Approaching the Italian Market (page two)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

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Venice, on which tourists converge in millions every year, is also a busy port and trading centre.

Approaching the Italian Market

Potential Exporters to Italy Should ★ ★ ★

- ★ Bear in mind regional differences between north and south
- ★ Remember that Italy is a "nation of shopkeepers"
- ★ Understand the wholesale marketing structure
- ★ Appoint agents who can offer good coverage of the various areas
- ★ Give agents sales aids, especially in early stages of contract
- ★ Expect fierce competition and be prepared to grant credit terms
- ★ Visit the market personally.

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

ITALY, with a population of 50 million and with limited natural resources, is a poor country by North American standards. The annual income per capita is only about $450—some 25 per cent of the U.S. figure. But despite these rather unimpressive figures, during recent years economic development has made great progress and it seems probable that rapid growth will mark the next few years. Canadian firms which are selling or wish to sell in the Italian market may be interested in the following background information on the organization of Italian business and sales.

Regional Differences

It is often said that Italy is two or more countries within a country, and this is particularly true in the economic context. It may readily be divided into three regions: northern Italy, central Italy (which covers the area bounded by east-west lines drawn just north of Florence and south of Rome), and southern Italy, which includes the islands of Sicily and Sardinia. Italian statistics showing national totals are frequently misleading. For instance, per capita income in northern Italy exceeds that of central Italy by nearly 30 per cent and is more than double that of southern Italy. The bulk of Italian industry is centered in the north; it produces about 60 per cent of the net national product, compared with 19 per cent in central Italy and 21 per cent in the predominantly agricultural south. Northern Italy contains 44 per cent of the total population but accounts for 55 per cent of total national consumption. Southern Italy, with 38 per cent of the population, accounts for only 23 per cent of total consumption.

Many businessmen do not realize that the purchasing power per family in northern Italy is comparable to that in France and West Germany. In Italy, indirect taxation provides the Government with about three-quarters of its total revenue. (It has been estimated that the cumulative effect of indirect taxation in Italy is to add almost 30 per cent to the price of most consumer goods.) As a result, poorer Italians are more adversely affected by taxation and purchasing power in the south is lower than one might judge on the basis of per capita income. It is also affected by the large numbers of unemployed and under-employed in the south.

On a per capita basis, commercial activity in northern Italy compares favourably with that of several other European countries, but there is a considerable contrast between these areas and southern Italy.

Wholesalers and Retailers

Italian commercial activity at practically all levels has traditionally been carried on by small independent companies with small capital and a relatively low turnover of goods. This is particularly true of retail trade and the Napoleonic phrase, "a nation of shopkeepers", applies to Italy as much as to England. There are large department stores and chain stores of the 5-and-10 variety in Italy but they are not as important as in North America or other European countries and are found for the most part in the larger cities. Self-service stores were practically unknown until a mere four to five years ago, but since then a few supermarkets have appeared in Rome and Milan. Available statistics show that, on a population basis, there are considerably more retail establishments in the north and that the number decreases from north to south. The percentage of retail stores which deal in non-foodstuffs is higher in northern Italy and also diminishes from north to south. Regionalism, traditional practices and a large unemployed population have had the effect of swelling the ranks of trade with persons in search of income to supplement a low family budget.

Many of these same factors have influenced the wholesale marketing structure, with the result that Italian wholesaling organizations are, for most part, smaller and cover a more limited area than their counterparts in many other industrialized nations. In northern Italy, of each 100 commercial enterprises, there are 8.66 wholesalers compared with 4.58 in central Italy and 3.33 in southern Italy. These figures illustrate the structural differences in wholesale distribution between these areas and indicate that it is in the more advanced northern regions that the existing wholesale organization is better able to distribute goods effectively. The last census in 1951 showed that the average Italian retail establishment employed only 2.0 persons (excluding street vendors) compared with 4.6 persons in the average wholesale firm. Fierce competition marks both wholesale and retail trade in most areas of the country. As a general rule, commercial organizations in southern Italy tend to be smaller and to cover smaller areas than their counterparts in the north.

Italian import trade is also very competitive. Italy's imports consist mainly of raw and semi-processed materials for industry and some agricultural commodities. With about 70 per cent of Italian industry concentrated in the north and the remainder roughly split between centre and south, it follows that a

Exporters who wish to sell in southern Italy do well to appoint an agent based in Naples, largest commercial centre in that area, rather than depend on coverage from northern or central Italy.

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large part of Italian imports enter Italy and are used in the north.

Selecting an Agent

Canadian firms wishing to export to Italy will generally find it best to appoint an agent in one of the commercial and industrial centres of the north. The larger importers in these areas are usually able to give good coverage throughout northern Italy and not infrequently throughout central Italy and sometimes the entire country. However, in many cases, northern importers will not be in a position to give good coverage much south of Rome. If the exporter's products have a potential market in the south, it is frequently advisable to appoint a second agent in some southern centre, such as Naples or Bari. Although agents in Naples are often able to cover the islands of Sicily and Sardinia, regional patriotism in those islands suggests that it is better to appoint a separate agent in one of the important centres. Palermo and Catania are the most important Sicilian commercial centres; Cagliari is the chief one in Sardinia.

It is not always a simple matter for a foreign firm to locate a good representative in Italy. Qualified representatives in the north are often fully engaged with other commitments. In the south, there are relatively fewer representative firms and many of them have limited capital resources and are able to cover effectively rather limited territories. The Office of the Commercial Counsellor at the Canadian Embassy, Via G. B. De Rossi 27, Rome, will be pleased to assist Canadian firms with the appointment of an Italian agent.

Developing Exports to Italy

Italy is a price-conscious, competitive market and if an agent is to do an effective job, he will need considerable assistance, particularly in the early stages of the agency contract.

In many lines, Italian manufacturers provide considerable technical assistance on their products and to compete, foreign suppliers must follow suit. Sales literature must be in Italian and container sizes, measures, etc., must conform to metric standards. Credit terms vary greatly with the commodity but in certain fields the Canadian exporter may have to grant more liberal terms than he would in Canada. Leading Italian banks are the best source of credit information on Italian firms and the Commercial Counsellor's Office in Rome is always pleased to provide Canadian exporters with such information.

Personal contact is important in developing export trade with Italian companies and businessmen contemplating trips to Italy should bear several points in mind. They can do very little business during July and August and they should avoid these periods for visits to all parts of the country. In central and southern Italy, September is also a popular vacation month and it is wise to determine beforehand whether business contacts will be available then. Throughout the year, there are many more public holidays in Italy than in Canada and it is prudent for businessmen to inform themselves about these beforehand, particularly if they are operating on a tight schedule.

Hours of business vary considerably between type of office and section of the country. In the north, usual working hours are from 8.30 a.m. to 1.00 p.m. and 2.30 to 6.00 p.m.; from Rome south they are from 8.30 a.m. to 1.00 p.m. and 5.00 to 8.00 p.m. Government offices work a single shift from 8.00 a.m. to 2.00 p.m., but senior officials usually return between the hours of 5.00 to 8.00 p.m. and receive visitors by appointment. Most Italian offices consider Saturday morning a normal working period. During the summer months these business hours may vary considerably. Rail and air transportation within Italy is good and visitors will not experience any difficulty in travelling between the main Italian centres.

Italian import duties are high, particularly on fully manufactured goods, and import controls still influence Italian trading patterns. Italian Governments of recent years have reverted to a policy of trade liberalization from the prewar policy of bilateralism and self-sufficiency. Italy's trade with the OEEC countries is close to 100 per cent free and liberalization of trade with dollar countries has been accelerated during the past 18 months. However, there are still many commodities of potential interest to Canada that remain subject to import licensing. To check this point, businessmen may consult the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa.

With the present relatively low levels of consumption, and the increasing purchasing power and expanding foreign trade, the Italian economy's potential for growth is probably as great as that of any other European country. Undoubtedly, as the Common Market program proceeds toward full implementation, a large percentage of Italy's imports of finished goods will be purchased from the other five countries of the Community. Nevertheless, Canadian exporters of products that could be of interest to this expanding market would be well advised to make an early assessment of their opportunities.

Exchange Control, Venezuela

In an article on Venezuela's new foreign exchange control that appeared in *Foreign Trade* of January 14, 1961, it was stated that "To obtain foreign exchange for foreign loans, investments, and obligations that require payments to foreign countries for interest, dividends, profits, and amortization and which entered the country before November 8, 1960, registration of the respective capital or pending balances is required within 60 days from the above date." The Commercial Counsellor in Caracas now advises us that the date for registration has been extended for another 60 days, to March 8, 1961.

The OECD Takes Shape

Carrying out the new international responsibilities of the Atlantic Community—this is the objective of the Organization for European Co-operation and Development. The author discusses its evolution from OEEC, its proposed functions, structure and scope.

G. W. GREEN, *International Trade Relations Branch.*

ON December 14, 1960, economic relations among the countries of the Atlantic Community entered a new and significant phase. On that date, Ministers from Canada, the United States and European nations met at the Quai d'Orsay in Paris to sign the Convention and Supplementary Instruments establishing the Organization for Economic Co-operation and Development. The nations concerned are now to seek ratification by their respective parliaments, following which the Convention will come into force. The proposed membership of the new Organization is to include Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Provision is also made for the accession of any other government prepared to assume the responsibilities of membership.

The aims of the new Organization, as laid down in its Convention, are to promote policies designed:

(1) To contribute to the development of the world economy by achieving the highest sustainable economic growth and employment in member countries, consistent with the maintenance of financial stability.

(2) To contribute to sound economic expansion in member as well as non-member countries in the process of economic development.

(3) To contribute to the expansion of world trade on a multilateral non-discriminatory basis, in accordance with international obligations.

In the pursuit of these aims, the twenty countries concerned have agreed that they will individually and jointly (a) promote the efficient use of their economic resources; (b) promote the development of their scientific and technological resources, encourage research and promote vocational training; (c) pursue policies designed to achieve economic growth and financial stability, and to avoid developments which might endanger their own economies or those of other countries; (d) pursue their efforts to reduce or abolish obstacles to the exchange of goods and services and current payments, and to maintain and extend the liberalization of capital movements; and (e) contribute by appropriate means, including the flow of capital, to the economic development of both member and non-member countries in the process of economic development, having regard to their need for technical assistance and for the expansion of export markets.

To fulfil these undertakings properly, members are to keep one another informed and to furnish the Organization with the information necessary for the accomplishment of its tasks, to consult together on a continuing basis, to carry out studies and participate in agreed projects, to co-operate closely, and to take co-ordinated action where appropriate.

Reconstitution of OEEC

The new body has often been referred to as the successor to the present Organization for European Economic Co-operation. It is something more than this. It represents rather a reconstitution of the OEEC, whose existence as a legal entity has not been terminated thereby, but which has been endowed with a new constitution, designed to transform it into a more appropriate and more effective instrument of co-operation, suited to the growing responsibilities of the North Atlantic Community.

This principle of continuity, of course, is not intended to limit in any way the freedom of action of the future Organization. This has been ensured by the understanding that all decisions, recommendations and resolutions of the OEEC, collectively known as "Acts", shall automatically lapse unless reaffirmed by the Council of the OECD. It should also be evident that the maintenance of the legal personality of the OEEC, chosen for its practical advantages, in no way diminishes the significance of the changes of name, objectives and structure stemming from the substitution of the new Convention for the old.

From its first establishment in 1948 as a "crisis" organization, set up in response to the Marshall offer of economic aid, the OEEC has gradually developed into a permanent body for general economic consultation and co-operation among its members. The simple allocation of economic aid became a minor responsibility. As the problem of bare survival grew less important, the Organization turned to such measures as the reduction of barriers to the exchange of goods

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and services among its members. These included the European Payments Union (since replaced by the European Monetary Agreement) which was essentially a multilateral clearing arrangement to reduce exchange restrictions on intra-European payments, and a Code of Liberalization which required European countries to reduce quantitative barriers to trade among themselves on a gradual and reciprocal basis. Similar codes were also established to govern invisible transactions and the movement of capital.

In the promotion of co-operation in specific sectors such as agriculture, productivity, energy, inland and maritime transport, manpower, the training of scientific and technical personnel, fiscal problems, tourism and the development of certain categories of industry, the emphasis has also changed. The Maritime Transport Committee, for example, is no longer concerned with the mere physical availability of shipping, nor the Agriculture Committee with the avoidance of hunger. The European Productivity Agency has been placing increasing emphasis on technical assistance programs rather than on production methods, while the Manpower Committee has turned from problems of providing labour for reconstruction to the need for better vocational training.

