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French Department Stores: A Promising Market (page nine)

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In our first issue in 1961, the author sketched for our readers the growth of Los Angeles and its emergence as the second largest retail market in the U.S. Here he discusses the practical problems in selling Canadian products there and how some Canadian companies have managed to solve them.

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A company born of a French parent that came to Canada fifty years ago has successfully sold to foreign customers one of its highly engineered products—low-temperature gas-separation units. It's an encouraging example of Canadian initiative in seeking business in a specialized but highly competitive field.

Selling Leather in Switzerland 7

At the Export Trade Promotion Conference in Ottawa last December, a number of Canadian leather manufacturers inquired about sales opportunities in Switzerland. Our Berne office has since surveyed the market; presents its findings here.

French Department Stores: a Promising Market 9

This step-by-step outline of how to approach the buyers for the "big five" department stores in Paris should induce many Canadian exporters of consumer goods to follow through and sell their products through this particular outlet.

Construction Engineers Seek Opportunities 11

Opportunities for Canadian contractors and their method of capitalizing on these should improve because of information gathered by an eleven-man mission that recently conferred on the spot with government officials, engineers, architects and contractors in five Latin American and Caribbean countries.

Mexico Makes Progress 14

Canadian sales to Mexico increased by \$10 million last year, as industrial growth boosted demand for our primary materials and certain specialized equipment. This business review suggests that the trading barometer is "set fair."

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NEXT ISSUE—A REVIEW OF TRADE WITH INDIA, BURMA, PAKISTAN, CEYLON

GORDON F. OSBALDESTON, Consul and Trade Commissioner, Los Angeles, (right) who prepared this report, photographed outside the Pan Pacific Auditorium in Los Angeles, where the Western Metals Show was in progress. With him is a Canadian businessman who was exploring sales opportunities in California, D. A. Perry, Sales Manager of Metal Powders Inc., Montreal, Quebec.



How to Sell Los Angeles

Afraid that transportation costs will make you uncompetitive in the big California market? Many Canadian firms have discovered how to surmount this barrier; you may find their experience helpful.

THE Canadian firm selling its products in the United States but which does not have distribution in California is neglecting the second largest retail market in the United States and the fifth largest market for industrial products. And yet some Canadian firms seem reluctant to consider California as an outlet for their goods.

Offsetting Transportation Costs

The apparent reason for this attitude is that they consider the cost of transportation to California prohibitive. But the success that numerous Canadian firms have achieved here makes it abundantly clear that many Canadian manufacturers can bear these additional costs and that Canadian products can be sold competitively in Los Angeles.

Let us examine the techniques that some Canadian companies employ in selling in Los Angeles and consider the methods proposed by others seeking to enter this market. Perhaps you can use their ideas in your company. In each instance, the company quoted or referred to has made an adjustment in its normal sales policy in order to become competitive in the California market.

1. Obtain Carload Rates

In order to obtain carload rates, we will have to warehouse our products in Los Angeles and permit our Los Angeles broker to draw from these stocks.

This method of operation probably provides the simplest solution

to the problem—the securing of carload or truckload rates. To use this, your products must obviously be suitable for volume sale. It may be necessary to warehouse the goods under your own name or to find a warehouse distributor willing to handle them.

One Canadian company which manufactures a food product has an exclusive arrangement with a major downtown department store for distribution in Los Angeles. The store imports the commodity in carload quantities and features it in its advertising.

Another Canadian company, a subsidiary of an Eastern United States firm, has arranged for its parent company to distribute its uniquely Canadian product in California. In this way, the company

can ship in bulk to its sister plant, which then incorporates the Canadian product into a combined shipment of Canadian and U.S. products destined for California.

It is clear that there are a number of ways to obtain the benefit of car-load rates. Sometimes it requires imagination and willingness to spend the necessary time to work out the details.

2. Sell to the Retailer

We feel we would have to sell to the retailer in order to compete with United States production that is being sold first to the Los Angeles wholesaler and then ultimately to the retailer.

This method—eliminating one link in the distribution chain—is probably the most common technique employed by Canadian firms wishing to be competitive in this market. It is a method that contains obvious pitfalls and must be used with care and caution.

A Canadian clothing manufacturer includes Southern California in his regular spring selling trip. He handles this area just as he handles Edmonton. He feels that he does not need a local representative because the market is so important to him that he would want to visit it at least once a year anyway. Instead of making an inspection trip to check up on his agent, he stays a week longer and turns the visit into a sales trip.

An Eastern Canadian company includes Southern California in the territory of its Vancouver representative.

Another Canadian firm which ordinarily sells to wholesalers in the United States concentrates its sales effort in this area on six major retail outlets, thus eliminating the wholesaler's 5 per cent commission.

Before passing over one link in the distribution chain, the retail outlets must be checked carefully to be certain that they are good credit risks and can produce results in sales. It means that the Canadian

What Canadians Sell in California

Canadian manufacturers are selling the following products in California:

Fertilizer	Leather
Apples	Mustardseed
Fisheries products	Prepared animal food
Hardwood lumber	Sports clothing
Softwood lumber	Roller bearings
Plywood	TV converters and accessories
Veneers	Hydrogen generating plants
Shingles and shakes	Boats
Chemicals	Peat moss
Rubber belting	Automobile parts
Cheese	Office dictating machines
Iron castings	Asbestos
Taps and dies	Lenses
Copper wire and cable	Brass rods, sheets and bars
Sulphur	Galvanized wire
Skis	X-ray apparatus
Steel reinforcing bars	Scientific instruments
Electronic instruments	Maple syrup
Machinery	Meat products
Aluminum	Wallpaper
Newsprint	Saws
Whisky	Iron and steel moulds
Aircraft parts	Electrical apparatus
Ball bearings	Hockey nets
Wood pulp, sulphate	Jams and jellies

company must send a representative to the area who can make himself familiar with the local market situation and develop suitable accounts among the major retailers.

3. "Mutual Interest" Arrangements

We would like to find a manufacturer of a complementary line of equipment who would undertake to distribute our products in Los Angeles while we would undertake to distribute his lines in Canada.

This approach to the local market might be called the "mutual inter-

est" approach. The basis is that the salesmen of the local manufacturer, and of the Canadian manufacturer, are already calling on the trade and the dollar return from these calls can be increased if they can offer a related line. In addition, most manufacturers want to round out any gaps in their product line. Once again, this method can eliminate some of the distribution costs or at least provide an increased source of income for the Canadian manufacturer who distributes the United States line and thus offsets the additional costs of selling in California.

4. Special Transportation Methods

We sell our product to a California company which delivers citrus fruit to Canada with its own trucks. It can then transport our product to California on its return haul at a favourable cost.

This approach of seeking low-cost transportation arrangements has proved very successful in selected cases. It is a difficult thing to set up and can probably not be deliberately sought but rather taken advantage of when the opportunity presents itself. Some Eastern Canadian firms might explore the possibility of shipping by water to California through the Panama Canal. At least one shipping company runs a scheduled service from the Great Lakes and the Maritime Provinces to Los Angeles Harbour.

These are only a few of the ways to meet the increased costs of shipping to this market. The main requisite for the Canadian exporter who wants to sell in Los Angeles is a sincere desire to do so. He must be prepared to examine the market and, if necessary, adjust his sales policy to fit the situation.

Price Not All-Important

The accompanying list certainly does not give the impression that Canadian products are uncompetitive in California. Yet the phrase "I regret we cannot quote on this inquiry since we do not feel we would be competitive," keeps recurring in our correspondence with potential exporters to this market. Sometimes the exporter has checked the market and he is definitely not competitive. Sometimes he has simply looked at the distance and perhaps even checked the freight rate and then decided that he cannot compete. If the latter, he does not seem to think of seeking a solution to the problem of freight costs nor does he give proper weight to the quality or design of the Canadian product. Price is only one aspect of successful selling. If only the lowest priced commodities sold in California, many companies would be out of business.

Certainly, if to a higher price is added a lack of salesmanship, a lack of other benefits such as good delivery dates, attractive terms, and superior design and quality, then the Canadian exporter is uncompetitive. But this is usually not true.

Must Visit Market

One fact probably outweighs all others in deciding whether a Canadian exporter can sell here—is he prepared to visit the market and offer his product to the local buyer? Few United States buyers do business by correspondence. They don't have to rely on brochures and letters to obtain their requirements. Every day the major buyers have salesmen calling on them and offering new lines. Naturally, they want to deal with new firms face to face; it is human nature to put more faith in a person than in a letter. How many Canadian firms expect to land a major Canadian account without making a personal call? Why does the recognition of this fact often disappear when they cross the border to do business in the United States?

One point seems to be a reasonable guide-post for Canadian exporters wishing to sell in California. The firms which have been unsuccessful in their efforts to sell their products in United States markets adjacent to the border cannot in all likelihood compete in California. This market is as competitive as any in the United States and the additional freight cost would probably make the firm uncompetitive in California. There are exceptions to this, especially where the local market characteristics are unique and offer an opportunity to Canadian exporters not found elsewhere. The market provided by the tremendous concentration of aircraft manufacturers is a case in point. But generally speaking, Canadian companies which have found their products competitive in areas adjacent to the border should certainly examine opportunities awaiting them in California. ●

The IBRD in 1959-60

DURING the fiscal year 1959-1960, total loans made by the World Bank for reconstruction and development rose about \$658 million. Asia and the Middle East benefited most, taking a little over 40 per cent; they used these funds mainly for building highways and dams for irrigation, and for developing hydro-electric power, primary iron and steel mills, pulp and paper plants, and chemical plants.

Africa came next as a recipient of IBRD aid, with a little less than 30 per cent of the loans made. These were used for the development of mines, transportation, and agriculture, in that order of importance.

Latin America obtained 20 per cent of the total and used the funds almost exclusively for building dams for hydro-electric power and irrigation, particularly in Chile, Colombia, Honduras, Nicaragua and Peru.

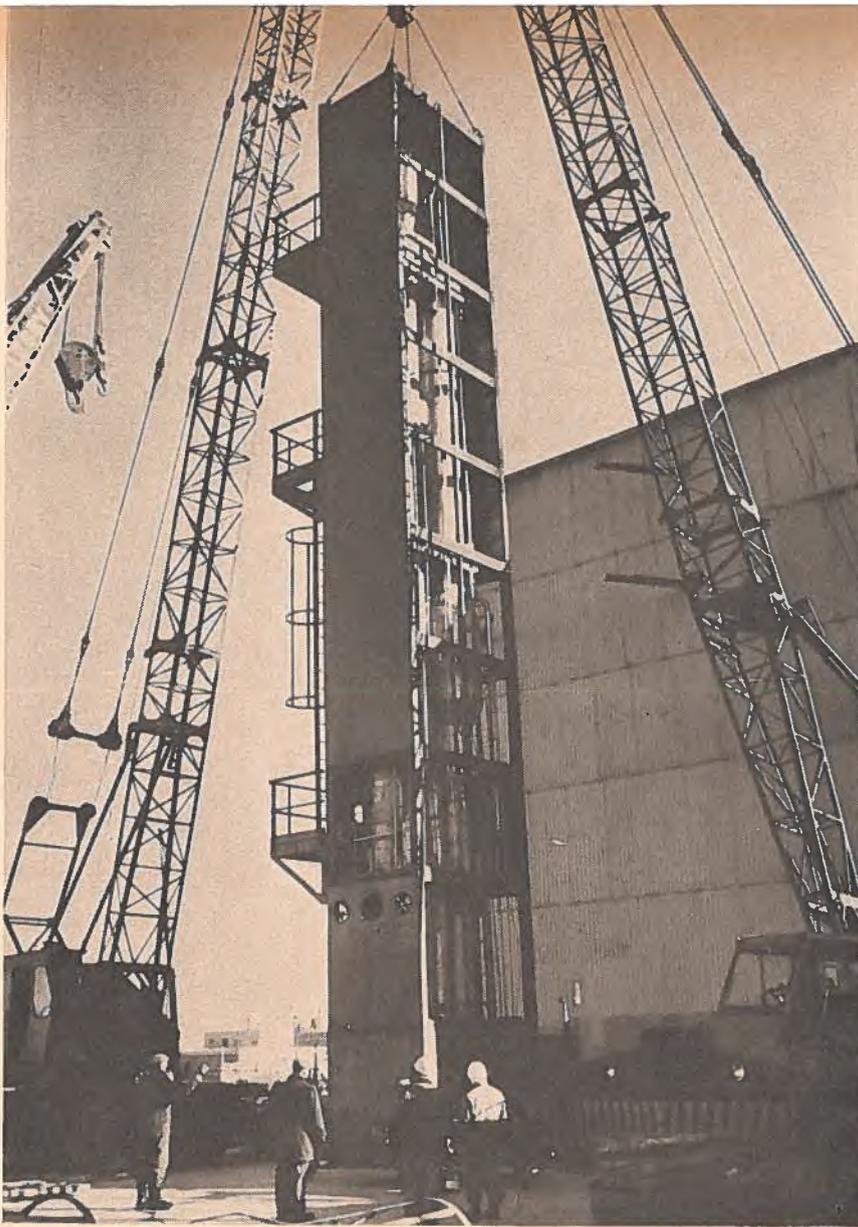
Europe obtained 10 per cent of the Bank's loans to finance a hydro-electric power plant in Norway and an atomic power plant in Italy. Austria received an industrial loan.

A brief analysis of the type of loans made reveals that power projects accounted for a little less than 30 per cent of the total, with Latin America taking the lion's share. Loans for transportation projects accounted for slightly more than 20 per cent of the total; Asia and the Middle East received most of these. The Suez Canal Authority borrowed \$56½ million for the deepening and widening of the Canal. The Japan Highway Public Corporation received help in financing the first expressway in the country, from Amagasaki to Ritto.

Industrial loans came third in importance, with 12 per cent of the total; Asia and the Middle East again received the major part, largely to build up the steel, mechanical, electrical and paper industries.

