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COMING——HOW TO SELL IN SINGAPORE, IN JULY 29 ISSUE

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WILLIAM JONES,
Commercial Counsellor,
Rio de Janeiro.

Brazil Is Solving Exchange Problem

What arrangements has Brazil made to overcome its serious financial problems, particularly the shortage of foreign exchange? How will the steps taken affect Canadian exports? The author, who is now on tour in Canada, discusses these important questions.

BRAZIL until a few weeks ago was on the edge of a financial abyss, at least in its foreign exchange position. This foreign exchange problem was a legacy from the previous Administration to the present one, which took office on January 31 of this year. Basically, it resulted from an industrialization and development program undertaken by the previous government and financed in large degree by inflationary issues of money internally and by government borrowings and approval of private borrowings from sources both within the country and abroad.

When the new Government took office, it estimated that Brazil would be required to pay during its five-year term approximately $2 billion to meet the country's commitments, out of a total external debt of $3.802 billion. Of this, approximately $600 million (50 per cent of the Brazilian foreign exchange earnings at the current rate) must be paid during this fiscal year. Payments of this order, of course, appeared to even the most casual observer to be patently impossible, even if the Administration took drastic austerity measures. Such measures would have lowered the rate of development and production and the standard of living tremendously. It would also have prevented the import of many of the basic materials essential to the production of a large portion of the goods which are exported and earn foreign exchange or save money by replacing imports. The result would probably have been a breakdown of the economy.

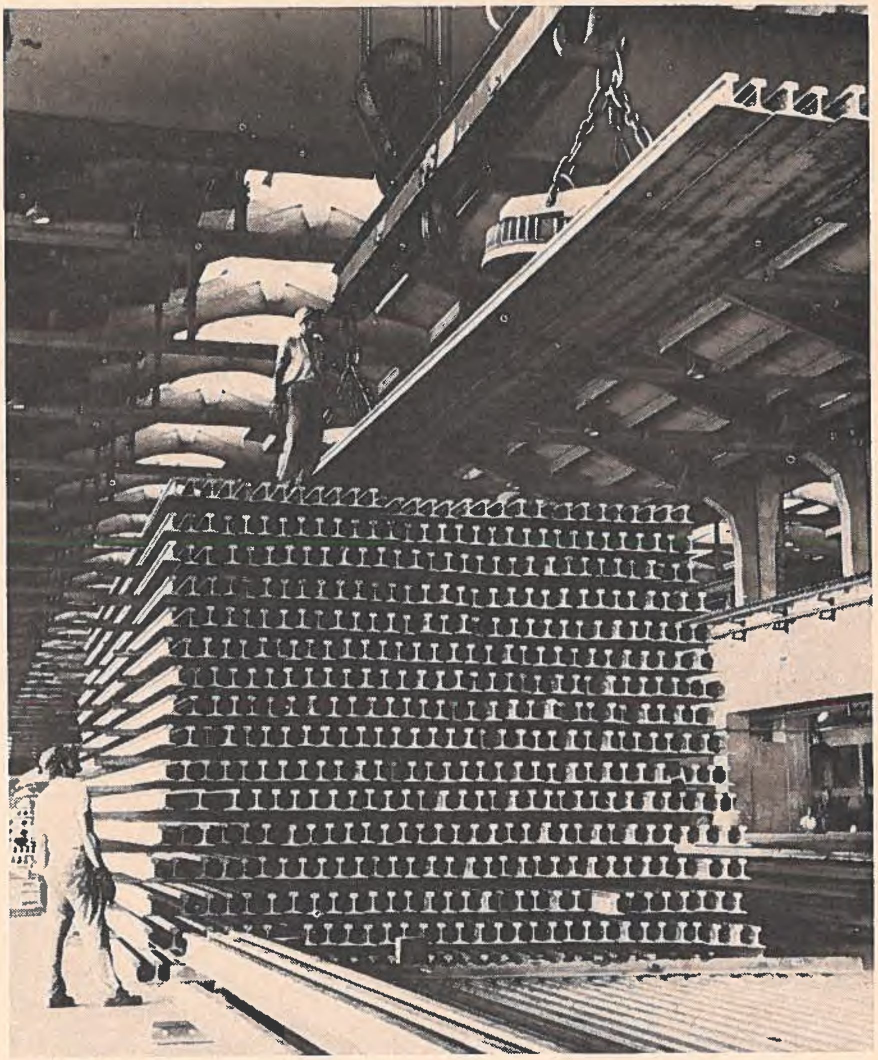
There appeared to be two courses that the Administration could pursue. One was refusing to accept responsibility for the debts incurred by the previous government by declaring a moratorium. The other was the solution that it chose—to obtain agreement to a stretch-out of the payment period for amounts due to its U.S. and European creditors, and to return to the good graces of the International Monetary Fund which, until corrective measures had been taken, apparently was unprepared to stretch out payments due and extend standby credits to Brazil to meet current commitments.

Currency Auctions Suspended

The new Administration on assuming office immediately suspended the currency auctions at which foreign exchange for imports was sold. It did not resume supplying import documents until after March 13, when it issued SUMOC Instruction No. 204. This instruction, of major importance, was the first concrete step taken since the Customs Tariff Law of 1957 towards simplification and unification of the exchange rates. It provided for the purchase of the foreign exchange necessary for private importers in the free market, thus taking the first step toward unifying the multiple foreign exchange rates under which foreign trade has been carried on over the past few years. It also raised the fixed rate of exchange applicable to privileged imports (petroleum, equipment for production of petroleum, fertilizers, insecticides, wheat, printing paper and newsprint, books and machinery for printing newspapers) from Cr.$100 to Cr.$200 per U.S. dollar or equivalent in other currencies. Equally important, it announced its intention to eliminate this privileged rate during the second half of this year.

The same regulations limited the amount of foreign exchange that could be purchased by any one company for imports during any week to $20,000* and required that such importers, in addition to purchasing the foreign exchange in the open market, deposit the equivalent amount of cruzeiros with the Bank of Brazil—which means that importers have to tie up funds to twice the value of the imports. Consequently these moves increased the cost of foreign exchange for imports by approximately 25 per cent by the end of March.

In addition, the Instruction required that when forward exchange was contracted for, it had to be paid for within 180 days. This stipulation served two purposes. First, it tended to discourage importers from rushing to purchase exchange (they had been denied access to such exchange for about six weeks) which would have caused a much bigger drop in the market value of the cruzeiro than actually occurred. Second, by putting a damper on import activities it gave the exchange authorities a period of grace to complete their negotiations with foreign creditors on bolstering their reserves, while maintaining a semblance of normalcy within which essential transactions could continue with the slender resources available.



Build-up of Brazilian industry has meant heavy imports of capital goods, contributed to foreign exchange shortage. Industrial progress is demonstrated by this picture of steel rails for the country's railways, turned out at Volta Redonda steel mill.

New Credits Obtained

About the middle of May, much to the relief of everyone concerned, the U.S. Government and the International Monetary Fund, after negotiating with the Brazilian financial authorities, announced a plan for the solution of Brazil's foreign exchange problems. Between the U.S. Government and the Fund, new credits to the amount of $498 million ($338 million from the U.S. Government and $160 million from the Fund) will be made available. Equally important, the agreement provided for a rescheduling of the period for payment of approximately $305 million due to the U.S. Export-Import Bank—a period of 20 years—and the rescheduling of payments of about $140 million due to the IMF.

Negotiations with the U.S. private banks (to which this country is committed to repay $114 million during the next few years) and with European and other creditor countries to which Brazil owes approximately $1.1 billion (and from which she hopes to obtain stretch-outs and new credits of approximately $550 million), depended to a large degree on obtaining approval of Brazil's international financial policy from the IMF. This agreement thus constituted an important step toward the rational solution of the over-all problem.

Trade Agreements Sought

Meanwhile, the Brazilian Government has, by means of a mission to Eastern European countries, vigorously pursued trade and economic agreements with them with a view to selling its surplus products, such as coffee and sugar, which it cannot because of international

*Since increased to $50,000.

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agreements dispose of elsewhere, obtaining in return such essentials as oil and wheat that it might otherwise have to pay for in dollars.

Within Brazil there has been both criticism and support of this policy of pursuing closer trade relations with Eastern European countries. However, the criticism has normally been based on political grounds, for from the Brazilian point of view, the only possible conclusion is that the policy makes good sense economically. It remains to be seen whether it will be as successful as the Brazilian Government hopes. Nevertheless, press reports announce the reaching of agreements with Rumania for an exchange of goods valued at between $440 and $600 million over the next five years and including a dollar loan of $50 million, and with Yugoslavia for $230 million and including a line of credit for machinery and supplies to a value of $120 million. Meanwhile, negotiations with other countries, including the U.S.S.R., are continuing and agreements may be announced by the time this is published.

The Government has also taken other steps. One of the problems facing it was the securing of a supply of wheat for the rest of the year and avoiding if possible the payment of foreign exchange for it. Accordingly, negotiations with the United States for a supply from surplus stocks were reinitiated. These culminated in an accord signed on May 4 whereby one million tons of U.S. wheat, valued at approximately $70 million, will be supplied to Brazil during the remainder of the year. The importance of this is underlined by the fact that wheat imports during 1960, although they also were obtained without paying out foreign exchange, were valued at approximately 10 per cent of total imports during the year. Meanwhile, a Commission appointed by the President has initiated a study of ways and means of increasing the Brazilian wheat crop; substituting other flours, such as soya bean, manioc and buckwheat, for wheat flour, and finding alternative and acceptable foods to bread, if possible. Some wheat is also being obtained from the U.S.S.R.

Other Measures

Measures have been and continue to be adopted to remove some of the impediments to exports, stemming from a multiplicity of regulations and a bewildering variety of official bodies which had to approve an export. At the same time, as part of the program of encouraging exports, the returns from all of them (with the exception of coffee, which accounts for more than 60 per cent of this country's foreign exchange earnings from exports) were made convertible into cruzeiros at the free market rate. This has, as indicated above, increased the return in cruzeiros for each dollar sold in it by over 25 per cent. A previously unused provision for the drawback of customs duties paid on imported articles incorporated into an exported one has been put into effect and the regulations governing the procedure to be followed have been drafted. This drawback provision is expected to provide a further incentive to producers of semi-manufactured and manufactured goods within the country who have not previously exported to seek foreign markets.

The Brazilian Government has also obtained an annual U.S. sugar import quota of 225,000 tons, compared with the former quota of 110,000. Because a U.S. sugar quota permits the sale of sugar to that country at almost twice the world market price, the quota increase will bring Brazil about $25 or $30 million in additional foreign exchange. As one of the world's largest sugar producers, the country can easily handle this additional export volume and the achievement of this objective is, therefore, of major importance.

From the point of view of the observer in Brazil, all of the above, plus a large number of other actions by the new Administration, add up to a program both politically adept and economically deft. As yet, the new Administration does not appear to have made any major economic blunders and has pursued its objective of creating a financially sound and economically viable society with courage, pertinacity and consistency.

Implications for Canadians

What does all this mean to Canadian exporters to Brazil? It may be that, in the short run, sales of our traditional basic raw materials will decline. It is also possible, however, that with renewed confidence in the financial future of the country, investment in new industries will continue at a rapid pace and we will find outlets for new raw materials (such as basic chemicals) not previously available here.

Brazil has not been a market for Canadian consumer goods for some time and this may hold true in the foreseeable future. However, it may well be that Canada can supply industrial plant and equipment which we have not previously been able to sell Brazil in the face of the extended credit terms offered by suppliers in other countries. The larger and more complicated types of hydroelectric generating equipment are an example. The hydroelectric resources of Brazil have many years of development ahead of them and contracts to supply the equipment are open for competition from any firms that can offer the requisite financing. Moreover, once the foreign exchange problem has been completely solved, the Brazilian authorities will probably relax the restrictions on imports of all kinds. This will not, however, happen for some time. In the short term, Canadians should look to Brazil as a continuing market for raw materials and as a potential market for increased quantities of our basic chemicals and for heavy equipment that we can produce in competition with other suppliers. ●

As the Businessman Sees It

S. J. RANDALL,
President and Managing Director,
General Steel Wares Limited.

As told to O. Mary Hill.

"YOU can't do business out of an empty wagon." This pithy saying I call rule one in campaigning for export markets, especially for consumer goods. At General Steel Wares we began our search for foreign customers about two years ago by shipping our wringer and automatic washers and clothes dryers down to Trinidad for display at the Canadian Trade Fair in Port-of-Spain. When we wanted to crack the British market, we took space at the important Ideal Home Show and exhibited many of our appliances. I like trade fairs, because they are one of the best ways of carrying out rule one and of learning quickly what foreign customers like or dislike about your products.

Analyze the Market

When the Trinidad Fair opened in February 1959 I flew down, because products don't sell themselves and I wanted to put rule two into practice. Put colloquially it's this: "Case the joint." By this I mean: "Analyze the situation." Find out the tastes and preferences in a foreign market and how your products can cater to them. Look into methods of selling; they may be different from the techniques used at home. Talk to prospective customers; get the feel of the market. Store up all this information, because you'll sure need it!

Rule two worked well for us in Trinidad. After some poking around in Port-of-Spain, I decided that the Port-of-Spain Electricity Board and the Trinidad Electricity Board (since amalgamated) could best handle the sales of our washers and dryers. I appeared before these Boards and made my sales pitch, outlining what GSW was prepared to do if they became our exclusive representatives in Trinidad. We offered to help them arrange effective displays and prepare advertising, and to train staff in servicing our appliances. I myself spent some time with the manager of the service department, going over designs and drawings. We supplied servicing catalogues and offered to train technicians in our plant. Did it pay? Last year we sold over $50,000 worth of appliances in Trinidad.

Adapt Your Product

My experience in the West Indies convinced me of the soundness of rule three—be ready to adapt your product to the demands of a particular market. Before we started selling refrigerators in Jamaica and Trinidad, the distributors reported that in the hot and humid climate rust was appearing around the door handles of refrigerators made by some of our competitors. We put refrigerators shipped to tropical countries through a rustproofing

GSW Goes After Export Trade

General Steel Wares plunged into export selling in the spring of 1959, when the company displayed some of its appliances at Trinidad's Canadian Trade Fair. Since then, using enterprise and imagination, it has boosted its export sales by over 400 per cent. What is its recipe for success? Its energetic president supplies the answer.

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process and give them an extra coat of paint. This has paid off in another market. Last summer we did some sales promotion in Bermuda. A dealer there told us he had given up handling Canadian refrigerators because they rusted—but we convinced him GSW had this problem licked. Now he's doing a good business for us.

