

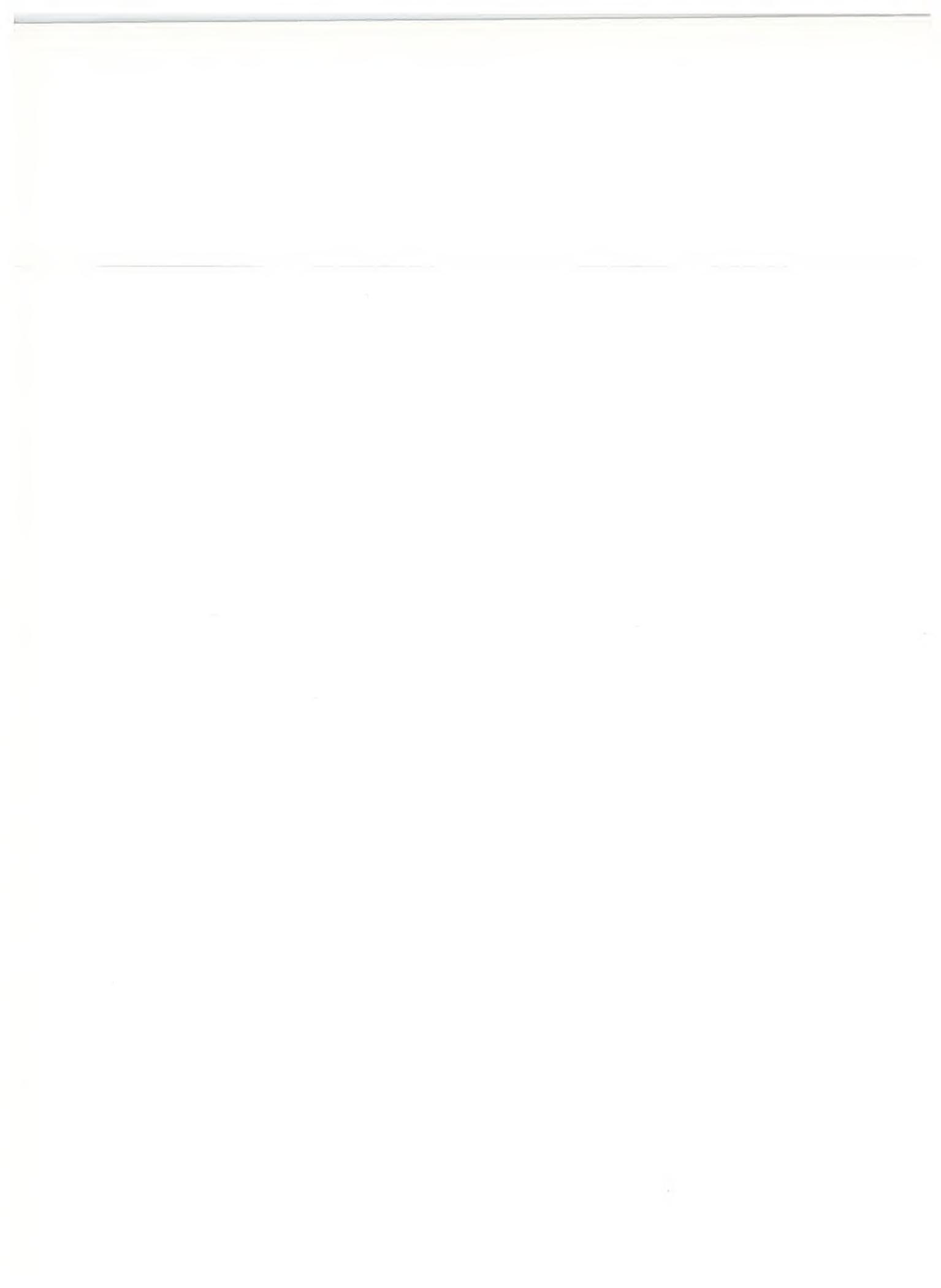
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What Kind of a Market Is Belgium? 2

This study of Belgium is designed to give the Canadian exporter an insight into this busy little industrial country—what it produces, what it buys and sells, its current problems, and some tested techniques of trading there.

How Burroughs Entered Export Markets 6

Would export sales really benefit our company? What should we try to sell? How should we work out our export prices? Burroughs' management sought answers to these and similar questions before it tackled foreign markets. Here are ideas for Canadian companies that are thinking vaguely about foreign sales.

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Working together to retain present markets and capture new ones, the Swiss watchmakers are guarding quality and introducing automation and other advanced production techniques to keep their products competitive abroad.

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A questionnaire circulated by our New York office to lumber buyers in New York, New Jersey and Connecticut brought worthwhile answers. We present the questions and a tabulation of the replies received in this useful report.

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Latest in our series on development plans in many countries, this report details what Malaya accomplished in the First Plan that ended last year, and the objectives it has set itself in the Second Plan that is now under way.

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Mexico's new law governing foreign and domestic capital investment in mining and designed to ensure Mexican control was discussed in our issue of June 3. This second report by the same author deals with the current situation of and export outlook for this vital industry that furnishes 30 per cent of exports.

