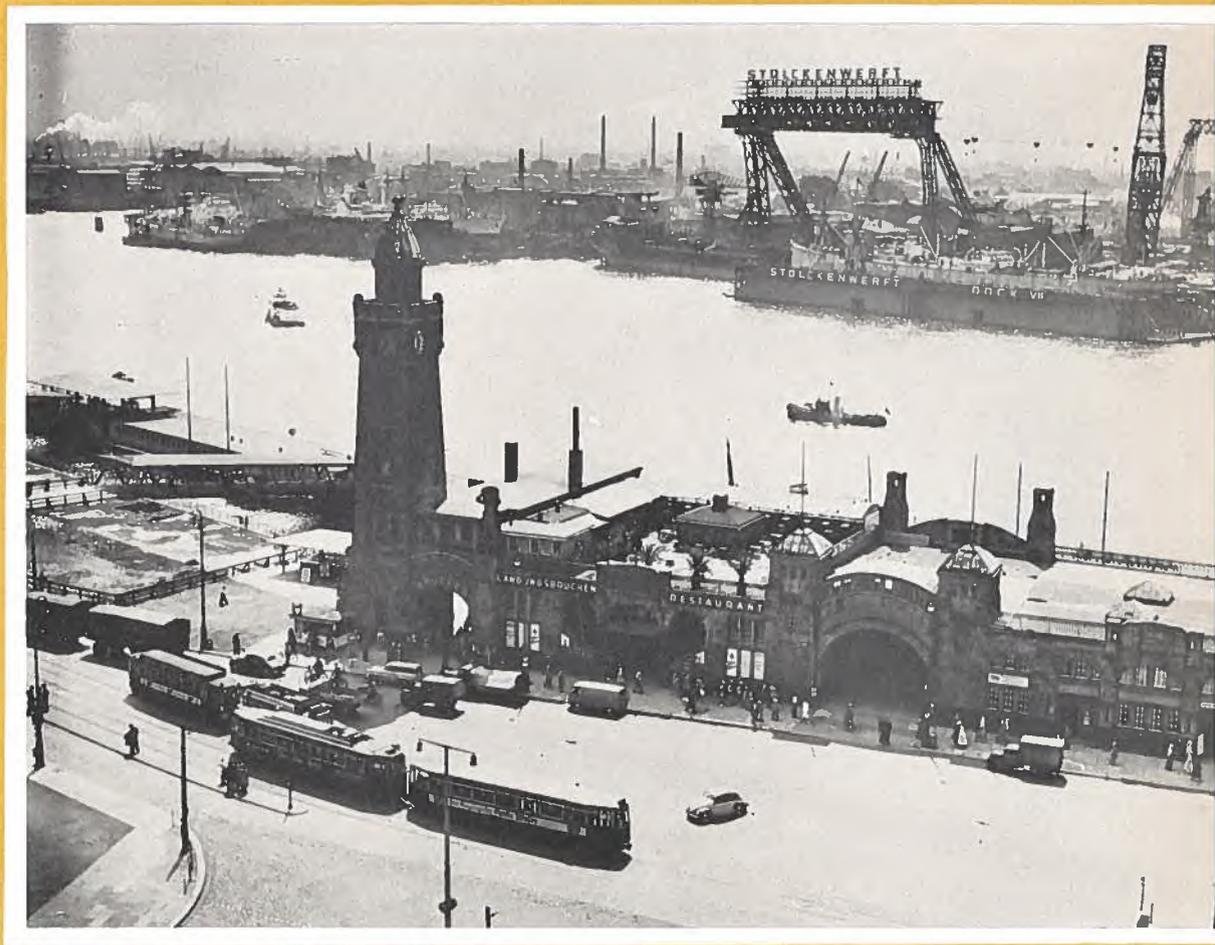


AUGUST 27, 1960

foreign trade



THE WEST GERMAN MARKET (pages 2-16)

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COVER

A view over the busy port of Hamburg, one of Germany's leading seaports and trading centres, introduces a series of articles from our Bonn and Hamburg offices on the West German market. Canada's trade with West Germany has grown significantly in postwar years, as the reports show. For a review of our trading performance, some selling tips, and a forecast of future trends, see pages two to fifteen. —Photo courtesy Presse und Informationsamt der Bundesregierung.



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THE WEST GERMAN MARKET

West Germany in Brief

Area: 95,927 square miles (including West Berlin).

Population: 55.2 million (including West Berlin).

Climate: temperate, with a winter appreciably shorter and milder than in Canada.

Language: although many officials and businessmen have a knowledge of English, correspondence and, more important, sales literature in German is preferable.

Currency: the Deutsche Mark, which is fully convertible for residents or non-residents. DM1.00=Can.\$0.2318.

Weights and measures: metric system.

Capital: since the establishment of the Federal Republic in 1949, the provisional capital has been Bonn.

Chief ports: Hamburg, Bremen, Bremerhaven and Emden. Many German imports, especially of bulk materials, enter Europe at Dutch and Belgian ports and are transported by barge up the Rhine to destination.

Marketing centres: Hamburg (population) 1,797,000; Munich 1,017,000; Dusseldorf 679,000; Frankfurt 643,000.

Economy: a highly developed and rapidly expanding industrial economy, based to a large extent on foreign trade. Germany's main resources, apart from coal, are a diligent working force and capable, hard-working management. These resources she applies to imported raw materials, exporting a substantial part of the manufactured product.

Total West German imports: 1958—DM31,133 million; 1959—DM35,823 million (DM649 per capita).

Chief imports: 1959 (value in per cent)—foodstuffs and beverages 31.5; non-metallic minerals (including fuels and metallic ores 13.6; non-precious metals and their products 12.2; textile fibres and their products 11.0; machinery, including electrical machinery 6.0.

Chief suppliers: 1959 (value in per cent)—United States 11.5, Netherlands 9.2, France 6.5, Italy 6.4, Belgium and Luxembourg 5.1, United Kingdom 4.8.

Value of imports from Canada: 1958—Can.\$202 million (including \$62 million worth of aircraft); 1959—Can.\$130 million.

Chief imports from Canada: 1959 (in per cent)—wheat 39.9; primary aluminum 11.0; asbestos fibre 5.2; primary copper 4.2; iron ore 4.0; nickel 3.0; aircraft engines and parts 2.9; flaxseed 2.6; wood pulp 2.5.

Total German exports: 1958—DM36,988 million; 1959—DM41,184 million.

West Germany in Brief

Chief exports: 1959 (in per cent)—*machinery and equipment (including electrical) 26.6; motor vehicles 13.1; iron and steel and products 11.7; chemical products 9.6.*

Chief markets: 1959 (in per cent)—*United States 9.4, Netherlands 8.6, Belgium and Luxembourg 6.2, Switzerland 5.9, France 5.8, Sweden 5.7, Italy 5.5. (Germany's seven leading customers account among them for less than half of the country's exports.)*

Value of Canadian purchases: 1958—*Can.\$106 million; 1959—Can.\$127 million.*

Chief Canadian purchases: *Canada's imports from Germany in 1959 extended over a very broad range of machinery, industrial chemicals and consumer goods. Automobiles, the outstanding item, represented 28 per cent of our total imports from Germany.*

Dollar exchange: *readily obtainable, in any amount, at any West German bank.*

Prices: *quotations in Canadian or United States dollars are acceptable. They should be c.i.f. German port, or if this is not feasible, f.o.b. Canadian seaport.*

Samples: *those of no or negligible commercial value may be brought in free of duty. Other samples may come into the country against payment of a bond in the amount of the duty, which is refundable if the samples are re-exported within one year.*

Trade agreements: *West Germany, as a GATT signatory, exchanges most-favoured-nation treatment with Canada. Germany also has bilateral trade agreements with a large number of countries and is a member of the European Economic Community (Common Market).*

Import controls: *most non-agricultural products may be imported freely without any type of official authorization. Two exceptions of significance to Canada, raw aluminum and synthetic rubber, are scheduled to be liberalized by the end of this year.*

Many important agricultural products may be imported only against a specific import licence, which when granted carries with it the right to purchase the necessary foreign exchange.

Correspondence: *only airmail should be used; normally takes four or five days. Rate, 15 cents per half-ounce.*

For detailed information on this market write to: *European Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, Ontario.*

Commercial Counsellor, Canadian Embassy, Zitelmannstrasse 22, Bonn, Germany.

Consul, Canadian Consulate, Ferdinandstrasse 69, Hamburg, Germany.

Canada Shares in Postwar Boom

Remarkable recovery in West German foreign trade has created opportunities for Canadians; exports worth \$129.6 million last year made this our fourth largest market.

J. A. STILES, *Commercial Counsellor, Bonn.*

WEST GERMANY'S foreign trade has almost quadrupled in value in the last ten years. This remarkable achievement has undoubtedly played a major part in her rapid postwar recovery. Between 1950 and 1959 exports increased five-fold—from 8.4 to 41.2 billion DM. Imports in the same period more than trebled—from 11.4 to 35.8 billion DM. The rise has continued in 1960, with exports for the first four months increasing by 24.1 per cent over January-April 1959, and imports up 25.7 per cent over the same period a year ago. New orders from abroad have been coming in at a higher rate than last year and it appears practically certain that West German trade this year will achieve a record.

TABLE I
GERMAN FOREIGN TRADE

	1950	1954	1958	1959
	(in billion DM)			
Exports	8.4	22.0	37.0	41.2
Imports	11.4	19.3	31.1	35.8
Balance	-3.0	+2.7	+5.9	+5.4

Apart from normal recovery, several factors account for this sharp rise during the past decade. Perhaps the most important is the determined and skilful efforts that German firms have made to recapture markets lost during the war. These efforts have been aided by price stability in Germany, export incentives granted by the Government, the increased demand for German goods at the time of the Korean war, and the generous financial assistance provided for the

rebuilding of the German economy, particularly by the United States.

What Germany Sells

As a highly industrialized country with comparatively few raw-material resources, Germany traditionally has concentrated on producing and selling abroad fully manufactured goods. That this sales pattern still prevails is shown by last year's German exports: 82 per cent consisted of industrial finished goods, 11 per cent semi-finished products, 5 per cent raw materials, and 2 per cent foodstuffs.

Although the range of German exports is wide, there are only a few categories that decisively affect the over-all result. The most important of these are mechanical engineering products, chemicals, vehicles, electrical engineering products and iron and steel. All of these advanced strongly in 1959. The largest increases were in exports of chemicals (up 19 per cent), electrical engineering products (up 17 per cent), and vehicles (up 16 per cent).

Germany's Customers

Western Europe as a whole is Germany's largest export market and in 1959 took 61 per cent of German exports. The Netherlands was the most important single European market, absorbing 8.5 per cent of German exports, followed by France with 7.6 and Belgium with 6.3 per cent. However, the United States was Germany's largest individual market in 1959, buying 9.3 per cent of all German exports.

In recent years Canada has become an increasingly important market for Germany; in 1959 Canadians bought \$126.6 million worth of German goods, or 1.2 per cent of German exports. This placed Canada seventeenth on the list of Germany's foreign customers. Cars and parts headed Canadian purchases (\$37.7 million in 1959), followed by a wide variety of fully manufactured goods, including machinery and rolling mill products.

Imports Are Rising

International publicity in the last few years about the growing volume of Germany's exports has tended to overlook the appreciable growth in her imports. In fact, the German market is becoming more and more important to many foreign countries.

TABLE II
GERMAN IMPORTS

	1950	1954	1959
	(in billion DM)		
Foodstuffs	5.0	7.2	10.8
Industrial raw materials	3.4	5.4	7.9
Semi-finished goods	1.6	3.5	6.7
Finished goods	1.4	3.2	10.4
Total	11.4	19.3	35.8

The reader will note in the table above that in addition to the more than doubling of her purchases of foodstuffs and raw materials since 1950, Germany has become a substantial buyer of semi-finished and finished goods as the standard of living has moved steadily upward. This development is reflected in larger imports of cars, particularly from France and Italy, despite the fact that Germany itself is a large producer and exporter of motor vehicles.

The United States has become Germany's most important supplier in the postwar years and in the last six years has had an average share

TABLE III
GERMANY'S LEADING SUPPLIERS

	1954	1957	1958	1959
	(per cent of total imports)			
United States	11.6	17.9	13.6	12.8
Netherlands	8.1	7.6	8.4	9.0
France	5.8	5.6	5.7	8.3
United Kingdom	6.4	5.3	6.5	6.5
Italy	4.4	4.9	5.5	6.1
Belgium- Luxembourg	5.3	4.7	5.1	5.5
Sweden	4.7	4.7	4.5	4.3
Switzerland	3.6	3.3	3.7	4.0
Denmark	2.6	2.9	3.3	3.3
Austria	2.9	2.8	2.9	2.8
CANADA	2.0	2.4	3.1	1.9
Argentina	3.0	1.8	1.7	1.5

TABLE IV
**CANADIAN EXPORTS TO
WEST GERMANY, 1959**

	(in \$ million)
Wheat and other grains	54.0
Oilseeds	3.7
Wood pulp	3.4
Iron ore	5.3
Asbestos	8.5
Non-ferrous metals	27.2
Chemical products	4.8
Aircraft engines	3.7
Total	110.6
Total, including all exports	129.6

of 13.9 per cent of German imports. The Netherlands and France usually occupy second and third position. In 1959 these two countries supplied 9 and 8.3 per cent respectively of Germany's foreign purchases.

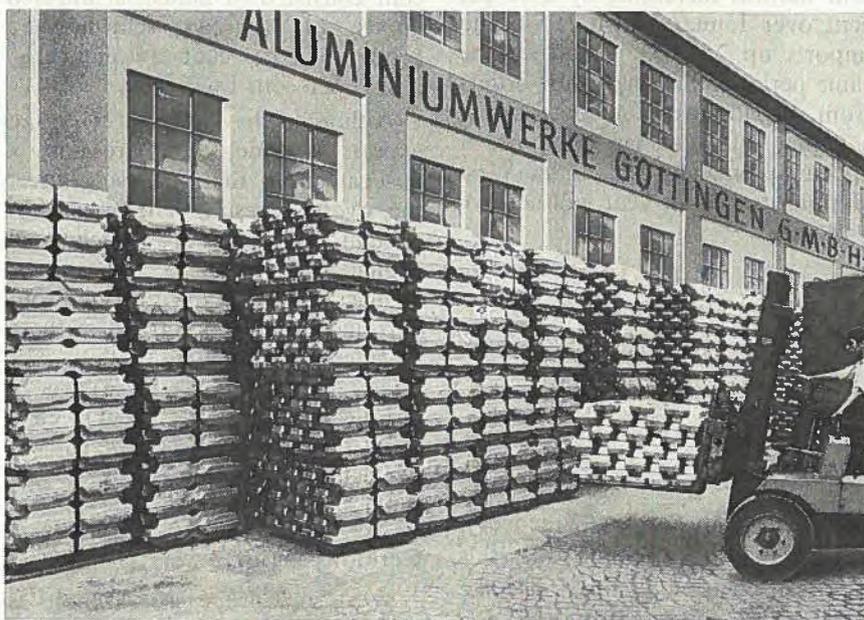
Canada in recent years has ranked eleventh on the list of Germany's suppliers and since 1954 Canadian exports to this market have averaged \$132.5 million. The bulk of our sales normally consists of a fairly small number of products. In 1959, for example, eight product groupings accounted for 85 per cent of our exports to Germany.