New Problems Apparent

Yet, despite these changes in emphasis, the OEEC was designed to meet what were essentially postwar transition problems. It has been apparent for some time that the economic recovery of Europe and the move to convertibility of currencies have brought this period to an end. The economies of member countries have become increasingly interdependent. National economies have become more sensitive to changes in world trends and to measures taken in other countries. Actions taken by individual governments often have external repercussions, and indeed the efficacy of national action to a large extent depends upon the policies followed in other countries. There is consequently an increasing need for regular policy consultation and co-operation among the advanced nations if the Free World is to maintain a high sustainable rate of economic growth. At the same time, the industrialized nations are developing new responsibilities in the provision of technical assistance and other resources to the less developed countries of the world. Finally, the trade split in Europe between the Six and the Seven, and efforts to resolve these differences, have important implications not only for intra-European relations, but for the North Atlantic Community and established international trade relations generally.

These responsibilities, particularly those involving the less developed countries, did not appear to be matters with which the OEEC was equipped to deal. Despite its broad objectives and structural flexibility, it could move only within certain limits. In addition, both Canada and the United States held associate membership only, largely by virtue of the role that they had played in the provision of assistance and of their membership in NATO. A new organization, it was suggested, in which these two important countries would participate as full members might be a more appropriate instrument with which to meet the problems and challenges of the sixties.

First Steps

The Western summit meeting held in Paris towards the end of 1959 took the first step towards translating these suggestions into action. France, Germany, the United Kingdom and the United States here agreed that virtually all of the industrialized nations of the Free World were now in a position to devote their energies in increased measure to the solution of the problems outlined above. Following ministerial discussions in January 1960, a Group of Four on Economic Organization was established to determine the best way of implementing these objectives. It was the report of this group that recommended the replacement of the OEEC by an Organization for Economic Co-operation and Development, in which Canada and the United States, as well as the eighteen OEEC member countries, would be invited to become full members.

Further discussions over the following months resulted in the establishment of a Preparatory Committee. The rather thankless task of the latter was to produce a Convention in a form ready for signature by the end of the year, to define the structure of the reconstituted Organization, and to determine which activities of the OEEC should be carried forward into the new body. The report of this Committee was approved by Ministers immediately before the signing of the Convention.

Structure of OECD

As might be expected, the new Organization bears a strong structural resemblance to the OEEC. A Council composed of all members is to be the supreme body, meeting either in sessions of Ministers or of Permanent Representatives. It will have the power, by mutual agreement, to take binding decisions, to make recommendations to members, and to enter into agreements with members, non-member states and international organizations. To assist it in its work, the Council may also establish an Executive Committee and whatever other subsidiary bodies may be required. The staff of the Organization is to be headed by a Secretary-General, appointed for a term of five years and responsible only to the Council. Thorkil Kristensen, a former Danish Finance Minister, has been selected as the first to hold this post. Provision is also made for one or more Deputy or Assistant Secretaries-General.

The subsidiary bodies of the new Organization reflect its objectives and responsibilities. The OECD is designed primarily as an instrument to strengthen co-operation among the countries of the North Atlantic Community in the fields of general economic policy, trade and aid. In many of these activities, the emphasis is on consultation. The Organization is not designed to detract from or to duplicate the activities of other international organizations, but rather to strengthen them.

In the fields of economic policy and trade, probably the most important of these subsidiary bodies will be the Economic Policy Committee. It will be responsible for the review of the economic and financial situation and policies of member countries, with special emphasis on the international effects of such policies. An Economic and Development Review Committee will hold annual detailed examinations of the economic situation of member countries. Finally, a Trade Committee is to carry out confrontation of general trade policies and practices at regular intervals or by special request; to examine specific trade problems primarily of interest to members and their overseas territories, and to consider any outstanding short and long-term problems related to the present Six-Seven division in Europe. Within these terms of reference, it is hoped that any member country may obtain prompt consideration and discussion by the committee of trade measures by another member which may adversely affect its interests, with a view to removing or minimizing such adverse effects.

Development Aid

In the field of aid, a Development Assistance Committee is to carry out functions which, at least until recently, were entirely foreign to the work of the OEEC. With the objective of ensuring that the European nations carry a greater share of the burden of assisting the less developed countries, this committee is to take over the functions and characteristics of the present eleven-member Development Assistance Group which was established early in 1960 on an informal and interim basis. Like the latter, its purpose will be to improve the quality and quantity of bilateral aid, both by consultation on methods for making resources available, and by expanding and improving the flow of long-term funds and other assistance. This is not expected to limit or change the nature of Canada's existing aid programs, however, or to involve any direct Canadian obligation to provide additional assistance. For the moment, it appears that this committee will be primarily concerned with non-member countries. The comparable needs of members will be the responsibility of the proposed Technical Assistance Committee, another subsidiary body which had no structural counterpart within the OEEC, but some of whose recommended functions were in fact carried out by that body under the aegis of the European Productivity Agency.

Other Committees

In more specific fields, an Agriculture Committee, whose work will be closely integrated with that of other bodies within the Organization, is expected to meet at both the official and ministerial levels. At the urging of Iceland, a corresponding committee is to be established to deal with fisheries problems. Other bodies will deal with the financial aspects of the Organization's work, and with such important responsibilities as manpower, scientific research and personnel, and maritime transport. The European Nuclear Energy Agency is to be retained within the new Organization in its present form. Finally, a large number of committees dealing with various aspects of industry and energy have existed within the OEEC. It is expected that some decision will be made during the coming year on which of these will be continued in the new Organization, the form they will take, the nature of their work, and the length of their mandate. Among these committees are those dealing with coal, oil, electricity, gas, iron and steel, non-ferrous metals, chemical products, textiles, timber, pulp and paper, hides and skins and machinery. Similar decisions must be made with regard to many of the future activities of the European Productivity Agency.

Canada's Participation

Bearing in mind the valuable objectives of the new Organization and her responsibilities as a full member, Canada has made every effort to be as forthcoming as possible about participation in these future activities. It is possible for each member to be entirely selective in this respect, since no country can be committed to the provisions of any decision, resolution or recommendation for which it has not voted. This applies as well to those OEEC Acts which have been recommended to the Council for carryover into the OECD. In the latter case, however, because Canada and the United States had not participated as full members of the OEEC and consequently might be unaware of all the implications of these Acts, they have been granted the privilege of changing their position if either of their respective legislatures proves unable to accept an Act to which delegates had promised to subscribe during the Preparatory Committee's review.

It is hoped that ratification of the Convention by member governments will proceed as quickly as possible, so that it may come into force by the end of September of this year. Once this has been accomplished, the transformation will be complete from an organization designed to assist in the recovery of Europe to one which will carry out the new international responsibilities of the Atlantic Community. Together with representatives of the European Communities, and in close co-operation with other international bodies, member countries will move towards the consultation, co-operation and co-ordinated action necessary to meet the economic tasks which lie ahead. •

Tokyo Conference Studies Asian Needs

Conference convened by the Economic Commission for Asia and the Far East studied growing need for paper and paper products in these countries and ways of meeting this need. Conclusions reached will interest Canadian pulp and paper producers and suppliers of machinery for the industry.

C. M. KERR, *Assistant Commercial Secretary, Tokyo.*

THE developing countries of Asia, with growing needs for paper products, do not have sufficient foreign exchange to fill these needs and will have to pool their economic and technical efforts to find ways and means of meeting their requirements through indigenous production.

In summary, these were the conclusions of the two-week conference on pulp and paper development in Asia and the Far East held in Tokyo last fall.

Discussions centred on how these objectives were to be achieved. Paper consumption in the region now stands at 6.5 million tons, about 20 per cent of which is newsprint. This is considered lower than it should be in many of the countries, having in mind their levels of economic and social development. By 1965—according to FAO studies—requirements will exceed 11 million and by 1975 should reach nearly 25 million tons.

Because most of the developing countries are not in a position to meet their needs through imports, it will be necessary to develop domestic production. If the industrially developed countries in the region (Australasia and Japan, where much of the expansion can be achieved through self-financing by existing industry) are excluded, the cost of necessary expansion is estimated at $75 million a year up to 1965 and $95 million a year in the ensuing decade. Approximately half of the above figures represent foreign exchange requirements, corresponding roughly to the value of one year's production from the total expansion in capacity required.

Foreign Capital

Statements by heads of several of the delegations made it clear that the limited availability of private domestic capital constitutes an obstacle to achieving the expansion in some of these countries. Most governments are taking steps to encourage private enterprise to enter this field. It was evident from some of the speeches, however, that given the importance of adequate paper supplies for industrial and cultural progress, public enterprise will assume the initiative if private capital proves reluctant. Conference delegates believed that substantial participation by foreign capital would be needed. International lending institutions and government-to-government loans could help some of these countries greatly, but the concensus was that private equity capital from overseas has a special role to play, provided that sufficient safeguards for foreign investment are furnished.

Pulp and Paper Equipment

As a result of preparatory work for the conference and panel discussions during its course, opinion was that the size of the expansion of the pulp and paper industry in the region both warrants and requires the early development of local manufacture of equipment used in making pulp and paper. Members of the Japanese delegation drew attention to the fact that Japan now makes most of the equipment that her pulp and paper industry requires. There was no suggestion that she might act as the equipment manufacturing centre for the region but the implication was clear enough.

Small Plants Favoured

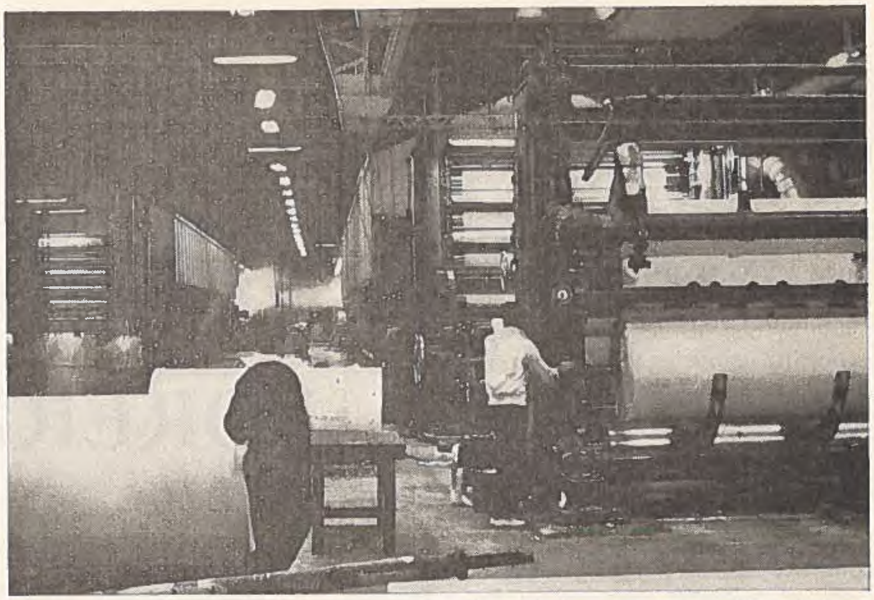
Strong interest was shown in the development of small plants. The reasons for this interest were twofold. To begin with, the pulp and paper industry in most of the countries (again with the exception of Japan and Australasia) is either non-existent or in its infancy, and it is expected that at least a few years will elapse before demand reaches the point where large mills will be economic. Second, the high capital cost of large mills and the shortage of private capital, combined with a lack of skilled personnel, are not conducive to their construction. It was felt that small mills with simple equipment would therefore more readily meet the needs of most of the countries.

The principal advantages for small mills were listed as:

- Utilization of local fibrous raw materials and reduction in transportation charges

- Sale of final products locally, with lower distribution costs
- Ready adjustment to local market requirements
- Requirements for a smaller number of highly trained technical personnel
- Relatively small capital requirements
- Use of locally-made machinery.

However, it was noted that certain commodities—such as newsprint and certain kraft papers produced from major raw material sources, such as wood, bamboo, and bagasse—cannot be produced economically on a small scale. Consequently, it was recommended that some of the small mills should be designed to allow for expansion to medium size as demand increases. Other mills could remain small because of the limited local supply of raw materials and could have as an objective the manufacture of specialty papers and certain types of board.



