS—The Dutch shoe industry increased production in 1959 by 16 per cent to 32 million pairs. Exports rose to 6.25 million pairs valued at 40 million guilders and imports to 5 million pairs valued at 29 million. The early fears of the Dutch footwear industry about intensified competition for export business upon the establishment of EEC will not be realized for some time because of differences in consumer preferences. Wage costs will rise as the EEC develops but these, it is hoped, may be offset by automation, mechanization and further integration in the industry —The Hague.

Iron and Steel

ITALY—A new blast furnace and rolling mill have been inaugurated in the Ilva factory at Bagnoli, near Naples. The blast furnace has a capacity of 1,200-1,400 tons of pig iron a day and its crucible has a diameter of almost nine yards. The rolling mill, suitable for dealing with ingots up to a weight of ten tons each, can turn out 230 tons per hour. It is estimated that in 1960, this factory will produce about 888,000 tons of steel and 820,000 of cast iron.

Additions and improvements to the Bagnoli factory, costing some $77 million, form part of a plan recently approved by IRI (Italian Institute for Reconstruction) to boost steel and pig-iron production in Italy during the next four years. It is expected that by 1964, total Italian steel output will have risen from the present 4 million tons to 7.2 million, and pig iron from 1.8 million tons to 5.4 million—Rome.

Metals

NORWAY—Norway's metal production rose steadily last year and for several metals, output is breaking all records. Aluminum production totalled 106,800 tons during the first nine months of the year, compared with 88,700 in 1958; the preliminary figure for the whole year is some 140,000 tons (122,000 in 1958). Expansion schemes are under way that will boost Norway's aluminum production to 160,000 tons in a few years.

During the first nine months of 1959, copper output reached 14,250 tons (13,100 tons in the corresponding period of 1958), nickel 18,768 tons (17,760), and crude steel 292,000 tons (269,100). The ferro-alloys industry, which in 1958 suffered a serious setback, made some progress last year. Output of ferro-alloys other than ferrosilicon totalled 112,860 tons in the first three quarters of 1959, compared with 96,800 in the same period of 1958. Ferrosilicon production is running slightly above 1958—Oslo.

Research Reactor

SWEDEN—Sweden's third reactor, R 2, went into operation recently at AB Atomenergi's research station Studsvik on the Baltic Coast south of Stockholm. R 2, a materials testing unit, is the biggest research reactor operating in Europe. The new $6.2 million reactor is intended for testing materials and developing fuels for the forthcoming large power-producing reactors. Several research institutes will also use the unit for experiments.

Previous Swedish reactors are the R 1 in Stockholm and the R 0 zero-effect reactor at Studsvik. The smaller R 2-0 is scheduled to go into operation at Studsvik in the next few months.

Later this summer R 2, which is a reactor of the modified pool type, will be equipped with a new tank that will permit it to be operated at 30,000 kw. The fuel is about six kilograms of highly enriched uranium —Stockholm.

Zinc

SPAIN—The new Spanish zinc factory, Española del Zinc, at Cartagena, has now been completed and is turning out electrolytic zinc of 99.99 per cent purity. The factory was financed privately by the Banco Central. Production is expected to total 20,000 metric tons of electrolytic zinc (capacity: 40,000 tons of blende) a year—enough to cover domestic requirements and leave a surplus for export. Zinc of such high purity is in great demand in world markets, and the factory should give Spain a profitable zinc export business—Madrid.

Tours of Territory

C. G. BULLIS, Assistant Trade Commissioner in Kingston, Jamaica, will visit Belize, British Honduras, from September 13-20.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Belgrade, Zagreb and Ljubljana in Yugoslavia from July 18-29.

W. R. VAN, Commercial Secretary in Dublin, Ireland, will visit Cork from July 19-20, and Waterford on July 21.

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. Bullis at Kingston, Mr. Thomson at Vienna and Mr. Van at Dublin.