Impact of Common Market

German foreign-trade statistics are beginning to show the impact of the formation of the Common Market, embracing Germany, France, the Netherlands, Italy, and Belgium-



Figuring largely in our trade with West Germany are our purchases of motor vehicles and sales of primary aluminum. Volkswagen cars and buses (above) from the great Wolfsburg works are awaiting shipment; below, Canadian aluminum ingots are delivered to a Göttingen plant.



Luxembourg. The first 10 per cent internal tariff reduction between these countries took place on January 1, 1959. Despite the fact that in 1959 only minor changes had to be made in the German tariff (because Germany had unilaterally reduced her tariffs 25 per cent in 1957), the Common Market countries were able to step up their sales

to Germany substantially, as Table III confirms.

This trend has continued in the first four months of 1960. Germany's purchases from the Community in this period were 41 per cent higher than for the same period a year ago; the Community's share of German imports rose from 26.6 to 30 per cent. It is evident that the

formation of the Common Market is having an important psychological effect and that exporters in the Community are adjusting themselves to things to come. On July 1, 1960, the second internal 10 per cent tariff reduction took place and a third cut of 10 per cent is scheduled for the end of this year.

Germany's exports to the Community have also been increasing, although at a slower rate. In the first four months of 1960 exports to the Community rose by 29 per cent compared with the same period in 1959.

Further evidence of the adjustment taking place is the increasing number of sales and service arrangements being made between manufacturers in different countries within the Common Market. The automobile industry is a case in point, with some German car producers agreeing to act as general agents for the importing of French cars in return for similar arrangements for German cars in France.

Concern over EFTA

The formation of a free trade area (EFTA) between Britain, Sweden, Norway, Denmark, Austria, Portugal and Switzerland on July 1, 1960, is currently causing concern in German foreign trade circles. German exporters supply approximately as much to the EFTA countries as to the countries of the Common Market. Germany is therefore anxious to work out some arrangement which will prevent Europe from being split into two rival trading blocs, discriminating against each other. The coming into force of the first adjustment towards the Common Market external tariff is due to take place at the end of this year and it is probable that Germany will make strong efforts in the next six months to reach a compromise that will enable traditional trade flows to be maintained.

There are good prospects that total German-Canadian trade will increase in the future, despite Germany's membership in the Common

Market. It is likely, however, that Canada will not continue to have the large export surpluses in its trade with Germany that have characterized the postwar years. The growing strength of German industry indicates that German exports to Canada will probably rise steadily.

The German demand for Canadian foodstuffs and industrial raw materials should remain strong in the next few years. The sales outlook for metals and minerals appears particularly bright, provided that we can remain competitive with

other foreign suppliers. Prospects for Canadian manufactured goods are less favourable, particularly as some German tariffs on manufactured goods are scheduled to be increased as a result of the coming into force of the Common Market external tariff. This situation could well be altered for the better, however, as a result of international tariff negotiations planned for this fall. On the whole, Germany's increasing requirements of industrial raw materials should ensure a rising volume of Canadian sales to this market in the future. ●

Canadian Exporters and List "G"

G. F. MINTENKO, *Assistant Commercial Secretary, Bonn.*

THE letter "G" acquired a new significance for Canadian exporters to West Germany following the signing of the Treaty of Rome in March 1957, establishing the European Economic Community (Common Market).

The Treaty laid down that, in principle, the future common tariff of the Community would be at the level of the arithmetical average of the duties applied in the Community's four customs territories—West Germany, France, Italy and Benelux. But it also provided for a number of exceptions to this general rule. The most important of these from the Canadian point of view were enumerated in an appendix to the Treaty known as List "G". The tariff rates for these products were to be arrived at by negotiation among the Common Market's member states. The ensuing negotiations were protracted but resulted in agreement in February 1960 on all List "G" items except petroleum. The result is that, as the German tariff approaches the eventual common tariff, (a process which is

scheduled to begin at the end of this year), the terms of entry into the German market for several important Canadian exports will be changed. Of course, these proposed rates will be examined and renegotiated at the GATT Tariff Conference opening on September 1, 1960.

The List "G" item most important to Canada, from the point of view of volume at least, is aluminum; in 1959 exports totalled \$14.3 million. The present German tariff on aluminum is 7 per cent, but a duty-free quota provision has meant that most of Canada's aluminum shipments to Germany in recent years have been free of duty. The eventual EEC tariff on this metal will be 10 per cent but Germany (and Benelux) have obtained the right to establish annual tariff quotas enabling them to bring in their import requirements at a 5 per cent rate.

Unwrought magnesium (Canada's 1959 exports were valued at \$1.5 million) comes into Germany

duty-free at the present time. The common tariff will be 10 per cent.

Lead and zinc metals, free under the German tariff, will be subject to a duty of three-fifths of a cent (U.S.) per pound. But Germany is entitled to establish annually a duty-free quota for up to 20 per cent of its industrial requirements.

Lead and zinc ores, like synthetic rubber, will remain free of duty when the common tariff is instituted.

Sulphur, sublime or precipitated, which now enters Germany free,

will be subject to a 10 per cent duty under the Common Market tariff.

Sulphate pulp, free under the German tariff, will pay a 6 per cent duty under the proposed EEC tariff. Germany does, however, have the right to establish duty-free quotas to the extent of its import requirements.

It is difficult to predict just how much Canada's exports will be affected by these changes in terms of entry. Many List "G" items, such as aluminum, are produced in the

Community in quantities that fall short of local needs. Only time will tell whether the EEC tariff, in combination with other factors, will bring about greater self-sufficiency in the Community.

A number of materials important in Canada's export trade to Germany are *not* included in List "G". Copper, nickel and asbestos, for example, were subjected to the tariff-averaging procedure and will in future be imported, as they are now, duty-free. ●

Agricultural Imports Bulk Large

Big demand for wheat (including durum), other grains, oilseeds, etc., makes Germany a sizable customer for Canadian farm products. Agricultural policy within EEC may affect market in the long term.

W. J. O'CONNOR, *Assistant Commercial Secretary, (Agriculture), Bonn.*

WEST GERMANY imported \$3.3 billion worth of agricultural products in 1959. The main commodities, in order of importance, were fresh fruit, coffee, cotton, wool, edible oilseeds, wheat, eggs, meat and tobacco. Imports of these nine products were valued at over \$1.7 billion, slightly more than half the total. The accompanying table shows German imports of selected agricultural products in the last three years.

About 40 per cent of Germany's total imports consist of farm products. The Netherlands and the United States are the main suppliers, followed by Denmark, Italy, France, Argentina and Canada.

Germany buys large quantities of fresh fruits, eggs, vegetables, grain, dairy products and wine from Common Market countries. Approximately one-quarter of her agricultural imports come from this area, and the Common Market

countries have become increasingly important as a source of food for Germany's large and prosperous population. In 1959 Germany's agricultural imports rose 13 per cent above the previous year, but agricultural imports from Common Market countries were up by 24 per cent.

Imports from Canada

Canada's exports of farm products to Germany reached \$67 million in 1959. Only the United Kingdom and Japan outrank Germany as markets for Canadian wheat and Canada is the main source of German wheat imports.

The German market for durum wheat is of particular interest to Canadian farmers. Consumption now exceeds 300,000 metric tons a year and is expanding; some two-thirds of this in recent years has been imported from Canada.

Germany is also a good market for Canadian oilseeds (see article on page 10 of this issue) and for forage seeds.

Agricultural Imports Restricted

Sales prospects in Germany for Canadian farm products vary inversely each year with the size of the domestic crop. There is a trend towards increased production, but output fluctuates widely from year to year according to weather and other environmental conditions. The policy of the German Government has been to use up local supplies before permitting imports.

The Government has also undertaken to bring farm income up to a level comparable with that of industrial workers. It realizes, however, that production per farm worker is low, chiefly because many plots are too small and too scattered to be farmed efficiently. The Government allocates large sums of money each year for farm consolidation and general structural improvements, but a situation that developed over centuries cannot be corrected in a few years. In the meantime, high price supports and direct subsidies are being used to raise farm income. Because farm prices are supported

WEST GERMAN IMPORTS OF SELECTED AGRICULTURAL PRODUCTS

	1957	1958	1959
	(thousands of U.S. dollars)		
Wheat	216,800	154,500	160,200
Barley	86,000	78,800	88,400
Oats	14,600	16,800	24,000
Edible oilseeds	157,400	156,100	170,100
Vegetable fats and oils	80,800	57,700	65,700
Oil cake	36,700	45,000	69,900
Seeds (other than oil)	16,700	12,700	13,000
Canned fruits and vegetables	45,000	49,000	55,300
Tropical fruit	181,000	216,500	204,400
Other fresh fruit	160,900	158,200	183,400
Vegetables and herbs	85,800	82,200	99,900
Tobacco	101,700	104,000	104,300
Spirits	2,600	8,100	5,100
Wine	43,800	49,700	46,600
<hr/>			
Total products of plant origin, including all others	2,273,400	2,049,100	2,219,400
Livestock	76,800	102,000	141,500
Meat and meat products	97,100	104,000	160,100
Eggs	156,200	157,600	160,300
Furskins	35,400	39,900	48,500
Hides and skins	83,600	67,300	98,300
<hr/>			
Total products of animal origin, including all others	983,100	871,300	1,089,500
Total agricultural products	3,256,500	2,920,400	3,308,900

Source: Federal Statistical Office.

PRINCIPAL AGRICULTURAL EXPORTS FROM CANADA TO WEST GERMANY

	1957	1958	1959
	('000 Can.\$)		
Quality wheat	42,800	36,500	40,500
Durum	10,700	11,000	11,200
Barley	8,000	1,200	700
Oats			1,300
Flaxseed	4,200	1,900	3,400
Rapeseed	2,800	3,200	300
Mustardseed	300	300	200
Alsike clover seeds	400	400	300
Other grass and clover seeds	40	200	100
Canned fruits and vegetables	70	300	300
Fresh apples	100	400	100
Tobacco	1,500	1,100	1,500
Whisky	1,300	600	800
Furskins	500	400	500
Cattle hides and skins	2,000	1,800	1,600
Eggs		600	1,500
Miscellaneous	2,900	2,700	3,300
<hr/>			
Total Canadian agricultural products	77,600	62,600	67,600
<hr/>			
As a percentage of total Canadian exports to West Germany	51%	30.5%	52%

Source: *Trade of Canada, Exports.*

at a high level, the German Government has restricted lower-cost imports through a system of quotas and import licences.

Some progress has been made in removing quantitative restrictions, and further liberalization is scheduled. However, the Government has made no commitment on the liberalization of various other agricultural products that are of particular interest to Canada.

In both Germany and Canada the agricultural land lies in the temperate zone and the products grown tend to be similar. German farmers are reluctant to face competition and the West German Government has not yet removed the restrictions on imports of products under Marketing Laws that were in effect before Germany became a member of the GATT. Four groups of products are covered by the Marketing Laws—grains and feedstuffs, sugar, dairy products and fats, and cattle and meat.

Nevertheless Germany is only 70 per cent self-sufficient in food pro-

duction and imports of practically all agricultural products are essential. Quotas for products still under control are established periodically and their size depends on the domestic supply position. Announcements of import possibilities normally specify conditions the importer must meet before a licence is granted. Frequently the period of time in which applications will be received is very short.

The Outlook

The market for agricultural exports to Germany in the future will be determined by the common agricultural policy to be adopted by the European Economic Community. One of the key questions yet to be decided is the future common level of grain prices. German grain support prices are 45 to 65 per cent higher than the French and opposition has been voiced in Germany to any reduction in the support level.

German agricultural circles have indicated that they would welcome an extension of the present German system to the other Common Market countries. If this happened, production would almost certainly increase and the market for third countries would be smaller. However, the agricultural arrangements of EEC remain to be resolved. In any event, the Common Market is not expected to have much effect on Canadian agricultural sales to Germany during the 1960-61 crop year and probably not for several years after.

In the meantime, Germany remains a large importer of agricultural products. Import restrictions on some products have been removed. For example, on July 1, 1960, imports of most of the remaining grass and clover seeds of interest to Canada were liberalized. Reasonably generous quotas for other products are established from time to time. Firms wishing to participate in these quotas should make sure that they have an alert and reliable agent who is able to obtain the required import licences. ●

Canadian Oilseeds Find Buyers

Big German demand for oilseeds and vegetable oils means opportunities for Canadian growers, particularly of rapeseed, flaxseed and mustardseed.

W. J. O'CONNOR, *Assistant Commercial Secretary, (Agriculture), Bonn.*

WEST GERMANY is one of the world's largest importers of fats and vegetable oils. Domestic production of butter and other animal fats may soon be sufficient to meet requirements, but there is a growing demand for oilseeds and vegetable oils. The market for rapeseed and flaxseed is of particular interest to Canadian exporters.

Rapeseed Imports Vary

The only oilseed that German farmers produce in quantity is rapeseed. Although farmers are guaranteed a fixed price which is considerably above world levels, production is not large. In the five years 1955-1959 it averaged 49,000 tons. Last year the support price was reduced from DM750 to DM660 per metric ton and acreage declined sharply. The decline was, however, more than offset by exceptional yields and 59,000 tons were harvested. The 1960 crop may be almost as large. Yields are expected to be good and the area seeded, at 76,000 acres, is 10 per cent greater than in 1959.

Import possibilities vary greatly from year to year and depend more on the price relationship in world markets between rapeseed and competitive products such as soybeans than on the size of the German crop. In 1957 Germany imported 28,500 tons of rapeseed. Prices were relatively more favourable in 1958 and imports rose to a record 89,000 tons. However, in 1959 soybean prices declined and only 18,000 tons of rapeseed were imported.

In recent years Canada has become the main supplier of rapeseed to Germany, delivering 13,000 tons in 1957 and 64,000 tons in 1958. Last year the figure dropped to 13,000 tons again. Sweden, formerly the leading exporter, now ranks second, but is still the chief exporter of rapeseed oil to Germany and supplies over half of the total quantity imported, which ranges from 4,000 to 6,500 tons a year.

Practically all domestic and imported rapeseed and rapeseed oil is used in the production of salad oil. Although rapeseed oil was the main constituent of the margarine made in Germany during the war, most margarine manufacturers now have a strong preference for other vegetable oils. Margarine manufacturers are required by law to purchase a quantity of domestic rapeseed equal to 5 per cent of the total vegetable oils they use. Most of them resell it to salad-oil processors. The latter

industry is growing rapidly and could use even larger quantities of rapeseed if prices were more favourable. A senior member of one large vegetable-oil processing firm estimated that Germany could consume 300,000 tons of rapeseed a year but stressed that price was the determining factor.

There are 20 mills in West Germany that crush rapeseed. Most of them import directly but there are also a number of import firms dealing in rapeseed and rapeseed oil. There are no restrictions on rapeseed imports and no duties are levied.

Soybeans, Mustardseed

A very large proportion of Germany's total imports of fats, oils and oil-bearing materials consists of soybeans. Their importance is evident from the table below.