A single loan of \$66 million to Mauritania represented 10 per cent of the Bank's loans in this period. It will finance the development of high-grade iron ore deposits which are expected to make the republic self-supporting.

Since its first loans to the Netherlands, Luxembourg and Denmark in 1947, the IBRD has made loans totalling altogether \$5.2 billion. The main recipients have been India, France, Japan, Italy, Brazil, and the Netherlands; 38 other countries have also been granted loans over the same period. ●



All types of low-temperature gas-separation units are made in the company's Montreal plant. Here the big cranes are moving a comparatively small "packaged" type of plant from the test site outside the Montreal Works to the shipping point.

L'Air Liquide Expands Its Export Markets

Ten years ago, L'Air Liquide of Montreal began competing for export orders to keep its war-expanded plant busy. With H. Branchaud, manager of its Export Department, the editor of *Foreign Trade* discussed the company's experience since it began seeking foreign business.

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CAN Canada compete with other countries in selling highly technical equipment in foreign markets? Can Canadian-trained engineers design and build complex plants to meet the needs of foreign buyers in the face of American and European competition?

Put this question to Henri Branchaud, Manager of the Export Department of L'Air Liquide, Montreal, and he will respond with an immediate and unqualified "yes". He is speaking from experience. L'Air Liquide, the only manufacturer in its field in Canada, began to look for contracts abroad soon after the last war. Its Engineering and Construction Division now does some 60 to 70 per cent of its business in designing and erecting low-temperature gas-separation plants for clients in the United States and in Europe.

L'Air Liquide's slogan is *Oldest in Experience, Newest in Design*. A wholly owned subsidiary of the French company, L'Air Liquide, a world-wide organization which pioneered in air liquefaction and fractional distillation of gases, the Canadian firm was founded in Montreal, where it built its first oxygen plant just fifty years ago. By 1915 it was making acetylene gas in Canada and a year later, as a wartime assignment, began to supply the British Admiralty with helium for its observation balloons. But until the outbreak of World War II most of its business was domestic business, principally the supply of oxygen, nitrogen and other gases and mixtures of gases to industrial and medical users. Whenever it obtained orders for low-temperature gas-separation units—it built its first low-temperature separation plant in 1916—it imported most of the intricate equipment needed from its French parent.

War Speeded Development

World War II cut the bond between parent and child and stimulated the Canadian engineering staff to design and produce its own

equipment. Soon the company was pressed into service to supply oxygen liquefaction units to the Department of Munitions and Supply for Allied countries. (It also provided the RCAF with dry-breathing oxygen for high-altitude flying, erecting a plant in Newfoundland for the purpose.) As its operations expanded, it acquired an impressive amount of knowhow and the nucleus of a highly trained designing and production staff.

In the early postwar years, orders continued to flow in, as industries in Europe began the rehabilitation process. Many of these orders were for oxygen plants with a relatively small capacity. Within a few years, in one of the great postwar technological break-throughs in the oxygen industry, L'Air Liquide was able to design and build giant capacity oxygen-producing plants which they called "Oxytons" (a registered trademark). Its first Oxyton order was from International Nickel at Copper Cliff, Ontario, in 1948. This plant has produced 300 tons of oxygen a day by the low-temperature separation process for use in copper smelting ever since it went on stream.

Meeting Competition

In 1948, L'Air Liquide set up its separate Engineering and Construction Division in Montreal, to go after contracts for designing and building low-temperature gas-separation units of all types. But obtaining business in this specialized, highly technical line presents special problems. The Montrealers have no worries about competition from other Canadian companies because there are none equipped to undertake this work. In fact, only about 15 companies in the world are active in this field. But among them competition is relentless. L'Air Liquide's keenest rivals are three or four companies in the United States and one or two in West Germany.

If potential suppliers are limited, so too are customers. They are concentrated chiefly in countries with a fair degree of industrial develop-

ment rather than in those at earlier stages of industrial progress. Petrochemical industries make excellent prospects because they are interested in recovering hydrogen, ethylene, methane and other hydrocarbons from refinery off-gases. The steel mills too have become tremendous oxygen consumers. Within the past ten years, oxygen technology has revolutionized basic steel-refining methods the world over and has also resulted in completely new oxygen steelmaking processes. Only large, on-site Oxytons can meet their demands. Today L'Air Liquide boasts that it has built more hydrogen recovery units than any other firm in the world. Some of these are large-size installations and others are smaller "packaged" units.

First Foreign Customers

Oil and petrochemical companies in the United States became L'Air Liquide's first foreign customers once it launched its export drive; from 1952 until 1959, in fact, the United States was its only export market. In Texas, for example, it obtained a contract for a high-purity oxygen plant that produces 400 tons a day of 98 per cent pure oxygen, plus a stream of high-purity nitrogen. L'Air Liquide's process for making ammonia synthesis gas has also brought it orders. At Lake Charles, Louisiana, it installed a plant for a petrochemical firm in which a raw hydrogen feed stream containing a number of gases is treated by a low-temperature nitrogen scrubbing unit. The resulting product, ammonia synthesis gas, is turned out at a rate equivalent to 310 tons of ammonia a day and goes into the making of fertilizers. Other applications of L'Air Liquide plants include carbon monoxide and methane purification, the separation of coke oven and refinery gases, and helium recovery from natural gas. Altogether Mr. Branchaud estimates that his company has built over 40 per cent of the low-temperature gas-separation plants in-

stalled in private industry in the United States.

In 1959 the company bid for business in Europe. As a start, it tendered successfully for a two-part gas separation plant (an air separation unit and a nitrogen scrubbing unit) in Pancevo, Yugoslavia, part of a complex for making fertilizers using ammonia synthesis gas. The equipment has all been delivered in Yugoslavia and erection will be completed at the end of this year.

Plants Are Custom-Made

To keep abreast of developments and to ensure the best possible service to clients, L'Air Liquide carries on continuous research in its Montreal laboratories on the liquefaction and separation of gases and on their application to industrial processes. And it moves with the times. Its process for hydrogen recovery has assumed added importance because of the use of pure hydrogen in rockets and missiles, and production of heavy water by fractional distillation is useful in atomic programs. In all the contracts that the company undertakes, its research, design and project engineers work as a team. This is essential, Mr. Branchaud emphasizes, because the plants and equipment in which it specializes are nearly always custom designed to meet a particular need. For this reason, any one contract may range in value from a low of about \$300,000 to a high of \$3 to \$4 million.

Competitive Factors

In competing for business in this limited field, it is not price alone that weighs with the client. Basic knowhow, design ability, experience, and quality of workmanship also are very important considerations. Vital at the moment is delivery time. German deliveries have been lagging, the company reports, and this has worked in its favour. One of the inducements that L'Air Liquide can offer is that the customer will get his plant quickly—say in 12 to 18 months. (This esti-

mate includes the time it takes to make certain that the plant is operating properly and to train operators. Actually, these gas-separation plants are highly automated and can be run with a minimum of supervision.) Competing with the United States is possible because single units and not mass production are involved and quantity ceases to be such an important factor.

Learning about prospective customers, often a problem in the engineering field, is less difficult in this restricted field. Whenever a company is considering a plant for obtaining gases by fractional distillation, all the possible suppliers soon hear about it and contend for the business. The prospect, for his part, shops around and may well ask for prices and delivery dates from all of them. And, also because

the number of prospective clients is limited, extensive sales promotion does not seem worthwhile. Occasionally L'Air Liquide sends a representative abroad to carry on negotiations with a prospect; recently some of its engineers were dispatched to Belgium and to Britain and succeeded in nailing down contracts. The Yugoslavs reversed the process—they came to North America to discuss their needs. L'Air Liquide does do some advertising, chiefly in technical journals in the United States catering to selected groups, such as the petrochemical industry.

Over ten years have passed since this enterprising Montreal firm began soliciting export business in earnest. Since then, L'Air Liquide's Engineering and Construction Division has built and put into success-

ful operation some of the largest oxygen plants and most of the hydrogen recovery plants in the United States and Canada. These include close to 50 oxygen plants with production capacities ranging from 25 tons to 400 tons per day, and over 30 hydrocarbon separation units. Today it is engaged on seven plants for the United States and is building others in the United Kingdom, Belgium and Yugoslavia. Currently the contracts it holds in Canada and abroad are worth a total of \$28 million or, to express this in technical terms, it is designing and building plants that together will produce over 4,200 tons of oxygen a day and 1,500 tons of ammonia synthesis gas. And nearly two-thirds of this business is in foreign countries.

Its plunge into exports has paid off. ●

Selling Leather in Switzerland

Quality, competitive prices, buying seasons, delivery terms, keeping up-to-date on European fashion trends—these bulk large in successful cultivation of this market.

J. H. NELSON, *Assistant Commercial Secretary, Berne.*

IN the calendar year 1960, Switzerland imported leather of all types to a total of Sfr.32.4 million, or approximately Can.\$7.4 million (see Table I). Are Canadian exporters obtaining a reasonable share of this business? We think not, and the following market report will, we hope, show Canadian exporters how to increase their sales of leather to Switzerland.

Canada's Exports

Following the year 1956, when Canada's leather exports to Switzerland totalled 909,046 square feet,

sales decreased for the years 1957 (848,851 square feet), 1958 (455,801 square feet), and 1959 (328,379 square feet) but rose again in 1960 to 547,445 square feet (see Table II).

The year-to-year fluctuations in sales of the three main types of leather shown in Table II have not been uniform. Exports of glove leather varied considerably and calf upper leather steadily declined. Shipments of other upper leather declined from 1956 until 1959 but recovered in 1960. There are many reasons for these fluctuations in ex-

port volume, not the least being the competitive position of Canadian tanners in the world market. However, the exporter often finds it difficult to adjust his prices to meet competition and since other factors are involved, they too should be examined closely.

Quality

Switzerland is a very quality-conscious market. Leather users demand top quality, yet some Canadian exporters have been offering "run of the tannery" leather. Even though the good quality of Canadian leather is recognized, lower grades included in such an offering are of no interest to this market.

It is difficult for Canadian tanners to control quality and this becomes a problem in the handling of large special orders. On such orders, a

TABLE I

SWISS LEATHER IMPORTS, 1960

Sole Leather	Kg.	Sfr.
West Germany	214,556	1,332,600
France	14,157	121,903
Italy	15,267	81,833
Netherlands	26,821	139,590
Belgium, Luxembourg	5,751	20,687
United Kingdom	1,561	10,781
Yugoslavia	7,590	24,881
United States	2,443	17,828
Other	3,049	18,243
Total	291,195	1,768,346
Split Upper Leather		
West Germany	12,512	204,708
France	10,207	65,261
Italy	1,422	20,255
Austria	6,429	69,705
Netherlands	23,947	394,856
Belgium, Luxembourg	8,146	67,417
United Kingdom	12,265	140,349
CANADA	4,914	33,025
United States	21,411	240,045
Uruguay	4,171	37,230
Argentina	25,769	230,533
Other	448	3,282
Total	131,641	1,506,666
Calf Leather		
West Germany	31,157	1,684,732
France	93,565	4,263,221
Italy	6,899	356,757
Austria	19,503	862,522
Netherlands	3,680	132,517
Belgium, Luxembourg	13,703	520,273
United Kingdom	52,216	1,411,371
Denmark	163	16,268
Sweden	14,846	375,658
Egyptian Region, U.A.R.	8,835	163,641
Pakistan	7,750	138,485
CANADA	370	35,092
United States	23,936	1,639,512
Other	989	27,411
Total	277,621	11,627,460
Other Leather		
West Germany	348,759	5,414,245
France	19,915	468,506
Italy	46,358	1,099,717
Austria	81,725	1,834,402
Netherlands	70,860	1,118,215
Belgium, Luxembourg	35,959	639,285
United Kingdom	34,796	881,315
Yugoslavia	9,227	100,650
Pakistan	10,735	79,056
CANADA	41,312	625,943
United States	238,338	4,669,858
Uruguay	29,564	395,135
Other	14,281	172,075
Total	981,829	17,498,402

TABLE II

CANADIAN LEATHER EXPORTS TO SWITZERLAND

	Sq. ft.	Can.\$
Glove Leather		
1960	117,895	25,551
1959	57,810	15,954
1958	5,054	1,658
1957	100,973	21,576
1956	77,930	17,600
Upper Leather, Calf		
1960	5,496	5,831
1959	44,996	46,474
1958	66,224	53,385
1957	71,103	59,311
1956	72,029	62,183
Upper Leather, n.o.p.		
1960	424,054	157,333
1959	225,573	98,000
1958	384,523	120,240
1957	676,775	221,495
1956	759,087	240,981

Canadian tanner places the raw leather in process but the quality cannot be ascertained until the tanning process is completed. European tanners, on the other hand, are able to buy hides according to the district in which they are produced and the normal quality from each district is known.

Send Samples Early

Offers must coincide with the buying season. In recent years the buying seasons have been advanced; manufacturers of leather goods now make buying decisions almost a year in advance of the retail selling season. Canadian exporters do not, in many cases, forward samples in sufficient time and their agents have been able to obtain orders for special leathers only, or for requirements that could not be filled by other suppliers.

Canadian tanners are at a definite disadvantage in competing with European suppliers on delivery terms. Before World War II it was possible to consider selling on consignment. But with the growth of fashion as a factor in the leather trade, this became too risky and goods were sold for cash and stored

by the agent in a free port for delivery on receipt of orders. Today, fashion is so important that even this method cannot be used as extensively as it once was. The result is that buyers are still demanding quick delivery, but delivery direct from the tannery. Shipments from Canada by ocean freight are often too slow and hence we lose orders, and at present, air freight is too expensive.