Trade and Tariff Regulations

Australia

TARIFF CHANGES—The Australian Government has announced that, effective May 20, 1960, tariff changes have come into force on the items listed below:

Copper and copper alloy products
Aluminum foil (date of coming into force to be proclaimed)
Footwear
Synthetic fabrics
Embroideries
Alternating current induction-type motors
Radio and television equipment
Portable electric hand tools
Oil or spirit heating lamps
Optical lenses
Colours and dyes
Paint boxes
Hacksaw blades

Details of these tariff changes may be obtained from the International Trade Relations Branch of the Department of Trade and Commerce.

Italy

DOLLAR LIBERALIZATION—The Italian Government has taken further steps to liberalize imports from dollar countries. Effective June 15, 1960, some 1,136 items were freed from Italian import restriction. Among the commodities that have been liberalized, the following are of interest to Canada:

Synthetic rubber of various categories including certain shapes, solutions and dispersions
Gluten and gluten flour
Meats of various kinds
Various edible vegetables and plants
Potato flour, semolina and flakes, oats
Oilseeds, particularly rape and mustard seed
Oilseed meal and fruit meal
Sodium cyanide, various hydrocarbons
Acyclic alcohols and their nitrates and nitrous derivatives
Vinyl acetate monomer
Various ammine-function compounds
Various ethanolamines as well as a number of industrial raw materials and fabricated items.

The 764 items still subject to import licensing are mainly agricultural commodities, some chemical and pharmaceutical products, and certain steel alloys and engineering products. Details about the status of particular commodities under Italian import regulations may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

Pakistan

IMPORT CONTROLS—The Chief Controller of Imports and Exports, Pakistan, has announced changes in import policy for the shipping period July-December 1960.

Eleven items regarded as luxuries have been eliminated from the licensable list: haberdashery; liquid gold; gramophone records; fabrics, n.o.s.; fents; toilet requisites; perfumery concentrates; smokers' requisites; tiles and bricks, all sorts; rubber manufactures, all sorts; textile fabrics, all sorts, including binding cloth; and tea chests. Spectacle frames and parts and accessories thereof have also been taken off the licensable list in view of the adequate production in the country.

The following 28 items have been placed under Automatic Licensing, effectively freeing them from import control. They may be freely imported by importers holding category licences, and importers may apply for additional category licences as required for these goods:

Industrial Items

Iron and steel
Metals
Explosives
Camphor
Gas in cylinders
Chemicals
Coaltar dyes
Dyeing and tanning substances
Gas black and carbon black
Rubber, raw, including synthetic rubber
Rubber scrap
Gelatine capsules
Lubricants—procedure of licensing will be notified separately

Agricultural Items

Tractors and tractor spares
Plants, living
Vegetable and flower seeds, excluding onion sets and onion seeds
Nylon twine (for fishing industry)

Consumer Items

Books
Laboratory glassware
X-ray films and plates
Tires and tubes
Scientific and surgical instruments, apparatus and appliances made of rubber, including contraceptives
Parts and accessories for automotive vehicles, including spares for marine engines

For East Pakistan Only

Cement, grey
Limestone
Soda ash
Milk food
Motor rickshaws

Peru

SURTAXES ABOLISHED ON CERTAIN IMPORTS —Under a series of exchange control measures in May and June of 1958 the Peruvian Government imposed surtaxes on all imports, except a few basic items, increasing their specific duties by either 50 or 200 per cent and in April 1959, levied additional import taxes of 10, 20, or 25 per cent ad valorem on a wide range of non-essential goods.

As a result of improved economic conditions, Peru has now abolished the surcharges on 65 items. Effective June 3, 1960, the 200 per cent surtax and the 20 per cent import tax have been removed from assembled passenger motor vehicles (excluding buses and vans) and house-trailers of up to 60,000 soles each in value.

Also effective June 3, Peru has eliminated the surtax on a number of other items that were not subject to the import tax. These are hand tools and utensils for the agricultural, mining, and other industries; office machinery and apparatus; conveying, lifting and digging machines for buildings and for roads; printing and textile machinery; sewing machines; machine tools; electric hand tools; sparkplugs and electrical equipment for internal combustion engines, including those for motor vehicles.

