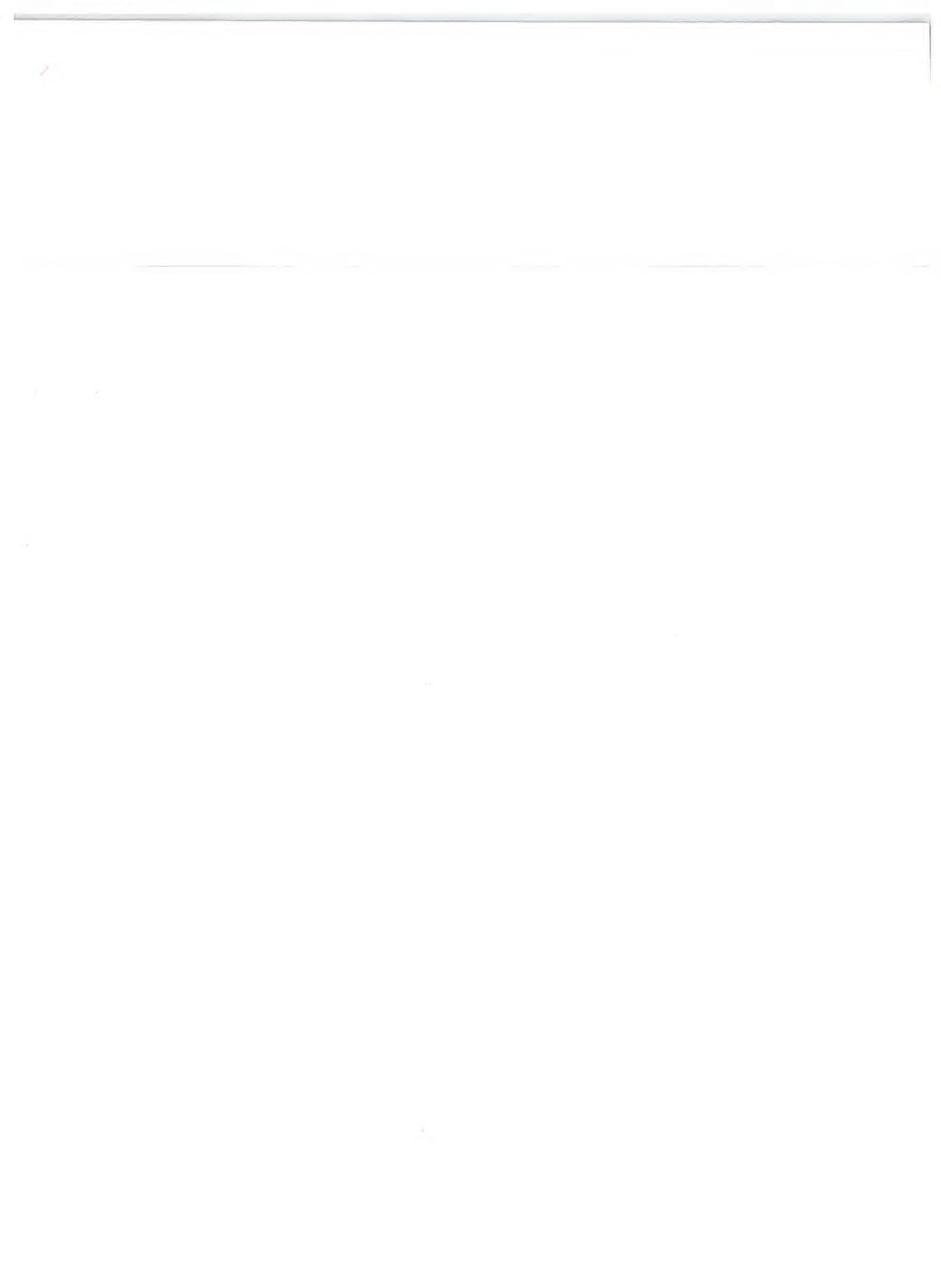


**The French Market Opens Up (page two)**

# FOREIGN TRADE

DEPARTMENT  
OF TRADE AND  
COMMERCE  
OTTAWA

**MAR. 11. 61**



# FOREIGN TRADE

DEPARTMENT  
OF TRADE AND  
COMMERCE  
OTTAWA

Established in 1904

MARCH 11, 1961

Volume 115, Number 5

- 
- ✓ 2 **The French Market Opens Up . . .** *our Commercial Counsellor assesses opportunities there, provides useful information for prospective business visitors.*
  - ✓ 8 **Australia Seeks Oil . . .** *undeterred by disappointing results, exploration continues, aided by government subsidies.*
  - ✓ 11 **Chile Launches Ten Year Plan . . .** *analysis of the plan objectives by our Trade Commissioner in Santiago may suggest sales prospects to Canadians.*
  - ✓ 16 **Pharmaceuticals: Brazil Builds a Local Industry . . .** *foreign investment has helped in a development that has altered pattern of pharmaceutical imports and the demand for Canadian supplies.*
  - ✓ 18 **U.S. Farm Policies for the Sixties . . .** *influence of future U.S. agricultural policies on Canadian exports gives special value to this report.*

- 
- ✓ 6 **The Librarian Suggests**
  - ✓ 13 **Advertising Abroad: Egypt**
  - ✓ 15 **Markets in Brief: Egypt**
  - ✓ 17 **India: New Steel Exporter**
  - ✓ 24 **The United Kingdom Aluminum Industry**
  - ✓ 25 **Chicago Buys Canadian Fish**

- |   |  |
|---|--|
| 21 <b>Commodity Notes</b>                       | 31 <b>Geographical Listing for Exporters</b> |
| 34 <b>Foreign Exchange Rates</b>                | 36 <b>Trade and Commerce at Work</b>         |
| 28 <b>General Notes</b>                         | 14 <b>Trade Commissioners on Tour</b>        |
| 29 <b>Foreign Tariffs and Trade Regulations</b> | 26 <b>Transportation Notes</b>               |

Published fortnightly by the Department of Trade and Commerce.

The Hon. GEORGE HEES, Minister.

JAMES A. ROBERTS, Deputy Minister.

Please forward all orders to:

Price: \$2.00 a year in Canada; \$5.00 abroad

Queen's Printer, Government Printing Bureau, Ottawa.

Single copies: 20 cents each.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

# The French Market Opens Up



Longshoremen lower sacks of Canadian asbestos onto a dockside pallet-lift at the port of Le Havre; France's fast expanding industry will find many uses for it.

FRANCE has reaped enormous benefit from the stabilization program introduced in December 1958. Industrial output has risen sharply and is continuing to increase. The franc is now externally convertible and the foreign exchange position is sound and improving. Gold and foreign exchange reserves totalled an estimated \$2.1 billion at the end of 1960, and foreign obligations are being retired in advance of maturity. In 1960, as in 1959, exports exceeded imports by an estimated 10-12 per cent. Gross national product is increasing at the rate of 5-6 per cent a year.

Contrary to general belief, France is now the "youngest" country in Europe. Population is growing rapidly. Positions of responsibility in government and in industry are frequently held by exceptionally young and vigorous men and women who welcome new ideas and techniques.

Canadians almost doubled their sales to France last year, as the French experienced a new prosperity and many import restrictions disappeared. Now is the time to cultivate this market; our Paris office tells why and how in this stimulating report.

Population on January 1, 1960	45,355,000
Number of inhabitants per square kilometre	82
Net increase in population (annual average 1954-59)	400,000
Natural increase in population (annual average 1954-59 per 1,000 inhabitants)	6.5
Labour force total (estimate January 1, 1959)	19,800,000
Agricultural labour force as a percentage of the total (census of 1954)	29 per cent
Influx of foreign workers (average 1954-59)	70,760

A. G. KNI EWASSER, *Commercial Counsellor, Paris.*

## Restrictions Disappearing

Economic recovery, the removal of many controls, and tariff adjustments have made France one of Canada's most interesting European markets at the present time. Canadian exports to France almost doubled during 1960. Sales totalled \$73 million over the year, compared with \$43 million in 1959 and

an annual average of \$42 million for the past ten years. This increased trade resulted from renewed sales efforts by Canadian exporters, generally buoyant business conditions in France, and the removal of many import restrictions against Canadian goods.

Prospects for trade in 1961 are excellent. Ninety-three per cent of the import controls on industrial goods have been removed and restrictions are scheduled to disappear entirely during 1961. Import licences are being made available for many items still under control.

### New Tariff Effective

On January 1, France took another important step towards the implementation of the Rome Treaty and the establishment of the European Economic Community. A revised customs tariff was introduced which established new, and in many cases lower, rates of duty on imports from Canada. Further percentage reductions were made in the rates that apply to products originating within the European Economic Community. Complete details of these new tariff rates and the quotas that have been set up for the first six months of this year for goods still under control are available from the European Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

It is important for Canadian exporters to keep in mind that these tariff rates and quota arrangements will change gradually over the next few years, as France proceeds to the full implementation of the Rome Treaty. At the end of the transition period, France and the other Common Market countries will have removed all tariffs on products originating within the Community and introduced the Common External Tariff. Since France traditionally has been pursuing a relatively high tariff policy, the adjustment of duties to the common level will involve a number of reductions.

MARCH 11, 1961

## Basic Statistics on France

### PRODUCTION

Gross national product in 1959 (billions of new francs)	255
Gross national product per head (U.S.\$)	1,148
Gross fixed investment (average 1954-59)	
Per cent of G.N.P.	18
Per head (U.S.\$)	168
Agricultural production as a percentage of net national product (1956)	13
Number of dwellings constructed in 1959	320,000
Home food production as percentage of total food availability (average 1953-58)	95

### LIVING STANDARDS

Calories per head, per day (1957-58)	2,870
Consumption of energy per head in 1957 (OEEC average=100)	100
Steel consumption per head in 1957 (OEEC average=100)	112
Industrial production per head in 1958 (OEEC average=100)	104
Number of passenger cars in use per 1,000 inhabitants (1960)	111
Number of telephones per 1,000 inhabitants (1960)	92
Number of radio sets per 1,000 inhabitants (1960)	240
Average hourly wage rate in metal industries in the Paris region (end of 1959) (new francs)	2.73

### FOREIGN TRADE

Exports	per cent
Exports of goods and services, including those to the franc area, as a percentage of the G.N.P. (average 1957-59)	14
Main exports as a percentage of total exports, excluding franc area (average 1957-59):	
Iron and steel	15
Textiles and clothing	13
Machinery	7
Cars	9
Beverages	4
Imports	per cent
Imports of goods and services as a percentage of the G.N.P. (average 1957-59)	13
Main imports as a percentage of total imports (average 1957-59), excluding franc area:	
Petroleum products	16
Textiles	12
Coal	9
Machinery	11

SELECTED FRENCH TARIFF RATES, JANUARY 30, 1961

	Tariff on Canadian Goods			Tariff on EEC Goods	
	Dec. 31 1960	Jan. 1 1961	End of Transition (in per cent)	Jan. 1 1961	End of Transition
Synthetic textiles—fibres	19.8	19.0	15.0	15.4	0
Refractory bricks	18.0	16.4	10.0	14.0	0
Oil burners	19.8	18.7	14.0	15.4	0
Weighing equipment	18.0	17.6	15.0	14.0	0
Cranes	18.0	17.3	14.0	14.0	0
Sounding and drilling equipment	18.0	17.6	15.0	14.0	0
Agricultural machinery (various)	13.5	13.1	11.0	10.5	0
Dairy equipment	13.5	13.1	11.0	10.5	0
Pulp-mill machinery	18.0	17.3	14.0	14.0	0
Paper-mill machinery	16.2	15.4	12.0	13.6	0
Typewriters	22.5	21.3	16.0	17.5	0
Vending machines	18.0	17.1	13.0	14.0	0
Telecommunication equipment	22.0	19.2	16.0	15.4	0
Polystyrene	27.0	25.8	20.0	21.0	0

Note: As many of these rates are being revised or are under negotiation, this table should be used as a general guide only. Definite and up-to-date information about the rates on specific products can be secured from the European Division, International Trade Relations Branch, Ottawa.

As tariffs are lowered on many products and import controls removed, new opportunities open up for Canadian exporters. A glance at the accompanying table indicates this improving tariff position for a number of goods that are and can be important to Franco-Canadian trade.

#### Import Liberalization Proceeds

Closely associated with financial recovery and the development of the EEC is the progressive dismantling of French import restrictions. A new "restricted list" came into force on January 1, 1961, and the effect was to remove a number of goods from import control. Among the items added to the free list by the latest move were a wide range of chemicals, textiles, mining machinery, engines, office machinery and equipment, certain electrical machinery, special-purpose motor trucks and vans, light vessels for seagoing and navigation, scientific equipment, small arms and ammunition, furniture and household sundries.

A further liberalization list is being prepared and is scheduled to become effective on April 1 of this

year. Controls on all industrial items are expected to be completely removed this year, now that France has no balance-of-payments problem and is enjoying a rapid rate of economic growth.

#### Sales Opportunities

In this situation there are many promising new opportunities for Canadian exporters to France. Sales of products already established are increasing and various commodities which have not been sold here for twenty years can now be introduced if Canadian suppliers are competitive and willing to make a determined sales effort.

During 1960 interesting new business was concluded in apples, canned soups, maple syrup, rubber hose, Atlantic fish and lobster, bristle, synthetic fibre fabrics, birch logs, wet machine board, hot-rolled sheets and strip, typewriter parts, chain saws and parts, industrial furnaces, packaging machinery, clocks, cosmetics, hockey sticks and contractors' supplies.

The Export Trade Promotion Conference in Ottawa last December has led to a greatly increased interest in the French market. Trade

officers in Paris are now working on over 300 inquiries, many of which will mean new orders. If you are not selling to customers in France, now is the time to take a second look at the French market. Conditions are right and your Trade Commissioners in Paris can offer you a wealth of information and assistance.

#### Why Not Visit France?

A personal visit to France is often essential to conclude selling arrangements and to explain the advantages of unfamiliar products to new customers. Over 200 Canadian exporters organized selling trips to France last year with the assistance of Canadian Trade Commissioners in Paris, and close to 300 are expected during 1961.

Our trade officers in Paris have prepared a useful and up-to-date brochure, *Guide to Canadian Business Visitors to France*, to assist these visitors in arranging profitable and enjoyable selling trips. The following basic information on France has been extracted, in part, from this brochure.

#### Major Marketing Centres

The French economy is one of the most centralized in the world, although serious efforts are now being made to encourage industries to set up outside the Paris area. Most industries have formed strong "Federations" or "Groupements", with offices in Paris. These groupements are in close touch with the French Manufacturers' Association (called Conseil National du Patronat Français) and with government departments. In some cases, they handle all imports of a particular commodity. However, as import liberalization and industrial decentralization proceed, it is important for exporters of some products to consider separate sales arrangements in the provinces. Canadian trade officers in Paris are in a position to advise.

The major cities are: Paris (population) 2.8 million, greater Paris

6 million; Marseilles 733,000; Lyons 550,000, greater Lyons 800,000; Lille 195,000, greater Lille 1 million; Rouen 116,000, greater Rouen 350,000; Bordeaux 260,000; Toulouse 270,000; Nantes 200,000; Strasbourg 200,000; Le Havre 150,000; Saint-Etienne 180,000.

### Location of Industries

French industrial production is predominantly situated in the north and east of France and in the Paris region.

The north has the chief industries devoted to finished textiles and a strong representation of the metallurgical and engineering industries and of enterprises engaged in making light and heavy chemicals, glass and brick. The economic advantages of the northern area are enhanced by proximity to the important ports of Rouen, Le Havre, and Dunkirk and to the steel of north-eastern France and Belgium.

Eastern France accounts for over 90 per cent of the output of iron ore, nearly four-fifths of the pig iron, over three-quarters of the raw and semi-finished steel, over 15 per cent of the coal, an important part of the cast iron and structural steel, a large part of the potash, and most of the mine salt. The eastern regions are also very wealthy agriculturally, producing timber, hops, wine, vegetables and fruits.

In the Paris area the leading industries are metal-working and engineering; the motor vehicle manufacturing industry and its ancillary trades employ well over 100,000 people. Other important Paris manufactures are electrical material and fittings, bronze working, machinery, machine tools, precision and optical instruments. In general, Paris does not carry out elementary manufacturing processes but receives semi-finished materials for transformation into finished products.

Other important centres are: Lyons (silk industry, engineering, electrical and mechanical, chemical,

dyeing and finishing and leather works, tobacco factories); Marseilles (oilseed crushing, bricks, tiles, flour, chemicals, petroleum refineries, engineering, shipbuilding and repairs); and Bordeaux. The development of natural gas deposits near Pau may lead to the creation of a new industrial area of some significance.

### Transportation Facilities

There are frequent air and rail services linking Paris and the provincial cities of France with other European capitals and industrial centres. In addition, there are 8,219 kilometers of navigable waterways in France, 4,814 kilometers of which are canals. The most heavily used waterways are those connecting the Paris industrial area with the coalfields of the east, the industrial regions of northern France and Belgium, the Channel ports, and the Atlantic seaboard. France has five major maritime ports—Marseilles, Le Havre, Rouen, Dunkirk and St. Nazaire—each handling more than a million tons of merchandise a year.

