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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA

AUG. 12. 61

FOREIGN TRADE

AUGUST 12, 1961 Vol. 116 No. 4

Established in 1904. Published fortnightly by the Department of Trade and Commerce.
The Hon. GEORGE HEES, Minister.
JAMES A. ROBERTS, Deputy Minister.
Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.
Price $2.00 a year in Canada; $5.00 abroad
Single copies: 20 cents each.

COMING——WHAT KIND OF A MARKET IS BELGIUM? IN AUGUST 26 ISSUE

96688-7—1

As foreign exchange supplies reached a 12-year low, Government acted to stem outflow of capital, rebuild reserves. What will the effect be on investment in and foreign trade of the new Republic?

South Africa's Reserves Decline

C. R. GALLOW,
Trade Commissioner, Johannesburg.

SOUTH AFRICA'S Minister of Finance announced in mid-June that the policy of the open door enjoyed by foreign capital invested here would have to be suspended immediately to stem the outflow of capital and protect the country's foreign exchange reserves. The hope was, he added, that the suspension would be temporary. Foreign holders of South African securities who sell their stock to a South African resident can no longer repatriate the proceeds. The funds they obtain must remain in the Republic and can only be used to buy other "quoted" investments—i.e., quoted on the Johannesburg Stock Exchange. The sellers cannot take the money out of the country nor can they invest it in any other way in the country. South African residents must within thirty days bring back to the Republic any monies held abroad and at the same time declare to the authorities all investments held overseas and guarantee to bring back the proceeds of the sale of any of these in the future. Residents no longer may send money out of the country to buy shares in London or Rhodesia.

There have been some explanatory announcements since, including one dealing with profits and one with previous buying commitments. Profits and dividends will continue to be repatriated freely, provided that they were earned after January 1, 1960, and the company has the ready cash available to transfer. Repatriation of profits earned before that date now requires special approval. Approval is needed when profits before and after that date have been ploughed back into the business and could only be transferred through the use of bank loans. Transfer of funds to cover any legitimate stock purchase agreements made with overseas sellers just before the new regulations came out will be permitted, provided satisfactory evidence of the deal is presented.

Other steps that the Reserve Bank has taken during the past few months to stop the leakage of capital from the Republic include sharp decreases in funds permitted for foreign travel and to emigrants, and closer scrutiny of all overseas payments.

Capital Flows Out

The objective of the new regulations is, of course, to stop the outflow of capital and rebuild the foreign exchange reserves of the Republic. Recent estimates indicate that as much as $140 million of capital may have gone out of the country in the first five months of this year, to be added to approximately $270 million during the whole of last year. In 1960, the capital flow from South Africa approximated $73 million in the first quarter, $78 million in the second, $81 million in the third, and $45 million in the fourth. Much of the total moving out last year was foreign-owned. Up to June of this year the movement had been roughly $56 million in the first quarter, with current estimates indicating an increased rate in April and May, following South Africa's withdrawal from the Commonwealth. The pattern too had changed, with South African domestic capital gaining momentum and the withdrawal of foreign-owned capital slackening off.

Reserves Drop Sharply

In 1960 the gold and foreign exchange reserves dropped by $185 million, compared with a rise of $112 million during 1959. The decline resulted from an increase in imports of $186 million in 1960 and a net capital outflow more than double that of 1959. A modest increase of $8 million in merchandise exports plus a rise of $42 million in net gold production were almost offset by a rise of $39 million in net invisible payments. In spite of the steep rise in imports, the balance of payments on current account still showed a net surplus of $42 million last year.

The country's gold and foreign exchange reserves reached a high of just over $420 million in January 1960, but by the third week of June this year had dropped to $199 million, the lowest point in the last twelve years. (They recovered fractionally to $209 million the following week.) In addition, there is an estimated $840 million worth of quoted South African shares still held by investors overseas and the authorities could scarcely ignore the threat to the country's reserves if they were sold to South African residents. Other foreign capital invested in the country in plant or property must have specific approval for repatriation.

While it had become traditional to expect that the South African authorities would agree to the free movement of capital into and out of the country, this can no longer be considered automatic and will depend on the individual proposition.

Money Tightened

These changes in South Africa's international financial position are, of course, reflected in internal developments. It is not surprising to note that South African gold shares and, to a lesser extent, industrials have fluctuated wildly at times. This year prices sagged badly because the substantial buying support from the large financial institutions in the Republic available last year was lacking, as their funds are committed and bank credit is tight. Stock Exchange statistics show that between December 31, 1959, and March 30, 1961, South African securities in total have depreciated by 26 per cent. The sharp fall came during 1960 but since then there has been little recovery. Between April 15 and April 30, following South Africa's withdrawal from the Commonwealth, gold-share prices dropped by about 15 per cent and have lagged since. With the new regulations putting an end to arbitrage dealings, the prices of South African shares on European exchanges will be able to remain well

South Africa in 1961

The principal factors governing the current situation in the Republic of South Africa are:

- The foreign exchange reserves are at a critical level.
- Seasonal import/export trends usually depress the reserves from April to October.
- Purchases of shares overseas arranged but not executed when the blocking was announced are likely to be honoured. These payments abroad may be a drain on reserves for a couple of months yet.
- Import restrictions will not take full effect for a month or two.
- Overseas loans due for refinancing this year are reported to total $70 million and there is some speculation that as much as $140 million may be due in the next fiscal year.
- Gold production is expected to continue to expand and to add to the Republic's foreign reserves.
- Forecasts are that import restrictions may save as much as $150 million in a year when fully applied.
- The hope is that commodity exports will equal or better last year's total.
- Capital outflow should now be practically blocked.
- The value of the overseas holdings of South African residents, due for repatriation under the new regulations, is not known nor estimated so far.

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below Johannesburg prices for long periods without any stock movement.

The drain of capital overseas is accentuating the internal shortage of money and has compelled banks to tighten up on overdrafts. The Building Societies too report a shortage of funds and their ability to lend on mortgages is being further restricted by the fall in the rate of deposits. Another sign of tight money was the recent announcement by the Minister of Finance that the Government is having difficulty raising money to redeem internal loans of more than $175 million that fell due on June 1. Possibly these new restrictions on the withdrawal of foreign capital will make more money available later.

Earlier in March, when presenting his budget, the Minister made temporary reductions in income tax, both personal and corporate. He also increased import duties on non-essential goods, at the same time raising the customs and excise duties on larger cars with the declared intention of stimulating and developing savings and domestic industry and protecting the balance of payments. In May, he reversed that cheap money and easy credit policy by introducing new austerity measures—upping the bank rate by ½ per cent to 5 per cent, the yields on government stocks by ¼ per cent, and the deposits of commercial banks with the Reserve Bank to 8 per cent from 6 per cent.

Import Controls Stricter

Tied in with the austerity financial measures introduced in May was a program of intensified import controls that made textile piece-goods once more subject to import licence and saw the quotas for luxury and consumer goods cut by more than half. Additional emphasis has been placed on domestic production; importers are required now to satisfy the authorities that they are unable to obtain their requirements from local manufacturers and that the import of the material is in the best interests of the country at the present time. The new list of goods commonly referred to as the "restricted list" includes a number of products of interest to Canadian exporters, such as foodstuffs; lawnmowers, washing machines, floor-polishers; paper and cardboard; hardware; wood; jewellery; mechanical and electrical machinery, apparatus and appliances; welding electrodes; abrasives; pipes, tubes and pipe fittings. The restrictions may also affect other Canadian products indirectly because importers now have to surrender up to three times the value of an existing consumer goods licence for a new specific licence. Some of them may cancel existing or proposed orders so that they can balance their requirements. (For fuller information on South Africa's import controls, see page 23.)

The purpose of the new restrictions is to save exchange and also to stimulate domestic industry. A private source estimates a possible saving of some $150 million a year, provided the controls can be strictly applied. The impetus to local industry may, however, encounter some snags because of the tightness of funds on the domestic market. Consumer demand is not running full out; rather, it is cautious. If the South African manufacturer needs credit to expand to meet the demand switched from imports, he may find it difficult to get it from the bank at all, or at a satisfactory rate.

Exports and Imports

The latest figures released by Customs and Excise show a favourable visible trade balance of just about $250 million for the first five months of this year, up $95 million over the same period last year. Exports of merchandise and gold bullion totalled $898 million in the period; show a doubling in value of maize, with some increase in diamonds and fruit. Exports of wool and prescribed materials under the Atomic Energy Act decreased. Imports during the period totalled

Workers come off shift at the deep shaft of West Rand Consolidated Gold Mines Limited. Greater production of gold, up by $16 million in the first four months of the year, has helped to moderate the fall in South Africa's exchange reserves.

$649 million, just fractionally lower than for the similar period of last year. Payments for invisibles are estimated at about $127 million, which leaves a credit on the balance of payments of about $123 million.

Exports for 1960 were marginally higher than the year before. During the first half, the figures were running well above those of 1959 but during the second half they were running behind the rate for the second half of that year. Exports (excluding gold) in 1960 totalled $1,225 million—up about $25 million. Including gold, they totalled $2,027 million; gold shipped exceeded that in the previous year by some $125 million. Imports, on the other hand, increased substantially—about $188 million for the year; they totalled $1,555 million and the rise over 1959 is attributed to the fact that in the previous year merchants were overstocked with imported goods.

Although the trend was disappointing last year, it may improve this year. However, the first quarter of 1961 was generally satisfactory, so that performance for the whole year cannot be safely forecast on this basis.

Canadian Exports Increase

The latest statistics available for trade between Canada and the Republic cover 1960. They show a small increase over 1959 in the value of Canada's exports to the Republic and a substantial rise in South Africa's exports to Canada. In 1960 Canada's exports were up by nearly $1.5 million to a total of $52.6 million. The best growth was recorded for motor vehicles and parts, as well as for synthetic rubber and plastics in basic forms. Sales of synthetic fibre thread and yarn, lumber, newsprint and paper, steel wire rod, aluminum in primary and semi-fabricated forms, drugs and chemicals and unexposed film plate also improved. Unfortunately there was a substantial decline in sales of wheat and railway rails and declines also for leather, tallow and films.

The Republic's exports to Canada jumped in value by about 80 per cent (or nearly $5 million) to reach almost $11.5 million. The main increases were in oranges, raw sugar and ferro-manganese, but sales of canned pineapple, green peanuts, brandy and wine, tobacco, electric precision instruments, manganese ore and fluorspar also expanded.

Expansion Slows Up

The Republic's domestic economy showed continued expansion during 1960 but at a lower rate than in 1959; the rate of increase appeared to diminish during the second half, though the trend was still upward. Because of the outflow of capital and the tightening of exchange and import controls, the forecast is that businessmen will be cautious, particularly about long-term projects, and some slowing down in the economy is anticipated.

Retail trade in Johannesburg during 1960 just managed to achieve a 1.3 per cent increase over 1959, mainly because big gains in three fields—department, drug and book stores—offset the decreases in grocery, jewellery and liquor stores. The department-store type of retail outlet is growing at the expense of the specialized merchants. Similar conditions are reported for the first quarter of 1961.

Published reports indicate that the construction industry may be facing difficult times. In each quarter since mid-1960, the value of plans passed has been lower than for the corresponding quarter of the previous year. Private home building in particular is feeling the pinch of tight money and the curtailment of building loans. The building supplies industry and the labour market have also started to feel the effects.

Buoyancy is lacking in the manufacturing industries generally, but manufacturers of agricultural machinery and footwear are apparently receiving better than usual orders. The latest of the monthly bank surveys reports that private manufacturing firms are experiencing almost normal activity, with orders about equal to those at this time last year. A number of sectors, however, report slack conditions and several drew attention to the fact that although they are operating satisfactorily at present, there is little optimism for the future because new orders are slow in coming.

If it had not been for increased gold production in the first four months of this year, it seems probable that the fall in the Republic's foreign exchange reserves would have been much greater. From January to April the holdings of gold and foreign assets registered a net decline of $11 million and during that same period gold produced rose by $16 million to total approximately $259 million for the four months, about $20 million higher than in the same period in 1960.

It has just been announced that the International Monetary Fund has agreed to a standby arrangement with the Republic, under which the country will be able to draw up to $75 million over the next twelve months. At the time of writing, no details are available.

The best prospects for Canada's participation in the market centre mainly on the supply of industrial equipment and materials that do not compete with domestic products. In *Foreign Trade* of May 20, 1961, more details of export prospects were given in an article called "The Market in South Africa". The devaluation of the Canadian dollar should also help to improve our competitive position. There is still, and likely will continue to be, interest here in investment by Canadian firms in manufacturing facilities in the Republic as well as in exploring the possibilities of partnership manufacturing arrangements with Canadian firms on a licensee basis. ●

Note: All conversions of value figures have been made at the nominal rate of one Rand=Can.$1.40.

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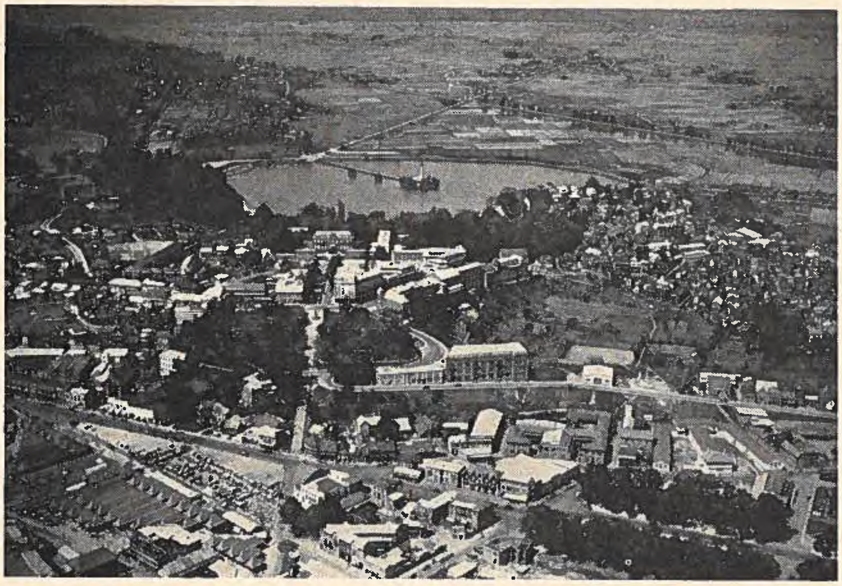
A Look at Madagascar



Tananarive, capital of Madagascar, has a population of slightly over 201,000.

This island republic within the French Community achieved independence a year ago but retains close trade links with France and the EEC. Current opportunities for Canadian exports appear limited; market may improve as development proceeds.