Fashion Is Vital Factor

The effect of fashion has been referred to but it is of such importance that it needs amplification. Up to about two or three years ago, the colours offered by North American tanners were a year or so ahead of those offered by European tanners. The situation is now exactly reversed. Recent offerings of dyed leather by Canadian tanners have generally failed to conform with the colours in vogue in Switzerland. Much of the recent decline in Canadian leather exports to Switzerland, particularly of calf upper leather, may be attributed to the unsuitability of the colours shown.

The strengthening of the European position as the fashion-setter for leather colours is due to the growth of leather fashion councils not only in Switzerland but in most other European countries. These councils set the colours to be used each season in their particular countries and decide, to a lesser extent, on the colours that will be common to all European countries. Hence their importance to Canadian leather exporters cannot be exaggerated.

The office of the Commercial Counsellor, Canadian Embassy, Berne, Switzerland, has prepared a special Note on the Swiss Leather Fashion Council to assist Canadian leather exporters seeking further information on colours required in this, and other, European markets. A copy of the Note may be obtained by writing the Commercial Counsellor in Berne, who will also be pleased to provide any other assistance required. ●

French Department Stores

a promising market

Fast-growing, competitive, and alert to opportunity, department stores in France will take your consumer product if they like it, pay promptly, and put it on counters throughout the country—a quick and profitable way to enter this expanding market.

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

THE department store is as familiar to Canadians as the supermarket and the drug store. But in a country like France, where there are four kinds of butcher shops, at least three types of grocery shops, two types of bakeries and two types of drug stores, it is a rather curious development. The department store has, however, pierced the traditional marketing pattern of France. It cannot be said that the winds of change are sweeping French merchandising—the department store is not a new arrival on the distribution scene. But undeniably it is assuming a more important rôle in the commercial life of the country. Nowhere is the new freedom of importing more faithfully mirrored than on the counters of *Trois Quartiers*, *Galleries Lafayette*, *Au Printemps*, *Au Bon Marché*, *Le Louvre* and *La Samaritaine*. These houses, the main department stores of France, compete intensely with each other, as lean prices, imaginative advertising and a growing acceptance of new sales techniques prove.

Claiming an increasing percentage of the consumer's "nouveau franc" these stores offer the new Canadian exporter of consumer goods an effective outlet in the French market for a wide range of consumer products and to the old established exporter an avenue which should not

be overlooked by his appointed agent.

Lining Up Interviews

Store policies toward price quotations, samples and quality diverge considerably. But when it comes to the mechanics of buying, there is enough common ground to permit a faithful description. The first step is to contact the "service d'importation" or the "service d'achat" to get the name of the buyer responsible for purchases of the particular product. Then a firm appointment is made. Often buyers (they number up to 90 for some stores) are shifted from one related department to another but the Commercial Section of the Canadian Embassy has reasonably up-to-date records or can soon obtain the name of the appropriate buyer. In almost every case the appointment will be made at the store's buying office; only in the case of unwieldy or very expensive products are showings held in a salon or hotel room.

Meeting the Buyer

Once at the store, the procedure seldom varies. The salesman is ushered into a large room with chairs set out as in a small theatre, facing towards a large bulletin board covered with the names of the various buyers and the "rayons" or "lines" which they handle. Invariably too, a rather perfunctory "huissier" issues to each prospective seller a numbered card. (Often the

salon reminds me of those traditional cartoons depicting people grouped outside patent attorneys' offices, carrying parcels of every imaginable shape and size.) A few minutes before the appointed time, the salesman is escorted to the buyer's desk and discussion begins.

Decision Made Quickly

The most striking feature is the degree of discretion afforded the buyer. He is always knowledgeable and businesslike and is either going to buy or not. I have yet to hear of one of these people saying that he must refer the final decision to someone higher up. The discussions are therefore as businesslike as one could imagine. Each question is to the point and an answer is expected then and there. There are people waiting outside. Consequently, sellers should come well armed with specifications and details and both f.o.b. and c.i.f. prices. If for some reason the product is unacceptable, you will be told immediately, and why. If it is acceptable, you will be expected to contract the order on the spot and in most cases leave the sample. One question always asked is, "Have you been to any of the other department stores?" Your answer should be "yes" or "not yet" because, as noted, this is a developing and intensely competitive field and no buyer wants to overlook a feature which a competitor may adopt.

The usual length of an interview is about half an hour and the seller

should be careful to adhere to this unless the buyer himself seems to want to prolong it. The popular conception of a Frenchman as a man with all sorts of time for the matter in hand and an easy acceptance of two-hour luncheons should be rejected, not only with department store buyers but with all Frenchmen engaged in business. These people are good businessmen. You have only to look at the statistics or to try selling them a poor-quality product to realize this.

After your half hour or more you leave the buyer, either with or without an order. If you have more than one product, the buyer will often arrange an immediate appointment with an associate, offering his impressions of the line. Naturally the buyers expect to conclude sales in French but there are translators on hand as a customer service who may be called upon if it is absolutely necessary.

The Stores

Against this background, it may be useful to examine the general features of each of the main stores—Galeries Lafayette, Au Printemps, Au Bon Marché, Le Louvre and La Samaritaine. Each has its deluxe departments and its bargain basement. There are also two other mass outlets, Prisunic and Monoprix—roughly comparable to an amalgam of one of our lower-priced department-store chains and one of the bigger drug chains. Here are some details about buying procedures in four of these stores.

● *Au Printemps and Le Louvre*, two of the big stores, can be conveniently grouped under their common buying agent, SAPAR (Société Parisienne d'Achats en Commun), 102, rue de Provence, Paris 9e. This organization has four offices in France and offices in Belgium, West Germany, Switzerland, Britain, Japan and Spain. They like to receive quotations f.o.b. Canadian ports and in most cases prefer to keep samples. They also do the French buying for some 250 foreign

department stores. They do not like opening letters of credit and habitually pay all accounts within ten days of receiving an order. As mentioned, they prefer to receive buyers in their offices. As one indication of the size of their operations, 1960 sales of Au Printemps and associated stores were expected to approximate some \$140 million. This organization is extremely alert to interesting offers from countries long inhibited by exchange difficulties from trading in the French market. The group buys for some 90 stores throughout France and once entry is made with a promising line, wide distribution is assured. Grand Magasin du Louvre has branches in Reims and Algiers.

● *Galeries Lafayette*, one of the most renowned stores, purchases through SPAM (Société Parisienne d'Achats et de Manutention), 25, rue de la Chaussée d'Antin, Paris 9e. To handle the new import opportunities a special "service d'importation" has been formed under the direction of M. Le Hir. These specialists are quite flexible about samples, showings, etc., although they usually like to retain samples. They prefer prices quoted f.o.b. Canadian ports and merchandise is paid for promptly on receipt through any designated bank. The Paris service buys for the five branches located in Lyon, Nice, Nantes, Montpellier and Rennes.

● *Au Bon Marché* is a fairly typical operation which we might profitably examine from the point of view of organization. This store has 62 buyers who work directly with suppliers in the manner outlined above. It carries as comprehensive a range of products as do any of the recognized North American stores. There are 13 buyers for women's wear alone and almost as many for men's wear. The household departments are every bit as finely organized as the best Canadian or U.S. stores.

Au Bon Marché, like most stores, insists on full details of all merchandise offered and the seller may

well be asked about seemingly remote technical details. It prefers prices to be quoted c.i.f. either Le Havre or Paris. Payment is invariably made upon receipt of goods and a 2 per cent discount is expected.

Agent Not Necessary

This discussion has taken the point of view of a Canadian visitor approaching these outlets. There is no reason, prices permitting, why the same approach could not be made by an appointed agent, but this is one of the few fields where the services of an agent are not necessary. (Another is in sales to the many industry-wide purchasing organizations or "groupements".) Through these stores, the Canadian exporter can introduce new products on the widest possible front with the prospect of a worthwhile volume of sales in the early stages of his participation. Not only can he find out immediately whether or not his product is saleable in France, but he gets automatic coverage through branches elsewhere in the country. The tendency for agents to group in Paris, often with insufficient attention to important provincial centres, is generally recognized.

There are other obvious advantages: the ability to introduce a range of products at one centralized buying point with consequent savings in shipping and documentation charges and also, prompt and certain payment.

Therefore if you are new or unused to the French market, these stores are among your best avenues of approach. They are extremely alert to import possibilities and they will give you an attentive hearing.

Reprint Available

"How the Government Finances Long-Term Exports", an article explaining the new government facilities for long-term financing of exports, published in the March 25, 1961, issue of *Foreign Trade*, has been reprinted. If you would like copies, write to the Editor, Department of Trade and Commerce, Ottawa.



The members of the Construction Engineering Mission photographed in Bogotá, Colombia, with Jean Morin, Canada's Ambassador to Colombia (fifth from right) and J. H. Bailey, the Canadian Commercial Secretary (second from left). J. M. Soules, spokesman, is in the centre.

Construction Engineers Seek Opportunities

A trade mission of Canadian contractors visited five countries in Latin America and the Caribbean in February and early March; discovered that joint tendering with local firms could mean profitable business and that Canadian experience is welcome there.

DAVID MOTT, *Engineering and Equipment Division, as told to Foreign Trade.*

LATEST in a series of trade missions sponsored by the Department of Trade and Commerce, a Canadian Trade Mission of Construction Engineers recently spent 24 days in Central America and the Caribbean. Organized for the purpose of exploring opportunities for construction in this area and making

known the services that Canadian firms can provide, the mission was made up of ten executives of Canada's construction industry (who paid their own expenses), plus David Mott of the Department's Engineering and Equipment Division, who served as secretary. Jack M. Soules, immediate past president

of the Canadian Construction Association, acted as spokesman for the mission.

Mexico City

The mission left Canada on February 19 for Mexico City. Here the busy 24-day schedule began. When the journey ended in mid-March, the mission had visited Mexico, Guatemala, Colombia, Trinidad and Jamaica. Private discussions, group meetings, business luncheons and receptions—all arranged with the help of the Trade Commissioners in each area—packed each day.

Here are some of the highlights of their visit to each of the countries covered.

Members of the Mission

Contracting Industry

JACK M. SOULES (spokesman)

Chairman of the Board, Robertson-Yates Corporation, Hamilton; Past President, Canadian Construction Association.

G. L. DUCHARME

President, Univex Electrical Construction and Engineering Ltd., Ottawa.

G. R. ADAMS

Vice-President, The Foundation Company (Overseas) Limited, Toronto.

WILLIAM HARVEY

Vice-President, Glen Lawrence Construction, Ltd., Kingston, Ontario.

C. E. HAWKE

President, Ontario Marine & Dredging Ltd., Toronto.

A. L. QUINLAN

General Manager, McNamara Marine Limited, Toronto.

R. J. SCHNEIDER

Vice-President and Construction Manager, Canadian Dredge and Dock Co. Ltd., Toronto.

D. J. WATKINS, M.B.E.

Vice-President and General Manager, The Foundation Company of Quebec Limited, Montreal.

F. G. WILMOT

Manager, Contract Development, Mannix Co. Ltd., Calgary.

JAMES R. RIPLEY

Editor, *Engineering and Contract Record*, Toronto.

Department of Trade and Commerce

DAVID N. MOTT (secretary)

Commodity Officer, Engineering and Equipment Division, Ottawa.

The mission spent five days in Mexico City, meeting with government officials, engineers, architects and contractors. They were briefed by one of Mexico's leading corporation lawyers on current practice regarding foreign ownership of companies domiciled in Mexico. The Mexican Chamber of Construction Engineers entertained them at a luncheon where they met the president of the National Chamber of the Construction Industry and the Mexican Society of Architects put on a reception. They also met the Deputy Minister of the Department of Hydraulic Resources and the Deputy Minister of Public Works.

Mexico, they discovered, has a highly developed construction industry, capable of carrying out almost any required type of building, although marine construction has not received a great deal of attention. Mexican general contractors do much of their own subtrade work—plumbing, electrical work, etc. In many instances, there are no municipal building codes as there are in Canada.

Canadian firms, the mission decided, would be well advised to investigate the Mexican market thoroughly and either establish an office there or team up with a local firm in joint ventures. The latter

method prevents problems resulting from differences in labour rates and productivity and in the availability of construction materials. Small firms, and larger ones which confine their activities to only one phase of construction, are more interested in joint ventures than are the more versatile contractors.

Although the construction business in Mexico is not booming, there is a sufficient volume of work at a better gross margin than is usual in Canada. The Mexican Government is expected to embark on an airport construction program which, like road contracts, will be awarded to selected contractors on a unit price basis, rather than advertising for tenders. Mexico is also planning to build additional multi-purpose hydro-electric projects to meet the demand for power. A World Bank loan of \$15 million has been obtained to finance construction of a combined irrigation and hydro-electric project in the northwest part of the country and tenders from Canadian companies would be welcomed. PEMEX, the state-owned petroleum monopoly, plans a 200-kilometer gas pipeline from Gomez Palacio to Durango, estimated to cost \$2 million, and it also expects to build a \$4 million oil refinery at Mazatlan. Both opportunities will be open to Canadian firms who are prepared to find a good Mexican partner to tender with them. The government has also formed an agency, Banco Nacional Hipotecario Urbano y de Obras Publicas, which handles a continuing program of financing, planning and erection of low-cost housing, in which Canadians might play a part.

Guatemala

Both the Guatemalan Government and industry welcomed the mission warmly. Meetings got under way early Monday morning, February 27, and mission members conferred with the President, the Minister of Communications and Public Works, and the Minister of External Relations. An important

meeting was held with officials of FYDEP, a semi-government agency responsible for developing the El Peten jungle area in northern Guatemala. (Among its future plans is construction of a plywood plant.) The mission also met with officials of ICAITI (established by the United Nations) whose job it is to investigate feasible industrial expansion in Central America.

The visiting Canadians were of the opinion that the Government realizes that local contractors are not fully capable of handling some of the larger civil engineering projects, such as the hydro-electric development on Lake Atitlan, roads, large bridges, and water and sewerage systems for Guatemala City. And it thought highly of our expressed intention of working with local contractors. Apart from proposed additions to the Pan-American Highway system, new housing and commercial buildings are the chief concern in Guatemala.