The United States is the main supplier of soybeans, but imports from Communist China reached 226,000 tons last year. Canada supplied 3,000 tons, slightly more than in previous years, but soybean-oil imports from Canada, which had reached 13,000 tons by 1956, dropped from the 1958 figure of 2,730 tons to only 203 tons. Soy-

GERMAN IMPORTS OF FATS AND OILS

	1957	1958	1959
	(in metric tons)		
Soybeans	627,000	617,000	903,000
Copra	337,000	249,000	163,000
Palm nuts and palm kernels	81,000	116,000	133,000
Peanut kernels	33,000	88,000	60,000
Rapeseed	29,000	89,000	18,000
Cottonseed	42,000	25,000	31,000
Sunflowerseed	22,000	19,000	23,000
Mustardseed	6,000	7,000	11,000
Others	38,000	18,000	29,000
Total oil-fruit imports	1,215,000	1,228,000	1,371,000
Total vegetable-oil imports	397,000	341,000	380,000
Total fish-oil imports	148,000	143,000	145,000
Total animal-fat imports	56,000	47,000	63,000



A Canadian-made swather slices through a lush crop of German rapeseed, the only oilseed crop that West Germany grows in any quantity. Although the acreage shown is quite low by our standards (76,000 this year) yields are exceptionally high (59,000 tons were harvested in 1959). Production does not meet local needs, however, and some rapeseed must be imported. Canada has become the leading supplier to this market, with 64,000 tons in 1958 and 13,000 last year.

—Peter Heinrichs, Bonn-Ippendorf.

bean oil is used mainly in the production of margarine and salad oils.

The German mustardseed market is also of interest to Canadian exporters. Total imports increased in 1959 but Canada's share declined from 1,900 to 1,000 tons. The other main suppliers are Denmark, the United States and Italy. Although the United States and Italy compete with Canada on the German market, both these countries are substantial importers of Canadian mustardseed.

Flaxseed

Germany is also an important outlet for Canadian flaxseed. Canadian sources indicate exports to Germany of 39,000 metric tons in 1957, of 15,000 in 1958, and 27,000 in 1959. German import statistics record no flaxseed imports from Canada in the last two calendar years. According to the German Vegetable Oil Mills Association, the discrepancy is explained by the fact that most of the Canadian flaxseed destined for Germany is crushed in

the Netherlands. Before 1939, the quantity of flaxseed crushed in Germany each year varied between 556,000 and 183,000 tons. This compares with the postwar high of 22,000 tons in 1951 and 4,000 to 6,000 tons in recent years. Imports of linseed oil have risen and are now five to six times as large as they were before the war. In the last five years they have held fairly constant and have averaged 85,000 tons a year. The United States, Argentina and the Netherlands are the main suppliers.

The linoleum industry imports directly and takes about half of the total quantity consumed. The paint and varnish industry continues to use large quantities of linseed oil, although synthetic substitutes have cut into the market. On the other hand, linseed oil is now being employed in the production of artificial resins.

The consumption of industrial oilseeds in Germany remains fairly stable; edible oilseed consumption is expanding. Domestic production is

slight and there are no restrictions or duties on imports. Present indications are that the Common Market will not adversely affect German imports from third countries. Germany should therefore continue to be an attractive market for Canadian oilseeds.

For Further Reading

The following articles on West Germany have appeared in *Foreign Trade* during the past year:

"West German Market for Forest Products", September 12, 1959.

"Retail Grocers Reorganize", September 26, 1959.

"Market for Paints and Varnishes", January 2, 1960.

"What West German Farmers Produced", January 16, 1960.

"You Can Sell Frozen Foods to Germany", February 27, 1960.

"The Egg Market in West Germany", June 18, 1960.

Report on business conditions, July 2, 1960.

How and What to Sell

Obtaining business in the face of stiff competition calls for careful attention to the techniques of trading.

J. A. STILES, *Commercial Counsellor, Bonn.*

CANADIAN exporters who are interested in selling to West Germany will find German sales channels for imported goods very similar to those in Canada. Depending on the product, purchases from abroad are normally arranged directly with local importers, through brokers carrying stocks on their own account or on consignment, or through resident commission agents. The latter has in the past been the method most frequently used by Canadian suppliers.

There are several ways of obtaining suitable representation in West Germany. First, the Canadian Government trade offices in Hamburg and Bonn are in touch with many local firms and are always glad to advise Canadian exporters on the selection of an agent. In addition,

there are regional associations of commission agents which are prepared to publish in their membership bulletins requests from foreign firms seeking representation. The numerous German trade associations and Chambers of Commerce can frequently help. Still another method is to advertise directly in appropriate German trade magazines and newspapers.

Select Agent Carefully

Great care in selecting the right agent is, of course, most important. The Hamburg and Bonn Canadian trade offices are in a position to furnish reports on local firms. So are Canadian banks, many of which have correspondents in this country. Some of the larger credit agencies in Canada are affiliated with similar

organizations in West Germany and can supply credit and other information. The experience of other Canadian firms who have been exporting to Germany for some time can often be useful to companies contemplating entering this market for the first time.

Once you have selected your agent, every effort should be made to give him all possible support. In addition to providing complete data on the product to be sold, you can get him off to a good start by advising him about your firm's experience in selling to other countries, what type of customer is likely to be interested, special selling features, etc. You should follow closely the agent's advice on local customs documentation, price quotation, marking, packing and method of shipment.

Remember that you are at least three thousand miles away and your agent, in addition to obtaining the order, has the important task of convincing the German customer that you are able to provide prompt



For a number of years Canadians have used the trade fair, a long-established selling institution in Germany, to promote their products in the West German market. Here at the first EEC Fur Fair, held at Frankfurt last April, Dr. Nauen, President of the German Fur Trade Association, (centre) examines prime pelts at the Canadian stand. Facing Dr. Nauen on the right is J. A. Stiles, Commercial Counsellor in Bonn.

delivery and service. This means you should give close study to the best way of getting your product to this market quickly and at the least expense. In some instances, transportation by air may be the most practical and economical method and should be carefully considered.

West Germany has definitely become a buyer's market and letter-of-credit payment terms are consequently very difficult to obtain. Selling terms here vary from product to product and with the standing of the customer, but the most prevalent is cash against documents. Canadian firms wishing to protect themselves against credit risks can secure coverage through the Export Credits Insurance Corporation (head office in Ottawa and branch offices in Montreal and Toronto).

Marketing Areas

West Germany has five main marketing areas.

1. The northern region, centred around the ports of Hamburg and Bremen and generally considered to be the principal importing area. Many firms in these two cities have long specialized in import trade and a good percentage of the Canadian exporters now selling to Germany are represented by companies located in one of the two.

2. The heavily industrialized Ruhr area, with its centre in Dusseldorf.

3. The area around the city of Frankfurt, an important financial and industrial centre.

4. The South German marketing area, which includes the cities of Munich and Stuttgart.

5. The city of West Berlin, with its population of two-and-a-half million.

Some local agents confine their activities to one or two marketing areas. This means that in selecting an agent it is important to ascertain whether he can give complete coverage of West Germany, either directly or through sub-agents. It may sometimes be necessary to appoint

If You Want to Sell in West Germany . . .

Do

—try to correspond in the German language wherever possible. Even a compromise—you writing in English or French and your correspondent replying in German—can help to develop a better relationship.

—quote prices to your agent and your German customer on the basis of c.i.f. German port or, at the very least, f.o.b. Canadian port.

—try to supply sales literature in German.

—follow your agent's shipping instructions carefully.

—consider the possibility of exhibiting your product at a German trade fair. There is a good chance that many of your customers will be there. So will your competitors.

Don't

—expect all Germans to speak and write English. Many do, but a good percentage do not.

—overlook the fact that the metric system is in general use here. Converting measurements to this system will frequently mean more detailed consideration of your product.

—forget that the German Government trade offices in Ottawa, Montreal, Toronto, Winnipeg, Edmonton and Vancouver can supply information on the German market.

—overlook the value of acknowledging trade inquiries promptly by airmail. Seamail frequently takes three to four weeks to arrive.

more than one representative in order to obtain maximum results.

One of the best ways of supporting your agent and at the same time obtaining a good knowledge of local sales possibilities is to visit this market personally. There are excellent facilities for transportation between Canada and Germany, as well as within Germany itself. The Canadian trade office in Germany can help you to set up your itinerary and to overcome the language barrier. Practically any season of the year is suitable for a visit, but perhaps the most useful times are in the spring and fall, when the German trade fairs are in full swing. The trade fair has had a long and successful history in Germany, and has developed into an important business medium that should not be overlooked.

It is also desirable to have your German agent visit your Canadian plant whenever this is feasible. He will then have a much better appreciation of the product he is selling and its sales possibilities.

Growing Market for Imports

West German import statistics show clearly the vigorous growth in recent years in this country's foreign purchases. The range of German imports is also broadening as the standard of living moves steadily upward (since 1950 per capita income has increased by 129 per cent). For example, luxury goods which a few years ago could not be sold here are now being imported freely.

Germany is, of course, a highly industrialized country and many Canadian manufactured goods will have difficulty in competing with domestic production. There are exceptions, however, and a careful survey of the possibilities could well be worthwhile. An easy way to test the market is to send descriptive literature and prices c.i.f. German port directly to local importers of similar products. The Canadian trade offices in Hamburg and Bonn will be glad to furnish lists of such importers upon request. ●



Advertising Abroad

In West Germany, newspapers and magazines take the biggest share of the advertiser's dollar; most of them are regional in character and copy must vary from one section of the country to another.

E. H. MAGUIRE, *Consul and Trade Commissioner, Hamburg.*

ADVERTISING in West Germany is a highly developed business, operating on much the same lines as in North America; the agency system is similar and with some exceptions the same media are used. The principal exceptions are that radio and television advertising are in their infancy and billboards are either not allowed or are severely restricted. On the other hand, film and slide advertising in movie theatres plays a much larger rôle.

Highly Organized Agencies

The advertising industry is made up of full-service agencies, partial-service agencies and straight space brokers. The full-service agencies, as their name implies, offer complete services—including planning, creative art and copywriting, translation, media selection and placement. Fourteen of the big full-service agencies, some of which are branches of well-known U.S. companies, are grouped into an association with regulations governing the conduct of business. The space brokers, of which there are hundreds, are usually connected with media in some form or other. Some of the agencies offer market-research services, either through their own facilities or in co-operation with firms specializing in this field. There are about a dozen marketing research organizations capable of covering the whole West German market.

The standard agency or brokerage charge for placement, which of course is paid by the publisher, is 15 per cent of the advertising rate. Charges for preparing copy, etc., are cheaper than in North America because of lower wage and salary rates, but standards of work are high. There is an organization called the I.V.W. which performs functions similar to the ABC (Audit Bureau of Circulations) in the United States and Canada. Most important West German newspapers and magazines subscribe to this organization.

The following table illustrates how expenditures for advertising have grown in West Germany since 1952 and underlines the importance of newspapers and magazines as media.

GERMAN ADVERTISING EXPENDITURES

	1952	1956	1958
	(million DM)*		
Daily newspapers	333.3	688.5	991.4
Magazines	173.4	390.1	556.4
Film advertising	42.0	67.0	75.0
Placards, posters	37.2	61.7	67.9
Radio advertising	20.9	32.1	42.4
TV advertising		0.2	12.0

*DM4.31 = Can.\$1.00.

Direct mail advertising, which is the third most important form in West Germany, is not included in the table because total expenditures have not been estimated. There are

firms that specialize in the preparation and sale of mailing lists.

Regional Variations

In considering means of advertising in this country it should be remembered that habits and customs vary from region to region. The North German, for instance, is quite different from the Bavarian, and copy has to be prepared and media selected with this in mind. In addition to the large metropolitan centres of Berlin, Hamburg and Munich, there are over 3,200 medium and smaller-sized cities in West Germany. Out of 55 million inhabitants in the Federal Republic, 25 per cent are country dwellers.

Almost 19 million copies of newspapers are printed every day in West Germany though only 37 dailies have circulations of over 100,000. Average circulation is, in fact, only about 17,000. Daily newspapers are overwhelmingly regional in character and are usually paid for by subscription. There is also a "boulevard press"—tabloid newspapers sold on the street—and one newspaper of this type has a circulation of over three million. Only three newspapers can be considered national in the sense that the large English dailies are, and two of these have high editorial standards. There are, however, about a dozen weekly newspapers giving national coverage, with a total circulation of about six million. One of these has a circulation of 1.16 million.

Big Magazine Circulation

It is estimated that there are over 5,000 magazines of the popular type published in West Germany; their combined circulations total about

120 million. These magazines include the so-called rotogravures, women's fashion, film, radio, television, cultural, political, youth, economic and business journals. The eight large rotogravure publications have circulations ranging from 450,000 to 1.3 million. They cater to a broad cross-section of the population and are nationally distributed. The illustrated radio magazines are closely related to the rotogravures; one magazine of this type has a circulation of over three million.

West Germany has many specialized trade, technical and other journals—about 3,500, in fact, with a total circulation of about 40 million. Some of them maintain high editorial standards and have international followings. Over 50 per cent of the subscribers to one journal dealing with the chemical industry live in foreign countries, despite the fact that it is printed only in German.

Posters, Airwaves, Films

Placards and posters are popular advertising media in West Germany, and there are about 60,000 places for displaying them. Some of these are cylindrical structures erected on city streets solely for this purpose. Public transport vehicles, railway stations, post offices, etc., also offer advertising space. But billboards of the type common in North America or displays on exposed sides of buildings are rarely seen in West Germany. Permission must be obtained from provincial or civil authorities and it is rarely given. No advertising of any kind is allowed on the main federal highways and autobahns.

Although there are 15 million radios and three million TV sets in use in West Germany, very little advertising is heard or seen. This is because the nine transmitting companies, all of which are government-owned, do not depend on advertising revenues. The companies are supported by fees collected each month from set-owners by the post-

man. The companies are controlled as monopolies by provincial parliamentary committees who have the power to decide whether or not advertising shall be accepted. In general, no advertising is permitted on radio stations operating in the former British zone of occupation, though there are short periods for advertising in the morning, noon, and evening over stations in the former U.S. zone. In contrast to the radio, all television networks carry advertising but for two 3-minute spots only, between 7.25 and 8 o'clock in the evening.

A draft law is before the Federal Parliament calling for the establishment of national networks for radio and TV on which advertising would be permitted. The subject is proving controversial, however, and the bill may not make headway.

The showing of films and slides to movie-theatre audiences is a popular form of advertising in West Germany, even in first-class theatres. There are 6,700 movie houses and audiences number 700 to 800 million a year. Film lengths vary from 20 to 40 meters, and many of them are elaborate and well made. This is a highly specialized business and advertisers can arrange for showings on a regional or level-of-income basis.

Special Regulations

There are no peculiar or unusual local tastes and customs, colour taboos or prejudices that the advertiser need bear in mind. There is, however, a complex series of federal and provincial laws governing advertising. In general, the use of superlatives, comparisons of products, and misleading statements of any kind is not permitted. For example, a soap cannot wash "whiter". Copy prepared for the United States market and even the Canadian market often must be altered for use in this country. West Germany is party to the Madrid Trade Mark Convention and trade mark regulations are enforced.