Japan, scene of the conference discussed in this article, not only has a well developed pulp and paper industry but also makes most of the equipment that it requires.

Technical Training Needed

The shortage of qualified and trained engineers and technologists was considered one of the major obstacles to the expansion of pulp and paper production. This led naturally to a discussion on training facilities. The work done in this field by UNESCO and the ILO was mentioned and the Conference recommended that the UN organizations concerned collaborate in the preparation of a directory of available training facilities. Delegates from the region and some of the delegates from outside outlined training facilities in their countries and several indicated their willingness to assist by underwriting the cost of training for students from the under-developed countries.

The leader of the Indian delegation emphasized the need for the development of training facilities in the region and questioned the wisdom of sending students abroad to acquire technical skills useful only in countries which have modern research facilities and equipment. He also questioned the wisdom of sending technicians from the Western world to work in countries where their lack of knowledge of local customs, laws, language, and raw materials limits the contribution they can make.

One of the concrete achievements of the Conference in the discussion on technical training was a recommendation that regular technical meetings be held in the region for research workers and mill technicians. Such meetings, the feeling was, would lead to the useful exchange of information and avoid duplication of effort. A related recommendation was that time and money would be saved if each country concentrated on a different phase of research and results were exchanged.

Canada's Rôle

The significance of the conference for Canada might be summarized as follows:

- The living and educational standards of the Asian and Far Eastern countries are rising, though slowly. This should result in increased demands for paper products —only part of which can be met by indigenous production. Pulp, and perhaps limited quantities of newsprint, will have to be imported.
- The need to establish domestic manufacture of pulp and papermaking machinery in some of these countries merits the consideration of Canadian manufacturers, who report that they are finding it increasingly difficult to compete with large international manufacturers of equipment. Investment in foreign mills manufacturing equipment for small plants might provide opportunities for supplying parts from Canadian plants.
- Canadian engineering consulting firms will find increasing opportunities to sell their specialized services. Some Canadian firms were quite active at the conference and it seems likely that they are already aware of the prospects in the region.
- There will be increasing demands for Canadian assistance under the Colombo Plan, both for technical training in Canada and for the supply of capital equipment. Canadian private capital will probably be

sought for investment in the newsprint manufacturing industries of the Commonwealth countries in the region, Australasia excepted.

• There is no indication that any changes in customs and tariff policies in the region are contemplated. It is, however, possible that delegates who took part in the conference will keep in mind the plea made by one of the pulp and paper exporting countries that net importing countries should make every attempt to avoid tariff measures which would discourage the consumption of necessary paper products. It was, in fact, suggested that the governments of underdeveloped countries in the region subsidize domestic industry (instead of imposing tariffs to protect it) in order to maintain reasonable prices for paper products and that this subsidy be considered part of the cost of cultural or educational development.

The Conference concluded with a twofold hope: first, that delegations would return home determined to stimulate whatever action is needed to meet the needs of each country; and second, that when the next conference takes place it will be possible to discuss the many newspapers, pulp and paper plants, and byproduct factories established as a result of this Conference.

Given the broad development programs of the underdeveloped countries in the region, the limitations of capital, the need to undertake such basic steps as surveys of forest resources and increased technical training, and normal delays, it would be overly optimistic to expect the pulp and paper industry in this region to develop at the rate expected. About one thing, however, there seemed to be little doubt—that the market for pulp particularly, and to a lesser extent newsprint, is bound to grow rapidly within the next five years. This market will merit the attention of Canadian producers of pulp and paper looking for future customers. •

ARGENTINA'S FOREIGN TRADE

- **Trading deficit January-August 1960 reached U.S.$18 million, but counterbalanced by foreign loans.**
- **Exports up $74 million over same period of '59; imports up $193 million.**
- **Principal customers: Britain ($150 million), Italy ($82.4 million), Netherlands ($81 million), United States ($65 million).**
- **Principal suppliers: United States, West Germany, United Kingdom, Venezuela.**
- **Imports of machinery and vehicles rose by $218.4 million; iron and steel by $16.9 million.**
- **Canada's sales to Argentina in first ten months double annual sales in 1959.**
- **Steel products, newsprint, aluminum ingot, leading shipments from Canada.**

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

ARGENTINA had an unfavourable foreign trade balance slightly over U.S.$18 million for the first eight months of 1960, compared with a favourable balance of over $101 million in the similar period of 1959. Because the bulk of the cereal exports had already been made by the end of August, the final balance of trade for 1960 is expected to be unfavourable and the figure much larger than the one given above. Total exports in this period increased from roughly $658 million in 1959 to close to $732 million in 1960. At the same time, imports rose from $557 million in 1959 to almost $750 million in 1960. However, any probable trading deficit will be more than counterbalanced by the foreign loans this country will obtain this year.

Main Markets

Nearly all of the commodity groups showed larger exports except meat, which dropped by 16 per cent, and forest products by 12 per cent. In millions of U.S. dollars, the principal buyers of Argentina products were: United Kingdom 150.6, Italy 82.4, Netherlands 81.0, United States 65.0, West Germany 61.5, Brazil 54.7, Japan 34.4, France 25.2, Belgium 24.4, Chile 23.0, Russia 13.9, and Peru 10.3. The values of the different export groups in the two periods, expressed in millions of U.S. dollars, were:

Exports of	Eight months 1959	Eight months 1960
Cereals and linseed	201.1	243.0
Meat	166.5	139.4
Wool	89.0	106.1
Other arable farm products	89.1	104.8
Hides and skins	39.1	42.6
Dairy produce	19.5	27.6
Miscellaneous manufactured products	12.0	15.9
Wheat flour and byproducts	13.1	13.4
Live animals	3.3	12.4
Animal byproducts	8.9	10.7
Forest products	12.1	10.6
Minerals and ores	2.0	2.9
Fish and game	1.9	2.1

The more than 35 per cent rise in imports over those of the similar period of 1959 was the result of a number of factors. The main ones were:

- The foreign loans and credits negotiated abroad
- The inflow of foreign capital for new industrial enterprises or for the expansion of present ones
- The exemption from or the reduction of the surcharges on imports of factory plant and equipment, both for wholly new enterprises and for those already established
- The gradual lightening of the burden of the exchange surcharges, particularly those levied on the prime materials required by Argentine industry
- The gradual recovery from the stunning effects of the original imposition on January 1, 1959, of these heavy exchange surcharges.

Imports and Suppliers

The chief import group—machinery and vehicles—showed a remarkable increase in import value of 187 per cent in the eight months —from $116.5 million in January-August 1959* to $334.9 million in the same period of 1960. The first three factors mentioned above had much to do with making this increase possible. The next largest group, iron and steel—composed chiefly of prime and secondary materials for local industry—was also favourably influenced by the lighter surcharges. Its value increased from $109.3 million in '59 to $126.2 million in '60. The comparative values, in millions of U.S. dollars, in the other import groups that expanded were: rubber and its manufactures 21.7 (12.0); textiles and manufactures 19.1 (15.7); stones, glass, ceramics, etc., 5.2 (4.8); tobacco and its manufactures 1.0 (0.1). The groups with smaller imports were: fuel and lubricating oils 104.9 (128.3), witnessing the sharp increase in local petroleum production; chemical and pharmaceutical products, paints and varnishes 32.6 (42.8)—chiefly heavy chemicals for industry and those for pharmaceutical use and practically no paints and varnishes; non-ferrous metals 31.7 (33.0); timber 24.1 (40.9); food products 19.6 (23.1); paper and cardboard 13.8 (17.1). The chief suppliers, with their comparative values in millions of U.S. dollars, were: United States 191.7 (104.7), of which a substantial part was captive business created by government and bank loans and foreign investment projects; Germany 95.0 (56.8), some of which sprang from bank credits and some from foreign investment, although most of it was the result of better competitive values; United Kingdom 68.3 (46.1); Venezuela 61.3 (65.5); Netherlands Antilles 13.6 (17.3); Kuwait 1.9 (7.4); (the decreases for the last three countries reflected the constantly decreasing need to import crude oil as the result of the rapid expansion of the local petroleum industry) Italy 54.0 (21.9); France 38.7 (18.8); Brazil 33.1 (44.4); Japan 19.3 (9.7).

Canadian-Argentine Trade

Canada is not listed among the suppliers in the preceding section because Canadian shipments in this eight-month period totalled less than one per cent of total imports. However, when the total 1960 import figures become available, present indications are that Canadian exports to this market will exceed this one per cent—something that has not happened for the past several years. This evidence of considerably larger Canadian sales to Argentina during the first nine months of this year is provided by Canadian export statistics, used in this section as Argentine statistics are not yet available.

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*The foreign trade figures quoted in this section were compiled by the *Review of the River Plate.*

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Argentine imports into Canada in the January-July period of 1960 totalled Can.$1,507,995 in contrast to $3,432,563 in 1959. The chief items in this trade, with their dollar values for these two periods, were: canned corned beef 469,689 (1,279,419), other canned beef 20,190 (26,375); scoured wool 371,954 (767,743), grease wool 64,034 (25,365); quebracho extract 141,979 (460,207); cleaned rice 29,108 (162,199); undressed fur skins of sheep and lambs 89,109 (130,922), raw sheepskins 40,095 (78,304); fresh pears 93,177 (60,-638); tungsten ores, 57,777 (nil); cheese 33,665 (36,570); honey 22,887 (25,488), and seeds for blending 16,633 (17,914). No other product reached the equivalent of one per cent of total exports in the above period of 1960.

The total figures covering Canadian sales to Argentina are available for the ten months January-October of 1960—$14,781,000, compared with $7,088,757 for twelve months of 1959. The individual products whose value this year exceeded $25,000 during the nine-month period, for which details are available, are shown in the accompanying table:

CANADIAN SALES TO ARGENTINA

Product	Full year 1959	9 months 1960
	(Canadian dollars)	
Steel products	125,871	3,476,377
Newsprint	1,792,589	3,059,653
Aluminum ingots	1,866,068	1,261,202
Business machines	312,080	558,315
Wood pulp, sulphite		379,175
Wood pulp, sulphate	354,203	199,579
Synthetic rubber		295,993
Pneumatic rubber tires	15,092	397,814
Pneumatic rubber tubes	8,875	46,659
Aircraft engine parts	98,103	245,079
Fine nickel	104,093	221,200
Asbestos fibre	549,851	180,224
Drugs and chemicals	287,640	103,710
Dynamos and parts		70,000
Machinery and parts	234,862	77,502
Surgical and hospital equipment	76,406	65,292
Contractors' outfits		60,443
Aircraft	51,248	52,758
Purebred cattle	30,000	46,600

One of the brightest spots in this year's sales is the prominence achieved by the group of steel products (mainly steel sheets) against the traditional competition of European rolling mills, aided by relatively low freight rates from European ports.

Newsprint sales also revived considerably; three-fourths of the above total was sold in the July-September period. This trade seems likely to resume its former importance.

Aluminum ingots are more or less holding their own against increasing competition from European mills. The advance in sales of business machines and parts is due to the switching of a greater percentage of export orders to a Canadian branch plant by its U.S. parent company. Wood pulp sales also increased substantially, but not in the volume that would have been possible had Canadian mills been able to provide the tonnage in sharp demand — especially unbleached and, to a lesser extent, semi-bleached sulphites. Synthetic rubber is a relatively new item in Canadian trade with this country. In spite of the fact that two different companies are negotiating to establish a synthetic rubber plant in Argentina, there is an excellent chance that our rubber trade will continue, in large part at least, because of the extensive list of specialized synthetics we can offer, which no local plant is likely to begin making in the near future.

The trade in tires and tubes constitutes a more or less temporary revival of what used to be a moderately important part of our sales to Argentina. It consists almost entirely of tire types and sizes which are not yet made by the well-established Argentine industry or not produced in sufficient volume to meet the heavy recent demand. The rise in nickel sales is due mainly to the expansion of the plating industry. The drop in asbestos fibre exports resulted chiefly from Russian competition, both in lower prices and lower freight rates. The hospital equipment consisted of cobalt bombs for the treatment of cancer. The cattle sold were chiefly the Holstein-Friesian breed to strengthen local dairy herds.

Restrictions Remain

The long-term outlook for Canadian sales to Argentina is much brighter than the short-term one. Only now is this country beginning to emerge from the economic morass in which it was left floundering after years of economic misdirection and the subsequent years of trying to fit the machine together again to permit it to function moderately efficiently. Excellent progress has been made but there is a long road yet to travel before the present restrictions on the free play of supply and demand can be brought back to normal.