### French Banking and Currency

Although exchange rates fluctuate, the Canadian dollar is worth roughly five new francs (5 NF). To convert a French price to the approximate Canadian equivalent, divide by five. The new franc introduced in December 1958 is worth 100 francs (old). Old banknotes are still in circulation and are usually over stamped with the new value.

Coins come in units of 100, 50, 20, 10, 2 and 1 centimes, or old francs. The 100 centime or 1 NF coin is nickel alloy; the 50, 20 and 10 are a bronze alloy and the remainder aluminum. A silver 5 NF coin is also in circulation.

The French franc is convertible only outside the country; French residents are subject to exchange control. Visitors can change their dollars and travellers cheques freely into francs, but cannot change

francs back into dollars without a permit, or at least submitting evidence that they imported a larger sum of money. For visitors, it is simplest to take remaining francs out of the country for conversion. Most downtown stores in Paris offer a discount of 15 to 20 per cent on purchases made with travellers cheques.

### Canadian Banks and Transportation Companies

There are three offices of Canadian banks in Paris:

The Royal Bank of Canada (France)  
3 rue Scribe  
Paris 9e  
Tel.: RIChelieu 02-40

La Banque Canadienne Nationale  
37 rue Caumartin  
Paris 9e  
Tel.: OPEra 44-21

Bank of Montreal  
10 Place Vendome  
Paris 1er  
Tel.: OPEra 56-37

Banking hours Monday to Friday are: 9 to 12 noon, 2 to 4 p.m. Banks are closed on Saturdays and on afternoons preceding legal holidays.

The following Canadian transportation companies have offices in Paris:

Trans-Canada Air Lines  
24 Boulevard des Capucines  
Paris 9e  
Tel.: OPEra 76-37

Canadian National Railways  
1 rue Scribe  
Paris 9e  
Tel.: OPEra 68-05

Canadian Pacific Railway  
24 Boulevard des Capucines,  
Paris 9e  
Tel.: OPEra 07-94

The Chambre de Commerce France-Canada is located at 9-11 Avenue President Franklin D. Roosevelt, Paris 8e. Telephone: Elysees 32-38 (M. Jean Vinant, Secretary-General).

### Hotels

There are many excellent hotels in France but reservations should be made well in advance. Accom-

modation is always tight and a businessman cannot invariably count on extending his stay beyond the period originally reserved. Canadian trade officers in Paris can make arrangements on request.

Continental breakfast and service charges are usually included in the total bill.

### Canadian Missions

There are three Canadian missions in Paris:

Canadian Embassy  
35, Avenue Montaigne  
Paris 8e  
Tel.: BALzac 99-55

Canadian Delegation to NATO  
Place du Maréchal de Lattre de Tassigny  
(ex. Place Dauphine)  
Paris 16e  
Tel.: AUTeuil 00-60

Permanent Delegate to UNESCO  
35, Avenue Montaigne  
Paris 9e  
Tel.: BALzac 99-55

Office hours are 9 to 12.45 p.m. and 2.30 to 6.00 p.m.

Missions have 24-hour guard duty and can be contacted when the office is closed for information on how to reach a member of the respective missions.

The Embassy is responsible for relations with the French Government and persons and organizations in France; it contains the Office of the Commercial Counsellor (Trade Commissioner). The Delegation handles Canada's membership in the North Atlantic Treaty Organization and the Organization for European Co-operation and Development (OECD).

Paris contains a large number of international organizations; the better known are:

UNESCO  
Place Fontenoy  
Paris 15e  
Tel.: SUF. 86-00

North Atlantic Treaty Organization  
Place du Maréchal de Lattre de Tassigny  
Paris 16e  
Tel.: KLEber 50-20

Organization for European Co-operation and Development  
2, rue André Pascal  
Paris 16e  
Tel.: TROcadéro 76-00

SHAPE  
Rocquencourt (Marly-le-Roi)  
(Seine & Oise)  
Tel.: GALvani 30-00

## The Librarian Suggests

In December the Department of Trade and Commerce library prepared a selective list of publications of general interest to exporters and of particular value to those inexperienced in this field. This issue of *Foreign Trade* lists some of these publications dealing with the over-all aspects of international trade. Lists covering specific geographical areas will appear in the next two issues. *Foreign Trade* cannot undertake, however, to provide or to order copies of any of the publications.

### World-Wide and General Publications on Export Trade

#### Reference Books and Services

**BRUSSELS NOMENCLATURE** for the classification of goods in customs tariffs. One volume.  
**EXPLANATORY NOTES TO THE BRUSSELS NOMENCLATURE.** Three volumes. A standardized system for classifying commodities for customs purposes developed by the Customs Co-operation Council. The EEC common tariff and the tariffs of other trading nations, especially in Europe, are based on this nomenclature. Price: *Nomenclature*, \$10.00 approximately. *Explanatory Notes*, \$18.00 for three volumes. Order from Customs Co-operation Council, 183 Avenue Louise, Brussels, Belgium.

**EXPORTERS' ENCYCLOPAEDIA.** Annual. Full information on shipments for all countries. Price: \$35.00. Order from Thomas Ashwell & Co., 20 Vesey Street, New York 7, New York.

**WORLD TRADE INFORMATION SERVICE.** Three parts. Irregular. The series deals with individual countries throughout the world. Part I, *Economic Reports*, includes basic economic data, information on investment and establishment of businesses. Part II, *Operations Reports*, contains information on exchange controls, licensing, tariff regulations. Part III, *Statistical Reports*, has sum-

mary data on foreign trade. Price: \$6.00 for each part. Order from Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

### Periodicals

**BOARD OF TRADE JOURNAL.** Weekly. In addition to information on U.K. trade and industries, this publication contains data on world tariff and trade regulations. Price: \$10.00 a year. Order from U.K. Information Service, 119 Adelaide Street W., Toronto, Ontario.

**EXPORT.** Monthly. The official journal of the Institute of Export. Articles on various aspects of exporting procedures. Free to members of the Institute. Order from Institute of Export, Export House, 14 Hallam Street, London W.1, England.

**EXPORT TRADE.** Weekly. Articles on export problems. Price: \$7.00 a year. Order from Thomas Ashwell & Co., 20 Vesey Street, New York 7, New York.

**FOREIGN COMMERCE WEEKLY.** Weekly. World trade, export opportunities. Price: \$6.00 a year. Order from Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., U.S.

**FOREIGN TRADE.** Fortnightly. Opportunities abroad for Canadian businessmen. Price: \$2.00 a year in Canada; \$5.00 abroad. Order from the Queen's Printer, Ottawa, Ontario.

**INTERNATIONAL FINANCIAL NEWS SURVEY.** Weekly. Summary of financial and trade news throughout the world. Free. Order from The Secretary, International Monetary Fund, 19th and H Streets, Washington 25, D.C.

**INTERNATIONAL TRADE REVIEW.** Monthly. U.S. magazine on opportunities abroad. Price: \$5.00 a year. Order from International Division, Dun and Bradstreet Inc., 99 Church Street, New York 8, New York.

### Statistical Reports

**INTERNATIONAL FINANCIAL STATISTICS.** Monthly. Covers general statistics for individual International Monetary Fund countries. Price: \$10.00 a year. Order from International Monetary Fund, 19th and H Streets, Washington 25, D.C.

**The following Trade of Canada statistical reports, prepared by the Dominion Bureau of Statistics, and UN statistical reports may be ordered from the Queen's Printer, Ottawa, Ontario.**

**TRADE OF CANADA. ARTICLES EXPORTED TO EACH COUNTRY.** Quarterly. Details of exports to each country, by commodity. Cat. No. 65-003. Price: \$1.00 a copy, \$4.00 a year.

**TRADE OF CANADA. EXPORTS.** Annual revised trade statistics. Cat. No. 65-202. Price: \$3.00.

**TRADE OF CANADA. EXPORTS.** Monthly. Statistics by commodities and countries. Cat. No. 65-004. Price: \$0.75 a copy, \$7.50 a year.

**UNITED NATIONS COMMODITY TRADE STATISTICS.** Quarterly. Trade of the principal trading nations analyzed into 150 commodity groups. Quantity (metric tons) and value (U.S. dollars). Price: \$4.00 a year.

**UNITED NATIONS DIRECTION OF INTERNATIONAL TRADE.** Monthly and annual. Trade statistics between countries. No commodity breakdown. Price: \$5.00 a year.

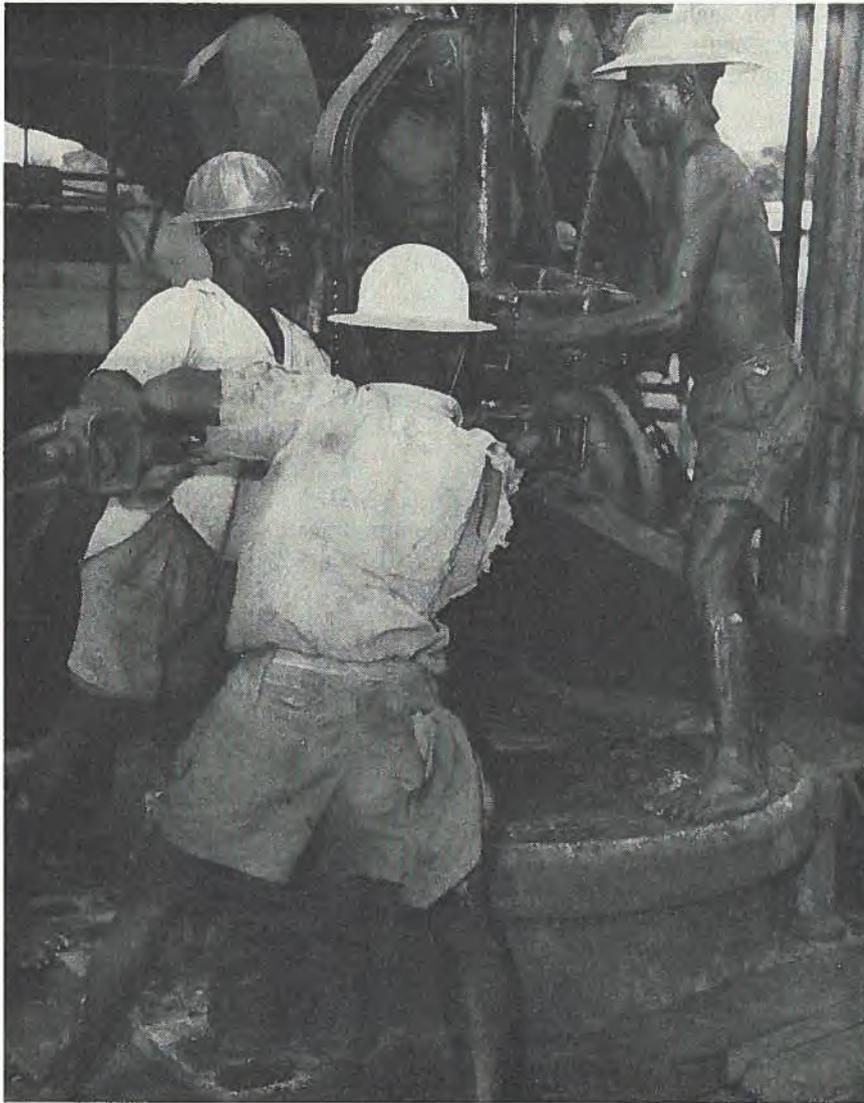
**UNITED NATIONS MONTHLY BULLETIN OF STATISTICS.** Monthly. Statistics from 150 countries covering more than 60 subjects. Includes indices on exports and imports. Actual prices are given for a few major commodities. Price: \$10.00 a year.

**UNITED NATIONS YEAR BOOK OF INTERNATIONAL TRADE STATISTICS.** Annual. Two volumes. Vol. I, value of merchandise imports and exports in national currency and U.S. dollars. Vol. II, value of trade by large commodity classes and by principal regions and countries of provenance and destination. Price: Vol. I \$6.00. Vol. II \$2.00.

---

### Index to Foreign Trade

*The index to Volume 114 of Foreign Trade, covering the issues from July 2, 1960, to December 31, 1960, has now been printed. Readers who wish to have copies should write to the Editor.*



*Australian riggers fit a new length of drill pipe at the Puri field, New Guinea.*

# Australia Seeks Oil

Canadian firms with specialized experience, particularly in seismic and geological surveys, may wish to explore contacts with leaseholders in Australia in their continuing but costly search for oil.

*L. D. BURKE, Assistant Commercial Secretary, Sydney.*

THE year 1961 promises to be one of the most active in Australian oil exploration. It is a credit to those engaged in this Australian industry that they are tenaciously keeping up their search for oil even though successful strikes have been surprisingly few. In fact after nearly 70 years of exploration and the sinking of over 500 wells, oil has still not been found in commercial quantities in either Australia or the territories of Papua and New Guinea. Interest in the quest, supported by the federal and state authorities, remains high, however, and there are hopes that perhaps this year the prospectors will find petroleum.

## Main Areas of Search

Geologists estimate that Australia and New Guinea together have about two million square miles of the marine sedimentary type of rock in which most of the world's oil has been found. Although sedimentary basins of this type exist in all the mainland states of Australia, in Tasmania, and in Papua and New Guinea, exploration was until lately confined largely to two regions—Papua/New Guinea and Western Australia. Up to December 1960, the Australian Government, private companies and private individuals had together spent nearly \$150 million on oil exploration. Of this, approximately 60 per cent was spent in Papua/New Guinea, 25 per cent in Western Australia, and only 15 per cent in the remainder of the continent.

The interest in Papua/New Guinea arose primarily because of the producing wells close by in Dutch New Guinea and the expectation that petroleum might be general throughout the island. The presence of oil in Papua/New Guinea was in fact reported as early as 1911. Despite extensive investigations ever since, no major discoveries were made and by mid-1958 the two firms principally engaged in the work—British Petroleum and Vacuum Oil Co. Pty. Ltd., together with their Australian

partner, Oil Search Ltd.—had just about decided to abandon their efforts when suddenly, in November 1958, oil was brought in at Puri. This strike changed the whole picture, at least temporarily, and the companies announced they would continue exploration. The most recent development in this disappointing history of oil search in Papua/New Guinea is the announcement by the British Petroleum-Vacuum-Oil Search Group that its latest well, which reached a drill depth of 10,000 feet in January and which seemed promising, has proved to be dry. As a consequence the two overseas companies, British Petroleum and Vacuum Oil, plan a meeting in London early this year to determine the future of their operations in New Guinea. The consensus is that they will probably withdraw from the area. If they do, the Australian partner, Oil Search Ltd., may decide to go it alone in New Guinea or may switch activities to the mainland where exploration costs would be much lower.

The State of Western Australia is famous as the scene of Australia's first major oil strike. In 1953 the news flashed across the country that oil in commercial quantity had been discovered at West Australian Petroleum Pty. Ltd.'s ("WAPET") Rough Range Well No. 1. Oil flowed at the rate of 700 gallons an hour but unfortunately for only a very short time. The well was drilled deeper but nothing further was found. For four years "WAPET" continued its efforts in the vicinity of the Rough Range Well, finally abandoning the area in favour of more promising regions in other parts of the state. To the end of 1959, approximately \$35 million had been spent in oil exploration in Western Australia but except for Rough Range Well No. 1, only traces of petroleum were found.

### **Concentrate on Eastern Area**

Although the search for oil continues in Papua/New Guinea and Western Australia, interest in recent

years has swung toward the eastern states—New South Wales, Queensland and Victoria. Last year, for example, all but five of the 25 bores begun or completed on the Australian mainland were in this area.

As interest has concentrated on the eastern side of the continent, increasingly larger areas have come under the control of single permit holders. Approximately 1½ million of the 2 million square miles of possible oil-bearing land in Australia and New Guinea is now held by some eighty companies or individuals. Virtually none of Queensland and less than half of New South Wales and Victoria remain open to new oil searchers. The leaseholders include subsidiaries of the world's major oil producers, a few Australian companies not associated with the petroleum industry, and private individuals. By Canadian standards the number of leaseholders involved is small, because extremely large areas are being held under individual permits in the present wildcat stage of the industry. Most state mining laws require a prescribed amount of development work to be done over a given time and this has tended to limit speculation in leaseholding and to confine the retention of permits to companies or individuals in a practical position to explore for oil.

Together with the taking-up of larger areas on the mainland of Australia has come an increasing interest in offshore permits, particularly in areas lying near the coasts of New South Wales, Victoria and Queensland. One large Australian prospecting company, Broken Hill (Pty) Co. Ltd., recently took up permits covering almost the entire area of Bass Strait between the State of Victoria and Tasmania. Another company with overseas backing, Australian Pacific Co. Ltd., has been granted a licence for deep offshore oil exploration in the South Australia area, but it will probably be some time before actual offshore drilling begins. Seismic and other

geological survey work will have to be done first and it is customary in the petroleum industry to postpone offshore drilling, which is very expensive, until oil has been found on the mainland.