L. J. TAYLOR, *Assistant Trade Commissioner, Johannesburg.*

OFF Southern Africa lies the third largest island in the world—Madagascar—1,000 miles long and up to 350 miles wide. It rises steeply from equatorial forests in the east to a broad and temperate plateau in the centre, which changes to arid semi-desert as it slopes down to the sea in the west. Hot heavy rains prevail in the tropical coastal belt for much of the year; the plateau has a cool dry winter, with rains in a summer which is warm but not unbearable.

The Malgache are a mixture of the African Bantu and Polynesians from Malaya and make up all but 100,000 of the five million population; 70,000 French and 30,000 Indians and Chinese are the other major groups. Madagascar, Republic Malgache, Malagasy Republika—to quote its three chief names—became an independent state within the French Community in 1960. It is also an associated member of the European Economic Community and since gaining independence, its trade links with France and the other members of the Common Market have become even closer.

Agriculture Holds First Place

Fertile soil is Madagascar's most important resource and 90 per cent of the Malgache earn a living from the four million acres of cultivated land. The majority grow only subsistence crops but the more progressive farmers raise cash crops for export. The more important of these are sugar (70,000 tons a year), coffee (50,000), peanuts (23,000), tobacco (4,500), cloves (4,000), pepper (1,000) and vanilla (500). Rice is the country's staple food and over 1,250,000 tons are grown; in good crop years, some 40,000 tons of high-quality long-grain rice are exported. Manioc (about 850,000 tons a year) is the other major subsistence crop; from it the tapioca that Madagascar sends to Europe and the United States is obtained. The western part of the island has about eight million head of cattle and during the Korean and Indo-Chinese wars the meat-canning industry thrived. Now it languishes and Madagascar has too many beef cattle and, paradoxically, too few dairy cattle.

Minerals, Manufacturing

Graphite, mica and uranium account for the island's mineral production, all of which is exported. It has plenty of other minerals and rare earths but the quantities are small and scattered, with an ore content often too low for economic exploitation.

Manufacturing in Madagascar is in its infancy. There are traditional industries such as sugar refineries, rum distilleries, and meat-canning factories but secondary industry is just beginning and less than one per cent of the Malgache work in factories. There is a brewery, a cigarette factory, a mill weaving cotton broadcloth, a "Bata" shoe factory, two or three soft drink plants, and a distilled water plant.

France Dominates Trade

Trade is the traditional preserve of the French, the Indians and the Chinese, who handle all the import-export activities. But "market mammies" are ubiquitous and once a week every village has its "zoma" or market day.

Madagascar belongs to the franc area and buys 70 per cent of its imports from France and a further 8 per cent from countries within the Community. (See Table II.) France purchases 60 per cent of its exports. In 1960 the island ran a $36 million trade deficit with France, with exports covering only 60 per cent of imports. But with the rest of the franc zone it earned a $6 million trade surplus. With "outside" countries, Madagascar's exports covered 75 per cent of imports and consequently the island had a deficit of $6 million. As Table I shows, about three quarters of Madagascar's imports consist of consumer goods. Madagascar depends on a few agricultural products for its export earnings—and markets for these have been depressed for some years. Although the Malgache Government says it is not its policy to channel trade through bilateral quasi-barter agreements, it makes clear that countries that wish to export their goods to the island must be receptive to taking Malgache products in return.

TABLE I

Principal Imports into the Republic Malgache, 1960

Product	Value ($'000)
Textiles	11,756
Metal products	11,624
Machinery and equipment	7,548
Clothing and apparel	7,532
Automobiles	5,640
Electrical apparatus	5,296
Beer, wine, and spirits	4,564
Petroleum products	4,472
Trucks	3,792
Paper and products	3,212
Dairy products	2,948
Pharmaceuticals	2,736
Tires and casings	2,588
Flour	2,184
Cement	2,104
Soap	1,436
Tobacco	1,108
Total, all imports	**110,156**

TABLE II

Principal Import Sources, Republic Malgache, 1960

Country	Value ($'000)
France	77,172
Other franc area	6,896
Other EEC countries	6,600
U.K. and sterling area	6,400
Iran	3,600
United States	3,180
Total, all countries	**110,156**

Doing Business There

No licences are required and there is no quota limitation on goods shipped from France. For other countries, quotas are issued twice a year in the following manner. All the foreign earnings of Madagascar are deposited in Paris and the French Treasury grants twice a year the funds the island requires for non-franc-zone imports out of the franc-zone pool. When the sum is known, Madagascar sets up separate import quotas for the EEC, the Sino-Soviet Bloc and finally for the world at large—the global quota, which is also open to EEC countries in addition to their reserved quota. Countries with which France has signed bilateral trade agreements get preference, all other things being equal, in the allocations made from the global quota. Quotas are set out by product. After they have been published, importers apply by supplying the authorities with pro forma invoices for each of the products they wish to import. Licences are allocated to those applicants whose products give the best value; this point is decided by the Import Commission. The procurement of a licence gives the importer the automatic right to the required foreign exchange. The goods must be shipped within six months after the licence is issued.

Madagascar has a rather low customs tariff which has just come into operation and from which France and its Common Market partners are exempt. More important, it has a consumption or sales tax which is in fact a form of customs duty and applies to goods from all countries. The island is not a member of the GATT and is not proposing to join in the near future; as industry develops, it wishes to be free to raise customs duties accordingly. Madagascar also imposes export taxes on the chief agricultural exports and uses the receipts to stabilize the returns to the producer.

With Madagascar's small market, business firms there must be versatile, handle a wide range of goods, and fulfill a number of marketing functions—importing, wholesaling, and retailing. Most of the large firms have associate or parent companies in France and in many cases it is preferable for Canadian exporters to deal through these companies. There is no direct shipping line connecting Canada and Madagascar and goods must be transhipped at some intermediate point. When quoting, prices should be in French francs and c.i.f.

Madagascar as a Market

- Population 5 million: 4,900,000 Malgache, 70,000 French, 30,000 Indians and Chinese.
- Per capita income, about $90.00 per year.
- Export-import trade carried on exclusively by French, Indians and Chinese.
- Business firms handle wide range of goods; engage in importing, wholesaling and retailing.
- Large firms usually have associate or parent companies in France; possible to deal through these firms.
- Metric system in use; correspondence carried on in French.
- Quotations preferred in French francs, c.i.f. Tamatave, the island's chief port.
- Irrevocable letter of credit is usual payment terms requested.
- All goods except those from France subject to import quotas, set up twice a year.
- Import licences carry with them right to the foreign exchange needed.

Tamatave (the island's main port) in the form of a pro forma invoice. All correspondence should be sent airmail and in French. The metric system of weights and measures is used. Exporters should request irrevocable letters of credit as payment terms. Most business is done through French banks, although a few of the larger firms have confirming houses in New York.

Canadian Opportunities

Canada's sales to Madagascar totalled only a few thousand dollars in 1960. We should be able to sell more but our goods will have to be competitive in price because import licences are granted only to products that are a better buy than rival lines. Our best prospects probably include car accessories and parts (most cars on the island are French), used clothing, canned foodstuffs and fish, synthetic fabrics, tires, office machinery and fine paper and stationery. Interested exporters should supply the Trade Commissioner in Johannesburg with full details, literature and export prices. Another way is to work through any agency arrangement you may have in France. As mentioned earlier, the leading Malgache importers usually have close connections with French firms and it is often more profitable for foreign companies to explore the market in Madagascar through them. There is less chance for Canadians to sell capital goods to Madagascar because the bulk of these imports are financed by aid and long-term loans granted by France and the EEC and are invariably bought from the donor country. There may, however, be opportunities for the sale of roadmaking and maintenance equipment and trucks.

Every underdeveloped country today has its own "operation bootstrap" and Madagascar is no exception. With a per capita income of $90, with the rate of internal savings less than 5 per cent, with half the population under 15 years of age and increasing by leaps and bounds, with each Malgache worker supporting three times as many dependents as a Canadian breadwinner and working in the fields only one day in four to do it, Madagascar certainly has difficult problems. But with outside aid and direction the Malgache are making steady progress. Development efforts are concentrated on building and improving roads; constructing schools, hospitals and clinics, and teaching the peasant the importance of modern hygiene and of modern agricultural techniques. Studies are being carried out to see if the base of Madagascar's agriculture can be broadened. The hope is to diversify exports by producing cotton, bananas, palm oil, coconuts and copra. Madagascar's cost structure is high, but one important way in which the Malgache hope to bring down the price of their key agricultural products is by increasing yields. For example, the ordinary farmer gets 1,600 pounds of rice per acre, but agricultural extension stations obtain three times as much and this gap will have to be closed if Madagascar is to prosper.

The Common Market aid group (FEDOM) and the French (FAC) supply most of the millions of dollars needed for development. The French also have hundreds of technical assistance officers helping the Malgache to master the intricacies of western technology. There are many difficulties in the way—a sparse population scattered about a rugged countryside, high internal transportation costs, and little potential mineral wealth to be developed (nickel and chrome are the only two feasible projects at the moment). But in the long run, Madagascar hopes to prosper and it should provide a larger market for Canada than it does today. ●

The Federation Faces Problems

Outflow of capital, pressure on reserves brought exchange control at the end of 1960; foreign trade shows some decline. But industrial progress continues, exchange reserves are again rising, and Canadian exporters should not neglect this large potential market.

LESTER S. GLASS, *Trade Commissioner, Salisbury.*

THE Federation of Rhodesia and Nyasaland is currently experiencing a partial economic downturn. The main reasons for this are the poor agricultural returns last year, following a prolonged drought, and the uncertain political situation. Constitutional advance in the three parts of the Federation—Southern Rhodesia, Northern Rhodesia, and Nyasaland—is continuing. In Southern Rhodesia particularly, early settlement of the difficult constitutional issues is expected and as this is the Federation's industrial region, business conditions may improve more rapidly there than in the other two areas.

Agricultural prospects have brightened in 1961; seasonal rains ranged from normal to above normal throughout the Federation and bumper crops are expected. Tobacco sales, now in progress, give promise of an all-time record. The important maize crops have already achieved a record and exports are moving freely. Previous crop failures, however, have put many of the farmers heavily in debt and it is doubtful whether even excellent returns from this year's crops will be large enough to enable them to write off these debts and still retain their normal purchasing power. This is important to the country because the farmers represent a fairly large proportion of over-all spending power.

Retail sales rose 6 per cent last year, but retailers are complaining of smaller sales this year. To keep inventories as low as possible they have been purchasing on a hand-to-mouth basis. Home furnishings and consumer durables, where competition at the best of times is severe, have been particularly affected. In Salisbury the number of stores featuring cut-price sales is considerably larger than in past years.

Industrial Building Continues

The building industry and its auxiliary trades have languished in the doldrums since the end of 1958, but this is probably more the aftermath of the hectic boom of the previous seven years than of present conditions. During that period, towns just out of the pioneer stage blossomed into modern cities, with skyscrapers, apartment blocks, and pleasant and spacious homes. Today there is a good deal of vacant space in office and apartment buildings.

The one bright spot in the building field is industrial construction, which is going ahead at a steady pace as new industries spring up and old ones expand. This continuing industrial development demonstrates the faith in the future of the Federation (or at least of Southern Rhodesia) shown by such enterprises as the Ford Motor Company, the Rootes Group, British Motor Company, Imperial Chemicals, Bata Shoe Company, Nestlé, and Lever Bros. Now Southern Rhodesia is to have its own oil refinery. The American Independent Oil Company and Shell have joined forces in the building of a refinery with a pipeline to the ocean port of Beira in Portuguese East Africa. The refinery will supply all the petroleum products needed in the Federation by the end of 1963 and it is expected that a petrochemical industry will also be developed to use the byproducts of the refinery.

Insolvencies, on the other hand, are again increasing; 54 were regis-

CANADIAN TRADE WITH RHODESIA AND NYASALAND

Exports	**1959**	**1960**	**1961 (Jan.-Feb.)**
Lumber	800,953	1,115,702	11,428
Newsprint	305,784	265,964	41,838
Wheat	20,986	358,580	
Malt	121,040	99,972	38,925
Mining machinery	108,712	273,535	15,139
Automobiles	283,479	367,859	91,849
Drugs and chemicals	186,676	21,720	6,655
Total, all exports	**2,850,714**	**4,087,591**	**583,667**

Imports	**1959**	**1960**	**1961 (Jan.-Feb.)**
Peanuts, green, shelled	161,243	395,883	26,418
Chrome ore	313,395	55,772	
Mineral substances	304,696	247,858	
Tobacco	124,895		
Alloy for steel manufacture	42,605	261,383	42,587
Total, all imports	**965,920**	**981,452**	**76,001**

tered in the first four months of this year compared with 35 during the same period of 1960. Fifty-three liquidations were reported as against 27 for the same period in 1960. The number of new companies registered and the amount of their capitalization have decreased.

Exchange Control Introduced

Last year the inflow of capital from private sources fell to £25 million from £42 million in 1959. By the end of the year it had slowed down to a negligible amount and there was a noticeable flight of capital from the Federation for investment abroad. To curb this, the Government introduced exchange control to last for not more than twelve months.

In his budget speech delivered on June 29, the Minister of Finance reported that exchange reserves were again rising to a desirable figure but he sounded a note of caution. In view of the situation in Africa, he said, he could not anticipate any significant inflow for some time to come and in the meantime, internal domestic savings would have to be used to maintain the external reserves and to finance capital expenditures on development. He strongly recommended that business firms finance themselves out of their own resources rather than seek to borrow money.

The Trade Picture

Both exports and imports are tending to decline at the present time, but because only the figures for January and February 1961 are available, no true forecast is possible. Imports for the two months stood at £24.3 million and exports at £25.3 million, leaving a small favourable balance of trade. (In 1959, the Federation had a favourable balance of nearly £37 million, with imports totalling £150 million and exports £187 million. In 1960, exports rose to £206 million and imports to £157 million, to leave a favourable balance of £49 million.)

The tables give details on Canada's trade with the Federation in the last two years and during the early part of this year.

Despite the present downturn and the prevailing political uncertainties, Canadian exporters not already selling in the Federation should proceed to establish contacts in this market to take advantage of present opportunities and of the greater potential in the future. •

COMMODITY NOTES

Almonds

SPAIN—Spain is expected to harvest an almond crop of 35,000 short tons this year, shelled basis, probably the largest on record. This compares with the 1960 crop of 30,000 short tons and a 1954-58 average of 21,100. Stocks are expected to reach 6,500 tons in September, compared with 8,000 in 1960—Madrid.