Foremost among these restrictions are the exchange surcharges, which run as high as 200 per cent of the c. and f. invoice value of the foreign product. They were imposed for the dual purpose of conserving foreign exchange and of protecting local industry from foreign competition. While they remain in force, the sales opportunities for Canadian goods are commensurately reduced, although the goods of other countries (contiguous countries in South America excepted) are in no better position.

Normal Trading When?

The state of the Argentine economy when it was at its doleful worst made it necessary to seek substantial foreign loans and credits for its rehabilitation and almost automatically the terms of sale have become stretched from the standard letter of credit to 90 to 180 days sight for consumer goods and up to seven to eight years for capital goods.

Only over the long term, and after Argentina has been able to revive its economy to the point where foreign loans are no longer essential, are trading conditions likely to return to the point where Canadian exporters will be able to compete on normal terms. ●

Timber Mission Surveys U.K. and Irish Markets

In an interview with *Foreign Trade*, J. C. Dunn, Chief of the Department's Forest Products Division, who served the Mission as secretary, tells where it went, what it discovered by observation and talks with the trade, and some of the conclusions it reached.

GRUELLING but decidedly worthwhile—this sums up the reaction of the Canadian Timber Mission to the intensive two-week tour of seven cities in the United Kingdom and the Republic of Ireland. The members, representative of the industry in Canada, saw at first hand how wood and its products are being used in these countries and they talked face to face with the users. They were able to examine the competition's products and to assess their own opportunities and the effectiveness of Canadian marketing and promotion methods. They realized more clearly the problems they face in expanding their sales in these markets, and came home armed with the facts that will help to overcome them.

Twelve executives of leading timber export firms from the Atlantic Provinces, Quebec, Ontario and British Columbia were nominated by their trade associations to compose the Mission. H. F. Staniforth was spokesman for the group, R. H. Edgett, deputy spokesman, and J. C. Dunn, Chief of the Forest Products Division, represented the Department of Trade and Commerce and acted as secretary. The Mission left Canada on October 15 by air for London, the first stop on the itinerary, where they were joined by E. J. White, Commercial Secretary (Timber), and O. A. Lauritzen, G. H. Rochester and J. R. Wilson, U.K. representatives of three forest products associations, who accompanied them on the tour.

The Mission spent some rewarding hours down at the docks in Manchester, examining the cranes for unloading timber and the carriers for handling it. Manchester is one of the main centres of timber importing in the United Kingdom.

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Members of the Mission

Timber Industry

H. F. STANIFORTH (spokesman)
President, Staniforth Lumber and Veneer Limited, Montreal

R. H. EDGETT, (deputy spokesman)
Assistant Sales Manager, Seaboard Lumber Sales Ltd., Vancouver

D. St. G. ANDERSON
Manager, Design and Technical Section, MacMillan, Bloedel & Powell River Limited (Lumber Division), Vancouver

R. G. ANNABLE
Director of Export and Domestic Sales and Manager of the Lumber Department of the East Asiatic Co. (B.C.) Ltd., and Tahsis Company Ltd., Vancouver

W. E. BROMLEY
President and Managing Director, Bromley Lumber Limited, Town of Mount Royal, Quebec.

T. H. H. FORTIER
President, T. H. H. Fortier; President and Manager, Hardwood Specialties Ltd., Annapolis Royal, Nova Scotia.

G. H. HAINAULT
Vice-President and General Manager, Canada Flooring Co., Limited, Town of Mount Royal, Quebec.

D. R. McGILLIVRAY
General Manager, Dominion Plywoods Limited, Southampton, Ontario

COLIN MACKAY
President, Mackay Lumber Company Ltd., Saint John, New Brunswick.

W. A. NICHOLSON
Vice President and General Manager, A. S. Nicholson & Son, Limited, Burlington, Ontario

D. R. ROGERS
Manager, Pembroke Division, Consolidated Paper Corporation Limited, Pembroke, Ontario

T. M. STEPHENSON
Manager, Lumber Sales Department, Fraser Companies Limited (Lumber Division), Edmundston, New Brunswick

United Kingdom Representatives

O. A. LAURITZEN
Timber Development Director and United Kingdom representative of British Columbia Lumber Manufacturers' Association

G. H. ROCHESTER
Responsible for work of the Canadian Hardwood Veneer and Plywood Bureau, and Hardwood Bureau and Hardwood Flooring Section, Canadian Lumbermen's Association

J. R. WILSON
United Kingdom Manager, Plywood Manufacturers' Association of British Columbia

Department of Trade and Commerce

J. C. DUNN (secretary)
Chief, Forest Products Division

From London the Canadians went on to Hull, Manchester and Liverpool, and then to Glasgow where they were joined by E. J. Ward, Assistant Trade Commissioner (Timber Specialist). After returning to London for four days, they wound up the tour in Belfast and Dublin. W. R. Van, Trade Commissioner in Belfast and Commercial Secretary in Dublin, made the arrangements in Northern Ireland and the Republic.

The port cities of London, Hull, Liverpool, Glasgow, Belfast and Dublin were obvious choices for the Mission. Not only are they importing centres for the timber trade, but they also provided an opportunity for the Canadians to talk to port authorities and to see how timber is handled—something, by the way, that they felt would have been difficult to arrange for individual visitors. The itinerary also took into account another point, the importance of reaching different areas because (this became more apparent as the trip proceeded) the United Kingdom cannot be thought of as a single market for wood products. It is really made up of several markets with different tastes: the species of wood popular in London will not necessarily sell well in Manchester. An added attraction in Manchester was the Building Trades Exhibition where the Mission saw, many of them for the first time, the type of exhibit which the Canadian Government sponsors at building trades exhibitions in the United Kingdom.

What They Did

The Timber Mission's days were long. During the mornings and afternoons they concentrated on the end-users of lumber. They met manufacturers of prefabricated houses, greenhouses and summerhouses (a popular feature of U.K. gardens), and they visited the building sites of house and apartment projects to examine construction techniques and the amount of lumber used. Every day they lunched with members of the specifier groups, architects, and officials of the county and municipal councils that are major builders of housing projects. Every evening they dined with buyers and importers of lumber and their own agents. A great deal of ground was covered during these informal talks and the mission members were specially pleased to have this contact with the timber trade.

Promotion Efforts Assessed

The Department of Trade and Commerce has been advertising and promoting Canadian timber, plywood and other wood products in the United Kingdom for many years. Advertisements describing the characteristics and uses of Canadian timber are appearing in British trade magazines. Exhibits are sent to the major building trades exhibitions: the Canada Trend House, featuring timber frame construction, was a popular attraction at last year's Ideal Home Exhibition. Canadian timber specialists in London have undertaken lecture tours.

The members of the Mission believe these efforts are meeting with success. They found that U.K. architects, engineers and specifier groups were keenly interested in getting more technical information on the properties of Canadian timber. They considered the long-range promotion program for timber frame construction and for the use of more timber in home-building a good one, and particularly successful in the factory component field.

Canadian Wood Exports to the United Kingdom and Ireland Eleven Months 1960

	United Kingdom	Ireland
Hardwood lumber	$ 1,089,132	$ 63,989
Softwood lumber	46,881,117	239,058
Hardwood flooring	1,081,569	19,735
Red cedar shingles	353,589	
Softwood plywood	9,990,335	9,587
Hardwood plywood	81,639	
Hardwood veneers	33,215	974
Softwood veneers	350	
Spoolwood	444,977	
Manufactures of wood	1,829,718	1,649
Railroad ties, Douglas fir	716,931	
Hardwood billets, blocks, etc.	30,829	2,017

Summing up

Back in Canada, the Mission assessed their effort. The members agreed that:

—the timing was good: in early October buying for arrival during the current year is about completed, and buying for the next year is just beginning. They could see what had arrived from the Baltic and judge how comparable Canadian products would fit into the picture.

—the size of the Mission was right. With fewer members it would not have been representative of the Canadian industry; more would have made the group unwieldy.

—they were able to meet all their customers in a very short time, and to meet specifier groups without upsetting normal trade channels.

—the visits to building sites, fabricators and consuming industries had suggested new outlets for their products.

—follow-up is called for on eastern Canadian specialties, such as hardwood lumber, hardwood flooring, hardwood plywood, and white pine.

—obstacles in the way of promoting more timber frame construction in the U.K. are the difficulty of obtaining mortgage funds for this type of building, and the higher fire insurance rates charged by British companies.

—buyers in the United Kingdom and Ireland like Canadian wood and they like to deal with Canadians, but the key to successful selling in these markets is still price, service, and continuity of delivery. The latter presents a problem for the industry in certain areas of eastern Canada, especially in winter when it is necessary to ship from Atlantic ports and inland freight is involved. ●

STRIKE!

THE recent gala opening of the Olympia Bowl and Ballroom, a new £250,000 community centre in East Kilbride, Scotland, marked the introduction to the Scottish public of the Canadian game of five-pin bowling and secured a great deal of favourable publicity for Canada. Erected and operated by Thomson Recreational Enterprises Limited, under the chairmanship of Roy Thomson, a Canadian who has established himself in the United Kingdom as a newspaper publisher and television station owner, the centre is the first of its kind to be opened in the United Kingdom exclusively for bowling and dancing.

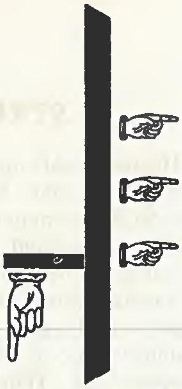
Decision to erect a five-pin bowling alley in the new town of East Kilbride was born of a desire to establish in this experimentally-planned community a project distinctly Canadian. Simple yet modern in design and furnishing, the whole structure was built in 12 weeks.

"Strike", a half-hour program on Scottish Television, was telecast live from Olympia on the opening night and featured an exhibition of flawless bowling by two of Canada's top bowlers, both of whom will spend about two months at the centre training local people as instructors.

The spotlight was focussed on Canadian aspects of the venture and the Canadian materials used in construction of the centre and its facilities. The 16 bowling lanes were constructed from 90,000 linear feet of Canadian maple and white pine, and their automatic pin-setting equipment and other accessories, such as balls, pins and gutters, made in Canada and installed by a Toronto firm of bowling suppliers. Manager and players alike were greatly impressed by the uniformity and beauty of the maple bowling lanes and the efficient performance of the pin-setters. These are controlled by the bowler himself, merely by pushing a button. Canadian-made bowling shoes are available for rent or sale to those using the alleys. The ballroom features a beautiful floor of Canadian hard maple.

The proven success of this venture may trigger construction of similar alleys in other parts of the United Kingdom.

—E. J. WARD, *Assistant Trade Commissioner (Timber), Glasgow.*



Advertising Abroad

In Iran, the use of radio, television and cinema helps overcome the illiteracy barrier facing would-be advertisers. Radio programs alone reach an estimated five million people.

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

IRAN has become more conscious of advertising during the past five years than at any other time in her history. To reach a population of some 20 million people (the majority of whom are Moslem and speak Farsi), more than six million dollars a year is currently being spent by a handful of representative agents employing a few European designers. The choice of advertising media in Iran is limited and varies according to the degree of literacy of the people in the different parts of this huge country (equivalent in area to Ontario and the Atlantic Provinces).

Much of the recent interest in advertising in Iran has been sparked by the development of its huge oil and other natural resources, by improvements in communications, and by important projects—varying from hydro stations to cement plants and silos. Many of the more important European and North American factories represented in Iran are making advertising an essential part of their operations. It would be wishful thinking, however, for Canadian manufacturers and advertising firms to compare the attractive and colourful advertising in Western Europe with the type one finds in Iran. Window displays in the few department stores, for example, are drab and unimaginative and stimulate little interest among the people. The Iranian people are none the less becoming more conscious of modern life and the standard of living has improved remarkably over the past few years.

All forms of advertising media are used in Iran, including newspapers, magazines, posters, direct mail, commercial radio and television programs and cinemas. An analysis of the more important media may provide useful information for Canadian firms.