### **French Experts Report**

On the subject of just where oil may be found in Australia, an interesting and controversial report has just been released on the findings of a team of French oil experts engaged by the Australian Government last year to investigate oil prospects. The team, consisting of three geologists, spent four months in Australia, visiting many of the main sedimentary basins and studying the geological information accumulated on these areas over the years. On the basis of preliminary studies, they have decided that Western Australia is still the area in which petroleum is most likely to be found. They report that other areas are fairly promising also and they have outlined for the Australian Government the types of exploratory program (seismic, gravity, stratigraphical, etc.) that should be carried out in each region.

### **New Exploration Methods**

As significant as the change which has occurred in the areas chosen for search is the change in exploration methods. In the boom period following the discovery of oil at Rough Range in Western Australia, bores were often sunk on a hit-or-miss basis. Lately, companies have been emphasizing geological, geophysical and seismic surveys more and more before choosing sites for drilling. At first this work had to be done by overseas companies with overseas equipment, but in the last few years the numbers of trained Australian personnel (geologists, geophysicists, drilling teams, etc.), and Australian companies capable of providing such services, have increased. At present there are nine firms able to carry out seismic and other proven methods of geological survey. Two are Australian and the

others are from overseas, chiefly the United States. The techniques that these companies employ are among the most modern.

Drilling activity is nearly exclusively Australian. Two Australian firms operate over 50 per cent of all available drilling rigs in Papua/New Guinea and Australia. One rig, however, (actually the largest in the country), is owned by one of the most important drilling companies in the world, Delta Drilling Co. of the United States, and some of the individual leaseholders have their own smaller drilling equipment.

### Natural Gas

It is hoped that modern techniques will also lead to the discovery of natural gas in commercial quantities in Australia. Signs that the search for this important source of energy may succeed are found in the Roma district of Queensland, where gas was first encountered as early as 1900. Attempts to produce gas and oil from the original wells in this district were frustrated by an inability to keep gas and oil-producing sections free from the water that seeped in, but with up-to-date techniques these problems may be overcome. Tests are to be made at Roma this year to determine if gas in the area can be successfully collected and marketed. The largest of the wells has a confirmed output of 6½ million cubic feet per day; reserves, however, are not yet proven. One other area in Australia has been the site of substantial gas discoveries—Port Campbell in the State of Victoria—and the size of this field is now being investigated.

### Government Subsidies

The Australian Government contributes to the search for oil principally through the Petroleum Search Subsidy Act, which came into force in 1957. Under this legislation, subsidies now running at about \$4.5 million a year are paid to companies drilling and surveying in approved locations. These payments

have helped exploration companies tremendously. For example, the Puri well in Papua/New Guinea, mentioned earlier in this article, has received a \$500,000 subsidy. Drilling subsidies are normally paid to a maximum of 50 per cent of actual costs, but they can go as high as 66⅔ per cent for off-structure drilling. Subsidies are also paid for seismic and other geological surveys up to 50 per cent of costs involved. In addition, tax concessions are granted to investors in oil-search companies. The Federal Bureau of Mineral Resources has done extensive geophysical and geological survey work to guide exploration and the siting of wells.

Opinion in Australia is unanimous on the vital importance of finding large oilfields on the mainland or in the territories as quickly as possible. Imports of petroleum are a considerable burden on the country's foreign exchange income; the 12 million tons of crude oil and refined products purchased last year cost Australia nearly \$300 million, approximately 12 per cent of the total import bill. Discovery of oil would do much to improve the sensitive balance-of-payments position, although discovery would have to be followed by time-consuming development work and the effect on the exchange position might not be felt for several years. Depending on where it is found, the discovery of oil could also have a tremendous impact on some of Australia's less developed areas.

### Opportunities for Canadians

The search for oil continues in Australia. Can Canadian exploration and drilling companies expect to participate in this business and if so, how can they go about obtaining contracts?

As far as drilling is concerned, special attention of Canadian companies is probably not warranted at this time since over 50 per cent of drilling rigs in Australia are currently idle and awaiting contracts. The type of drilling operation being carried out here also works against

overseas operators. The normal pattern is to drill a well and when it proves unsuccessful, to move the rig on to the next. Normally it would not pay a foreign company to bring equipment to Australia to develop a single well for which they might be able to obtain a contract. But a major strike would enlarge the scope for additional drilling services, as well as for oil well supplies.

At present, opportunities seem more promising for seismic and other geological work; the trend is towards this type of exploration and Australia still needs the experience of overseas firms. But if Canadian companies are to take advantage of the opportunities, a local contact with potential customers here is indispensable. There are firms in the Australian petroleum industry, drilling companies for example, with whom appropriate working arrangements might be established and the Canadian Trade Commissioner would be willing and able, in the initial stages, to make suggestions and provide introductions. Canadian companies, however, would almost certainly have to send someone to Australia to undertake sales development work with leaseholders.

There is one other possible approach: a large number of oil companies with head offices in the United States—Caltex, Union Oil, Phillips, Standard Vacuum, and others—are leaseholders in Australia, either in their own right or in association with Australian firms. These firms might be approached directly in the United States with a view to obtaining contracts. ●

*Readers who would like to have specific information about exploration leases issued to date and a list of the companies and individuals who hold these leases should write the Chief, Engineering and Equipment Division, Commodities Branch, Department of Trade and Commerce, Ottawa. A second article by Mr. Burke, "Australia Builds an Oil-Refining Industry," will be published in the next issue—Editor.*

# Chile Launches Ten Year Plan

Every part of the Chilean economy will benefit from projects included in ambitious blueprint for development. Canadians with capital goods or engineering services to sell should watch for opportunities as plan unfolds.

J. M. KNOWLES, *Acting Commercial Secretary, Santiago.*

THE Chilean Government Development Corporation, (Corporacion de Fomento, or CORFO) has just announced details of a ten-year economic development plan, the first of its kind in Latin America. The CORFO planning department was on the point of implementing a similar plan in May 1960 when a series of earthquakes and sea-quakes devastated a large area in the southern part of the country and caused great economic losses. The new plan is an integrated one that takes into consideration reconstruction needs.

The new program is flexible and may be modified as circumstances

require—for example, by a drop in the world price of copper and hence in foreign exchange earnings, or by the changing nature of Chile's rôle in the developing Latin American Free Trade Area.

According to the program, by the end of the ten years the population of Chile will have increased by 25 per cent. Total national production, the hope is, will rise by 61 per cent, agricultural output by 62 per cent, and mining output by 69.1 per cent. Industrial production will go up 76.2 per cent, exports by 77 per cent, and private consumption by 49.1 per cent. Some 420,000 new houses are to be built

*Severe earthquakes last year brought devastation to the Chilean south coast; the resulting reconstruction needs had to be incorporated in proposed Ten Year Plan.*



MARCH 11, 1961

90554-7-3

by 1970, and electric generating capacity increased by 1.3 million kilowatts.

The principal ways in which money will be invested in various sectors under the development program are outlined below:

## Agriculture

- New irrigation by the Department of Public Works of about 300,000 hectares of land and improvement of a further 600,000. (1 hectare=2.471 acres).

- Irrigation by CORFO of approximately 75,000 hectares.

- Planting of 43,000 hectares with fruit trees (current plantings cover 60,000 hectares).

- Drainage and rehabilitation of 150,000 hectares of land.

- Import of 20,600 tractors.

- Construction and enlargement of 14 milk plants.

- Construction, completion and enlargement of seven refrigerated slaughterhouses.

- Construction and enlargement of nine ice plants.

- Construction and enlargement of 16 fruit-packing and dehydrating plants.

- Construction of 17 dryers and warehouses for grain.

- Construction of 20 mechanized bread bakeries.

## Mining

- Current annual production of 473,000 metric tons of copper by the large copper companies to be raised to 705,000.

- Iron ore production to rise from an estimated 6.1 million tons in 1961 to 11.88 million in 1970.

- Nitrate production to go from 1.2 million to 1.4 million tons in the same period.

- Copper output from the medium and small mining enterprises to rise to 158,000 tons a year from 1961's estimated 48,000.

- Production of blister copper by the Government's Empresa Nacional de Minería (ENAMI) to rise from 20,000 to 46,000 tons a year.

### Industries

Specific new industrial projects include the following:

- Cellulose output is to rise from 70,000 to 240,000 tons a year.

- Newsprint capacity to increase from 68,000 to 228,000 tons.

- Steel production to rise from 340,000 to 542,000 tons.

- Output of petroleum refinery products planned to go up from 1.59 to 4 million cubic metres.

- Cement industry to profit from a \$39 million investment, fishing from \$29 million, and the chemical industries from \$27 million. These projected investments are now under study.

- Unspecified investments in substantial amounts envisaged for the following industries: foods, beverages and tobacco; textiles, clothing and shoes; wood and cork; furniture and accessories; paper and cellulose; leather; rubber; chemicals; petroleum and coal derivatives; non-metallic minerals; basic metallurgy, and diverse manufactures.

### Fuels and Energy

- Electrical energy installed in 1960 totalled 1.1 million kilowatts; this is to rise to 2.57 million by 1970. The government power corporation (ENDESA) will increase its installed capacity from 403,000 kilowatts to 1.41 million in this period.

- Crude petroleum output will rise from the 1.83 million cubic metres estimated for 1961 to 4.23 million in the tenth year.

- Productive capacity of coal will rise from 2.2 million tons to 2.8 million in the same period.

### Construction

- Hospital construction in the ten years 1949 to 1958 equalled 1,365,000 square metres. According to the program, 779,000 square metres of hospital accommodation will be added each year during this period, compared with an average of 80,000 over the last five years.

- Public buildings will be erected up to a total of 42,000 square metres for each year of the program.

- Some 250,000 square metres of commercial buildings are to be built annually in the same period.

- Public housing will rise by 419 units to total 1,584 units in 1970.

### Urban Development

- Each year of the program is to see 1.65 million square metres of paved streets laid down.

- Drinkable water will be supplied to 6.8 million citizens, slightly more than double the present number served.

- Some 4.13 million people, or approximately 60 per cent of the urban population, will have sewage services, compared with only about 2½ million now.

### Telecommunications

- An over-all investment program of up to \$75 million in the telegraph, telephone, radio, and television systems is expected.

### Transportation

- The railway line from Santiago to Temuco is to be electrified and 1,500 kilometres of track replaced. Locomotives and rolling stock will be purchased and the signalling and communications systems modernized.

- At the moment, Chile has 2,800 kilometres of paved concrete and asphalt roads. By the end of the

program, it will have 5,500 kilometres.

- Twelve major harbours and a number of less important ports are to be built or improved.

- Twenty-one airports are to be constructed or improved.

- The Merchant Marine is to grow from 300,000 deadweight tons to 480,000.

- Trucks and other heavy vehicles will rise to 84,000 in the tenth year from 66,000 today.

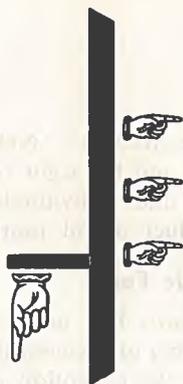
- There will be 8,500 buses and 8,900 taxicabs in Chile by 1970, compared with 5,600 and 7,400 at this time.

- Purchase of commercial aircraft is currently under study.

### Financing Is Problem

There is no doubt that Chile will be obliged to seek foreign credit on a large scale to implement this plan, which calls for the investment of hundreds of millions of dollars. If satisfactory credit arrangements can be negotiated, Canadian manufacturers of a very wide range of products may be able to make substantial sales to Chile. Prominent among the capital goods that Chileans will be purchasing are hydroelectric power plants, locomotives, pulp and paper machinery, telecommunications equipment, and many others that the above outline of the plan may suggest.

Readers who are interested in obtaining further information on Chile's development plans and the specific sales possibilities as it unfolds should write to the Acting Commercial Secretary, Canadian Embassy, Casilla 771, Santiago, Chile. Details of calls for tender may also be obtained from R. A. Frigon, Chief, Engineering and Equipment Division, Department of Trade and Commerce, Ottawa. The Export Credits Insurance Corporation, Box 655, Ottawa, can provide the latest available information on credit arrangements. ●



# Advertising Abroad

**In Egypt,** direct mail brings a good response; takes the place of advertising in trade magazines, which have not yet appeared.

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

THE Egyptian Region of the United Arab Republic is commonly termed an under-developed country and advertising there is an under-developed art. By Canadian standards it has a long way to go, but by Middle East standards Egypt is one of the few countries in the area with some advertising knowhow and organization, according to specialists who have made comparative studies. The main obstacle to the improvement of advertising standards is that Egypt, in a sense, is cut off from outside competition and contacts. The number of Egyptians with foreign training in this field is limited, the language barrier has to be overcome, and the controls on imports of consumer goods have restricted foreign advertising and ideas as well.

## Newspapers

Virtually all types of advertising known in Canada are used in Egypt to varying degrees. The publishing industry is fairly well developed and newspapers and magazines undoubtedly obtain the largest share of advertising expenditure. (Few statistics are available.) Publishers point out that although Egypt's population is an estimated 24 million, circulation of newspapers totals only 400,000 per day. If one assumes that five people read a paper, newspapers reach only 8 per cent of the population, chiefly because of the illiteracy problem and the low purchasing power—per capita income is \$112 a year and

many cannot afford a newspaper. As a corollary, when a firm is planning an advertising campaign, two million people can be considered as potential customers.

## Radio and TV

Radio and television—the latter introduced in July 1960—are owned and operated by the Government. Radio advertising began in January 1960. Sponsored programs have not yet been accepted and advertising is limited to spot announcements of 15, 30 and 60 seconds. Only one of the five radio channels is used for advertising (TV has only one channel) and a typical rate as quoted by the Société Egyptienne de Publicité (the sole concessionaire) is £E75 (\$170) per week for seven 60-second announcements between 9 p.m. and 12 p.m. (The "message", however, must be limited to 20 seconds.)

## Direct Mail

One publishing-advertising firm is going in for direct mail and if this proves successful, it will no doubt be taken up by others. It offers a good substitute for trade magazines, which do not exist in Egypt. Selective lists are compiled for the professions; owners of cars, TV and radios; members of clubs, and even persons who pay income taxes. Naturally the more personal the letter, the more effective the campaign. It is not uncommon for advertisers to receive acknowledgments, thanking the manufacturer

for bringing his message to the attention of the recipient. The same firm distributes *Al Mokhtar*, the Arabic version of *Reader's Digest*. Starting with a select mailing list of 1,000, addressees were asked for names of ten friends in return for a free subscription. Of the 100,000 names received, direct mail advertising produced 35,000 paid subscriptions—a high proportion for any form of advertising.

## Films and Slides

Film slides and short films are shown during intermission in all cinemas—that is, before the feature film. These are not too sophisticated and viewers occasionally wonder if the sponsor is trying to make an impression by getting a laugh from the audience. Painted and electric signs are often an attractive form of outdoor advertising; billboards and posters are less successful. The best signs are those advertising travel agencies and airlines; they reflect the influence of foreign ideas or the need to cater to foreign tourists. Window display is also a rather undeveloped art and is influenced by the oriental bazaar, where as many items are displayed as space will allow.

## Taboos

Foreign advertisers are unlikely to encounter any difficulties over tastes and customs acceptable in Canada but not in Egypt. Although the Moslem religion has a strict ethical code, it is interpreted liberally so far as advertising is concerned and only the more lurid movie billboards are censored. Moslems abhor pigs and, to a lesser degree, dogs, and references to or

pictures of these animals would be considered in bad taste. A few English words have a bad meaning or sound in Arabic and should be avoided. Pictorial advertisements show men and women in western clothes rather than the native galabia and melaya, and skin colouring is always fair.

### Advertising Firms

The advertising business in Egypt is virtually monopolized by the three major newspaper publishing houses and the one magazine publisher. Each has its own special department which operates like an advertising agency in Canada. However, there has been a definite trend toward monopoly by the Société Egyptienne de Publicité, the advertising branch of Dar al Gomhouria (newspaper publishers) which has been state-owned for some years. With the nationalization of the press in May 1960, co-operation among and co-ordination of the advertising departments of the various news-

papers have been intensified. In addition, SEP has obtained concessions in fields other than magazines and newspapers, such as radio, outdoor and theatre advertising.

With the decline in imports of consumer goods, advertising firms specializing in foreign business have been eclipsed. There are only two firms of any substance left and they exist solely to service airline accounts. Other than these, there are no firms with reciprocal arrangements with foreign advertising agencies, although such arrangements could be made if the demand arose.

### Market Research

Market research is not highly developed in Egypt. A number of firms both within and outside advertising circles are prepared to offer this service, but there are only a few people with specialized training. When an international soft drink manufacturer called for quotations for a market survey, offers ranging from £E300 to £E5,000

were received. Nevertheless, with care and the right contacts, a client can find individuals competent to conduct useful market research.

### Trade Fairs

Cairo has been the scene of a number of successful trade fairs and, with the exception of Damascus, it is almost the only centre in the Arab countries of the Middle East where such fairs are held. The Egyptians have a reputation for arranging attractive exhibitions. The types of fairs which have been held in recent years include national (i.e. foreign) exhibitions, international cotton fair, petroleum exhibition, international agricultural show (to be held during March), and a domestic industrial and agricultural fair. Admission is open to the public and attendance, including people from neighbouring countries, is usually high. Overseas companies might consider participation if they are selling a product which can be imported freely. ●

## Trade Commissioners on Tour

### In Canada

**K. G. RAMSAY**, who will take up his duties as Commercial Secretary in Lima, Peru, in August, will visit Montreal, March 20-24 and Toronto, April 24-28. Businessmen who wish to see Mr. Ramsay should get in touch with the Board of Trade in Montreal and the Canadian Manufacturers Association in Toronto.