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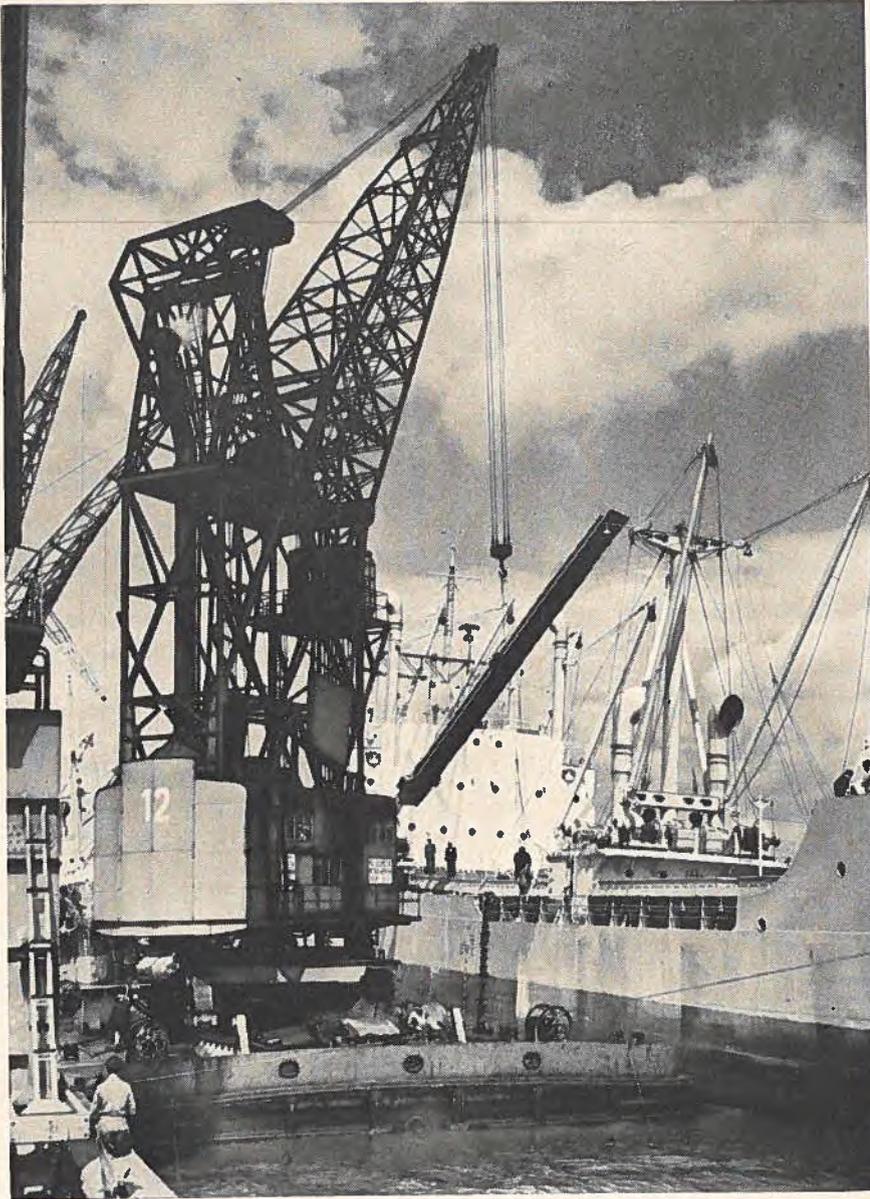
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COMING—SEVEN WEST AFRICAN MARKETS, IN THE SEPTEMBER 9 ISSUE

What Kind



Parts of a prefabricated plant are loaded at Antwerp for shipment to Canada.

L. H. AUSMAN, Commercial Counsellor in Brussels for the past three years, began a tour of major business centres in Canada on August 22. For the benefit of businessmen who will be meeting him later and also for those who have not yet tried selling in his territory, he sketches the characteristics of the Belgian market and suggests how and what Canadians can sell there.

BELGIUM, with a population scarcely half that of Canada, is our eighth largest market and, aside from the United Kingdom, the third most important in Europe. Extensive Belgian direct investments in Canadian industry strengthen the economic ties; these investments rank in importance only after those of the United States and the United Kingdom.

Surrounded as it is by the Netherlands, Germany, Luxembourg and France, and with but a short coastline facing England across the North Sea, Belgium has over the centuries been a battleground. It is not surprising, therefore, that this small but vigorous country should be one of the strongest supporters of European integration and a charter member of three European economic groups. In the organization and development of the European Economic Community, Belgium was able to contribute its experience in regional co-operation which began in 1921, when the Belgo-Luxembourg Economic Union was created by a 55-year convention. If the First World War resulted in this limited association between two neighbours, the second created the climate for a wider association embracing the Netherlands also. Agreement to create another economic union was reached in 1944 and the Benelux Customs Union and Common Tariff came into force in 1948. Ten years later, a full treaty of economic union between the three countries was signed.

Just over half of Belgium's 9.1 million inhabitants are Flemish (Dutch) speaking and they live mainly in the agricultural area to the west and north and in the Brussels region. The linguistic frontier runs along a line that passes through the capital and bisects the country roughly into two equal areas. The French-speaking popula-

of a Market Is Belgium?

tion occupies the more industrial parts of the country—particularly along the River Meuse and also the higher, less populated but very beautiful Ardennes country.

Industry and Agriculture

It is so well known that Belgium is a highly industrialized country that the economic and social importance of its rural population (3.1 million) is often overlooked. One of the outstanding characteristics of Belgian life is that a large part of its industrial labour force lives in the country, where it cultivates small plots of land. There are over 722,000 smallholders farming less than 2½ acres and they account for 74.6 per cent of the total agricultural area. On the other hand, large farms are few; those over 50 acres account for less than 1.4 per cent of the total area. This affects the use of large and efficient agricultural equipment.