Magazines and Newspapers

The national newspapers and magazines reach mainly the higher and middle income groups. Male readers predominate, although there are some magazines designed for women. Of the 40 magazines and newspapers published in Iran, those circulated in Tehran (the capital of Iran with a population close to two million) are most suited to commercial advertising. Three daily Tehran Farsi newspapers and five weekly magazines, with circulations of 35,000 to 55,000 copies each, can be considered suitable for foreign advertising material. There are also two responsible newspapers in English with a total circulation of 14,000 copies. The cost of one insertion in a Farsi newspaper, per single column-inch, varies from \$2.00 to \$14.00, depending on position and colour.

Overseas advertisers would be well advised to supply good art proofs and artwork, but not engravings. Apart from delays and heavy customs duties on engravings entering the country, the cost of making engravings is relatively low in Iran. There are no facilities for casting from mats.

Television and Radio

There are two Iranian television stations, one in Tehran and the other in Abadan on the Persian Gulf. They have a limited range. Most commercial advertising is live, although Farsi can be dubbed into imported material without difficulty. The cost of advertising varies from about \$35 for one minute before 7 p.m. to \$47 for one minute thereafter. Time for half-hour programs limited to three commercials costs about \$160. Audiences have in a relatively short time grown to over 200,000 persons.

The three Iranian radio stations are controlled by the Government. Spot announcements cost approximately \$80 per minute. It is estimated that there are over five million listeners spread throughout the country.

Cinema

Both publicity films and slides are used in Iran. Films with Farsi subtitles are very effective. The cost of showing films in first class cinemas is approximately \$160 for one-minute shows—exhibited twice daily—over a period of one month. Slides can be manufactured locally at \$16 and each additional copy at \$3.

The cinema is an advertising medium with a wide assortment of spectators and, like radio, assists in overcoming the illiteracy handicap. It can be used successfully in promoting a wide range of products.

Facilities for first class printing are limited but improving. Generally speaking, the paper used in the country is of poor quality and expensive. Some of the printing houses are equipped with both offset and letterpress but there is a dearth of latin type faces. As already mentioned, engraving standards have improved and cuts can now be made very reasonably. One-colour line engravings cost about three cents per square centimetre.

Much remains to be done in the field of advertising in Iran. Until the standards of living and literacy improve, advertising will present a number of problems, and Canadian firms who wish to spend their advertising allocations for Iran wisely should ask the Canadian Commercial Counsellor in Tehran to recommend responsible Iranian companies. •

European Common Market

First Steps towards the CET

On January 1, the first adjustment of the national tariffs of Common Market countries to the common external tariff came into effect. Most of the tariffs applicable to imports of industrial products from third countries have been altered, in most cases by increases in Benelux and Germany and by decreases in France and Italy. At the same time, the tariffs which member countries apply on one another's goods were again reduced. These changes, reviewed in this article, increase the extent of discrimination between foreign products and those produced within the Community. This, of course, is a natural consequence of a customs union.

P. T. EASTHAM, *Assistant Commercial Secretary, Brussels.*

THE year 1960 witnessed much progress by the institutions and the member states of the European Economic Community (EEC) towards the establishment of the Common Market. By year's end, agreement among the Six on the rates of the common external tariff (CET) had been reached, with only two exceptions—petroleum products and manufactured tobacco. All member states carried out the internal tariff reductions and quota enlargements called for by the Treaty of Rome.

Less progress was made in the difficult task of determining the common agricultural policy, although the revised proposals that the Commission submitted in June to the Council of Ministers were being closely studied and agreement was reached on some of the basic principles. Of all the developments during the year, perhaps the most important was the "acceleration decision" taken by the Council of Ministers on May 12. (For background on the EEC and details of the acceleration decision, see the article "European Trading Arrangements" in the July 2, 1960, issue of *Foreign Trade.*)

Alignment of National Tariffs

The acceleration decision provided among other things that for industrial goods the tariffs applied by the member states among themselves should be lowered by an extra 10 per cent for a total reduction of 30 per cent, and that the tariffs these states apply on imports from outside countries would undergo the first alignment towards the CET on December 31, 1960, one year ahead of the original schedule.

The Treaty provides that, for the first alignment, the four customs entities of the Community (Benelux, France, Italy and Germany) will adopt the CET on those items of their national tariffs which are within 15 per cent either way of the CET. For all other items, the difference between the national tariffs applied on January 1, 1957, and the CET would be reduced by 30 per cent. Thus national rates below those of the CET would be increased and those above reduced. However, in view of the provisional offer of the Community to reduce the CET on industrial goods by up to 20 per cent if sufficient reciprocity was forthcoming in the GATT conference, the acceleration decision also provided that the alignment was to be calculated on the basis of the CET reduced by 20 per cent, with the qualification that the new national rates could not thereby be brought below those of the CET. In Germany, which had unilaterally reduced tariffs on most industrial goods after the base date of January 1, 1957, the Council directed that only 50 per cent of this reduction was to be reabsorbed in calculating the alignment.

As a result of the Council's decision, national rates below the CET went up somewhat less, and those above came down somewhat more, than if the formula of the Treaty had been applied. If the Community does not consolidate the 20 per cent reduction in full or on all items in the course of the GATT negotiations, the rates resulting from the first alignment will not be affected, but the second and third alignments will be calculated on the basis of the CET as it then stands.

It is evident that the acceleration decision created several problems of interpretation. The Commission resolved these in consultation with the member states and laid down the following rules:

1. The duty of the CET applies if the national duty is equal to it or higher by not more than 15 per cent.

2. The national duty must be maintained if it is between the CET and the CET reduced by 20 per cent.

3. The duty of the CET reduced by 20 per cent applies if the national duty is equal to it or lower by not more than 15 per cent.

4. In all other cases, the national duty shall be changed by 30 per cent of the difference between it and the CET reduced by 20 per cent.

5. For the duties of the German tariff, which were subject to reduction after the base date and which are lower than the duties of the CET, the calculation is made in the general way and the figure resulting is reduced by one-half of the amount of the reduction.

Other technical problems, such as how to align from a specific or mixed to an ad valorem duty and vice versa, were also resolved through consultation to ensure uniform application in the member countries.

Exemptions for List G Items

The acceleration decision also provided that for products on List G, for which the rates of duty were fixed last March by negotiation between the member states rather than by the arithmetical averaging principle, member states could apply to the Commission to exempt "particularly sensitive" products from the 20 per cent reduction in calculating the alignment. Of the many requests submitted by France and Italy, the Commission decided to exempt the following products of interest to Canada: pulp for paper, ferro-alloys, aluminum and magnesium and their wastes, lead and zinc and their wastes. All member states are required to apply these exemptions. Since this decision was not made until after Benelux and Germany had published their new tariffs, those countries will apply the rates calculated in the general way for these items until they are officially changed to the higher rates.

Agriculture

Internal tariffs on non-liberalized agricultural products were reduced on December 31 by an extra 5 per cent, making a total reduction of 25 per cent, but there was no acceleration of tariff reduction for liberalized agricultural products. The national tariffs applicable to third countries for agricultural products (those listed in Annex II of the Treaty) were not subject to accelerated alignment and they will therefore continue at their present levels until December 31, 1961. Those products such as wheat, which will be subject to market organization, will be dealt with specially, depending on what emerges as the import regime of the common agricultural policy.

Tariff Quotas

The Treaty provides for the granting of tariff quotas, when certain conditions exist, for the products on Lists B, C, D, E and G, under which specified quantities can be imported by one or more of the member states at reduced or nil rates of duty. The tariff quotas for which provision was made in the List G negotiations last March came into effect on January 1, and others may be granted with effect from and after February 1.

Significance for Canadians

Exporters to the Common Market countries may obtain information on the new rates of duty for their products from the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa.

Many exporters of industrial products will find that their products face higher duties in some member countries, and these duties may be only partly offset by reductions in the others. They will continue to be able to compete on equal terms with other outside countries in Community markets, but will face a greater degree of discrimination where they compete with producers within the Community. This, of course, is the expected result of a customs union. It is to be hoped that the economic expansion of the EEC countries which has taken place so far under the stimulus of the Common Market arrangements will continue to result in increased imports from outside countries, as well as greater intra-Community trade. ●

Cape Wines Win Export Markets

M. R. M. DALE, *Trade Commissioner, Cape Town.*

South African wines and brandy are selling well in 30 overseas markets; Canada took 210,000 gallons worth £290,000 in 1959. Co-op organization has done much to boost Union sales.

THE vineyards which cover the mountain slopes and valleys of the Cape have supported fourteen generations of South African wine growers and have given employment to thousands. The vines are transplants of some of the noblest European types—Spain's Palomino, Bordeau's Carbernet, the Rhineland's Riesling, Cognac's St. Emilion, Portugal's Tinta Roriz, and Burgundy's Pinot—brought to South Africa in the 17th century. The first vine was planted at the foot of Table Mountain in 1655 as a horticultural experiment. From that small beginning, the vineyards have become a major agricultural industry in the southwestern districts of the Cape, with about 200 million vines under cultivation on 142,000 acres stretching from the coast to the mountains. The industry employs 4,399 men and produces some 65 million gallons of wine a year.

These figures are impressive but South Africa cannot really boast of quantity production. Compared with the vast output of producers in Algiers, France, California and Spain, the annual yield is small; the Union stands thirteenth on the list of the wine-producing countries of the world. However, volume is not the only factor to be considered. Just as important to the wine producer's success are the quality and character of the product. During the past 250 years Cape wines have commanded the respect of wine-drinkers throughout the world and have earned for South Africa a high rank as a quality producer. In the latter half of the 17th century a wine-grower who lived almost within walking distance of Cape Town produced a dessert wine that immediately found favour in court circles in Europe. This wine, named Constantia after the valley in which it was grown, grew in popularity throughout the 18th and 19th centuries. It found a place in the cellars of King Louis Phillipe of France, the King of Prussia, the King of Saxony, Napoleon and Bismarck; it was praised by Jane Austen, Alex-

Vineyards flourish in the lovely valleys of southwestern Cape Province and on its mountain slopes. Here the grapes are being gathered and packed in boxes before going to the cellars for pressing, first step in producing sherry.

ander Dumas, Baudelaire and Longfellow.

The present popularity of Cape sweet wines in markets as widely scattered and as different in tastes and customs as the United Kingdom, Canada, Sweden, West Africa, Germany, the Netherlands, the West Indies, New Zealand and Mauritius, indicates that South African wine-growers are keeping up the reputation earned by Constantia. But though they are understandably proud of their record in dessert wines, they have not hesitated to develop other lines. Today they also produce excellent natural dry wines (consumption of which has more than doubled in the last ten years), and brandies which are highly regarded either as a liqueur or as a long drink.

SOUTH AFRICAN WINE PRODUCTION

According to Returns Rendered by Farmers to KWV

Year	Total vintage tons/leaguers*	Amount used for alcoholic products tons/leaguers*
1918	96,750	
1928	159,623	141,780
1938	278,220	244,352
1948	465,256	404,670
1958	563,311	495,525

*One leaguer (127 British imperial gallons) of wine is equivalent to one short ton (2,000 lb.) of grapes.

Sherry Major Achievement

The industry's most remarkable achievement in recent years is the development of an excellent sherry. Twenty years ago no one would have given a farthing for a bottle of South African sherry. Today approximately 600,000 gallons of South African sherry are shipped every year to the world's most discriminating sherry market, Britain, alone. Considering the centuries old history of sherry, the rapid rise to favour of the South African brand in only 20 years is something of a phenomenon. How did the industry do it? In fact, nature did it: twenty years ago research revealed that flor, the yeast cell essential to the production of true sherry, was present in Cape vineyards. For many years it was believed that flor existed only in the Andalusian vineyards of Spain. The marked climatic, topographic and geographic similarities between Jerez de la Frontera and Paarl, the headquarters of the Spanish and South African sherry industries, prompted the search for flor. Once they had discovered the essential ingredient, the Cape wine-growers went ahead to produce a distinctive South African sherry which has been tried and accepted on its own merits.