Guatemala City, as the largest city in Central America, would seem to be the ideal base for operations throughout the area—in Costa Rica, El Salvador, Nicaragua, Honduras, each of which has large hydro-electric projects on the drawing boards.

Colombia

Meetings got under way in Bogotá on March 2 and continued through until March 8. Mission members met contractors, businessmen, bankers, engineers and architects. They had talks with the Minister of Public Works and the Minister of Development, during which the long-range plans for the country's development were detailed, especially the plans for hydro power. Later they conversed with the energetic officials of these departments. Dr. Bernardo Garces, executive director of Corporacion Autonoma Regional de Cauca (a TVA-type project) and a McGill graduate, explained the engineering possibilities and problems in Colombia, told how Canadians could get

business, and explained specific future projects such as the Timba scheme, a \$17 million flood control and power development.

The country is forward-looking and has rich agricultural, timber and mineral resources. Agencies of the Government are energetically planning to develop the Colombian potential.

Trinidad

Mr. John Mordecai, Deputy Governor General of The West Indies, graciously received the mission in Port-of-Spain and outlined the state of the economy for them. They then met with the Minister of Trade and Industry, the Minister of Finance, and Trinidad's Prime Minister, the Hon. Dr. Eric Williams. Members were able to establish working contact with firms in Trinidad, but by comparison with the other countries, they considered that the work available here was limited. The Government is, however, taking a great deal of responsibility for the development of medium and low-cost housing and is prepared to guarantee mortgage repayments for this.

Jamaica

Jamaica was the last stop for the mission. It arrived on March 13 and within an hour and a half was conferring with top officials of the architects', master builders' and engineers' associations. In the next three days, the members met with bankers, business and government officials, including the Premier of Jamaica and the Minister of Development and of Communications and Works.

The group's visit was well-timed. The Government is very much concerned with the Sandy Gully flood water scheme, a sewerage project for the City of Kingston, low-cost housing and, especially, additions to existing factory space. Jamaica badly needs factory space and more hotel accommodation. The Government is now preparing legislation which would provide a 15-year tax

holiday on profits from buildings or the interest on money invested in such buildings. It is also prepared to guarantee mortgage payments on medium and low-cost housing.

Jamaica encourages Canadian builders to work there, provided it is on a continuing basis. Canadian firms would be well advised, however, to tender on projects in company with an experienced Jamaican firm.

Summing Up

What were the results of the mission? What did the members of it learn?

They returned convinced that the opportunity is there. Great efforts are being made in each country visited to expand the physical resources. Highways, power facilities, housing, utilities and industrial plant—all are needed and planned. However, money is short, nor is engineering and contracting skill yet equal, in many cases, to the problems facing it. Differences in labour rates and productivity and problems of building materials supply could beset the foreign contractor. Very often municipal building codes have not been formulated.

Against this can be placed Canada's qualifications and experience—and they will find a welcome. Canadian companies build better and faster and because of this, profits for everyone should increase. If there are special problems, there are also special rewards: profit margins are higher than in Canada.

How best to go about getting business? Mission members decided a certain formula generally applies: associate yourself with a local firm and submit joint tenders with it. Complementary undertakings, they felt, would benefit everyone and win Canada good friends.

Canadian firms may wish further information about this mission and the business opportunities it unearthed. They should write to David Mott, Engineering and Equipment Division, Department of Trade and Commerce, Ottawa. ●

Our Commercial Secretary in Mexico City, who is on tour in Canada this month, takes a look at Mexican industry, agriculture and trade in 1960 and at trading prospects for the months ahead.

Mexico Makes Progress

F. B. CLARK, *Commercial Secretary, Mexico, D.F.*

ECONOMIC activity in Mexico reached a high level in 1960 and the same favourable rate of growth is being sustained this year. The gross national product rose 5 per cent in real terms to a high of U.S.\$10 billion, with industrial output accounting for most of the gain. Agricultural returns remained about the same, as unfavourable weather reduced the principal crops. Mineral production was affected by world market conditions.

The main economic groups registered the following increases in volume during 1960: mining 3 per cent, petroleum 6.5, manufacturing 9.5, construction 10, electricity 9, electrical power 9, transport and communications 8, commerce 6.5. Total fixed investments increased by 16 per cent to U.S.\$1.3 billion, which represents 15 per cent of the gross national product.

Supported by added fiscal revenues and foreign credits, public expenditures rose by 27 per cent to a total of U.S.\$698.6 million for the year. The development of basic industries accounted for 74 per cent and the bill for extensive social services required most of the remainder. Private investment advanced at a more moderate rate and was valued at U.S.\$960 million; private investment in industrial ventures is expected to improve this year.

During most of the year the balance of payments showed a deficit; this was estimated at U.S.\$100 mil-

lion by August. The situation then improved, however, and by the end of the year payments and receipts were closely equated. The foreign exchange required for a significant rise in imports and the purchase of the two foreign-owned light and power companies was compensated by higher tourist revenues and long-term foreign loans. Most of these credits (which reached U.S.\$330 million for the year) were offered by heavy equipment suppliers. Other loans were extended by the Eximbank, the World Bank, and private financial institutions in the United States and Europe.

Agricultural Picture

Delayed rainfall in 1960 reduced crops and pasture yields on non-irrigated acreage. Output of the two staple foods, beans and corn, was below normal but over-all production was considered adequate to meet domestic needs. Wheat production also decreased and some regional imports of cereals may be necessary. Anticipated higher returns from cotton caused a transfer of acreage to this crop, principally at the expense of wheat. Acreage seeded rose by about 25 per cent and the yield totalled approximately 2 million bales, 12 per cent above the 1959-60 season. Exports of cotton, Mexico's principal trade commodity, were slow in 1960 but showed signs of increasing at the year-end. Coffee production rose to

slightly over 2 million bags, of which 1.4 million were exported. Some reserves remain and this season's crop may be a bit smaller. Sugar output was larger and with bigger sales to the United States, production may increase again.

Livestock production received considerable government assistance, including credits for the improvement of herds and facilities. Drought caused setbacks in pastures, particularly in northern areas, and imports of animal feeds increased substantially. The Department of Agriculture is stressing the importance of livestock to the farm economy and will continue its efforts to expand the industry, particularly the raising of cattle, swine and sheep. On the other hand, heavy imports of dairy products, wool, hides and skins continue.

Forestry and Mining

To preserve the national forest resources, the Government cancelled several operating concessions. Production of sawn lumber was sufficient for the modest requirements of the domestic market but exports dwindled.

Mining activity increased moderately over 1959 but lower world prices discourage any sizable expansion plans. Lead and zinc output declined and exports were down 4 per cent. Sulphur production was down 3 per cent, as one of the four operators closed down. Among the precious metals, gold production de-

clined and silver output increased slightly. A new Mining Law that "Mexicanizes" the industry took effect in February 1961. Existing concessions for the principal minerals—lead, zinc and copper—are now operated by United States companies but in the future concessions and tax benefits will be granted only to companies with 51 per cent Mexican capital.

Petroleum and Other Industries

Petroleum production increased 6.5 per cent over 1959, as Pemex (the government oil monopoly) is regularly drilling in proven areas. A new refinery located at Ciudad Madero was opened during the year and the natural gas pipeline to Mexico City is now being completed. Pemex is busy with a vast petrochemical program, with emphasis on the production of fertilizers and chemicals for detergents.

Manufacturing was up 9 per cent in volume last year, partly because of government financial assistance and an increase in private investment. Nacional Financiera (the Industrial Development Bank) is a financial partner in several enterprises that are termed basic producers. These companies, as well as private firms of certain industrial importance, are well protected from import competition by high duties and import controls.

The cost-of-living index in Mexico has edged up slowly since the base year, 1954, but a higher price rise was registered in 1960. Mexico City had a 7.5 per cent increase in the first 10 months of 1960. Increases in salaries are general and higher minimum wages were established throughout Mexico, with increases up to 21 per cent. Government employees received a general raise in salaries of 10 per cent, plus additional benefits.

Exports Steady, Imports Up

Mexico's exports have not kept pace with the rise in imports nor with the higher economic activity of the country. They reached U.S.

\$739.8 million in 1960, an insignificant increase over 1959. The principal Mexican exports—cotton, coffee, fresh fruits and vegetables, shrimp, cattle and minerals—were down in volume because of unfavourable prices in the international market. Cotton, the leader, was down to U.S.\$158 million, a decrease of U.S.\$55 million over 1959. Sugar exports to the U.S. soared, however, as Mexico received part of the former Cuban quota. The decline in exports by volume was offset by a rise of 4 per cent in export prices and the Government was heartened by a greater diversification in the products moving into foreign markets. More industrial goods and consumer products were included in total exports for 1960.

EXPORTS

	1959	1960
	(millions of \$)	
Agricultural products	322.9	307.6
Cattle and apiary produce	50.3	46.1
Fisheries	40.9	36.2
Metals and concentrates	132.1	137.9
Petroleum and derivatives	28.6	19.8
Edible products	29.4	71.2
Textiles	29.9	33.6
Chemicals	14.1	16.0
Other	74.4	70.8
Totals	723.0	739.7

Mexican imports reached a record U.S.\$1.18 billion in 1960, an increase of 18 per cent over 1959. Canada participated in this expansion as our exports rose to Can.\$38 million compared with Can.\$27.7 million in 1959. Capital goods accounted for U.S.\$570.4 million and raw materials for industrial production were valued at U.S.\$404 million, which together represent 82 per cent of the total. Principal capital goods imported included transportation equipment, hydro installations, and special machinery and parts for industry. Consumer products accounted for only 18 per cent of imports and a smaller share is expected this year as more local producers enter the market. The Government and its many agencies,

corporations, etc., were responsible for U.S.\$211 million of this import trade, 66 per cent more than in the previous year.

PRINCIPAL IMPORTS INTO MEXICO

	1959	1960
	(millions of dollars)	
Machinery installations	63.3	62.3
Automobiles	54.1	58.2
Machinery	39.6	52.3
Machinery parts	51.2	48.5
Tractors and parts	30.4	37.0
Trucks	36.4	36.0
Auto parts	23.9	29.5
Aircraft and parts	12.5	28.6
Fertilizers	16.6	24.6
Railway equipment	.3	22.3
Gasoline	18.5	20.4
Rubber, crude and synthetic	16.9	19.8
Iron and steel ingots	19.8	15.8
Newsprint	13.6	13.5
Industrial preparations	11.9	12.7
Railway cars	7.7	12.3
Resins	9.0	11.1
Iron/steel tubing, pipe	3.6	10.3
Wool	9.8	10.1
Animal feeds	6.0	9.9
Automobile motors and parts	6.3	9.9
Electrical machinery	7.4	9.2
Industrial equipment	5.4	8.5
Insecticides	9.3	8.5
Communication equipment	8.7	8.3
Gas, natural and artificial	5.8	7.7
Electrical motors and generators	4.4	6.7

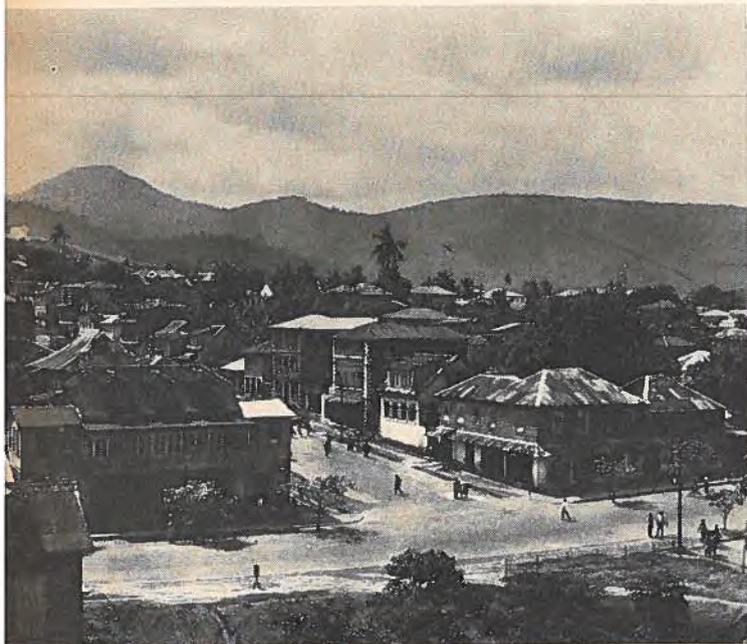
Trade Outlook

A new policy on imports has recently been put into effect in order to strike a closer balance of trade in 1961 and succeeding years. The new law empowers the executive branch to assess the total amount of imports that can be permitted. Once this is established, quantitative restrictions will be imposed for each product group.

This change in policy should not seriously affect Canadian exports because most of our sales consist of primary materials for Mexican industry and certain specialized machinery, equipment and instruments the volume of which does not justify local production. It is expected that Canadian exports will again improve in 1961 and at least maintain this high level in 1962. ●

Sierra Leone: New African Nation

O. MARY HILL, *Editor, Foreign Trade.*



On the promontory on which Freetown, the capital, stands, the mountains rise to about 3,000 feet; the city also possesses one of the finest natural harbours in the world. Note the tin roofs, needed for keeping out rain during the long wet season.

Most Sierra Leoneans live on the land; many of them in round or square-roofed houses like these in Majihun village. Miles of thick bush surround this settlement but now a road has been cut through. Note the goats; the country has over 21,000.



SIERRA LEONE, the West African country that became independent on April 27, is best known to Canadian exporters as a market for wheat flour. Last year flour made up 91 per cent of the \$641,000 worth of Canadian goods shipped there. To Canadian importers, Sierra Leone is familiar as a source of unground ginger, mainly for medicinal uses.