West Germany

DOLLAR IMPORTS LIBERALIZED — Effective July 1, 1960, the Federal Republic of Germany liberalized a number of items of interest to Canada. A representative list of commodities originating in dollar countries which have now been freed from restrictions includes the following:

synthetic rubber
primary aluminum
forage and grass seed
vegetable grain and flower seed
phosphorus, lithium hydroxide, silicon carbide and polyesters.

Further details of this German liberalization measure may be secured from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Trade Commissioners on Tour

R. E. Gravel

K. Nyenhuis

R. G. Woolham

The following officers of the Trade Commissioner Service are undertaking tours in Canada. Their itineraries are:

R. E. GRAVEL, Commercial Counsellor in Caracas, Venezuela:

Winnipeg—July 20-21
Toronto—July 25-Aug. 5
Ottawa—Aug. 7-12
Montreal—Aug. 14-25
Quebec—Aug. 26-27

When he completes his tour and leave, Mr. Gravel will be transferred to Hamburg, West Germany, as Consul.

K. NYENHUIS, Trade Commissioner in Leopoldville, Belgian Congo:

Toronto—July 11-20
Hamilton—July 21-22
Montreal—July 25-Aug. 5
Granby—Aug. 8
Quebec—Aug. 9
Saint John, N.B.—Aug. 11-12

When he completes his tour and leave, Mr. Nyenhuis will be transferred to Copenhagen, Denmark, as Commercial Counsellor.

R. G. WOOLHAM, Assistant Commercial Secretary in Tokyo, Japan:

Vancouver—Sept. 1-2
Calgary—Sept. 6
Winnipeg—Sept. 7-9
Ottawa—Sept. 12-23

When he completes his tour and leave, Mr. Woolham will be posted to Paris, France, as Assistant Commercial Secretary.

Businessmen who wish to see these officers 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.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor G. E. Blackstock Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel:* 33-8237
Australia (Capital Territory New South Wales, Queensland, Northern Territory) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Tel.:* U-1304
Austria Bulgaria, Czechoslovakia, Hungary, Romania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgium Luxembourg, European Economic Community, European Atomic Energy Community, European Coal and Steel Community	L. H. Ausman Commercial Counsellor P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	Wm. Jones Commercial Counsellor	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	D. M. Holton Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 43-00-65
Congo Angola, Central African Republic, Chad, Congo (French Community), Gabon	R. A. Bull Acting Trade Commissioner	C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	J. R. Midwinter Acting Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 35201
India (States of Gujerat and Maharashtra), Goa	G. P. Morin Acting Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	M. B. Blackwood Commercial Secretary	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation TEHRAN	*Mail:* Central P.O., Box 1610 *Cable:* CANTRACOM *Tel.:* 49291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 861-951
Japan South Korea	J. L. Mutter Commercial Counsellor N. W. Boyd Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 408-2101/8
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	C. O. R. Rousseau Commercial Secretary W. B. Walton Assistant Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel:* 50955
Mexico	F. B. Clark Commercial Secretary W. M. Miner Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor G. E. Woollam Agricultural Counsellor B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, French Oceania, Western Samoa	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80