Co-op Organized

In 1918 South Africa's wine-growers pooled their resources and founded a co-operative society with far-reaching powers to promote interest in and develop exports of South African wines. The KWV, as this organization is popularly known, had no easy task. At that time South African wines had no export markets to speak of; the lucrative 19th century trade with Britain had collapsed and the KWV had to start from scratch. By avoiding the dangers of haphazard selling, by concentrating on quality and adopting a policy of planned marketing, it gradually gained the confidence of overseas buyers and re-established its wines in foreign countries. Today, it sells more than 1.5 million gallons a year in thirty overseas markets. It has built up

EXPORTS OF SOUTH AFRICAN WINE AND BRANDY

Year	Destination	Wine in bulk (gallons)	Brandy in bulk (gallons)	Value £
1938	United Kingdom	1,515,068	6,968	197,045
	Scandinavia	177,064	120	26,814
	Canada	45,109	47,541	27,268
	West Africa	17,435	82	3,220
	New Zealand	23,420		5,791
	Others	113,632	36,935	46,633
		1,891,728	91,646	306,771
1944	United Kingdom	244,916	4,155	46,507
	Scandinavia			
	Canada	91,404	80,371	81,411
	West Africa	284,350	81,330	240,243
	New Zealand	19,747	16,421	17,000
	Others	1,077,795	620,656	1,018,310
		1,781,212	802,933	1,403,471
1958	United Kingdom	1,293,591	11,521	579,573
	Scandinavia	315,066	82,715	180,988
	Canada	200,455	122,091	249,773
	West Africa	177,963	216	53,460
	New Zealand	62,373	4,086	34,218
	Germany	557,203	43	117,305
	Others	1,609,496	164,174	594,559
		4,214,147	384,826	1,809,876

SOUTH AFRICAN EXPORTS TO CANADA

Year	Gallons	Value £
Wine		
1955	175,000	111,000
1956	150,000	92,000
1957	194,000	123,000
1958	200,500	127,000
1959	210,000	290,000
Brandy		
1955		84,700
1956		79,400
1957		140,100
1958		121,700
1959		135,000

reserves totalling more than £7 million and has established five wineries in which 40 million gallons of its members' choicest sweet wines and sherries are being matured and blended. About 90 per cent of the Cape's wine exports come from the cellars of the KWV which, however, has no monopoly of exports and, in common with other South African wine exporters, has to conform to strict requirements on the quality and age of its wines.

The KWV also maintains a staff of highly trained wine experts, has assisted the State in the establishment of a viticultural research institute, sponsors young men who wish to study the wine industries overseas and through various price incentives encourages growers to produce the best wines.

Paarl wines were virtually unknown in Canada a few years ago, but through sound marketing policies and consistent quality the Cape producers have established their wines on the Canadian market. In less than two years Canadian imports of Cape table wines have more than doubled; in 1959 Canada bought 210,000 gallons valued at about £290,000. ●

Indonesia Buys Paper and Newsprint

Market curtailed by shortage of exchange and import controls, but steady sales in many lines possible, as this analysis reveals.

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

INDONESIA'S imports of newsprint during 1960 are expected to reach 18,000 to 20,000 metric tons. However, because of foreign exchange difficulties and import controls, this will not be enough to satisfy the demand from a population of about 90 million, of whom an estimated 75 per cent are literate. Compulsory education is not yet general but when it is, much larger quantities of writing papers and paper for textbooks will be needed.

The current demand for a number of types of paper is analyzed below.

● *Newsprint*—There are about 60 daily newspapers but none of them has more than four pages. If newsprint could be imported in adequate quantities, there is little doubt that the size of these papers would increase and that new ones would appear. Indonesia does not yet make any newsprint herself and imports whatever she uses. About 60 per cent is imported in reels and the remainder in sheets. In the past three years, imports of reels and sheets combined have risen from 11,867 metric tons in 1957 to 14,336 in 1958 and 16,056 in 1959. Finland has been the major supplier, followed by Norway; together these two held over 80 per cent of the market in 1959. The remainder came from the United States, West Germany, Sweden, Communist China, the Netherlands, and the U.S.S.R.; none was imported from Canada.

The reels usually imported are 88 cms. wide (45 per cent) and 90 cms. (45 per cent); the remaining 10 per cent is made up of reels of 60, 63 and 70 cms. Reels with a gross weight of 375 kilos are preferred. The sheet sizes most in demand are 61 x 92 cms., 55 x 75, and 65 x 100. A weight of 52 or 54 grams per square metre is normally required.

● *Writing and Printing Paper*—A second large group of imports consists of writing paper, printing paper and paperboard without wood fibre —that is, not containing groundwood pulp. Imports totalled 37,886 metric tons in 1957, 20,780 in 1958, and 19,021 in 1959. The sharp down-trend represents a cutback because of the shortage of foreign exchange. In 1959, Japan was the chief supplier, followed by Finland, Norway and Communist China. The most important items in this group are manifold, bond, bank, envelope, ledger, printing, and postcard papers. Almost all of them were imported in sheets.

Imports of writing paper and printing paper produced from chemical pulp and without groundwood content totalled 6,973 metric tons in 1959 compared with 4,941 in 1958 and 11,849 in 1957. This group includes certain printing, duplicating and stencil, illustration, postcard and manilla papers. The Scandinavian countries, Japan and West Germany were the major sources in 1959.

• *Wrapping Papers*—There is a sizable market in Indonesia for wrapping papers—such as kraft, greaseproof and glassine. Imports in 1959 reached 12,878 metric tons. Japan supplied about half and Norway and West Germany were in second and third place.

• *Surplus Newspapers*—Imports of surplus newspapers for packing totalled 3,274 metric tons in 1959, up slightly from 1958 but only about half the 1957 figure of 7,012 tons. In 1959 the United Kingdom supplied 1,918 metric tons and the United States 1,164.

• *Cigarette Paper*—Cigarette paper is imported in both bobbins and sheets. Imports on bobbins reach about 1,000 metric tons a year. In 1959 France supplied 353 metric tons, India 344 and the United States 183. Lower quality paper is used for handmade cigarettes and in 1959 Japan supplied 1,103 metric tons out of the 1,993 imported. Other sources in order of importance were France, Communist China, Austria, United States, Denmark and Italy.

• *Wood Pulp*—Wood pulp imports are handled by two government bodies located in Djakarta: BAPPIT, Djl. Nusantara 22, and P. T. USINDO, Speed Building, Djalan Gadja Mada. Paper mills formerly owned by Dutch interests now come under BAPPIT. Two of these have an annual output of between 3,000 and 4,000 metric tons; three others each produce less than 1,000 tons a year. Writing, printing and wrapping papers are the chief products. Imported wood pulp is used with local pulp made from rice straw and bagasse. In 1959, 1,283 metric tons of wood pulp were imported, all from Japan. In the past Canada has supplied some wood pulp to these mills—318 tons in 1955 and 432 tons in 1956.

Import Procedures

Imports of newsprint, other types of papers and wood pulp are subject to licensing, as are all imports into Indonesia. Each application is carefully examined from the standpoint of quality, price and delivery. Samples as well as detailed specifications must usually be submitted to the BDP (Import Licensing Bureau). If an import application is found satisfactory, the BDP issues a foreign exchange permit. The importer then pays a 100 per cent guarantee deposit in local currency plus any other charges into a bank authorized to deal in foreign exchange. This must be done within ten days after the granting of the foreign exchange permit by Djakarta importers and within 15 days by importers in other centres. If all regulations are met, the bank will open an irrevocable but unconfirmed letter of credit.

Because Indonesia uses the metric system, offers should be made on this basis and prices should be quoted in U.S. dollars. Quotations should be f.o.b. Canadian port, with freight from Canada to Indonesia stated separately. Insurance must be taken out in Indonesia and c.i.f. prices therefore are not desired.

Paper in sheets should be packed in stout bales and reels should be well wrapped in kraft paper to withstand rough handling. Waterproofing is also desirable. Full details on the type of packing should be included in any offer.

Import Duties and Channels

Effective August 25, 1960, new import duties ranging from 0 per cent to 100 per cent have been imposed. They are being calculated on the c.i.f. rupiah value, plus other charges, at the basic rate of Rp.45 to the U.S. dollar. Commodities that may be imported are divided into four categories and the rates of duty for these range from 0 to 100 per cent, depending on the essentiality of the goods. Though detailed information is not yet available, it appears that newsprint, which was formerly in Group I of imports, will be in the 0 per cent class; writing paper, which was in Group II, will probably be in the 25 per cent group. For fancy qualities, the duty may be higher. The former system of export and import levies has been abolished as have all other duties previously applied, such as statistical duty, goods fee and entry tax.

Four of the eight large state-trading companies in Indonesia are active in the paper field, though it is unlikely that any of them would be prepared to accept exclusive agencies for some years. Interested Canadian exporters can obtain their names and addresses by writing to the Forest Products Division of the Department of Trade and Commerce, Ottawa, or to the Canadian Commercial Secretary in Djakarta.

Domestic Industry Appearing

Indonesia has plans for further development of the paper industry. Under a long-term loan from Italy, a new mill is nearing completion. It will produce writing papers from rice straw pulp and bagasse blended with imported wood pulp. Annual requirements of bleached and unbleached sulphate pulp, bleached and unbleached sulphite pulp, plus a small quantity of groundwood pulp are expected to total about 3,600 metric tons.

At least one other mill will probably be built with funds from the Japanese War Reparations Agreement, and Japan will supply both the equipment and technical assistance. Thus, in the long run, Indonesia will become less dependent on imports but for a number of years at least it should remain an attractive market for foreign suppliers. •

Commodity Notes

Asbestos

GREECE—Canadian asbestos is being shipped to Greece to meet part of the requirements of her first asbestos cement products plant, now completed on the island of Euboea. Built with private funds imported under provisions of the foreign capital investment and protection law, the new plant is equipped with German machinery. Its planned annual output of 25,000 tons of pipe and 20,000 tons of sheet exceeds current local demand by almost 100 per cent, but it is hoped that export markets can be developed in neighbouring countries.

A large United States company is working on the development of the asbestos deposits in northern Greece, said to be the largest in Europe. These deposits are not expected to go into production before a minimum demand is assured—Athens.

Cocoa Butter

BRAZIL—Exports of cocoa butter from Bahia, the largest distribution centre in Brazil, totalled 13,469 tons for the first six months of 1960. This compared favourably with exports of 17,944 tons in 1959, of which Canada took 4,433 tons. Other markets are the United Kingdom, the Netherlands, United States, Australia, Union of South Africa and Italy—Rio de Janeiro.

Fertilizer

VENEZUELA—According to the Minister of Mines and Hydrocarbons, large deposits of natural fertilizer have been discovered at Lobatera, in the state of Táchira. The state-owned Petrochemical Institute will develop these deposits and will supply fertilizer to the Andes region under the agrarian reform program—Caracas.

Newsprint

INDIA—It is reported that a newsprint factory with a capacity of 60,000 tons a year and using bagasse as raw material will be built at Karad, 200 miles south of Bombay. It will cost Can.$20 million and will be built by Sahu Jain Ltd., who have secured the patent rights from the U.S. patent-holders.

Initially newsprint will be made from imported wood pulp but this will be replaced gradually by bagasse, of which ample supplies are available locally. During 1959, imports of newsprint into India totalled 79,000 tons valued at Can.$12 million—Bombay.

Nickel

BRAZIL—Nickel ore production in Brazil increased from 214 tons in 1955 to 330 tons in 1959, according to a survey made by the Labour Ministry—São Paulo.

Paper

ARGENTINA—A paper mill with a capacity of 15 metric tons a day has now been opened in the city of Mar del Plata by Messrs. Papelera Mar del Plata S.A.I.C. The machinery for this mill was produced entirely in Argentina with the exception of one monolucid cylinder imported from Germany. Tissue, crepe, wrapping and special types of paper will be turned out —Buenos Aires.

Paper Cellulose

BRAZIL—Brazil's paper production has increased by 82 per cent during the past ten years, according to statistics published by the Bank of Brazil. In 1959 output was estimated at 450,000 tons, compared with 416,471 tons in 1958 and 247,894 tons in 1950. Production of cellulose has increased by 60 per cent—from 68,000 tons in 1955 to 177,000 in 1959—Rio de Janeiro.

Pepper

INDIA—During the crop year ended October 31, 1960, India exported more than 19,417 tons of black pepper. This compared with only 12,208 tons in the previous year, and established an all-time record. Export earnings from these shipments are estimated at approximately $20 million. This substantial value resulted in part from the exceptionally high prices which ruled during part of the year. United States continued as the dominant buyer, taking more than 8,500 tons. The Communist countries as a bloc received over 6,100 tons. Shipments to Italy, Germany and Canada amounted to 1,278, 764 and 714 tons, respectively—Bombay.