The billboard as we know it is practically forbidden in Germany. Instead, advertisers place posters and placards on big cylinders put up on city streets just for the purpose.

The complexity of the laws governing advertising and the trade mark regulations alone make it desirable for Canadians wishing to advertise in this country to deal directly with a German agency or through a Canadian agency with suitable connections. Certainly all translations into German should be done on this side of the Atlantic.

Some Canadian firms have shown interest in advertising for labour in West Germany. All such advertisements must be submitted to the Federal Labour Exchange for approval which, for Canada, is not usually given.

Further information on advertising in West Germany may be obtained by writing to this Consulate. ●



Commodity Notes

Almonds

SPAIN—Almond exports from Spain during 1959 totalled slightly less than 23,500 tons, valued at over 600 million pesetas. This was down from the record year 1954, when shipments totalled 32,500 tons but fetched only 167 million pesetas. Almonds were shipped to 39 countries, principally Britain, which bought more than 4,500 tons valued at 126 million pesetas, followed by France and Germany, with more than 3,500 tons each. Other markets included Mexico, Chile, Brazil, Canada and Cuba. Almond production is expected to rise in Spain because it is under the protection of the Government. It is planned to extend acreage under cultivation and group varieties produced into specific areas—Madrid.

Automotive Parts

INDONESIA—A DLF loan of U.S.\$2.6 million recently granted to Indonesia will be used by N.V. Indonesian Service Co. to build an automotive parts plant in Djakarta. It will make body parts and truck and jeep components under individual licensing agreements with Willys Motors Inc. and Chrysler Corporation—Djakarta.

Bleached Board, Paper

UNITED STATES—The St. Regis Paper Company, Pensacola, is now making bleached board and paper of increased brightness and strength in its No. 1 mill at Pensacola, Florida. The new development is the result of a chlorine dioxide system that went into operation last May, and is the fourth stage in the kraft bleach plant that supplies pulp to two paper machines.

This is the second recent major improvement in bleached board qualities at the Pensacola mill. The first was the installation of coating equipment, which resulted in better printing qualities—New Orleans.

Electric Power

NORWAY—Plans have been prepared by the Norwegian Government for extension of the big hydro-electric power plant at Tokke in the south of Norway. Construction of two main transmission lines is also being planned, one to connect the electric power system

of east Norway with that of west Norway, and the other to connect the power systems in east Norway with those in Sweden. The cost of this project is expected to total more than Kr.400 million, and will probably be financed by a loan from the World Bank. A new hydro-electric power plant is also to be built in the district of Tromsø. It will generate about 600 million kwh. a year, and the cost of construction is estimated at about Kr.125 million—Oslo.

Lightweight Paper

ARGENTINA—A local paper manufacturer, Messrs. Papelera Hurlingham S.A., has imported Swedish machinery for making lightweight paper for use as fruit wraps. Planned production would cover Argentina's entire requirements of this type of paper—Buenos Aires.

Lumber

NEW ZEALAND—The highest output of sawn lumber in the industry's history was recorded during the year ended March 31, 1960, when New Zealand sawmills increased production by 9 per cent over the previous year. For the first time exotic lumbers (introduced species) were more important in volume than native tree timbers, accounting for 51.2 per cent of output.

Production reached 693.8 million board feet, compared with 636.8 million in 1959. Exotic pine was the principal commercial species (339 million board feet) followed by the native rimu (231.5). New Zealand-grown Douglas fir lumber production totalled 12.6 million board feet, almost double that of any previous year—Wellington.

Oil Cleaner

SWEDEN—A new type of emulgator for fighting oil pollution has been developed by the large Swedish Mo och Domsjö forest product and chemical group. It is known as Berol EMU-79 and may be a cheap and efficient means of cleaning shores as well as preventing oil discharged at sea from remaining on the surface.

The emulgator, derived mainly from sulphite alcohol, instantly dissolves the oil to a milky, non-sticky

liquid which is washed away by water. It is said that the cost of cleaning oil from a large tanker can be cut as much as 90 per cent by using this product, and the cleaning of oil-polluted shores is quoted at one-fifth of a U.S. cent per square metre—Stockholm.

Potatoes

CEYLON—The Department of Agriculture sees a bright future for potato production in Ceylon to replace imports, now running at about 40,000 tons a year. According to a recent survey, the yield per acre in the Nuwara Eliya district is about 5 to 5½ tons. It is estimated that 10,000 acres cultivated twice a year will produce enough potatoes to meet total requirements; per capita consumption is only 9.4 pounds a year. Principal suppliers of potatoes to Ceylon are Italy, India, Egypt, Netherlands, Cyprus, Communist China and France—Colombo.

Pottery

JAMAICA—The old British pottery firm, Royal Worcester Ltd., has recently announced plans to establish a plant for making pottery, tiles and high-grade china from Jamaican clays. The company will have a capital of £500,000. Its eventual output is estimated at £1 million worth of pottery a year for sale on domestic and foreign markets. The firm will begin production in about 18 months and will employ about 1,000 workers—Kingston.

Refrigerators

INDIA—The well known Kelvinator name will be seen on Indian-made refrigerators by early 1961 if its new factory is completed on schedule. Kelvinator of the United States is collaborating in this project with an Indian firm, Electronics Ltd. of New Delhi. Plans call for annual production of four thousand 9.3 cubic-foot domestic refrigerators, as well as 30,000 compressors, not previously manufactured in India on a commercial scale. Although capacity of the four existing factories is about 13,600 units a year, actual production has lagged far behind, largely because shortage of foreign exchange has restricted import of essential components, especially compressors—New Delhi.

Scallops

UNITED STATES—The U.S. Fish and Wildlife Service has discovered a scallop bed 125 miles long—extending from Fort Pierce north to Daytona Beach—that authorities say could be the beginning of a multi-million-dollar Florida industry. Commercial concentrations of the scallop were found over a 1,200-square-mile area, about 15 to 20 miles offshore.

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An official report by the Service's Bureau of Commercial Fisheries said the bed covers "an area apparently more extensive than any previously known scallop bed in the world"—New Orleans.

Seaweed Extracts

SOUTH AFRICA—A company has been formed to make a range of pharmaceuticals from South African seaweed extracts. It is called CX (Proprietary) Ltd. and obtains its raw material—ecklonia maxima—from Sea Plant Products (Pty.) Ltd. of Cape Town, which for some years has exported milled seaweed for industry from eleven factories on seaboard. Ecklonia maxima is refined and converted into rheumatism powder and tablets, eczema lotion, and other natural sea remedies—Cape Town.

Tape Recorders

NORTHERN IRELAND—Grundig & Co., West Germany, manufacturers of radio equipment, etc., contemplate opening in the near future a factory near Belfast to make tape recorders and dictating machines. Machinery for the plant will be obtained from Britain and West Germany—Dublin.

Uranium

AUSTRALIA—Uranium prospecting in Australia is much less active than a few years ago, though aerial and ground surveys are continuing. Deposits other than those being worked at present are known and in some cases have been tested. But Australia's reserves of uranium oxide—at least those known at present—are small by world standards at an estimated 10,000 tons.

Export of uranium is under strict Commonwealth Government control. The two government-owned mines (Rum Jungle and Radium Hill) are under contract to supply oxide to the Combined Development Agency, which is a joint Anglo-American purchasing organization; the three private companies sell under contract to the United Kingdom Atomic Energy Authority. However, last July the Government modified the restrictions so that small quantities of oxide may now be shipped to countries other than Britain and the United States. Markets are assured at present but existing contracts will expire during the next few years, the last by 1966—Sydney.

Index to Foreign Trade

The index to Volume 113, of Foreign Trade, covering the issues from January 2, 1960, to June 18, 1960, has now been printed. Readers who wish to have copies should write to the Editor.

Exploring the British Market



E. G. GERRIDZEN, a textiles expert from Trade and Commerce, who spent two months studying what and how the British buy, discusses how Canadians can increase their sales in this reopened market. Mr. Gerridzen is Assistant Chief of the Textiles and Consumer Goods Division, Commodities Branch.

WHEN the Department of Trade and Commerce sent me over to London late in April for a two-month tour of duty, it was with a single objective in mind—to study and assess the British market for Canadian textile products and particularly for women's and children's clothing.

The time was ripe for this mission. Last November the British scrapped import controls on most consumer goods and, at a stroke, presented Canadian manufacturers with sales opportunities long denied to them.

Canadian firms wasted no time in exploiting these opportunities. The British Government had no sooner, on November 9, 1959, announced the relaxations when eight Montreal dress firms, all members of the Montreal Dress and Sportswear Manufacturers' Guild, began planning an early-December showing of Canadian dresses at London's Washington Hotel. Their success (orders worth over \$250,000) led the Guild to stage a second London showing, in the medium to higher price-range, during the first two weeks of June. This time the show was held in the Londoner Hotel and eleven Montreal firms participated. Again the objective was achieved, despite the fact that most of the buying had been completed for fall

and that our strength does not lie particularly in this price range. Several individual Canadian manufacturers were promoting their own lines at about the same time and were also well satisfied with the results obtained.

Personal Research

In following up these initial efforts it was my task to investigate buying habits and consumer tastes in Britain and the competition that Canadians must meet and match. I was also instructed to determine the reaction to Canadian textile items already on sale there and to judge whether or not we are cultivating this market in the right way. This knowledge, once acquired, would be passed on to the clothing and textile industries back home.

To carry out this market research required a good deal of legwork—as I soon found out. Like a patient sleuth, day after day for two months I visited department stores, dress shops, and specialty shops. I looked at window displays, examined goods on sale, and talked to merchandising managers, buyers and sales personnel.

London, with its tremendous buying power—equal to that in the whole of Canada—took up all my time and I felt that I did not even scratch the surface. Nevertheless,

Glasgow, Manchester and Liverpool were included in my itinerary, just to make sure that opportunities outside the London area were not overlooked. Gradually the facts accumulated led to certain useful conclusions.

One fact helped me tremendously in surveying sales possibilities in Britain—my personal knowledge of the country. I knew England from prewar years, lived there during the war, and had visited it three or four times in the postwar years. This meant that I could appreciate the startling change in the standard of living in the last two years and its effect upon sales prospects when import restrictions were finally removed. I could compare “now” with “then”; the current prosperity with the previous austerity. My long acquaintance with Canadian textile producers also helped me to judge how far British demand could be satisfied by Canadian production.

Our Competitors

No assiduous or even casual shopper in London could fail to be impressed by the tremendous variety of merchandise that its stores carry. So wide is the range in women's clothing alone that each London shop aims at showing styles totally different from those its competitors display. The stores are crowded with customers, especially young office girls, and it is not at all unusual to see a store serving over a thousand a day. More and more impulse attention is being paid to fabric and design, rather than to faultless finish as a first consideration.

Salesmen from many countries naturally flock to Britain to get a share of this business. I saw dresses, sportswear, sweaters, etc., from Italy, Spain, France, Sweden, Germany, Switzerland, and, of course, from the United States.

Canadians are especially interested in how merchandise from the United States is selling. The British like North American styling and many stores set aside a special section for displaying American dresses. Canadian garments are, however, not included in this; they are put on "rails" (racks, to Canadians) with domestic and other foreign-made dresses, probably because most British retailers do not think of Canada as a style centre. Apart from the American product, the dresses that come closest to our Canadian styles, quality and price are, in my opinion, the Swedish—at least at the time of this survey.

Occasionally I ran across window displays that featured dresses from Canada—once quite by accident, when I was sheltering in a doorway from a sudden downpour. About 40 to 50 London and country shops, I estimated, are now carrying Canadian dresses, many in the price range £4 19s. to £5 19s. (\$13.85 to \$16.65). I have placed the emphasis in this article on dresses, but some excellent business has also been done in sleepwear, children's wear, casual men's wear, etc.

Originally, Canadian firms were selling only cotton dresses, which enter Britain duty-free. Now they are finding a market for terylene dresses also, despite the 30 per cent duty. The reason? the British think that our terylene has a silkier finish than the U.S.-made dacron.

What the British Like

One of the biggest selling points of Canadian dresses is the fabrics from which they are made. Walking about London, I was struck by the number of women wearing prints, usually in dark all-over shades, although they became brighter as the season advanced. This explains why the materials that Canadian manufacturers offered—their texture, fancy weaves, drawn thread patterns—struck the British buyer as fresh and original. Our paisley patterns also proved popular. Next to the fabrics, they liked the fresh and youthful Canadian styling.

In many ways, the British market is a distinctive one and what sells well in Montreal will not necessarily sell in London also. This is where personal contact with British buyers helps. Here is one example. Some Canadian firms have been trying to sell woollen dresses in the U.K. They have had little success because these dresses had short sleeves. The British woman wants long sleeves; they help to keep her warm in the colder English houses. Generally speaking, the English customer likes heavier fabrics than her Canadian counterpart, even in summer. (We would not have been able to sell our cottons so effectively in late 1959 had the unusually warm summer of 1959 not been still fresh in the buyers' minds.) The Britisher also emphasizes durability more than we do; she demands quality, and she tends to be conservative.

It could be profitable to cater to the forgotten woman in Britain—the woman of five-foot one or two. In sweaters our chances appear slim because our stylings, fine as they are, cannot compete with the Italian product, for example, which is made mainly in the homes and which has a charm all its own.

Certain other lines that we have not exploited to any degree stand a good chance in Britain if they are effectively presented. One is co-ordinated sportswear sets, such as slacks, shorts, skirts and blouses in matching or toning colours, men's casual wear, skiwear, and jeans, so beloved by the North American teenager (perhaps of slightly better quality than the average here). Initially, they would need good promotion. Children's wear is another promising line that has already had some success. Little girls' dresses stand a particularly good chance in the specialty shops, if they are made of a fine quality wash-and-wear cotton. (Synthetic fabrics, on which the duty is high, would make these dresses too expensive.)

Although not everyone will agree with me, I think that parents in England do not spend as much on

their children as we do in Canada. Hence the outfit the child's mother buys must have a longer life and must be made of a more durable fabric than is customary with us. The English child certainly does not have as extensive a wardrobe as our youngster. The argument will be, of course, that the majority of British children wear school uniforms and all that goes with them.

Notwithstanding this fact, the large population provides a worthwhile market and a composite showing by children's wear manufacturers would, I believe, be a profitable undertaking. Such a show should be held only in the fall for spring buying. It should include many of the types that we regard as fall items; they are worn in the spring or summer because of the generally cooler climate in England.

One feature of retail trade in Britain that should work to our advantage is the pricing system. In Canada and the United States, pricing practices have become thoroughly standardized. Blouses, for example, may be priced at \$4.95 or \$5.98, but seldom at \$4.75 or \$5.50. The British do not conform to such a rigid pricing system and are not wedded to the \$3.95 or \$3.98 price tag. If they find an article that they like, they will work out a satisfactory price at which to sell it. Price does not govern their every choice.

Buyers' Comments

Many of my interviews with buyers were directed to finding out how British retailers and their clients take to Canadian offerings. Many asserted that the dresses went out as fast as they came in and if manufacturers had completed the orders in full and on time, they would have made many more store sales.