Although it is a small country, roughly the size of Ireland, and has only 24 million people, Sierra Leone possesses varied natural resources. Two of the minerals found there, diamonds and iron ore, have become important exports. Diamonds were discovered about 1930 along the upper reaches of the Sewa River and its tributaries; by 1958 diamond exports totalled £7.2 million. The Sierra Leone Selection Trust once held a monopoly of diamond mining but today its operations are limited to an area of 450 square miles. In certain other designated areas, Sierra Leoneans may mine diamonds under licence, but they must market them exclusively through the Government Diamond Office.

The large iron ore deposits near Marampa were first exploited in 1933 by the British-owned Sierra Leone Development Company, following the building of a railroad to Pepel, the nearest port. The larger part of the ore exported goes to the United Kingdom and the remainder to the United States and Western Europe; exports in 1958 reached 1.4 million tons worth some £4.5 million. Large additional ore deposits at Tonkolili will soon be mined if the company carries out its present plans; this expansion would, it is estimated, call for expenditures of between £20 and £25 million. Included in this figure is the cost of extending the present railway running to Pepel and enlarging the facilities at the port and installations at the mine—projects that may eventually offer opportunities for the sale of Canadian equipment.

A third mineral that figures among the country's exports is chrome ore, first mined about 1929. Shipments abroad of chromium ore and concentrates totalled about 5,000 tons worth £50,000 in 1959 (11,211 tons in 1958 worth £114,800). Altogether, minerals make up about two-thirds by value of Sierra Leone's exports. Soon another one will be added: a Swiss aluminum company which secured a prospecting licence in 1960 expects to begin mining bauxite soon.

Export Crops

Most of Sierra Leone's people make their living from agriculture, either by subsistence farming, by growing certain crops for export, or by a combination of the two. Most important of the export crops is palm kernels,

with shipments worth £3.2 million in 1959. Next comes coffee, mainly Robusta plus some Liberica, with exports (chiefly to the U.S.) valued at £985,000 in 1959. Although cocoa-growing is not nearly as important as in Ghana or Nigeria, cocoa sales abroad brought in £701,000 in 1959. Less important are piassava (a palm fibre used for bristles) with foreign sales worth £237,000 in 1959, kola nuts (£112,000), and ginger (£103,000). Farmers raise most of these crops on small holdings.

Foreign Trade

Minerals and the agricultural products mentioned in the previous paragraph make up Sierra Leone's exports, which in 1959 totalled £16.4 million. The United Kingdom provided the main market, taking about 70 per cent of exports; next came the Netherlands, 14.6 per cent (mostly diamonds and cocoa) and West Germany, 7.9 per cent. In the first nine months of last year, exports rose to £21.2 million because of larger sales of diamonds. Imports, totalling some £23.5 million in 1959, consist chiefly of manufactures (especially cotton piecegoods), machinery, fuel oil, transport equipment, some foods, and cement. In the first three quarters of last year they reached roughly £19 million. The leading suppliers include the United Kingdom (43.9 per cent), Japan (9.5), Burma (5.1, chiefly rice), and Italy (4.8). Traditionally, Sierra Leone has a trade deficit and this is one of the problems that the new country will face. According to our Trade Commissioner in Ghana, in whose territory Sierra Leone is included, Canadians should be able to sell various consumer goods there, particularly in the lower priced lines, in addition to the wheat flour and canned salmon they are already shipping.

Early Settlers

Sierra Leone, or "Lion Mountains", was christened by a Portuguese who in 1460 explored this section of the West African coast and was struck by the lion-like shape of the mountains fringing the promontory on which Freetown, the capital, now stands. The name "Freetown" has deep significance because the colony was developed about 1787 as a home for freed slaves. Most of them came from England but some 1,200 arrived from Nova Scotia. This group was made up of slaves who had escaped from the American South and of negroes who had fought in the Revolutionary War.

These early settlers were known as "Liberated Africans" or "Creoles" and they settled mainly in or around Freetown. Today about 25 per cent of Sierra Leoneans are said to be descendants of these repatriates; the remainder belong to a number of African tribes. In addition, there are less than a thousand Europeans and North Americans and about two thousand Asiatics living in the country.

The new nation has already shaped plans for its development in the years ahead. Among these is the

Guma Valley Dam, already under way but expected to take about four years to complete. It will provide 16 million gallons of water a day, some 12 million to be used for generating electric power. It will cost about £3.5 million and the Colonial Development Corporation and the Commonwealth Development Finance Company have agreed to provide £2.4 million.

The building of more roads and bridges also figures in these plans; about 12 bridges have been built in the last few years over the rivers that were the chief means of transportation in earlier days. The Government also expects to provide special incentives for the setting up of new industries and agricultural enterprises and wishes to attract foreign capital, preferably in partnership with local interests.

Sierra Leone has made rapid progress along the road to independence in the postwar years. In 1951, it was granted a new constitution and two years later, the first African Ministers were appointed. Further constitutional advances were made in 1958 and an all-African Executive Council was instituted. Now Sierra Leone has become, like Ghana and Nigeria, a sovereign West African state and a member of the Commonwealth. ●

A villager who belongs to one of the over 328 cocoa co-operatives in Sierra Leone brings some of his crop to the village courthouse to be weighed. The Produce Marketing Board is the sole cocoa exporter and the producers are represented on it.



Canadian Poultry Delegation Studie

The Members Learned that

—there is a big market in Western Europe for eviscerated poultry but not much demand for canned chicken.

—United Kingdom importers are interested in canned chicken and precooked chicken.

—demand for whole turkeys comes only at Christmas time, but there is a demand for turkey parts the year round in West Germany.

—the markets are all highly competitive and Canada's best chances of obtaining a share of the business lie in supplying a high-grade product, packed according to the market specifications, with the hope of obtaining a small premium.

—prospects for selling shell eggs in any of the markets visited are negligible at present but it might be possible to sell egg products.

R. W. BLAKE, *Acting Director, Agriculture and Fisheries Branch.*

A Canadian delegation went to the United Kingdom and Western Europe in February and March to study the possibilities of marketing Canadian dressed poultry and egg products in those areas. The members, three from the poultry industry and two from Federal Government departments, were:

H. J. HELLER, General Manager, Foreign Trade Division, Canada Packers Limited, Toronto.

OLIVER GRIGNON, Chief of Poultry Services, Legrade Incorporated, Montreal.

W. J. LANDRETH, General Manager, Canadian Poultry Sales Limited, Winnipeg, and President of the Canadian Produce Council.

R. W. BLAKE, Acting Director, Agriculture and Fisheries Branch, Department of Trade and Commerce.

A. D. DAVEY, Director, Poultry Products Division, Canada Department of Agriculture.

United Kingdom

The purpose of the delegation's visit to the United Kingdom was to explore the market for Canadian canned and cooked poultry, shell eggs and egg products, as well as to examine the situation on import controls on frozen fresh poultry.

Imports of Canadian uncooked poultry are prohibited entry into the United Kingdom because of the

prevalence of Newcastle disease in Canada. This disease is also present in the United Kingdom. The policy for its control there, however, is wholesale slaughter of all poultry in the area where an outbreak occurs, and the Government has placed this ban on imports of uncooked poultry from countries having the disease in an effort to cut down the sources from which it might be introduced.

The slaughter policy has been a costly one without much advance in controlling the disease. For the past year, a special committee has been studying the problem to determine whether control by vaccination, as carried on in North America and other countries, would be more suitable than slaughter, which is not only expensive but disrupts production schedules. The recommendations of this committee are expected to be made known shortly.

Even if the United Kingdom does change to the vaccination method, thus removing the principal objection to imports of foreign uncooked poultry, it does not mean that the prohibition would be lifted and unrestricted imports would be permitted. This is a matter which would have to be studied in conjunction with the interests of its own poultry producers.

Canned and Cooked Poultry—The prospects for selling canned and cooked poultry in the United Kingdom show some promise. We received favourable comments on the high quality of samples of canned chicken that had been sent to England in advance of our arrival, and the prices quoted were interesting enough to prompt inquiries. Interest was also shown in chicken cooked and packed in transparent material, and arrangements have been made to send a quantity of

European Markets

this to the United Kingdom to test trade and consumer reaction.

Eggs and Egg Products—At the present time, the prospects for selling shell eggs and egg products in the United Kingdom are negligible.

Western Europe

The best markets in Western Europe for Canadian suppliers of eviscerated poultry are West Germany and Switzerland, where poultry meat is just emerging from the luxury class of food and consumption per capita has risen from a few pounds per year only a few years ago to between 10 and 12 pounds at the present time. These countries are producing less than half of their requirements of poultry meat and there is keen competition among exporting countries to supply this huge and growing market. Imports in 1960 into West Germany and Switzerland totalled approximately 400 million pounds; the Netherlands, Denmark and the United States were the main suppliers. Since 1958 the United States has increased its exports to Western Europe from about 20 million pounds to over 100 million in 1960. Exports from the Netherlands, Denmark and Poland have also increased sharply in volume, with smaller quantities being supplied by other European countries.

Broilers, Fryers, Turkeys—Broiler production in West Germany and Switzerland has increased tremendously in the past few years and the governments of these countries are assisting producers through subsidies and other means to increase production further and improve quality in order to obtain a larger share of this growing market. However, with consumption steadily rising each year, there will likely be a demand for imports for some time to come. If Canadian suppliers can

produce the type of bird required at a competitive price they should be able to obtain a share of this market. The demand is mainly for fryers and broilers weighing from 1½ to 2½ pounds with a smaller demand for fowl from 2½ to 4 pounds.

Turkey consumption is confined mainly to the Christmas season and a light, 8 to 14-pound bird is preferred, although the market will take a small quantity of birds up to 18 pounds. The reason for the preference for lighter birds is that they are practically all consumed at home, with no apparent demand from the hotel or restaurant trade. Not once in the delegation's travels through Europe did we see turkey on the menus in hotels or restaurants. There is a good demand in West Germany for turkey parts the year round, mainly thighs and drumsticks. Imports of these parts are prohibited in Switzerland.

Calibration and Packing—Special attention is given to the calibration of shipments of poultry to West Germany and Switzerland. Calibration refers to the system of standardizing the weights of the birds in a carton with a tolerance of only two ounces from the average weight marked on the carton. The average weight of the cartons may vary but an importer wants to be able to place an order for a ton of poultry in cartons weighing, say, 10 kilograms, with the average weight of the birds all the same (with the two ounce tolerance) or a ton of 11-kilogram cartons, and so on. This is because poultry is sold by the piece and not by weight and it greatly facilitates invoicing and shipping if the wholesaler's stocks are separated into the weights required before he receives them. Denmark and the Netherlands have conformed to this practice and the

United States is rapidly approaching standardization of shipments.

It should also be noted that importers like to have poultry from overseas packed in strong cartons firmly strapped to avoid pilferage, which can be serious and can cause a lot of inconvenience in claiming for the losses incurred. Imports from neighbouring European countries suffer less from this hazard because handling is reduced to a minimum and more control is possible.

Eggs and Egg Products—Canada has shipped eggs and egg products to parts of Europe in the past and may be able to do so again sometime in the future, but there are no prospects for selling Canadian shell eggs in Western Europe at the present time. The prospects for some egg products are more encouraging because Communist China, who was the largest supplier, no longer exports these products and prices are coming more into line with Canadian quotations. Several inquiries have been referred to Canadian producers.

Competitors Visited

The purpose of the delegation's visit to the Netherlands and Denmark was to study production, processing and marketing methods for eggs and poultry in these countries which, apart from the United States, are our chief competitors and supply the bulk of Western European requirements.

The Netherlands and Danish poultry industries are linked very closely to the export markets which take the major part of their production of both eggs and poultry. They have made great progress in producing the kind of birds in demand and in processing and packaging eviscerated and semi-eviscerated poultry to suit their customers.

Their proximity to West Germany and Switzerland gives them an advantage over overseas suppliers because orders can be received by telephone one day and the goods can be delivered by truck

the next. This assures customers of an almost fresh product which the housewife prefers to the frozen product. Producers in these two countries have another advantage—they have been able to plan their production schedules to coincide with the low production period in Germany and Switzerland, thus assuring themselves good prices be-

cause export demand is high at the time when their own production is at its peak.

Quality Compared

The quality of dressed poultry seen in the United Kingdom and Western Europe was, with very few exceptions, not considered equal to the best that can be obtained in

Canada. Despite the emphasis placed on price by the importers, the delegation feels that Canadian suppliers should only ship a high-grade product for which they might obtain a small premium. Attractive packaging is a selling feature, and strict attention must be paid to the packing specifications of the market. ●

FAIRS AND EXHIBITIONS

West Indies Trade, Industry on Show

CARIBBEAN Exhibition 1961, an industrial and cultural exhibition in Barbados, will be held June 2-10. It will feature the trade, industry and culture of the West Indies, although exhibitors from other countries will be welcomed. Increased trade and greater industrial development are the aims of the exhibition organizers—the Barbados Junior Chamber of Commerce. To entertain visitors, it has arranged shows by Barbadian and other West Indian dancers, singers and steel bands, fashion shows, films, and boxing and weight-lifting exhibitions. Inquiries should be addressed to the Chairman, Exhibition Committee, Barbados Junior Chamber of Commerce, 209 Russell House, Broad Street, Bridgetown, Barbados, W.I.

Canada Goes to West Africa

THE Canadian Government will take a trade fair to West Africa early next year and exhibit it in two countries. It will open first at Accra, Ghana, from January 17 to 27, 1962. Then there will be an interval of about two weeks during which Canadian businessmen taking part can make further contacts and study the market firsthand. The fair will re-open in Lagos, Nigeria, from February 14 to 24. Applications for space and requests for further information should be directed to the Chief, Trade Fairs Abroad Division, Department of Trade and Commerce, Ottawa.