Pigment

AUSTRALIA—Imperial Chemical Industries of Australia and New Zealand has begun construction of its new £A1.5 million pigment plant at Laverton. It is expected the plant will be producing by about the end of 1961, and the hope is that it will meet one half Australia's pigment requirements. A wide range of modern pigments, including the Monastral range, stemming from ICI Ltd. research in Britain, will be made. Demand for colouring materials comes from Australia's paint, printing ink, plastic, rubber, linoleum, papermaking and other industries—Melbourne.

Polypropylene

AUSTRIA—The new "Danubia-Petrochemie" company in Schwechat, near Vienna, will begin production in April 1961, it is reported. The newly established company's petrochemical plant will be the first in Austria, and will have an initial annual capacity of some 5,000 tons of polypropylene. The firm is financed by the "Oesterreichische Stickstoffwerke" (40 per cent), the Austrian Government (20 per cent) and the Montecatini Works in Milan, Italy (40 per cent)—Vienna.

Power Plant

DENMARK—The Titan factory, Copenhagen, has completed the construction of an electric power plant valued at about 13 million kroner, to be delivered to an aluminum factory in Brazil. Under the same order, the Elsinore shipyard has delivered a steel rolling mill to Brazil—Copenhagen.

Pulp Mill

SWEDEN—The semichemical experimental pulp mill built by AB Tannin at Västervik on the Swedish east coast some years ago has been rebuilt for the neutral sulphite process, using hardwood (mainly birch and aspen) as raw material. Operations at the reconstructed mill were scheduled to start early in December, with output close to 7,000 tons (dry basis) of wet semichemical pulp. Wargöns AB, Vargön, parent company of AB Tannin, will handle sales—Stockholm.

Pulp and Paper

INDIA—The Government has inaugurated a pilot pulp and paper plant at the Forest Research Institute at Dehra Dun, Uttar Pradesh. The plant, with a capacity of six tons of paper a day, is designed to test such materials as wattle, spent lemongrass, bagasse, jute sticks and other mixed wood species for the manufacture of writing, printing, wrapping, greaseproof, and machine-glazed and Braille papers, and simplex and duplex boards—New Delhi.

Rubber

BRAZIL—The Bank of Brazil has placed Cr.$10 million at the disposal of the Ministry of Agriculture for studies and research into the development of rubber plantations in the states of Amazonas, Bahia and São Paulo—Rio de Janeiro.

Shoes

SPAIN—The shoemaking industry is of increasing importance in Spain where annual production totals 27,310,000 pairs of leather shoes and 14,070,000 pairs made from other materials. There are 1,588 factories engaged in the mass production of shoes and another 900 smaller plants produce hand-made shoes. Alicante is the leading shoe-producing province with 532 factories, followed by the Balearic Islands with 314, Zaragoza 182, and Barcelona 101—Madrid.

Steel

AUSTRALIA—Broken Hill Pty. Ltd., announced this week the opening of a new £A3.5 million basic open hearth furnace at Port Kembla in New South Wales at the steel works of Australian Iron & Steel Pty. Ltd., a wholly-owned subsidiary of B.H.P. The new furnace, largest in the British Commonwealth, has increased Port Kembla's capacity production of steel ingots to more than 2.6 million tons and Australia's output to nearly 4 million a year—Melbourne.

Steel Plate and Strip

BRAZIL—Brazil's Ministry of Finance has announced that 134,000 tons of steel plate and strip were imported during 1959, an increase in volume of 91 per cent over the 70,000 tons imported in 1958. Imports of steel and iron plate totalled 76,000 tons (double the amount imported in 1958) at a value of U.S.$12,962,000. Principal suppliers were the United States, West Germany and Norway—Rio de Janeiro.

Sugar

AUSTRALIA—Output of Australia's 34 raw sugar mills during the 1960 season is estimated at approximately 1.33 million tons, about 80,000 tons more than for the previous season. International Sugar Agreement restrictions on exports continue in force, but in 1960 they were eased for Australia, permitting additional shipments of about 100,000 tons—Sydney.

Tobacco

BRAZIL—Tobacco occupies fifth place among Brazil's principal exports of raw materials. Exports in 1959 totalled 29,000 tons valued at $15.5 million. Main producing centres are Bahia in the northeast, which accounts for 30 per cent of Brazil's total production, and Rio Grande do Sul and Santa Catarina in the south. The State of Bahia specializes in cigar tobacco and exports 88 per cent of total production. Rio Grande do Sul in the south produces mostly cigarette tobacco and exports approximately 20 to 25 per cent—Rio de Janeiro.

Unbleached Pulp

SWEDEN—Swedish export prices for unbleached sulphite and sulphate pulp will be raised by £2 per ton on the British market and by Kr.30 on other markets, according to Swedish press reports. The rise corresponds to an increase of just over 4 per cent. Prices for viscose pulp and bleached sulphite and sulphate are likely to remain unchanged. Mechanical pulp prices for the first half of 1961 will be increased by 10 shillings per ton in Britain and by Kr.7.50 on the continent—Stockholm.

Wool

AUSTRALIA—Australian wool production for 1959/60 was a record 1.7 billion lb., greasy equivalent rate, 97.8 million, or 6.1 per cent, higher than the previous record in 1958/59.

Exports of raw wool, which rose from 1.32 billion lb. in 1957/58 to 1.45 billion lb. in 1958/59, rose again in 1959/60 to 1.6 billion lb. Total wool exports increased in 1959/60 and at 1.63 billion lb. exceeded the 1958/59 level by 147.6 million lb.—Sydney.

Foreign Tariffs and Trade Regulations

Proposed Revision of United States Tariff

THE U.S. Customs Simplification Act of 1954 (Public Law 768 of the 83rd Congress) directed the United States Tariff Commission to make a comprehensive study of the laws prescribing the tariff status of imported articles and to submit a revision and consolidation of those laws which would establish schedules of tariff classification more logical and better adapted to changes in articles and markets since 1930, eliminate anomalies and illogical results in classifications, and simplify their determination and application. Public hearings were held in connection with the conduct of this study. These hearings were drawn to the attention of interested Canadian exporters by notices which appeared in *Foreign Trade* issues of February 15, March 1 and 29, August 16 and December 6, 1958.

The Tariff Commission's final report, consisting of ten volumes, was presented to the President and Congress on November 15, 1960. One volume contains the submitting report with general explanatory notes. The second volume consists of the proposed revised schedules, together with a tabulation showing the distribution of the existing tariff provisions in the proposed revised schedules. Each of the other eight volumes includes material relating to a specific tariff schedule. The present sixteen schedules of the tariff will, by this proposed revision, be reduced to eight as detailed in the last paragraph.

It is not known at present when Congress will be able to turn its legislative attention to this proposed revision of the U.S. Tariff. It will not, of course, take effect until passed by Congress after due process, and after approval by the President. Existing classifications and rates in the meantime will continue to apply.

In preparing this proposed revision the Tariff Commission sought to avoid, in accordance with the terms of reference set out in PL 768, significant changes in rates of duty on individual products. It is understood that, in general, and to the extent practicable, this was achieved.

To some Canadian exporters it may appear from a comparison of existing rates and the proposed revised classifications that their access to the U.S. market is likely to be significantly affected if the revision is enacted into law. They are invited to provide the Director, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, with full details, at an early date, on the manner and degree to which the proposed revision could affect their shipments to the United States.

The Report, entitled *Tariff Classification Study*, and dated November 15, 1960, may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

	Price	
Submitting Report	$0.35	(83 pages)
Proposed Revised Schedules	4.25	(819 ")
Schedule 1—Animal and Vegetable Products	2.25	(483 ")
Schedule 2—Wood and Paper; Printed Matter	1.50	(301 ")
Schedule 3—Textile Fibers and Textile Products	3.25	(620 ")
Schedule 4—Chemicals and Related Products	2.25	(462 ")
Schedule 5—Non-metallic Minerals and Products	2.00	(406 ")
Schedule 6—Metals and Metal Products	4.75	(903 ")
Schedule 7—Specified Products; miscellaneous and non-enumerated products	5.00	(896 ")
Schedule 8—Special Classification Provisions Appendix to the Tariff Schedules	1.00	(178 ")

Bank or postal money orders, in U.S. currency, should be made payable to the Superintendent of Documents.

Denmark

IMPORT LIBERALIZATION EXPANDED—As of December 28, 1960, the Danish Ministry of Commerce has liberalized a number of commodities, including the following items of interest to Canadian exporters:

- Tomato juice
- Gold and platinum amalgamates
- Colloidal gold and platinum
- Gold leaf
- Platinum and rolled or filled gold
- Gold and platinum waste
- Films without Danish text
- Rubber labels
- Rubber plates for punching of soles and heels
- Rubber soles and heels
- Cast pipe straps
- Locks and fittings for cooling and freezing furniture
- Non-electrical lighting articles
- Transformers
- Induction coils
- Rotary or static converters
- Rotor and stator plates
- Side-cars for motorcycles and bicycles
- Brushes for vacuum cleaners
- Badminton balls
- Golf balls

Gambia

IMPORT CONTROLS—The Government of the British Colony of Gambia issued on August 30, 1960, an Open General Licence which has the effect of permitting the import of all goods from Canada, except wheat flour and rice, without the necessity of obtaining individual licences for each shipment.

The effect of this licence is to formalize the relaxation announced on November 20, 1959, and at the same time to provide for continuation of the licence requirements with respect to wheat flour and rice. The Gambia authorities have explained that the individual licence requirement on flour is for administrative purposes only and that increased flour shipments from Canada will be welcomed.

Nigeria

IMPORT TARIFF CHANGES—Several changes were made in the Nigerian import tariff, effective December 8, 1960, of which the following are of possible interest to Canadians:

1. an increase in the tariff on motor vehicles and marine outboard motors from 15 to 20 per cent ad valorem,

2. on preserved fish from 11d. per pound to 20 per cent ad valorem,

3. on hand implements and tools from "free" to 10 per cent ad valorem,

4. on flour and meal from "free" to £7.10.0d per ton, with a minimum of 15 per cent ad valorem.

The changes also include a reduction in duty on copper and brass products in secondary form from 20 to 10 per cent ad valorem.

Note: The Nigerian tariff does not provide preferences for any country.

Pakistan

IMPORT CONTROLS—The import policy for the period January-June 1961 has been announced by the Chief Controller of Imports and Exports, Pakistan. The thirty-three items below have been added to the existing list of items being licensed on an automatic basis (see *Foreign Trade*, July 16, 1960.)

- Building and engineering materials, all sorts (other than those made of iron or wood) and silica sand
- Electric insulating material, all sorts, n.o.s.
- Anchors and cables
- Valves for iron and steel pipes and tubes
- Suitcase locks and fittings, including safe locks and automatic door locks
- Scientific instruments, apparatus and appliances, all sorts, n.o.s., and component parts and accessories thereof, including weighing scales, weigh bridges, clinical thermometers and other instruments (excluding geometry boxes of the c. and f. value of Rs.3 and below)
- Packing for engines and boilers, all sorts, n.o.s.
- Ball roller and taper bearings
- Brake fluid
- Cinematographic films, unexposed
- Unframed optical lenses and rough blanks for making lenses
- Glucose
- Crepe rubber sheets
- Rubber patches and solution (excluding hot patches)
- Canes and rattans, n.o.s.
- Cork manufactures, n.o.s.
- Glue, gum and resins, including lac and shellac
- Vacuum flasks, including refills
- Needles, all sorts

Medical appliances made of silk or artificial silk

Surgical instruments, apparatus and appliances, and parts and accessories thereof, n.o.s., other than those made in Pakistan, and excluding absorbent cotton wool but including artificial teeth

Typewriters and parts thereof

Office machines and office equipment, parts and accessories thereof

Photographic films, plates and paper including sensitized paper

Sago

Duplicating stencils

Shaving brushes and tooth brushes

Motorcycles and motor scooters

Automotive conveyances, n.o.s., including rickshaws without bodies

For East Pakistan only

Asphalt, pitch and tar

Silbatta

Electrodes, all sorts, n.o.s., including welding electrodes

Condensed milk (subject to initial licensing at 25 per cent of category repeatable at the same level)

Milk food was previously on automatic licensing for East Pakistan only. It will now be on automatic licensing throughout the country.

United States

TARIFF RECLASSIFICATION OF METAL PARTS FOR ELECTRIC UTENSILS PROPOSED—The United States Federal Register of January 12 contains the following notice issued by the U.S. Bureau of Customs.