Some indignant buyers told me that not only did the dresses not arrive by the date specified but they received no explanation of, nor apology for, the delay. Meanwhile the money allotted for the particular

purchase was tied up and could not be spent elsewhere.

The styling of the Canadian product was praised but there was considerable criticism of the poor finishing—badly sewn seams, loose threads not clipped, and seams not overstitched. Earlier the same criticism of American dresses was voiced but United States manufacturers have taken this to heart and many of the American dresses now have completely overstitched seams. If the Americans can improve on their workmanship so can we; otherwise we shall lose out in this competitive market.

First Steps in Selling

My assignment in Britain also yielded a number of useful answers to the question of how a Canadian producer of textiles should go about finding customers in the United Kingdom. How much travelling around the country does he need to do? This second query is easily answered: on an initial visit he can safely spend all his time in London. Buyers throughout the U.K. flock to the metropolis to choose their needs; so do the Irish and many from the Continent.

Many of the London stores form part of one group or another, controlling shops in many British cities and in foreign countries. One such chain controls over 800 retail units, many of them located abroad, including Canada and the United States. Merchandise for which orders are being placed in London may therefore ultimately go on sale in stores in Liverpool, Manchester, Birmingham, etc.

Should business warrant it, the manufacturer might be well advised to visit these cities on a second trip—if for no other reason than to cultivate good relationships.

When he is presenting his line or discussing with a buyer what he can supply, he should not try the high-pressure type of salesmanship. The British prefer the "soft sell" and a restrained presentation. Remember that many buyers have to

obtain sanction from merchandising managers before they can make a firm commitment.

The Canadian should also keep in mind the importance of window displays in a country where the newspapers are not packed with retail advertising. Clothes that display well have a definite advantage. Some buyers told me, for example, that dresses should have petticoats attached to make it easier to display them. They do not worry about how cheap these are nor whether they are discarded immediately after the purchase has been made.

Business life in Britain is apt to be more formal than it is here and the visiting Canadian should make definite appointments with buyers. "Dropping in" is not a popular practice.

It may be wise for the Canadian starting out in the British market to be restrictive in his selling. After a brief preliminary survey, he should select the firms to which he wishes to cater, making certain that he does not accept orders from too many in any one area. Nor should he accept orders for styles the production of which is not quite definite.

Investigate It Personally

The businessman in Montreal, Toronto, Winnipeg or Vancouver who studies the British market from across the ocean or who merely reads about others' experiences there can misjudge it seriously. British wages are lower than they are in Canada, for instance, but the great number of people at work means tremendous purchasing power. In addition, after the long war and postwar austerity the British want to get out and buy. Other countries are speeding goods to Britain to take advantage of this spending mood; so should we.

I came back to Ottawa convinced that Canadian firms can sell textiles in the United Kingdom if they are willing to study needs and tastes there and to offer well-designed merchandise of good quality to meet those needs. ●

When London Buys

W. GIBSON-SMITH,
Commercial Counsellor, London.

Are you keen to offer products to the British retail trade? Your sales trip should coincide with peak buying period for each line of merchandise; these are detailed in this article.

SUMMER may be the most pleasant time to visit Britain but it's not the best time to book orders for most consumer goods. The businessman needs to know when London is ready to buy his particular product. This is not a simple question to answer precisely. The large retail organizations buy some goods—such as ladies' hosiery, home furnishings and appliances, china and glassware—fairly continuously throughout the year. Most other consumer goods, particularly clothing and giftware, are purchased (as in most countries) at stated times.

The table that accompanies this report represents an attempt to give some indication of these buying seasons. There are, however, certain exceptions to the dates given and no table can take care of the idiosyncrasies of the thousands of buying organizations.

Buying Practices

Chain stores tend to buy earlier than department stores do. Smaller retailers frequently arrange their buying to coincide with specialized (or vertical) trade fairs; the number of these is legion. They can prove a useful place to meet the trade and size up the competition. The Commodities Branch of the Department of Trade and Commerce in Ottawa or the office of the Minister (Commercial) at Canada House in London can give interested exporters details of these fairs. The larger department stores and chain stores pay little attention to fairs, except when they are looking for toys. They expect manufacturers themselves to keep them up-to-date on what the market has to offer.

The big bargain sales begin after Christmas and, to a lesser extent, at mid-year. Monthly sales, to which we Canadians are accustomed, have not yet caught on in England to any extent.

In the fashion field, buyers often examine merchandise a month before they actually place orders. If Canadian exporters inform buyers of large organizations here that they are coming with samples, these buyers are sometimes prepared to delay their decisions about purchasing fashion merchandise.

Buying is not as seasonal as the layman might expect. Large internationally-known shops here sell sporting goods and apparel, for example, in the English off-season to visitors from or travellers to the southern hemisphere.

The dates in the accompanying table are those when orders are usu-

BUYING SEASONS IN LONDON

Commodity	Fall Trade	Spring Trade	Other Seasons
Women's coats, suits and dresses	May 1 to June 10 (mostly first half of May)	September 23 to November 30	September for late winter, March for late summer
Women's lingerie, sportswear and sweaters	May 1 to June 10 (mostly first half of May)	October/November	September for late winter, March for late summer
Handbags and small leather goods	May	October/November	
Women's gloves	March/April	October/November	
Women's hosiery			Continuous
Men's suits	March/April/May	September/October/November	
Men's underwear, shirts, sweaters, etc.	April/May	October/November	
Men's accessories	June (for Christmas)		Continuous
Infants' wear	May 1 to June 10	October/November/December	
Slippers	January		
Footwear (other than slippers)	February/March/April/May	August/September/October/November	
Home furnishings, draperies and bedding	April/May	September/October	Continuous
Furniture	August	January/February	Continuous
Housewares and appliances			Continuous
Toys			January/February/March
Winter sporting goods	March/April		
Summer sporting goods		November/December	
China and glass			Continuous

ally placed. Buyers have, of course, adopted these dates after taking into account delays usually encountered when ordering from *British* factories.

Advice for Visitors

This table is offered to exporters simply as a rough guide to when they are likely to find a visit to London most rewarding. Exporters planning visits might well consult the Office of the Minister (Commercial), Canada House, London, S.W. 1. This office will be glad, if informed in detail of the goods offered and the kind of retail outlet most likely to buy them, to make a specific recommendation about the most auspicious time to arrive in Britain. The prospective visitor should note that there is a severe shortage of hotels in London and he usually must make reservations many weeks in advance. He should also make certain that his reservation is confirmed.

If his samples are bulky, they should be dispatched through a forwarding agent to arrive several days before the visitor himself, so that they can be cleared through customs in advance of his arrival. This clearance usually takes at least a week or ten days.

Customs Documentation

Details of the customs documentation required may be obtained from the Commonwealth Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa. It is important for the Canadian exporter to make certain that the commercial and customs invoices are in complete agreement. In many cases, the information in the commercial invoice and the description of the samples involved do not agree with the details given in the customs invoice and the samples are therefore put aside until the customs officers have more time to study them. For quick clearance, details appearing on the customs and on the commercial invoice should be identical. ●

Colombia Pays Its Debts

COLOMBIA has paid off nearly all its international commercial debt. This is a notable achievement, because in just three years she has liquidated a debt that equalled her entire foreign exchange income for one year. She has thus maintained a reputation of never defaulting, and has enhanced her credit standing.

Financial troubles in Colombia began towards the end of 1954, when the peso was pegged at the high rate of 2.50 to the U.S. dollar, the price of coffee (which brings in 85 per cent of the foreign exchange income) had reached a high of 98 cents a pound on the New York market, and the Government, private business and individuals were spending freely. For the next three years the buying spree continued and the debt mounted. Then in 1957 the price of coffee began to fall (it is now less than half the 1954 average) and the exchange rate of 2.50 could not be maintained.

At this point, a halt was called and the peso was allowed to find its own level. The backlog of external commercial debt by this time stood at U.S.\$387.4 million and foreign exchange to pay off this debt was running short.

The Government thereupon assumed responsibility for the entire debt and sought advice from officials of international organizations. With their help, it drew up two plans for liquidating the debt. One plan was to pay off 60 per cent in cash and spread the remaining 40 per cent over 30 months at 4 per cent interest. The other was to pay off 20 per cent in cash, with the remaining 80 per cent spread over a longer period. The United States (the main creditor), Canada, and a few European countries were put on the 60/40 plan; most other European countries on the 20/80.

The debts fell into seven categories: those held in North America, those held in Europe, those owed to oil companies in Colombia, freights owing to the Flota Mercante Grancolombiana (part of which had to be paid in dollars), freights owing to foreign shipping lines, debts held by Colombian banks, and a few others. The Government obtained loans of U.S.\$208 million from the World Bank, the Export-Import Bank, and various private U.S. banks, adopted an austere import policy, and began the task of satisfying its creditors.

Last September the final 60/40 payments—they totalled in all \$243 million—were completed. Now, in mid-1960, only U.S.\$41.5 million of the 20/80 debt is left; repayments in 3½ years have reached U.S.\$343.8 million. Next year the remaining debt to the oil companies (about \$10 million) will be liquidated and the rest of the dividends owing to foreign companies paid. In 1962, the final payments under the 20/80 plan will be made; this will liquidate the entire commercial debt. Remaining will be about U.S.\$47 million owing on the loans from the World Bank, the Export-Import Bank, and U.S. commercial banks.

This concerted effort to honour its obligations has strengthened Colombia's reputation abroad. The World Bank and other organizations have assisted in financing new projects. Foreign investors too have put money into the country and Colombians have been repatriating their foreign-held capital.

—NEIL CURRIE,

Assistant Commercial Secretary, Bogotá.



The manager of a shoe store in the Persian Gulf city of Bahrain displays a shipment of shoes recently arrived from a well-known Canadian manufacturer. His interested visitor (extreme right) is the Commercial Secretary for Canada in Beirut, C. O. R. Rousseau.

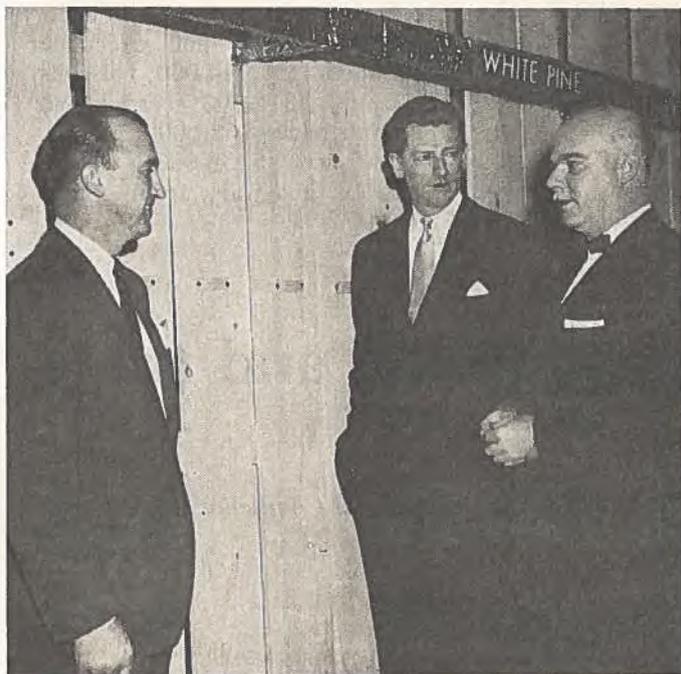


Canada's Commercial Counsellor in Vienna, R. K. Thomson, entertains prominent members of the Austrian milling industry in the Pallavicini Palace. The occasion was the visit of representatives of the Canadian Wheat Board and Board of Grain Commissioners.

Trade and Commerce at Work

What are the duties of Officers of the Department of Trade and Commerce? How do they assist Canadian businessmen? From time to time we plan, through pictures, to show these officials carrying out varied assignments.

At the Canadian Lumbermen's Association Convention in Montreal, J. C. Dunn, Chief of the Department's Forest Products Division, (right) chats with two Canadian Trade Commissioners—H. J. Horne, Chicago (left) and B. I. Rankin, New York.



One of the most important duties of a Trade and Commerce Officer is frequent visits to industry. Here G. C. Clarke, of the Department's Engineering and Equipment Division (second from right) examines a generator armature at a St. Catherines plant.



With strong demand in their main markets, Dutch farmers increased sales abroad last year despite a drought. Imports of agricultural products also rose; Canada's share of the trade declined slightly.

AGRICULTURE plays a vital role in the Netherlands economy despite the limited land resources. It accounts for more than 10 per cent of the gross national product, employs 11 to 12 per cent of the labour force, and provides about one-third of earnings from commodity export trade. Although imports of agricultural products are also substantial, the Netherlands is a net exporter by a considerable margin.

The drought that hit Europe during 1959 caused great concern in the Netherlands. However, in the final analysis Dutch agriculture had a successful year despite the drought. Although grain production dropped 10 per cent from 1958, this was partially offset by the excellent quality of the crops and the favourable prices for agricultural products as a result of strong demand in other European countries. Exports of agricultural products rose 8 per cent in value and although imports went up 12 per cent, the export surplus in agricultural trade increased substantially.

The value of Netherlands agricultural production has been rising steadily over the years. The 1959 estimate of 6,524 million guilders represents an increase of 8 per cent over 1958 and 18 per cent over 1955. Livestock and livestock products account for two-thirds of the total value.

Farm prices for the crop year 1958-59 declined fractionally from the previous one but during the fall of 1959 prices of both field crops and livestock and livestock products surged upward. The latter declined sharply, however, in December.

Net farm income is estimated at 3,275 million guilders for 1959, a slight decline from the 1958 estimate but still well above the average of the past five years.

Table I compares agricultural production in 1958 and 1959.

Trade in Agricultural Products

Exports of agricultural products from the Netherlands in 1959 were valued at 4,525 million guilders, one-third of the total commodity trade of 13,705 million. Commodity imports in 1959, worth 14,967 million guilders, included 3,391 million worth of agricultural products, or 22 per cent of the total.

The Netherlands, with 59 per cent of its farming area in grasslands, concentrates largely on livestock and livestock products. These

exports in 1959 totalled 2,217 million guilders and accounted for almost one-half of total agricultural exports.

Limited land area, climatic conditions and a thriving and hungry livestock population mean that the Netherlands must import huge quantities of field crops. This net import surplus varies from 1,000 million guilders to 1,400 million a year. Netherlands exports of field crops in 1959 were valued at 1,437 million, of which one-half represented re-exports.

Principal Markets

Although Netherlands agricultural products are exported to almost all parts of the world, the European market absorbs some three-quarters of the total.

West Germany continued to be the best customer for Dutch agricultural products in 1959, with imports valued at 1,035 million guilders—one-fourth of total agricultural exports. The United Kingdom ranked second with 475 million, followed by Belgium-Luxembourg with 174 million. Agricultural exports to the United States were valued at 119 million guilders.

Canada's imports from the Netherlands consist of a wide range of processed agricultural products, totalling about \$10 million in 1959. They include horticultural products \$2,545,000; cocoa and chocolate preparations \$1,994,000; biscuits and candy \$815,000; berries and fruit, fruit juices \$688,000; pickles, sauces, etc., \$339,000; cheese \$645,000, and oils from plants \$551,000.