Sometimes adapting a product to foreign tastes or specifications is much more complicated and costly. We discovered this in the market we tackled next—the United Kingdom. When we entered the Ideal Home Exhibition in London in March 1960, we took over our washers, dryers, refrigerators, and warm-air furnaces (both gas and oil). Visitors to the exhibition were so enthusiastic about our appliances that we soon set about the next step—getting these tested and approved by the British Electricity Board and the Gas Board. Working out an agreement with the Boards takes time and patience; the chief engineer of our Appliances Division went to London this spring to demonstrate to them that our gas furnace, range and clothes dryer were up to their standards. We have already made certain changes these authorities suggested, such as special valves for the washers and a porcelain-coated heat exchanger on our gas furnaces.

Sometimes we have to adapt our appliances not to foreign standards but to foreign customs. The Dutch housewife, for example, likes to soak her laundry in cold water before she washes it. When we opened our coin-laundry store in Holland, we adapted the timer on our automatic washing machines to allow for this traditional practice.

Occasionally the situation is reversed—and we must persuade the customer to do some adapting so that he can use our product. British homes are usually built without basements and house plans must be modified to create space to install a furnace; the walls must be designed differently to take the duct-work. To make headway in selling our furnaces, we have to spend time in our trips to Britain calling on the large contractors and selling them on the idea of central heating.

Get Close to Customers

Rule four applies to selling both at home and abroad—but it's a bit harder to put into practice in a foreign country. It's this: don't let too many people stand between you and the customer. That's the great virtue of trade fairs as a means of testing a market: you get opinions on your product straight from the horse's mouth. Plenty of people told me our refrigerators were too big to appeal to the British, and as for furnaces, what Englishman really wanted central heating! But once over there, I found the British keen to buy something new, different, and North American—like our refrigerator—and convinced that Canada offered North American design plus British quality. We now foresee a good demand for our furnaces.

By the word "you" in rule four, I don't mean just the export manager and his staff. I mean top management too. The first step for a Canadian company to take if it is serious about exporting is to send

At the big Hardware Show in Olympia, London, last fall, GSW's exhibit of housewares attracted eager buyers. They showed particular interest in the barbecues and picnic equipment in the foreground; some of the barbecues went to a French distributor.

The opening of Britain's first fully automatic coin laundry at Walthamstow last March was staged with due ceremony. Picture shows Mrs. Baldwin, wife of the Mayor of Walthamstow, admiring the McClary-Easy washing machines, while B. C. Butler, Canada's Minister (Commercial) London, (centre) and her husband the Mayor look on.

some of its top executives on a fact-finding tour. Expose them to foreign markets; let them find out what it takes to make headway abroad. If they come back enthusiastic about prospects, their enthusiasm will rub off on others. They can carry through adaptations and speed up deliveries; they can give the export department status.

Don't leave all the selling to the representatives you select abroad. Last summer our export manager travelled through the West Indies, visiting large islands and small. Result: he sold almost $50,000 of major appliances, pots, pans and general housewares. Last fall we entered the Hardware Show at Olympia, London, displaying our complete line of housewares. We found customers for stainless steel cookware, picnic equipment, TV trays, office wastepaper baskets, and for over 2,000 barbecues—some of which we sold to a French distributor. And in addition, we had a look at what competitors offered.

Find "Hungry" Dealer

Rule five—when you are looking for a representative in a foreign country, find one who is hungry. He's the man who will get out and hustle for business. In Jamaica, after calling on a number of dealers, I found a Syrian gentleman who was expecting to open a larger store in a few months and was keen to take on the GSW line. He turned out to be a good choice, as many of that country's most successful businessmen are Syrians. We prefer to deal with a stocking distributor; he has already made an investment in our product and he will promote sales aggressively.

Study Needs

Rule six is fundamental to any selling—find a need and cater to it. Observing life in Britain and particularly British houses, usually cramped for space and without basements, I decided that fully automatic coin-operated laundries, open 24 hours a day, would fill a need for the British housewife. After a long search, we picked Walthamstow, a London suburb, as the site for our first fully automatic coin laundry—and the first of this type in Britain. We made the opening a real occasion, complete with champagne. The Canadian Minister (Commercial) in the U.K., B. C. Butler, was on hand and a chartered bus brought in about twenty newsmen from Fleet Street. The BBC filmed the line-up of women waiting to do their first washing and ran the film on the TV. A month later, we opened a second laundry in Glasgow; soon we shall have nine operating in the U.K., including four in Scotland. Recently we arranged a distributorship for our automatic washers in the Netherlands and our first Dutch coin laundry opened in the first week of May; another in Johannesburg, South Africa, will soon be in operation.

Be a Salesman

Rule seven probably belongs at the beginning rather than the end of these "musts" for export success. It's this: always remember the need for salesmanship. Naturally, your sales pitch may change as you try your luck in different countries; in some, it should be in a lower key. In general, in selling manufactured goods in Europe I recommend this approach. Tell your prospect you are offering him something he's never seen before—and that it's well worth a slightly higher price. Take refrigerators, for example. Our 10 cubic foot model offers not only more space than the British 5 cubic foot but several special features—and it costs little more.

Tackling Problems

In writing down my recipe for export success, I don't want to imply that export trade does not have any problems. It has—and they must be tackled head on. When I make speeches about Canadians showing more enterprise in foreign trade, sooner or later someone complains that our high production costs make our consumer goods uncompetitive in many foreign markets and that's that. My answer is the would-be exporter can usually do something about these costs. It's not his problem only; his suppliers have a share in it and should help in solving it. I have put it up to the companies that supply GSW with components—such as valves and timers for our washing machines—that they must keep their manufacturing costs down too, so we can price our merchandise realistically for overseas selling. After all, General Steel Wares in effect is pioneering a foreign market for them for free. Why should they add on cost premiums?

Another problem we face constantly is getting our merchandise delivered to the foreign distributor undamaged and at the lowest possible cost. Occasionally our appliances get dropped on a foreign dock so hard they are only fit for scrap. This problem—and that of obtaining good shipping service generally—is particularly acute in selling to the West Indies. I feel personally some of these difficulties may disappear when air freight comes into more general use. The savings in damage during unloading, in insurance, and in the cost of keeping large inventory stocks will, I think, compensate for the greater expense of shipping by air.

The third problem, especially in selling household appliances, is arranging for efficient servicing and the handling of complaints. If you balk at spending money to keep your customers happy, you risk jeopardizing your market. Take our experience in Trinidad. After our sales campaign had been running for several months, buyers began to complain that the motors of our washers were burning out. To find out why and to satisfy our irate customers, we hired an expert on motors to ferret out the reason for this failure. He soon discovered that housewives were not using enough water in the machines and the motors were heating up. The solution: explain to customers they must follow the operating directions and not abuse the appliance.

In some markets, import restrictions and a shortage of dollars seem to squash any attempts to sell Canadian products. Other approaches have been tried. Take Iran as an example. We decided a licensing arrangement was the only possibility there. Soon a plant will begin turning out GSW refrigerators in that country under a licensing agreement. We have trained a man in our London, Ontario, factory and sent him off to Iran as plant manager under a three-year contract, with a Canadian technician to help him. Recently our chief methods engineer spent about five weeks in Iran, getting the units started down the assembly line and making sure the product met our standards.

Tangible Rewards

Though I have written chiefly about General Steel Wares' experience in the West Indies and the United Kingdom, we have tried our fortunes in many other markets in the last two years. In 1960 we sold our products in nearly twenty different countries and chalked up $305,000 worth of export sales. This year we expect the efforts we have made and the spadework we have done will bring their reward. If the figures for the first three months are a reliable guide, GSW's returns from export sales will, I believe, reach $750,000 or perhaps even $1 million by the end of the year. Already our overseas orders are up about 400 per cent over 1960.

Where do we go from here? To West Africa; we are busily planning our exhibit at the Canadian Trade Fairs in Accra, Ghana, and Lagos, Nigeria, early in 1962.

I think I'll go along. Africa will be a new continent for me—and I like exploring new markets. ●

Spanish Farmers Aided

SPAIN is making progress toward the solution of some of its agricultural problems but much remains to be done. Perhaps the greatest problem is the lack of water. Since 1945 over one million acres have been irrigated, partly with the help of the United States Aid Program. But if serious food shortages are to be avoided in drought years, an additional three million acres must be irrigated as soon as possible. The responsibility for irrigating Spain's thirsty acres is vested in two government agencies, the Division of Hydraulic Works and the National Colonization Institute. Between them, they now have plans for bringing irrigated acreage up to 15 per cent of the cultivated area.

Another problem facing Spanish agriculture is the low and inefficient agricultural production in many areas because the landholdings are excessively fragmented. The traditional European practice of dividing all property, including land, equally among the children upon the death of the father, has created in northern Spain a degree of land fragmentation probably unequalled anywhere in Western Europe. To change this pattern of landholdings, the Land Consolidation Service was created in 1952 and given the responsibility for regrouping and consolidating some 20 million acres of uneconomical fragmented plots affecting one half of Spain. United States aid has enabled Service engineers to receive technical training and equipment. A "Minimum Cultivation Law" passed in 1955 fixed minimum cultivation units for each type of land in the various provinces.

One important factor perpetuating rural poverty in Spain is the existence of some 10 million acres of currently non-agricultural and largely non-productive land. One solution to this problem is a large-scale reforestation program, which to date covers 3.25 million acres. Plans now call for a ten-year program of investment and development, aided by United States funds, to advance this work.

The Spanish Soil Conservation Service unfortunately does not have as wide powers as the reforestation agency in its campaign to combat the effects of severe erosion. Nevertheless, by the end of 1960 almost 130,000 acres had been treated and the near future may bring greater activity.

—M. T. STEWART,
Commercial Counsellor, Madrid.

TRANSPORTATION NOTES

Chile Changes Shipping Regulations

THE Government of Chile has taken measures to assure more rigid compliance with a 1956 law that reserves to Chilean steamship lines 50 per cent of cargo shipped to and from that country. Effective January 1, under the authority of regulations contained in Decree No. 492 and modified by Decree No. 237 of May 10, 1961, the Ministry of Economy, through its Department of Maritime Transportation, is applying a criterion of distribution, control and statistics designed to guarantee that 50 per cent of all cargo moving through ports served by Chilean steamship lines is reserved for Chilean flag vessels.

All imports and exports must be registered with the Central Reserve Bank. On the basis of registrations the Central Reserve Bank distributes the cargo daily on a 50-50 ratio based on value of freight. It then stamps the registry forms in Spanish and English, either "Embarque en nave Chilena" (ship in Chilean vessel) or "Embarque Libre" (free shipment).

Goods covered by registry forms stamped "shipment by Chilean vessel" must be shipped in a Chilean-owned ship, a foreign ship chartered by a Chilean steamship company, a ship chartered by the Chilean Nitrate Sales Corporation (if the cargo is nitrate or full bulk cargoes of sugar, phosphate or potassium fertilizers), or a foreign ship owned by a shipping line that has a pool agreement with a Chilean shipping line. An exception may be made if the importer or exporter proves to the competent Chilean authority that shipment by Chilean vessel or any of the alternatives given above will mean a delay of over four days for perishable cargo, seven days for copper, or 15 days for other cargo. If there is no space available on a Chilean flag vessel, a certificate to that effect must be presented to the Chilean Customs, which will then allow shipment by any other vessel. The new decree relieves Chilean Consulates of any jurisdiction over this matter.

The Compania Chilena de Navegación at present is the only Chilean-flag shipping line offering a service from Canadian ports to Chile. Sailings are scheduled from Vancouver approximately every 70 days. The Westfal-Larsen Line (Norwegian flag) maintains a service every 20 days from Vancouver to ports in Chile, and the West Coast Line (Danish flag) offers monthly sailings from Montreal and the St. Lawrence ports. No foreign-flag shipping lines operating from Canadian ports to Chilean ports have pool agreements with a Chilean shipping line. Goods exported from Canada to Chile do not have to be routed to United States ports to comply with the cargo reservation regulations. Similarly, goods imported into Canada from Chile need not be routed through United States ports. In most cases, therefore, all exports and imports moving in trade between Canada and Chile will be stamped "free shipment" or will come within the exceptions provided to the requirement for "shipment in a Chilean ship."

The new decree establishes that the responsibility for failure to comply with the cargo reservation regulations can be placed on either the shipping company itself, its legally recognized agent, the corresponding importer or exporter, or the Customs dispatch agent, and will be established by a Customs tribunal that will investigate each infraction. Canadian firms exporting to Chile should ensure that all bills of lading presented to a shipping company show the number of the Register or Deposit Receipt (import licence) and whether the Register or Deposit Receipt is stamped "shipment by a Chilean ship" or "free shipment."

—H. A. HADSKIS,
Transportation and Trade Services Division.

Australia

AIRLINE SOLD—The Australian Government has sold its half share in Tasman Empire Airways Limited (Teal) to the New Zealand Government for £1,014,250. Payment does not have to be completed until March 1965. Australia and New Zealand will enter an agreement giving Qantas the right to fly to and through Auckland, Wellington, and Christchurch; and Teal the right to fly to and through Sydney, Melbourne, Brisbane, and Norfolk Island—Melbourne.

Colombia

FREE PORT—Based on studies made by Swedish technicians and a detailed technical plan drawn up by officials of the Free Port of Hamburg, Colombia will open its first free port in the Barranquilla port area. It will cover 900,000 square meters and will have access to all required services and labour in the city of Barranquilla—Bogotá.

Guatemala

HIGHWAY CONSTRUCTION—An $18 million loan for highway construction has been obtained from the Development Loan Fund and the Export-Import Bank. The funds will be used to complete construction and paving of the Pan-American Highway, the Rio-Hondo and Nueva Ocotepegue highway connecting Guatemala and Honduras, and the Molino-Jalpatagua road connecting Guatemala and El Salvador. The Pan-American Highway will assist in promoting commerce and the tourist trade; the other two will facilitate the exchange of goods between Guatemala, Honduras and El Salvador—Guatemala City.

Ireland

HARBOUR DEVELOPMENTS—In carrying out its program for economic expansion (1958), the Government of the Republic of Ireland has announced a $2.8 million project for the development of four major fishing ports—Howth, Castletownbere, Passage East and Galway. A fifth, Killybegs Harbour, has already been scheduled for development at a cost of some $560,000. The program will take several years to complete—Dublin.

Japan

FLIGHTS to EUROPE—Japan Air Lines has announced the inauguration of a new jet service to Europe over the North Pole. Flights will leave Tokyo twice a week for Paris, via Anchorage, Copenhagen and London. This is the first time a Japanese airline has provided service to Europe—Tokyo.