Industrial and commercial activity is carried on in the larger cities and along such traditional transportation arteries as rivers, canals and highways. The larger cities are:

	Population	Density (per sq. km.)
Brussels	1,407,660	1,273
Antwerp	856,845	856
Liege	608,827	803
Charleroi	467,752	834
Ghent	457,312	499

An extensive and efficient system of transportation by rail, road, river and canal, plus fast automatic telephone service, facilitates internal communication, the movement of population, and the transfer of foods. All these services link up with the ports of Antwerp (one of the world's largest), Ghent and Bruges-Zeebrugge. Air service to and from Brussels is provided by Sabena (the Belgian national line)

and many other world airlines, including Trans-Canada.

Industrial Exports Important

Though it lacks most raw materials except coal, Belgium rates high in industrial production and the standard of living compares favourably with that of its Common Market partners. Its gross national product is below the average, however, and between 1953 and 1959 it increased annually by only about 2½ per cent. Immediately after the war, however, industrial activity increased at a tremendous rate.

The Belgian steel industry has held its own in competition with German, French and Luxembourg producers, despite higher wage rates and dependence on export markets to dispose of a large proportion of its production. The processing of non-ferrous metals is also important: Belgium is the largest European producer of zinc, electrolytic copper, cobalt, germanium and radium.

In the metal, mechanical and electrical fabrication industries, production has risen by 50 per cent since 1937. Here too export markets are important and take 30 per cent of production.

Other important export industries include glass, textiles, chemicals and pharmaceuticals, and food products.

Exports and Imports

Like the Canadian, the Belgian economy depends a great deal upon foreign trade. Aside from agricultural production which, on balance, meets most of the country's food requirements, its only important natural resource is coal. Consequently imports consist largely of raw and semi-finished products. These, with food, account for two thirds of the import trade. On the other hand, exports of manufactured

products are in about the same proportion. At least 40 per cent of Belgium's manufactures are sold abroad.

In 1960 exports were valued at \$3,775 million—a record figure and 15 per cent higher than in 1959. Imports increased by the same percentage to \$3,957 million, raising the trade deficit from \$147 million in 1959 to \$172 million in 1960.* The Government has forecast a 40 per cent increase in foreign trade during the next five years.

Canadian manufacturers and exporters will be interested in the accompanying tabulation of main groups of Belgian imports in 1960.

TABLE I
IMPORTS INTO BELGIUM 1960
BY MAIN GROUPS

	(millions of dollars)
Machinery and transportation equipment	\$ 801.7
Metals and manufactures	464.1
Mineral oil, coal and coke	395.2
Food, drink and tobacco, n.e.s.	378.0
Manufactured products, n.e.s.	344.2
Textile raw materials	261.7
Chemicals, pharmaceuticals, explosives and fertilizers	255.5
Metallurgical ores and scrap	240.7
Textiles and clothing	211.6
Precious metals and jewels	155.1
Raw materials for the wood, paper, leather and rubber industries	129.5
Cereals and cereal products	128.7
Crude minerals and crude fertilizer	94.2
Vegetable oils and fats, oilseeds, nuts, etc.	69.0
Other raw materials	19.7
Miscellaneous	8.0
Total	3,957.0

Canada ranked eleventh as a supplier to Belgium in 1960 but Canadian goods accounted for only 1.2 per cent of total Belgian imports.

*Canadian statistics for 1960 were:

Total exports from Canada	—\$5,266 million
Total imports into Canada	—\$5,492 million
Deficit	—\$ 226 million

The Trade Commissioners can help you sell in Belgium if you:

- Send us complete information about your products, with several copies of literature and price lists. Samples are frequently necessary, but whether they should be sent with the original inquiry depends on their size and value. Because duty may be assessed on samples, consult the Trade Commissioner if you are in doubt.
- Indicate what industries use your product in Canada or elsewhere, if that product is technical or unusual.
- Quote the lowest possible export prices. These may well be different from your domestic prices. Make certain that sales tax and other domestic factors are not included.
- Make sure that prices are, whenever possible, c.i.f. Antwerp, although many Belgian importers and agents handling similar lines are able to estimate laid-down costs on the basis of f.a.s. East Coast ports; f.o.b. inland points or ex-factory prices are of little or no help for this purpose.
- Let us know if you wish to sell through a commission agent, or direct to an importer, manufacturer, wholesaler, or department store. If you wish an agent, tell us what rate of commission is included in your price.
- Tell us what other agents you have in Europe and what territory they cover. Belgian agents usually wish to include Luxembourg, often all of Benelux, and occasionally other Common Market countries as well.
- Realize that letter of credit terms are less acceptable now, though sometimes they are used for initial orders. Payment against documents and more extended credit arrangements are usually offered to importers by foreign suppliers. The Trade Commissioner can provide reports on status of firms.
- Let us know if you can correspond in French. Although many Belgian businessmen speak English, they are not always able to correspond in that language. Other things being equal, they prefer to use their own language.
- Most important, plan to visit the Belgian market and give us advance information of your itinerary and the type of contacts you would like to make. We shall arrange appointments for you which will save you time. If you wish, we can reserve hotel accommodation and a car. Our experience is that a follow-up visit by a Canadian exporter is often the decisive factor in establishing initial business, particularly for a new, technical or specialized product.

Table II demonstrates plainly the importance of the Belgian market to its European neighbours and to its former African colony.