Netherlands

Agriculture: production and trade

G. E. WOOLLAM, *Agricultural Counsellor, The Hague.*

TABLE I—NETHERLANDS FARM PRODUCTION

	1958	1959
Cereal Grains	(in metric tons)	
Total production	1.73 million	1.6 million
of which:		
Wheat	402,000	494,000
Oats	446,000	319,000
Rye	427,000	386,000
Barley	310,000	268,000
Roots and Tubers	(in metric tons)	
Potatoes (table and forage)	2.67 million	2.14 million
Sugar beets	3.9 "	3.1 "
Potatoes (processing)	929,000	1,001,000
Livestock	(number of head)	
Cattle	3 million	3.2 million
Hogs	2.46 "	2.94 "
Hens	25.5 "	30.6 "
Livestock Products	(in metric tons)	
Meat	568,000	583,000
Milk	6.3 million	6.5 million
Butter	92,000	81,000
Cheese	186,000	203,000
Evaporated milk	286,000	338,000
Whole milk powder	35,000	53,000
Dry skimmed milk powder	47,000	24,000
Eggs	260,000	309,000
Poultry meat	22,300	29,200

TABLE II—TRADE IN AGRICULTURAL PRODUCTS

	Imports			Exports		
	(in millions of guilders)					
	1959	1958	Per cent change	1959	1958	Per cent change
Field crops	2,674	2,397	+11.6	1,437	1,306	+10.1
Livestock and dairy products	471	383	+22.7	2,217	1,911	+16.1
Horticultural products	247	250	- 1.2	871	742	+17.4
Total agricultural trade	3,391	3,030	+16.4	4,525	3,959	+14.3
Total commodity trade	14,967	13,774	+11.6	13,705	12,226	+12
Agricultural as percentage of total trade	24.4	22.2		33	32	

Imports of agricultural products into the Netherlands in 1959 were valued at 3,391 million guilders, an increase of 361 million over 1958, mainly because of larger imports of cereal grains, oilseeds and animal feedstuffs.

Grain Imports

Netherlands imports of wheat, oats, barley and rye in 1959 were valued at 410 million guilders, almost 15 per cent greater than in 1958. Corn and millet imports were valued at 1,237 and 106 million guilders in 1959, substantially above

1958; they form a major part of Netherlands feed-grain imports.

Wheat imports in 1959 were valued at 205 million guilders; in the last five years these imports have varied from a low of 184 million in 1958 to a high of 222 million in 1956. Changes from year to year in the level of imports are closely related to fluctuations in the size and quality of the domestic crop. Canada was the main supplier of wheat in both 1957 and 1958; imports from Canada were valued at 83 million guilders in 1957 and 94 million in 1958. Last year sales declined

TABLE III—NETHERLANDS AGRICULTURAL IMPORTS

	1958	1959
	(millions of guilders)	
Total imports of agricultural products	3,030	3,391
of which:		
Grain and cereals	731	857
Oilseeds, nuts and kernels	346	405
Feedstuffs (except grain) including oilcake and meal	194	279
Livestock and meat products	119	123
Dairy products, eggs, honey	18	23
Fruit and vegetables	261	262
Tobacco	178	169
Hides and skins	77	107

to 38 million, largely because we were unable to supply the lower grades (Manitoba 5's) of milling wheat required. The U.S.S.R. came into the market strongly in 1959 with sales totalling 78 million guilders, a tremendous increase over previous years when they were negligible in terms of Holland's total wheat requirements. Imports of wheat from the United States have declined steadily in value from 133 million guilders in 1955 to only 43 million in 1959. It is encouraging to note that so far in the present crop year—August 1959 up to end of March 1960—Canada was again the leading supplier, with the U.S.S.R. running a close second.

Barley imports, valued at 113 million guilders in 1959 and 101 million in 1958, were considerably below the quantities imported in the three previous years. Canadian barley exports to the Netherlands in 1959 were worth 1.2 million guilders.

Oats—the Netherlands requirements of oats vary considerably from year to year, with the value of imports over the past five years averaging 62 million guilders. During 1959, imports totalled 69 million. The bulk comes normally from the United States, with Argentina and the U.S.S.R. providing relatively smaller quantities. Imports from Canada reached 3.1 million guilders in 1959, the best year since 1955 (3.6 million).

TABLE IV—NETHERLANDS IMPORTS OF SPECIFIED AGRICULTURAL PRODUCTS FROM CANADA AND U.S.

	1959 Total Imports	1959 From U.S.	1959 From Canada	1958 From Canada
		(thousands of guilders)		
Live animals	27,700	33		
Meat and meat products	94,600	22,356	463	247
Dairy products, eggs and honey	22,700	3,998	3,797	
Grains and cereal products	857,100	452,057	52,076	102,800
Animal feedstuffs except grain	278,600	30,726	317	275
Oilseeds (excluding nuts, palm kernels and copra)	196,700	125,770	17,282	32,531
Tobacco	168,700	43,552	800	945
Dried seeds and pulses	25,854	2,812	19	19
Seeds for sowing	14,411	1,976	109	60
Hides and skins, raw	102,808	3,903	719	1,438
Preserved fruits	15,562	6,148	155	429

Rye—imports slackened somewhat in both 1958 and 1959 compared with previous years. Our position as an exporter weakened in 1959 when imports from Canada totalled 1.4 million guilders out of 23.2 million, as against 4.5 million out of 19.4 million in 1958.

Oilseeds

Total imports in 1959 of oil-containing seeds (excluding peanuts, copra, and palm kernels) were valued at 196 million guilders, compared with 150 million in 1958. Soybeans worth 96 million and flaxseed at 53 million were the largest items. Rapeseed imports were valued at 9.6 million guilders and Canada, with 7.2 million worth, was the main supplier. Imports of oil-cake and meal are substantial, and were valued at 133 million guilders in 1959.

The market for soybeans has been growing steadily, with the United States supplying 85 per cent of it. Dutch statistics show 1.9 million guilders worth bought from Canada.

Flaxseed imports, at 53 million guilders, were virtually unchanged from 1958, although considerably below the average of 75 million in 1956 and 1957. Canada was the leading supplier in 1958 with a total of 36 million guilders but this declined to 8.1 million in 1959. United States sales increased from 23 million guilders in 1958 to 43

million in 1959 and she replaced Canada as the leading supplier.

Canadian Exports

Canadian sales of farm products to the Netherlands were valued at 78 million guilders and represented 61 per cent of total imports from Canada of 127 million. This represents a substantial decrease from 1958, when agricultural imports (137 million) represented 70 per cent of the total of 197 million. The decline resulted from smaller imports of wheat and oilseeds (see Table IV).

Canadian sales of skimmed milk powder to the Netherlands in 1959 were valued at 3,640 million guilders, with the majority of the powder designated for feeding purposes. This product was brought in under special price arrangements allowing Canada to enter the market for the first time. No Canadian apples were imported into Holland in 1959, as against imports worth 1,370,000 guilders in 1958.

Restrictions Lifted

Recently the Netherlands Government announced that, effective July 1, 1960, imports of a number of agricultural products still subject to quotas would be liberalized and removed from the quota list. Products of interest to Canada include fresh apples and pears, and wheat, oats, and barley for sowing. ●

India's Pepper Production

THE recent increase in the price of pepper—in July of this year it reached 66 to 67 cents a pound, or nearly 2½ times the July 1959 figure—should encourage Indian growers to step up production and exports substantially. India still grows more pepper than any other country, some 24,000 tons in 1958-59, but Indonesia has regained its position as the leading pepper exporter, lost during the war. She ranks second now as a producer (13,800 tons in 1958-59), followed by Sarawak (9,000 tons), and Brazil (4,200).

In the 1959-60 season, Indian pepper output totalled 24,500 tons from 232,000 acres. About 50 per cent of production goes to export markets under the trade names *Alleppey* and *Tellicherry*. Normally the pepper is packed for export in double jute bags containing about 140 pounds, but importers are now requesting shipment in jute bags lined with polythene.

India's pepper exports have decreased in value of late years; from Rs.180 million in 1952, they fell to Rs.30 million in 1958. This year the outlook has improved; during the first quarter of the 1959-60 season shipments totalled about 8,000 tons, an increase of about 2,300 tons over the first quarter of the 1958-59 season.

Biggest buyer of Indian pepper is the United States (3,265 tons in 1958-59), followed by the U.S.S.R. (3,105). Altogether, the Communist countries purchased about 42.4 per cent of India's pepper exports last year. New markets have also developed in Denmark and Switzerland; Italy was already a large buyer. Canada imported about 1.7 million pounds in 1959, out of total purchases of roughly 3 million pounds. Canadians buy it chiefly for grinding; the meat-packing and food-canning industries use it as a preservative, either in the form of whole pepper or as oleoresin obtained from black pepper.

Pepper prices normally fluctuate considerably; the New York price of Malabar "garbled" black pepper, for example, was \$2.01 a pound in 1950. It declined steadily to 24½ cents last year, but has now risen to 67 cents. At the present time the trade is in no particular hurry to dispose of the supplies on hand; it hopes to obtain better prices later because of the uncertainty about the current Indonesian crop.

—G. P. MORIN,
Trade Commissioner, Bombay.

Iran

Market for Electrical Appliances

The Iranian electrical appliance industry is still in its infancy and imports are rising every year, though competition is brisk. There is a great market potential in this huge country as supply of electricity improves.

A. B. BRODIE, *Commercial Counsellor, Tehran.*

IRAN is an interesting, though limited, market for electrical household equipment. A boost in electric power in the built-up areas during the past year has helped spark bigger imports of a wide range of electrical equipment. Though the population of Iran totals some 20 million, about 70 per cent of whom are peasants, it will be some time before many of the homes will be able to afford modern electrical equipment. It would thus be unwise, and indeed wishful thinking, for Canadian manufacturers of electrical appliances to expect that Iran will offer unusual possibilities as an outlet over the next five years. But the following market resumé may help to show how much of this equipment is being shipped to Iran, and to point out some of the obstacles manufacturers must face in this huge country (equivalent in area to Ontario and the Atlantic Provinces) before they can make significant sales.

Electricity Supply Uncertain

The national electricity supply is nominally 220 volts, 50 cycles, 3 phases. Until the first few months of 1960, power distribution for Tehran and other towns was unsatisfactory; it was not uncommon for voltages to fall as low as 120 to 140. It is now expected that Tehran at least will be guaranteed 220 volts before 1961. Exporters are urged, however, to investigate Iran's

electrical supply before making shipments. At present, certain electric refrigerators and washing machines are being equipped with special capacitors to take care of sudden drops in current and keep the motors from seizing.

Some Trade Restrictions

Electrical appliances fall into the category of commodities *not* included on the official Iranian prohibited import list. The import quota for the current Iranian year 1339 (March 21, 1960, to March 20, 1961) has been held at 25 billion rials (75 rials=U.S.\$1) with no special quotas for individual commodities or groups of products. Although import licences are necessary, foreign exchange holdings have up to now made them a mere formality. If imports of the more expensive electrical household appliances can be kept within the limits of this past year, it should not be necessary to impose import

restrictions on electrical household equipment during the current one.

To curb the flow of imports of a wide range of luxury products (including certain electrical appliances) and thereby reduce over-all imports by as much as 20 per cent, the Iranian authorities recently introduced new commercial taxes on a long list of commodities. The present customs duties and commercial taxes on the products listed in the accompanying table will make it increasingly expensive for the marginal consumer to modernize his household equipment.

What Sells in Iran

● *Refrigerators*—about 10,000 refrigerators worth over \$3.3 million were imported into Iran through normal commercial channels last year from a dozen or more foreign countries. The United States share of the Iranian market continues to be high at about 70-75 per cent of the total. Although the demand for larger-size refrigerators rose during 1959, the eight- to nine-cubic feet continues to be the most popular. The use of deep freezers, industrial and domestic, is increasing to meet the unusually high summer temperatures (with little humidity) of over 125°F. in the south and as high as 115°F. in Tehran. New supermar-

IRANIAN DUTIES ON ELECTRICAL APPLIANCES

	Customs duty	Commercial profit taxes
Refrigerators	25% ad valorem	
Electro-thermic products (kettles, toasters, heaters, irons, etc.)	30% ad valorem	
Electro-mechanical products (fans, washing machines, vacuum cleaners)	25% ad valorem	
Radios	25% ad valorem	Can.\$65 to \$130, 25% ad valorem \$130 and up, 50% ad valorem
Television sets	25% ad valorem	Up to \$260, exempt; \$260 up, 50% ad valorem

kets and more stringent health regulations for butcher shops have also contributed to the brisk demand for freezers during the past year.

There is still a limited outlet for kerosene refrigerators outside the built-up areas where electricity is unreliable or inaccessible. Kerosene units are also used by oil-drilling firms and other construction companies often located in isolated regions. Wholesale prices for refrigerators and freezers, with supplying countries, are:

Refrigerators		Can. dollars
6 cu. ft.	Italy	169
7 cu. ft.	"	260
8 cu. ft.	"	286
9 cu. ft.	United States	325
11 cu. ft.	" "	390-416
13 cu. ft.	" "	480
Deep Freezers		Can. dollars
8 cu. ft.	United States	480
17 cu. ft.	" "	554
21 cu. ft.	" "	636

● **Washing Machines**—Washing machines, which were practically unknown in Iran ten years ago, have been imported in volume during the past two years. It is estimated that some 3,500 units were bought during 1957-58. This figure rose to roughly 8,000 units in 1958-59 and to at least 8,500 during 1959-60. The medium-size type is the most popular and the Germans and the British dominate the market for these. The principal suppliers to Iran during 1958-59 were the United States, Britain, Japan, and West Germany, in that order. Wholesale prices vary from \$135 for a British make (five-pound capacity) to \$214 (nine-pound capacity) for a U.S. model.

● **Irons**—Iranians show a distinct preference for the heavier type of iron. Of the 50,000-odd units imported during 1958-59, some 30,000 were shipped from Germany. Other important suppliers during the same period were Britain (8,121 units), Japan (7,268) and the United States (4,100). Wholesale prices range from \$4.55 to \$5.20.

● **Air-Conditioners**—Imports of air conditioners and water coolers have been stepped up to beat the high summer temperatures. An estimated 6,000 air-conditioners were brought in in 1959-60 (4,906 in 1958-59). The one-ton unit is the most practical and popular size. Japan, the United States and West Germany were the principal suppliers, in that order.

The following are approximate wholesale prices for U.S. models: $\frac{3}{4}$ -ton \$299, 1-ton \$350, 1½-ton \$390 to \$415, 2-ton \$519.

● **Table Fans**—Table fans are used extensively throughout Iran. Total imports for the past year, more than 45,000 units, included a wide range of sizes. The most common ones were:

	Prices, c.i.f. Khorramshahr
16" table model	Can.\$23-24
12" table model	Can.\$16
24" pedestal	Can.\$48-50

Japan, the United States, the Netherlands, Germany and Britain were the principal suppliers.

● **Radios, Television Sets**—Iran boasts three new television stations (including the U.S. station) with two in Tehran and the other at Abadan in the south. All three have a limited range and no programs are at present relayed to Iran. There are over 15,000 television sets in the country. Principal suppliers during 1958-59 were the U.S., the Netherlands and Japan. Wholesale prices range from \$280 for the 17" screen to \$438 for the 24" screen. There is a small demand for de luxe models.