Electronic Guns

IRELAND—Griffith's Electronic Guns Limited of Ireland (taking its name from the associated U.S. company) has decided to erect a factory at Bray, County Wicklow, to produce magnetic and electrostatic electronic guns for television cathode-ray tubes. Its export markets are expected to include the United Kingdom, Europe, and British Commonwealth countries—Dublin.

Furniture

SWEDEN—One of Sweden's oldest furniture factories has inaugurated a new assembly and finishing workshop. Eight thousand square metres of a proposed 17,000-square-metre factory expansion costing Kr.11 million has been completed, marking the end of the first stage of a program to increase capacity by 50 per cent. The company's home furniture sales have increased five-fold since 1955. Fifteen per cent of annual production is exported; leading purchasers are the United States, Germany, France and Britain—Stockholm.

Grinding Balls

PERU—A newly formed Peruvian corporation will produce cast-steel grinding balls in a factory it intends to build near Lima. Capacity will total 20,000 tons a year. Principal shareholders in the company, called Metalúrgica Peruana S.A., are Enrique Ferreyros and Cia., Cerro de Pasco Corporation, the Southern Peru Copper Corporation, and National Malleable and Steel Casting Co. Enrique Ferreyros and Cia. are large Peruvian traders with interests in several national industries. Cerro de Pasco is Peru's largest producer of lead and zinc and a subsidiary of U.S. Cerro Corporation. Southern Peru Copper is exploiting large copper deposits in southern Peru; it is primarily controlled by American Smelting and Refining. National Malleable and Steel Casting Co. is a U.S. company which will provide technical assistance to Metalúrgica Peruana S.A.—Lima.

Industrial Machinery

BRAZIL—The Krupp interests of West Germany have established a large forge in the State of São Paulo which occupies an area of 900,000 square metres and employs some 16,000 workers. It is said to be Krupp's largest foreign investment and will be used to produce various types of heavy industrial machinery—São Paulo.

Machinery

WEST GERMANY—In 1960 the German engineering machinery industry achieved production valued at 23 billion marks, an increase of 16 per cent over the previous year after adjustment for price increases of somewhat more than 5 per cent. The industry's exports reached 9.1 billion marks compared with 7.9 billion in the previous year—a rise which corresponded with the increase in production. During the same period machinery imports increased by almost 40 per cent—from 1.5 to 2.1 billion marks—because large orders and consequent extended delivery dates in the German industry led some companies to purchase abroad—Hamburg.

Meat Processing

JAMAICA—In 1962, a $225,000 meat-processing plant will be turning out ready-to-serve hams, luncheon meats, sausages, bacon, frankfurters, and other processed meats. The 18,000-square-foot plant is being erected at Savanna-la-Mar on Jamaica's southwest coast and will employ up to 500 people when it is operating at full capacity—Kingston.

Paper Cartons

JAMAICA—Jamaican and U.S. investors have invested $600,000 to set up a firm in Kingston called West Indies Paper Products Ltd., that will make corrugated and solid-fibre cartons for local manufacturers. It is expected the firm will commence operations some time in October—Kingston.

Pecans

UNITED STATES—The 1960 pecan crop totalled 181 million pounds valued at over $56 million, according to the U.S. Department of Agriculture. Of this total, Mississippi produced an estimated 13 million pounds valued at nearly $4 million—New Orleans.

Pulp

SWEDEN—Two pulp mills in northern Sweden were purchased recently by Norrlands Skogsägares Cellulosa AB, an industrial company formed by the Association of Forest Owners of Norrland. The plants purchased are the Sandviken sulphate mill, belonging to AB Graningeverken and situated at Kramfors on the Angerman River, and the Hörnefors sulphite and fine-paper mill outside Umeå, belonging to the Mo och Domsjö forest industry group. Sandviken has an annual output of 40,000 tons of unbleached sulphate but capacity will gradually be expanded to 125,000 tons. Hörnefors produces 70,000 tons of bleached sulphite and some 20,000 tons of fine paper a year. Both Sandviken and Hörnefors have quay facilities for ocean-going vessels. A further processing plant may be purchased later on—Stockholm.

Shirts, Pyjamas

JAMAICA—Construction has been completed of a factory in Kingston to manufacture high-quality dress shirts and pyjamas for export to North America. The U.S.-backed firm, set up under Jamaica's Export Industry Encouragement Law, expects to send its first consignments to the United States and Canada within a few months—Kingston.

Steel

SWEDEN—Hofors Steelworks in central Sweden, owned by the SKF group, is to build a new open-hearth plant. Although two units are planned, the plant will at first house one only, an acid open-hearth furnace with a capacity of 80 to 100 tons per charge —making it Sweden's largest. Annual output, principally of ball-bearing steel, is estimated at 90,000 tons. The plant is scheduled for completion early in 1963 and will cost approximately $4.7 million. To process the increased crude steel output, rolling mill capacity will have to be raised from 200,000 tons a year to about 300,000—Stockholm.

Tuna

JAPAN—A Japanese fishing company has resumed direct shipment of frozen tuna from its fishing grounds in the South Pacific to San Francisco. Approximately 600 tons of albacore and yellow-fin tuna were reportedly landed late in April in San Francisco for processing by California canneries, and regular calls are planned for the future by the tuna carrier *Santo-Maru*.

The *Santo-Maru* is owned by Mitsui Bussan Kaisha, which operates a mixed capital British-Japanese fishery company on the island of Santo in the New Hebrides. The company, Taiheyo Suisan Kaisha, buys tuna from Japanese tuna clippers, processes it, and sells it in frozen form to canneries in North America, France and Japan—Tokyo.

Turpentine and Resin

BRITISH HONDURAS—Canadian, United States and British interests will by the end of this year set up a factory to make resinous products and terpenes from pine roots, stumps and tops. The factory is expected to extract up to 25 million pounds of resin and turpentine annually and to employ 300 people. The plant will represent an investment of about $3 million and will give the economy a much-needed boost—Kingston.

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Export Merchants Help Canadian Trade

Companies that are not selling abroad because they are unfamiliar with export procedures may find in the export merchant an answer to their problem.

O. MARY HILL,
Editor, Foreign Trade.

JOHN JONES has just discovered that he can sell abroad, even though he is completely inexperienced in export trade. His products are going to customers in Israel and in Iraq, but he has not had to solve any problems in shipping, documentation, letters of credit, or even in packing. He has found a way of obtaining prompt payment for his goods in dollars. He has not yet set up an export department in his company, though he intends to continue exporting.

How does John Jones do it? The answer is a simple one—he does his exporting through an export merchant. Six months ago, he called on one whom a business acquaintance recommended. He described the products that the firm wished to export, supplied catalogues, price lists, and descriptive literature, and answered pertinent questions. Several weeks later, the merchant reported that he could sell some of the Jones products, as a beginning, in the Middle East. John received instructions on how to pack the goods and when and where to deliver them for shipment from Canada. The merchant settled for the order in dollars and on the Jones side, the transaction was completed.

How Merchant Functions

The export merchant should not be confused with the export agent, who sells a company's products abroad and receives a commission based on sales. The merchant buys outright from the manufacturer and himself becomes the exporter. Through his connections abroad, he finds buyers for the goods. He negotiates the terms of settlement. He assumes the financial risks, such as credit performance and exchange fluctuations (though not, of course, the risk of non-performance on the part of the manufacturer). He handles the paperwork, takes out the insurance, and makes the shipping arrangements. His connection abroad obtains the import licence.

Historically, the export merchant has played an important role in the development of world trade. He first emerged in the Italian city-states, such as Florence and Venice, in the Middle Ages and later he flourished in other countries. In Britain during the nineteenth century these merchants carried on a good share of British export and import trade, particularly with the colonies; a number of the trading houses founded then still survive. In Japan, nearly all exporting and importing is done through trading houses and in Germany and the Netherlands, they have a definite place in the commercial community.

A number of the export merchants in Canada are branches of British or United States companies; some are Europeans who have settled here after serving their apprenticeship in countries with a long tradition of exporting. The majority of them are concentrated in Montreal, Toronto or Vancouver. Most of them engage in two-way trade, sometimes even for the same client. Many act also as export agents, charging a commission on sales. As in other countries, they tend to specialize either in commodities or in areas. One Montreal export merchant handles only minerals, metals and ferro-alloys, tar products, and chemicals. Others concentrate on paper products, textiles, food products, or automotive parts. In general, the merchants deal mainly in consumer products. As for areas, some with exceptionally good contacts in the Far East sell there only; others market goods in the West Indies or Latin America exclusively. Their services are particularly useful in what are known as "package markets"—those that buy in limited quantities. The merchant can consolidate shipments from several manufacturers who might not otherwise ship to these small customers. A few merchants carry out barter transactions from time to time.

Who Uses Them?

To what types of exporter can the export merchant be most useful? There is no hard-and-fast rule, but the following often make use of their services:

• Firms like John Jones'—completely inexperienced in export.

• Small companies which either do not wish to set up an export department or would find the cost prohibitive, have not reached the stage of employing export agents, yet wish to channel part of their production into foreign markets.

• Newcomers to export trade, who want to sound out foreign demand for their goods before committing themselves to full-scale exporting.

• Firms already exporting which want to make use of an export merchant's contacts and experience in out-of-the-way or difficult markets, such as South Korea or Rumania. One merchant, for example, sells for a large Canadian asbestos company in certain areas where the credit risk is greater and where conditions call for special techniques.

• Companies which contract for buying services for imported raw materials and want the same services in selling their products overseas.

• Firms mainly concerned with the domestic market but anxious to export as a sideline.

Export merchants are, of course, experienced traders and can often find an outlet for an occasional production surplus at a profit. Generally speaking, however, they can serve clients best when they become outlets for their products on a continuing and exclusive basis.

Advantages They Offer

The export merchant can have an important influence on the expansion of foreign commerce. To many firms, especially those inexperienced in pricing for export, his services may mean the difference between doing some exporting and doing none at all. He can guide the manufacturer in the setting of an export price—one which need not include domestic sales expenses or advertising charges. He can prevent the novice from making costly mistakes, such as dispatching the bill of lading after the letter of credit has expired, or sending catalogues by seamail instead of airmail and losing a potential customer. After one or two disappointments as a result of these errors, some companies may back away from exporting entirely, feeling that the game isn't worth the candle.

Two phases of export trade can be handled expertly by the merchants—shipping problems and credit risks. He should not, however, be confused with the freight forwarder. The latter arranges transportation and looks after the documents that accompany a shipment. He does not, as a rule, assume responsibility for the issuing of letters of credit nor for the documents at the foreign end of an export sale. The export merchant can provide a multiple coverage of markets at a lower cost than the individual manufacturer could. He adds to his knowledge of shipping a thorough understanding of the procedure for obtaining import licences where they are still required, and of the proper packing for goods going, for example, to tropical destinations or to ports where lighters are used in unloading. The client follows instructions on packing the order, marking and labelling it. He does not have to spend time in selecting and training agents in foreign countries. With these matters off his mind, he can concentrate on his particular function, production.

With continuing success, a Canadian company tends to outgrow the need for the export merchant's services, as foreign orders become such an important part of its business that setting up its own export department makes sense. Its overseas business must be large enough to make the expense of looking after its own exporting worthwhile; export departments call for some high-priced talent, particularly an experienced traffic man. The export merchant accepts philosophically the fact that he may do such a good job for the client that the latter can eventually stand on his own feet. Even then, the company may retain the merchant's services for covering out-of-the-way or difficult markets.

May Take Time

No exporter should expect to walk into an export merchant's office and walk out with an order in his pocket. Exporting by this method takes time and, in addition, the merchant wants to investigate markets before taking on a new line. Almost invariably, he first does some market research through his network of contacts in many countries. Through them he establishes whether and where he can sell the product offered to him at a competitive price. If prospects appear promising, he buys the goods. This may be six months to a year later, although one Toronto export merchant found a market for floor coverings two weeks after talking to the manufacturer. One of the export merchant's assets in selling abroad is the fact that he may have the resources to finance the buyer for a time and to meet the demand for extended credit terms. He also looks after the filing of claims, when this is necessary.

Sometimes the merchant discovers that a product must be adapted in some way, such as packaged differently, if it is to sell in a certain country. It is then part of his service to discuss these adaptations with his client and to help him carry them out. If the problem is too high prices, he may be able to suggest how production costs can be kept down. Because export merchants must keep abreast of changes in foreign markets if they are to survive, most of them do a great deal of travelling and their advice to their clients is based on personal experience. One successful Montreal merchant has visited eleven countries in the past year, including Britain, the U.S.S.R., Thailand, and Hong Kong. Part of the merchant's service may be the maintaining of stocks abroad so that the foreign buyer gets faster service and quicker delivery.

How Profits Made

How does the export merchant make a profit, since he does not charge the supplier a fee but merely pays him for his goods? Normally, his profit depends upon his expert knowledge of the process of exporting and of the markets to which he is selling. He can keep the cost of exporting down by placing insurance to advantage, by shipping the goods in the least expensive way, both within Canada and outside, and by helping the client to work out a realistic price for foreign selling. Sometimes he is able to consolidate several shipments and take advantage of lower carload freight rates. He is usually familiar with the movement of large quantities of goods, can make the best use of available shipping space, and can choose the most economical routes. He may even engage in ship chartering, particularly if he carries on both exporting and importing. Few exporters can match him in this type of expertise.

When it comes to finding customers for the product at a price higher than he paid for the goods, the export merchant's strength is his connections abroad. Usually he deals with foreign firms much like his own and receives a constant flow of commercial intelligence of a high order. This means that through an export organization he can direct, he can act quickly and sell something at a time and in a place where he will receive the highest return. If the problem is import licences, his contacts can usually get them without too much delay. A third advantage was mentioned earlier—some merchants are prepared to buy from as well as sell to a foreign firm, though most of them do not engage in barter trade because it is complicated and calls for special skill.

Diversification is also one of the export merchant's strengths. Because he can average out his costs over a wide range of products, he is insulated to some degree against a fall in demand or in prices for certain commodities.

Any Disadvantages?

Are there any disadvantages to exporting in this way? The most obvious one is that the producer, in return for shifting most of his exporting worries onto someone else's shoulders, usually has to accept a lower net return on the sale. Exporting is, however, often done at a discount even when no merchant is used. (The producer may also console himself by finding out from some of his colleagues how much it costs to run an efficient export department.) A second disadvantage is that he is not in direct contact with his customers, but is doing his exporting at arm's length; the foreign buyer too may prefer to be in direct touch with his supplier. In addition, the exporter may feel that he is not getting results as fast as he would like, especially if it takes the merchant some time to establish the export potential of his products, or he may be nagged by doubt about whether the merchant is really promoting the product as aggressively as he might. At this point, he will probably want to strike out for himself.