TABLE II
BELGIAN IMPORTS BY COUNTRY
OF ORIGIN, 1960

From	(millions of dollars)
West Germany	\$674.0
Netherlands	587.8
France	538.0
United States	391.0
United Kingdom	291.7
Congo	264.3
Sweden	119.5
Italy	94.0
Switzerland	71.5
Australia	55.0
CANADA	47.9
Iraq	47.6
Argentina	45.6

Tariffs and Trade Regulations

Belgium has for several years had a common tariff structure with its Benelux partners. The first steps have been taken to realign this tariff with the common external tariff of the EEC. As the latter is, generally speaking, an arithmetical average of the tariffs of the six Common Market countries, and as Benelux was a comparatively low-tariff area, there will be some increase in Belgian rates to bring them into line with the common tariff. At the same time, the reduction in the internal duties between member countries is being accelerated so that in due course most goods will circulate freely within the Community.*

In addition to the rates of duty, Belgium imposes certain transmission and luxury taxes which may, in some instances, be higher for imported than for domestic goods. For some agricultural products, such as coarse grains, an import licence tax is also applied. The common agricultural policy of the

*For further information on progress in the development of the EEC, see "The Common Market Forges Ahead" in *Foreign Trade* of July 1, 1961, and the other articles mentioned there.

European Economic Community is still to be worked out, however, and this will influence the tariff structure and import regulations of the member countries.

Import licences are required for certain goods (mainly agricultural) but quantitative restrictions are being removed. There are no exchange

TABLE III

**CANADIAN EXPORTS TO BELGIUM
BY MAIN GROUPS, 1960**

Total	\$69,131,111
Wheat	19,301,880
Nickel	11,560,082
Aluminum	5,598,881
Asbestos	5,526,635
Copper and brass	3,246,333
Lead and zinc	2,824,130
Lumber, pulp, paper	2,665,526
Iron, steel and alloys	2,296,398
Seeds	2,035,095
Chemicals, synthetic resins	1,991,075
Aircraft and engines	1,404,394
Iron ore	1,280,310
Fish	1,077,339
Silver in ore, concentrates	990,772
Engines (excluding aircraft)	795,471
Non-metallic minerals	754,254
Autos and parts	616,126
Other cereals (excluding wheat)	410,711
Dairy products	395,466
Industrial machinery	373,162
Meats	351,529
Domestic and office appliances	346,068
Radios and electrical equipment	286,669
Flour	286,374
Textiles and clothing	182,348

TABLE IV

**CANADIAN IMPORTS FROM
BELGIUM BY MAIN GROUPS, 1960**

Total	\$41,400,922
Iron and steel	12,458,002
Glass and glassware	6,629,194
Diamonds	4,953,296
Fibres, textiles and clothing	3,723,171
Carpets	2,985,028
Tin	2,587,092
Photographic paper and film	1,391,018
Books	802,213
Chemicals	795,181
Machinery and equipment	558,298
Asbestos manufactures	391,614
Guns	388,644
Horticultural products	385,973
Essential oils	194,071
Phosphate rock	168,282
Biscuits and confectionery	160,788
Paper and pulpboard	120,605

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restrictions. The Belgian franc is fully convertible and foreign currency can be obtained readily for commercial transactions.

Trade with Canada

Just over half (53 per cent) of Canada's exports to Belgium consist of industrial raw materials—mainly ores, minerals and metals, wood, pulp and paper. One third (33 per cent) is made up of agricultural and fisheries products, and the remainder (14 per cent) of a variety of manufactured goods. Canadian exports to Belgium by main groups in 1960 are set out in Table III.

Belgian goods imported into Canada during the same period included an equally important percentage of industrial raw materials (iron and steel, glass, diamonds and tin) but the remainder was made up of a wide variety of manufactured goods, as Table IV shows.

Catering to the Belgian Market

Canadians can count on a reservoir of goodwill in Belgium and many personal ties were established during two world wars. Canadian visitors and businessmen are welcomed and receive every possible courtesy and assistance. But sentiment is not enough. Belgians are, above all, experienced businessmen and traders. Their country has been free of exchange and other restrictions since the end of the war and they are consequently inundated with offers of goods from all parts of the world. Price, quality, delivery and service all play an important rôle and competition is severe.

To maintain and improve Belgium's position in relation to its Common Market partners, the Government has recently proposed a five-year plan (1961-1965) which, it is hoped, will increase the present rate of growth of the gross national product to 4 per cent a year. Increased production, combined with the removal of tariff barriers between countries of the Common Market and the adoption of a common external tariff, will mean more

competition for many Canadian products.

The bulk of our sales to Belgium, as I pointed out earlier, have been industrial raw materials and semi-finished goods. We may expect our exports of these products to keep pace with the growth of Belgian industry. The market for our agricultural products will depend in large measure on the common agricultural policy now being worked out by the Six and on the access to this market that Canada is able to negotiate.

It is in the field of manufactured goods that Canadian suppliers must make the greatest effort. Sales increases are not expected in every sector (indeed it will be difficult to hold the line on some) but concerted efforts by Canadian manufacturers, in co-operation with the Canadian Foreign Trade Service at home and in Belgium, could result in larger sales of products where demand is growing.

The Trade Commissioners in Brussels stand ready to assist any Canadian firm that wishes to introduce its product or extend its sales in Belgium and Luxembourg.

While I am on tour in Canada (see schedule on page 30) I shall be pleased to meet prospective exporters to Belgium. Correspondence with the office in Belgium should be addressed to the Commercial Counsellor, Canadian Embassy, 35 rue de la Science, Brussels.