### In Territory

**J. H. BAILEY**, Commercial Secretary in Bogota, Colombia, will visit Quito and Guayaquil in Ecuador in April.

**W. G. BRETT**, Assistant Commercial Secretary in Paris, France, will tour the French Community countries in Africa during April. His itinerary covers Nouakchott, Fort Gouraud and Port Etienne in Mauretania; Dakar in Senegal; Conakry. Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

**C. G. BULLIS**, Assistant Trade Commissioner in Kingston, Jamaica, will visit Belize, British Honduras, from March 16-23.

**H. E. CAMPBELL**, Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from April 23-29.

**G. L. GAGNE**, Assistant Commercial Secretary in Mexico City, will visit Monterrey from March 13-15.

**W. J. JENKINS**, Acting Commercial Secretary in Lima, Peru, will visit La Paz, and possibly Sucre and Potosi, in Bolivia, from March 15-27.

**I. V. MACDONALD**, Commercial Secretary in Colombo, Ceylon, will visit the Maldives about the middle of March.

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

**L. J. TAYLOR**, Assistant Trade Commissioner in Johannesburg, South Africa, will visit the Malagasy Republic from April 17-25.

**R. K. THOMSON**, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from March 20-23.

**W. B. WALTON**, Acting Commercial Secretary, Beirut, will visit Kuwait and Bahrain about March 15.

*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. Bailey at Bogota, Mr. Brett at Paris, Mr. Bullis and Mr. Campbell at Kingston, Mr. Gagne at Mexico City, Mr. Jenkins at Lima, Mr. Macdonald at Colombo, Mr. Newman at New Delhi, Mr. Taylor at Johannesburg, Mr. Thomson at Vienna, and Mr. Walton at Beirut.*

## Markets in Brief

### Egyptian Region

#### United Arab Republic

**Area:** one million square kilometers approximately, but the cultivated and inhabited area totals only 36,000 square kilometers.

**Population:** 24 million, approximately.

**Climate:** mild in coastal areas and hot in the Nile Valley.

**Language:** Arabic; English and French spoken by business community.

**Currency:** Egyptian pound; official rate E£1=Can.\$2.8321.

**Weights and measures:** metric system (as from January 1, 1951).

**Capital:** Cairo.

**Chief ports:** on Mediterranean Sea—Alexandria and Port Said; on Red Sea—Suez.

**Marketing centres:** Cairo (population) 3,000,000; Alexandria 1,500,000; Port Said 500,000; Suez 250,000.

**Economy:** agricultural economy with cotton chief export; revenue from Suez Canal and tourists important; recent emphasis on industrialization and oil production.

**Total Egyptian imports:** 1959—E£211.1 million; 1958—E£238.2 million; 1957—E£182.5 million.

**Chief imports:** 1958 (in millions of E£)—cereals 38.9, petroleum products 35.3, chemicals and pharmaceuticals 35.1, paper and wood 19.0, textile materials 11.2, metals 18.5, vehicles 17.9, machinery and electrical materials 3.3.

**Chief suppliers:** 1958 (in millions of E£)—Western Europe (mainly Germany and Italy) 102.2; Eastern European countries 84.7; North and South America 21.6; Asia, Africa, Australia 19.5; Arab League countries 10.2.

**Value of imports from Canada:** 1960 (eleven months)—Can.\$1,821,369; 1959—Can.\$1,958,399; 1958—Can.\$1,207,344.

**Chief imports from Canada:** 1959 ('000 Can.\$)—bleached, dissolving pulp, sulphite 285.4; asbestos milled fibres 260.4; flour of wheat, n.o.p., 206.8; milk powder, skimmed milk 206.1; medicinal preparations 135.3; drugs and chemicals 130; newsprint paper 109.

**Total Egyptian exports:** 1959—E£146.8 million; 1958—E£162.4 million; 1957—E£170.0 million.

**Chief exports:** 1958 (in millions of lb.)—cotton 124.0, vegetable and food products (rice, onions, peanuts, prawns) 25.3, minerals 6.3, chemicals 2.3.

**Chief markets:** 1958 (in millions of E£)—Western European countries 45.2; Eastern European countries 66.3; North and South America 3.5; Asia, Africa, Australia 34.0; Arab League countries 13.0.

**Value of Canadian purchases:** 1960 (nine months)—Can.\$516,631; 1959—Can.\$281,329; 1958—Can.\$271,235.



**Chief Canadian purchases:** 1959 ('000 Can.\$)—fresh onions 130.4; dried vegetables, n.o.p., 25.3; animal charcoal for sugar 13.1; shrimps, prawns, fresh, frozen 8.4; raw cotton 8.1.

**Dollar exchange:** reserved for imports of industrial equipment, raw materials, and other essential items such as medicines; imports subject to licensing and to a premium over official rate, payable in local currency.

**Prices:** quoted in all currencies but preferably in Egyptian pounds c.i.f. Alexandria.

**Samples:** allowed if of no commercial value.

**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:** no Canadian bank established.

**Correspondence:** allow 10 days for airmail (letters 25 cents per half-ounce); 6 weeks for seairmail.

**For detailed information on this market write to:**  
Asia and Middle East Division  
International Trade Relations Branch  
Department of Trade and Commerce  
Ottawa

or  
Commercial Counsellor  
Canadian Embassy  
Kasr el Doubara Post Office  
Cairo, Egypt

# Pharmaceuticals:

## Brazil Builds a Local Industry

Canadians may find a limited but steady market for bulk pharmaceuticals for further processing and for pharmaceutical raw materials, though the Brazilian industry is growing rapidly.

MALCOLM ROWAN, *Assistant Commercial Secretary, Rio de Janeiro.*

BRAZIL is the world's seventh largest producer of pharmaceutical products, manufacturing over U.S.\$ 200 million worth of drugs and medicines in 1959. This achievement is a direct result of active participation over the past ten years by foreign pharmaceutical laboratories, which have brought with them into the country all the advantages of advanced technology and research, as well as modern production methods.

Today, over 96 per cent of the industry is concentrated in the two cities of Sao Paulo and Rio de Janeiro.

Sources of Foreign Investment	Per cent of total sales
U.S. and U.S./Brazilian	31.0
France and Franco/Brazilian	10.0
Switzerland	7.1
Italy and Italo/Brazilian	5.0
Germany	1.9
United Kingdom	1.0
Scandinavia	1.0

### Investment Incentive

One incentive to investment by foreign pharmaceutical companies is provided by the Superintendency of Money and Credit's (SUMOC) Instruction No. 113, which provides that an import licence may be granted to a domestic or foreign investor to bring in machinery and equipment without his having to observe the normal requirement of purchasing dollars to pay for imports at an exchange auction. This exemption is subject to proof that a capital investment is being made, that the import is not a drain on

the foreign exchange resources, and that similar equipment is not made in Brazil. The Brazilian company cannot pay for these capital goods with cash, and they cannot be sold during their "normal" life. The foreign supplier takes shares in the Brazilian company in lieu of cash. To qualify, sufficient equipment to constitute a complete installation or to complement existing facilities must be purchased. Since imports of finished pharmaceutical products are severely curtailed, Instruction 113 makes foreign investment especially attractive.

### Imports

Before 1953 there were no serious restrictions on imports; some 4,000 different kinds of pharmaceu-

tical specialties were imported. Since then, however, only those products (about 30) considered absolutely essential can be imported. As the domestic industry develops, even these decrease in number. The main imports are set out in the accompanying table.

### Domestic Production

Ethical drugs and proprietary medicines, including antibiotics (40 per cent by value of the industry's production), hormones, vitamins and tranquillizers (35 per cent), anesthetics, sulpha drugs and medicines (25 per cent) are manufactured in quantity. Ethical drugs comprise about 82 per cent of the industry's total output; proprietary drugs account for the remainder. This production is consumed almost entirely by the domestic market since its buying capacity is increasing constantly with the rise in population and national income. Penicillin is already produced in sufficient quantities to permit exports

### BRAZIL'S IMPORTS OF PHARMACEUTICAL AND MEDICINAL SPECIALTIES

	1957	1958	1959	1960*
	(in thousands of U.S. dollars)			
<b>Total Imports</b>	<b>18,643</b>	<b>16,012</b>	<b>10,148</b>	<b>6,000</b>
Of which:				
Antibiotics, all forms including preparations	8,558	7,065	4,895	3,161
Hormones, organotherapeutic substances, all forms including preparations	3,008	3,210	2,006	927
Vitamins, salts and derivatives	3,799	35,008	1,655	1,013
Alkaloids, salts and derivatives, excluding dosed preparations	1,216	1,141	1,010	507
Medicines	1,203	718	365	137
Biological products, all forms including preparations	326	192	97	189
Vitamin preparations, including injections	35	25	54	29
Other pharmaceutical and medicinal preparations	485	157	66	37
Sulphas, all forms including preparations	12	1	—	—

\* January-June

Source: SEEF—Ministry of Finance.

**SALES AND IMPORTS OF PHARMACEUTICAL SPECIALTIES**

(excluding imports of raw materials)

	Sales (U.S.\$'000,000)	Imports (in Can.\$'000)	Can. Exports (in Can.\$'000)
1953	116	17.1	22.0
1954	113	28.1	167.0
1955	118	16.4	2.7
1956	145	15.3	.5
1957	198	18.6	14.5
1958	175	16.0	3.0
1959	180	10.1	23.0
6 months			
1960	N.A.	6.0	29.0

without affecting supply to the domestic market. Streptomycin, tetracycline and chloramphenicol are being produced in quantity; other antibiotics are manufactured in limited amounts and production of more recently discovered medicines is planned.

**Value of Imports Maintained**

About 97 per cent of all pharmaceuticals used in Brazil are locally made. However, U.S.\$28 million worth of raw materials still has to be imported each year. Though the absolute value of raw materials imports might increase in the future, the percentage of imports used in local production will steadily decline as the domestic chemicals industry increases its output. Production in the combined chemical and pharmaceutical industries rose by 10 per cent in 1959 and by a further 10 per cent during the first six months of 1960.

There is a direct correlation between the sources of imports of pharmaceutical products and raw materials and the sources of foreign investment shown in the accompanying table. At present, pharmaceuticals imported in bulk, or for which raw materials are obtained, are chiefly penicillin and other antibiotics, vitamins, hormones, tranquillizers and sulpha drugs.

Brazil is also trying to step up sales abroad of pharmaceuticals. Although only U.S.\$406,000 worth was shipped in 1959 and only U.S.\$293,000 worth during the first six months of 1960, exports, especially to other Latin American

countries, show every indication of future expansion. Serums, antibiotics and hormones are the chief products shipped.

**Import Restrictions**

All imports into Brazil are divided into categories for foreign exchange purposes. A few medications, vaccines and surgical dressings are placed in the General Category, under which exchange certificates may be purchased at the rate applicable to essential imports (currently 231 cruzeiros per U.S.\$1.00) and are subject to ad valorem duties that range up to 50 per cent. Most other pharmaceuticals are placed in the Special Category applicable to non-essential imports (with an exchange rate of approximately 659 cruzeiros per U.S.\$1.00) which makes their import under normal commercial procedures almost impossible. In addition, they are subject to ad valorem duties of up to 120 per cent. Special Category imports require import licences in addition to the exchange certificate. Price control of retail sales of pharmaceuticals makes import still more difficult.

Drugs classified as General Category imports may be imported automatically after an exchange certificate has been purchased from the Bank of Brazil at a foreign exchange auction. However, the importer must now wait 150 days after purchasing the exchange certificate to get the dollars.

**Export Opportunity**

Although Brazil has not fully developed her pharmaceutical industry, it is operating under heavy protection and is quickly reaching maturity. Production still depends on fairly large imports of raw materials but since the major Brazilian laboratories are controlled by large foreign companies, most of their supplies will probably continue to come from these parent companies. However, there are some opportunities to sell pharmaceuticals, especially raw materials and bulk products. ●

**India: New Steel Exporter**

INDIA is now beginning to benefit from the production of the three large government-owned steel mills (Bhilai, Rourkela and Durgapur) and completion of expansion programs at the two private mills; supply of steel is rapidly shifting from serious shortage to self-sufficiency and potential surplus. In a recent statement the Minister of Steel, Mines and Fuel said the production of finished steel in 1960 reached 2.2 million long tons, compared with 1.8 million in 1959 and 1.36 million in 1958. Production of saleable pig iron in 1960 amounted to 1 million long tons, compared with 800,000 in 1959 and only 400,000 in 1958.

Although India remained a heavy importer of finished steel during 1960, in 1961 the only significant imports are expected to be special, tool and alloy steels, tin plates, thin-gauge sheets, and wire of special types.

During 1960 India began to export modest quantities of primary iron and steel; by year-end, the Government had signed contracts with consumers in the United Kingdom, Europe and Japan for the sale of 330,000 long tons of pig iron, steel ingots, slabs, blooms and billets. During 1961, the Minister announced, India would be seeking export markets also for some finished steel products such as heavy plates, structurals, and wide strips and coils. Exports of iron and steel scrap are increasing—to 325,000 long tons in 1960 from only 290,000 in 1959 and 116,000 in 1958.

India's annual steel output capacity is now 6 million long tons of ingots and 4.5 million of finished material. During the Third Five Year Plan the Government hopes to increase this to 10.2 and 7.5 million long tons. The plan calls for major expansion programs at the three government-owned mills just being completed, construction of a fourth publicly owned mill at Bokaro, and the building of a special, tool and alloy steels plant.

Serious obstacles include the shortage of technicians and skilled labour, lack of foreign exchange to purchase foreign machinery and equipment, internal transportation difficulties, and delays in expanding production of coking coal. Despite these problems, India, with its enormous resources of high-grade iron ore, seems likely to become over the next few years a significant new contender in iron and steel markets.

J. R. MIDWINTER, *Assistant Commercial Secretary, New Delhi.*



# U.S. Farm Policies for the Sixties

A comprehensive study of economic policies for U.S. agriculture in the next few years was recently released by the Joint Economic Committee of Congress. The implications of these alternative policies are discussed here, for the benefit of Canadians interested in agricultural production and in trade in agricultural products.

JOHN MacNAUGHT, *Assistant Agricultural Secretary, Washington.*

THE basic objective of this agricultural study, prepared under the guidance of Walter Wilcox of the Library of Congress, was to place in perspective the farm income and adjustment problem of the 1960's and to analyze the economic implications of alternative policies that might be adopted in dealing with it.

Four alternative programs are outlined in the study:

1. Voluntary land retirement
2. Improved production control for basic commodities and voluntary land retirement of feed-grain acreages

3. Direct management of market supplies

4. Direct payments without production controls.

John W. Lehman, acting executive director of the committee, in a letter of transmittal submitting the

report, explained that the analysis is intended to help committee members, Congressmen and others in their efforts to find the most desirable combination of programs in the 1960's to reduce government farm-program costs and existing farm surpluses and at the same time maintain or improve farm income. Though the study itself espouses no particular program, Mr. Lehman said that the economists who participated in it were agreed that farm prices and income would shrink drastically if present price-support production control and conservation reserve programs were abandoned without being replaced by some alternative program.

Key factors expected by the authors to affect commercial agriculture in the coming decade are:

- Possibilities for increasing the demand for food in commercial markets both at home and abroad. Demand increases, however, would be limited largely to meeting expanding population needs.

- A moderate expansion in industrial demand for farm products. This may be partially or fully offset by further development of industrial substitutes—such as synthetic fibres, plastics and detergents.

- Expansion in production. This may continue faster than market outlets expand at stable prices because of advancing technology on the farm.

- Farmers' production expenses, which are expected to continue rising.

- The continuing difficulties rural people may face in obtaining employment in non-farming industries because of educational deficiencies, distance from employment centres, cultural differences, and insufficient growth in job opportunities.

### **Income and Adjustment**

In a section dealing with agriculture's income and adjustment problem, Walter Wilcox noted that

as farm families entered the 1960's their incomes relative to non-farm incomes were lower than at any time since the 1930's.

On adjustments in the farm economy, Mr. Wilcox is of the opinion that in the next ten years, increased exports alone will not solve the farm problem and that prospects for sharply increased commercial exports of United States farm products are not good. Though the opportunities for expanding PL 480 exports may appear almost unlimited there is, in his view, a definite limit to the quantities that can be used in an orderly manner in needy countries. He states that in the long run it is probable that most of the increased supplies in the less developed countries must come from domestic production. An expansion of PL 480 programs large enough to reduce stocks to desirable figures without decreasing current production or price levels does not appear feasible.