For the Small Man

The export merchant has a valued place in the promotion of our international trade. Stepping up Canadian exports is not a job just for the big companies with their own exporting organizations. It's a job for the little man too—for the thousands of small or medium-sized companies which can offer part of their production for export and thus spread their production costs over a larger volume. It is these companies, hesitant about venturing alone into foreign markets, to whom the export merchant can be most useful. ●

Snowy Calls for Tenders

NEW tenders, which close in October 1961, have been called by the Snowy Mountains Hydro-Electric Authority, Cooma, New South Wales, for the construction of additional projects. These are an integral part of the long-term development of the hydro-electric resources of the Snowy Mountains.

One contract is for the Geehi Section of the Snowy Geehi Dam and the other contract is for the Murray 1 pressure tunnel. In addition, the Authority will shortly invite tenders for the design, fabrication and erection of the Murray 1 pressure pipeline.

The Snowy-Geehi tunnel will be approximately nine miles long on completion. Tenders have previously been called for an approximate 3½-mile excavation from the Snowy River end. The Geehi section of about 5½ miles will complete this tunnel, which passes completely under the main dividing range and will enable the Snowy River at Island Bend to be diverted to the pondage formed by Geehi Dam on the western side of the range.

Including the 15-mile Eucumbene-Snowy tunnel (for which tenders were also called recently) the complete program involves the excavation over the next five years of 31 miles of continuous tunnel.

The Geehi Dam is a rock-fill structure 300 feet high. The Dam will form a balancing pondage for the Geehi and the diverted Snowy water and from this pondage the Murray 1 pressure tunnel, which is seven miles long, will convey the water to the top of the surface pressure pipeline leading to Murray 1 power station.

Offers from Canadian firms will be considered. Inquiries should be directed to the Business Manager, Snowy Mountains Hydro-Electric Authority, P.O. Box 332, Cooma North, N.S.W., Australia.

Specifications will be made available upon payment by bank draft of A£10/-/- per contract, made out in favour of the Snowy Mountains Hydro-Electric Authority. Prospective tenderers should request that their specifications come forward by second class airmail, and be prepared to reimburse the SMHEA for the charges incurred.

A good deal of general information on the Snowy Mountains project and on participation in it was given in an article "Australia Pushes Snowy Scheme" in the August 2, 1958, issue of *Foreign Trade*.

—S. V. ALLEN,
Commercial Counsellor, Sydney.

Michigan's Market for Christmas Trees

Canadian Christmas trees face increased competition in the Midwestern States from trees grown in Michigan. If we are to retain these markets in the next few years, trees offered must be of the highest quality and competitively priced.

R. V. N. GORDON, *Consul and Trade Commissioner, Detroit.*

CHRISTMAS trees grown in Michigan are making heavy inroads into a traditional Yuletide market for Canadian balsam, spruce, and Scotch pine trees in the Midwestern States. In 1960, out of an estimated \$7 million spent in Michigan for Christmas trees, \$6 million went for some 1,650,000 trees grown within the state. In addition, more than 200,000 trees valued at close to \$1 million were exported; most of them went to neighbouring Illinois, Indiana, and Wisconsin, and several thousand were shipped to Canada.

About 50 per cent of Michigan's tree production is wild stock, consisting of balsam fir, black spruce, and white spruce. The remainder is plantation grown; three of every four of these trees are Scotch pine and the remainder red pine and Norway spruce. Michigan leads all other states in plantation production and is second only to Montana in over-all Christmas tree cuttings each year. Many of the plantation trees are being grown on land on which virgin timber stood in Michigan's earlier days as an important lumber producer.

Demand Is Growing

A study made in 1957 by the Department of Forestry, Michigan State University, estimated that 4 million home-grown trees might be sold in 1962. This would more than supply Michigan's needs, leaving a large number for the export market.

It appears, however, that this figure is too high because sales of trees in 1960 totalled only 2 million, in comparison with almost 3 million in the projection.

The demand for Christmas trees in Michigan is following a fairly steady pattern of growth in relation to the growth in the number of families. This growth has been affected more recently, however, by the increasing use of artificial trees.

In earlier years imports of trees into Michigan came from New England, Pennsylvania, Montana and Idaho, as well as Canada, but today most imported trees come from Canada. Shipments arriving by truck originate in Ontario or sometimes Quebec; rail shipments come principally from New Brunswick and Nova Scotia.

Marketing Methods

There are numerous methods of marketing evergreens in Michigan. A well-defined distribution pattern of producer, shipper, commission agent, wholesaler, and retailer exists, although one person often performs a number of these functions. Some farmers from nearby Canadian points truck trees to Detroit and sell them at retail in open lots; most of the trees, however, pass through one of Detroit's two big wholesale markets—the Detroit Union Produce Terminal, where rail shipments are sold, and the Eastern Market, which handles truck shipments.

Douglas fir commands the highest prices in Michigan; it is plantation grown and sold in limited quantities only. A few trees of this species are also imported from the West Coast. Next in order, moving

A potential Michigan buyer at Detroit's Eastern Market inspects Canadian balsam and fir trees, which are always bundled before they are shipped south.

down the price scale, come Scotch pine, white spruce, balsam fir, red pine and black spruce. Painted trees are also popular; this treatment adds about fifty cents per foot to the retail price of the tree. The trees are sprayed or dipped, using bright colours of all kinds, plus silver and white.

Keep Up Quality

In 1960 Canadian exports of evergreens to the United States totalled 10.7 million trees, valued at $6.4 million. In that year, it is estimated, some 40 to 44 million Christmas trees were sold in the United States. In the future, to maintain our market and compete successfully with Michigan trees in the Midwestern States, it will be necessary for Canadian exporters to be quality conscious as well as competitive in price. Buyers are becoming more particular about trees as larger quantities of desirable ones come on the market. Plantation-grown trees from Canada do compete favourably with Michigan trees and most wholesalers prefer them. However, many of the wild trees from Canada are of poor quality and provoke complaints among the trade. Mediocre trees will find less and less demand as time progresses and Canadian exporters would be well advised to keep up the quality of their shipments.

Information about the market for Christmas trees in Michigan and Ohio, and the names and addresses of importers, can be obtained from the Canadian Consul and Trade Commissioner at Detroit or through the Commodities Branch of the Department of Trade and Commerce in Ottawa. ●

Iran Adopts New Import Policy

Serious financial problems have forced further curtailing of imports, strict exchange controls; will affect Canadian sales. More foreign aid, plus measures adopted, should improve situation by next year.

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

THE Iranian economy is in no worse and, if anything, a somewhat better position than on March 20, 1961—the close of the Iranian calendar year 1339. To overcome its financial difficulties, new regulations were introduced at the end of May by the country's new Prime Minister, Dr. Ali Amini. These may help to achieve the desired results over the next twelve months.

The immediate economic issues that faced Dr. Amini when he took over as Prime Minister on May 5, 1961, were:

- Insufficient funds to cover the Government's development program and current expenditures.
- Foreign exchange reserves at a desperately low level and insufficient to cover the flow of imports and the development projects.
- Further deterioration in the activities of the bazaar and an increase in protested drafts and bankruptcies.
- A deficit budget.
- A proposed stabilization program that had not come up to expectations.

Partial Cure

Towards the end of May, some important Central Bank of Iran currency regulations were introduced in an effort to get at the root of the trouble. Briefly, these measures included:

I *Issuing of Guarantees*

1. The issuing of letters of guarantee in foreign currency or in rials against counter guarantees issued by foreign banks was forbidden.

2. The granting of rial facilities against counter guarantees issued by foreign banks was also prohibited.

II *Documentary Bills Held by Banks*

1. Bills which matured before March 20, 1961, and which have been protested for non-payment by the remitters, must now be settled not later than August 22, 1961. After this date, no remittance will be made and the bills should be returned to the remitters.

2. Bills which matured before March 20, 1961, and did not include any protest instructions are not eligible for settlement and should be returned to the remitters.

3. Bills which matured on May 28, 1961, and are not paid may be extended for three months from the date of their maturity *once only* if requested by the remitters, if the date of their maturity is in the Iranian year 1340 (March 21, 1961, to March 20, 1962). (The foregoing three regulations do not apply when the bills refer to items

from a specified list of 13 essential commodities.)

III *Prohibiting the Import of Luxury and Semi-Luxury Items*

Some 210 additional commodities of a luxury and semi-luxury nature were added to the prohibited list of products that the Iranian Government announced March 21, 1961. Included were passenger cars, refrigerators, washing machines, textiles (excluding industrial textiles), central heating equipment, kerosene heaters, tanned and untanned skins, alcoholic beverages, canned fruits and vegetables, and a host of other products.

IV *Sales of Foreign Currency to Travellers*

The granting of foreign exchange for pleasure travel abroad was prohibited.

V *Foreign Exchange Earned Abroad*

Foreign currency earned abroad by way of commission or services or by other means (except by exports) can be used to buy only those commodities for which the banks are authorized to sell foreign exchange.

Other Remedies

Other immediate remedies that have enabled the Iranian Government's agency, the Second Seven Year Plan Organization, to meet its back salary commitments of about $48 million for development projects have included United States loans and grants, as well as two short-term loans—$10 million from the Bank of America and $14 million from the International Oil Consortium. In all, Iran has received during the current year (as of July 20, 1961) over $120 million in outside financial assistance (including a World Bank highway loan). With the possibility of additional help from a Western European country, there is some optimism about the Plan Organization's completing its program on schedule—by September 1962. In addition to this outside economic support, oil royalties continue to flow into the country at the rate of about $70 million a quarter and will continue to be the most important factor in Iran's economy.

Effect on Canadian Trade

Canada's trade opportunities in Iran cannot now be considered as promising as reported in *Foreign Trade* of February 25, 1961. Quite apart from losing an outlet in Iran for certain luxury and semi-luxury goods, a falling off in the sale of Canadian raw and semi-manufactured products to Iran's growing industries can be expected. The shortage of working capital, coupled with the curtailing of bank credits, has had a tendency to restrict production and the expansion of industrial plants across the country. This situation is considered temporary and a general improvement in business conditions is expected just as soon as the new government regulations have had sufficient time to achieve their objectives.

The Outlook

The current stabilization scheme introduced on September 5, 1960, has fallen short of bringing about the desired recovery in Iran's economy. A revised program is therefore being studied. No details of this plan were available on July 20 but it is believed that it will call for further reductions in government spending which may result in a balanced budget. The granting of credit expansion for industrial and agricultural purposes will probably be considered under the new scheme. No new foreign exchange measures tightening or relaxing the present import regulations are envisaged until March 20, 1962 (the end of the Iranian year 1340). At that time, certain luxury and semi-luxury goods may be withdrawn from the prohibited import list. At best, however, no tax reductions are expected in Iran until the foreign exchange position has shown a definite improvement. ●

Geothermal Energy Exploited

THE never-ending search for new sources of power in countries without coal and hydroelectric power sources has literally unearthed a new form of power—geothermal energy. Its potential is now recognized and developments will be discussed at a UN Conference on New Sources of Energy to be held in Rome, August 21-31.

For centuries the results of geothermic activity have been visible. Geysers spouting in scalding fountains, mud pools spluttering like gigantic porridge pots, and vapours hissing out of clefts of rocks are common sights. Now these spectacular sights, which have awed our ancestors, are providing useful power.

New Zealand has been one of the pioneers in this field. In November 1958 the Wairakei power plant began supplying an eighth of the total power of the North Island from geothermal springs. The New Zealand Government, with faith confirmed by experience, has authorized an installation of 192,000 kilowatts. The cost of production, with capital outlay, is half a cent per kilowatt hour.

In Iceland geothermal power has been harnessed and is providing heat for 46,000 homes. The greenhouses necessary for food production there are heated with geothermal power and plans for a 15,000 kilowatt generating station have been drawn up.

For years, geothermal power has provided two-thirds of the electricity required to run the entire Italian rail system. The cost per kilowatt hour is about half that forecast by the most optimistic atomic power engineers.

Obvious sources of geothermal power exist in such widely separated places as Kamchatka, Japan, Hawaii, the Philippines, South Pacific Islands, Mexico, El Salvador, Chile, Congo, Tanganyika, Kenya, Ethiopia and North America. In some underdeveloped countries, which cannot afford the construction necessary for hydro power, geothermal power seems the obvious answer.

New instruments are being developed to help locate geothermal sources. Companies active in nuclear instrumentation will no doubt discover the potential of this new sphere.

One of the lively possibilities of the UN discussions in Rome is that many countries will, as a result, start searching for what, in terms of electricity generation, is a new source of energy. Manufacturers of electrical and other equipment needed in developing this power will be watching for sales opportunities.