Territory	Officer	City Address	Mail and Cables, Office Telephone
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	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
Peru Bolivia	W. J. Jenkins Acting Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines Republic of China (Taiwan)	R. H. Gayner Acting Consul General and Acting Trade Commissioner	Canadian Consulate General Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 74260
South Africa (Natal, Transvaal, Orange Free State), Malagash, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor (absent)	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet Commercial Counsellor (absent) J. M. T. Thomas Acting Commercial Secretary (temporary)	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Union of Soviet Socialist Republics	W. Van Vliet Commercial Counsellor	Canadian Embassy 23 Starokonyushenny Pereulok Moscow	*Mail:* (City Address) *Cable:* CANAD *Tel.:* 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	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom	B. C. Butler Minister (Commercial) (absent) S. G. Tregaskes Commercial Counsellor W. Gibson-Smith Commercial Counsellor D. B. Laughton Agricultural Secretary E. J. White Commercial Secretary (Timber) E. J. Ward Assistant Commercial Secretary (Timber) W. A. Stewart Assistant Agricultural Secretary	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner	Cornhill House 144 West George St. GLASGOW C.2	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* Douglas 6751
United Kingdom (Northern Ireland)	W. R. Van Canadian Government Trade Commissioner	36 Victoria Square BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	M. Schwarzmann Minister-Counsellor (Economic) D. A. B. Marshall Agricultural Counsellor T. M. Burns Commercial Counsellor J. D. Blackwood Assistant Commercial Secretary J. MacNaught Assistant Agricultural Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	B. I. Rankin Deputy Consul General (Commercial) A. A. Caron Consul and Trade Commissioner F. I. Wood Vice-Consul and Assistant Trade Commissioner	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	J. C. Depocas Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320

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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.01943294.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 4	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01190	84.03	(1)
Austria	Schilling		.03777	26.48	
Australia	Pound		2.2029	.4539	
Bahamas	Pound		2.7536	.3632	
Belgium, Belgian Congo and Luxembourg	Franc		.01968	50.81	
Bermuda	Pound		2.7536	.3632	
Bolivia	Boliviano	Free	.00008586	11,646.87	
British Guiana	Dollar		.5737	1.74	
British Honduras	Dollar		.6884	1.45	
Brazil	Cruzeiro	General Category*	.004323	231.33	*June 21 (2)
		Special Category	.002123	470.90	
		Official selling	.05184	19.29	(3)
Burma	Kyat		.2064	4.84	
Ceylon	Rupee		.2065	4.84	
Chile	Escudo	Free	.9325	1.07239	(4)
Colombia	Peso	Certificate	.1464	6.83	
Costa Rica	Colon	Official	.1747	5.72	
		Controlled free	.1475	6.78	
Cuba	Peso		.9809	1.01947	tax 2%
Czechoslovakia	Koruna		.1362	7.34	
Denmark	Krone		.1424	7.02	
Dominican Republic	Peso		.9809	1.01947	
Ecuador	Sucre	Official	.06540	17.43	
		Free	.05736	15.29	
Egyptian Region, United Arab Rep.	Pound	Official	2.8168	.3550	
		Export account selling	2.5525	.3918	
El Salvador	Colon		.3924	2.55	
Fiji	Pound		2.4807	.4031	
Finland	Markka		.003065	326.26	
France, Monaco, etc.	New Franc		.2002	4.99	(5)
French colonies	Franc		.004004	249.75	(6)
French Pacific	Franc		.01101	90.83	(7)
Germany	D Mark		.2352	4.25	
Ghana	Pound		2.7536	.3632	
Greece	Drachma		.03269	30.59	
Guatemala	Quetzal		.9809	1.01947	
Haiti	Gourde		.1962	5.10	
Honduras	Lempira		.4905	2.04	
Hong Kong	Dollar	Free*	.1706	5.86	*June 24
		Official	.1721	5.81	
Iceland	Krona	Official	.02581	38.74	(8)
India	Rupee		.2065	4.84	
Indonesia	Rupiah	Official	.02180	45.87	(8)
Iran	Rial		.01295	77.22	
Iraq	Dinar		2.7466	.3641	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 4	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7536	.3632	
Israel	Pound		.5450	1.83	
Italy	Lira		.001581	632.51	
Japan	Yen		.002725	366.97	
Lebanon	Pound	Free	.3081	3.24	
Mexico	Peso		.07848	12.74	
Netherlands	Florin		.2602	3.84	
Netherlands Antilles	Florin		.5243	1.91	
New Zealand	Pound		2.7536	.3632	
Nicaragua	Cordoba	Effective buying	.1486	6.73	
		Official selling	.1391	7.19	
Norway	Krone		.1375	7.27	
Pakistan	Rupee		.2065	4.84	
Panama	Balboa		.9809	1.01947	
Paraguay	Guarani	Official	.008040	124.38	
Peru	Sol		.03574	27.98	
Philippines	Peso		.4905	2.04	
Portugal & Colonies	Escudo		.03423	29.21	(9)
Singapore and Malaya	Straits Dollar		.3213	3.11	
Spain and Dependencies	Peseta		.01635	61.16	
Sweden	Krona		.1902	5.26	
Switzerland	Franc		.2272	4.40	
Syrian Region, United Arab Rep.	Pound	Free	.2740	3.65	
Thailand	Baht	Free	.04635	21.57	(8)
Turkey	Lira		.1090	9.17	(8)
Union of South Africa	Pound		2.7536	.3632	
United Kingdom	Pound		2.7536	.3632	
United States	Dollar		.9809375	1.01943294	
Uruguay	Peso	Free	.08608	11.62	(10)
Venezuela	Bolivar		.2928	3.41	
West Indies Fed.	Dollar		.5737	1.74	(11)
	Pound		2.7536	.3632	(12)
Yugoslavia	Dinar	Official	.003269	305.90	(8)
		Settlement rate	.001552	644.28	