Freight Rates to West Africa

EFFECTIVE August 1, 1961, ocean freight rates on all cargoes, excluding extra length and heavy lift charges, from St. Lawrence, Eastern Seaboard, and Gulf ports in Canada and the United States carried by the American-West African Freight Conference were increased by 10 per cent. This affects all four lines currently operating between Canada and West African countries such as Ghana, Nigeria and Sierra Leone. It is expected that return cargo rates from West Africa will be increased by an equal amount on October 1.

WE first approached the matter of exporting by deciding which of our products could best compete in foreign markets. In making this decision, we studied particularly their competitiveness in quality and price. Certain ones were discarded because their laid-down cost abroad would place them at a disadvantage in comparison with locally produced goods. This was particularly true of heavy goods of low value, where freight rates would be high in relation to the selling price of the merchandise.

We also asked ourselves other questions:

- In what manufactured products did we want additional volume?
- How would increased volume in these affect our domestic costs, deliveries, inventories, etc?

● Were tariffs in certain countries favourable to this type of Canadian-made goods?

● Could we meet delivery schedules after satisfying our domestic customers?

● Could we live with the terms of payment?

● Could we meet foreign standards in sizes and packaging without high waste factors?

● What additional packing and protection would be needed for our goods on overseas shipments?

Choosing Products

Following careful study, we decided that the products most likely to succeed were those that were new and had a high content of technical skill. In reaching this decision, we gave considerable thought to the type of competition we would face, especially from European manufacturers with lower wage rates. In our industry such manufacturers do not, as a rule, develop new products as quickly as their North American counterparts. Consequently the market for our plastic solvent coated carbon papers and inked machine ribbon products appeared to offer the greatest potential.

We then turned our attention to a major question that is certain to

confront anyone interested in developing an export market. Where are these markets and how does one find them?

Actually they exist everywhere in the Free World. The exporter must, however, make up his mind to select someone within his organization to go to work and search for the proper contacts.

Contacts in foreign markets may be established in many ways. Here are a few that my company has used:

1. Through the good offices of the Department of Trade and Commerce and the Commodity Officers, we have listed our company in the Department's *Exporters' Directory* as interested in export trade and have named the products we should like to sell. This Directory listing is given to all Trade Commissioners abroad.
2. We wrote directly to the Canadian Trade Commissioners in certain areas for the names of prospective agents or distributors, once we had decided on the markets that should be receptive to our products.
3. We got in touch with the Trade Commissioners of foreign countries stationed in Canada for advice and assistance.
4. We subscribed to overseas trade journals and to other export publications.

How Burroughs Entered Export Markets

Before plunging into export, a Canadian company should decide what products it can sell abroad competitively, what markets to enter first, and how the new venture will affect its domestic production.

5. We visited public libraries to obtain all available names and addresses of prospective contacts and customers through standard trade directories available for almost all markets.

We Write Letters

All of these methods can be valuable but we stress particularly the need to obtain names and addresses and to write to as many people as possible, letting them know that you exist and are interested in selling your products to them.

At Burroughs, one of our main ways of going after export business is this writing of letters . . . lots of letters, all airmail, almost all the same. We send samples . . . lots of samples, all air parcel post. The letters are almost all in standard format; the sample orders are also standard. We write these letters in English and we try to send copies to the Canadian Trade Commissioner in the area. If translation is needed, we feel that our contacts can ask the Trade Commissioner for help. Writing in English, we feel, helps us to avoid any errors or confusion.

Assessing Export Costs

In assessing the cost of export sales to your business, many factors should be considered.

First, what is your objective in entering the export field? Is it to increase your Canadian production by 10 or 20 per cent? If so, is there sufficient potential in foreign markets to meet your objective?

There are other equally pertinent questions.

1. Will this extra business help to level out the peaks and valleys in your plant?
2. Will it allow you to buy larger quantities and thus lower home-market costs?
3. Will this extra volume allow you to buy better equipment?

In our own plant, we feel that the extra export volume is of real value. We have certain expensive equipment that should run on two shifts for the most economical operation. However, because of the size of the Canadian market and its inability to absorb the production of these machines, the equipment runs on one shift only, plus occasional overtime.

We have decided that our aim should be to earn in the export field about 10 per cent of what we earn in the home market. We have had to learn how to work out export costs on a different basis than for domestic sales.

For the present, we feel our export business does not involve additional costs, nor do we feel that export orders distort administrative costs. In any event, engineering and research costs are fixed whether we receive orders or not.

If our export volume reaches 10 per cent of our domestic volume, we shall take a serious look at our present method of costing for export. Meanwhile we are convinced that many cost factors can be eliminated from export pricing. We are also certain that it is possible to improve the production and efficiency of the domestic market through a well-thought-out export program.

Other Points

We process orders for export in almost the same way as we process our domestic orders, except that we turn the preparation of shipping documents, etc., over to a forwarding agent. Usually we fill orders from stock, thus keeping our inventory moving better. We do wait a little longer for our money but to date we have not lost a penny in export orders.

Canadian products are excellent in quality and design. They are attractively packaged and acceptable in most markets. Our experience is that they will sell overseas when they are sensibly priced for the foreign customer. ●

India Makes Machine Tools

UNTIL 1956, India's production of machine tools was limited to simple and primary types made by small private firms. Tool production never exceeded \$2 million in value. But by 1960, production reached ten times that figure. As early as 1949 the Indian Government, realizing that a machine tool industry was essential if the country was to industrialize, entered into an agreement with Oerlikon Machine Tool Works of Switzerland to establish a factory.