It will be the first time that Canada has exhibited in West Africa. A geodesic dome will form the central section of the exhibition, providing space for a government display and information centre. Separate structures will be built in which Canadian firms can show their products, distribute samples and sell goods. The Canadian Government will pay for shipping the displays to West Africa, setting up exhibits, etc.; par-

ticipating firms are asked merely to get their products to an assembly point in Canada and to man the booths. A vigorous advertising and publicity campaign will support the project and special attractions at the fairgrounds will ensure a large attendance. The weather in West Africa at the time of year chosen is usually warm and dry.

Since Ghana and Nigeria gained their independence, their economies have expanded, exports have increased and imports risen. Progressive economic policies have been instituted. English is the language of business and dollar exchange is freely available, though the currency is sterling. Import controls, except on a few commodities, were taken off in both countries in 1959, and all exporting nations now compete there on equal terms. Both countries are moving toward industrialization and Canadian participation in this should mean growing markets. Demand for consumer goods is already on the increase. An office of the Canadian Trade Commissioner Service was opened last fall in Lagos.

In 1959 Ghana, with a population of four to five million, imported goods valued at Can.\$316 million; Nigeria, with a population of 35 million, imported \$502 million; Canada's share in each market was small. Public development projects have been inaugurated in both countries and should in Ghana produce a market for motor vehicles and parts, machinery, building materials, fertilizers and insecticides. Nigeria, whose per capita income increases by 2½ per cent a year, requires cement, roofing materials, railway rolling stock, telecommunications cables and oil-prospecting gear. Our Trade Commissioner suggests that there is also a market for many kinds of electrical appliances.

The techniques of selling in West Africa, with its distinctive trading pattern, relatively low incomes, many illiterate consumers and strong brand loyalty, will

probably be new to many a Canadian exporter. But once the peculiarities of the market are understood, he should be able to increase his sales. Opportunities appear best for consulting engineering and contracting services; aerial surveys; lumbering and mill supplies; mining, heavy electrical and street-cleaning equipment; transportation and telecommunications equipment; agricultural machinery; aircraft—and other requirements of developing economies.

Packaging Industry Exhibits

THE biannual International Packaging Exhibition, London, is the largest of its kind in the United Kingdom and will be held this year from September 5-15. Visitors come from every branch of industry, and in 1959 from 64 countries of the world; they are nearly all trade buyers. The fair helps promote the use of packaging materials such as paper, wood and plastic, as well as packaging equipment. Over 300 exhibitors display new methods, new machinery, designs and materials. The market for these products in the United Kingdom alone has become increasingly important as all stages of industry and all connected with distribution come to apply the new packaging techniques.

Canada enters the fair for the first time this year. Our display occupies 1,600 square feet and will show representative products from the different segments of our packaging industry, such as various grades of paper and paperboard, waterproof kraft, and laminated plastic; plastic bags and liners, silverware wrapping, gift wrapping papers, bakery packaging, household rolls and refills, garbage and utility bags, gummed paper and pressure sensitive tapes, labels and display materials; folding cartons of all sizes, telescopic boxes and squeeze bottles; wood veneer baskets, boxes and hampers and plywood packing cases.

In another section, visitors will be able to see Canadian machines in operation: a tea bag forming and packaging machine which will dispense tea bags to visitors; a butter-wrapping machine (and beside it, a continuously operating movie showing buttermaking in Canada); a vacuum forming machine for making "blister packages", a packaging process originally used for consumer goods but now popular for many other types of products too.

The Canadian exhibit is being sponsored by the Department of Trade and Commerce and has been designed by the Exhibition Commission.

Canada Exhibits in Poland

CANADA will enter the Poznan International Fair, Poland, (June 11-25) this year for the fifth time. The fair is essentially an industrial one, heavily participated in by Communist Bloc and Western European countries.

Once again, Canada's presentation (sponsored by the Department of External Affairs) will concentrate on two products of our economy, giving them the maximum benefit of colourful presentation. Aluminum will be seen this year as a raw material, as it is used in industry, and as it may be used in the future as a result of research discoveries. Consumer goods made of aluminum (such as kitchen utensils, foil, tools and toys), an outboard motor, and aluminum construction industry products have gone into the display. The story of the industry in Canada will be told by means of dioramas and photographs, including diorama models of Kitimat and Kemano. A huge aluminum ingot weighing over a ton will face the entrance.

Asbestos is the other basic commodity selected for display. Asbestos ore samples will be freely distributed and samples of fireproof wearing apparel will be shown.

Several hundred consumer catalogues from Canadian mail-order houses are being sent to the fair for free distribution, along with 10,000 maps of Canada contributed by the Department of External Affairs. Atomic Energy of Canada Limited will again show its Gammacell.

Half Canada's exhibit space, which totals 350 square metres, is attractively laid out as a motion picture theatre where films showing scenes from Canadian life, history and industry are run continuously throughout the day.

Around the Fair World

BAKING—Euroba II, Bakery Exhibition, Brussels, Belgium, October 20-November 12. Apply: Salon de l'Alimentation et des Arts Menagers, 10 Place de Broucker.

CONSUMER GOODS—World Trade Fair, Peabody, Mass., September 13-23. Apply: J. O'Boyle, Sales Promotion Manager, Northshore Shopping Centre, Peabody, Mass., U.S.A.

DO-IT-YOURSELF—9th International Handicrafts and Do-it-Yourself Exhibition, London, August 31-September 16. Apply: A. J. Kreps, Link House, Store Street, London, W.C. 1, England.

GENERAL—International Samples Fair, Barcelona, Spain, June 1-20. Apply: Feria Oficial e Internacional de Muestras en Barcelona, Palacio No. 1, Avenida de la Reina Maria Cristina, Barcelona, Spain.

TELEVISION—First International Festival of Television Arts and Sciences, Montreux, Switzerland, May 15-27. Apply: Festival Committee, 8 Grand Rue, Montreux, Switzerland.

Venezuela Amends Foreign Exchange Controls

Revisions have been made in the control system which Venezuela introduced last November to halt the steady decline in its foreign exchange reserves. This article from our Caracas office explains the new regulations.

W. D. WALLACE, *Commercial Counsellor, Caracas.*

VENEZUELA introduced a foreign exchange control system by Decree No. 390 of November 8, 1960, (see "Foreign Trade" of January 14, 1961), in an effort to halt the steady decline in the country's foreign exchange reserves. On the basis of experience gained during the four months that the system was in operation it became evident that a large number of revisions were necessary. These were made through Decree No. 480 of March 17, 1961, which was modified by Decree No. 492 of April 6, 1961.

The new decree and its regulations are administered by the Exchange Control Office of the Central Bank of Venezuela. Foreign exchange will no longer be allocated to the commercial banks on a regular monthly quota basis, but will be provided in each instance on the approval of the application for a foreign exchange licence. Virtually all of the foreign exchange income derived from exports and from receipts of registered foreign capital brought into the country for investment is for the account of the Central Bank of Venezuela. Through a system of prior import permits and licences for foreign exchange, the Central Bank will make foreign currency available at a controlled rate of exchange for some 2,500 import commodities. Controlled exchange will also be provided for official government payments, for freight and insurance payments, for outstanding debts from import contracts prior to November 8, 1960, and for imports made between November 8, 1960, and March 19, 1961. Controlled exchange will also be provided for amortization of registered foreign capital invested in the country, and its dividends, interests, gain and

real estate rentals, and for certain students abroad. Exchange for remittances abroad for all other purposes may be obtained in the free market.

Two forms of exchange rates will continue to exist in Venezuela, the official or controlled exchange rate and the "free market" exchange rate. The controlled market rate, which the Central Bank will provide under Section 11, Article 35 of the Central Bank Law, will be set from time to time by the Venezuelan Ministry of Finance. The other rate is the "free market" rate which is established daily by the Central Bank, and which at present is approximately Bs.4.65 to the United States dollar.

Prior Import Permits

The Ministry of Finance has issued a list of some 2,500 items, known as the "List of Imports of the Controlled Market", for which a prior import permit is required from the Exchange Control Office and for which foreign exchange at the lower controlled market rate will be approved. The permit will be granted prior to date of shipment of the merchandise from a foreign port. This does not affect the already existing requirements for an import licence for certain commodities under import control in Venezuela. In these cases both the import licence and the prior import permit are required.

Merchandise imported by air transport, whose f.o.b. value port of shipment does not exceed U.S. \$2,000 or its equivalent in other foreign currencies, is exempted from a prior import permit, as are merchandise imports made by other means whose c.i.f. value Venezuelan

port does not exceed U.S.\$2,000. Partial shipments to evade the prior import permit requirements will not be permitted.

The import permits will be valid for a period of 180 days, no matter what the country of origin, port of shipment, or method of dispatch of the merchandise may be. The permit can be extended for 60 days if shipment cannot be made because of reasons beyond the importer's control. For reasons of *force majeure* the permit may be extended.

The Exchange Control Office can refuse to grant import permits if the importer is in arrears with the payment of collections at a fixed term registered with the Exchange Control Office and originating from prior imports. The loss of the right to obtain new import permits will become effective 15 days after the collection becomes due. The suspension will not apply if documentary evidence is given which satisfies the Exchange Control Office that the collection could not be paid due to pending settlement of a justified claim concerning the import involved.

If the Board of Directors of the Central Bank of Venezuela deems it necessary, it has authority to extend the prior import permit requirements to products for which payment is made at the free market rate of exchange. In addition, if the Board of Directors of the Central Bank of Venezuela deems it necessary, it may require importers of controlled imported merchandise to deposit a partial or total equivalent in bolivars of the value of the import at the time of applying for the prior import permit. Such deposits will be frozen by the bank, without interest, and shall be applicable as payment of the draft or bill covering the merchandise, upon arrival of the same.

Licences for Foreign Exchange

The granting of a prior import permit for items on the controlled import list does not guarantee that foreign exchange will be granted to

meet the payment of these imports. In addition to the prior import permit, it is necessary for the importer to apply for a licence for the purchase of the foreign currency. Once the merchandise or the covering documents (sight draft, debit note for letter of credit, open account draft, bank guarantee for merchandise with no documents, bill of exchange for merchandise on consignment, and bills of exchange for items exempt from prior import permit) have arrived, the importer, through the bank assigned in the import permit, must apply to the Exchange Control Office for the licence for purchase of foreign currency. The documents required for this application are a copy of the bill of exchange, an original consular invoice, and an original commercial invoice. These documents will be returned to the bank or the importer when the exchange licence is issued in order that the importer may clear the merchandise through customs.

Letter of Credit and Advance Payment

The regulations provide for the opening of letters of credit to be paid in controlled market exchange after the prior import permit has been approved. For making disbursements representing payments made in advance for imports of merchandise, the Exchange Control Office will grant controlled market exchange only when the application and terms of payment have been previously authorized by that office, and such payments are for the import of machinery and industrial equipment and spare parts.

Freight and Insurance Payments

Foreign exchange for freight and insurance payments at the controlled rate of exchange will be made available for items on the controlled list of imports. The Exchange Control Office has ruled, however, that these payments will only be made in Venezuela. This means that the freight and insurance charges for controlled imports

cannot be included in the drafts or cheques to the order of beneficiaries abroad. Such freight and insurance costs will be paid directly by the importer in Venezuela in local currency to the shipping and insurance companies. They, in turn, will apply to the Central Bank of Venezuela for the foreign currency for the net percentage which they actually must remit abroad, after the local expenses in Venezuela have been deducted. Should it become necessary to issue regulations requiring prior import permits for items imported at the free market rate of exchange, then a similar procedure will be followed for the freight and insurance on these items.

Foreign Capital, Loans and Investments

Foreign exchange at the controlled market rate will be made available for payments of amortization of foreign capital entered and invested prior to November 8, 1960, and its dividends, interests, gain and real estate rentals, (not including royalties), provided they have been registered with the Exchange Control Office in conformity with the regulations of Foreign Currency Control Decree No. 390 of November 8, 1960. Similarly, for payments on foreign capital invested after November 8, 1960, exchange will be granted if the capital has been registered in conformity with the same decree. If the investments are made in the form of machinery, equipment, implements, raw materials, and other items of a similar nature, then the registration will be made on the proven value of the imported items. In no case, however, will failure to register be an obstacle to capital entering the country through the free market, nor to obtaining free market foreign exchange for the payment of interests, dividends, or refunds of such capital.

Outstanding Debts

Foreign exchange for payments of debts from imports of merchan-

dise made prior to November 8, 1960, will be permitted at the controlled rate of exchange, but these debts must be registered by the importer with the Exchange Control Office not later than April 20, 1961. For debts originating from imports of Merchandise made between November 8, 1960, and March 19, 1961, foreign exchange will be granted at the controlled rate, but the debts must be registered not later than May 5, 1961.

Free Market Exchange

Foreign exchange, which is not required to be sold to the Central Bank of Venezuela, may be sold in the free foreign exchange market.

The Central Bank of Venezuela and other commercial banks are authorized to participate in the free exchange market and may buy and sell on their own behalf or that of their clients. The Board of Directors of the Central Bank is authorized to establish an exchange stabilization fund and to announce at the beginning of each business day a free market rate of exchange at which the commercial banks may purchase free market exchange from the Central Bank. Free market exchange may continue to be purchased and sold on the Caracas Stock Exchange. This latter rate varies with the supply and demand of foreign exchange, but is expected

to remain close to the free market rate set by the Central Bank.

Additional changes in the new regulations will be reported as they come into effect. A list of the controlled import items is on file with the Department of Trade and Commerce. Canadian export firms wishing to have information on products on the import list, as well as further clarification and information, should get in touch with the Latin American Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or the Commercial Counsellor, Canadian Embassy, Apartado 11452 Este, Caracas, Venezuela.

COMMODITY NOTES

Aircraft

MEXICO—A new company, Lockheed Azcarate, S.A., has begun production of a small, five-passenger airplane called the LASA 60.

The new firm, situated in San Luis Potosi, will produce everything but the motor and the propeller. It has a capacity of six airplanes per week, most of which will be exported—Mexico City.