BULK CARRIERS NEEDED—A fleet of iron-ore and coal carriers (as large as 5.5 million tons deadweight) will have to be built by 1970 to meet the import requirements of Japan's fast growing steel industry. Imports of materials for the steel industry will increase from the present 20 million tons a year to 70 million tons by 1970 if the industry is to reach its goal of 45 million tons of steel production by 1970. The steel industry is said to be ready to assist Japanese shipbuilders to finance and build the bulk carriers; it would save Japan $400 million in foreign exchange—Tokyo.

New Zealand

AIR-FREIGHTING STUDIED—A special interdepartmental committee will be set up to study the possibility of using cargo planes to carry New Zealand primary produce across the Pacific. The Minister of Civil Aviation, in announcing the plan, said that the committee will include representatives of the Departments of Civil Aviation, Agriculture, and Industries and Commerce. They will study the economics of the proposal, widening membership to include representatives of such organizations as producer boards—Wellington.

Portuguese India

RAILWAY AND AIRPORT OF MORMUGAO—The concession of the small railway and port of Mormugão in Portuguese India, which by contract signed in 1881 had been granted to the West of India Portuguese Railway Company, has now expired. The Portuguese Government recently settled with the company for $1.1 million.

Moreover, the Portuguese Government has loaned the Government of the province of Portuguese India the sum of $1.7 million repayable over 12 years at no interest, for further development of the railway and port. In 1960, in addition to other goods, seven million metric tons of iron ore and manganese ore passed through this port—Lisbon.

Switzerland

FEDERAL RAILWAYS—The accounts of the Federal Railways for 1960 show that 225.8 million passengers were carried, compared with 223.2 million in 1959. Revenue from passenger traffic came to SF392.7 million, an increase of SF32.4 million. The total volume of goods traffic last year was 29.7 million tons, an increase of 3.9 million. Revenue from the carriage of goods amounted to SF599.7 million, an increase of SF80.9 million.

The Railways' total revenue last year came to SF1,079.6 million, a rise of SF118.7 million; expenditure went up by 42.1 million to SF782.7 million. The surplus was large enough to cover depreciation and capital costs and to allow the transfer of a sum to the reserve and the payment of interest at 4 per cent on the basic capital. After deduction of these items, the net surplus of SF7.4 million was carried over to this year's accounts—Berne.

AIR AGREEMENT WITH POLAND—Announcement has been made of an agreement on civil air transportation signed by Switzerland and Poland. According to the agreement, both countries may schedule regular flights between the two as well as through each country to points beyond. The agreement is subject to ratification by the Swiss Government and is provisionally effective from the date of signature—Berne.

TRANS-EUROPE FREIGHT EXPRESS—Several years ago the railways of Europe collaborated in the establishment of an express passenger service between principal cities known as the Trans-Europ-Express (TEE). The success of this service has now led to the establishment of an express freight service known as the Trans-Europ-Express-Marchandises (TEEM). TEEM will carry on its international runs fragile or perishable goods requiring a minimum of customs formalities. The initial schedule calls for service to 32 cities—Berne.

Venezuela

NEW AIRLINE—The new Venezuelan airline, VIASA, has started a jet service between Caracas and Madrid, using a DC-8 airliner chartered from KLM. The new company has three scheduled flights: one to Amsterdam via Curaçao, Santa Maria, Lisbon, Madrid, Paris, and London; another to Madrid via Santa Maria and Lisbon, and a third to Bogotá and Lima—Caracas.

Advertising Abroad

In Chile, where one million radios are turned on for many hours a day, advertising by air-waves reaches the largest number of people. Advent of commercial TV has been postponed.

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

NEARLY two million of Chile's seven million people live in Santiago. Altogether about three fifths of the population of the country live within a hundred miles or so of the capital. Industrialization has been rapid and in consequence, 65 per cent of Chileans are city-dwellers; more than half of them live in Santiago or Valparaiso. This makes for an extraordinarily concentrated market.

All of the modern advertising techniques familiar to Canadians are in use here but the emphasis in advertising is subtly different. To be effective, advertising in Chile has to be more serious and less flamboyant than in some parts of North America. Chileans have much in common with Canadians in their preference for sincerity rather than superlatives. The message should be quietly and firmly stated and should, if possible, emphasize the real advantages of the product.

Advertising Agencies

There are 22 important advertising agencies in Chile, all of them located in Santiago. Three well-known U.S. firms and one British firm maintain branches here. The agencies are in a position to recommend the most suitable advertising techniques, bearing in mind the nature of the product and the requirements of the market. The international agencies tend, of course, to specialize in handling international accounts obtained from their associate companies abroad, although they are not limited to business of this kind. The smaller, purely local agencies do not get much of the international brand promotion business and tend to concentrate on smaller local accounts. Nevertheless, one of the largest and most successful agencies is a native Chilean firm which has many international accounts and is in every way comparable to the four foreign agencies. The so-called "foreign" agencies are almost 100 per cent Chilean in personnel, including top management, and they are self-sustaining operations that, in general, neither receive financial help from nor remit profits to their parent organizations.

Canadian exporters who wish to advertise in Chile should, of course, consult their local agent or distributor as well as the Commercial Section of the Canadian Embassy before approaching an agency. Many products are not suitable for advertising in Chile, and many others can be advertised directly in the appropriate medium without a full-scale campaign that might waste time and money.

The four largest advertising agencies in Chile offer clients a full range of services. One firm has not only the usual creative department, art department, and Spanish and English copywriting facilities, but also an elaborate market research organization—and even a soundproof recording studio for preparing radio announcements and broadcasts on tape.

One of the advantages of dealing through an international agency is that it charges international rates. Aside from special items such as artwork, commissions on printing, payment of artists for performances, etc., the costs of placing advertising in the various media are nil, for all practical purposes. This is because, as in Canada, the agency derives its revenue from a 15 per cent commission from the medium for all advertising placed and does not charge the client a separate fee. This is not true generally of the smaller local agencies, which charge a fee for services over and above the rebate that they receive from the media with which they have placed their business.

No Commercial Television

All of the advertising media to which Canadians are accustomed are available, with the exception of television. The Catholic Universities of Santiago and Valparaiso have been conducting experimental TV broadcasts for one or two hours a week for the past two years. The Government has, however, discouraged the expansion of television in Chile on the ground that it is a luxury the country cannot afford as long as there is a serious balance-of-payments problem. It will therefore probably be several years before commercial television comes into operation here.

Radio Is Biggest Medium

In the meantime, the ubiquitous radio absorbs a large part of the Chilean advertising escudo. It is by

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all odds the most important channel of advertising. About 70,000 radios are turned out every year by eight local manufacturers and Chile has approximately one million radio receivers in what seems to be almost constant operation. Imported portable sets, many of which enter the country through the free ports, have become so popular that the Government recently felt constrained to legislate against their operation in public passenger vehicles, in the interests of the long-suffering public. There are 24 radio stations currently broadcasting in Santiago, augmented by over 70 others across the country.

The largest Chilean network is that of the Compania Chilena de Comunicaciones S.A., with 12 standard broadcasting stations in eight cities from Antofagasta to Punta Arenas, plus three shortwave stations in Santiago and one each in Valparaiso and Antofagasta. Other large multiple-station operators include the Sociedad Chilena Radiodifusora and the Corporacion Chilena de Broadcasting. The National Agricultural Society also operates its own network, with stations in Santiago, Valparaiso and Los Angeles. The most important from the advertiser's point of view, however, is the network of the Sociedad Nacional de Mineria, which has rebroadcasting arrangements with a substantial number of independent provincial stations and which, surveys indicate, is the most popular among listeners.

The cost of radio advertising is low. One station charges the equivalent of U.S.$15.00 for 30 spot announcements of ten seconds or less. Micro-programs running from one to five minutes cost from $100 to $700 per month. Sponsored programs range from U.S. $1,200 for five to U.S.$2,400 for 25 minutes.

Three of the large advertising agencies maintain a network of correspondents throughout the country who carry out spot checks one or two days a week to ensure that cinema and radio advertising actually is carried out as per contract, and to report on the nature and amount of advertising done on behalf of rival brands.

It is interesting to note that when this control was introduced two years ago, failure by some of the smaller provincial radio stations to insert announcements as agreed sometimes was found to be as high as 50 per cent. The monitoring system has proved effective because complaints are now negligible.

Newspapers

Chile's literacy rate of over 80 per cent is one of the highest in Latin America and newspapers and magazines are an important means of reaching a wide public. All domestic Spanish-language newspapers and magazines are Chilean-owned; many of the magazines belong to one large publishing house.

The newspapers are, after radio, the most important advertising medium. There is no circulation audit in Chile; the following figures released by the publishers are believed to be approximately correct: *El Mercurio* of Santiago (75,000 daily; 105,000 Sundays) has the largest circulation and is the principal newspaper used for advertising purposes; *La Nación* (40-45,000), and *El Diario Ilustrado* (15,000) are also popular with advertisers.

Advertising rates run from about U.S.$1-1.80 per centimetre to about U.S.$425 for a one-page ad (424 cm.) in black and white. One-page ads in one, two and three colours range from about U.S.$2,250 to U.S.$4,000 for daily issues, somewhat higher on Sundays.

Magazines

A Chilean edition of *Reader's Digest* is printed in Argentina from plates manufactured in Brazil and distributed in Chile. Advertisements are placed with an agency established in Santiago by the magazine's management. As *Reader's Digest* advertising rates are rather higher than those of Chilean magazines with similar or larger circulations, the publication has attracted relatively less advertising.

The following are approximate circulation figures for some of the better known foreign periodicals that enter Chile: *Reader's Digest* 100,000; *Life* (Spanish edition) 60,000; *Time* (Latin American-English edition) 16,000. These may be compared with the more popular domestic magazines such as *Vea* (150,000), *Ercilla* (100,-000) and *Zig-Zag* (20,000), all illustrated news magazines. Chile is one of the printing and distribution centres of the international news magazine *Vision*.

The decision whether to advertise in a foreign or a domestic magazine should be based upon the nature of your products and the type of consumer you are trying to reach. Chile has no mass market for automobiles, home appliances, expensive liquors, processed foods, and similar products which form the bulk of advertisements in Canadian magazines. For these, it is advisable to aim at the upper income groups in a large number of countries, including Chile, via the international magazines. For those foreign products that do have a mass market in Chile, radio and newspapers are the most suitable advertising media.

Trade Papers

There are a few specialized publications, similar to trade magazines, that are peculiarly suitable for directing a message to particular groups. The monthly *Industria,* published by the Sociedad de Fomento Fabril (the local equivalent of the Canadian Manufacturers' Association), is frequently used for advertising by importing agents and distributors of foreign industrial equipment.

Other publications of this type that carry advertising include *Panorama Economico* and *Economia* *y Finanzas,* widely read by government officials and businessmen, and *El Campesino* of the National Agricultural Society.

Cinema Advertising

One highly developed local form of advertising is the filmlet, also known as the cinelet. This is a 10-second moving picture in colour. Filmlets are created and filmed locally and make their sales point with a fine touch of humour which is popular with theatre goers. For slightly less than the equivalent of U.S.$4,000 a filmlet is created and shot, 40 copies made, and distribution for 228 cinema weeks guaranteed. A fee for further distribution is negotiable according to a sliding scale, from about U.S. $300 per month for ten cinema showings a week to about U.S. $7,000 per month for 214 showings a week.

Slides are a much less expensive form of cinema advertising; one slide costs about U.S.$32 and further copies U.S.$12. The cost of distribution is U.S.$12 per cinema week.

There are 306 cinemas in all Chile (92 of them in Santiago) and going to the movies is an extremely popular form of entertainment.

Billboards

Billboard space is scarce. For about U.S.$200 one can rent one hundred 2 × 1 metre billboards for 15 days. This is a medium which is suitable either for launching a new product or emphasizing a new development of an older one. Electric signs are expensive and relatively little used except by large-scale advertisers of branded commodities such as petroleum products, wines, tires, electrical appliances, etc.

Transportation Advertising

Transportation advertising furnishes the state-owned bus system with a small but steady income. It takes two forms: cards for internal display, as on Canadian buses, and metal plaques for external display, which are a good deal more expensive. Both of these are extensively used to advertise locally manufactured consumer goods. They have not yet been adopted to any extent by privately owncd buses or taxis.

Direct Mail

There are no companies in Chile engaged exclusively in the direct mail business, although agencies use this technique occasionally. Free samples are seldom employed; in fact, sample sizes of a large number of consumer goods are on sale regularly in local stores at inflated prices. Occasionally a product lends itself to a combination of direct mail and sample advertising, as in the promotion several months ago of a famous brand of razor blades.

Point-of-sale advertising is little used and trade fairs are practically unknown as a means of advertising goods and services.

Message from on High

There are, however, some forms of advertising successfuly used in Chile that are not so familiar in Canada. As in many Latin American countries, loudspeaker trucks are sometimes employed by local stores to advertise sales at a rate of about U.S.$2.00 per hour.

A variation of this is the aircraft that flies over Santiago and other important cities and towns almost daily at a low altitude, calling out a sales message from the heavens above to the earth beneath. As air-safety regulations prohibit low flying over built-up areas in most countries, in a certain sense the level of advertising in Chile reaches heights seldom achieved elsewhere —and all for about U.S.$90 per hour. It is interesting to note that these aircraft were used successfully by the Consumers' Protection Association during the more hectic inflation to tell housewives the legal prices of foodstuffs and other staples, thus performing a real public service. ●

IADB's First Year

LAST year the Inter-American Development Bank—a new lending institution with an authorized capital of almost $1 billion—received 194 applications and 174 inquiries for loans. Some 75 per cent of the applications came from private agencies or individuals and the remainder from member governments. Fields covered by these requests for loans were agriculture, mining, transportation, electric power, industrial development, and social welfare. At year's end, the Bank was actively considering 91 applications, involving about $200 million.

In its first annual report, released in Rio de Janeiro last month, the economic and social problems in Latin America—such as population growth, prices of raw materials, and balance of payments—were discussed in some detail. It was pointed out that population in Latin America is rising by 2.5 per cent a year and has increased by 42 million in the past decade. The area's gross national product has gone up 40 per cent in the same period. "This is even more remarkable," the report says, "if it is borne in mind that the value of exports has lagged behind population growth and the purchasing power of those exports has been declining sharply since 1955." Commodity price fluctuations were sharpest in copper, cotton, sugar, cocoa, bananas and wool and somewhat less acute for minerals.

The Bank's role in promoting Latin American economic growth, the report states, would be restricted if viewed only in terms of its limited financial resources. It expects also to encourage and facilitate the flow of private capital into the area. Bank officials hope too that their technical assistance facilities will contribute substantially to the mobilization of local resources and strengthen the appropriate financial institutions. Technical assistance will be offered to member countries to aid in preparing, financing and implementing long-term or over-all development plans and specific projects and in preparing proposals for these. Technical assistance missions went to Bolivia in 1960 and others are planned for Haiti, Honduras, Paraguay and El Salvador.