The resulting company, Hindustan Machine Tools, which is completely government-owned, began operations in October 1954 and lathes started to come off the production line early in the fiscal year 1956/57. The target for production that first year was 57 lathes but actually reached 135. By 1960-61 production had expanded to 1,002 machines comprising lathes, milling machines, radial drills, and grinders. The indigenous content of all machines except the grinders was over 90 per cent.

Since the original agreement with Oerlikon, the company has signed agreements with Fritz Werner and Hermann Kolb, both of West Germany, with H. Ernault Badignolles of France, and with Olivetti of Italy. These agreements have led to the expanded production.

The efficiency of the company is demonstrated by its claim, supported by private industry, that its selling prices are below the landed cost of comparable imported machines. At the same time, the operation has been sufficiently profitable to allow the writing off of development costs of approximately \$2 million and financing the planned doubling of capacity without assistance from shareholders or the Government.

An expanding and efficient machine tool industry is essential to the success of India's Third Five Year Plan. Production of the major machinery manufacturing industries is expected to increase fivefold during the next five years—from an estimated \$90 million in 1960 to approximately \$450 million by March 1966.

Many official steps have been taken to encourage expansion of this vital industry, the latest of which is the formation of a Development Council for the machine building industry. The Council will be responsible for recommending production targets for industrial machinery and co-ordinated production programs.

—W. F. HILLHOUSE,
Trade Commissioner, Bombay.

India's Pulp and Paper Needs

A growing population and rising literacy rate are straining India's supplies of pulp and paper, and increasing domestic production is not expected to keep pace with domestic demand.

G. A. NEWMAN, *Commercial Counsellor, New Delhi.*

IN 1950, the year before India's First Five Year Plan, production of paper other than newsprint totalled 108,912 tons and consisted of printing and writing paper 70,152 tons, wrapping paper 14,616, paperboard 18,948, and special varieties 5,196. Under the Five Year Plans, production increased to 194,124 tons in 1956 and 294,024 tons in 1959. The 1959 figure was made up of printing and writing paper 177,400 tons, wrapping paper 55,632, paperboard 55,668, and special varieties 5,328. Estimated total production other than newsprint for 1960 (just before the Third Five Year Plan) was 345,000 tons, with about four fifths of the increase accounted for by expansion of existing units.

Production and Demand

At the start of the Third Five Year Plan in 1961, India's 25 mills were listed as capable of producing 410,000 tons of paper and paperboard (other than newsprint) with individual mill capacity ranging from 3,000 tons to a maximum in two mills of 60,000 tons each. Printing paper, writing paper, kraft and wrapping paper, paperboard, and other types were in general production. Officially it was stated that the types of paper still to be made domestically were manila paper, condenser paper, cable and electrical insulation papers, photographic base papers, base paper for carbonizing tissues, glassine and butter paper, high-strength kraft for multi-ply parchment, and brush-coated art paper.

INDIA'S IMPORT LICENSING POLICY FOR PAPER, NEWSPRINT, AND WOOD PULP, APRIL-SEPTEMBER, 1961

(ITC No.)	Item	Policy
PAPER		
IV/156	Writing paper	1. No licences will be issued. However, licences for printing paper (nos. 157 and 158) can be used for importing writing paper.
IV/157	Printing paper, excluding white	1. Quota for established importers.
IV/158	printing paper (newsprint); poster, stereo, and coated papers	2. Licences issued valid for nine months. 3. Licences also valid for importing glazed newsprint and writing paper. 4. Actual user applications will be considered ad hoc.
IV/159(a)	Poster, stereo, and coated papers	1. Quota for established importers, 10 per cent. 2. Licences issued valid for nine months. 3. Up to 5 per cent of face value can be used for importing sensitized paper (for taking blueprints, etc.). 4. Up to 10 per cent of face value can be used for engineers' drawing paper (90 per cent rag content) and blotting paper made of rags and wood pulp. 5. Actual user applications from decal manufacturers will be considered on ad hoc basis.
IV/159(b)	Filter paper	1. Quota for established importers 75 per cent. 2. Licences issued valid for six months. 3. Up to 10 per cent of face value can be used for importing extraction thimbles and filter pads. 4. Ad hoc consideration for actual users.
IV/160	Packing and wrapping paper	1. Quota for established importers, 2½ per cent. 2. Licences issued valid for nine months. 3. Licences not valid for importing kraft paper, brown wrapping paper, tissue paper. 4. Ad hoc consideration for greaseproof and vegetable parchment paper for actual users.
WOOD PULP		
V/43	Wood pulp	1. Quota for established importers, nil. 2. Licences issued to actual users only valid for six months. 3. Actual user applications considered in consultation with Development Wing.

The only domestic supplier of newsprint was the government-operated mill at Nepa. Based on salai wood and bamboo, it came into production in 1955 with a rated capacity of 30,000 tons but production by 1960 had reached only about 22,500 tons.

The Five Year Plans have severely restricted imports so that

the paper supply has remained limited. At the same time, increasing population (the 1961 census gave a total of 436 million compared with 351 million in 1951, an increase of 2.15 per cent a year), and the rise in literacy which the Five Year Plans have encouraged, continue to exert strong pressure for increasing the requirements of

paper. The demand is expected to rise by 8 to 10 per cent a year.

It is against this background of steadily increasing demand that India has projected her target for paper under the Third Five Year Plan. By 1965-66 she hopes to be producing 700,000 tons of paper and paperboard, 120,000 tons of newsprint, and 100,000 tons of dissolving pulp for rayon manufacture.