Imports of radios and radio-gramophones for 1958-59 totalled over 183,000 units, with the Germans (80,000), Dutch (39,000), Japanese (17,000), and British (16,000) exporting the lion's share.

● **Other Appliances**—There is a limited demand in Iran for floor polishers, hair dryers, percolators and vacuum cleaners. Toasters are

becoming more common in the better homes and hotels. Imports during the past year were estimated at over 2,000 units.

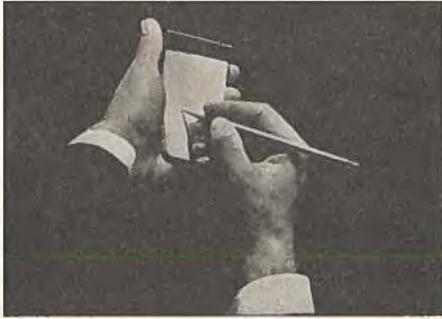
Because of inexpensive kerosene and butane gas, there is no market in Iran for electric ranges, space-heaters, or complicated spin-and-tumbler dryers. Cooking is done on kerosene and butane gas stoves by middle-class families who can afford to buy them, or on charcoal fires by those who cannot. Kerosene space heaters and, in some of the more modern homes, central heating oil-burners are the methods of heating Iranian homes. Some butane space-heaters are sold, but the cost of operating them tends to outweigh their advantages.

Payment Terms Generous

No survey would be complete without some mention of the generous credit terms that are currently offered in Iran. Conditions of payment vary between five to six months after arrival of the steamer at the Persian Gulf port of Khorramshahr to part payment by irrevocable letter of credit at the time of placing the order and the remainder three to four months after arrival of the goods. Most of the purchases are made by the agents for their own accounts. As foreign suppliers gain confidence in their agents and in the market itself, terms of payment tend to become more generous. Up to now, no restrictions have been in force controlling the selling prices. Commissions to dealers vary between 10 and 18 per cent.

EEC Customs Tariff

The Commercial Counsellor's office, Brussels, advises that the printed edition of the European Economic Community tariff may be purchased from Service des Publications des Communautés Européennes, 2 Place de Metz, Luxembourg, Grand-Duché de Luxembourg. The tariff, published in two volumes, costs Belgian francs 250 or approximately \$5.00 in Canadian funds.



Bahamas

LAND DEVELOPMENT—A \$30 million land development scheme on the island of Andros in the Bahamas will include an airport, hotel, harbour and a model community of houses. The project is designed primarily for retired middle-class persons, but it will also seek to attract industry. Construction will begin this year on an 800,000-acre tract of land and will extend over five years. It is expected that the present population of 7,000 will grow to 69,000 by the time the scheme is completed—Kingston.

EEC

FINANCING COMPANY FORMED—Banks and financial companies in five of the Common Market countries have established in Luxembourg a company to study financial operations in the Common Market. The company, with an initial capital of two million Luxembourg francs, is controlled by a group of firms in Italy, France, the Netherlands, Belgium and Luxembourg—Brussels.

Fiji

DEVELOPMENT COMPANY—The Colonial Development Corporation proposes to form a Fiji Development Company to investigate, promote and manage new projects in Fiji. A representative of the Colonial Development Corporation will be managing director for an initial period of three years. One of the activities of the new company will be to build houses for wage-earners in the low income group—Wellington.

Iran

NEW BANKING LAW—Bank Melli Iran, the national bank of Iran, will soon be divided into a Central Bank and a Commercial Bank, according to the new Currency Banking Law approved by Parliament in June. The new law also includes, among other provisions, more effective control of private banks' credit operations and an easing of the present note-cover requirements.

Iran now has some 26 banks of varying types and sizes, of which ten can be called private (100 per cent Iranian capital), seven mixed (foreign and Iranian capital), one foreign, and eight government. The most

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General Notes

recently opened private bank is the Foreign Trading Bank of Iran. Fifty-one per cent of its shares belong to the Bank Melli Iran, and the remainder to Bank of America (20 per cent), the Bank Deutscher Länder of Germany (14.5 per cent) and the Commercial Bank of Italy (14.5 per cent). Total authorized capital is about \$3.6 million. (An article on Iranian banks appeared in *Foreign Trade*, October 10, 1959.)—Tehran.

Ireland

NEW FACTORY FOR SHANNON—The Standard Pressed Steel Co., Jenkinstown, Pennsylvania, has announced that it will build a factory in the Shannon Industrial Zone. Scheduled to begin operating in October, the plant will make precision fasteners and miniature electronic components for communication and electronic industries—Dublin.

Jamaica

INCENTIVES FOR INDUSTRY—Up to the end of March 1960, 89 companies had been set up under Jamaica's three major incentives laws to manufacture 118 different products. Twenty-four firms established under the Export Industry Encouragement Law will make 34 different products exclusively for export. Twenty-seven firms under the Industrial Incentives Law and 38 under the Pioneer Industry Encouragement Law will manufacture a total of 84 products for both the domestic and export markets—Kingston.

CENTRAL BANK IS ESTABLISHED—Legislation authorizing the establishment of a central bank, to be known as the Bank of Jamaica, has been passed by the Jamaican Government, and the first governor has already arrived from Britain to take up his duties. The bank will administer the island's currency and maintain monetary stability—Kingston.

New Zealand

INDUSTRY LICENSING REPEALED—The last vestige of direct control over the setting up of industry in New Zealand disappeared on July 7 when licensing

requirements were removed for the pulp and paper, tire and tube industries. Previously no firm could undertake manufacture of pulp, paper or tires before obtaining the approval of the Licensing Board which operated under the Minister of Industries and Commerce.

There remains, however, control of capital issues which prevents recourse to the public for stock or bond issues over £10,000 without the authority of the Capital Issues Commission—Wellington.

Norway

CANADIAN INVESTMENT—Canadian companies rank third in total foreign investment in Norway, and second in direct share capital investments in industrial and mining companies with some share capital held by Norwegian nationals. Foreign investment in Norwegian industrial and mining operations at the end of 1958 totalled approximately Kr.300 million; Canadian companies accounted for about Kr.60 million. Foreign share-capital interest in industrial and mining companies in Norway in which Norwegian capital also participated had a total value at the end of 1958 of approximately Kr.260 million. Canadian companies ranked second among foreign investors in this category, with Kr.32.5 million. Canadian interests are concentrated particularly in the production of aluminum and nickel—Oslo.

Sweden

SWEDISH FACTORIES ABROAD—Two Swedish companies, Sandvik Steel Works and Atlas Copco, have decided to set up subsidiaries in India. The factories will be built at Poona, about 200 kilometres east of Bombay.

Sandvik will invest about Kr.8 million in a plant for making Coromant tungsten carbide and tools with carbide bits; it will be financed by Swedish and Indian capital. The plant is scheduled to start operating in 1961 under the supervision of Swedish engineers who will train a staff of Indian technicians. Sandvik Coromant products are also made at plants in Europe, North and South America and in South Africa.

Atlas Copco is investing Kr.4 million in the first stage of a factory for making compressors and compressed-air rock drills. The plant should begin operating early in 1961 and have an initial output valued at Kr.4 million a year—Stockholm.

Switzerland

SASKATCHEWAN LOAN FLOATED—A bond issue of Sfr.40 million has been successfully floated in Switzerland by the Province of Saskatchewan through a syndicate of leading Swiss banks. The offering, between June 24-29, consisted of 4½ per cent bearer bonds of Sfr.1,000 nominal capital each, at a price of

issue of 100 per cent. The bonds will be repayable at par on July 15, 1975, at the latest. The issue was substantially oversubscribed by the Swiss—Berne.

Trinidad

NEW PRINTING PLANT—A new B.W.I.\$1 million printing plant is being erected in Arima, Trinidad, by Caribbean Printers Limited, to provide high quality printing and packaging service for commerce, industry and advertising throughout the Caribbean. The plant will use the latest techniques developed in Britain and the United States and will employ between 150 and 200 persons.

Caribbean Printers Limited is an association of Bookers Industrial Holdings Limited and Brown Knight and Truscott Limited. The new company, it is said, is a milestone not only in the industrial development of Trinidad and the Eastern Caribbean, but also in the development of printing in the British Commonwealth. It has received, in addition to the private companies' investment, assistance from Trinidad's Industrial Development Corporation and the Government of The West Indies—Port-of-Spain.

Tours of Territory

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

L. D. R. DYKE, Acting Commercial Secretary in Athens, Greece, will visit Izmir, Istanbul, and Ankara in Turkey, and Nicosia in Cyprus, from August 29 to September 14.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will be in attendance at the Canadian Government exhibit in the Brno International Trade Fair from September 11-25.

D. J. McEACHRAN, Assistant Trade Commissioner in Hong Kong, will visit South Vietnam, Laos and Cambodia from September 4-24.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Dundee for several days, beginning August 31, and Aberdeen beginning September 3.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will be in attendance at the Canadian Government exhibit in the Zagreb International Fair from September 10-25.

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. Dyke at Athens, Mr. Freyseng and Mr. Thomson at Vienna, Mr. McEachran at Hong Kong, and Mr. McLane at Glasgow.



Ceylon

IMPORT CONTROLS ON TOWELS, TOWELLING, ALUMINUM FOIL AND LINING—The Controller of Imports and Exports, Ceylon, has announced that individual import licences are now required for towels, towelling, and aluminum foil and lining imported into Ceylon from all countries.

Cuba

STATE TRADING BEGINS—The Cuban Bank for Foreign Commerce (BANCEC) has been made the sole importer of some 50 commodity groups, according to Resolution 295 of the Ministry of Commerce. The new procedure became effective on July 15, and import orders placed through ordinary commercial channels before that date are unaffected.

The list below includes several commodities of special interest to Canada, such as newsprint, wheat and wheat flour, potatoes, pharmaceutical raw materials, pine lumber and plywood; the import of potatoes was already a government monopoly. Many commodities on the list are among those that Cuba is seeking to obtain by barter under trade agreements with Communist countries. Others such as cutlery, razor blades, sewing machines, typewriters, refrigerators, fluorescent light tubes, paper, etc., are products that the Government hopes to manufacture in Cuba following arrival of some 60 complete factories from Communist countries.

Official notices published on August 5 indicate that BANCEC is prepared to authorize some imports by private trade. The notice provides that Cuban firms should apply to BANCEC.

Thus it is expected that imports of products in Resolution 295 will be made in two ways—either by BANCEC itself, or by individual firms after obtaining import permits from BANCEC. Permission to import any other product will continue to be controlled by the Banco Nacional as before.

- Hog's lard
- Inedible tallow
- Bacon
- Edible oils
- Salted pork meat
- Condensed milk
- Evaporated milk

- Butter
- Wheat
- Wheat flour
- Rice
- Beans
- Lentils
- Peas, including "garbanzos" (Spanish chick peas)
- Corn
- Potatoes
- Onions
- Garlic
- Sewing machines and parts and accessories therefor
- Typewriters
- Calculating machines
- Adding machines
- Phonographs
- Record players }
and parts and accessories therefor
- Records (phonograph)
- Dictaphones and other office machines
- Refrigerators and parts and accessories therefor
- Air-conditioning apparatus
- Radio receivers }
Television sets }
and parts and accessories therefor
- Batteries
- Light bulbs and fluorescent tubes
- Dinnerware, tableware and cutlery generally
- Razor blades
- Watches and clocks
- Toys and games
- Film for photographic cameras
- Raw materials for pharmaceutical industry
- Surgical instruments
- Cotton
- Cotton thread for sewing, embroidering, hand knitting and mechanical manufacturing
- Raw materials for paper manufacture (paste and waste)
- Kraft wrapping paper
- Newsprint (papel Gaceta para periódicos)
- Bond paper for periodicals
- Bond paper for books
- Bond paper for lithographic work
- Rice paper for cigarettes
- Manila paper for fruit wrapping
- Manila toilet paper
- Baling paper
- Glassine paper
- Ordinary pine lumber, undressed
- Plywood
- Fertilizer
- Jute bags for sugar and coffee

Trade and Tariff Regulations

Insecticides and fungicides
 Tanned calf leather, with no hair
 Wire, of wrought iron or steel
 Fences, of wrought iron or steel
 Barbed wire for fencing, of wrought iron or steel
 Crude petroleum
 Aviation gasoline
 Solvents
 Fuel oil (0.6 per cent sulphur)
 Lubricants (oils and greases)
 Tractors
 Bulldozers
 Agricultural machinery and implements and replacement parts therefor
 Machinery and apparatus for sugar mills
 Motors and parts and accessories therefor
 Pumps, electric
 Pumps, hand
 Cranes and hoists, both stationary and mounted on vehicles
 Trucks and buses
 Locomotives
 Tires and tubes
 —Havana.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF

—The South African Board of Trade announced recently that it has received the following representations respecting the tariff:

Increase in duty on:

1. Coloured cellulose tape and plain and coloured vinyl pressure-sensitive adhesive tapes.
2. Domestic tinware including cake and biscuit tins, roasting pans, graters, biscuit cutters, funnels, and bread-baking forms for domestic and industrial use.
3. Framed mirrors of a f.o.b. cost not exceeding 1/-s. per piece.
4. Plastic manufactured goods.

Rebate of duty on:

1. Glass fabric reinforced vinyl film for the manufacture of suitcases.
2. Metal pressings in an unfinished state for the manufacture of metal bearings for the motor industry.
3. Lace crochet fabrics, woven and knitted fabrics of various constructions for the manufacture of scarves, stoles, neckerchiefs, handkerchiefs, and baby blankets.
4. Diesel oil for use as fuel in the recovery of fossilized oyster shell by dredging and drying.
5. Commutators and steel laminations for the manufacture of armatures.

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf. Action should be taken as quickly as possible because tariff inquiries normally begin in South Africa soon after the announcements are made.

United States

PUBLIC LAWS ENACTED—

Metal scrap—Public Law 86-606 approved by the President on July 7, 1960, continues until the end of June 30, 1961, the suspension of duties on metal scrap other than lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap or zinc alloy scrap or any form of tungsten scrap, tungsten carbide scrap or tungsten alloy scrap; or articles of lead, lead alloy, antimonial lead, zinc or zinc alloy or articles of tungsten, tungsten carbide or tungsten alloy imported for remanufacture by melting.

Barrelheads of softwood—Public Law 86-606 amended paragraph 1805 of the duty-free list to read as follows: "pickets, palings, hoops, staves of wood of all kinds, and tight barrelheads of softwood". This amendment became effective on August 7, 1960, and provides for softwood barrelheads which were formerly dutiable at 16½ per cent ad valorem to enter free of duty.

Coarse wool—Public Law 86-557 approved on June 30, 1960, makes permanent the former temporary suspension of duties on certain coarse wool, and also provides that papermakers' felts may be manufactured under bond from imported wool or hair after July 30, 1960.

Amorphous graphite—Public Law 86-453 suspended the duty on the following material entering up to May 14, 1962: "amorphous graphite or amorphous plumbago, crude or refined, valued at \$50 per ton or less". Formerly this material was dutiable at 5 per cent ad valorem if it was artificial, or 2½ per cent ad valorem if it was not artificial.