Looking at the domestic scene, Mr. Wilcox concludes that the abandonment of price-support and control programs would cause domestic prices to fall below world levels and exports would increase beyond current subsidized levels. Under these conditions, imports would not rise substantially and in some cases might even decline. But if, on the other hand, current programs were dropped without replacement by others, farm income would drop several billion dollars. Projections in farm production, prices and income for 1965 indicate a drop of 36 per cent from 1959 and 45 per cent from 1958 if production controls and price supports were discontinued. Like his colleagues, Mr. Wilcox believes that programs to prevent excessive farm output or increased government payments appear to be needed to prevent further decreases in commercial farmers' income in the 1960's.

With this background, the report on economic policies for agriculture goes on to discuss the following

supply management programs and the use of direct payments as a means of improving farmers' income. Their presentation in the report is not intended to demonstrate the superiority of one alternative over others, and it is expected that farm programs in the 1960's may well combine features outlined in several of these alternatives. Undoubtedly the study will be considered in the drafting of new farm programs.

### **Voluntary Land Retirement**

The first of the four alternatives deals with voluntary land retirement. As described by the author of this section, Professor John A. Schnittker of Kansas State University, land retirement would be a substitute for acreage allotments, marketing quotas and stock accumulation, all of which support prices now. However, it would continue one serious flaw of earlier programs—a commitment to support "all output from a given acreage". A plan that would take out of production 15 to 25 per cent of land used for crops could maintain farm income at the 1959 level, at a cost of about \$2 billion a year by 1965. This, he noted, would be less than the annual cost of the current farm program. One alternative that he envisages would require that land retirement would be distributed much like acreage allotments currently in effect but it would be more extensive. It would focus on wheat and cotton directly and on feed grains indirectly. For example, he calculates that in 1965, 75 million acres of wheat would be planted if 1959 prices prevailed but with no acreage allotments. The harvest that would result, he states, would depress prices severely unless stocks were increased. Therefore enough land would have to be retired so that only 50 million acres remained in those areas to be planted to wheat. This would require that up to 17 or 18 million acres diverted from wheat to feed grains after 1953 be idled. In addition, about 8

million harvested acres of wheat currently being produced for stocks would also need to be retired. With this program concentrating on land retirement in wheat and cotton areas, he projects that in 1965 farmers would receive a price of about \$1.75 per bushel for their wheat.

Professor Schnittker also discusses a second land retirement plan. Whereas maintenance of wheat and cotton prices dictates his first land-retirement pattern, the second program would support the price of cotton and feed grains near 1959-60 levels but with the important difference that wheat would be priced as a feed grain. The author describes this program as one providing for slightly higher average prices for corn, oats, barley, grain sorghum, and cotton and at the same time allowing for lower wheat prices. For example, with retired land distributed among all grain and cotton areas, he anticipates that farmers would receive a price of about \$1.35 per bushel for wheat in 1965. Either scheme is estimated to be less costly than the present acquisition and storage programs. There are, however, large differences between the two in the location of idled land and in effects on regional income.

### **Production Control**

Dr. Dale E. Hathaway of Michigan State University discussed a proposal for improved production control for five basic commodities—cotton, wheat, rice, peanuts and tobacco—and voluntary land retirement of feed-grain acreages. To reduce the production of the five basic commodities to bring their output in line with annual disappearance, he assumes that some kind of quantity production controls would be placed upon them. Probably these would consist of bushel quotas for the grains and poundage quotas for the other controlled crops. The difference, however, would be that the farmer would be given a maximum sales quota rather than an acreage allotment.

He believes that under a program which applies such quantity controls, farmers would probably reduce the acreage planted to those controlled commodities to levels which would produce the approximate output to fill their marketing quotas. Under these conditions, the projected planted acreage of wheat in 1965 is 49.3 million acres.

The major change in crop production anticipated under such a program would be increased feed-grain output. The income of the producers of controlled crops would decline somewhat from 1959 levels because output would be the same or lower and prices would be no higher. However, the greatest relative decline would be in the income of feed-grain and livestock producers. In addition, Dr. Hathaway notes that under this program of production control, federal expenditures for price-support programs would not end. The present export subsidy for wheat and cotton would have to be continued if the income of producers were to be maintained even close to recent levels. He also says that the PL 480 program would have to be maintained at about present levels and the present soil-bank expenditures would be required. The major gains to the Federal Treasury would be the reduction of losses on the program of price support for feed grain and the reduction of storage costs as inventory accumulation was ended.

For the associated problem of over-capacity in the United States feed-livestock economy, Dr. Hathaway suggested that one method of maintaining farm income is to induce voluntary retirement of feed-grain acreages. The problem then becomes one of getting feed grain producers to reduce output, "by some method which will reward those who co-operate more than those who fail to co-operate. A price-support program of the type presently operated will not do this." Dr. Hathaway thinks that one method might be to provide adjustment payments to those farmers cutting down feed-grain output by

a predetermined percentage of their recent production history. This program, he contends, would have the advantage of needing no price supports, acreage costs, or export subsidies for feed grains. But there are disadvantages too. These include probable encouragement of farmers to boost yields on their reduced acreage and a restriction of livestock output because of reduced profit margins.

### **Managing Market Supplies**

Professor Harlow W. Halvorson, University of Wisconsin, discussed direct management of market supplies as another method of maintaining a continuing balance between them and the demand. Under the program he envisages, national rates of marketing would be established for individual commodities and translated to individual producers, perhaps in somewhat the same way as national acreage allotments are currently allocated to farmers. But unlike programs that limit use of resources, market-control programs contemplate little or no supervision of on-the-farm management decisions of farmers.

Professor Halvorson believes a program for direct management of market supplies would be most practicable if applied on the basis of an individual commodity. This approach would permit each commodity program to be so designed as to take into account the special circumstances surrounding its production and marketing. In addition, this would permit programs to be developed and adopted by producers of a given commodity whenever they felt existing or prospective conditions warranted such a step. Because a program of this nature contains a number of new and relatively untried features, Professor Halvorson comments that the use of this approach experimentally for several years may be desirable to appraise the strength and weaknesses of the device. Further, "because the dairy and poultry industries are relatively more isolated from the rest of agriculture in terms

of inter-commodity demand and supply forces, it may be desirable, if producers support such a program, to give them the opportunity to proceed with programs on a trial basis." Generally speaking, he believes this approach to be one which offers more promise in the 1960's for some commodities than for others.

### Direct Payments

Reporting on direct payments without production controls, Professor George E. Brandow, Pennsylvania State University, stated that a simple unlimited direct-payments program carried out on a scale sufficient to hold net income

of farmers from farming during the early 1960's at the 1959 level of \$11.3 billion might cost \$5 billion or more a year. A variant of a direct-payment program discussed by Professor Brandow would limit payments to one producer to \$2,500 and would be designed so that payments are made only on 80 per cent of each producer's base production or sales. It is expected that this scheme would reduce substantially the incentive of unlimited payments to encourage expansion of output.

Although a direct-payments program along the lines described by Professor Brandow could encourage the conforming of the composition of farm output to market demands,

aggregate output is likely to remain high enough to depress the general level of farm prices. Direct payments appear to him to be capable of alleviating much of the distress likely to accompany a free market, but a program of moderate cost apparently cannot maintain over-all returns to farmers for their labour and investment, even at current levels.

According to Professor Brandow, any sharp or dramatic increase in farm income would require even more effective and extensive production and/or marketing limitations, with some form of land retirement and selective programs of direct payment. ●



## Commodity Notes

### Agricultural Machinery

FRANCE—Massey-Ferguson Limited of Toronto opened its third French factory last November in Beauvais. It will turn out 250 MF825 tractors a day—a 25 h.p. model for use on average-size farms. About half the output is intended for sale in the Common Market and to other foreign countries, including the United States—Paris.

### Apples

IRELAND—The Irish Department of Agriculture will grant licences for the import of raw apples from March 16-June 15, 1961. It is estimated that the supply of dessert apples from the 1960 crop will be exhausted by mid-March—Dublin.

### Apple Juice

UNITED KINGDOM—One of the largest apple-packing co-operatives in Britain will soon begin marketing apple juice mixed with 25 per cent pineapple or orange juice in elongated 16 oz. tins. The choice of mixtures and can size resulted from extensive consumer preference studies based on sampling. The firm expects to

juice about 2,500 tons of apples from the 1960 crop and to begin retail distribution in April. Initial sales are to be supported by television and point-of-sale promotion—London.

### Chemicals

NETHERLANDS ANTILLES—The Government Information Service of Aruba has announced that approximately \$26 million will be spent on the development of a chemical complex in the Balashi area of the island. This will include an ammonia plant to be built by the Standard Oil Company of New Jersey, and fertilizer, urea, nitric acid and sulphuric acid plants to be built by the Aruba Chemical Industries N.V., a company formed by the International Development and Investment Corporation of Nassau. It is expected that the construction of the ammonia and fertilizer plants will begin in June and be completed in two years—Caracas.

### Corn Products

BRAZIL—Corn Products Co.'s Brazilian affiliate, Refinacoes de Milho Brazil, will build a U.S.\$10 million plant at Mogi-Guacú, São Paulo. The plant will

be the largest corn wet-milling facility in South America and construction is scheduled to begin early this year. The company currently operates a corn-grinding plant in São Paulo city, and other plants in Argentina, Colombia, Mexico and Venezuela. Another is to start operations in Uruguay—São Paulo.

### Cotton

**BRAZIL**—Cotton classified by the São Paulo cotton exchange to the end of October, 1960, totalled 197,328 tons, compared with 187,932 tons on the same date in the previous season. Of the cotton classified in the 1959-60 season, 13 per cent was type 5 or better. This did not equal the 1959 figure of nearly 20 per cent—São Paulo.

### Electrical Equipment

**BRAZIL**—"Cesa"—Construções Eletromecânicas S.A., of Porto Alegre, is negotiating the import of machinery and equipment for its electrical equipment plant which manufactures hydraulic turbines, generators, transformers, electric switchboards, etc. The transaction is valued at about U.S.\$2.7 million and will take place without exchange cover in the form of an investment of foreign capital. The following companies are the principal foreign investors: Stabilimenti Elettromeccanici Riunit Ansaldo San Giorgio, Genoa; Ercole Marelli S.p.A., Milan; Officine Electro-Meccaniche Galileo di Battaglia Terme S.p.A., Milan; Magrini S.p.A., Bergamo; Construzioni Meccaniche Riva S.p.A., Milan—São Paulo.

### Furs

**SWEDEN**—Mink now accounts for 99 per cent of all fur animals bred in Sweden and the number of breeding females has risen to 251,068 in the past 12 months, the National Fur Breeders Association of Sweden says in its report for the fiscal year 1959-60. Nutria, blue fox and chinchilla have also shown some increase.

The largest number of mink are of pastel and standard types. Most of the increase over the year is accounted for by black, brown, white and pearl mink; grey and blue mink have decreased.

During the fiscal year ended March 30, 1960, the Association's sales organization, Ansa, held five auctions at which 637,342 mink and 5,582 fox pelts were offered for sale, compared with 541,216 and 4,697 pelts for the preceding 12 months. Prices for standard mink have tended to fall but most of the output was sold at the beginning of the season and thus fetched higher prices than were later obtainable. Most of the Swedish mink pelt production is exported.

During the year the Swedish Fur Breeders Association became a member of the Scandinavian Fur Committee, which now includes the four northern countries. The committee handles mutual sales promotion activi-

ties and the members market their top-quality furs under the joint brand "Saga". The classifying is done according to stringent rules. Only an estimated 20 per cent of the total production is approved as Saga quality.

At a recent meeting of the heads of the four auction companies, it was announced that three new colour phases have been added to the official Saga list. Appearing for the first time are Saga lavender mink, Saga pearl mink and Saga natural black mink. The latter has been under development in Scandinavia for some time and is expected to attract great interest in fashion circles because it is the darkest farm mink in the world.

The first auctions in Stockholm for the 1960-61 season were held December 13-17, when grey and blue mink, standard and pastel were offered for sale. Following the January 22-30 sale, auctions from March 22-27 and May 5-8 are scheduled—Stockholm.

### Iron Ore

**JAPAN**—A seven-year contract for the import of iron ore from Kennedy Lake on Vancouver Island has been announced by Japan's major steel manufacturers; they expect to import 700,000 tons a year, beginning in 1962. It has also been reported that two major Japanese steel companies—Yawata Steel and Fuji Steel—are negotiating long-term contracts for the import of iron ore from Peru—Tokyo.

### Iron and Steel

**JAPAN**—Iron and steel production reached an all-time high in all sections last year. The Japan Iron and Steel Federation says the increase was 30 per cent over the previous year. Steel production totalled 22.1 million tons, a 33.2 per cent increase over 1959, and pig iron output totalled 11.9 million tons, a 25.9 per cent increase. Production of ordinary rolled steel reached 15.3 million tons and special steel 1.16 million—these were increases of 32.7 and 40.6 per cent over the previous year—Tokyo.

### Mohair

**SOUTH AFRICA**—The Union of South Africa exported 8,474,000 lb. of mohair valued at £3,986,000 during 1959. Fifty per cent of this went to the United Kingdom and forty per cent to Italy, Japan, France, the Netherlands and Belgium. Nearly all the mohair is sold by public auction at Port Elizabeth, although a small percentage is sold in London and in Durban. Average prices in pence per pound for "kids" and "mohair" for summer 1959 were 185 and 100 respectively; for summer 1960, 184 and 89; for 1960 young summer mohair, 126—Cape Town.

### Peanuts

**BRAZIL**—The 1960 peanut crop in São Paulo is estimated at 20 million bags. With the rapid expansion in

production, Brazil may soon be in a position to export peanut oil as well as peanuts—São Paulo.

**INDIA**—The Indian Government has decided to release a further quota of 20,000 tons of HPS (hand picked selected) peanuts for export in 1961, as well as a quota of 20,000 tons of peanut expeller cake during the first half of the year. Shippers will be permitted to export on production of firm sales contracts. The first 20,000-ton peanut export quota for 1961, issued in December 1960, was quickly taken up—Bombay.

### **Shoes**

**GHANA**—A factory to produce rubber-soled canvas shoes was opened in Accra in January. The project represents an investment of £100,000 by Lebanese and Ghanaian businessmen; they expect shortly to employ 100 workers and produce 5,000 pairs of shoes a day. Locally-grown rubber will be used whenever possible. The owners intend to expand production by making other moulded rubber products, such as sandals and rubber soles for leather shoes—Accra.

### **Starter Bulbs**

**BRAZIL**—Sylvania Produtos Eléctricos Ltda. of São Paulo is to import machinery and equipment for the manufacture of starter bulbs for fluorescent lighting. Demand for these bulbs in factories, offices and shops is increasing by 20 per cent each year. The firm will produce initially 80 to 90,000 bulbs per month, at an annual saving of approximately U.S.\$120,000 in foreign exchange—São Paulo.

### **Steel**

**THE NETHERLANDS**—Hoogovens and its affiliate Breedband will invest some 300 million guilders over the next three years in expanding plant capacity. A large part of the funds will come from internal sources and no attempt will be made to raise new capital at the present time.

The expansion program includes construction of a new block rolling mill and facilities for making semi-finished products for new rolling mills. Annual crude-steel output is expected to rise from 1.4 to 1.9 million metric tons by mid-1962. Annual capacity at the end of three years should reach 3 million tons, although actual production is not expected to rise above 2.45 million by that date—The Hague.

**SPAIN**—In recent years the iron and steel industries in Spain have made great strides because of rapid expansion of the state-owned ENSIDESA steel mills which during 1960 exported the major part of their production. Iron ingot production in 1960 reached 1.86 million tons, 12.4 per cent more than in 1959. Steel production, however, increased only 2.9 per cent to 1.87 million tons because much of the iron ingot

was exported, mainly to Japan (250,000 tons) and the United Kingdom (130,000 tons). Production of rolled steel rose by 12.8 per cent to 1,377,000 tons. In other sectors production decreased because of smaller demand for steel sections for hydro-electric projects, for rail equipment and for rod in the wire-making industry. This is probably a temporary situation—Madrid.

**WEST GERMANY**—German steel producers set a new record in 1960. Output reached 34.1 million metric tons—up 4.7 million tons from 1959. This 15.8 per cent increase is the largest since the war. Pig iron production rose even more sharply—from 21.6 million tons the previous year to 25.7 million, or 19 per cent. The steel increase is attributed to the expansion and modernization of smelting facilities, the more widespread use of oxygen which speeds the smelting process, and the fact that the number of production days rose from 313 in 1959 to 331 in 1960—Bonn.

### **Teak, Bamboo**

**INDIA**—The Government of Bihar proposes to plant 10,000 acres in teak and 15,000 acres in bamboo during the Third Five-Year Plan as part of its forest development program, it is reported. On the basis of the land-use survey being conducted in north Bihar, possibilities of increasing bamboo plantations are being exploited so that bamboo can become one of the raw materials for the paper mills to be set up in the region—Bombay.

### **Urea**

**TAIWAN**—The Socony Mobile Oil Company of the United States in conjunction with the Chinese Petroleum Corporation, a government entity, has decided to construct a urea plant in Taiwan. The investment application for the plant has been approved by the Government and construction is expected to start in July. Anticipated annual production capacity is 100,000 tons. Capitalization will run between \$15-\$20 million, with the Socony Mobile Oil Company Inc. expected to contribute the largest share. Natural gas produced by Chinese Petroleum Corporation oil wells will be used as the raw material. Present natural gas production, at 280,000 cubic meters a year, falls short of the anticipated requirements for the new plant but new wells are expected to be drilled shortly—Manila.