INDIA'S IMPORT LICENSING POLICY FOR PAPER, NEWSPRINT, AND WOOD PULP, APRIL-SEPTEMBER, 1961

(ITC No.)	Item	Policy
NEWSPRINT		
V/44	White printing paper containing not less than 70 per cent wood pulp	<ol style="list-style-type: none"> 1. Quota for established importers, nil. 2. Licences issued valid for 12 months; only actual users are eligible. <p>Entitlement of actual users (publishers of newspapers and periodicals) calculated in consultation with Registrar of Newspapers for India on basis of page area, average number of pages in 1957, regularity of publication, and circulation during 1959. On this, a 10 per cent cut will be imposed which should be made up by production at Nepa Mills. Those entitled to less than 100 tons a year are not subject to this cut.</p> <p>Those whose entitlement exceeds 100 tons a year will be given licences to meet one third of their requirements (after the 10 per cent cut) from free sources. Remainder must be imported from rupee-payment sources—U.S.S.R., East Europe and Scandinavia.</p> <p>Requests from actual users for additional newsprint because of increase in circulation during the previous licensing period (October 1960 to March 1961) considered on ad hoc basis.</p> <p>Requests from new newspapers that come into existence during the licensing period 1961-62 will be considered, but for the initial three months they must draw their supplies from Nepa Mills.</p> <p>Publishers of books (except textbooks) not granted import licences.</p>

PAPERBOARD

V/45-A	Paperboard	<ol style="list-style-type: none"> 1. Quota for established importers, nil. 2. Licences issued to actual users only valid for nine months. 3. Actual user applications considered on ad hoc basis if from essential consumers. 4. Import of ivory boards, fine boards for greeting/invitation cards, strawboard, millboard, cardboard, grey board, single-faced corrugated boards not permitted.
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Plan Targets

To achieve these targets, additional licences have been issued for plant construction; these would provide a total listed capacity of 1,145,000 tons in paper and paperboard, as follows: present capacity 410,000; expansion of existing units 142,000; 18 new large units 369,000; 83 new small units 224,000.

The Government has approved two schemes for the establishment of newsprint mills with a capacity of 100 tons a day each, and the Nepa Mills also plans expansion. Licences have been issued for schemes that will provide capacity to produce 240,850 tons a year of dissolving pulp. However, experience has shown that listed expected capacities based on licensing statements are not necessarily realized since there is often delay in or failure of fulfillment.

Raw Materials Scarce

One of the most serious problems confronting paper producers in India is the inadequate supply of raw materials. Bamboo has been the major source of cellulose and it is the only raw material found suitable for dissolving-grade pulp. However, all available sources of bamboo are reportedly earmarked for existing pulp and paper schemes and increasing interest is consequently being shown in the use of bagasse. Annual production of this material from the sugar factories is about 3.75 million tons on a bone-dry basis. The heavy demands on India's rail transport have also created some difficulty in the supply of raw materials.

Paper and paper products and pulp are subject to strict import control. Measures for the latest announced period—April through September 1961—are summarized in the accompanying table.

Latest figures show that in 1959 newsprint imports totalled 73,000 short tons. The main sources were Finland 20,650 tons, the U.S.S.R. 16,750, Communist China 7,400, Sweden 6,250, Poland 4,900, Norway 3,750, West Germany 3,200, Austria 3,300, and Canada 2,800.

About 69,000 tons of sulphite wood pulp were imported during the same period, of which Sweden supplied 30,000 tons, Canada 16,000, the United States 10,000, and Finland 6,550. Imports of

chemical wood pulp other than sulphite totalled 91,250 tons, of which Sweden was the main supplier with 51,250 tons.

One of the largest import bills arising from the expansion of the paper trade is for machinery and equipment; over the past ten years this has totalled about \$46 million, with imports running up to \$6 million a year.

Because of this exchange loss, licences have been issued for the manufacture in India of pulp and paper machinery and a number of firms are in course of planning and constructing plants for this purpose. Plans include the manufacture of felts, wires, and other such equipment, and also heavier machinery.

What with India's strenuous efforts to attain self-sufficiency and her need to conserve foreign exchange, the prospects for paper imports remain uncertain. However, unless there is a marked increase in the supply of local pulp, it is difficult to escape the conclusion that some of the long-term needs will have to be furnished through imports.

Readers who would like to have production statistics for paper and paperboard in India 1948-1959, and a list of the Indian pulp and paper manufacturers and their products, should write the Chief, Forest Products Division, Commodities Branch, Department of Trade and Commerce, Ottawa. ●

BUSINESSMAN'S BOOKSHELF

1961 Canadian Trade Index

Canadian Manufacturers' Association. 1,146 pages. \$15.00.

THE Canadian Trade Index has been known since 1900 as the complete guide to Canadian manufacturers and their products. It lists alphabetically and in both English and French all Canadian manufacturers, and their branch offices, factories and export representatives. In addition, their products are listed alphabetically. One section is devoted to export methods and services and describes the assistance offered by the Canadian Government and by the Canadian Manufacturers' Association to exporters.

This reference book, already well known to Canadian businessmen, should prove particularly helpful to newcomers in foreign trade.

Order from: The Canadian Manufacturers' Association, 67 Yonge Street, Toronto, Ontario.

Commonwealth Trade 1959-1960

Prepared by the Intelligence Branch of the Commonwealth Economic Committee. 74 pages. 35 cents.