During its initial operations, the Bank has placed a tentative limit of $100,000 minimum and $5 million maximum on loans for specific projects. It does not expect to lend more than $150 million this year.

—J. D. BLACKWOOD, *Assistant Commercial Secretary, Washington.*

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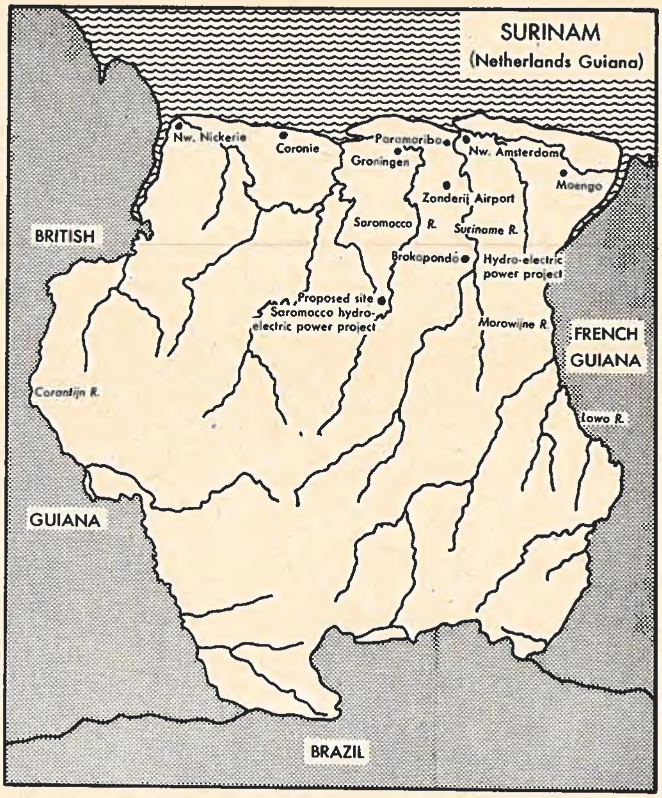
Markets in Brief

SURINAM

(Netherlands Guiana)



Area: approximately 55,000 square miles.

Population: approximately 265,000.

Climate: tropical and moist, lying 2 to 6 degrees north of the equator.

Language: official language is Dutch; however, English is spoken and written by the business community.

Currency: Netherlands Antilles florin or guilder of 100 cents. Official rate, one florin=Can.$0.52.

Weights and measures: metric system.

Capital and chief port: Paramaribo; population 110,000, almost half that of Surinam.

Political status: Independent Kingdom of the Netherlands.

Economy: mining (chiefly bauxite); agriculture (chiefly rice, some sugar) and forestry.

Total Surinam imports: 1959—Can.$44.5 million; 1958—Can. $37.4 million.

Chief imports: 1959 (Can.$ million)—foodstuffs $4.8, transport equipment and vehicles $4.8, capital equipment including mining machinery $7.3, raw materials for industry $12.8 —of which $3.6 represents fuels and lubricants and $3.3 materials for the construction industry.

Chief suppliers: 1959 (Can.$ million)—United States $16.2, Netherlands $13.1, other European countries $7.1, Eastern Caribbean area $4.9, Asian countries $1.9, Canada $0.7.

Value of imports from Canada: (Can. dollars) 1960—$883,096; 1959—$696,444; 1958—$856,039.

Chief imports from Canada: (Can. dollars) 1960—flour $168,497, cured fish $160,232, drugs and chemicals n.o.p. $91,595, fish canned $89,578, agricultural machinery and parts $59,108, contractors' supplies $45,283, medicinal preparations $32,679, powdered whole milk $27,477, cotton fabrics $26,240.

Total Surinam exports: (Can.$ million) 1959—$39.8, 1958—$32.0.

Chief exports: (Can.$ million) 1959—bauxite $31.8, rice $2.2, plywood $2.2.

Chief markets: (Can.$ million) 1959—United States $30.9, Netherlands $3.1, Caribbean $2.1.

Value of Canadian purchases: (Can.$ million) 1960—$4.2; 1959—$2.9; 1958—$2.3.

Chief Canadian purchases: 1960—bauxite and alumina, Can. $4.0 million.

Quotations: quote in U.S. dollars, c.i.f. or f.o.b.

Banks: no Canadian banks. Two Netherlands banks—De Surinaamsche Bank N.V. and the Hollandsche Bank-Onie N.V. One domestic bank—Vervuurts Banking Corporation.

Correspondence: all correspondence should be by airmail; rate, 10 cents per half ounce.

Import controls, documentation, customs tariffs, marking and labelling: same tariff applies to all countries. Ninety-six per cent of all imports are liberalized; exceptions include furniture for domestic use, macaroni and spaghetti. For further information, consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

For detailed information on this market write to:

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

or

Commercial Counsellor
P.O. Box 125
Port-of-Spain
Trinidad, W.I.

Exporters with food products, drugs and chemicals, fabrics, and certain types of machinery to sell might investigate opportunities in Surinam, once known as Dutch Guiana. Those already selling in the West Indies and British Guiana will find this a similar market.

Why Not Sell in Surinam?

R. L. RICHARDSON, *Assistant Trade Commissioner, Port-of-Spain.*

SURINAM is an independent part of the Kingdom of the Netherlands, situated in the northeast corner of South America, just a few degrees north of the equator. The population of 240,000 is a multi-racial mixture of Creoles, Hindustani, Indonesians, Negroes, American Indians, Chinese, and Europeans. A democratic government is carrying out a carefully planned program of development.

The following sectors contribute to the national income of some Can.$60 million: mining, agriculture, primary industry, trade and transportation, secondary industry, services and forestry. The mining industry accounts for half of this total. Bauxite is the principal mineral and Surinam is reported to be the world's third largest supplier. The country is known to have other valuable minerals but only gold has been mined successfully.

In agriculture, rice is the main crop and the Government has recently carried out an intensive research program to improve the quality and productivity of this crop. Sugar and its by-products are next in importance, and a number of tropical products are grown in small amounts. The forest potential is significant but the resources are only now being exploited. A plywood plant has had a good deal of success in finding export markets for its high-quality product.

Secondary industry must be geared to a small domestic market, with provision for exports to the surrounding area. Among the manufacturing carried on is the processing of sugar and oil nuts and the making of shoes, matches and cigarettes. There is also a furniture plant, a small plastic boat factory, and a brewery. Plans for plants making margarine and bricks are under way.

Development Program

The Government started a ten-year development program in 1954 and this has since been extended to 1970, with the objective of developing Surinam's resources and diversifying its economic structure. In this way, it hopes to reduce the country's dependence on the two major products, bauxite and rice.

The original plan called for an expenditure of 127 million guilders* (approximately Can.$67 million) but with its extension to 1970, another 80 million guilders has been added to the budget. The financing has been arranged through the co-operation of the Surinam and the Netherlands Governments, as well as by loans from the World Bank and private investment. The Netherlands agreed to supply one third of the financing through long-term loans. Each year the Surinam and Netherlands Governments consult on the projects to be carried out during that year as part of a four-year schedule.

The largest project undertaken is the Brokopondo hydroelectric plant on the Surinam River. At an estimated cost of Can.$60 million it was started in 1958 by the Aluminum Company of America in agreement with the Surinam Government. An alumina plant and aluminum smelter with an annual capacity of 40,000 tons are being built and will use the major portion of the electric power produced. Electricity will also be supplied to the capital, Paramaribo, and when the project is completed by 1966 the present 50-cycle system will be changed to 60-cycle. Another hydroelectric development on the Saramacca River is in the preliminary planning stages. The power will be used for the further requirements anticipated for secondary industry in Surinam.

In agriculture, the Wageningen project designed to introduce large-scale mechanical rice farming has been completed.

Transportation to Resources

Surinam is working on two major projects to develop transportation to its resources. The first, "Operation Grasshopper", is an aerial survey of mineral and forest resources, from which plans for airstrips in the interior can be made. A Canadian firm carried out the intial mapping survey and is now engaged on its second contract, to locate mineral resources. When the survey has been completed, plans call for

*The currency of Surinam is the guilder. One guilder=Can.$0.52.

the construction of seven airstrips at strategic locations in the interior. The second project, "Operation Tortoise", will construct a network of roads to connect these airstrips. This will provide transportation for the development of resources and the marketing of produce. A World Bank loan of $770,000 has been arranged to implement Operation Grasshopper. The Surinam Government has invited foreign capital to participate in the development of mineral resources and interested firms should write to the head of the Geological and Mining Service at Paramaribo for information.

Investment Opportunities

An investment ordinance was passed in November 1960 to encourage private investment. Any investment exceeding Can.$15,000 is exempt from income tax for a period of five years and the period of exemption will be extended one year for each additional Can. $25,000 invested, up to a maximum of ten years. The company must be incorporated under Surinam law and will be permitted duty-free imports of capital equipment and raw materials for a three-year period, subject to the recommendations of government bearing on the application. Corporation tax on net profits does not exceed 30 per cent. One has only to see the ultra-modern airport at Vanderij and the theatre and post office in Paramaribo to realize that Surinam is moving forward.

Market Conditions

The official language is Dutch; however, most businessmen are able to conduct business in English. The market is open to exporters from almost any country in the world. There is a single tariff on all products regardless of origin and only about 4 per cent of imports are still under control. The controlled list includes macaroni, fresh vegetables, some types of lumber, doors, windows and frames and metal furniture for household use. About a dozen other products are under import quota control. For those products on quota, import licences are required. Import licences are also required for products purchased on extended credit terms.

Certificates of origin, customs and consular invoices are not required but invoices showing c.i.f. value should be supplied in triplicate.

Importers and agents in Surinam have a long established reputation for sound business practices; most of them are located in Paramaribo. The Chamber of Commerce actively represents the business community and assists in maintaining this reputation.

Trade Position

Over the past few years, Surinam imports have exceeded exports by increasing amounts, but the deficit on the balance of payments has largely been made up by growing foreign investment in the bauxite industry. (See accompanying table.)

SURINAM'S BALANCE OF TRADE

	Imports	Exports	Balance
	(in million guilders)		
1954	52.0	55.2	+ 3.2
1955	51.6	49.7	− 1.9
1956	62.6	57.9	− 4.7
1957	73.1	63.8	− 9.3
1958	71.4	61.2	−10.2

Canadian Trade with Surinam

The percentage of the market supplied by Canadian exporters is as follows: 1954, 2.1; 1955, 2.3; 1956, 2.6; 1957, 1.6; 1958, 1.8.

Canadian exporters could advantageously explore the market possibilities, which include a wide range of food and manufactured products. The major exports from Canada are shown in the accompanying table for the years 1957 to 1960. The only exports which have steadily increased in value are fish products, drugs and chemicals, automobiles and mixed feeds. Wheat flour, the major import from Canada, has fallen steadily over this period. Surinam is a member of the International Wheat Agreement and a selected list of importers guarantee each year to import the flour commitments under the Agreement.

MAJOR CANADIAN EXPORTS TO SURINAM

Product	1957	1958	1959	1960
	(Can.$'000, f.o.b.)			
Total exports	829	856	696	883
Flour	375	277	204	168
Hake, salted, dried	55	75	64	100
Drugs and chemicals	36	44	63	93
Sardines, canned	43	59	46	65
Reapers, threshers, combines	8	15	....	51
Contractors' supplies	....	....	....	45
Medicinal preparations	27	32	31	33
Alewives, pickled	23	28	30	30
Powdered whole milk	....	....	....	27
Cotton fabrics	46	23	28	26
Canned salmon	18	13	22	25
Automobiles	....	9	18	23
Mixed feeds	2	2	7	13

Source—DBS.

One of the difficulties Canadian exporters face is the lack of direct shipping. Canadian products must be transhipped at either Georgetown, British Guiana, or Curaçao. However, this is being done successfully by a number of aggressive exporters.

Although the market for any one product is not large, firms which are now exporting to the British West Indies and British Guiana could obtain additional export sales by extending their sales representation and shipments to the Surinam market.

Be Sure It Goes Airmail

TRADE Commissioners in a number of posts are again reporting that letters from Canadian businessmen are reaching them by seamail. This usually means weeks of delay. Some of these letters were probably intended to go airmail but because the postage was insufficient, they were automatically transferred to seamail. Canadian businessmen writing to overseas markets are urged to make sure that the office staff is weighing their letters and putting on the right amount of airmail postage.

FAIRS AND EXHIBITIONS

Canadian Trade Fairs Booklet

TRADE fairs in Canada during the last six months of 1961 are catalogued in an attractive booklet prepared by the Editorial and Art Services Division, Trade Publicity Branch, Department of Trade and Commerce, Ottawa; it is free to anyone who writes for a copy.

About 70 fairs are listed by province and city, and as "general" or "vertical". The vertical shows are grouped alphabetically according to commodity under 25 product headings. Tables indicate whether or not they are open to foreign exhibitors, the general public, delegates, and buyers. The addresses of fair managers and estimates of attendance are also given. There are interesting photographs of some of last year's fairs.

South American Trade Fair

The market in Peru is small, but it is dynamic, fast-growing and stable. Although Canadian exporters find competition keen, they find trading profitable and there is much goodwill towards Canada. The Canadian Government will therefore participate again in the Pacific International Trade Fair at Lima, to be held this year from October 12-29. It is South America's only international exhibition and visitors come from the entire continent; 31 countries exhibited at the last showing (1959), and 5,000 buyers attended.

This year Canada will construct a 63 by 67-foot pavilion of brick with a folded-plate roof of long coloured canvas sheets held in an aluminum frame. On display will be Canadian foods and beverages; papers, such as facial tissues and wallpaper; domestic and commercial appliances (freezers, ranges, stainless steel sinks, polishing and scrubbing machines); marine and sporting supplies (a floating dock, boat kits, fishing gear, sporting ammunition, nylon nets); chemical products; machinery (rock drill bits and inserts, a power shovel, a vulcanizer); and miscellaneous products, such as models of aircraft, X-ray equipment, clocks, dolls, ballpoints, etc.

As special attractions, we will display Eskimo art and other Canadian handicrafts, and furs. Films will be shown, tourist attractions advertised, and "the look of Canada" pictorially presented. The Industrial Development Branch will erect a panel display covering its work. Brochures and pamphlets on Canadian industry will be distributed.

Altogether, 61 firms have arranged to show their products. The fair will be open at certain hours to buyers only, but otherwise it is geared to the general public. The Canadian Government Exhibition Commission is designing the pavilion and the Department of Trade and Commerce is organizing and sponsoring the Canadian entry.