Aluminum Extrusion Billet

UNITED STATES—A \$2 million expansion of facilities to produce extrusion billet is under way at the Kaiser Aluminum & Chemical Corporation plant at Chalmette, Louisiana; it is expected to be completed this year.

The plant's capacity for casting high-quality billet will be increased by approximately 50 per cent. A 30,000-square-foot building is being built to house the addition, which will include holding and charging furnaces, a direct-chill casting unit, and accessory equipment.

Direct-chill casting is an operation in which molten aluminum is fed into vertical moulds and cooled rapidly by water sprayed on the outer surface of the moulds and cast billet—New Orleans.

Asbestos Cement

NIGERIA—Nigeria's first asbestos cement factory was opened in March at Ikeja near Lagos. The factory is

owned jointly by the Western Region Government's Development Corporation, Belgian and Italian Eternit interests, and the local trading firms of Paterson, Zochonis & Co. Ltd., and John Holt & Co. (Liverpool) Ltd. It appears that the Eternit group will exercise effective control.

Asbestos Cement Products Nigeria, Ltd., will manufacture corrugated sheets, flat sheets, soil and rainwater pipes, water tanks and sundry moulded pieces. When in full operation, 8,500 square yards of asbestos cement sheet will be produced per day—Lagos.

Carbon Black

VENEZUELA—The United States Export-Import Bank has granted a \$1.4 million credit to the Negro de Humo Venezolano (NEGROVEN), an affiliate of the United Carbon Company, Houston, Texas, to equip a carbon black plant to be built in Valencia, Venezuela. The loan is repayable over four years, beginning in 1963—Caracas.

Cobalt

AUSTRALIA—A new plant to process Australian cobalt ore is being established at Cloncurry, Queensland. Australian Cobalt Deposits Ltd., Sydney, has announced the investment of A £100,000 in facilities designed to produce 360 tons of cobalt in the first three

years after operations begin in July of this year. Initial output is planned at two tons per week to meet Australian needs; export to the United States and Japan is expected later.

Private miners will supply the ore from the Mt. Cobalt area, about 83 miles away, at prices varying from A.£10.1.0 a ton for 2 per cent ore to A.£24.6.0 for 4 per cent ore, with increases of A.£5 for each per cent of ore above the latter—Sydney.

Cotton Textiles

INDIA—During 1960, India's exports of cotton textiles declined by approximately 15 per cent, from 814.6 million yards to 694.8 million yards. Good prices, particularly in Asian and African markets, kept the value unchanged at 547 million rupees. This compares with only 412 million rupees in 1958.

There were interesting changes in the pattern of exports: shipments to the U.K. climbed from 166 million yards to 198 million yards, and exports to the Sudan dropped from 150 million to 62 million yards. Canada, British West Africa and Ceylon all increased their imports from India, but Burma, British East Africa, Malaya and Singapore, Ethiopia, and Aden bought less. The over-all reduction is said to have been a result of the general decline in world trade in 1960—Bombay.

Nylon

MEXICO—A new company, CICLOAMIDAS, S.A., has been formed with a capital investment of 120 million pesos subscribed by three nylon manufacturers—Celanese Mexicana, S.A., Celulosa y Derivados, S.A., and Nylon de Mexico, S.A. The purpose is to produce domestically the basic materials required by these three firms, thus integrating the nylon industry in Mexico—Mexico City, D.F.

Paper

SWITZERLAND—A Swiss firm recently demonstrated a new paper made from synthetic rather than cellulose fibres. The paper is said to show resistance to acids and alkalies, folding, and absorption of water. It will be used to print maps, identity cards, passports, and for other uses requiring paper with special qualities—Berne.

INDIA—A new company, Ashok Paper Mills Limited, will erect an integrated paper mill at Rameshwaranagar in the State of Bihar. Production will begin in 1963 with an initial capacity of 15,000 tons a year of writing and printing papers, based mainly on bagasse and bamboo with some sabai grass.

The French firm, Messrs. Compagnie Generale de Matierels et Matieres Premiers pour les Industries de la Cellulose (COGEMIC), will supply equity capital amounting to about \$600,000. The French engineering

and consulting firm, Messrs. Etudes et Matierels pour l'Industrie du Papier et de la Cellulose (EMPACEL), will supply the major portion of the plant as well as looking after design and layout. Machinery worth \$5 million will be imported from France with deferred payments extending for five years after the last shipment. United States equipment worth \$1 million will be financed by the Export-Import Bank with repayment to be made in local currency—New Delhi.

Pesticides

PORTUGAL—Companhia Portuguesa dos Petróleos BP, S.A.R.L., has been authorized to set up a department at its Cabo Ruivo works, Lisbon, to prepare and manufacture biological and chemical products for animal, agricultural and forest protection. The company, with the assistance of its associates, is under obligation to manufacture the raw materials or basic ingredients as soon as is feasible—Lisbon.

Steel

SWEDEN—Sweden's steel production totalled 2.8 million tons in 1959, double the 1950 figure, and in 1960 increased further to a new peak of 3.2 million tons. The rate of increase during the past decade paralleled that in the European Coal and Steel Community, but was less than that in the Soviet Union. Output in the 1959-65 period will rise by 63 per cent, it is estimated.

The Swedish steelworks plan to invest an average of Kr.330 million a year in new plant and machinery during the first half of the 1960's, and Kr.250 million a year during the last half. These figures are lower than the Kr.400 million average for the past two years.

Most of the investment in the metallurgical departments of the steelworks will be used to expand capacity for steel produced by the oxygen method. In Sweden, the Kaldo method has been epoch-making in this field. The oxygen process is expected to account for 22 per cent of the output in 1965 as compared with 4 per cent in 1959—Stockholm.

Wire and Galvanized Products

COLOMBIA—A Bucaramanga factory will begin production of wire and galvanized products early in 1962. It will make wire in sizes 18 to 26, and also for the manufacture of nails. Approximately \$570,000 will be invested in the plant. Output is expected to reach 25 tons a day—Bogotá.

Wood Pulp

UNITED STATES—Bowater Carolina Corporation, one of the major shippers through Charleston, South Carolina, more than doubled its exports of wood pulp through that port in 1960 with a total of 95,085 long tons, 48,870 long tons more than in 1959—New Orleans.

TRADE COMMISSIONERS ON TOUR

In Canada



F. B. Clark



M. R. M. Dale



J. G. Ireland

F. B. CLARK, Commercial Secretary in Mexico City:

Montreal—May 1-9	St. Catharines, Welland— June 6
Quebec—May 10	London—June 7
Fredericton—May 11	Windsor—June 8
Saint John—May 12	Winnipeg—June 13-14
Halifax—May 15-16	Regina—June 16
St. John's—May 18-19	Saskatoon—June 19
Toronto—May 23-30	Edmonton—June 22
Fergus, Kitchener—May 31	Calgary—June 26
Guelph, Galt—June 1	Vancouver—July 3-7
Brantford—June 2	
Hamilton—June 5	

M. R. M. DALE, Trade Commissioner in Cape Town, South Africa:

Ottawa—May 10-12	Hamilton—May 25
Windsor—May 15	St. Catharines—May 26
Sarnia—May 16	Toronto—June 5-16
London—May 17-18	Peterborough—July 3
Brantford—May 19	Ottawa—July 4-14
Galt, Kitchener—May 23	Montreal—July 17-28
Guelph, Fergus—May 24	

J. G. IRELAND, Assistant Commercial Secretary in Rome, Italy:

Ottawa—May 8-19	Toronto—May 29-June 2
Montreal—May 23-26	Winnipeg—June 5-6

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

G. E. BLACKSTOCK, Vice Consul and Assistant Trade Commissioner in New Orleans, will visit Greenville in South Carolina, and the Winston-Salem, High Point, Greenshore triangle of North Carolina from May 22-27. From May 29-June 3, he will visit Charlotte in North Carolina, and Columbia and Charleston in South Carolina. If necessary, Mr. Blackstock can be reached through the Chambers of Commerce in these cities.

W. G. BRETT, Assistant Commercial Secretary in Paris, France, will tour the French Community countries in Africa from April 10-May 12. His itinerary covers Nouakchott, Fort Gouraud and Port Etienne in Mauritania; Dakar in Senegal; Conakry, Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

C. M. FORSYTH-SMITH and **C. J. SMALL**, Trade Commissioners in Hong Kong, will visit the following cities in Communist China from the middle of May to the first week in June: Canton (they will attend the Spring Fair), Peking, Tientsin, and Shanghai.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from May 15-20.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit Houston, Texas, during the third week of May.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Zagreb, Ljubljana and Rijeka in Yugoslavia from May 15-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Blackstock and Mr. Harris at New Orleans, Mr. Brett at Paris, Mr. Forsyth-Smith and Mr. Small at Hong Kong, Mr. Freyseng and Mr. Thomson at Vienna.

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.

FOREIGN TARIFFS AND TRADE REGULATIONS

Ecuador

PRIOR DEPOSITS RE-ESTABLISHED FOR ALL IMPORTS—Ecuador has reimposed prior deposit requirements for both essential and unessential imports. Since last December all imports had been freed from all prior deposit requirements.

Under the new regulations, announced March 8, products included in List I, essential imports, will be subject to a prior deposit of 25 per cent, and products included in List II, unessential imports, to a prior deposit of 50 per cent of the c.i.f. value.

At the same time, Ecuador has transferred some 150 items from Import List I to Import List II. Imports classed in List I can be purchased at the official exchange rate of approximately 15.15 sucres to the Canadian dollar. Imports in List II must be purchased at the fluctuating free exchange rate of approximately 18.40 sucres to the Canadian dollar. In addition, List I imports continue to be subject to a stamp tax of 5 per cent and List II imports to a stamp tax of 10 per cent of the c.i.f. value.

It is stated that the re-establishment of prior deposit requirements and the transfer of a wide range of items from List I to List II is designed to reduce the recent high rate of imports which has contributed to a drop in Ecuador's exchange reserves—Guayaquil.

Mexico

IMPORT TARIFF CHANGES—The Acting Commercial Secretary in Mexico City has reported that, by virtue of a number of Presidential Decrees published in the April 8 issue of the official government gazette, changes have been made in the Mexican import tariff which affect approximately 600 items, or about 12 per cent of the total. The changes consist of raising the ad valorem or specific duty rates, establishing a higher official valuation for duty purposes, or a combination of these.

Duty rates on many types of machinery, equipment and parts, including some farm implements and tractors, are increased. The duty for one livestock category is higher, but this does not affect purebred livestock. Increases in duties for certain specialty steels, chemicals, acids and drugs were also announced. However, the duties on the whisky items were reduced.

Although most of the changes increased the customs duties, it is not expected that the increases to date will

affect significantly Canada's share in the Mexican market. There are no preferential rates in the Mexican tariff schedule, so the changes will apply equally to imports from all countries. However, as the revisions are part of an over-all program to reform the existing tariff, additional major changes may be expected in the future. Increased protection and a stimulus for industry, and the establishment of specific items to cover every type of import were given as the basic principles underlying the reform. Previously, many imports unspecified in the tariff have been subject to the lower rates of the "basket" items.

New Zealand

REPLACEMENT LICENSING SYSTEM CANCELLED—The New Zealand Government has announced that licences issued under the replacement licensing system were suspended on April 13. Firm specific orders placed and accepted before April 13, in anticipation of automatic further licensing under the replacement system (but not minimum quantity agreements, annual requirement, production allocations, or standing orders), will be covered by special licences for which applications are required before the end of April. However, items which were in both the 1960 and 1961 import schedules qualify for additional 1961 import licences to a maximum total value equal to 1960 imports of the same items.

New importers' allocations under the replacement licensing category which have not been acted upon are cancelled.

This tightening of import licensing applies only to the replacement licensing system; there has been no change in the quotas for goods imported under other categories.

Information on individual products can be obtained from the Commonwealth Division of the International Trade Relations Branch.

United States

SPECIAL IMPORT FEES ON FLAXSEED AND LINSEED OIL TERMINATED—The President issued a proclamation on April 5, 1961, eliminating the special import fees on flaxseed and on linseed oil that were imposed in 1953 under Section 22(d) of the Agricultural Adjustment Act.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Phone:</i> BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 61-3473
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle CANBERRA	<i>Mail:</i> (City Address) <i>Cable:</i> DOMCAN <i>Phone:</i> U-1304 <i>Telex:</i> CBA C217 (DOMCAN CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 57-25-97 <i>Telex:</i> 1-3380 (DOMCAN VIENNA)
Belgium Luxembourg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 13.38.50 <i>Telex:</i> 0-2613 (DOMCAN BRU)
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Phone:</i> 42-4140 <i>Telex:</i> RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Phone:</i> 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> CANADIAN <i>Phone:</i> 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Phone:</i> 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	<i>Airmail:</i> Apartado Aereo 8582 <i>Surface Mail:</i> Apar- tado 1618 <i>Cable:</i> CANADIAN <i>Phone:</i> 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	<i>Mail:</i> Boite Postale 8341 <i>Cable:</i> CANADIAN <i>Phone:</i> 2706 <i>Telex:</i> LEO 68 (DOMCAN LEO)