*Latest available quotation date.

Notes

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

SPAIN

Area: 195,000 square miles.

Population: 30.2 million.

Climate: cool and wet in north; dry in large central plateau surrounding Madrid; sub-tropical on Mediterranean.

Language: Spanish. Sales literature in Spanish.

Currency: Peseta; rate—60 pesetas to U.S.$1.00; 63 to Can. $1.00.

Weights and measures: metric system.

Capital: Madrid; altitude 2,150 feet; dry, hot summers.

Chief ports: on Mediterranean—Barcelona, Tarragona, Valencia, Alicante and Malaga. On Atlantic—Bilbao, Santander, Corunna, Vigo and Cadiz.

Marketing centres: Madrid (population) 2 million, Barcelona 1.6 million, Valencia 530,000, Seville 450,000, Malaga 300,000, Bilbao 270,000, Santander 200,000, Corunna 160,000, Cadiz 100,000.

Economy: mainly dependent on agriculture, forestry, fishing, mining, wine and cork production.

Total Spanish imports: 1958—U.S.$849 million (c.i.f.); 1957—$862 million.

Chief imports: 1958 (in per cent)—petroleum, gasoline and tobacco 22.0; machinery, apparatus and vehicles 19.0; chemical products 16.0; metals and manufactures 10.0.

Chief suppliers: 1958 (in per cent)—United States 45, United Kingdom 13, Germany 10.

Value of imports from Canada: 1958—Can.$6,715,895; 1957—Can.$5,914,578.

Chief imports from Canada: 1958 (in per cent)—aluminum in primary forms 30, salt cod 14, drugs and chemicals 12, asbestos fibres 10, scrap metal 8, gas engines and parts 5.

Total Spanish exports: 1958—U.S.$486 million (f.o.b.); 1957—U.S.$476 million.

Chief exports: (in per cent)—agricultural surpluses, foodstuffs and beverages 61, minerals 8, chemicals and products 5, metals and manufactures 6, wood manufactures 4.

Chief markets: 1958—United Kingdom, Germany, United States.

Value of Canadian purchases: 1958—Can. $6,748,722; 1957—Can.$5,596,416.

Chief Canadian purchases: (in per cent)—olives 75, almonds 15, cork products 11.

Dollar exchange: difficulties are still encountered in obtaining dollar exchange. All commodities, except liberalized goods, are subject to import licensing.

Prices: quotations can be submitted in either U.S. or Canadian dollars but must be c.i.f.

Samples: if of commercial value, an import licence must be applied for, but those coming from countries which are members of GATT are exempt from import licence but not from payment of duty.

Trade agreements: most-favoured-nation agreement with Canada. Bilateral agreements with many European countries.

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

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

For detailed information on this market write:

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

or

Commercial Counsellor
Canadian Embassy
Apartado 117
Madrid, Spain
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