The Chemical Industries Exhibit

THE biennial Exposition of Chemical Industries, to be held this year from November 27 to December 1 at the New York Coliseum, is the largest chemical equipment show in the United States. For the first time Canada will enter an exhibit. The Exposition features products and materials related to the chemical industry —processing equipment, instruments, chemicals, laboratory equipment and supplies, raw materials, and materials handling and packaging equipment. In 1959, visitors came from 47 states and 44 foreign countries. Attendance totalled 34,684 and included executives, engineers, sales and purchasing agents, consultants, and other persons from every type of industry.

The Canadian chemical industry, though small, has taken the lead in certain developments and the Canadian Government is anxious to advertise its achievements. Seven hundred square feet of display space has been reserved to show such devices as a high-speed mixer, electrolyser cells, a computer and a separator; such instruments as a scintillation spectrometer, berylometer and counter, moisture meter, transcint, air sampler, pulse shape discriminator, universal radiation meter, isotope analyzer, and pocket dosimeter; and also scintillators including plastic phosphors, slow neutron and alpha particle detectors, gamma flow and thermal neutron detectors, instant liquid scintillators, and pulse shape discrimination plastic. Photographs, scale models of plants, maps over deposits, and flow diagrams will complement the other displays. Nine Canadian firms are contributing products and most of them will send representatives to the show. The Industrial Development Branch will have a display illustrating its services.

The Canadian exhibit is organized by the Department of Trade and Commerce and designed by the Canadian Government Exhibition Commission.

Canadian Products in Netherlands

THE Canada-Euro Exhibition Commission, a private firm with offices at 2623 King Street East, Hamilton, Ontario, is organizing an exhibition of Canadian products and services in Rotterdam from June 8 to 23, 1962. The show will be aimed at the whole Common Market and a minimum of 100 exhibitors is expected. The products shown will be broken down into appropriate groups.

Site is Rotterdam's Ahoy Halls and companies will be expected to man their own booths. The public will be admitted during the second week of the show. Canada-Euro will arrange a charter flight to Rotterdam and also chartered air freight flights if enough people are interested.

The Canada-Euro Exhibition Commission was set up in Canada in 1960 and organized a one-week exhibition in Hamilton in April 1960 and again in April 1961 of Netherlands commodities and of products made and services offered by Dutch settlers in Canada.

■ Canadian Woods for Chicago

EXHIBITORS in this year's National Retail Lumber Dealers' Exposition, November 4 to 7 at Chicago, will be aiming at the major lumber and building-products markets of the Midwest, and the Canadian Government is entering an exhibit in this annual show for the first time. Site is Chicago's new McCormick Place exhibition building and Canada will take 20 by 20 feet of space, featuring an exhibit of Canadian woods and building materials in their end uses.

On hand to see the displays will be representatives from the region's entire wholesale and retail lumber industry. Last year 257 exhibitors took part and 7,626 dealerships were represented by top management; annual sales of the retail outlets represented totalled more than $3 billion. Only the trade is admitted. Exposition publicity reaches 28,000 retail dealers throughout the United States.

■ Danish Food Fair

THE Danish food industry staged a successful Danish Food Fair for the second time at Aalborg (June 2-11), and a third one is planned for 1963. Officials consider the Aalborg site ideal; it is the fastest growing city in Denmark. The main fair building is a permanent structure, which, with two temporary buildings and a cattle building, provides floor space of 12,500 square yards.

Although the right to exhibit has so far been restricted to Danish firms only, participation by foreign countries or firms will be considered in 1963.

This year there were 153 exhibitors. They displayed fresh, frozen and canned foods, ranging from sausages to chewing gum and mayonnaise; drinks; a large range of food-producing and packaging machinery, and slaughterhouse and cooling equipment.

■ Canadians Successful in Britain

"WHAT fantastic crowds!" This is the way one amazed participant summarized the Daily Mail Ideal Home Exhibition, Britain's finest consumer products showcase, held last April at Olympia, London. Just under 1.2 million people attended and a good portion of this number came through the Canadian section. Canada's was the largest overseas display, covering 10,660 square feet around a central well, unified by a special Canadian-made canopy. Forty-five firms took space in the booth area, manning their stands with sales personnel; 34 firms showed their products in a composite display. A demonstration stage was set up for Canadian films and fashion shows (there were three fashion shows a day). Trade promotion office took inquiries and distributed literature.

All the Canadian exhibitors reported sales at the show and some did a fairly large volume of business. The major appliance manufacturers were especially successful. One sold over 200 stoves before the show was half over; a second took orders for 500 to 600 refrigerators; a third sold 37 home freezers. Some chose agents: one firm has now appointed three distributors in the United Kingdom and another has decided to organize its own sales force there. Many firms received offers of representation and heard optimistic predictions about sales of their products. Top executives of some exhibiting firms will revisit the U.K. soon to assess the situation further.

"Unbelievable customer response" greeted an exhibit in the composite area of Canadian-designed lamps and room separators; offers were made to buy them right off the display at more than double the retail price. Air rifles, nursery equipment, jewellery, decorative accessories, and children's wear aroused great interest and chalked up impressive over-the-counter sales.

Canada's exhibit was organized by officials of the Trade Commissioner Service of the Department of Trade and Commerce. They and commodity officers were in constant attendance throughout the exhibition to help visitors. The Canadian Government expects to participate again next year.

Some Coming U.S. Shows

BUILDING—*Western Building Industries Exposition,* Los Angeles, October 7-10. Apply: A. Byron Perkins and Associates Inc., 2216 South Hill Street, Los Angeles, California.

CHEMICALS—*11th National Chemical Exposition,* International Amphitheatre, Chicago, September 5-8. Apply: National Chemical Exposition, Chicago Section, American Chemical Society, 86 East Randolph Street, Chicago, Illinois.

CONSTRUCTION EQUIPMENT—*Public Works Congress and Equipment Show,* Minneapolis, Minnesota, September 24-27. Apply: Public Works Congress and Equipment Show, 1313 East 60th Street, Chicago 17, Illinois.

PAINT—*2nd International Colour and Paint Promotion Exhibit,* Statler-Hilton Hotel, Washington, October 30-November 1. Apply: National Paint, Varnish and Lacquer Association, 1500 Rhode Island Avenue N.W., Washington 5, D.C.

RECREATION—*43rd National Recreation Congress,* Cobo Hall, Detroit, October 1-6. Apply: American Recreation Society and National Recreation Association, 8 West Eighth Street, New York 11, N.Y.

Spain's Recovery Continues

The economy is expanding, trade increasing, as boom in other parts of Europe spreads to this country; some stubborn problems persist. Canadian exporters should appraise opportunities; review their Spanish agency arrangements.

M. T. STEWART, *Commercial Counsellor, Madrid.*

BUSINESS conditions have improved substantially in Spain in the first part of 1961 and expansion promises to continue. Indeed, the increased activity about equals that in the first half of 1959. From the introduction of the Stabilization Plan in July 1959 until about the end of 1960, Spain experienced something of a general recession and business and industrial leaders appeared reluctant to make any unnecessary commitments. The Stabilization Plan, however, has succeeded in that it has stabilized the peseta, wages and prices, and has kept down the cost of living.

The reactivation process, which was expected sooner, has been slow to materialize and only in the opening months of this year have confidence and the necessary degree of optimism in industry and commerce returned. The increased activity, however, is rather unevenly distributed and there are few signs yet of a general rise in consumer spending. It is apparent, however, that the Stabilization Plan is now firmly established and with the general tendency towards liberalization of tradc, the outlook has become quite favourable.

Signs of Improvement

The main indications of the general rise in economic activity are the increase in the volume of bank clearings and the marked expansion of bank credit. Clearings have risen substantially in the first part of 1961 and are now about equal to the pre-Stabilization Plan figure, when inflation was a definite threat. The expansion in bank credit, which got under way about September 1960, has continued up to the present. In addition, larger merchandise imports, in the absence of an increase in consumer demand, indicate some rebuilding of inventories. The bank rate was recently cut from 5.75 to 5 per cent, which restores it to that in force on July 1, 1957, and is intended to ease the demand for credit for industrial development and expansion.

A higher percentage of the national income is going into savings than before 1959. Dividends, especially bank dividends, are running high and the stock market has been experiencing a rise, some of which is due to foreign investment.

Unemployment Continues

The economy suffered a setback in 1960 because of a comparatively poor crop, notably of wheat, and the agricultural outlook for this year is rather poor. Fortunately the two crops that earn money in the export market—citrus and olives—were quite good. The low agricultural production has caused some hardship and unemployment among agricultural workers, who constitute about 40 per cent of Spain's working population. This no doubt has contributed to the failure of consumer demand to react favourably. There has been a good deal of unemployment and short time among industrial workers as well, and the consequent migration of many thousands of skilled workers to some of the Common Market countries has posed a problem for Spanish industry and the Spanish Government.

The economy of Spain still lags behind the booming Common Market countries but the boom there is benefitting Spain and will tend to raise the general level of prosperity in this country. In some ways, a degree of prosperity is being forced upon Spain by developments abroad.

Trade and Investment

Exports have continued at a high level in 1961 and, despite a substantial increase in imports, the foreign trade deficit for the first quarter amounted only to U.S.$12 million. Foreign exchange reserves have increased in a satisfactory way and in the first quarter approximately U.S.$80 million was added to them, raising the total to about U.S.$570 million, mainly because of the substantial reduction in the country's short-term international liabilities.

It is generally agreed that a substantial flow of foreign investment into Spain is necessary at this time, but progress has been disappointingly slow. The legislation governing foreign investment has been liberalized considerably and although there is still room for improvement in it, foreign investors (particularly from the U.S. and Common Market countries) are taking an active interest in Spain and a fairly strong movement of foreign investment has begun.

Opportunities for Canada

The Spanish market merits a second look on the part of any Canadian exporter interested in doing business with the Common Market countries. The Stabilization Plan and the subsequent liberalization of 70 per cent of imports have greatly enhanced our possibilities of doing more business with Spain. Spain continues to be largely a market for Canadian raw and semi-processed materials and this business could be increased a good deal. Unfortunately, it is practically impossible to sell completely manufactured goods but some benefit may be derived from making local manufacturing arrangements. One alert Canadian exporter who found that he could do nothing with the shipment of his product from Canada has recently concluded a local manufacturing arrangement. This should give him a very fine return from Spain which he could get in no other way, and he is well satisfied with the deal that he has just concluded. Some of Spain's neighbours have resorted to these local manufacturing arrangements for many years and the trend is certainly in this direction.

Foreign investment in Spain may be attractive to certain Canadian interests but any prospective investment should be carefully surveyed on the spot. It is now quite easy to acquire a 50 per cent interest in Spanish companies and an expanding market of 30 million people certainly should not be disregarded. The Commercial Counsellor's Office of the Canadian Embassy feels competent to offer sound preliminary advice on any inquiry but, beyond that, the intervention of a responsible and experienced officer of the company interested is necessary.

Canadian sales to Spain last year totalled $10.2 million compared with $6.2 million in 1959. The leading exports were, in the main, either agricultural or fisheries products (such as flaxseed, $1.1 million and salt cod, $840,000) or raw or semi-processed materials, such as aluminum ($3.0 million), sheet and strip steel ($1.2 million) and asbestos fibres ($878,000). Among the products sold to Spain in 1960 that were not exported in the previous year were flaxseed, canned meats, prepared animal food, pulpwood, scrap iron, sheet and strip steel, and copper scrap. This uptrend continued in the first two months of 1961, when sales to Spain reached $1.4 million as against $1 million in 1960.

This seems to be an appropriate time to review agency arrangements in Spain or to make new ones, as the case may be. The general trading picture has certainly improved and renewed efforts to enter the market may prove profitable. ●

COMMODITY NOTES

Asbestos Products

IRELAND—Fulgurit, Wunstorf of Hanover, West Germany, is to begin the manufacture in Southern Ireland of asbestos cement products. Output will include high pressure pipes, corrugated and flat sheets and roofing materials—Dublin.

Automobiles

SOUTH AFRICA—The Government is eager to increase the local supply of parts for automobiles and trucks assembled in the Republic above the present level of 20 per cent. New plants have recently begun producing brake drums, wheels and bumpers and the production of shock absorbers is planned for the near future—Johannesburg.

SWEDEN—Sweden's production of cars and commercial vehicles reached a new peak of 128,400 units in 1960. According to preliminary figures, Volvo, the largest producer, increased its output from 89,500 to 96,500 units and exports are estimated to have accounted for close to half of the aggregate Volvo turnover. Sales to the United States increased and new markets included Britain and West Germany. Sales on the home market were up 42 per cent. Scania-Vabis production of trucks and buses was also up—from 5,100 to 6,400 units, including 470 which were manufactured at the company's factory in Brazil. New markets in 1960 were France and Austria.

Volvo plans to maintain its output at the 1960 level this year and Scania-Vabis will increase its output to 7,100 units in Sweden and 1,100 units in Brazil—Stockholm.

WEST GERMANY—Production of automobiles increased to 751,039 units in the first four months of this year, 9.1 per cent more than in the same period in 1960, according to statistics issued by the manufacturers association. Output of passenger cars alone rose by 9 per cent to 605,687 units. A remarkable feature was the above-average rise in the production of medium-sized and large cars; output of small-sized cars remained steady and in some cases declined—Bonn.

Boats

JAPAN—Several Japanese firms hope to begin construction this summer of hydrofoil vessels. Shin Meiwa Industrial Co. started testing hydrofoil seven years ago and recently launched its fifth test vessel. Its plans call for the initial production of four or five 14-seater hydrofoils with a top speed of 40 miles an hour. Another major shipbuilding company—Hitachi Shipbuilding & Engineering Co., Ltd.—expects to receive government approval soon for a technical tie-up with the Supramar A.G. of Zug, Switzerland. Hitachi has already imported for testing purposes two hydrofoils of Supramar design—one a six-seater, the other a 17-seater.

Once government approval is obtained, the companies plan to begin work immediately on production of four and six-seater hydrofoils. The Mitsubishi Shipbuilding Co. successfully tested a five-seater hydrofoil in March, a 24-foot vessel with a top speed of 34 knots. Mitsubishi plans to build hydrofoil boats with a capacity of eight passengers and suitable for tourist purposes, starting in June 1962—Tokyo.

Copper

BRAZIL—Annual consumption of copper totals 30,000 tons valued at U.S.$20 million. Of this amount, 20,000 tons are copper and alloys and the remaining 10,000 tons are in the form of machinery, electrical apparatus and equipment for the chemical industry. Most of this copper is purchased from the U.S., Japan, Benelux, the United Kingdom, Chile, Mexico, Canada and Sweden. Domestic production of copper accounts for only 5 per cent of consumption—Rio de Janeiro.