Protesting Bills of Ex

QUESTION	ARGENTINA	BOLIVIA	BRAZIL	CHILE
1. Are bills of exchange common?	Yes	Yes	Yes	Yes, but only for bills on term basis.
2. What are the usual terms?	All periods, from sight to 30, up to 180 days. Occasionally, up to 4 years.	Sight to 180 days. 60 to 120 days are the most common.	Sight to 120 days, or whatever is agreed upon.	90 to 180 days. The certain cases of bi exchange drawn for periods up to three y
3. What is the procedure when documents are attached?	Documents are delivered only after payment of bill (sight) or acceptance of draft (time).	After payment, unless the drawer instructs otherwise.	Provided importer has complied with exchange regulations and obtained an exchange cover certificate, documents are released against a provisional deposit in cruzeiros by the importer, if bills of exchange are accompanied by the shipping documents.	Delivery of shipping ments against accepta draft.
4. Is it usual to protest bills in the event of non-payment or non-acceptance?	Yes, for non-payment; occasionally for non-acceptance, though this does not benefit the holder in initiating legal proceedings.	It is customary to protest bills both for non-payment and non-acceptance.	Risk of non-payment because of exchange restrictions is small because an exchange cover certificate for imports in the general category and an import licence for imports in the special category carry with them a promise that foreign exchange will be made available.	Usual to protest fo payment after accep Not usual to prote non-acceptance alon test must be made on ing day after date of rity.
5. What is the benefit to be derived from a protest?	Establishes the right of the drawer, holder or last endorser to take legal action.	The advantage of a protested draft is that it can be collected in a special suit called "Juicio Ejecutivo" that is more rapid than the ordinary suit.	Establishes right to take legal action.	Establishes right t legal action for reco value of the bill of ex against third parties as drawers, endorse guarantors.
6. What psychological benefit is derived from protesting?	Depends on reputation of debtor.	Effect is slight but because of the advantage mentioned in reply to Question 5, bills should be protested.	Lists of protests are circulated to all banks daily. Bank credit references would include information that a firm is on this list and hence impair its reputation.	Chilean Chamber of merce publishes week letins containing al tests. Being included list means a loss of pr
7. What is the cost of protesting?	Bills up to $60 cost $1.25 and over $60, 2 per cent, plus legal expenses in all cases, which vary from 60 cents to $6.00.	About $2.00.	40 cents to $1.20, depending on value of protested bill of exchange, plus cost of translating the bill, which may vary from 50 cents to $2.50.	One-tenth of 1 per c the value of the bill change.
8. How is the protest carried out?	Bills are turned over to solicitor who requests payment from the drawee. If payment is refused, he initiates legal action.	Through a notary public.	Through a notary public.	Through a notary pu

*A written order for a certain sum of money, to be transferred on a certain date from the person who owes the money or agrees to make th

ge* in Latin America

COLOMBIA	ECUADOR	MEXICO	NETHERLANDS ANTILLES	PERU
	Yes	Yes	Yes	Yes
t to 180 days, depend- on various factors.	Sight up to 120 days; the latter is common.	Sight up to 180 days.	Sight up to 180 days; most are 30 or 60 days.	Sight to 180 days; 90 days is most common.
ivery of documents nst payment of sight ; or acceptance of draft bills drawn on term s.	Documents are released against acceptance of draft or against payment.	Delivery of documents against payment of sight bills or acceptance of term drafts.	Delivery of documents against payment of sight bills or acceptance of drafts for bills drawn on term basis.	Commercial banks release documents as per instructions from either the drawers or their bankers abroad.
mally, bills are endorsed lispose of need to pro- If so, legal action must aken within four years. ot so endorsed, protest st be initiated within en days. Custom often rds this period as fifteen s of grace.	Yes, bills may be protested for both non-acceptance and non-payment. Protest must be ordered within three years from due date of bill.	Yes, but only upon receipt of specific instructions from legal holder. Action against drawee may be exercised within three years after maturity and does not require protest of bill.	Not customary, but recommended in doubtful cases. If bill is not marked with special annotation "without cost" or "waive protest", term bills must be presented on maturity date and if not paid, protested on either next or second following working day. Sight drafts must be presented within twelve months of issue and if not paid, protested as above.	Yes, if not accepted or settled within eight days after due date. If eighth day is a holiday, protest is initiated on ninth. Legal action must be taken within six months of protesting.
not endorsed as per wer to Question 4, the otest establishes the wer's right to take legal on.	Establishes right to take legal action. Exchange control obliges importers to meet obligations promptly if they wish to continue importing.	Establishes right to take legal action within six months after maturity against any or all previous endorsers, or against the drawer.	Facilitates and simplifies legal action.	Establishes right to take legal action.
k of strong resentment importer. It is for this on that most bills are orsed so as to protect it to legal action without d to lodge formal protest.	Law of protest exerts moral pressure.	The existence of this regulation tends to exercise pressure on drawee to pay at maturity. However, protest of bill on A-1 customer could possibly mean loss of customer.	The drawee may decide to pay but, on the other hand, may be annoyed because bill presented for acceptance on payment bears protest clause suggesting that he may be a bad debtor.	Although Lima Chamber of Commerce publishes bimonthly a list of protested drafts, this action does not have the same effect as it once did.
out $4.	Varies with the value of the bill, usually 1 per cent of value, plus legal fees, bill stamps, etc.	83 cents to $6.23.	From $6.00 to $26.00.	About $1.00 in Lima, $2.00 outside Lima.
ough a notary public.	Through a lawyer.	Through a lawyer, or more commonly, through a specialized broker.	Official protest must be made through a notary or bailiff who prepares documents which are served on the drawee.	Through a notary public.

Drawee) to the creditor to whom the money is owed (Drawer).

Advertising Abroad

In Nigeria, **sales promotion vans, complete with film-projection equipment and public address systems, represent the best method of advertising consumer goods to a wide public.**

C. T. CHARLAND, *Acting Commercial Secretary, Lagos.*

NIGERIA'S developing economy and growing demand for consumer goods have sparked a tremendous interest in advertising and a steady increase in the media available. The growth in advertising has been stimulated by three main factors: a rapid spread of literacy, a steadily rising standard of living, and a sharp swing from the postwar seller's to a buyer's market.

The purchasing power of Nigerian consumers is greater now than at any previous time and their innate propensity to buy has made them increasingly brand conscious. Only through advertising can they be weaned from their preference for familiar brands—and competitors from all over the world now make advertising an essential part of their sales effort.

Canadian exporters who wish to enter and gain a share of the Nigerian market must advertise and they should not underestimate the subtleties of West African marketing. They will need an entirely fresh and dynamic approach, based on the customs, culture and distinctive trading pattern of Nigeria. The country is not only large but of almost bewildering variety, with its mixture of tribes, religions, languages and living standards. This extreme diversity, plus strong parochialism and a shortage of regional media, presents a challenging problem but a suitable compromise is usually found.

Biggest newspapers in Lagos are the English Daily Times *and* Sunday Times, *published from the office building in the centre foreground. Newspapers carry the bulk of Nigerian advertising, though numbers and circulations are small.*

Newspapers Leading Medium

Newspaper advertisements account for the bulk of the present advertising effort, both in volume and value. Yet the number and circulation of newspapers continue to be small for a country of over 36 million people, belonging to some 250 tribal groups and spread over an area four times the size of Britain. However, there are now two newspapers, one daily and one weekly, which have passed the 100,000 circulation mark and it should be borne in mind that readership is fairly high. Experts believe that, on an average, five or six people read each copy of a newspaper. Improved transportation facilities have also contributed to a more widespread distribution and to the effectiveness and range of coverage.

The principal daily papers are published in English but some of the weeklies appear in Yoruba, Hausa and other vernacular languages. Basic advertisement rates vary from 20s. to 50s. per single column inch and copy is usually accepted two days before publication. Newspapers will continue to be used extensively in securing wide coverage and the choice both of the newspaper and the material to be inserted demands care. Few of the leading newspapers have certified net sales and the figures given in the accompanying table are largely estimates.

LEADING NIGERIAN NEWSPAPERS

Name	Place of Publication	Approximate Circulation
Daily Times	Lagos	114,600*
Sunday Times (weekly)	Lagos	147,300*
Daily Express	Lagos	40,000
Sunday Express (weekly)	Lagos	47,000
Nigerian Tribune	Ibadan	10,000
West African Pilot	Lagos	52,000
Irohin Yoruba (weekly)	Lagos	54,000
Nigerian Citizen (twice weekly)	Zaria	31,000
Nigerian Trade Journal (quarterly)	Lagos	5,600

*Audited.

Magazines

Nigeria has only a few trade journals and specialized magazines. The Federal Department of Information publishes the *Nigeria Trade Journal* quarterly and the Lagos Chamber of Commerce publishes *Commerce in Nigeria* once a year. When available, they are read by almost everyone interested in domestic and foreign trade. The quality of its readership and the influential background of its recipients particularly recommend the *Nigeria Trade Journal* to the selective and far-sighted advertiser.

There are an increasing number of other magazines and they provide an excellent medium for consumer goods in all ranges and for products to be introduced to the small trader. Three of them—*West Africa, African Trade and Development* and *West African Review*—which are published in the U.K. and intended for West African consumption, also circulate in Nigeria and can be used.

Hoardings and Posters

Modest incomes and the amount of illiteracy make poster advertising a valuable and particularly effective medium. The use of poster hoardings is growing but is somewhat restricted by town and country planning regulations. Good pictorial impact is possible with well-designed material. Both the Nigerian Railways and the Lagos Municipal Transport offer space in passenger coaches and on stations. Annual rates for public transport advertising range from £6 per space of 12" x 30" for bus interiors to £12 per space of 15" x 12" for bus exteriors and £25 per space of 20" x 30" for shelters.

Cinema, Television and Radio

The scope for this form of advertising is limited at present by the remarkably small number of cinemas in the country—only about 65. However, filmlets are used and are considered an excellent medium, provided they meet local presentation requirements. Slides are not considered very effective. For cinema advertising, Nigeria is divided into four national circuits based on the number of cinemas covered. Circuit No. 3 provides the most extensive network; it has 35 cinemas compared with 13 for circuit No. 1 and 8 for circuit No. 4, which is called the European circuit. Rates vary from £42 for a one-week booking on Circuit No. 1 to £525 for a five-week booking on circuit No. 3.

Commercial radio began in March 1960, although non-commercial broadcasting was established earlier. Commercial television covering Lagos and much of the Western Region began in October 1959. Plans have also been completed for further television and sound radio services at Benin and Enugu in the Eastern Region. The commercial radio services are those offered by WNBS (Western Nigerian Broadcasting Service) from Ibadan and NBC (Nigerian Broadcasting Corporation) from Lagos. The NBC also operates transmitting stations at Ibadan, Kaduna, Enugu and smaller studio centres dispersed throughout the country, from Calabar to Abeokuta and Sokoto to Maiduguri. Programs are broadcast in English and twenty indigenous languages. Television rates range from complete program sponsorship to seven-second spots. Time can be rented for single programs from £12 per five minutes to £48 for one hour; run-of-schedule spots cost £3.10.- for seven seconds, rising to £12. for one minute; in both cases rates are lower for longer bookings. Rates for sound are on a class "A" and class "B" basis (the latter are rated at 60 per cent of the former) with both sponsorship and spots or station breaks available. Class "A" time can be booked from £3 for 15 seconds to £5 for 45 seconds. For sponsored programs, rates vary from £6.10.-. for five minutes to £20 for thirty minutes and £32.10.- for one hour.

Sales Promotion Vans

This is a special technique evolved to meet the peculiarities of the Nigerian market and it represents the publicity medium for consumer goods best able to reach the widest cross-section of the public with the greatest impact. The technique is for self-contained publicity units to operate from light vehicles using public address systems, mobile cinemas, leaflets and other gimmicks. It is best suited for strong selling lines and should be coordinated with retail outlets and the use of other media.

Other Media

Direct mail advertising is limited in use in Nigeria because of the scarcity of technical media but can be effective where consumers form a clearly defined group.

The use of display techniques is restricted to a few department stores in the main marketing centres. Most retail outlets are reluctant to employ it because they lack space.

Advertising by hand-outs, give-aways and novelties is fairly well established in Nigeria but can prove expensive, as most articles would be dutiable. To be effective, the article chosen must be suited to the recipient.

Advertising Agencies

There are several advertising agencies in Nigeria and most are equipped to provide complete service, from market research and media selection to the actual preparation of acceptable copy.

Prospective advertisers should seek advice and assistance from well-established organizations and from experts with a special knowledge of the needs of the Nigerian market. The office of the Commercial Counsellor for Canada in Lagos will be pleased to recommend responsible firms and to provide information on trading conditions in Nigeria. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

Bolivia

NEW CUSTOMS TARIFF—Mr. W. R. Jenkins, Acting Commercial Secretary in Peru who is also responsible for Bolivia, has reported that the new Bolivian Customs Tariff went into effect on June 1, 1961. The new tariff is principally a reclassification of merchandise in accordance with the Brussels nomenclature of 1955 rather than a change in import rates. The Bolivian Government states that the rate structure is designed to maintain the policy of protection for national industries. The changes in nomenclature will be helpful in reducing incorrect declarations and avoiding errors in appraisals of imports into Bolivia.

Bolivia is not a member of the Latin American Free Trade Association but by revising her tariff in the above ways, she is following the practice of the countries in that organization. This will make it easier for Bolivia to join LAFTA.

A copy of the new tariff is available in the Latin American Division of the Department.

Ghana

NEW TARIFFS AND PURCHASE TAX—Widespread increases in import duties and the imposition of a purchase tax were announced in the Budget Speech of July 7, 1961. These changes, together with increases in export duties, excise taxes, and income taxes, are designed to provide important additional revenues. Imports from all countries will be subject to the same increases because the Ghanaian tariff extends equal treatment to all suppliers.

The changes of greatest significance to Canadian exporters are as follows:

Goods now dutiable at a higher rate

	From	To
Beer and ale—per gallon	6s. 0d.	13s. 6d.
Boots and shoes—per pair	9d.	1s. 3d.
Cotton and synthetic piecegoods	25%	40-50%
Paints and varnishes	10%	20%
Cosmetics	66⅔%	100%
Frozen fish	10%	4d. per lb.
Canned and salted fish—per lb.	exempt	2d.
Wheat flour—per lb.	exempt	2d.
Dried fruit—per lb.	exempt	1s. 0d.
Meat, of all kinds—per lb.	exempt	3d.
Vegetables, in all forms—per lb.	exempt	6d.
Potatoes, fresh—per 100 lbs.	3s. 6d.	4s. 0d.
Soap in bars—per 100 lbs.	5s. 4d.	11s. 0d.
Whisky—per gallon	£5 7s. 6d.	£11 7s. 6d.
Tobacco—unmanufactured—per lb.	9s. 3d.	11s. 3d.
Cigarettes—per lb.	£1 17s. 6d.	£ 2 16s. 6d.
All goods not particularly enumerated in the Ghana customs tariff nor particularly exempted from duty	25%	30%

Other goods no longer exempt from duty (and presumably dutiable at 30 per cent)

Building boards
Lamps and lanterns—non-electric
Tire-retreading equipment
Outer packages
Bags and sacks
Boats and marine equipment

Goods now subject to purchase tax

	Rate
Bicycles and tricycles	15 %
Furniture of all kinds	66⅔%

Sewing machines	33⅓%
Typewriters	33⅓%
Radios and record players	33⅓%
Refrigerators and air conditioners	66⅔%
Tires and tubes	33⅓%
Musical instruments and records	66⅔%
Domestic stoves	33⅓%
Washing machines	66⅔%
Vacuum cleaners	66⅔%
Floor polishers	66⅔%
Small appliances	33⅓%
Floor coverings	66⅔%
Watches and clocks	66⅔%
Apparel—outerwear, trousers, dresses, skirts, blouses, swim suits	33⅓%
Motor vehicles exceeding 2,500 c.c.	66⅔%

Further details are available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

South Africa

IMPORT CONTROLS TIGHTENED—South African import regulations for 1961, issued in December 1960, were cancelled on May 12, 1961, and a new set of regulations gazetted, effective May 5. The changes are a result of South Africa's uncertain foreign exchange reserves position and have the effect of increasing administrative control over imports, cutting back on imports of less essential consumer goods, and encouraging greater use of domestically produced goods. The changes are as follows:

1. The following textile items that formerly could be imported without an import permit now require one. Imports will probably be limited initially to 60 and 75 per cent of average imports for 1959 and 1960 for merchants and manufacturers respectively.