"It appears probable that a correct interpretation of Customs Appeal Court Decision 681 requires that parts in chief value of metal for electric household utensils and electric kitchen utensils such as coffee percolators, can openers, coffee grinders, pepper mills, juicers, portable sterlizers, hair dryers, hotplates, fryers, griddles, portable ovens, toasters, and battery-operated manicure kits, except those which are classifiable under paragraph 353 as articles having as an essential feature an electrical element or device, be classified as articles, not specially provided for, manufactured in chief value of metal, under paragraph 397, tariff act of 1930, and dutiable in most cases at the rate of 19 per cent ad valorem under the provisions of that paragraph as modified.

"Pursuant to 16.10A(d) of the Customs Regulations (19 CFR 16.10A(D)), notice is hereby given that the existing practice of classifying such articles as parts of articles having as an essential feature an electrical device or element, not specially provided for, under paragraph 353, Tariff Act of 1930, and dutiable at the rate of 13¾ per cent ad valorem under the provisions of that paragraph as modified, is under review by the Bureau of Customs.

"Consideration will be given to any relevant data, views or arguments pertaining to the correct tariff classification of this merchandise which are submitted to the Bureau of Customs, Washington 25. To assure consideration of such communications, they must be received in the bureau not later than 30 days from the publication of this notice. No hearings will be held."

The United States Division, International Trade Relations Branch, Department of Trade and Commerce, would appreciate hearing from any Canadian exporters who would be adversely affected if this proposed tariff reclassification is implemented by the U.S. Bureau of Customs.

West Germany

DOLLAR LIBERALIZATION—According to the Commercial Counsellor for Canada in Bonn, the West German Government has freed from import control, effective January 1, 1961, a number of commodities imported from dollar countries. Items of interest to Canada on the liberalized list include the following:

Certain cheeses (but not hard or semi-hard cheese)

Certain frozen vegetables, and vegetables and kitchen herbs in containers of five kilos or more

Frozen fruits without sugar

Transparent fabrics of artificial fibres

Terry towelling and similar fabrics of cotton

Fishing nets of cotton

Bathing dresses of wool or fine animal hair

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

Trade Commissioners on Tour

In Territory

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Zagreb and Ljubljana in Yugoslavia from February 6-10, and Sofia, Bulgaria, from March 6-11.

G. A. NEWMAN, Commercial Counsellor in New Delhi, will visit Madras from February 12-17, and Hyderabad and Bangalore from March 13-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Belgrade, Yugoslavia, from February 6-10, and Budapest, Hungary, from March 20-23.

W. B. WALTON, Assistant Commercial Secretary in Beirut, Lebanon, will visit Baghdad, Iraq, and Kuwait and Bahrain late in February.

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. Freyseng and Mr. Thomson at Vienna, Mr. Newman at New Delhi, and Mr. Walton at Beirut.

Foreign Trade Service Abroad

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Argentina	C. S. Bissett Commercial Counsellor	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-3473
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Tel.:* U-1304
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgium Luxembourg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	D. M. Holton Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 14522 *Surface Mail:* Apar- tado 1618 *Cable:* CANADIAN *Tel.:* 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	R. A. Bull Acting Trade Commissioner	C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706

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

Territory	Officer	City Address	Mail and Cables, Office Telephone
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 35201
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner G. P. Morin Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation 32 Anatole France TEHRAN	*Mail:* P.O. Box 1610 *Cable:* CANTRACOM *Tel.:* 4-9291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 864-327
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 408-2101/8
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel:* 50955
Mexico	F. B. Clark Commercial Secretary W. M. Miner Assistant Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor G. E. Woollam Agricultural Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Nigeria	H. W. Richardson Commercial Counsellor	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	*Mail:* P.O. Box 851 *Cable:* CANADIAN *Tel.:* 25262

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

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

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

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

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 1.00628930.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 16	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01205	82.99	(1)
Austria	Schilling		.03821	26.17	
Australia	Pound		2.2308	.4483	
Bahamas	Pound		2.7885	.3586	
Belgium and Luxembourg	Franc		.01994	50.15	
Bermuda	Pound		2.7885	.3586	
Bolivia	Boliviano	Free	.00008698	11,496.89	
British Guiana	Dollar		.5809	1.72	
British Honduras	Dollar		.6971	1.43	
Brazil	Cruzeiro	General Category*	.004341	230.36	*Dec. 27 (2)
		Special Category	.001553	643.94	
		Official selling	.05252	19.04	(3)
Burma	Kyat		.2087	4.79	
Ceylon	Rupee		.2091	4.78	
Chile	Escudo	Free	.9446	1.05865	(4)
Colombia	Peso	Certificate	.1483	6.74	
Congo, Republic of	Franc		.01994	50.15	
Costa Rica	Colon	Official	.1770	5.65	
		Controlled free	.1495	6.69	
Cuba	Peso		.9938	1.006239	tax 2%
Czechoslovakia	Koruna		.1380	7.25	
Denmark	Krone		.1441	6.94	
Dominican Republic	Peso		.9938	1.006239	
Ecuador	Sucre	Official	.06625	15.09	
		Free	.05811	17.21	
Egyptian Region, United Arab Rep.	Pound	Official	2.8536	.3504	
		Export account selling	....	....	
El Salvador	Colon		.3975	2.51	
Fiji	Pound		2.5122	.3980	
Finland	Markka		.003105	322.06	
France, Monaco, etc.	New Franc		.2028	4.93	(5)
Franco-African Republics, etc.	Franc		.004056	246.55	(6)
French Pacific	Franc		.01115	89.69	(7)
Germany	D Mark		.2382	4.38	
Ghana	Pound		2.7885	.3586	
Greece	Drachma		.03312	30.19	
Guatemala	Quetzal		.9938	1.006239	
Haiti	Gourde		.1988	5.03	
Honduras	Lempira		.4969	2.01	
Hong Kong	Dollar	Free*	.1736	5.76	*Jan. 6
		Official	.1743	5.74	
Iceland	Krona	Official	.02615	38.24	(8)
India	Rupee		.2091	4.78	
Indonesia	Rupiah	Official	.02208	45.28	(8)
Iran	Rial		.01312	76.23	
Iraq	Dinar		2.7825	.3594	
Ireland	Pound		2.7885	.3586	
Israel	Pound		.5521	1.81	
Italy	Lira		.001601	624.61	
Japan	Yen		.002761	362.19	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 16	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3121	3.20	
Mexico	Peso		.07950	12.58	
Morocco	Dirham		.1988	5.03	
Netherlands	Florin		.2635	3.79	
Netherlands Antilles	Florin		.5310	1.88	
New Zealand	Pound		2.7885	.3586	
Nicaragua	Cordoba	Effective buying	.1506	6.64	
		Official selling	.1410	7.09	
Nigeria	Pound		2.7885	.3586	
Norway	Krone		.1391	7.19	
Pakistan	Rupee		.2091	4.78	
Panama	Balboa		.9938	1.006239	
Paraguay	Guarani	Official	.007856	127.29	
Peru	Sol		.03711	26.95	
Philippines	Peso	Free	.3313	3.02	
		Official	.4969	2.12	
Portugal & Colonies	Escudo		.03468	28.83	(9)
Singapore and Malaya	Straits Dollar		.3253	3.07	
Spain and Dependencies	Peseta		.01656	60.38	
Sweden	Krona		.1922	5.20	
Switzerland	Franc		.2308	4.33	
Syrian Region, United Arab Rep.	Pound	Free	.2778	3.60	
Thailand	Baht	Free	.04725	21.16	(8)
Tunisia	Dinar		2.3850	.4193	
Turkey	Lira		.1104	9.06	(8)
Union of South Africa	Pound		2.7885	.3586	
United Kingdom	Pound		2.7885	.3586	
United States	Dollar		.99375	1.00628930	
Uruguay	Peso	Free	.09010	11.10	(10)
Venezuela	Bolivar		.2967	3.37	
West Indies Fed.	Dollar		.5809	1.72	(12)
	Pound		2.7885	.3586	(13)
Yugoslavia	Dinar	Official	.003312	301.93	(8)
		Settlement rate	.001572	635.97	

*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 Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Madagascar. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
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. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.

Markets in Brief:

BOLIVIA

Area: 419,470 square miles.

Population: 3.5 million.

Climate: varies from cold in the high plateaus to tropical in the eastern lowlands; a wide range of temperature and climate.

Language: Spanish; sales literature in Spanish essential.

Currency: Boliviano; U.S.$1.00 equals Bolivianos 11,467.89.

Weights and measures: metric system.

Capital: La Paz. Technically the legal capital is Sucre but the seat of government is La Paz. Altitude 12,200 feet, highest capital in the world. Airport: El Alto at 13,200 feet.

Chief ports: Bolivia has no seaports. Main ports for merchandise are Mollendo in Peru, and Antofagasta and Arica in Chile.

Marketing centres: La Paz (population) 350,000; Cochabamba 80,000; Oruro 64,000; Potosi 46,000; Cruz 30,000.

Economy: mainly dependent on mining as source of foreign exchange. In recent years has been assisted by grants from the U.S. Government amounting to about $25 million a year. Approximately 85 per cent of population engaged in agriculture; active exploration for oil in eastern Bolivia; cattle-raising important.

Total Bolivian imports: 1958—U.S.$79.6 million (c.i.f.).

Chief imports: 1958 (in millions of U.S.$)—food and beverages 15.3, primary and semi-processed materials 4.7, manufactured articles 59.4.

Chief suppliers: 1958 (in millions of U.S.$)—United States 36.9, West Germany 9.8, Argentina 6.5, United Kingdom 4.7, Peru 3.7, Belgium 3.0, Japan 2.8, Italy 2.7, Chile 2.1, Switzerland 1.6, Netherlands 1.3.

Value of imports from Canada: 1960 (10 months)—$249,677; 1959—Can.$337,876; 1958—Can.$438,737; 1957—Can. $949,469.

Chief imports from Canada: mining machinery, radio and wireless apparatus, gas engines and parts, bookkeeping machines and parts, industrial machinery, medical preparations, lamps and lanterns, automobile and truck tires, canned fish.

Total Bolivian exports: 1958—U.S.$64.7 million.

Chief exports: tin, wolfram, lead, zinc, antimony, tungsten, gold, silver, coffee, hides. Minerals account for approximately 90 per cent of total exports by value.

Chief markets: 1958 (in millions of U.S.$)—United Kingdom 32.7, United States 21.2, Argentina 6.0, Germany 1.8.

Value of Canadian purchases: 1960 (9 months)—$439,567; 1959—$167,695; 1958—Can.$133,845.

Chief Canadian purchases: tungsten-bearing ores, shelled Brazil nuts.

Dollar exchange: freely available at rate established daily by Central Bank in accordance with normal market forces.

Prices: quote in U.S. dollars, preferably c.i.f. Mollendo, Peru, or Antofagasta and Arica, Chile.

Samples: free if of no commercial value. Samples of commercial value are subject to duty which is not recoverable. If value is below $25, no commercial invoice or consular legalization is required.

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

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

Canadian banks: none.

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

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Secretary
Canadian Embassy
Casilla 1212
Lima, Peru

QUEEN'S PRINTER

If undelivered return to:
The Queen's Printer, Ottawa, Canada

Picture Yourself in Paris

Muriel McCann, an Ottawa girl, served for $2\frac{1}{2}$ years in Tokyo before being posted to New Delhi, India, in 1959.

Jeannette Dugal began a tour of duty in Paris, her first post, in 1957. She is a native of Edmundston, N.B., but her Canadian home is now Ottawa.

Norah Leonard arrived in Canberra, Australia, last summer; her previous post was Djakarta, Indonesia. She comes from Perth, Ontario.

New Delhi or Canberra

Or in one of the other foreign posts where Canadian women like these are working as secretaries and stenographers for the Department of Trade and Commerce. Classified as Foreign Service Stenographers, they are members of the Canadian Trade Commissioners' staffs. Their stay abroad varies from two to three-and-a-half years, with about one year at Head Office in Canada between postings.

Trade and Commerce is looking for women with a sense of responsibility and the spirit of adventure—who are willing to serve wherever they are needed. You are eligible for this career-with-travel if you are 21 to 45 years old, a Canadian, or a British subject with five years' residence in Canada. Starting salaries for the initial period at Head Office in Ottawa range from \$257 to \$297 a month, depending on your qualifications. Minimum salary on posting is \$295. While abroad you are paid cost-of-living and rent allowances. For an application form, contact the Civil Service Commission either at the office in your area or in Ottawa.