Frozen Foods

UNITED STATES—Shoreline Enterprises of America, Inc., a division of Salada-Shirriff-Horsey Ltd., Canada, is experimenting with frozen shrimp products (such as creole, curry and newburg) in Tampa, Florida. The company is the first in Tampa's million-dollar shrimp industry to conduct market tests in frozen foods. The new products would be sold under the trade name of "Harbor House"—New Orleans.

Iron Ore

SWAZILAND—Beginning in 1964, an estimated one million tons of 65 per cent grade iron ore will be exported each year from Swaziland to Japan. The Protectorate's first rail link will carry the ore to the Mozambique port of Lourenço Marques for shipment —Johannesburg.

Linseed Oil

INDIA—India's exports of linseed oil have declined drastically in the last three years. Total exports during 1960 stood at only about 8,500 metric tons, less than half the 18,771 long tons shipped in 1959 and well below the 21,727 of 1958. High domestic prices appear to be a major factor in the decline. The price in Bombay is currently 23 per cent above last year's and the price in the United Kingdom is reportedly £16 below the Indian price. Some trade circles suggest that a form of export incentive is required if exports are to be revived—Bombay.

Manganese

SOUTH AFRICA—A plant to recover manganese, used in the bleaching of uranium oxide, has begun operations in South Africa. Using an electrolytic process, it is scheduled to produce 2,400 tons of high-purity manganese a year. The metal will be exported, increasing the Republic's foreign earnings by $1½ million a year—Johannesburg.

Nuclear Reactor

TAIWAN—The first atomic reactor in South East Asia began operation in Hsinchu, Taiwan, in April, thus ushering in the age of nuclear research for the Republic of China in the fields of industry, agriculture and medical therapy. The reactor has been installed in the National Tsinghwa University's Institute of Nuclear Science and went into operation in mid-April, when a uranium core was lowered to the bottom of a specially designed "swimming pool". The reactor is housed in a NT$14 million modern five-storey structure. The reactor core, with dimensions of only 15 by 18 by 25 inches, is surrounded by water and a concrete shield eight feet thick.

The Taiwan Sugar Corporation and the Chinese Petroleum Corporation will take an active part in the nuclear research made possible by the new installation. The Taiwan Power Company will also use the reactor to study the possibility of establishing a nuclear power plant in Taiwan at some time in the future.

In addition to training Chinese scientists, the nuclear research facilities in Tsinghwa University are open to other Asian countries. Thailand, the Philippines and Japan will send nuclear scientists there in the near future to observe the reactor's operation.

About U.S.$1.1 million went into reactor equipment and civil engineering work. Some U.S.$800,000 of the money came from interest on the Tsinghwa Endowment Fund over the last three years, plus a loan from the fund. The U.S. Atomic Energy Commission has promised to grant U.S.$350,000 after the completion of the reactor—Manila.

Salk Vaccine

AUSTRALIA—A more powerful version of the U.S. Salk anti-polio vaccine is being developed at the Commonwealth Serum Laboratories in Melbourne. It is expected to raise the protection rate for immunized people from 90 to 95 per cent. Clinical tests will begin in a few months and mass doses will be available in the next 12 months. Since the first of 3.4 million people now immunized completed the two-year course of injections two years ago, only four have been stricken by polio. By comparison, 56 Australians among the remaining two-thirds of the population who had not been immunized were affected by polio during the same period—Melbourne.

Sulphur

FRANCE—French production of sulphur increased from 426,000 tons in 1959 to 785,000 in 1960, a rise of 84 per cent—Paris.

Textiles

JAPAN—Shrinkproof "wash and wear" cotton fabrics are to be produced in Japan under contract arrangements approved recently by Japan's Foreign Investment Council, an advisory body to the Finance Ministry. Sources in the cotton-spinning industry here state that agreements to provide technical knowhow have been reached between six Japanese firms and Joseph Bancroft and Sons of Wilmington, Delaware, and by Deering Milliken and Company of New York with Sumitomo Shoji Kaisha Ltd.—Tokyo.

TV Picture Tubes

PHILIPPINES—The Philippines' first TV picture-tube factory has recently been established, the second plant of its kind in the Far East. In addition to manufacturing television picture tubes, it will recondition old ones. It is claimed that the local plant will be able to supply the picture-tube requirements of the entire country, thus saving foreign exchange. It should also reduce the selling price of TV sets and make television available to more homes—Manila.

Wool

AUSTRALIA—Proceeds from wool sold in Australia during the first nine months of the 1960-61 selling season declined 18.5 per cent compared with the corresponding period last year. Proceeds for the nine months ended March 31 totalled £239.3 million—£54.3 million less than at March 31, 1960. Bales sold numbered 3,678,117—a drop of 259,314. Average price per pound was 51.65 pence—a fall of 7.86 pence. Price per bale was £65.1.1d., down £9.10.2d. During March, sales realized £33.7 million, or £7.6 million less than for March 1960. Bales sold during the month totalled 488,776—78,984 fewer than for the previous March—Melbourne.

Wood Pulp

SWEDEN—Total output of chemical pulp in 1960 amounted to approximately 3.9 million tons, compared with 3.4 million tons in 1959. The production of sulphite pulp is estimated to have risen from 1.3 to 1.5 million tons, and of sulphate pulp from 1.1 to 1.3 million tons. Exports of chemical pulp rose from 2.3 million tons in 1959 to 2.5 million in 1960.

Total production of mechanical pulp is estimated at 1.2 million tons in 1960 compared with 950,000 in 1959, including an increase from 400,000 to 475,000 tons for market pulp. Exports rose from 360,000 to 415,000 tons.

The production of semi-chemical pulp, made chiefly from hardwood, has also expanded in recent years. This type is still being used almost exclusively in integrated production of paper; of the 60,000 tons produced in 1960, only 12 tons were exported—Stockholm.

Trade Commissioners Coming to Canada

THE following officers of the Trade Commissioner Service are returning to Canada this year for home leave. A number of them will also tour the country to talk with businessmen; their tour schedules will be announced in "Trade Commissioners on Tour" when arrangements are completed. Please note that the information given here is subject to change as the needs of the Service dictate.

L. H. Ausman, Commercial Counsellor in Brussels, left Belgium June 27 for home leave and tour. He will return to Brussels in October.

H. E. Campbell, Trade Commissioner in Kingston, left Jamaica June 17 for home leave. He will be transferred to Bonn, West Germany, as Commercial Counsellor on September 2.

L. A. Campeau, Commercial Counsellor in Karachi, left Pakistan June 11 for home leave and tour. He will be transferred to Beirut, Lebanon, as Commercial Counsellor, on October 16.

W. Gibson-Smith, Commercial Counsellor in London, departs from England on August 1 for home leave. He will return to London on September 28.

I. V. Macdonald, Commercial Secretary in Colombo, leaves Ceylon about September 9 for home leave and transfer to a new post.

T. G. Major, Consul General and Trade Commissioner in Manila, leaves the Philippines July 20 for home leave and tour. He will return to Manila in mid-September.

H. W. Richardson, Commercial Counsellor in Lagos, left Nigeria May 27 for home leave and tour. He will return to Lagos about mid-September.

S. G. Tregaskes, Commercial Counsellor in London, left England June 13 for home leave. He will return to London on September 7.

W. Van Vliet, Commercial Counsellor in Moscow, left the U.S.S.R. June 12 for home leave and tour. He will be transferred to Washington as Agricultural Counsellor on October 1.

Czechoslovakia Begins Third Plan

Emphasis upon agriculture in Third Five Year Plan may mean larger purchases from Canada of animals and poultry for breeding, grain, special types of agricultural machinery. Currently Czechs buy from Canada mainly minerals and plastic raw materials.

R. A. KILPATRICK, *Attaché, Canadian Legation, Prague.*

Czechoslovakian industrial workers, on the average, have the highest productivity among the Soviet Bloc countries. Though much of the emphasis is on heavy industry, others turning out musical instruments like these saxophones also flourish.

THE year 1960 was particularly significant for Czechoslovakia because it was the final year of its second five-year economic plan. The state-controlled economy operates within a series of five-year plans which are further broken down to indicate the annual rate of development. These plans outline the progress expected in all economic fields, indicate the amount of capital expenditure allocated to each sector, and regulate the volume and direction of foreign trade. Directly and indirectly, the five-year plans adopted by the State therefore have a considerable bearing on the potential for Canadian exports to Czechoslovakia.

Last year was, on the whole, considered by Czechoslovakia to be a very successful one, with the volume of production, according to official statistics, increasing by 11.7 per cent over 1959 and exceeding the planned rate of expansion. Canadian sales to Czechoslovakia continued to rise and showed some diversification in products.

Industrial Growth

Although the large majority of national productive enterprises in the state-controlled economy of Czechoslovakia did exceed planned production last year, certain segments of the economy lagged and the result was a somewhat unbalanced advance. As planned, the greatest increases occurred in the heavy and general engineering industries, the chemical industry, and in factories producing building materials. Production increases in these enterprises accounted for more than 50 per cent of the total rise in industrial production; the engineering industry produced no less than 33.7 per cent of the total Czechoslovak output.

In recent years, it has been recognized that the average productivity of industrial labour is higher in Czechoslovakia than in any other Communist Bloc country. The 1960 results show that the Czechs have no intention of relinquishing this position. Last year, productivity per capita and per hour per worker both increased by 6.9 per cent over 1959, according to Czech statistics. It is also noteworthy that, at a time when production costs in capitalist countries are increasing, the Government of Czechoslovakia claims that total production costs in industry decreased by 2.2 per cent, despite the fact that material costs did not fall and that the labour force grew by 97,000.

Agriculture

In comparison with 1959, gross agricultural production in 1960 increased by 7 per cent, according to preliminary official data, including 12 per cent in crop and 1.2 per cent in animal production. However, 1960 was not, on the whole, a good year for Czech agriculture; though the sugar-beet crop was much larger, output of other important agricultural products decreased, it is understood.

In 1960, Czechoslovakia harvested 1.5 million metric tons of wheat compared with 1.65 million in 1959, according to Czechoslovak statistics. Production of rye also dropped by almost 100,000 metric tons, but production of oats and barley increased. Animal production was apparently disappointing: as of January 1, 1961, there were 4,387,000 cattle in Czechoslovakia compared with 4,303,000 a year earlier. The number of pigs went up from 5.7 to nearly 6 million during the same period.

Czechoslovakia is not self-sufficient in agriculture and this segment of the economy continues to receive great emphasis.

Foreign Trade

Last year, according to Czechoslovak statistical sources, the total value of foreign trade increased 12.5 per cent, resulting in a turnover of 27,429 million Czech crowns. Exports totalled 14,357 million crowns and imports 13,072 million. Approximately 70 per cent of the country's imports consisted of products of other Communist countries. It is also interesting to note that fuel and raw materials made up 53.1 per cent of Czech imports, foodstuffs 22 per cent, machinery and equipment 21.6 per cent, and consumer goods only 3.8 per cent. Among Czechoslovakia's major suppliers outside the Communist Bloc are West Germany, Britain, Austria, Switzerland and the Netherlands.

The foreign trade of Czechoslovakia is carried out by a number of state-controlled "foreign trade corporations", each of which is the sole importer and exporter of a specific range of commodities. This has advantages for Canadian exporters, who can easily contact the one and only possible importer or exporter of any one commodity. Naturally these corporations are influenced by the needs of the end users, to whom imported goods are sold, and in selling to Czechoslovakia, Canadians should make an effort to contact end users as well as the trade corporations. (See "How to Trade with Czechoslovakia" in the February 27, 1960, issue of *Foreign Trade* and "How to Advertise in Eastern Europe" in the February 11, 1961, issue.)

Czechoslovakia, like other Communist Bloc countries, adopts a bilateral approach to trade. However, it is willing to deviate from this doctrine to import raw materials and machinery vital to the development of the economy. Fortunately, Canada has a number of industrial raw materials of interest to the Czechs and there may also be opportunities for Canadians to sell productive capital goods there.

Canadian Trade with Czechs

Canada's exports to Czechoslovakia rose by more than 37 per cent in 1960 to $6.77 million; Czechoslovakia's exports to Canada totalled Can.$6.66 million. Not only did Canada's exports increase in 1960 but there was an encouraging diversification of the goods sold.

As in 1959, nickel, valued at approximately $4 million, was our major export to Czechoslovakia. Synthetic rubber ranked second, with exports worth slightly more than $1 million. The Czechs purchased aluminum for the first time in a number of years and sales of asbestos increased considerably. The year also saw the first sale of Canadian purebred cattle to Czechoslovakia.

Czechoslovakia's exports to Canada cover a wide range of goods; the major ones are textiles (including footwear), machinery and glassware, but numerous other products, including Skoda automobiles, are included in the list. The export corporations sell direct to Canadian importers as well as through their own agent, Omnitrade, in Montreal.

Early in 1961, Czechoslovakia contracted to buy a large quantity of Canadian wheat, the value of which will greatly exceed Canada's total sales to Czechoslovakia in 1960.

Opportunities for Canada

As mentioned previously, Czechoslovakia operates on an economic philosophy that favours bilateral trade. As large purchases of wheat will undoubtedly swing the balance of trade heavily in Canada's favour this year, difficulties may arise in extending the range of Canadian exports to Czechoslovakia. However, this may not have too serious an effect on Canadian sales of essential raw materials or production goods.

Czech agriculture is still comparatively weak and gives the Czech authorities a good deal of concern; this has resulted in great emphasis on agriculture in the third five-year plan now under way. There are distinct sales possibilities not only for grain but also for animals and poultry for breeding and for specialized agricultural machinery, it is felt.

The Czech budget for 1961 provides 813 million crowns for the fertilization of the soil, an increase of 88 per cent over 1960. This is a field well worth investigation by both Canadian fertilizer producers and perhaps also by manufacturers of equipment for applying fertilizer. (This is still largely a manual task in Czechoslovakia.) The number of cattle in Czechoslovakia has increased only a little and there should still be a market for high quality cattle hides to supply the leather industry.

The Czechs are concerned about their lumber industry and have admitted that there is little mechanization in this field and that progress is slow. This appears to be another field that Canadian manufacturers might investigate.

It is advisable that Canadian firms seriously interested in the Czech market visit the country. Prague is easily accessible from principal Western European centres and a short visit will suffice because of the centralization of prospective purchasers. The Commercial Counsellor and the Assistant Commercial Secretary at the Canadian Embassy in Vienna make regular visits to Czechoslovakia and both they and permanent officials at the Canadian Legation in Prague will be pleased to help Canadian businessmen looking for trade opportunities in that country. ●

Colombia Expands Its Metallurgical Industry

Canadians can still sell transportation equipment and heavy machinery to Colombians, but growing domestic industry is curtailing market for imported finished and semi-finished metal products.