Waterproof interlining and rubberized piecegoods
Tracing cloth
Elastic fabrics not woven or knitted
Woven or knitted piecegoods, including elastic fabrics and embroidered piecegoods
Jute piecegoods

2. A new "restricted" list, containing a number of less essential or locally available classes of consumer and industrial goods, has been set up. Specific permits will now be required for the import of these items.

(a) For the following, existing permits valid for the import of general merchandise may be converted into specific permits at the value ratio of two of the former to one of the latter for first-round permits, and three of the former to one of the latter for second-round permits.

Foodstuffs (excluding tea and coffee)
Liquors and beverages
Tobacco and manufactures
Wearing apparel
Tablecloths, napery, bedspreads, towels, blankets and blanketing
Radios, lawnmowers, stoves, refrigerators, washing machines, irons, heaters, reading lamps, floor polishers, toasters, electric lamp-bulbs
Buckets, domestic holloware, metal and other enamelware, carpets and other floor coverings, and felt
Jewellery, including imitation jewellery and gold and silver plate and gold- and silver-plated ware
Artificial flowers, gramophone records and fireworks.

(b) For the remaining issue of items on this "restricted" list, specific permits will require proof that the goods (or similar goods) are unobtainable from local sources, essential, and in the general interest:

Fertilizers
Paper and paperboard and articles thereof
Badges and signs of metal and/or plastic material
Building materials, including baths, sanitaryware and hardware
Wood, including plywood
Fencing material
Mechanical and/or electrical machinery, apparatus and appliances and parts therefor
Welding electrodes, bolts, nuts, screws, nails, washers, taps and dies, paint and varnish brushes, abrasives in cloth, paper, disc and other made-up forms
Pipes, piping and fittings
Industrial belts, belting and hose
Oils, waxes, resins, glue, adhesives, paints, varnishes
Jute, jute bags, bagging, sacking and hessian
Juke boxes, pintables, novelty tables, coin-operated machines, amusement machines and matches
Motor cars built-up, whether new or used, of an f.o.b. value exceeding $2,240 when new
Books and periodicals, selected

Special consideration will be given to specialist importers of consumer goods who can prove serious injury under the new regulations covering these items.

3. Import of passenger vehicles under the new regulations has been altered from a replacement retail sales basis to a quota authorized by the Minister of Economic Affairs.

4. All the other goods remain as classified in the previous regulations.

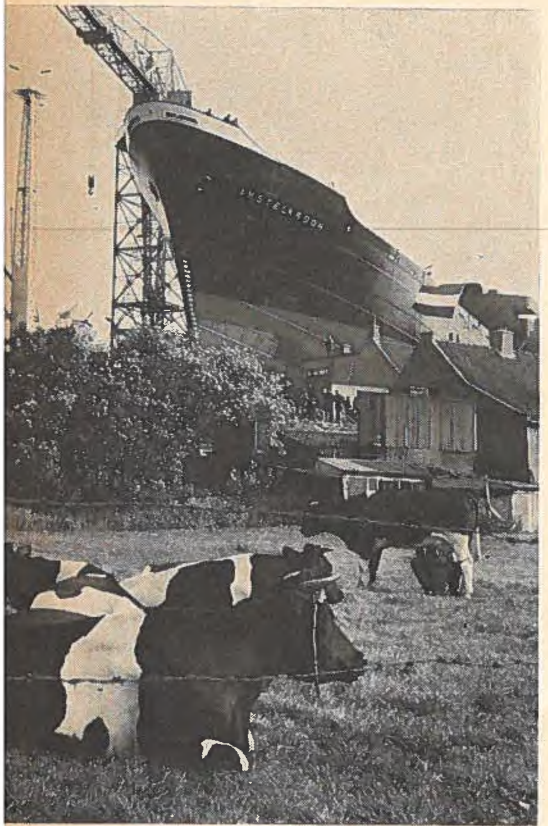
Venezuela

CHANGES IN CUSTOMS AND CONSULAR REGULATIONS—Mr. W. D. Wallace, Commercial Counsellor in Caracas, has reported that certain changes have been made by the Venezuelan Customs Regulation No. 19 published in the *Official Gazette* of July 4, 1961.

The two most important changes in the Regulations concern consular invoices and the payment of freight.

In the case of consular invoices, Article 15 now states that eight consular invoices for each shipment must be submitted whereas previously only seven invoices were required. We understand that the requirement of an eighth invoice came into force thirty days after the publication of these regulations (that is August 3, 1961).

As for payment of freight, Article 33 has established new rules for the filing of shipping documents at the Venezuelan Customs offices. The most relevant innovation is that a written proof must be filed, that the payment of freight has been effected or agreed upon for all such shipments that involve commodities contained in the "controlled market list".



Hard by a shipbuilding yard, Dutch Holsteins munch contentedly, perhaps because they know dairy products have become the leading agricultural export.

Netherlands Agriculture: the Record Reviewed

Dutch farmers produced more last year and sold more to foreign customers, especially their EEC partners. Canada exported more wheat and barley to the Netherlands, but sales of corn, oilseeds and meat products to the Dutch dropped off.

J. R. CAUX, *Assistant Commercial Secretary, The Hague.*

THE NETHERLANDS, like Canada, has undergone a period of rapid industrialization and is no longer a purely agricultural economy. Nevertheless, basic agriculture continues to be important, providing 10 per cent of the gross national product and employing 12 per cent of the population. Trade in agricultural products looms large, accounting for one third of total Netherlands exports and one fifth of its imports.

Agricultural production in 1960 was valued at an estimated 7 billion guilders, compared with 6.524 billion in 1959. In contrast to the drought of 1959, rainfall in 1960 was abundant, providing lush pastures and exceptionally high yields of field crops. Their quality, however, was considerably poorer than in 1959. Milk production reached a new record at 6.85 million metric tons (15.1 billion pounds).

The dairy industry is the most important branch of Dutch agriculture and more than half of the farm land is therefore used for pasture and hay. Dairy products provide 33 per cent of total farm income and production increased substantially in 1960, with the exception of cheese.

Production of meat rose by 18 per cent because of a 23,000 ton increase in output of poultry meat. Beef production remained close to last year's figure but output from sheep and hogs declined slightly.

Prices of agricultural products declined 7.5 per cent from the 1959 figure, largely because of lower prices for field crops, although livestock prices also declined slightly. The index of farm costs rose by 6 per cent, the result of an 18 per cent increase in farm wages during the year.

Trade in Agricultural Products

About one third of Dutch agricultural production is exported, including high-grade livestock, horticultural and arable farm products. In view of the high concentration of population, the Netherlands exports many agricultural products with a high labour content and offsets these exports with imports of products such as cereal grains and feeds requiring less labour.

Last year farm products accounted for 20.4 per cent of Dutch imports compared with 24.4 per cent in 1959, and for 31.3 per cent of Dutch exports. Agricultural exports were valued at 4,800 million guilders, up 6 per cent, and imports at 3,526 million, up 4 per cent. The surplus on agricultural trade thus reached 1,274 million guilders. All sectors of agriculture contributed to the larger exports, with horticulture in the lead, with a 9 per cent increase over 1959. Livestock and dairy products again accounted for about half of all agricultural sales abroad. Imports of dairy products and livestock fell 7 per cent but field crops rose 5.4 and horticultural products 9.3 per cent.

Principal Markets

Proximity and the perishable nature of some agricultural products, plus an expanding market, explain why the Netherlands looks to Europe as the natural market for its agricultural output. More than half the total sales in 1960 were made to other EEC countries. West Germany was the most important single customer, buying 1,400 million guilders worth (or 29 per cent of total agricultural exports) including important quantities of eggs, poultry, cheese, milk and fresh vegetables. Other major customers were France, the United Kingdom, Belgium-Luxembourg and Italy. France bought 32,800 tons of fresh meat valued at 97 million guilders. Large quantities of preserved meat (mainly bacon) worth 140.5 million guilders went to the United Kingdom, as did fresh vegetables worth 93.6 million guilders.

In 1960, the Dutch farmer . . .

- **Raised agricultural products worth an estimated 7 billion guilders, with dairy products in the lead.**
- **Produced 18 per cent more meat, especially poultry.**
- **Sold 4,800 million guilders worth of farm products abroad, with livestock and dairy products making up half these sales.**
- **Marketed more of his produce (1,400 million guilders worth) in West Germany than in any other country. France was in second place.**
- **Found important customers in Britain for bacon and fresh vegetables and in France for fresh meat.**
- **Exported 29.8 million guilders worth of agricultural products to Canada, with live plants and bulbs accounting for close to one third of the total.**

Grain Imports

Grain and cereals make up one quarter of total agricultural imports into the Netherlands; they increased 3 per cent over 1959, to 884 million guilders. Much larger imports of corn and millet, which were valued at 277,000 and 126,075 million guilders respectively, accounted for most of this increase. Imports of wheat, oats, barley and rye fell to 361 million guilders in 1960 from 410 million in 1959.

One hundred thousand tons less milling wheat was imported during the crop year 1959-1960 than during the preceding crop year, because the compulsory percentage of domestic wheat to be used by Dutch millers was raised 5 per cent. (Last fall it was lowered by 10 per cent in view of the poor milling quality of the new crop.) During August-December 1960, the increase in imports over the same period of 1959 reached some 57,000 tons. The United States was the main supplier, with more than 30 per cent of the total Netherlands wheat import market in 1960, worth 51 million guilders. For the second consecutive year, the U.S.S.R. came strongly into the market with sales of 177,000 tons valued at 43 million guilders; Canada ranked third with 164,500 tons, worth 40.5 million.

For the period January-April 1961, Netherlands imports of wheat totalled 212,000 tons, an increase of only 2,000 tons over the same period last year. At the end of April the U.S.S.R. was the leading supplier, with 87,000 tons; Canada's share was 42,000.

During 1960, imports of rye and oats increased slightly to 38 million and 74 million guilders. The United States was the main supplier of both, with sales worth 63 million guilders, but important quantities of rye came from East Germany and of oats from Argentina.

Barley imports totalled 381,000 tons valued at 8 million guilders, of which more than half was supplied by the United States; this represents a decrease of 145,000 tons from 1959. Corn and millet imports were 300,000 tons larger; the bulk came from the United States, though Argentina and Mexico supplied important quantities of corn.

Oilseeds and Other Imports

Oilseeds rank next to cereal grains among Dutch agricultural imports, making up more than 11 per cent of the total. In 1960 purchases abroad of oilseeds, nuts and kernels were valued at 399 million guilders, a decrease of 1 per cent. Imports of soybeans were valued at 113 million guilders and of flaxseed at 47 million guilders. Of the 94,000 tons of flaxseed bought abroad, 54,000 tons came from the United States, 21,500 from Canada, and 11,500 from Argentina.

Imports of feedstuffs fell off from 279 million guilders in 1959 to 257 million in 1960, and purchases of meat products declined 15 per cent because of larger domestic production. Fruit and vegetable purchases, on the other hand, rose to 282 million guilders from 262 million. Tobacco imports increased 36 per cent to 230 million guilders.

Trade with Canada

Dutch statistics show that total imports from Canada reached 139 million guilders in 1960; agricultural products accounted for 52 per cent of this, or 72 million guilders, down 6 per cent from the previous year. Grain and cereal products were well in the lead, making up two thirds of the total.

Sales of Canadian wheat were up 9,000 tons over 1959 for a total value of 40.5 million guilders, though our inability to supply the lower grades of milling wheat has kept our exports below the figure reached in some recent years. Barley sales went up to 16,500 tons (a 10,000 ton increase) and rye sales totalled 4,300 tons. Exports of corn declined from 4.7 million to 2.1 million tons and of oats from 3.1 to 2.1 million.

The Dutch are making less use of rapeseed and replacing it gradually with other oilseeds. Our sales of rapeseed declined from 19,000 tons in 1959 to only 1,000 last year. Much larger exports of flaxseed and mustardseed helped to compensate for this loss. Altogether, we sold to the Dutch 15.3 million guilders worth of oilseeds as against 17.2 million in 1959; this included 9,200 tons of soybeans valued at 3.1 million guilders.

NETHERLANDS AGRICULTURAL IMPORTS FROM CANADA

	1959	1960
	(thousands of guilders)	
Total imports	75,812	71,583
of which:		
Meat and meat products	463	134
Dairy products, eggs, honey	3,797	680
Grain and cereal products	52,076	49,788
Animal feedstuffs (except grain)	317	452
Oilseeds	17,282	15,337
Tobacco	800	1,723
Hides and skins, raw	723	2,987
Fruits and vegetables	149	388

Demand for Canadian tobacco (unstripped) was much greater than in 1959 and our sales totalled 378 tons, valued at 1.7 million guilders. Fresh apples from Canada also reappeared on the Netherlands market and 910 tons were sold for a total of 271,000 guilders. Dutch importers also bought small quantities of canned peaches.

The accompanying table gives further details on Dutch purchases of agricultural products from Canada in the past two years.

Netherlands exports of agricultural products to Canada increased from 27.7 million guilders in 1959 to 29.8 million in 1960. The largest items were live plants and bulbs (10.8 million guilders), cheese (2.8 million) and preserved fruit (2.5 million).

Dutch agricultural production in 1961 is expected to remain at the 1960 level, because of a probable decrease of 4 per cent in field crops. Pork and egg production may also drop slightly, but horticultural products may rise by 5 per cent. Output of the dairy industry is also expected to be slightly larger. A rise of 5 per cent in total exports is forecast because of increased demand for field crops and horticultural products. ●

FAIRS AND EXHIBITIONS

Building Materials in the U.K.

THE Building Exhibition, which alternates annually between London and Manchester (this year it is in London, November 15-29) is, from the Canadian timber industry's point of view, the most important of its kind in the United Kingdom. It features a wide variety of building materials and equipment used by the construction industry and attracts all those directly involved in the building trades, such as contractors, architects and municipal engineers. Visitors usually number about 50,000.

Canada has exhibited at the Building Exhibition for several years and will participate again this fall. Our exhibit will emphasize the use of timber frame construction to encourage a wider use of Canadian lumber and other construction materials for home building. This theme will tie in with the timber promotion program carried on in Britain in co-operation with the Canadian trade associations.

The exhibit itself is an attractively designed half-scale model of a house featuring the various uses of these Canadian woods: Douglas fir and Pacific Coast hemlock for structural framing in floor and ceiling joists, rafters and studs; Western red cedar for shiplaps, bevelled siding, panelling, roof decking and shingles; both Eastern and Western spruce for framing materials such as studs, corner posts, plates, sills, lintels and window frames; Eastern white pine for window frames, joinery work and panelling; birch and maple hardwood strip flooring, and Douglas fir plywood for wall and roof sheathing. The interior consists of a full-scale display of Douglas fir decorative plywood panels and attractively coloured pre-finished hardwood plywood "Beautyplank" and "Mattawa Plankply" panelling, which has aroused widespread interest in the United Kingdom.