Seaweeds—Public Law 86-402 provides for duty-free entry of all ground, powdered, or granulated seaweed. Until the enactment of this measure, which became effective on May 4, 1960, ground powdered or granulated seaweeds (other than kelp) were dutiable at 5 per cent ad valorem under U.S. tariff paragraph 1540. This act provides for duty-free entry of all ground, powdered, or granulated seaweed as well as kelp which has been free of duty for over 50 years.

Chicory—Public Law 86-479 extends until June 30, 1963, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory. In 1958 Congress provided that until April 16, 1960, crude chicory (except endive) would enter duty free and that chicory ground or otherwise prepared would be dutiable at 2 cents a pound instead of 2½ cents.

Istle or tampico fibre—Public Law 86-456 continues for a temporary period the suspension of duty on certain istle or tampico fibre. In 1957 Congress provided duty-free entry for dressed or manufactured istle or tampico fibre entered up to September 4, 1960. This public law extends duty-free entry to shipments entered up to September 4, 1963.

Alumina and bauxite—Public Law 86-441 continues the suspension of duty on certain alumina and bauxite up to July 16, 1962. Duties on these materials have been suspended since 1956.

Tanning extracts—Public Law 86-427 extended the temporary suspension of duty on certain tanning extracts, and on extracts, decoctions and preparations of hemlock and eucalyptus suitable for use in tanning until September 30, 1963.

Casein—Public Law 86-562 extended the temporary suspension of duty on casein until June 30, 1963, except that effective July 31, 1960, suspension of duties no longer applies to imports of sodium caseinate, sodium phosphocaseinate and other caseinates, of which casein or lactarene is the component material of chief value.

United States

TARIFF COMMISSION INVESTIGATION OF IRON ORE IMPORTS POSTPONED—In *Foreign Trade* of August 13, 1960, it was announced that a public hearing in connection with an escape clause investigation into iron ore imports would begin on October 11, 1960, in the Tariff Commission Building, Washington.

The Tariff Commission has now announced that this public hearing has been postponed from October 11 to October 18. Interested parties desiring to be heard should write the Secretary of the Tariff Commission at least five days in advance of the date set for the hearing.

Trade Commissioners on Tour



B. C. Butler



H. A. Gilbert



H. S. Hay



H. L. E. Priestman



R. G. Woolham

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

B. C. BUTLER, Minister (Commercial) in London, England:

Fredericton—Sept. 26-27 Halifax—Sept. 29-30
Saint John—Sept. 28

H. A. GILBERT, Trade Commissioner in Bombay, India:

Montreal—Sept. 19-23 Brantford—Oct. 7
Thetford Mines—Sept. 26 Winnipeg—Oct. 11-12
Toronto—Sept. 28-Oct. 4 Vancouver—Oct. 13-21
Sarnia—Oct. 6

When he completes his tour, Mr. Gilbert will be posted to Melbourne, Australia, as Commercial Counsellor.

H. S. HAY, Assistant Commercial Secretary in Sydney, Australia:

Windsor—Sept. 6 Toronto and district—
Sarnia—Sept. 7 Sept. 12-16, 19-20
Tillsonburg—Sept. 8 Hamilton—Sept. 21-22
Brantford—Sept. 8 St. Catharines—Sept. 22
Kitchener-Waterloo, Galt—
Sept. 9 Welland—Sept. 23
Niagara Falls—Sept. 23
Guelph—Sept. 9

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Montreal—Sept. 26-Oct. 4 Ottawa—Oct. 5-6

When he completes his tour, Mr. Hay will be posted to head office in Ottawa.

H. L. E. PRIESTMAN, Consul General and Trade Commissioner in Manila, the Philippines:

Vancouver—Aug. 29-Sept. 2

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

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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.0345914.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 15	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free .....	.01172	85.32	(1)
Austria	Schilling ..	.....	.03721	26.87	
Australia	Pound .....	.....	2.1744	.4599	
Bahamas	Pound .....	.....	2.7180	.3679	
Belgium, Belgian Congo and Luxembourg	Franc .....	.....	.01930	51.81	
Bermuda	Pound .....	.....	2.7180	.3679	
Bolivia	Boliviano ..	Free .....	.00008460	11,820.33	
British Guiana	Dollar .....	.....	.5662	1.77	
British Honduras	Dollar .....	.....	.6795	1.47	
Brazil	Cruzeiro ..	General Category* .....	.004230	236.42	*Aug. 2 (2)
		Special Category .....	.002018	495.49	
		Official selling .....	.05110	19.57	(3)
Burma	Kyat .....	.....	.2030	4.93	
Ceylon	Rupee .....	.....	.2039	4.90	
Chile	Escudo	Free .....	.9188	1.088376	(4)
Colombia	Peso	Certificate .....	.1443	6.93	
Costa Rica	Colon	Official .....	.1721	5.81	
		Controlled free .....	.1453	6.88	
Cuba	Peso .....	.....	.9666	1.03455	tax 2%
Czechoslovakia	Koruna .....	.....	.1342	7.45	
Denmark	Krone .....	.....	.1403	7.13	
Dominican Republic	Peso .....	.....	.9666	1.03455	
Ecuador	Sucre	Official .....	.06444	15.52	
		Free .....	.05652	17.69	
Egyptian Region, United Arab Rep.	Pound	Official	2.7755	.3603	
		Export account selling ..	2.3875	.4188	
El Salvador	Colon .....	.....	.3866	2.59	
Fiji	Pound .....	.....	2.4486	.4084	
Finland	Markka .....	.....	.003021	331.02	
France, Monaco, etc.	New Franc ..	.....	.1973	5.068	(5)
French Territories, Africa	Franc .....	.....	.003946	253.42	(6)
French Territories, Pacific	Franc .....	.....	.01085	92.166	(7)
Germany	D Mark .....	.....	.2318	4.31	
Ghana	Pound .....	.....	2.7180	.3679	
Greece	Drachma .....	.....	.03222	31.037	
Guatemala	Quetzal .....	.....	.9666	1.03455	
Haiti	Gourde .....	.....	.1933	5.17	
Honduras	Lempira .....	.....	.4833	2.07	
Hong Kong	Dollar	Free* .....	.1692	5.91	*Aug. 5
		Official .....	.1699	5.89	
Iceland	Krona	Official .....	.02554	39.15	(8)
India	Rupee .....	.....	.2039	4.90	
Indonesia	Rupiah	Official .....	.02148	46.56	(8)
Iran	Rial .....	.....	.01276	78.37	
Iraq	Dinar .....	.....	2.7064	.3695	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 15	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7180	.3679	
Israel	Pound		.5370	1.86	
Italy	Lira		.001557	642.26	
Japan	Yen		.002685	372.44	
Lebanon	Pound	Free	.3036	3.29	
Mexico	Peso		.07733	12.93	
Netherlands	Florin		.2563	3.90	
Netherlands Antilles	Florin		.5164	1.94	
New Zealand	Pound		2.7180	.3679	
Nicaragua	Cordoba	Effective buying	.1464	6.83	
		Official selling	.1371	7.29	
Norway	Krone		.1357	7.37	
Pakistan	Rupee		.2039	4.90	
Panama	Balboa		.9666	1.03455	
Paraguay	Guarani	Official	.007923	126.21	
Peru	Sol		.03600	27.78	
Philippines	Peso		.4833	2.07	
Portugal & Colonies	Escudo		.03373	29.65	(9)
Singapore and Malaya	Straits Dollar		.3171	3.15	
Spain and Dependencies	Peseta		.01611	62.08	
Sweden	Krona		.1875	5.33	
Switzerland	Franc		.2239	4.47	
Syrian Region, United Arab Rep.	Pound	Free	.2703	3.70	
Thailand	Baht	Free	.04567	21.90	(8)
Turkey	Lira		.1074	9.31	(8)
Union of South Africa	Pound		2.7180	.3679	
United Kingdom	Pound		2.7180	.3679	
United States	Dollar		.9665652	1.0345914	
Uruguay	Peso	Free	.08475	11.80	(10)
Venezuela	Bolivar		.2885	3.47	
West Indies Fed.	Dollar		.5662	1.77	(11)
	Pound		2.7180	.3679	(12)
Yugoslavia	Dinar	Official	.003222	310.37	(8)
		Settlement rate	.001529	653.9	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.\$18.36 plus (a) an exchange premium of Cr.\$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.\$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.\$18.92 per U.S. dollar plus a surcharge of Cr.\$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning January 1, 1960, one escudo equals 1,000 pesos.
5. France: territory includes Algeria, 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, Camerons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.



Capital Imports into Sterling Countries

By A. R. Canon. 110 pages. \$2.50.

BUSINESSMEN or students interested in economic development in Australia, New Zealand, India, Pakistan, Rhodesia and South Africa since the war will find this survey of capital movements a useful reference. This study makes clear the extent to which new factors have affected international investment in sterling countries. The data show that within a relatively short period the rate of capital absorption has varied in the different countries of the sterling area, that the composition of capital movements has altered, and that new sources of capital supply have been found, such as the IMF and the World Bank. The scale of these developments has effected a radical change in the pattern of international investment. Parallels are drawn, in the conclusion, between Canadian problems with external capital and the problems of the more developed sterling countries, such as Australia and South Africa.

Published by: Macmillan Company of Canada Limited, 70 Bond Street, Toronto.

Finnish Foreign Trade Directory, 1960

Finnish Foreign Trade Association. 544 pages. \$8.50.

CLAPPED between covers made of a well-known Finnish hardboard and backed by Finnish leather, this book deserves mention if only because it is one of the most attractive directories we have seen. The choice of type, quality of paper, the layout and design make it a pleasure to read. And it is convenient too. The classified trades sections list Finnish exporters and importers under subdivisions according to the type of firm (exporter, importer, agent, manufacturer, etc.). Information about each firm is given in the alphabetical list. Products are also listed alphabetically in an index in six languages, with a cross-reference to the corresponding heading in the classified sections. A handy summary of facts about Finland, including trade statistics, coloured maps of the country, and a plan of Helsinki, complete the volume.

Order from: The Finnish Foreign Trade Association, Helsinki, Finland.

Businessman's Bookshelf

British Commonwealth and Empire Trades Index

Business Dictionaries Ltd. London. 971 pages. \$5.00.

EXPORTERS accustomed to using the *British Commonwealth and Empire Trades Index* will be pleased to know that the 1959-60 edition has recently been released by the publishers. In it they will find lists of manufacturers, producers and distributors, classified by trades and also cross-indexed alphabetically. A section on trademarks and brands is included; so is one on registered cable addresses. The last two sections, Commonwealth and Empire and Foreign Countries Index, are in process of change from a combined alphabetical listing to a country-by-country listing. In this edition, the country-by-country listing has been completed only for Canada, Hong Kong, Singapore, Iraq, Lebanon and Spain.

Order from: Business Dictionaries Ltd., 133-137 Fetter Lane, London, E.C.4, England.

New Zealand's Continuing Development

Australia and New Zealand Bank Limited. 90 pages. Free.

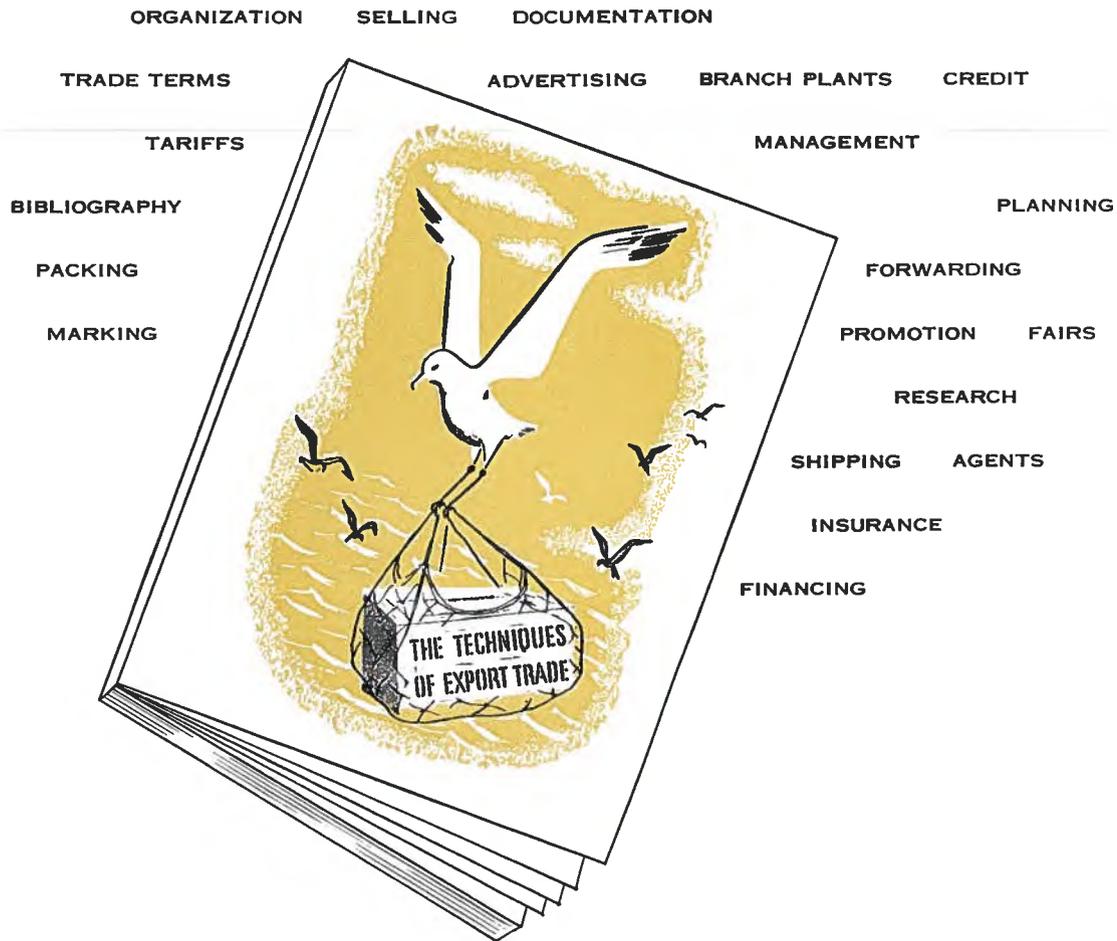
THIS little handbook, a companion to *Australia's Continuing Development* (see *Foreign Trade*, Oct. 10, 1959) takes an all-round look at New Zealand's economy. Literally full of illustrations—maps, graphs, photographs and drawings—it is interesting and easy to read.

New Zealand has remained basically an agricultural country; the accent is on wool, though meat and dairy products are produced in large quantities. Animal husbandry provides the country with its principal exports.

The lack of raw materials and of a large home market has prevented establishment of heavy industry. Light manufacturing has developed rapidly since the war, however, but it depends to a large extent on imports of raw materials, parts and equipment.

Like its Australian counterpart, this book includes a section on transportation services, communications, business practices and trade, of interest to exporters.

Order from: Australia and New Zealand Bank Limited, Lambton Quay and Featherston St., Wellington, New Zealand.



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