J. H. BAILEY, *Commercial Secretary, Bogotá.*

COLOMBIA now has over 1,200 enterprises in the metallurgical field, employing about 30,000 workers and producing over $140 million worth of metal products a year. Under the Government's policy of protecting national industries, it is expected that new plants will be built and that the established ones will continue to expand and diversify their production. As a result, Canadian businessmen will find the Colombian market for imported metal products becoming more and more restricted.

Steel Industry Established

The Colombian economy received a severe blow during the Second World War when imports of metal products from Europe were cut off and the North American countries, fully engaged in the war effort, were unable to spare steel and other metals for their South American neighbours. In the hope of avoiding such a problem in the future, the Colombian Government decided when the war was over to push ahead with the development of a national steel industry. As a result, the Paz del Rio steel mill came into production in 1955 and last year turned out 125,000 tons of finished steel. The company is planning to install a rolling mill (originally made in Canada and sold to Chile) and make other additions to its assets, which now total more than $100 million. With this new equipment, and technical assistance from the Koppers Company, it is expected that the 7,000 employees of this mill will be able to step up output to 200,000 tons in the near future.

In addition to this nationally owned steel mill, there are several private ones. The most important is the Siderurgica de Medellin, which produces steel from scrap in a series of electric furnaces. Another is the Siderurgica Valle de Tenza which produces ten tons of iron a day from hematite.

Allied Industries

As the accompanying table makes plain, Canada has never been a large exporter of raw iron and steel to this country, except for stainless steels. Therefore it is the growth of the industries making finished and semi-finished metal products that will have the greatest adverse effect on our sales. The largest expansion is in the following fields (with steel consumption in tons shown in brackets): tools (60,000), mechanical equipment (75,000), electrical equipment (25,000), and transport equipment (60,000). In addition, the production of appliances, metal furniture, and construction equipment is increasing substantially. In appliances, for example, one locally owned factory is already producing 120 refrigerators a day and early this year the largest appliance manufacturer in the United States opened a modern factory in Bogotá. In the metal furniture field, production now equals the domestic demand for furniture and equipment for offices, hospitals, warehouses, kitchens, and schools.

What Canadians Can Sell

In the important transportation and machinery fields, it will be many years before Colombia will be in a position to supply her own needs. Canadian exporters, though faced with keen competition from the United States, Europe and Japan, can therefore expect to obtain some business. At present most heavy transportation equipment is imported: diesel locomotives from the United States, railway rolling stock from Sweden, pipeline equipment from Germany and Japan, aircraft from the United States and Canada, truck and bus chassis from the United States and Europe, and so on. Similarly, all types of heavy machines are imported: mills, drills, and lathes; pumps of all types; diesel and gas engines; turbines and generators; air compressors; mining equipment; bulldozers and road-making machinery; tractors and combines, etc. Little by little, however, Colombians are entering these fields. Paz del Rio is now supplying steel rails for the rapidly expanding railway system and the Empresa Siderurgica de Medellin wheels and axles for railway rolling stock. A number of firms are building truck bodies which are placed on imported chassis and this year a large United Kingdom company will begin the production of automotive vehicles at the rate of 5,000 a year. Several other firms have started to turn out (usually under a licensing agreement from abroad) boilers, light switchgear equipment and transformers, and fractional horsepower motors.

New Developments

So far only iron and steel production and products have been mentioned. In the other metalworking industries, production has also risen. For a number of years there has been an aluminum rolling mill and extrusion plant at Barranquilla making aluminum siding, extrusions for window frames, etc. A new one, Aluminio ALCAN de Colombia, is coming into operation in Cali this year; it will also produce extruded and rolled building materials from Canadian metal and will include in its line aluminum wire, conduits, pipe, and both corrugated and plain aluminum sheet.

A United States mining company announced in March that it would build a lead and zinc refinery in the western part of the country but to date no figures on investment or production have been made public. It will be the first such plant in Colombia.

CANADIAN METAL AND MACHINERY EXPORTS TO COLOMBIA

Products	1959 (in Can. dollars)	1960 (in Can. dollars)
Iron and steel bars	23,000	
Structural steel		20,000
Sheet and strip steel	388,000	
Sheet and strip carbon steel H.R.		536,000
Marine engines	122,000	122,000
Locomotives	14,000	18,000
Aircraft engines and parts	460,000	492,000
Miscellaneous engines	62,000	184,000
Reapers, threshers or combines	289,000	231,000
Cultivators	30,000	60,000
Harrows	19,000	43,000
Ploughs, discs and parts	40,000	131,234
Tractors, farm	26,000	95,000
Mining machinery	15,000	32,000
Bookkeeping, calculating machines	11,000	187,000
Miscellaneous machinery and parts	590,000	284,000
Metalworking machinery, n.o.p.		148,095
Motor vehicles and parts, n.o.p.	277,000	16,000
Textile machinery	4,000	179,000
Lanterns of metal	114,000	147,000
Miscellaneous iron products	18,000	12,000
Aluminum products	464,000	521,000
Copper and brass	331,000	495,000
Lead	1,000	8,000
Nickel	3,000	2,000
Electrical equipment	289,000	124,000
Miscellaneous metals, unmanufactured, n.o.p.	35,000	40,000

Precious Metals

Colombia produces about 400,000 ounces of gold a year, 95 per cent of which comes from gold dredging operations directed by a Vancouver company on tributaries of the Magdalena River and the remainder from hard-rock mines and sluices in the western Departments of the country. Silver is also produced in the same sections—usually as a byproduct of gold mining—and annual production averages about 120,000 ounces. This, however, is insufficient for the needs of the country and up to 10,304 ounces of silver are imported every year, usually from Mexico and the United States. Platinum is mined by one United States company; production amounts to 28,000 ounces a year.

Kuwait Changes Currency

A new currency, the Kuwaiti Dinar, has been introduced in Kuwait to replace the Indian (Gulf) Rupee formerly used. The Dinar, which is divided into 1,000 Fils, is valued at 2.48828 grams of pure gold or the equivalent of one pound sterling.

The substitution of the Kuwaiti Dinar for the Gulf Rupee took place between April 1 and May 12, at the rate of one Rupee for 75 Fils. As of May 13, the Dinar is the only legal tender. The Currency Board has been given the authority to mint five-Dinar gold coins but these have not yet been issued.

How to Obtain UL Approval

Are you trying to sell a product in the United States that should first be tested and approved by Underwriters' Laboratories? Failure to realize the need for testing has delayed and sometimes even prevented sales to U.S. customers.

NEIL CURRIE, *Vice Consul and Assistant Trade Commissioner, Chicago.*

CANADIAN manufacturers who wish to sell in the U.S. market are not always aware (or not convinced) until quite late in their promotion campaign that their products have to be approved by Underwriters' Laboratories, Inc., before leading marketing organizations will handle them. In fact, in some cases these products must receive UL approval before they may be sold in certain states. Failure to obtain this approval in good time when sizable orders are pending has sometimes resulted in the loss of valuable business and at other times caused costly delays.

Not all products require UL approval but, generally speaking, electrical products of 100 volts or more, heating equipment, safety equipment and other products dealing with public safety may not be sold in many municipalities or states without the UL stamp. Firms enjoy lower fire insurance rates if their equipment has UL approval and large retail organizations make it a rule not to handle goods that are not approved.

Testing Procedure

UL was founded in 1894 under the sponsorship of the National Board of Fire Underwriters, an association of capital stock fire insurance companies, and in 1901 the organization was chartered as a non-profit corporation. Head office of UL is at 207 East Ohio Street, Chicago, where extensive testing facilities are maintained. There are also testing stations at 2250 Dundee Road, Northbrook, Illinois, at 161 Sixth Avenue, New York, 13, New York, and at 1655 Scott Boulevard, Santa Clara, California.

A manufacturer seeking approval for a product should write to the head office of Underwriters' Laboratories or to any of the testing stations, giving a complete description of the product, its character, purpose, size and rating, etc. If the testing station to which he has written does not test this type of product, the inquiry will be forwarded to the proper station. For instance, electrical equipment can be tested at any of the addresses mentioned above, but fire safety equipment and building materials are tested only at Northbrook.

The manufacturer will receive immediately a copy of the Laboratories' standards, if there are standards for the product to be tested. He will also get an application form, specifying the cost limit of the tests, the responsibility of Underwriters' Laboratories, the preliminary deposit required, the work to be performed, and an estimate of the time needed, plus the extent of inspection service to be established if and when the product is approved.

The manufacturer or his representatives may witness the tests if they wish. In case of disagreement, the question may be submitted to the National Bureau of Standards, which may or may not consider it important enough to be investigated.

If the product cannot readily be shipped to the Laboratories, it may be examined at the factory or at a point of installation, but all extra costs involved are also for the account of the manufacturer. Preliminary reports may be made from the examination of detailed blueprints, data, etc., giving (among other things) the maximum cost as well as an estimate of the time required for the tests.

Although Underwriters' Laboratories has set up an office in Canada, UL of Canada now is incorporated separately and approval by Underwriters' Laboratories of Canada is not valid in the United States, nor has approval by the Canadian Standards Association any formal standing there.

Underwriters' Laboratories is divided into five engineering councils or testing divisions, as follows: fire, automotive, casualty, electrical, and burglary protection.

Approved Companies Listed

A little known service of Underwriters' Laboratories is the annual publication of lists of submitting firms whose products are approved and are subject to one form of the inspection services provided by UL. These lists and bimonthly supplements are published regularly as follows:

Building materials, January
Fire protection equipment, January
Electrical appliances and utilization equipment, May
Electrical construction materials, May
Hazardous location equipment, May
Accident, automotive and burglary protection equipment, September
Gas and oil equipment, November
Bimonthly supplements to all lists, beginning of February

A manufacturer will probably want to have some idea whether his product will be acceptable before spending the time and money necessary to obtain UL approval. Preliminary correspondence with the Laboratories costs nothing and once the manufacturer has decided to try to sell in the United States, he should give top priority to his application because he will be unable to enter into serious negotiations without it. Although a sample may be sitting on the buyer's desk, until it has UL approval it means little more to him than a gleam in the manufacturer's eye.

A booklet outlining in general terms the services and methods of Underwriters' Laboratories, Inc., called *Testing for Public Safety,* may be obtained by writing either directly to UL or to the Consul and Trade Commissioner of Canada, Canadian Consulate General, Suite 1412, 111 North Wabash Avenue, Chicago 2, Illinois. It covers submittal procedure, engineering council procedure, and reports and listing; gives general information about the cost of investigations and tests and the follow-up program, and lists the published standards for various products. •

FOREIGN TARIFFS AND TRADE REGULATIONS

Bermuda

CUCUMBER IMPORTS PROHIBITED—The following announcement appeared in the Bermuda *Official Gazette,* dated Saturday, May 27, 1961: "The Board of Agriculture hereby prohibits the import of cucumbers with effect from May 29, 1961, until further notice."

CAULIFLOWER IMPORTS PERMITTED—The following announcement appeared in the Bermuda *Official Gazette* dated Saturday, May 27, 1961: "The Board of Agriculture hereby revokes the prohibition on the import of cauliflower with effect from June 2, 1961."

Japan

IMPORT CONTROL RESTRICTIONS RELAXED —In an import notice No. 5, dated June 1, 1961, the Ministry of International Trade and Industry announced a lengthy schedule of goods that are now admitted into Japan under the automatic approval system of import procedures, effective June 1. An over-all quota limit has been set up under the semi-annual foreign exchange budgets. Importers wishing to import any of the specified commodities from any origin may apply directly to the foreign exchange bank for permission, which is automatically granted until the quota is exhausted.

Some 195 separate statistical numbers are listed in the notice, covering some 128 different commodities. Commodities now admitted under the automatic approval system include: nickel; magnesium ingots and slabs; aluminum ingots, slabs, powder and flake; some 94 specified chemical items; raw and pure iron, iron and steel in primary forms, structural steel, certain iron and steel manufactures, railway rails.

New Zealand

FURTHER EXTENSION OF LICENSING PERIOD —The New Zealand Government has announced amendments to the present 1961 Import Licensing Schedule that extend it beyond the March 31, 1962, limit reported in our June 3 issue. Import licences originally issued to cover the twelve months of 1961 will now have to provide for imports through to June 30, 1962. Limited additional allocations for specific commodities or tariff items where judged necessary to maintain production, employment and essential supplies have been provided. The next and succeeding import licensing years will begin on July 1, coincident with the introduction of the revised New Zealand tariff.

A new supplementary schedule showing additional quotas for a few products is to be published. Otherwise, present import licences equivalent in general to 1960 imports will have to provide for an eighteen-month period or, alternatively, licence applications will be considered individually.

The following products of interest to Canadian exporters will have the best supplementary quotas: salt; piecegoods; cellophane; synthetic rubber; wall, fine and emery papers; sparkplugs; steel; galvanized iron; softwood lumber and plywood; sausage casings; asbestos fibre; plastic moulding powders. All these goods will receive between 10 and 20 per cent increment on the present 1961 schedule as amended by the cancellation of the replacement licensing category.

No extra quotas will be granted for salmon, sardines, toys, sulphur, outboards or hardware generally. Present licences for these products will have to suffice for the entire licensing period.

Applications for licences for the import of spirits, newsprint, machinery and machines generally, including office machines, will be treated on an individual basis.

Republic of China (Taiwan)

OFFICIAL EXCHANGE RATE REVISED—Effective from June 1, 1961, the Government of the Republic of China reset the official exchange rate at New Taiwan $40 to United States $1.00, without differentiating between buying and selling. The former rate of NT$36.38 selling and NT$36.08 buying was thereby abolished. By this action the Government of Taiwan finally closed the gap between the official exchange rate and the exchange certificate rate. The result of the reform is that there will be no difference between the official rate and the foreign exchange certificate rate. The official exchange rate between the New Taiwan dollar and other foreign currencies will also be adjusted.

Exporters will benefit from the new official rate which makes no difference to importers. In the past, exporters given foreign exchange certificates have been selling them on the market for a price between NT $39.78 and NT$39.89. Now foreign exchange receipts from general exports or inward remittances can be sold to the Bank of Taiwan at NT$40 to U.S.$1.00. Importers who have foreign exchange certificates at hand can use them to apply for import foreign exchange settlement.

St. Helena

IMPORT CONTROLS—Confirmation has recently been received from the mid-Atlantic British colony of St. Helena that all import restrictions against dollar goods have been removed. St. Helena's total annual imports approximate one half million dollars, of which Canada's share in recent years has been negligible, although some flour sales have been made in the past. Canadian goods receive preferential treatment in this tiny market.