As a market for Canada's forest products, the United Kingdom ranks second only to the United States. Last year Canadian forest products purchased by U.K. importers reached a value of $179.5 million, a postwar high. This figure represented nearly 20 per cent of our total commodity exports to Britain and an increase of some 35 per cent over 1959 shipments. More than one third of these exports consisted of products used by the British construction industry—lumber, flooring, plywood, shingles, building boards, etc. Lumber shipments alone accounted for nearly $52 million and totalled 665.1 million board feet—almost double the 1959 figure.

Canadian Metals into U.S. Show

DETROIT contains the head offices of all the major U.S. automobile manufacturers and 80 per cent of all U.S.-made buses are manufactured there. About 10 per cent of total U.S. steel output is used in Detroit. Its selection as the site of the 1961 National Metals Congress and Exposition (October 23 to 27) is therefore appropriate.

The Canadian Government will take advantage of the opportunity to promote Canadian metals by entering an exhibit. Fourteen Canadian firms will co-operate by exhibiting samples of their products. Among them will be copper, silver, gold, tellurium, feldspar, magnesium, semifabricated shapes of nickel and cobalt, ferrous metal powders, uranium alloys, semifabricated steel products, various steels, aluminum structures using the triodetic joint, tools and dyes, electrolytic cells, gas-separation plants, and plastic-coated fencing.

The large metals exposition runs jointly with the annual convention of the American Society of Metals and visitors to the exposition sit in on technical sessions, symposiums, and lectures on new discoveries and research. About 40,000 visitors last year saw exhibits by base metals manufacturers, metal fabricators, and machinery manufacturers. Canadians who participated succeeded in advertising their products and in obtaining new business.

Poznan XXX

THIS year marked a jubilee for Poland's Poznan Trade Fair (June 11-25)—the fortieth since its founding and the thirtieth holding of the fair; 58 countries took part. Polish engineers and technicians use the show to further their long-term assignments with foreign countries and to make direct contact with Western products and techniques; it is their preferred place for signing international agreements. All the Western European exhibitors showed large assortments of products from heavy and light industries. The United States entered a display emphasizing consumer goods and heavy construction machinery; the U.S.S.R., Communist China and East Germany were also represented in strength. With the further development of the Eastern European economies, the Poznan Fair is expected to acquire increasing importance.

Canada's exhibit stressed aluminum and asbestos. Serious public interest centred on aluminum particularly, because of Poland's new interest in producing it. Mr. Gomulko, First Secretary of the Central Committee of the United Workers' Party, paid an extended visit to the Canadian pavilion and Canada's reception and party was well attended. The one-ton aluminum ingot which confronted visitors as they entered the pavilion impressed them all. Continuing through, they found illuminated transparencies and panoramas of the industry at Kitimat, articles of aluminum (an outboard motor, electric cable, tools) and modern aluminum kitchen equipment and utensils.

United Kingdom 1961 Shows

AGRICULTURAL MACHINERY—*The Royal Smithfield and Agricultural Machinery Show*, Earls Court, London, December 4-8. Apply: Smithfield Show Joint Committee, S.M.M.T., Forbes House, Halkin Street, London, S.W.1.

DAIRY—*The 75th Annual Royal Dairy Show*—Olympia, London, October 24-27. Apply: British Dairy Farmers' Association, 17 Devonshire Street, London, W.1.

ENGINEERING—*14th Engineering Display*, Westminster, October 17-19. Apply: Engineering Industries Association, 9 Seymour Street, Portman Square, London, W.1.

ENGINEERING DESIGN—*2nd Engineering Materials and Design Exhibition*, London, November 13-18. Apply: Industrial and Trade Fairs Ltd., Commonwealth House, 1-19 New Oxford Street, London, W.C.1.

FOODSTUFFS—*Daily Mail Food, Cookery and Catering Trades Exhibition*, Manchester, September 12-23. Apply: Provincial Exhibitions Ltd., City Hall, Deansgate, Manchester 3.

FOOTWEAR—*Fashion in Footwear Exhibition*, London, October 2-6. Apply: Exhibition Department, "Footwear", Drury House, Russell Street, London, W.C.2.

POULTRY—*16th National Poultry Show*, London, December 6-8. Apply: National Poultry Show, Dorset House, Stamford Street, London, S.E.1.

SHOES—*Shoes for Spring Exhibition*, London, October 2-5. Apply: British Footwear Manufacturers' Federation, 22 Gilbert Street, London, W.1.

SPORTS—*5th British Sports Trade Fair*, London, November 6-9. Apply: Federation of British Manufacturers of Sports and Games Ltd., 145 Oxford Street, London, W.1.

Euroba II

ORGANIZERS have sent out 250,000 admission cards to the bakers, pastrycooks and allied tradesmen of Belgium—anticipated visitors at Euroba II, the forthcoming Bakery Exhibition in Brussels, to be held October 20 to November 12. The list includes delicatessen and butcher-store managers, restaurant owners, hotel proprietors, hospital administrators, school officials, religious community staff, and the army. Admission to the large vertical fair will be restricted to interested members of the industry.

The show's sponsor is the National League of Belgian Master-Bakers and Pastrycooks, which has this year obtained Hall 7 of the Brussels' Fairgrounds buildings—the spacious, ventilated hall built especially for the 1958 World's Fair. The Euroba fair is held every two years, alternating with the NEBATO exhibition in Amsterdam. It features all types of equipment used in the baking industry (ovens, mixers, etc.) plus ingredients and bakery products.

Canada's exhibit will point to the improved quality of flours, dough, and baked products in which a higher proportion of Canadian hard wheat is used. Working models will show wheat being thrashed by combine, taken to a country elevator, then to a terminal elevator, thence into a ship's hold. Banks of transparencies will illustrate the thoroughness of handling and grading Canadian wheat; new research will be described and export grain samples shown. Finally, loaves made from Canadian flour will be set up beside loaves made from other flours.

Fair News from Abroad

The "Comptoir Suisse"

THE *Comptoir Suisse* in Lausanne will be held this year (September 9-24) for the 42nd time, featuring displays of Switzerland's agriculture, industry and craftwork, as well as a government exhibit from this year's guest country, Greece. Some 2,362 exhibitors will set up displays in the 38 halls of the Palace of Beaulieu, and although the fair is general, special sections will feature Switzerland's "elegance and luxury" industries, housing, market gardening, horticulture, dairy, and farm machinery. Any correspondence should be addressed to Comptoir Suisse, Palais de Beaulieu, Lausanne.

Preserved Foods

THE *International Fair for Preserved Foods and Packaging and the International Exhibition of Food Products* take place each year at Parma, Italy—this year from September 20 to 30. The aims of the organizers are to assist in developing the preserved and processed food industry, to publicize research, and to advertise the nutritive value of preserved foods. Exhibitors include members of the food industry, manufacturers of packaging materials, trade representatives and agents, trade federations and associations. Information is available from Marcello Egidi, Commercial Counsellor, Embassy of Italy, 172 MacLaren, Ottawa 2.

1961 Hevac Exhibition

THE first international exhibition of its kind ever held in Europe, the *1961 Heating, Ventilating and Air Conditioning Exhibition,* will be staged at Olympia, London, September 26 to October 6, in association with the International Conference on Heating, Ventilating and Air Conditioning. The exhibition will incorporate a comprehensive display of equipment, including industrial air handling and treatment, dust and fume collection, mechanical draft, and allied plant of British, European and U.S. manufacture. Approximately 220 exhibits will occupy 100,000 square feet of space. Registered delegates to the conference are admitted to the exhibition free; write the Conference Secretariat, Institution of Heating and Ventilating Engineers, 49 Cadogan Square, London, S.W.1.

Het Instrument

IN 1956 a group of Dutch manufacturers and importers decided to set up a co-operative society, *Het Instrument,* to organize periodic specialized exhibitions of scientific and industrial instruments. Since then nearly all the major Dutch firms in this industry have joined the organization and the exhibition can claim to be representative of the whole industry. The fourth exhibition will be held from October 4 to 11 in the Jaarbeurs buildings, Utrecht. Instruments from over 500 manufacturers from many countries will be displayed. Apply to Het Instrument, 2 Sparrenlaan, SOEST, The Netherlands.

Agriculture and Horticulture

AN *Exhibition of Agricultural, Horticultural and Food Products from Common Market Countries* will be held in Brussels at the Centre International Rogier from December 9 to 17, under the name *The Green Fair.* Participation is restricted to producers in the Six but the show is open to the public as well as business visitors. The Green Fair will include every sector of the designated industries, including manufacturers of fertilizers, phyto-pharmaceutical products, garden tools, and packaging materials. For further information write COBELEXFO (Festival Vert), 15 rue des Drapiers, Brussels 5, Belgium.

Household Goods

MANY firms have already submitted applications to participate in the *17th International Household Fair* to be held in the new RAI Hall in Amsterdam, April 5 to 15, 1962. About 140,000 visitors from all over the world attended the last showing; exhibitors came from Europe, North America and Japan. The Fair will have a separate pavilion in 1962 for foreign exhibitors; write the Secretariat, 154 P.C. Hooftstratt, Amsterdam.

Pipes and Pipelines

ORGANIZERS have enlarged the scope (and title) of the *Second International Pipes, Pipelines, Pumps and Valves Exhibition and Convention,* which will be held at Earls Court, London, for the week beginning April

9, 1962. Because pumps and valves are integral parts of the pipe and pipeline industry, they have this time been included in the title and the exhibition will therefore cover pipes, hose and tubes (rigid and flexible), pipeline equipment, fabricated pipework, pumps, valves, fittings, chemical plumbing mainlaying, insulation, protection, testing, and ancillary equipment and processes. Experts will discuss the latest techniques in pipeline engineering, pipe and tube technology, and pump and valve design. Offices of the organizers are at 97 Old Brompton Road, South Kensington, London S.W.7.

TRADE COMMISSIONERS ON TOUR

In Canada

L. H. AUSMAN, Commercial Counsellor in Brussels, Belgium:

Ottawa—Aug. 14-18
Hamilton—Aug. 22
Acton, Brantford, Fergus, Galt, Guelph, St. Thomas, Sarnia, Welland, Windsor —Aug. 23-30
Belleville—Aug. 31
Granby—Sept. 5
Quebec City—Sept. 7
Montreal—Sept. 11-15
Winnipeg—Sept. 21
Vancouver—Sept. 25-29
Toronto—Oct. 2-11

When he completes his tour, Mr. Ausman will return to Brussels.

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

St. John's—Aug. 2-23
Halifax—Aug. 24-26
Hantsport—Aug. 28
Kentville—Aug. 29
Saint John—Aug. 30
Fredericton—Aug. 31
Quebec—Sept. 1-2
Montreal—Sept. 11-15
Toronto—Sept. 18-22

When he completes his tour, Mr. Blake will go to Kingston, Jamaica, as Canadian Trade Commissioner.

L. A. CAMPEAU, Commercial Counsellor in Karachi, Pakistan:

Ottawa—Sept. 5-8
Toronto—Sept. 11-15
Hamilton, St. Catharines, Niagara Falls, Brantford, Windsor—Sept. 18-22
Vancouver, Victoria—Sept. 26-30
Montreal—Oct. 5-12
Quebec—Oct. 13

When he completes his tour, Mr. Campeau will transfer to Beirut, Lebanon, as Commercial Counsellor.

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

Vancouver, Victoria—Aug. 7-19
Calgary—Aug. 21, 22 (a.m.)
Edmonton—Aug. 23, 24 (a.m.)
Winnipeg—Aug. 25-28
Ottawa—Aug. 31
Montreal—Sept. 1
Saint John, N.B.—Sept. 2
Halifax—Sept. 7, 8, 9 (a.m.)
Charlottetown—Sept. 11, 12 (a.m.)
St. John's, Newfoundland—Sept. 13-14
Halifax—Sept. 15

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

T. F. HARRIS, Consul and Trade Commissioner in New Orleans:

Ottawa—Sept. 11-20
Hamilton—Sept. 21-22
Toronto—Sept. 25-Oct. 4
Quebec—Oct. 5-6
Montreal—Oct. 9-13

When he completes his tour and home leave, Mr. Harris will return to New Orleans.

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

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

C. G. BULLIS, Assistant Trade Commissioner in Kingston, Jamaica, will visit Nassau from September 3-9.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31, and will attend the Brno International Trade Fair, Czechoslovakia, from September 10-17.

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.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, and Belfast, Northern Ireland, will visit the latter city from Sept. 11-15.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit Panama from August 27-September 8.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will be in attendance on the Canadian stand at the Brno International Trade Fair, Czechoslovakia, from Sept. 17-24.

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. Bull at Bogotá, Mr. Bullis at Kingston, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gallow at Johannesburg, Mr. McLane at Glasgow, and Mr. Taylor at Guatemala City.

Markets in Brief: NETHERLANDS ANTILLES

Area: the Netherlands Antilles consist of a group of six islands with a total area of 409 square miles. The most important islands are Curacao (210 square miles), Aruba (69), and Bonaire (95).

Population: 186,700.

Climate: tropical, but pleasant and healthy. The average yearly temperature is 82 degrees Fahrenheit.

Language: Dutch is the official language used by the authorities and taught in the local schools; for business purposes English and Spanish are used.

Currency: N.A. florin or guilder. One N.A. guilder (N.A.fl.) equals approximately Can.$0.55.

Weights and measures: metric system.

Capital: Willemstad, Curacao.

Chief ports: Willemstad, Curacao; Oranjestad, Aruba.

Marketing centres: Willemstad (46,000), Oranjestad (12,000).

Economy: oil-refining constitutes the chief industry; second-ranking industry is the mining of calcium phosphate.

Total Netherlands Antilles imports: 1960—U.S.$675.0 million; 1959—U.S.$768.5 million.

Chief imports: crude petroleum, automobiles and parts, electrical appliances, textiles, medical products, beverages and foodstuffs, wheat, flour, potatoes, lumber and wire.

Chief suppliers: Venezuela, United States, United Kingdom, Canada, Argentina, Brazil, Colombia, France, Denmark, West Germany and Italy.

Value of imports from Canada: 1960—Can.$1.1 million; 1959—Can.$1.2 million.

Chief imports from Canada: wheat flour, tires, fish, meats, lumber, newsprint paper, bookkeeping machines, machinery, automobiles, copper tubing, medicinal preparations, drugs and chemicals, whisky.

Total Netherlands Antilles exports: 1960—U.S.$651.3 million; 1959—U.S.$705.1 million.