### **Washing Machines**

**IRELAND**—A consignment of 500 washing machines made by FAM Distributors Eire, Wicklow, left Dublin recently for the Austrian market. This is the second lot of 500 machines dispatched out of a total order of 4,000. To date this factory has produced about 50,000 washing machines; they have been exported mainly to Northern Ireland, the United Kingdom, and India—Dublin.

# The United Kingdom Aluminum Industry

- United States is acquiring larger interest in British aluminum fabricating industry.
- Canadian company strengthening its position there.
- British demand expected to increase; Canadian ingot sales to continue good.

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

ALUMINUM was sometimes in short supply during the war and postwar years and the United Kingdom depended almost entirely on Canadian ingot. Then, as now, only a small quantity (about 30,000 tons a year) was produced in the United Kingdom. In 1955 Canadian shipments to the U.K. reached 238,000 long tons, out of total imports of 258,000; in 1956 the figure was 205,000 out of 232,000 tons. In 1957 this pattern began to change as aluminum moved into a surplus position and large quantities of foreign metal were offered in the British market. That year the U.K.'s imports from Canada dropped to 152,000 long tons out of total imports of 191,000. In 1958 they were 146,000 out of 210,000 and 1959, 145,000 out of 250,000. The remainder came mainly from Norway, the U.S.S.R., and the United States, with the U.S. shipments achieving by far the greatest growth.

One of the first visible signs of United States interest in the U.K.

aluminum industry came in September 1957, when it was announced that Reynolds Metals, the second largest producer in the United States, had acquired a half-interest in the aluminum division of Tube Investments Limited. Previously the U.S. aluminum industry had concentrated almost exclusively on producing aluminum ingot and fabricated products for the domestic market.

## Enter U.S. Producers

Last year witnessed a surge of activity on the part of the U.S. producers in the U.K. aluminum industry, when they acquired interests in established British companies producing fabricated aluminum for the domestic and export markets. The biggest event was the acquisition by Reynolds/T.I. Aluminium early in the year of all the assets of the British Aluminium Company. British Aluminium represented about one-third of the U.K. aluminum fabricating industry and

had important overseas interests, including the major interest in British Aluminium in Canada, a company formed to provide British Aluminium with its own production of Canadian ingot. Reynolds/T.I. won this important unit in a take-over battle with Alcoa, the largest U.S. producer. It was not long, however, before Alcoa acquired a foothold in the U.K. In June 1959 it teamed up with Imperial Chemical Industries to form Imperial Aluminium Limited, which took over the ICI aluminum fabricating facilities in the United Kingdom.

About the end of the year the third largest U.S. producer, Kaiser Aluminum and Chemicals Corporation, came on the U.K. scene with the acquisition of a 50 per cent interest in James Booth Aluminium. Meanwhile Reynolds/T.I. had in September 1959 acquired the aluminum foil division of Venesta Limited, which represented about 40 per cent of U.K. aluminum foil output. In May 1960 an extension of Alcoa's interest in the U.K. was announced in the acquisition by Imperial of the Almin group, representing about one-third of the U.K. secondary aluminum industry and other facilities.

## Trade Figures Reflect Change

With so much aluminum ingot capacity still surplus in the U.S., it is not surprising to see this new U.S. stake in the British aluminum industry reflected in the trade figures. The accompanying table compares U.K. aluminum imports during the first nine months of 1960 with imports during the same period of 1959. Note that although total imports have risen by 39 per cent, Canada's supplies have increased only 14 per cent. The United States, which now supplies approximately one-third of the imports, has made the largest gain.

## Alcan's Position

Aluminium Limited of Canada already had a strong position in the U.K. because its largest fabricating

unit, Alcan Industries Limited (formerly known as Northern Aluminium Company Limited) represented about one-third of the U.K. fabricating industry. Northern's four-year plans for a major expansion were announced early in 1958 and in October 1960 the carrying out of these plans reached the half-way stage with the opening of Alcan Industries' new aluminum rolling mill. The biggest in Europe, this 144-inch mill will produce much wider plate than was previously available. It will be of major importance because of the growing demand for wide aluminum sheet and plate for shipbuilding, railway, chemical, petroleum and other engineering industries.

and together they represent only a small proportion of the fabricating industry in Britain. Of the four giants in the business, British Aluminium Company has its Canadian source of supply of ingot at its new plant at Baie Comeau, Quebec. It will no doubt continue to obtain most of its imported metal from this plant unless a better market for the Baie Comeau metal develops elsewhere. Alcan Industries Limited will no doubt depend on Canada for the bulk of its ingot supplies, with the remainder coming from associated Norwegian resources. The other two major U.K. fabricators, Imperial and James Booth, will presumably get most of their ingot from their U.S. affiliates. However, the

## Chicago Buys Canadian Fish

CANADA supplied nearly 20 per cent of the 87 million pounds of fresh and frozen fish and shellfish (1959=92 million pounds) that passed through the Chicago wholesale fish market in 1960. Fresh-water fish accounted for 37 million pounds (1959=39 million), salt-water fish for more than 25 million (1959=26 million), and shellfish for 25 million (1959=27 million).

The major fresh-water species again was whitefish, both iced and frozen. Chicago, the leading wholesale distributing market for whitefish in the United States, received 8 million pounds of it, only slightly less than in 1959, and nearly 7 million came from Canada. Great Slave Lake was the source of more than half of this; the remainder came principally from Northern Alberta, Saskatchewan and Manitoba. Market prices for Great Lakes whitefish were strong for most of 1960, with prices of the Canadian supplies equal to or slightly higher than in 1959. In late December and early January 1961, however, supplies of Canadian whitefish were greater than demand and prices fell below normal levels.

Receipts of lake trout, another higher priced and important fresh water species from both Canadian and U.S. sources, continued to decline and amounted to only 1.6 million pounds (including fillets) both fresh iced and frozen. About two-thirds of this is of Canadian origin, mostly from Alberta and Manitoba. Due to the scarcity, wholesale prices throughout the year were high. Prices for Canadian lake trout at various times nearly equalled those for the U.S. fish.

In 1960 British Columbia supplied 3.4 million pounds of halibut, salmon, sable and other species to the Chicago market—a substantial increase from the 2.6 million pounds shipped in 1959. Shipments of salt-water fish, including cod fillets from the Maritime Provinces, decreased to 1.3 million pounds from 2 million in 1959. Quebec and Ontario together supplied 1.6 million pounds, principally fresh-water frozen fillets.

The traditional pattern of movement of fish by rail continues from British Columbia and the Maritimes. From the other provinces, transportation by truck is replacing other types of carriers, largely because of convenient pick-up and delivery, ease of handling at both ends, and the chance to ship smaller quantities.

—H. J. HORNE,

Consul and Trade Commissioner,  
Chicago.

## IMPORTS OF ALUMINUM AND ALUMINUM ALLOYS

	1959		1960	
	Quantity m.cwt.	Value £ million	Quantity m.cwt.	Value £ million
Total	3.6	33.3	5.0	47.8
Canada	2.1	19.0	2.4	22.8
Norway	.5	4.1	.5	4.8
United States	.6	5.1	1.7	16.1

Source: U.K. Trade and Navigation Accounts.

In the U.K., Alcan's sales of ingot and chemicals are handled by a fully owned subsidiary, Alcan (U.K.) Limited, whose sales position has been strengthened recently through its 50 per cent participation in Alcan Enfield Alloys Limited. This company, jointly owned with Enfield Rolling Mills Limited, took over the Enfield secondary aluminum refinery. Alcan Enfield's capacity is also being expanded through a long-term lease on the alloy capacity of John Dale Limited. This secondary aluminum capacity, together with supplies of Alcan's Canadian primary alloys, should become very important as the use of aluminum castings increases, especially in the automobile industry.

There now remain only a few fabricators of aluminum in the U.K. who are not financially associated with U.S. or Canadian producers

United States will not necessarily continue to have large supplies of ingot for export.

## Sales Prospects

The current U.S. surplus is largely due to a domestic demand which has for the last two or three years been below expectations. Through 1959 and 1960, however, European demand, including British, has increased by about one-third. Even so, it is only about half the U.S. consumption of aluminum per capita. The ready availability of aluminum and the continuing development of new uses are leading to greater sales; there is every confidence that European demand will continue to increase at a high rate and that U.S. demand will again rise. The prospects for Canadian sales in the U.K. during the next decade look good. ●



## Transportation Notes

### Belgium

**PASSENGER VESSELS SOLD**—Due to a considerable falling off in sea travel between Belgium and the Congo, the Compagnie Maritime Belge has sold two of its vessels, the *Jadotville* and the *Baudouinville*. The 14,000-ton, 300-passenger vessels were purchased by the Peninsular and Oriental Steam Navigation Company at a reported price of just over \$4 million. They will go into the Far East service.

CMB will continue its passenger service to Matadi and Lobito on a regular but less frequent schedule; it will increase its cargo services between Antwerp and the Congo to make up for the freight facilities lost through sale of the passenger vessels—Brussels.

### Brazil

**FIRST VESSEL LAUNCHED**—The first vessel to be constructed in Brazil under the plans outlined by the governmental executive group of the shipbuilding industry was launched early in November. The vessel, a cargo ship of 1,550 tons deadweight, was constructed by Estaleiros Lahmeyer of Niteroi, state of Rio de Janeiro—Rio de Janeiro.

### Canada

**SERVICE TO ICELAND**—The Fjell & Fjord Lines have announced that a direct shipping service, subject to cargo inducement, will be established from Montreal and the Great Lakes to Reykjavik, Iceland, with the opening of navigation on the St. Lawrence and the Great Lakes.

The Fjell & Fjord Lines schedule a freight and passenger service with weekly sailings to Oslo, Copenhagen, Stavanger and Bergen. Ships assigned to this route can offer deep freeze refrigeration and ventilated space, in addition to the regular cargo accommodation. It is intended that the sailings to Reykjavik will be on a monthly basis. Shippers will be interested in knowing that the freight rates will be the same as applied to Norwegian ports.

Agents in Canada for the new service are Canadian Overseas Shipping Limited, 410 St. Nicholas Street, Montreal, and Great Lakes Overseas (Canada) Limited in Toronto and Hamilton.

### Ghana

**GOVERNMENT LINE ENLARGED**—The Ghana Government's Black Star Shipping Line has ordered eight cargo ships from De Schelde of Holland at an estimated cost of £9 million. This brings to 12 the number of vessels in the Black Star Line fleet. It is understood the new ships will be of 6,860 deadweight tons, capable of doing 15 knots and carrying 12 passengers—Accra.

### Greenland

**GREENLAND FLYING CORPORATION**—Scandinavian Air Services and Kryolitselskabet Øresund A/S (cryolite company) on November 10, 1960, founded the Grønlandsfly A/S (Greenland Flying Company Ltd.) for operating flights in Greenland. Share capital is 500,000 kr., distributed equally between the two founders.

The new company has concluded agreements with the American Federal Electric Corporation over supply services for warning stations in Greenland. Flights operated by charter plane, including two Sikorski helicopters of the Canadian Kenting Helicopters Ltd. and one DC-4 Icelandair, commenced December 15.

The agreements allow for inclusion of the Greenland Department of Trade on equal terms with the two founders. In the near future, negotiations will open with civil aviation and Greenland authorities on the coastal services started last year by the Greenland Department of Trade.

The planes operated by the Canadian Eastern Provincial Airways may later be included in the machine park of the Grønlandsfly Company when the current agreement between Eastern Provincial Airways and the Greenland authorities expires—Copenhagen.

### India

**BOMBAY PORT IMPROVEMENTS**—The Bombay Port Trust will spend Rs.83.5 million, including Rs.15 million in foreign exchange, during the Third Five Year Plan (1961-66) on a scheme to increase the cargo-handling potential of the port. The scheme includes construction of a communication passage between Victoria and Alexandra docks, six deep-water

berths along this passage, and roads, railway sidings and transit sheds on land to be reclaimed on the eastern side of Victoria docks. Dredging of the main harbour channel is also proposed, together with the tanker and explosive anchorages, involving the removal and disposal at sea of 7.5 million cubic yards of silt and clay. Import and export tonnage handled by the port rose from 6,887 tons in 1950-51 to an all-time record of 13,146 tons in 1959-60—Bombay.

### Italy

**PASSENGER VESSELS**—Construction of four new passenger vessels with a total of 125,000 tons gross has been put in hand. Two of these, each of 40,000 tons, for fast service to North America, are being built for the Italia line—one in the San Marco shipyards, Trieste, the other in the Ansaldo shipyards at Genoa Sestri. They will be ready in three years' time and their speed—approximately 27 knots—will shorten by one day the voyage from Italy to North America.

The other two liners are turbine vessels of 22,500 tons each and are being constructed for the Lloyd Triestino Line at the Monfalcone shipyards of the Cantieri Riuniti dell'Adriatico for fast service to Australia. These two vessels will have a length of 700 feet and width of 94 feet. They will carry 1,750 passengers—156 first class and 1,594 tourist. Loading capacity will be 6,200 cubic metres. The engines for these ships are the most recent high-pressure and high-temperature steam type, manufactured by the firm S. Andrea with B.W. boilers and De Laval turbines. They will be air-conditioned and supplied with stabilizers and double radar systems—Rome.

### Jamaica

**NEW CANADA-JAMAICA LINE**—A new refrigerated shipping service has been established between Newfoundland and Jamaica by Blue Peter Steamships Ltd., Job's Cove, Water Street, St. John's, Newfoundland, (managing director, F. W. Russell). A regular reefer service will be operated every month if enough cargo is offered, and the Newfoundland Government has undertaken to subsidize the new line's operating expenses. The Jamaican agent is D. Andrews, c/o Dudley Ho Sang Co., 71 Orange Street, Kingston. A regular stop is also planned at Gloucester, near Boston, but the ship will call at any port offering enough cargo—Kingston.

### The Netherlands

**PORT OF AMSTERDAM**—A five-kilometre-long conveyor belt was officially installed on September 28 at the site of the Amsterdam Transshipment Company in the port of Amsterdam. The company claims the installation makes it the most progressive in the field of bulk goods handling in Europe. There are at the moment 24 round grain-storage elevators, with a di-

ameter of 36.5 feet and a height of 120 feet, under construction in the port of Amsterdam; each has a capacity of more than 2,200 tons. Alongside the elevator a 375-metre jetty is to be constructed, capable of berthing ships up to 100,000 tons—The Hague.

### New Zealand

**SHIPPING MEATS**—The New Zealand Meat Producers Board has arranged a new shipping service with a 10 per cent reduction on freight rates on meat between New Zealand and Honolulu and the west coast of North America. The new shipping company intends to provide a monthly service, but so far no plans for back loading have been settled. Two fully refrigerated ships, each with a refrigerated capacity of 20,000 cubic feet, are prepared to call at any New Zealand port offering suitable cargoes—Wellington.

### Peru

**DUTCH SHIPS FOR PERU**—The Verolme United Shipyards of Rotterdam has signed a contract with the Peruvian Government providing for the expansion of the Peruvian Navy shipyards at Callao near Lima, the construction of a new shipyard at Chimbote about 300 miles north of Lima, and the building of six vessels of 13,700 tons deadweight each for the Corporacion Peruana de Vapores, a government-owned shipping company. The prototype of this series is to be built at the Verolme Yards in Rotterdam, and the other five vessels in Peru.

A company has been organized to operate the Navy shipyards at Callao, with Verolme and the Peruvian Navy holding equal shares. If this company should increase its capital in the future, the Government's participation will be by law not less than 25 per cent of the total capital. The Peruvian Navy is also authorized to hold a 33 per cent interest in the Verolme yards at Chimbote. Both shipping yards will be designed to build vessels of up to 25-30,000 tons, but none of less than 1,000 tons. This provision was made to protect the numerous small shipyards in Peru building fishing vessels—Lima.

### Switzerland

**SWITZERLAND'S MARITIME FLEET**—As of June 30, 1960, there were 27 vessels with a record 221,631 deadweight metric tons sailing under the Swiss flag. The fleet accounts for 1.3 per cent of the total world tonnage and ranks Switzerland, a landlocked country, 39th among 74 maritime nations. This is considered adequate for current needs considering that in an emergency a fleet of 350,000 deadweight metric tons would be required to ensure continuity of supplies to the country, and that in principle the total tonnage must be no less than 175,000 deadweight metric tons—Berne.



### Denmark

**TRADE RELATIONS WITH BELGIUM**—The Dano-Belgian Chamber of Commerce held its first meeting at Brussels last month. M. B. Kehler, chairman, said the intention of the new organization was to expand trade relations between Denmark and Belgium in order to contribute towards bridging the gap between the two market groups in Europe—Copenhagen.

### Ghana

**NEW OIL REFINERY**—Negotiations were recently concluded in Accra, Ghana, between ENI-AGIP, the Italian state-controlled oil corporation, and the Government of Ghana, on construction of an £G8.5 million oil refinery at Tema. The refinery will have an initial capacity of 1.2 million metric tons a year, capable of expansion to 2 million. About 500 people will be permanently employed—Accra.