United Kingdom

IMPORT CONTROLS REMOVED—The Board of Trade has announced that effective August 1, 1961, control will be removed from dollar imports of canned fruit (other than canned apples and canned citrus), wine, beer and gin.

United States

TARIFF INVESTIGATION OF RYE, RYE FLOUR, AND RYE MEAL IMPORTS—The Tariff Commission published in *The Federal Register* of Saturday, June 17, the following Notice of Investigation and Date of Hearing:

"Investigation instituted. By direction of the President, the United States Tariff Commission, on the 14th day of June 1961, instituted, and hereby gives notice of, an investigation under section 22(a) of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), and Executive Order No. 7233 of November 23, 1935, for the purpose of determining whether rye, rye flour, and rye meal are practically certain to be imported into the United States after June 30, 1961, under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for rye undertaken by the United States Department of Agriculture pursuant to sections 301 and 401 of the Agricultural Act of 1949, as amended, or to reduce substantially the amount of products processed in the United States from domestic rye.

"Public hearing ordered. A public hearing in connection with this investigation will be held in the Hearing Room, Tariff Commission Building, Eighth and E Streets NW., Washington, D.C., beginning at 10 a.m., e.d.s.t., on the 11th day of July 1961. Interested parties desiring to appear and to be heard at the hearing should notify the Secretary, United States Tariff Commission, Washington 25, D.C., in writing, at least three days in advance of the date set for the hearing."

Venezuela

EGG IMPORTS RESTRICTED—The Ministry of Development has announced that, effective June 13, 1961, no further licences for egg imports will be issued until August 1, because of a surplus of local production on the Venezuelan market. On August 1 the Ministry will review the subject again in the light of market conditions at that time—Caracas.

IMPORT REGULATIONS—The *Official Gazette*, No. 26,579 of June 15, 1961, published a decree, issued by the Ministries of Development and of Finance, according to which the following customs tariff items are subject to compulsory import licensing as per the date of publication of that decree:

013-09-02—extracts, essences, soups, broths and nutritious juices derived from marrow, bone or meat of all kinds, in liquid, solid, paste or powder forms, in any kind of container, and other meat preparations, n.e.s.
032-01-07-1—soups and broths, of fish and crustaceans
032-01-07-2—soups and broths of molluscs
055-02-01-3—other vegetable soups, n.e.s.

—Caracas.

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.*

GENERAL NOTES

Belgium

FOREIGN INVESTMENT—During 1960, United States investment in Belgian industrial development amounted to about \$47 million and created 2,110 new jobs. Investment from other countries of approximately \$25 million provided employment for an additional 1,475. Seventy-seven new enterprises were involved—Brussels.

Brazil

INDUSTRIAL GROWTH—According to a United Nations study, *Patterns of Industrial Growth 1938-1958,* Brazil has progressed in twenty years from third to first place as Latin America's most highly industrialized country. In 1938 Argentina was the leading manufacturing country in Latin America, accounting for 31 per cent of the region's total industrial output, followed by Mexico (20.1), and Brazil (16.8). In 1953 Argentina with 23.1 per cent of the total was still first, but followed now by Brazil with 22 per cent. During the following five years, Brazil forged ahead and became Latin America's foremost manufacturing country, with over 23 per cent of total output in 1958—São Paulo.

Denmark

FARM MECHANIZATION—Since the war the number of horses used on Danish farms has fallen from 600,000 to 200,000 while the number of tractors has risen from 6,000 to more than 111,000. There are approximately 8,000 combines and 21,000 silage machines in the country—Copenhagen.

Ecuador

HOUSING LOANS—A new bank is being established in Ecuador with United States and Ecuadorian Government participation which will provide mortgage loans for low-cost housing projects. Initial capital will total U.S.\$10 million—Bogotá.

Greenland

FIRST SHARE COMPANY—The formation of the first share company in Greenland, by Greenlanders, is an historic event. The company is called "Greenlandia-fish", and will carry on fishing operations with its own and chartered ships, will cure the fish, and will conduct general trading and export operations—Copenhagen.

India

STEEL CABLE PLANT—A new plant to manufacture 3,600 tons per year of black and galvanized steel cables is to be built in the suburbs of Bombay. It is reported that this will be the first such factory in Western India and that it will go into production by the end of next year. Among the products to be manufactured will be high-tensile wire used in pre-stressed concrete work—Bombay.

New Zealand

STEEL MILL—Good progress is being made on the erection of the £3.5 million steel rolling mill at Otahuhu. A spokesman for Pacific Steel Ltd. said the plant should be completed by the end of this year. Operations are expected to begin next January. A total of £1½ million worth of overseas equipment, mostly from Australia, will be imported for the plant, including furnaces, overhead cranes and electrical gear. Scrap for the mill, which will produce 50,000 tons of rolled steel a year, will be obtained locally—Wellington.

Peru

EXPORTS—Peruvian exports in 1960 probably totalled U.S.\$435 million, a marked increase over previous years—(U.S.\$340 million in 1959, \$291 million in 1958, and \$330 million in 1957). This increase is attributed mainly to larger sales of copper, iron ore, and fish products—Lima.

Spain

STEEL WORKS EXPANSION—The Eximbank has granted a loan of \$18 million to S.A. Basconia and Altos Hornos de Vizcaya S.A., Spain's largest steel mills, to be used for the purchase of a hot rolling mill as part of their expansion programs; total cost is estimated at some \$31.6 million. (This figure includes equipment for the manufacture of tinplate, previously authorized.) It is hoped to complete the expansion program by 1964, at which time repayment of the loan over a period of 12 years will begin. The new machinery will be installed at the factory in Basauri (Vizcaya Province, Northern Spain), and maximum annual capacity is calculated at 450,000 tons of steel. The manufacture of steel plate and a wide variety of steel products will help to cover Spain's total domestic requirements and will eliminate the need for costly imports—Madrid.

United States

HOUSING IN FLORIDA—The University of Miami Bureau of Business and Economic Research has predicted that Florida can be expected to be the most active housing market in the United States during the next five years, particularly the Tampa Bay and the Orlando mid-state areas. According to the Bureau, the coming five years will show a 31 per cent increase in building activity over the previous five, with Florida surpassing New York in volume of home construction. It is also predicted that Florida will be the second largest volume builder (home and commercial) in the United States during the coming five years. An average of 112,000 new housing starts are expected annually through 1964, compared with an average of 85,500 starts for the five years 1955 to 1959. The building slump has improved slightly and the Orlando area alone is expected to average 10,000 new housing starts a year —New Orleans.

TRADE COMMISSIONERS ON TOUR

M. R. M. Dale

W. Jones

D. B. Laughton

In Canada

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

Montreal—July 17
Granby, Richmond—July 19
Thetford Mines—July 30
Quebec City—July 21
Montreal—July 24-28
Fort William—Aug. 4
Vancouver, Victoria—Aug. 7-22

When he completes his tour and home leave, Mr. Dale will return to Capetown.

W. JONES, Commercial Counsellor in Rio de Janeiro, Brazil:

Oakville, Hamilton—July 17
Welland, Jerseyville, Brantford—July 18
Galt, Woodstock—July 19
London, Sarnia—July 20
Goderich—July 21

When he completes his tour and home leave, Mr. Jones will return to Rio de Janeiro.

D. B. LAUGHTON, Agricultural Secretary in London, England:

Edmonton—July 17-18
Calgary—July 20
Vancouver—July 24-26
Victoria—July 28
Kelowna—Aug. 1-2

When he completes his tour, Mr. Laughton will take home leave and then return to London.

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

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Cartagena and Barranquilla for the week beginning July 24, and Medellin from August 6-9.

R. A. BULL, Assistant Commercial Secretary in Bogotá, Colombia, will visit Quito and Guayaquil, Ecuador, during the week beginning August 14.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

E. H. MAGUIRE, Trade Commissioner in Singapore, will visit Kuala Lumpur, Port Swettenham, Ipoh, Penang, and possibly Malacca in the Federation of Malaya from July 24-29.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown, British Guiana, from July 14-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from July 17-19, and Prague, Czechoslovakia, from July 26-28.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from July 10-21.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey and Mr. Bull at Bogotá, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gallow at Johannesburg, Mr. Maguire at Singapore, Mr. Richardson at Port-of-Spain, and Mr. Wallace at Caracas.

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 .964146.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 3	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01258	79.49	
Austria	Schilling		.03979	25.13	
Australia	Pound		2.3138	.4322	
Bahamas	Pound		2.8923	.3457	
Belgium and Luxembourg	Franc		.02083	48.01	
Bermuda	Pound		2.8923	.3457	
Bolivia	Boliviano	Free	.00008826	11,330.16	
British Guiana	Dollar		.6026	1.66	
British Honduras	Dollar		.7231	1.38	
Brazil	Cruzeiro	Free	.004028	248.26	
		Special Category	†	†	
Burma	Kyat		.2178	4.59	
Ceylon	Rupee		.2169	4.61	
Chile	Escudo	Free	.9859	1.01	
Colombia	Peso	Certificate	.1548	6.46	
Congo, Republic of	Franc		.02083	48.01	
Costa Rica	Colon	Official	.1847	5.41	
		Controlled free	.1560	6.41	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1440	6.94	
Denmark	Krone		.1497	6.68	
Dominican Republic	Peso		1.03719	.96414	
Ecuador	Sucre	Official	.06915	14.46	
		Free	.05912	16.91	
Egyptian Region, United Arab Rep.	Pound	Official	2.9783	.3358	
El Salvador	Colon		.4149	2.41	
Fiji	Pound		2.6057	.3838	
Finland	Markka		.003241	308.55	
France, Monaco, etc.	New Franc		.2117	4.72	(1)
Franco-African Republics, etc.	Franc		.004234	236.18	(2)
French Pacific	Franc		.01164	85.91	(3)
Germany	D Mark		.2608	3.83	
Ghana	Pound		2.8923	.3457	
Greece	Drachma		.03457	28.92	
Guatemala	Quetzal		1.03719	.96414	
Haiti	Gourde		.2074	4.82	
Honduras	Lempira		.5186	1.93	
Hong Kong	Dollar	Free*	.1786	5.60	*June 23
		Official	.1808	5.53	
Iceland	Krona	Official	.02729	36.64	(4)
India	Rupee		.2169	4.61	
Indonesia	Rupiah	Official	.02305	43.39	(4)
Iran	Rial		.01369	73.03	
Iraq	Dinar		2.9041	.3443	
Ireland	Pound		2.8923	.3457	
Israel	Pound		.5762	1.73	
Italy	Lira		.001671	598.44	
Japan	Yen		.002881	347.10	

†Exchange auctions will be held each week.
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 3	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3298	3.03	
Mexico	Peso		.08298	12.05	
Morocco	Dirham		.2074	4.82	
Netherlands	Florin		.2886	3.46	
Netherlands Antilles	Florin		.5500	1.82	
New Zealand	Pound		2.8923	.3457	
Nicaragua	Cordoba	Effective buying	.1571	6.36	
		Official selling	.1470	6.80	
Nigeria	Pound		2.8923	.3457	
Norway	Krone		.1447	6.91	
Pakistan	Rupee		.2169	4.61	
Panama	Balboa		1.03719	.96414	
Paraguay	Guarani	Official	.008199	121.97	
Peru	Sol		.03867	25.86	
Philippines	Peso	Free	.3457	2.89	
		Official	.5186	1.93	
Portugal & Colonies	Escudo		.03620	27.62	(5)
Republic of South Africa	Rand		1.4462	.6915	
Singapore and Malaya	Straits Dollar		.3374	2.96	
Spain and Dependencies	Peseta		.01729	57.85	
Sweden	Krona		.2008	4.98	
Switzerland	Franc		.2403	4.16	
Syrian Region, United Arab Rep.	Pound	Free	.2898	3.45	
Thailand	Baht	Free	.04906	20.38	(4)
Tunisia	Dinar		2.4996	.4001	
Turkey	Lira		.1152	8.68	(4)
United Kingdom	Pound		2.8923	.3457	
United States	Dollar		1.0371875	.964146	
Uruguay	Peso	Free	.6828	1.46	
Venezuela	Bolivar	Official	.3096	3.23	
		Free	.2269	4.40	
West Indies Fed.	Dollar		.6026	1.66	(6)
	Pound		2.8923	.3457	(7)
Yugoslavia	Dinar	Official	.001383	723.06	

Notes

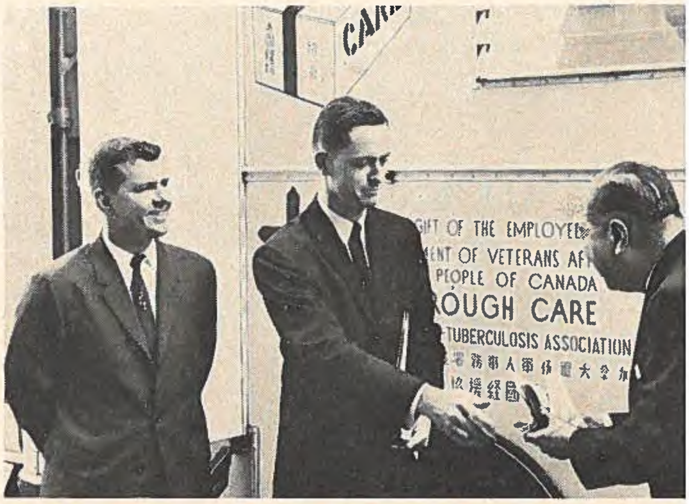
1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Trade and Commerce at Work

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

One of the largest newspapers in the U.A.R., "Al-Ahram", rolls off the presses on Canadian newsprint. Watching are D. S. Armstrong (left), Commercial Counsellor in Cairo, and R. E. Eekaly, the technical director of the newspaper.

President and Frau Lubke and Mayor Brandt (centre) are shown Canada's exhibit at the Berlin Green Week Agricultural Fair by J. A. Stiles, Canadian Commercial Counsellor in Bonn (left) and C. C. Boxer (right) of the Canadian Wheat Board.



Canada's gift, through CARE, of a mobile X-ray unit is presented to Dr. the Hon. Sir Sik-nin Chau, chairman, Hong Kong Anti-Tuberculosis Association, by D. J. McEachran, centre, the Assistant Canadian Trade Commissioner in Hong Kong.

P. V. McLane, Canadian Trade Commissioner in Glasgow, the Captain of the "Prins Casimir", and E. J. Ward, Assistant Trade Commissioner (Timber), (left to right), witness unloading on Prince's Dock of 90,000 feet of Canadian lumber.

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