**Mail and Cables,
Office Telephone & Telex**

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Cuba	P. A. Savard Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Phone:</i> 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	<i>Mail:</i> Apartado 1393 <i>Cable:</i> CANADIAN <i>Phone:</i> 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> BALzac 99-55 <i>Telex:</i> 2-0600 (DOMCAN PARIS)
Germany Federal Republic	J. A. Stiles Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitellmannstrasse BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 21971 <i>Telex:</i> 886421 OR 886422 (DOMCAN BONN)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	<i>Mail:</i> P.O. Box 1639 <i>Cable:</i> CANADIAN <i>Phone:</i> 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	<i>Airmail:</i> P.O. Box 400 <i>Surface Mail:</i> P.O. Box 444 <i>Cable:</i> CANADIAN <i>Phone:</i> 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	<i>Mail:</i> P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Phone:</i> 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor B. Horth Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Phone:</i> 74261
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Phone:</i> 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Embassy 32 Anatole France TEHRAN	<i>Mail:</i> P.O. Box 1610 <i>Cable:</i> CANTRACOM <i>Phone:</i> 4-9291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 864-327 <i>Telex:</i> RMO 86 (RMO 86 DOMCAN OR RMO 56 DOMCAN)
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Tokyo	<i>Mail:</i> Canadian Embassy <i>Cable:</i> CANADIAN <i>Phone:</i> 408-2101/8 <i>Telex:</i> TK 2218 (DOMCAN TK 2218)
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Phone:</i> 50955
Mexico	F. B. Clark Commercial Secretary (absent) W. M. Miner Acting Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	<i>Mail:</i> Apartado 25364 <i>Cable:</i> CANADIAN <i>Phone:</i> 25-15-60
Netherlands	J. C. Britton Commercial Counsellor G. E. Woollam Agricultural Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 61-41-11 <i>Telex:</i> 31270 (DOMCAN HAGUE)
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Phone:</i> 70-644 <i>Telex:</i> WGN 9 (DOMCAN WGN)
Nigeria	H. W. Richardson Commercial Counsellor C. T. Charland Assistant Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	<i>Mail:</i> P.O. Box 851 <i>Cable:</i> CANADIAN <i>Phone:</i> 25262

**Mail and Cables,
Office Telephone & Telex**

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	Mail: P.O. Box 1379—Vika Cable: CANADIAN Phone: 33-30-80
Pakistan Afghanistan	L. A. Campeau Commercial Counsellor	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	Mail: P.O. Box 3703 Cable: CANADIAN Phone: 50322 Telex: KRC 10
Peru Bolivia	W. J. Jenkins Acting Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	Mail: Casilla 1212 Cable: CANADIAN Phone: 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner R. M. Dawson Vice Consul and Assistant Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	Mail: P.O. Box 1825 Cable: CANADIAN Phone: 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	Mail: (City Address) Cable: CANADIAN Phone: 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	Mail: P.O. Box 2133 Cable: CANTRACOM Phone: 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	Mail: P.O. Box 845 Cable: CANADIAN Phone: 74260
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mutual Building 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	Mail: P.O. Box 715 Cable: CANADIAN Phone: 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner (absent)	602 Norwich House The Foreshore CAPE TOWN	Mail: P.O. Box 683 Cable: CANTRACOM Phone: 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	Mail: Apartado 117 Cable: CANADIAN Phone: 47-54-00
Sweden Finland	G. F. G. Hughes Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	Mail: P.O. Box 14042 Cable: CANADIAN Phone: 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	Mail: (City Address) Cable: CANADIAN Phone: 4-63-81 Telex: 2-2386 (DOMCAN GENEVE)
Union of Soviet Socialist Republics	W. Van Vliet Commercial Counsellor	Canadian Embassy 23 Starokonyushenny Pereulok Moscow	Mail: (City Address) Cable: CANAD Phone: 415142
United Arab Republic Egyptian Region Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	Mail: Kasr el Doubara Post Office Cable: CANADIAN Phone: 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex	
United Kingdom	B. C. Butler Minister (Commercial)	Office of the High Commissioner for Canada One Grosvenor Square LONDON, W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Phone:</i> Mayfair 9492 <i>Telex:</i> 2-2526 OR 2-8240 DOMINION LDN)	
	S. G. Tregaskes Commercial Counsellor			
	W. Gibson-Smith Commercial Counsellor			
	D. B. Laughton Agricultural Secretary			
	E. J. White Commercial Secretary (Timber)			<i>Cable:</i> TIMCOM
	W. A. Stewart Assistant Agricultural Secretary			
	Geo. Hazen Assistant Commercial Secretary			
S. G. Harris Assistant Commercial Secretary				
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> Central 0625	
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner	Cornhill House 144 West George St. GLASGOW C.2	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Phone:</i> Douglas 6751	
	E. J. Ward Assistant Trade Commissioner (Timber)			
United Kingdom (Northern Ireland)	P. V. McLane Canadian Government Trade Commissioner	36 Victoria Square BELFAST	<i>Mail:</i> (City Address) <i>Phone:</i> 21867	
United States Delaware, Maryland, Virginia, West Virginia	M. Schwarzmann Minister-Counsellor (Economic)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> DEcatur 2-1011	
	D. A. B. Marshall Agricultural Counsellor			
	J. D. Blackwood Assistant Commercial Secretary			
	J. MacNaught Assistant Agricultural Secretary			
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> DEcatur 2-1011	
United States (Connecticut, New Jersey, New York, Pennsylvania), Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Phone:</i> JUDson 6-2400	
	A. A. Caron Consul and Trade Commissioner			
	R. D. Sirrs Consul and Assistant Trade Commissioner			
	F. I. Wood Vice Consul and Assistant Trade Commissioner			

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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.012018.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 24	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free .....	.01197	83.54	(1)
Austria	Schilling .....	.....	.03789	26.39	
Australia	Pound .....	.....	2.2105	.4524	
Bahamas	Pound .....	.....	2.7631	.3619	
Belgium and Luxembourg	Franc .....	.....	.01973	50.68	
Bermuda	Pound .....	.....	2.7631	.3619	
Bolivia	Boliviano ..	Free .....	.00008649	11,562.03	
British Guiana ..	Dollar .....	.....	.5756	1.74	
British Honduras ..	Dollar .....	.....	.6908	1.45	
Brazil	Cruzeiro ...	Free .....	.003504	285.39	(2)
		Special Category	Auctions	Auctions	
		Official selling	suspended	suspended	
			temporarily	temporarily	
Burma	Kyat .....	.....	.2075	4.82	
Ceylon	Rupee .....	.....	.2072	4.83	
Chile	Escudo	Free .....	.9393	1.0646	(3)
Colombia	Peso	Certificate .....	.1475	6.78	
Congo, Republic of	Franc .....	.....	.01973	50.68	
Costa Rica	Colon	Official .....	.1760	5.68	
		Controlled free .....	.1486	6.73	
Cuba	Peso .....	.....	.9881	1.01204	tax 2%
Czechoslovakia ..	Koruna .....	.....	.1372	7.29	
Denmark	Krone .....	.....	.1431	6.99	
Dominican Republic	Peso .....	.....	.9881	1.01204	
Ecuador	Sucre	Official .....	.06588	15.18	
		Free .....	.05778	17.31	
Egyptian Region, United Arab Rep.	Pound	Official	2.8375	.3524	
		Export account selling ..	.....	.....
El Salvador	Colon .....	.....	.3953	2.53	
Fiji	Pound .....	.....	2.4893	.4017	
Finland	Markka .....	.....	.003088	323.83	
France, Monaco, etc.	New Franc .	.....	.2015	4.96	(4)
Franco-African Republics, etc. ...	Franc .....	.....	.004030	248.14	(5)
French Pacific ...	Franc .....	.....	.01108	90.25	(6)
Germany	D Mark .....	.....	.2489	4.02	
Ghana	Pound .....	.....	2.7631	.3619	
Greece	Drachma .....	.....	.03293	30.37	
Guatemala	Quetzal .....	.....	.9881	1.01204	
Haiti	Gourde .....	.....	.1976	5.06	
Honduras	Lempira .....	.....	.4941	2.02	
Hong Kong	Dollar	Free* .....	.1692	5.91	*April 7
		Official .....	.1727	5.79	
		.....	.02600	38.46	(7)
Iceland	Krona .....	.....	.2072	4.83	
India	Rupee .....	.....	.02196	45.54	(7)
Indonesia	Rupiah	Official .....	.01304	76.66	
Iran	Rial .....	.....	2.7668	.3614	
Iraq	Dinar .....	.....	2.7631	.3619	
Ireland	Pound .....	.....	.5490	1.82	
Israel	Pound .....	.....	.001592	628.14	
Italy	Lira .....	.....	.002745	364.30	
Japan	Yen .....	.....		

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 24	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3104	3.22	
Mexico	Peso		.07905	12.65	
Morocco	Dirham		.1976	5.06	
Netherlands	Florin		.2750	3.64	
Netherlands Antilles	Florin		.5240	1.91	
New Zealand	Pound		2.7631	.3619	
Nicaragua	Cordoba	Effective buying	.1497	6.68	
		Official selling	.1402	7.13	
Nigeria	Pound		2.7631	.3619	
Norway	Krone		.1381	7.24	
Pakistan	Rupee		.2072	4.83	
Panama	Balboa		.9881	1.01204	
Paraguay	Guarani	Official	.007842	127.52	
Peru	Sol		.03694	27.07	
Philippines	Peso	Free	.3294	3.03	
		Official	.4941	2.02	
Portugal & Colonies	Escudo		.03449	28.99	(8)
Singapore and Malaya	Straits Dollar		.3224	3.10	
Spain and Dependencies	Peseta		.01647	60.72	
Sweden	Krona		.1913	5.23	
Switzerland	Franc		.2286	4.37	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04679	21.37	(7)
Tunisia	Dinar		2.4011	.4165	
Turkey	Lira		.1098	9.17	(7)
Union of South Africa	Rand		1.3816	.7218	
United Kingdom	Pound		2.7631	.3619	
United States	Dollar		.988125	1.012018	
Uruguay	Peso	Free	.09016	11.09	(9)
Venezuela	Bolivar		.2950	3.39	(10)
West Indies Fed.	Dollar		.5756	1.74	(11)
	Pound		2.7631	.3619	(12)
Yugoslavia	Dinar	Official	.001318	758.72	

*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. For imports of wheat, newsprint and petroleum, the exchange is fixed at Cr.200 to U.S. dollar.
3. 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.
4. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Camerons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
10. 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.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

The U.S. Lumber Market in '61

H. J. HORNE, *Consul and Trade Commissioner, Chicago.*

RESIDENTIAL housing starts in the United States declined by almost 16 per cent in 1960, but Canadian lumber exports fell by only 1 per cent. Continuing demand by other wood-consuming industries prevented what could have been a drastic reduction in our lumber exports to this important market. U.S. lumber production in 1960 was estimated at 35.5 billion board feet, down about 4 per cent.

Official Forecast

The outlook for 1961 lumber sales appears favourable. Barring unforeseen events, United States residential housing starts in 1961 should increase at least modestly. If, as anticipated, there is further active government action and if the expected upturn in the U.S. economy comes before mid-year, the increase could be substantial. The result would be heavier demand for building materials, including Canadian lumber.

The United States Department of Commerce forecasts that in 1961:

- Lumber production will rise moderately.
 - Wooden pallet production and sales in 1961 will parallel those in 1960.
 - Production of wooden boxes will not exceed the 1960 output.
 - Shipments of wood furniture will about equal those of last year.
 - Use of lumber by railroads, both for maintenance and repairs and for new car construction, may decline somewhat.
 - U.S. lumber exports will be about the same as or slightly above the 1960 figure.
- Production by the hardboard industry (an estimated 2,100 million sq. ft. of $\frac{1}{2}$ " or equivalent in 1960) will probably increase about 2½ per cent, roughly equal to the record high of 1959.
 - Particle board production, which in 1960 fell 16 per cent to an estimated 250 million sq. ft. of $\frac{3}{4}$ " or equivalent, is expected to rise to at least 298 million square feet, the record established in 1959.
 - Output of the softwood plywood industry is expected to achieve a 15th consecutive record, with production exceeding slightly that of 1960.

Evaluation of these factors indicates a probable net gain in lumber demand.

In non-residential building, which apparently uses more Canadian lumber than is generally estimated, 1960 set a new all-time record. Industrial, commercial and educational building in 1961 is expected to continue to rise. Consumption of Canadian lumber in this field should at least equal that of 1960, and if there is no drop in the U.S. total output of goods and services, it should increase.

Trade Commissioners Report

Canadian Trade Commissioners recently surveyed their territories to discover the probable market for Canadian lumber in the United States. Details of their findings and their forecasts for the coming year can be obtained by writing directly to them. A brief summary of their forecasts for 1961 are:

New York: "Slow for the first three or four months of 1961, with a

buyer's market, then a pick-up in activity if housing starts increase as predicted."

Boston: "General prospects for 1961 appear promising, particularly for hardwood dimension stock."

Detroit: "The lumber business in 1961 will pick up slightly, but with some areas spotty."

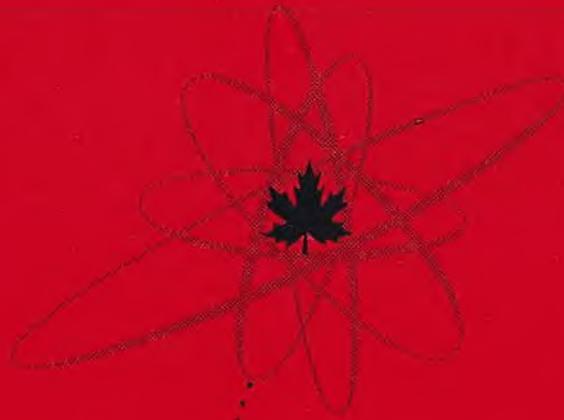
Chicago: "An over-all increase of between 5 and 10 per cent is forecast."

New Orleans: "Considerable quantities of unsold new houses in the territory predicate a slow start in 1961 and any increase in lumber sales will depend on how quickly these are sold."

Seattle: "Prediction is that in 1961, Washington construction will run ahead of the national average."

Los Angeles: "Good sales of hardwood components and dimension stock and an increase also in the demand for glued-up stock is the forecast."

As part of the Government's trade promotion on behalf of the Canadian lumber industry, participation was again arranged in the National Association of Home Builders' Show in Chicago. Canadian producers, wholesalers and exporters are urged to follow up this promotion by visiting the markets—there is no effective substitute for personal calls on buyers and increases in sales invariably result. The Canadian Trade Commissioners stationed in the United States welcome letters, telephone calls and personal visits from Canadian lumber exporters and will assist them in every possible way. ●



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