### Mexico

**POPULATION**—Preliminary data from the national census conducted in June 1960 shows the country's population as 34,625,903, an increase of 34.3 per cent over the census of 1950. The rate of increase over this ten-year period was 3.4 per cent, one of the highest in the world. Urban population growth rates far exceeded the rural increases and in some cases reached phenomenal levels of 170 per cent. The general mortality rate has declined from 16 to 12 per 1,000 inhabitants and life expectancy has risen from 55 years in 1950 to 62 years—Mexico, D.A.

### Netherlands

**FIVE-KILOMETRE BRIDGE**—A project is being worked out by provincial authorities of Zeeland for construction of a five-kilometre-long bridge across the Eastern Schelde River, linking North Beveland and Schouwen-Duiveland Islands. Costs are estimated at 100 million guilders. The bridge, to be built on more than 100 piers, could be ready by 1964—The Hague.

### New Zealand

**PRODUCTION**—A preliminary estimate of value of production in New Zealand for 1959-60 is £704

## General Notes

million, an increase of £62.6 million, or 10 per cent, over the revised 1958-59 figure of £641.4 million. This is the greatest increase in several years, states the Government Statistician. Main part of the increase came from the farming (including processing of products) group (£326.2 to £367.0 million, or 13 per cent), arising from increases in both production and price of wool, and the season's higher prices for dairy products. Increases were also recorded in the factory group—£201.6 to £214.0 million, or 6 per cent; in "other primary"—£46 to £49 million, or 7 per cent; and in "building and miscellaneous"—£67.6 to £74.0 million, or 9 per cent.

Volume of production is now just twice that of 1938-39. An increase of 38 per cent in volume of production per head of population during the same period is also indicated; increase per head from 1958-59 to 1959-60 is estimated at 4 per cent—Wellington.

### Republic of Ireland

**MOTEL TO BE BUILT**—A £250,000 motel is to be erected close to Dublin airport. It will be a two-storey, glass-fronted building located on eight acres, with accommodation for about 400 guests. As far as possible Irish material will be used in building it—Dublin.

### Spain

**FOREIGN INVESTMENT**—In an effort to attract more foreign capital to Spain, the Government announced in December 1959 new laws governing foreign investment. During the next 12 months the Spanish Government received some 68 applications for capital investment from abroad. As of December 1, 1960, 54 applications involving nearly \$29 million had been approved. Thirty-nine of these, totalling \$26.5 million, have been classified as of "preferential interest". If all of the applications are eventually approved, the sum involved could approach \$175 million.

The lion's share of the approved applications came from the United States and represented more than 57 per cent of the foreign capital investment. French applications were next (about 11 per cent of the total

sum), followed by Swiss (about 9 per cent). Canadian applications totalled under \$900,000, or about 3 per cent.

More than 60 per cent of the capital investments approved will be in the petroleum, petrochemical and chemical industries. About 30 per cent will be spent on paper, electrical and light industries, and on the machinery and construction fields. Most of the remaining money is designated for the cement, steel, textile and foodstuffs industries and for agriculture and transportation—Madrid.

**AFRICAN SWINE PEST**—In spite of intensive sanitary measures and wide-scale slaughter undertaken by the Ministry of Agriculture during 1960, African swine pest has once more appeared in some of the Spanish provinces. This disease is a serious threat to an important sector of Spain's livestock industry. One million hogs are used for reproduction; the annual census puts the hog population at seven or eight million. Almost one-half of the meat consumed in Spain is pork (some

250,000 tons), of which one-fifth is fresh pork and the rest various types of sausage meat. Pig farming brings in approximately 10,000 million pesetas a year and it is imperative that the disease be stamped out without delay.

So serious is the havoc wrought by swine pest in Europe that it has been recommended that the FAO hold an international meeting of interested member countries to decide what collective measures should be taken to overcome it—Madrid.

### Venezuela

**LOAN FOR ELECTRICAL EQUIPMENT**—The Venezuelan company Electricidad de Caracas C.A. has obtained a loan of Bs.29 million (or almost \$18 million) at 5½ per cent interest from the Export-Import Bank. The loan is to be used before March 31, 1964, and will be repaid in 24 semi-annual instalments, the first payment due May 20, 1964. Approximately \$9 million has been used to purchase electrical equipment from the United States—Caracas.



## Foreign Tariffs and Trade Regulations

### Dominican Republic

**IMPORT LICENSING EXTENDED**—The Trade Commissioner in Ciudad Trujillo reports that the Dominican Republic's Co-ordinating Board for Imports and Exports published a notice on January 23, 1961, requiring all importers from that date to submit statistical form CE No. 31 to the Board and to include on it the name of the country from which the import is being shipped and the country of origin of the goods. Approval of this form is required before the importer places a firm order abroad. Each such approved form will bear a number assigned to it by the Board.

### Europe

**EFTA ACCELERATES TARIFF REDUCTION**—The European Free Trade Association has decided to bring forward to July 1, 1961, the tariff cut between members which was scheduled to take place on January 1, 1962.

With the introduction of this measure, the total EFTA internal tariff reductions will amount to 30 per cent, as of July 1, 1961.

MARCH 11, 1961

It has not yet been decided whether subsequent tariff reductions will be accelerated.

### United Arab Republic (Syrian Region)

**EXCHANGE CONTROL REGULATIONS ANNOUNCED**—The Government of the Syrian Region, United Arab Republic, issued on February 4, 1961, a decree organizing the monetary and financial transactions and transfers to and from the Syrian Region. Up to this time, Syria has had a relatively free economy. The repeated failure of agricultural production in the last three years because of drought indicated that some form of organization might be necessary to maintain the economy.

According to the decree, no transactions or dealings in foreign currency notes, travellers cheques, or monetary transfers to or from Syria will be permitted except through authorized banks under regulations issued by the Minister of Economy. Non-residents or their agents may not deal in the currency of Syria except through authorized banks and organizations under regulations

set out by ministerial order. The import and export of Syrian currency notes, foreign currency notes, travellers cheques, financial securities or coupons of dividends is allowed only in accordance with the regulations. Non-residents entering the Syrian Region may bring in, in any manner, any amounts of foreign currency as well as take out the amounts in the same manner as brought in.

Every resident must offer for sale within one month of date of notification all foreign currency balances in his possession and any income due from abroad. Effective from the date of the decree, no person is allowed to dispose of foreign currency balances without the approval of the Minister of Economy. Incomes and other accounts in foreign currency which are not connected with activities in the territory or with the foreign trade of Syria are exempt from this regulation.

Persons exporting goods from the Syrian Region must deposit the value of such goods within three months from the date of shipment. Exceptions may be authorized for certain exports to any country, as well as to countries for which special decisions are issued.

Sums payable to non-residents in the territory and to whom the countervalue may not be remitted will be settled by credits opened in authorized banks. These credits are to be frozen and will be at the disposal of the Minister of Economy. All authorized dealers in foreign exchange must now submit details of all transactions.

In announcing the decree, the Government stated that the measure was designed to promote the prosperity of the people and to ensure economic security and stability. The organization of foreign currency transactions was a means towards the achievement of a greater goal. Foreign funds were essential for the country's international economic relations, and for the import of capital goods. They were also necessary to maintain the stability of prices for consumers and to achieve economic and social objectives aimed at improving living standards.

### United Kingdom

**PORK IMPORTS**—The Board of Trade announced on February 14 that the quota of 25,000 tons which was established last year for imports of pork from the dollar area will be repeated for the current year. Licences will cover, "Pork, chilled, fresh or frozen, falling under heading 02.01(A) of the United Kingdom Customs Tariff", and will be valid until December 31, 1961.

**CIGARS FROM DOLLAR AREA**—The United Kingdom announced on January 23 that applications for the import of cigars from the dollar area (other than Cuba which is on a special quota) are being accepted and that licences to the extent of £30,000 (\$84,000) will be issued for 1961. This is double the

1960 quota. For the purpose of the regulation, the dollar area is designated as comprising Bolivia, Canada, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Liberia, Mexico, Nicaragua, Panama, Philippines, the United States and Venezuela.

Note to Importers No. 965 concerning the new quota also mentions that applications will be considered from U.K. importers who have not previously held licences to import cigars. In such cases, the request must be accompanied by a letter setting out the applicant's interest in the trade, the grounds on which his share in the quota is claimed, the proposed source, and an indication of the probable c.i.f. value of imports anticipated during 1961—London.

### United States

**QUOTA ON LOW-TARIFF GROUND FISH FILLETS FOR 1960**—The United States Bureau of Customs has announced that for the year 1961 the import quantity of fresh or frozen fillets of cod, haddock, hake, pollock, cusk and rosefish to be granted the reduced rate of duty of  $1\frac{7}{8}\phi$  a pound under Tariff Paragraph 717(b) has been set at 32,600,645 lb. Last year the low-rate quota was 36,533,173 lb.

Tariff Paragraph 717(b) provides that the aggregate quantity entitled to the  $1\frac{7}{8}\phi$  a pound reduced rate shall be not more than 15 per cent of the average annual consumption of such fish during the three preceding calendar years. All imports above the quota are subject to the higher rate of  $2\frac{1}{2}\phi$  a pound.

Of the total quantity of fish (32,600,645 lb.) entitled to entry at the rate of  $1\frac{7}{8}$  cents a pound during the calendar year 1961, not more than one-fourth shall be so entitled during the first three months, not more than one-half during the first six months, and not more than three-fourths during the first nine months of the year.

### Venezuela

**MEAT PRODUCTS MADE SUBJECT TO IMPORT LICENSING**—By a resolution dated January 17, 1961, the Venezuelan Government imposed import licensing on a number of meat preparations. Those products affected by the new resolution are:

Bologna and salami sausage, large sausage, and hot dog type sausage, not in air-tight containers

Vienna and frankfurter sausages in air-tight containers

Bacon in air-tight containers

Corned beef in air-tight containers

Devilled ham and meat in air-tight containers

This resolution came into force as of January 21 but licensing will not be compulsory for goods having consular invoices dated on or before January 17—Caracas.

## Geographical Listing for Exporters

# Need Information on Foreign Markets?

You can get it from the Trade Commissioner posts around the world, or from the International Trade Relations Branch in Ottawa. This breakdown tells you which TC post and which ITR Division is responsible for the country in which you are interested.

Country covered by	TC Post and	ITR Division	Country covered by	TC Post and	ITR Division
Aden	Cairo	Commonwealth	Bulgaria	Vienna	Europe
Afghanistan	Karachi	Asia and Middle East	Cambodia	Hong Kong	Asia and Middle East
Alaska	Vancouver	United States	Cameroon Republic	Paris	Europe
Algeria	Paris	Europe	Canary Islands	Madrid	Europe
Angola (Portuguese West Africa)	Leopoldville	Europe	Cape Verde Islands	Lisbon	Europe
Argentina	Buenos Aires	Latin America	Cayman Islands	Kingston	Commonwealth
Aruba	(see Netherlands Antilles)	(see Netherlands Antilles)	Central African Republic	Leopoldville	Europe
Australia	Sydney, Melbourne and Canberra	Commonwealth	Ceylon	Colombo	Commonwealth
Austria	Vienna	Europe	Chad	Leopoldville	Europe
Azores	Lisbon	Europe	Chile	Santiago	Latin America
Bahamas	Kingston	Commonwealth	China, Communist	Hong Kong	Asia and Middle East
Bahrain	Beirut	Asia and Middle East	China, Republic of (Taiwan)	Manila	Asia and Middle East
Balearic Islands	Madrid	Europe	Christmas Island (Indian Ocean)	Sydney	Commonwealth
Barbados	Port-of-Spain	Commonwealth	Cocos-Keeling Islands	Sydney	Commonwealth
Basutoland	Johannesburg	Commonwealth	Colombia	Bogota	Latin America
Bechuanaland	Johannesburg	Commonwealth	Congo	Leopoldville	Europe
Belgium	Brussels	Europe	Congo (French Community)	Leopoldville	Europe
Bermuda	New York	Commonwealth	Cook Islands	Wellington	Commonwealth
Bhutan	New Delhi	Asia and Middle East	Costa Rica	Guatemala City	Latin America
Bolivia	Lima	Latin America	Cuba	Havana	Latin America
Bonaire	(see Netherlands Antilles)	(see Netherlands Antilles)	Curacao	(see Netherlands Antilles)	(see Netherlands Antilles)
Borneo (North)	Singapore	Commonwealth	Cyprus	Athens	Commonwealth
Brazil	Rio de Janeiro and Sao Paulo	Latin America	Czechoslovakia	Vienna	Europe
British Guiana	Port-of-Spain	Commonwealth	Dahomey	Paris	Europe
British Honduras	Kingston	Commonwealth	Denmark	Copenhagen	Europe
British Solomon Islands	Sydney	Commonwealth	Dominican Republic	Ciudad Trujillo	Latin America
British West Indies	Kingston and Port-of-Spain	Commonwealth	Ecuador	Bogota	Latin America
Brunei	Singapore	Commonwealth	Egypt	(see United Arab Republic)	(see United Arab Republic)
Burma	Singapore	Asia and Middle East	El Salvador	Guatemala City	Latin America
			England	London and Liverpool	Commonwealth

<b>Country covered by</b>	<b>TC Post and</b>	<b>ITR Division</b>	<b>Country covered by</b>	<b>TC Post and</b>	<b>ITR Division</b>
Ethiopia	Cairo	Asia and Middle East	Jordan	Beirut	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth	Kenya	Salisbury	Commonwealth
Fiji	Wellington	Commonwealth	Korea	Tokyo	Asia and Middle East
Finland	Stockholm	Europe	Kuwait	Beirut	Asia and Middle East
France	Paris	Europe	Laos	Hong Kong	Asia and Middle East
French Guiana	Port-of-Spain	Europe	Lebanon	Beirut	Asia and Middle East
French Oceania	Wellington	Europe	Leeward Islands	Port-of-Spain	Commonwealth
French Somaliland	Cairo	Europe	Liberia	Accra	Asia and Middle East
Gabon	Leopoldville	Europe	Libya	Rome	Asia and Middle East
Gambia	Accra	Commonwealth	Liechtenstein	Berne	Europe
Germany	Bonn and Hamburg	Europe	Luxembourg	Brussels	Europe
Ghana	Accra	Commonwealth	Macao	Hong Kong	Europe
Gibraltar	Madrid	Commonwealth	Madeira	Lisbon	Europe
Gilbert and Ellice Islands	Wellington	Commonwealth	Malagasy Republic	Johannesburg	Europe
Goa	Bombay	Europe	Malaya, Federation of	Singapore	Commonwealth
Greece	Athens	Europe	Maldive Islands	Colombo	Commonwealth
Greenland	Copenhagen	Europe	Mali, Republic of	Paris	Europe
Guadeloupe	Port-of-Spain	Europe	Malta	Rome	Commonwealth
Guatemala	Guatemala City	Latin America	Martinique	Port-of-Spain	Europe
Guinea, Republic of	Paris	Europe	Mauritania, Republic of	Paris	Europe
Haiti	Port au Prince	Latin America	Mauritius	Johannesburg	Commonwealth
Hawaii	San Francisco	United States	Mexico	Mexico City	Latin America
Honduras	Guatemala City	Latin America	Monaco	Paris	Europe
Honduras (British)	Kingston	Commonwealth	Morocco	Paris	Europe
Hong Kong	Hong Kong	Commonwealth	Mozambique (Portuguese East Africa)	Johannesburg	Europe
Hungary	Vienna	Europe	Nepal	New Delhi	Asia and Middle East
Iceland	Oslo	Europe	Netherlands	The Hague	Europe
India	New Delhi and Bombay	Commonwealth	Netherlands Antilles	Caracas	Europe
Indonesia	Djakarta	Asia and Middle East	Netherlands Guiana	(see Surinam)	(see Surinam)
Iran	Tehran	Asia and Middle East	New Caledonia	Sydney	Europe
Iraq	Beirut	Asia and Middle East	New Guinea, North-east and Papua	Sydney	Commonwealth
Ireland, Northern	Belfast	Commonwealth	New Hebrides	Sydney	Europe
Ireland, Republic of	Dublin	Commonwealth	New Zealand	Wellington	Commonwealth
Israel	Athens	Asia and Middle East	Nicaragua	Guatemala City	Latin America
Italy	Rome	Europe	Niger, Republic of	Paris	Europe
Ivory Coast, Republic of	Paris	Europe	Nigeria	Lagos	Commonwealth
Jamaica	Kingston	Commonwealth	Norway	Oslo	Europe
Japan	Tokyo	Asia and Middle East			