Chief exports: petroleum products (99 per cent), phosphates, salt, orange peel, aloe, hides, divi-divi straw hats.

Chief markets: United States, Canada, Argentina, Brazil, Denmark, France, West Germany, Italy.

Value of Canadian purchases: 1960—Can.$32.5 million; 1959—Can.$47.4 million.

Chief Canadian purchases: petroleum products and miscellaneous commodities.

Dollar exchange: exchange control is in force, but authorized banks may effect payment of imports, which require no licences, without exchange control approval. Exchange permits are freely granted. Clearance through customs is subject to exchange control approval.

Prices: preferably quote in United States currency, either f.o.b. Canadian port or c.i.f. Netherlands Antilles port.

Credit terms and practices: usually sight draft, D/P, or 30-, 60-, 90-, 120-days sight, D/A.

Samples: samples of no commercial value are admitted free of duty.

Trade agreements: most-favoured-nation trade agreement between Canada and the Netherlands includes the Netherlands Antilles.

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

Canadian banks: none, but most Canadian banks have correspondents in the Netherlands Antilles.

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

For detailed information on this market write to:

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

or

Commercial Counsellor
Canadian Embassy
Apartado 11452 (Este)
Caracas, Venezuela
(by airmail only)

Foreign Commercial Representatives in Canada

ARGENTINA
Washington—Economic Counsellor, Argentine Embassy, 1600 New Hampshire Avenue N.W.

AUSTRALIA
Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA
Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.
Calgary—Consulate of Austria, 31 Hollinsworth Bldg.
Halifax—Consulate of Austria, 6 Young Avenue.
Montreal—Consulate General of Austria, Suite 815-817 Castle Bldg., 1410 Stanley Street.
Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.
Vancouver—Austrian Trade Delegate, 525 Seymour Street.
Winnipeg—Consulate of Austria, 54 Harrow Street.

BAHAMAS
Toronto—Trade Commissioner, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.
Toronto—Consul General of Belgium, Roome 303, 11 Adelaide Street West.
Vancouver—Consul General of Belgium, Room 1432, 355 Burrard Street.

BOLIVIA
Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

BRAZIL
Ottawa—Brazilian Embassy, 305 Stewart Street.
Montreal—Brazilian Commercial Service, Room 302, 400 St. James St. West.
Toronto—Brazilian Commercial Service, Suite 1006, 2 Carlton Street.

CHILE
Ottawa—Embassy of Chile, 56 Sparks Street.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 33, Roxborough Apts.
Montreal—Consul General of Colombia, 1572 Summerhill Avenue.
Toronto—Consul of Colombia, 67 Yonge Street.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA
Montreal—Cuban Consul, Consulate General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA
Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

DENMARK
Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Consul General, Royal Danish Consulate General, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Assistant Trade Commissioner, Royal Danish Consulate, 118 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.
Vancouver—Consul of Ecuador, 3532 West 32nd Avenue.

EL SALVADOR
Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND
Ottawa—Attaché, Embassy of Finland, 85 Range Road.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 2060 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 1 Waverley Street.
Montreal—Consulate General of the Federal Republic of Gérmany, 1501 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

GHANA

Ottawa—Counsellor, Office of the High Commissioner for Ghana, Suite 606, The Fuller Building, 75 Albert Street.

GREECE

Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.
Halifax—Honorary Consul of Haiti, 50 Sackville Street.
Montreal—Consul General of Haiti, 3449 Prudhomme Avenue.

HONDURAS

Montreal—Consul General, Consulate General of the Republic of Honduras, 5407 Coolbrook Avenue.

INDIA

Ottawa—First Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

INDONESIA

Ottawa—Second Secretary (Economics), Indonesian Embassy, 275 MacLaren Street.

IRAN

Ottawa—Counsellor, Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

IRAQ

Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 2135 Wyoming Avenue N.W.

IRELAND

Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

ISRAEL

Montreal—Consul of Israel (Commercial), 1555 McGregor Street.

ITALY

Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.
Montreal—Vice Consul and Trade Commissioner, 3615 Cote des Neiges Road.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN

Ottawa—First Secretary (Commercial), Embassy of Japan, 75 Albert Street.
Montreal—Consulate General of Japan, 1310 Greene Avenue, Westmount.
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.
Vancouver—Consulate of Japan, 510 Hastings Street West.
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

LEBANON

Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 3, Laurier Avenue West.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.

MONACO

Montreal—Consul of Monaco, Suite B, 2211 Closse Street.

NETHERLANDS

Ottawa—Economic Section, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate General, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate General, 159 Bay Street.
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.
Vancouver—Netherlands Consulate General, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.

NICARAGUA

Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

NORWAY

Montreal—Consul General of Norway, Norwegian Consulate General, 1410 Stanley Street.

PAKISTAN

Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

PANAMA

Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

PERU
Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES
Vancouver—Trade Commissioner, Philippines Consulate, 615 West Pender Street.

POLAND
Ottawa—Commercial Counsellor to the Polish Embassy, 362 Stewart Street.
Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

PORTUGAL
Ottawa—Embassy of Portugal, 285 Harmer Avenue.
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.
Halifax—Consulate of Portugal, P.O. Box 355.
Montreal—Consulate of Portugal, 4135 Sherbrooke Street West.
North Sydney—Consulate of Portugal, P.O. Box 769.
Saint John—Consulate of Portugal, 4 North Wharf.
Toronto—Consulate of Portugal, 159 Bay Street.
Vancouver—Consulate of Portugal, 1929 West Broadway.

REPUBLIC OF SOUTH AFRICA
Ottawa—Commercial Secretary, South African Embassy, 15 Sussex Drive.

SPAIN
Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

SWEDEN
Ottawa—Secretary, Royal Embassy of Sweden, Suite 704, 140 Wellington Street.
Montreal—Royal Consulate General of Sweden, 2055 Bishop Street.
Toronto—Trade Commissioner, Royal Consulate of Sweden, 1057 Bay Street.
Vancouver—Trade Commissioner, Royal Consulate of Sweden, Dominion Bank Bldg., Room 914, 207 West Hastings Street.

SWITZERLAND
Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 100 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

THAILAND
Toronto—Consul of Thailand, Suite 600, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY
New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED ARAB REPUBLIC
Ottawa—Commercial Secretary, Embassy of the United Arab Republic, Roxborough Apts., Apt. 62.

UNITED KINGDOM
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta and Northwest Territories, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Regina—Office of the United Kingdom Trade Commissioner, Derrick Bldg., Room 207, 2431 11th Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, 635 Dorchester Boulevard West.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia and Yukon Territories, Bank of Nova Scotia Bldg., 602 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba, Saskatchewan, and Northwest Ontario, 504 Main Street.

UNITED STATES
Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, 315-8th Avenue.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Avenue.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 206 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY
Ottawa—Chargé d'Affaires a.i., the Roxborough Apts., Apt. 32

VENEZUELA
Halifax—Consul of Venezuela, Roy Bldg., Barrington Stret.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Consul of Venezuela, 525 Seymour Street.

THE WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS
Montreal—Commissioner for The West Indies, British Guiana, and British Honduras, Suite 200, 1210 Sherbrooke Street West.

YUGOSLAVIA
Ottawa—Embsssy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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 .9699909.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 31	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01251	79.94	
Austria	Schilling		.03996	25.02	
Australia	Pound		2.3054	.4338	
Bahamas	Pound		2.8818	.3470	
Belgium and Luxembourg	Franc		.02072	48.26	
Bermuda	Pound		2.8818	.3470	
Bolivia	Boliviano	Free	.00008791	11,375.27	
British Guiana	Dollar		.6004	1.66	
British Honduras	Dollar		.7209	1.39	
Brazil	Cruzeiro	Free	.004004	249.75	
		Special Category	†	†	
Burma	Kyat		.2165	4.62	
Ceylon	Rupee		.2161	4.63	
Chile	Escudo		.9800	1.02	
Colombia	Peso	Certificate	.1539	6.50	
Congo, Republic of	Franc		.02072	48.26	
Costa Rica	Colon	Official	.1836	5.42	
		Controlled free	.1550	8.45	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1432	6.98	
Denmark	Krone		.1491	6.71	
Dominican Republic	Peso		1.03094	.96999	
Ecuador	Sucre	Official	.05727	17.46	
		Free	.05284	18.92	
Egyptian Region, United Arab Rep.	Pound	Official	2.9604	.3378	
El Salvador	Colon		.4124	2.42	
Fiji	Pound		2.5962	.3852	
Finland	Markka		.003222	310.37	
France, Monaco, etc.	New Franc		.2104	4.75	(1)
Franco-African Republics, etc.	Franc		.004208	237.64	(2)
French Pacific	Franc		.01157	86.43	(3)
Germany	D Mark		.2588	3.86	
Ghana	Pound		2.8818	.3470	
Greece	Drachma		.03436	29.10	
Guatemala	Quetzal		1.03094	.96999	
Haiti	Gourde		.2062	4.85	
Honduras	Lempira		.5155	1.94	
Hong Kong	Dollar	Free*	.1801	5.55	*July 21
		Official	.1764	5.67	
Iceland	Krona	Official	.02713	36.86	(4)
India	Rupee		.2161	4.63	
Indonesia	Rupiah	Official	.02291	43.65	(4)
Iran	Rial		.01361	73.48	
Iraq	Dinar		2.8866	.3462	
Ireland	Pound		2.8818	.3470	
Israel	Pound		.5727	1.75	
Italy	Lira		.001661	602.05	
Japan	Yen		.002864	349.16	

†Exchange auctions will be held each week for limited amounts of exchange.
‡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 31	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3239	3.09	
Mexico	Peso		.08248	12.12	
Morocco	Dirham		.2062	4.85	
Netherlands	Florin		.2868	3.49	
Netherlands Antilles	Florin		.5467	1.83	
New Zealand	Pound		2.8818	.3470	
Nicaragua	Cordoba	Effective buying	.1562	6.40	
		Official selling	.1462	6.84	
Nigeria	Pound		2.8818	.3470	
Norway	Krone		.1440	6.94	
Pakistan	Rupee		.2161	4.63	
Panama	Balboa		1.03094	.96999	
Paraguay	Guarani	Official	.008150	122.70	
Peru	Sol		.03842	26.03	
Philippines	Peso	Free	.3436	2.91	
		Official	.5155	1.94	
Portugal & Colonies	Escudo		.03598	27.79	(5)
Republic of South Africa	Rand		1.4409	.6940	
Singapore and Malaya	Straits Dollar		.3362	2.97	
Spain and Dependencies	Peseta		.01718	58.20	
Sweden	Krona		.1999	5.00	
Switzerland	Franc		.2387	4.19	
Syrian Region, United Arab Rep.	Pound	Free	.3257	3.07	
Thailand	Baht	Free	.04876	20.51	(4)
Tunisia	Dinar		2.4743	.4041	
Turkey	Lira		.1145	8.73	(4)
United Kingdom	Pound		2.8818	.3470	
United States	Dollar		1.0309375	.9699909	
Uruguay	Peso		.09351	10.69	
Venezuela	Bolivar	Free	.2240	4.46	
		Official	.3077	3.25	
West Indies Fed.	Dollar		.6004	1.66	(6)
	Pound		2.8818	.3470	(7)
Yugoslavia	Dinar	Official	.001375	727.27	

Notes

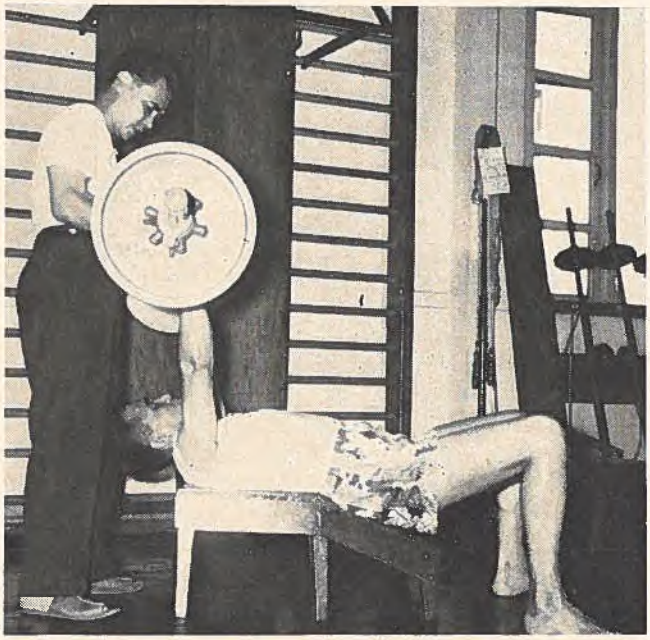
1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
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.

In the United States—This shipment of reinforcing bars that weighs some 2,500 tons will soon be on its way to California.

In New Zealand—The largest single shipment of table salt to New Zealand, recently arrived from Canada, is unloaded.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".



In the Philippines—The vice-mayor of Manila does some toughening up with a bar-bell set that was made in Canada.

In the Netherlands—In Amsterdam, Douglas fir and hemlock lumber from British Columbia is piled on waiting barges.

Roger Duhamel
QUEEN'S PRINTER

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How can I exhibit in Lagos and Accra...

DEPARTMENT OF TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, July 21, 1961.

Mr. A.D. Adams,
Director of Publicity,
Equipment Association of Canada,
Montreal, Quebec.

Dear Mr. Adams:

As requested in your letter of July 19, I am pleased to provide the information you asked for on the Canadian Trade Fairs to be staged in Ghana and Nigeria early next year.

The first exhibition will be held in Lagos, January 17-27, 1962, at the Exhibition Grounds on Victoria Island. It will then move to the Polo Grounds in Accra where the exhibition will run from February 14-24. Commodity exhibits will be housed in individual booths, each bearing the exhibitor's identification as well as the name of the local agent. Booth units measure 10' x 10' and fittings and decoration will be provided without charge to the exhibitor. Your products will be shipped from a Canadian assembly point to the site of the fairs and returned, if necessary, without charge except that a maximum freight allowance will apply to very heavy equipment.

In order to handle trade inquiries effectively, all booths must be manned by company representatives or local agents in Ghana and Nigeria. Attendance at the fairs will also provide an opportunity to gain first-hand knowledge of the requirements of these rapidly expanding markets. The enclosed brochure provides further details on the plan of exhibits, hours of operation, transportation arrangements, and so on. If there are further questions which I can answer, please feel free to write or telephone at any time.

I am also sending you a booklet covering the Department's complete trade fair program for 1961 and early 1962. You may wish to bring it to the attention of your member companies.

Yours very truly,

Chief, Trade Fairs Abroad Division,
Trade Publicity Branch.

Trade and Commerce Can Help You