<b>Country covered by</b>	<b>TC Post and</b>	<b>ITR Division</b>	<b>Country covered by</b>	<b>TC Post and</b>	<b>ITR Division</b>
Pakistan	Karachi	Commonwealth	Switzerland	Berne	Europe
Panama and Canal Zone	Guatemala City	Latin America	Syria	(see United Arab Republic)	(see United Arab Republic)
Paraguay	Montevideo	Latin America	Tahiti	Wellington	Europe
Persian Gulf Area	Beirut	Asia and Middle East	Taiwan	Manila	Asia and Middle East
Peru	Lima	Latin America	Tanganyika	Salisbury	Commonwealth
Philippines	Manila	Asia and Middle East	Thailand	Singapore	Asia and Middle East
Poland	Copenhagen	Europe	Tobago	Port-of-Spain	Commonwealth
Portugal	Lisbon	Europe	Togoland	Paris	Europe
Portuguese East Africa	(see Mozambique)	(see Mozambique)	Tonga	Wellington	Commonwealth
Portuguese Guinea	Lisbon	Europe	Trieste	Rome	Europe
Portuguese West Africa	(see Angola)	(see Angola)	Trinidad	Port-of-Spain	Commonwealth
Puerto Rico	Ciudad Trujillo	United States	Tunisia	Berne	Europe
Reunion	Johannesburg	Europe	Turkey	Athens	Asia and Middle East
Rhodesia and Nyasaland, Federation of	Salisbury	Commonwealth	Turks and Caicos Islands	Kingston	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)	Uganda	Salisbury	Commonwealth
Rio Muni	Madrid	Europe	United Arab Republic		
Ruanda Urundi	Leopoldville	Europe	Egyptian Region	Cairo	Asia and Middle East
Rumania	Vienna	Europe	Syrian Region	Beirut	Commonwealth
St. Helena	Cape Town	Commonwealth	United Kingdom	London Liverpool Glasgow Belfast	
St. Pierre and Miquelon	Paris	Europe	United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York San Francisco Seattle	United States
Sarawak	Singapore	Commonwealth	Upper Volta, Republic of	Paris	Europe
Saudi Arabia (Red Sea and Aden)	Cairo	Asia and Middle East	U.S.S.R.	Moscow	Europe
Scotland	Glasgow	Commonwealth	Uruguay	Montevideo	Latin America
Senegal, Republic of	Paris	Europe	Venezuela	Caracas	Latin America
Seychelles Islands	Salisbury	Commonwealth	Vietnam	Hong Kong	Asia and Middle East
Sierra Leone	Accra	Commonwealth	Virgin Islands (U.S.)	Ciudad Trujillo	United States
Sikkim	New Delhi	Asia and Middle East	Wales	London	Commonwealth
Singapore	Singapore	Commonwealth	Western Samoa	Wellington	Commonwealth
Somalia	Cairo	Europe	West Indies, The	Port-of-Spain and Kingston	Commonwealth
South Africa, Union of	Johannesburg and Cape Town	Commonwealth	Windward Islands	Port-of-Spain	Commonwealth
South West Africa	Cape Town	Commonwealth	Yemen	Cairo	Asia and Middle East
Spain	Madrid	Europe	Yugoslavia	Vienna	Europe
Spanish Sahara	Madrid	Europe	Zanzibar	Salisbury	Commonwealth
Sudan	Cairo	Asia and Middle East			
Surinam (Netherlands Guiana)	Port-of-Spain	Europe			
Swaziland	Johannesburg	Commonwealth			
Sweden	Stockholm	Europe			

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 1.013942.

## Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 27	Units per Canadian dollar	Notes (See below)
Argentina .....	Peso .....	Free .....	.01196	83.61	(1)
Austria .....	Schilling ...	.....	.03788	26.40	
Australia .....	Pound .....	.....	2.2057	.4534	
Bahamas .....	Pound .....	.....	2.7571	.3627	
Belgium and Luxembourg ...	Franc .....	.....	.01973	50.68	
Bermuda .....	Pound .....	.....	2.7571	.3627	
Bolivia .....	Boliviano ..	Free .....	.00008632	11,584.80	
British Guiana .....	Dollar .....	.....	.5744	1.74	
British Honduras .....	Dollar .....	.....	.6894	1.45	
Brazil .....	Cruzeiro ...	General Category* .....	.004308	232.11	*Jan. 17 (2)
		Special Category .....	.001510	662.02	
		Official selling .....	.05214	19.18	(3)
Burma .....	Kyat .....	.....	.2071	4.83	
Ceylon .....	Rupee .....	.....	.2068	4.83	
Chile .....	Escudo .....	Free .....	.9375	1.06667	(4)
Colombia .....	Peso .....	Certificate .....	.1472	6.79	
Congo, Republic of .....	Franc .....	.....	.01973	50.68	
Costa Rica .....	Colon .....	Official .....	.1756	5.69	
		Controlled free .....	.1484	6.74	
Cuba .....	Peso .....	.....	.9863	1.01389	tax 2%
Czechoslovakia ...	Koruna .....	.....	.1370	7.30	
Denmark .....	Krone .....	.....	.1426	7.01	
Dominican Republic .....	Peso .....	.....	.9863	1.01389	
Ecuador .....	Sucre .....	Official .....	.06575	15.21	
		Free .....	.05767	17.34	
Egyptian Region, United Arab Rep.	Pound .....	Official .....	2.8321	.3531	
		Export account selling ...	.....	.....	
El Salvador .....	Colon .....	.....	.3945	2.53	
Fiji .....	Pound .....	.....	2.4839	.4026	
Finland .....	Markka .....	.....	.003082	324.46	
France, Monaco, etc. ....	New Franc ..	.....	.2013	4.97	(5)
Franco-African Republics, etc. ...	Franc .....	.....	.004026	248.38	(6)
French Pacific ...	Franc .....	.....	.01107	90.33	(7)
Germany .....	D Mark .....	.....	.2365	4.23	
Ghana .....	Pound .....	.....	2.7571	.3627	
Greece .....	Drachma .....	.....	.03287	30.42	
Guatemala .....	Quetzal .....	.....	.9863	1.01389	
Haiti .....	Gourde .....	.....	.1973	5.07	
Honduras .....	Lempira .....	.....	.4931	2.03	
Hong Kong .....	Dollar .....	Free* .....	.1724	5.80	*Feb. 17
		Official .....	.1723	5.80	
Iceland .....	Krona .....	Official .....	.02595	38.53	(8)
India .....	Rupee .....	.....	.2068	4.83	
Indonesia .....	Rupiah .....	Official .....	.02191	45.63	(8)
Iran .....	Rial .....	.....	.01302	76.81	
Iraq .....	Dinar .....	.....	2.7615	.3621	
Ireland .....	Pound .....	.....	2.7571	.3627	
Israel .....	Pound .....	.....	.5479	1.82	
Italy .....	Lira .....	.....	.001585	630.91	
Japan .....	Yen .....	.....	.002740	364.96	

\*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 27	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3098	3.23	
Mexico	Peso		.07890	12.67	
Morocco	Dirham		.1973	5.07	
Netherlands	Florin		.2598	3.85	
Netherlands Antilles	Florin		.5235	1.91	
New Zealand	Pound		2.7571	.3627	
Nicaragua	Cordoba	Effective buying	.1494	6.69	
		Official selling	.1399	7.15	
Nigeria	Pound		2.7571	.3627	
Norway	Krone		.1377	7.26	
Pakistan	Rupee		.2068	4.83	
Panama	Balboa		.9863	1.01389	
Paraguay	Guarani	Official	.007796	128.27	
Peru	Sol		.03677	27.20	
Philippines	Peso	Free	.3288	3.04	
		Official	.4931	2.03	
Portugal & Colonies	Escudo		.03442	29.05	(9)
Singapore and Malaya	Straits Dollar		.3217	3.11	
Spain and Dependencies	Peseta		.01644	60.84	
Sweden	Krona		.1907	5.24	
Switzerland	Franc		.2275	4.39	
Syrian Region, United Arab Rep.	Pound	Free	.2755	3.63	
Thailand	Baht	Free	.04690	21.32	(8)
Tunisia	Dinar		2.3966	.4172	
Turkey	Lira		.1096	9.12	(8)
Union of South Africa	Pound		1.3786	.7254	(10)
United Kingdom	Pound		2.7571	.3627	
United States	Dollar		.98625	1.013942	
Uruguay	Peso	Free	.08942	11.18	(11)
Venezuela	Bolivar		.2941	3.40	(12)
West Indies Fed.	Dollar		.5744	1.74	(13)
	Pound		2.7571	.3627	(14)
Yugoslavia	Dinar	Official	.001315	760.45	(8)
		Settlement rate	.001560	640.81	

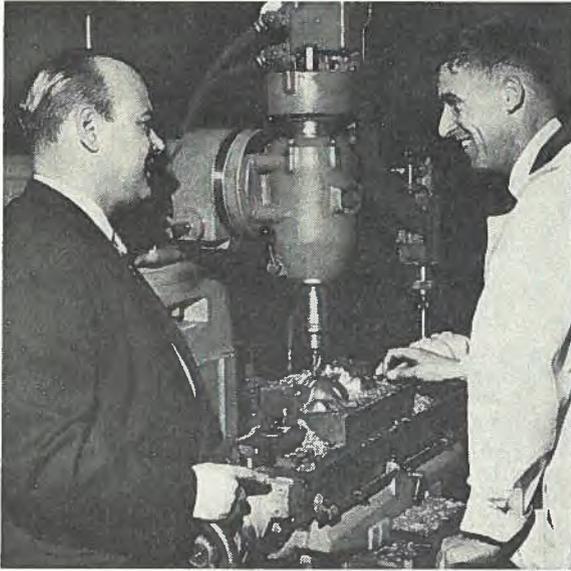
\*Latest available quotation date.

## Notes

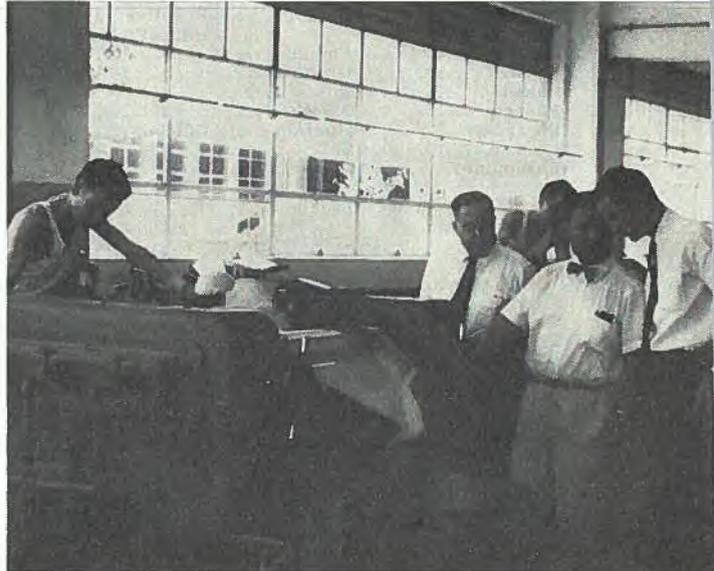
1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.\$18.36 plus (a) an exchange premium of Cr.\$71.64 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 Malagasy. 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. On February 14, 1961, the Union of South Africa adopted a new unit of currency. The Rand is equal to 10 shillings and is subdivided into 100 cents.
11. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
12. 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.
13. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
14. Jamaica.

# Trade and Commerce at Work

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



*J. R. Johnson (left), Commodity Officer, Engineering and Equipment Division, examines a Canadian hydraulic copying attachment on display at the American Society of Tool and Manufacturing Engineers' conference.*



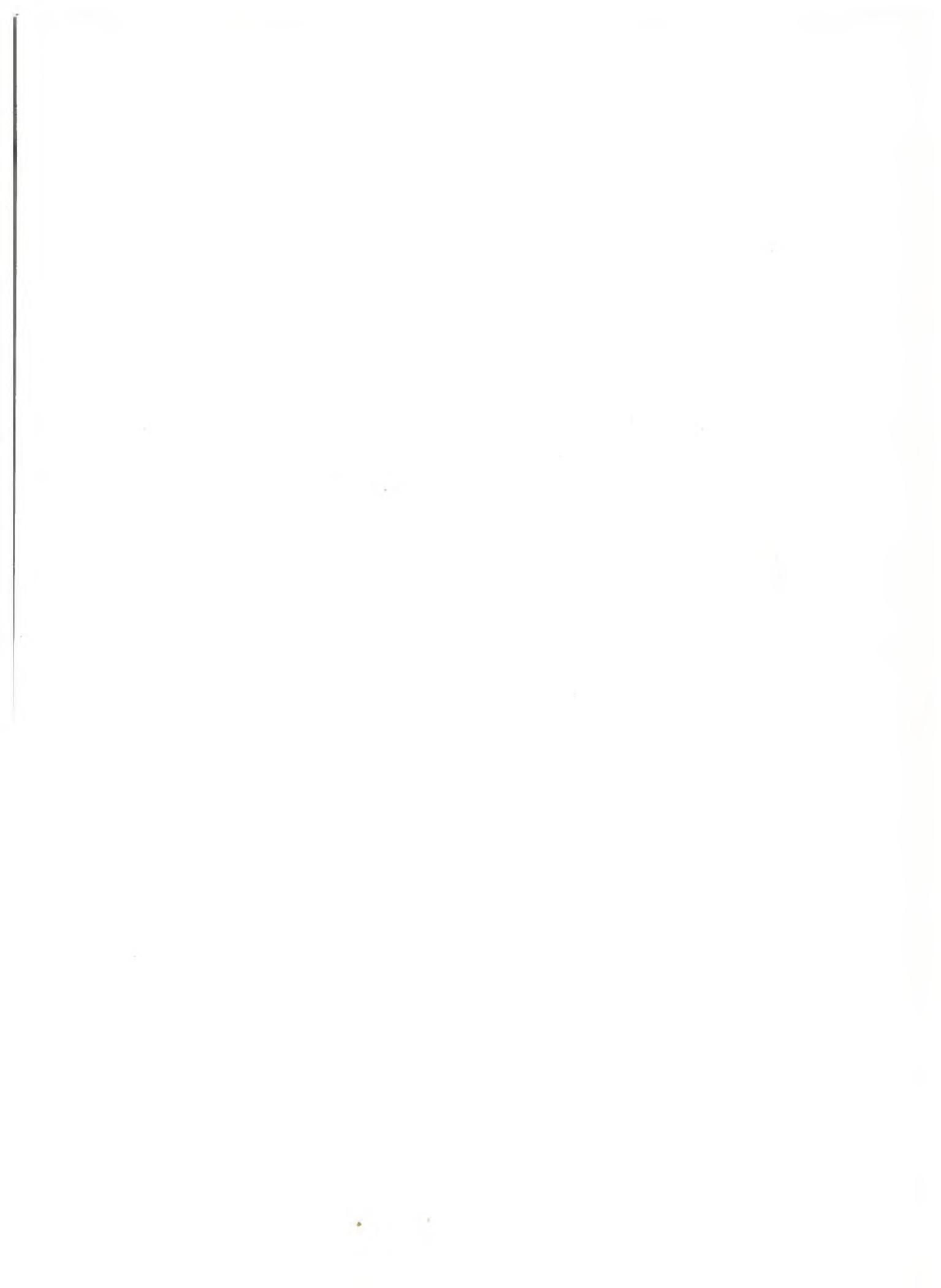
*Hong Kong's largest lacquer and paint products manufacturer conducted D. J. McEachran (extreme right), Assistant Trade Commissioner, on a tour of his plant. They watch the operation of a horizontal paint rolling mill.*

*Unloading of Canada's contribution of 570,000 lb. of whole milk powder to UNICEF'S Philippine program was watched by R. M. Dawson (left), Vice Consul and Assistant T.C. in Manila, and UNICEF'S P. B. Edwards.*



*The piled-up bags of Canadian malt and flour looming over him in a Ghana warehouse are a satisfying sight to K. F. Osmond, Commercial Secretary in Accra, whose job is to promote sales of Canadian products to Ghana.*







DEPARTMENT OF  
TRADE AND COMMERCE  
CANADA

FOREIGN TRADE SERVICE

OTTAWA, February 3, 1961

Mr. R.T. Jones,  
Sales Manager,  
Canadian Appliances Limited,  
Kitchener, Ontario.

Dear Mr. Jones:

I refer to your request of February 1 for information on shipping services and ocean freight rates to enable you to assess export sales opportunities for your products in certain South American and Middle East markets.

Ocean transportation services as outlined in the attached list are available from Canadian ports to the areas in which you are interested. The list shows the steamship lines, the names and addresses of the Canadian agents, the loading ports in Canada, the discharging ports abroad, the frequency of the shipping service and the approximate time in transit.

A tabulation of ocean freight rates on appliances shipped from Canada to representative destinations in South America and the Middle East is also attached. You will note that freight on certain items is assessed on weight or measurement, whichever produces the greater revenue for the steamship company, and you will wish to keep this in mind in deciding upon the kind of export packing to use and in calculating the delivered price of your goods.

In the Great Lakes shipping season you may wish to utilize the direct sailings available from Hamilton or Toronto. I draw your attention to the fast service to Beirut and Persian Gulf ports which will enable you to compete in delivery time with other suppliers. The favourable ocean freight rates should also help you to market your appliances in these areas at competitive price levels.

Please let us know if we can be of assistance to you in a transportation problem you encounter, and if we can furnish you with information on transportation services and freight rates to other countries where you may wish to introduce your products.

Yours sincerely,

*J.H. Hiland*  
J.H. Hiland,  
Transportation and  
Trade Services Division.

*How should  
I ship,  
what will  
it cost...*

**Trade and Commerce Can Help You**