WITH world interest focussed increasingly on the Commonwealth in recent months, this study assumes

importance for its detailed analysis of the trade performance of the group in 1959 and 1960. Part I explores in general terms trade within the Commonwealth and trade with the rest of the world; special sections are devoted to trade with the United States, with Western Europe, and with Eastern Europe, Communist China and Japan. In Part II the trade of each of the Commonwealth countries is examined individually. In the Appendix a series of tables provide supplementary statistics.

Order from: The Queen's Printer, Ottawa, Canada.

Commerce and Industry in Kenya, 1960

The Ministry of Commerce and Industry. 104 pages. Free.

THIS annual review of Kenya's economic situation offers, like its predecessors, a wealth of statistical and factual information. The foreword, written by Dr. J. G. Kiano, the country's first African Minister for Commerce and Industry, stresses the need for foreign support for Kenya's industrial and commercial development.

Any Canadian interested in investing in Kenya will find the business and economic situation well described

in this booklet. Chapters dealing with the financial system, investment of foreign capital, employment and labour, industrial development, communications and the main industries are concise and informative.

The Canadian exporter will no doubt discover that the sections dealing with price controls, import and export licensing, overseas trade statistics, exchange control and balance of payments are of particular interest. The Appendix contains a complete listing of all Kenya's imports (with quantity and value) for the year 1959.

The booklet includes a map of Kenya's agricultural and industrial areas and is interspersed with many photographs.

Order from: Crown Agents' Representative, 3100 Massachusetts Ave. N.W., Washington 8, D.C.

The Europa Year Book 1961, Volume 1

Europa Publications Limited. 1,226 pages. \$25.00.

THIS annual publication provides an astonishing amount of information on the countries of Europe, including the U.S.S.R. and Turkey. It includes economic and statistical data, and details on the constitution, government, political parties, legal system, religion and education. There is also a directory section for each country giving names, addresses, and other useful facts about newspapers and periodicals, publishers, radio and television, banks, insurance companies, chambers of commerce, trade associations, trade unions, airlines, railway and shipping companies, learned societies, research institutes, libraries, museums and universities.

In addition there is a valuable guide to such international organizations as the Common Market, EFTA, Euratom, NATO, GATT, FAO, ILO, etc.

A companion volume will deal with Africa, the Americas, Asia and Australasia.

Published by: Europa Publications Limited, 18 Bedford Square, London, W.C.1.

Directory of the State of Singapore 1960-61

The Diplomatic Press and Publishing Co. 168 pages. 30 shillings.

THE first half of this Directory contains articles on Singapore's geography, population, climate, government, industrial development, trade, banking, transport and communications, along with an outline of immigration requirements and other information useful for the visitor. The Directory is illustrated and contains a detailed map of Singapore.

The second half consists of a brief trade index of firms listed alphabetically and according to types of operations.

The same firm issues similar directories for other countries, including Nigeria, Ghana, and the Sudan.

Order from: The Diplomatic Press and Publishing Company, 13 Cotswold Gardens, London, N.W.2.

Economic Development in the Commonwealth

United Kingdom Information Service. 134 pages. Free.

THIS booklet, revised as of August 1960, gives a helpful survey of the economic developments in each Commonwealth country. Its value lies mainly in informing the businessman about the scope of economic activity in each.

It is divided into three chapters. The first summarizes the productive resources of the Commonwealth as a whole and their rôle in world economy; it also gives the Commonwealth proportion of world output in agricultural products, minerals and manufacturing. The second chapter records the more important developments in individual countries and territories, and discusses the agricultural, mineral, fuel and power, manufacturing and transport developments in each area. The countries surveyed are the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon, Ghana, Federation of Malaya, Federation of Rhodesia and Nyasaland, and the United Kingdom Dependencies.

Chapter three outlines the use of internal finance in this development. For a businessman who is not fully informed on the mysteries of international finance, the clear approach adopted in this summary will be particularly helpful.

Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ontario.

How to Get Help with Export Documentation

By J. V. Horne. 10 pages. 50 cents.

Review of Export and Import Practices

By J. V. Horne. 36 pages. \$1.00.

ANY trader who has ever had difficulties with the mechanics of a foreign transaction will find these two booklets an invaluable guide.

The first provides an up-to-date and extensive list of publications and agencies that keep the reader posted on documentation procedures and requirements in foreign trade.

The latter reviews customs procedures (both Canadian and those of other countries) for commercial ocean freight and rail export and import shipments. Permit regulations, marking requirements, agency representation, transportation insurance, samples, drawbacks, etc., are covered in concise detail.

Order from: Canadian Manufacturers Association, 67 Yonge Street, Toronto 1, Ontario.

Swiss Watch Industry Faces New Times

An old and respected industry takes new steps, under changing conditions, to keep its position as the world's foremost watchmaker.

MAX MEISTER, *Office of the Commercial Counsellor, Berne.*

THE manufacturing of watches is an ideal industry for Switzerland. It requires comparatively little raw material (which Switzerland has to import), great skill, and precise workmanship. Until recently Switzerland was producing more small-sized watches than all the other countries of the world put together.

The industry depends heavily on export trade; 97 per cent of its output is sold abroad. In 1959, Switzer-

land exported watches worth 1,124.6 million Swiss francs, or 15.5 per cent of all Swiss exports. In 1960, watch exports reached 1,167.5 million francs—again 15.5 per cent of total exports. The United States is the best customer but Swiss watches are to be found all over the world. In 1959, exports to Canada reached Sfr.16.7 million, or 1.5 per cent of all Swiss watch exports; they accounted for 11.5

per cent of all goods purchased by Canada from Switzerland. In 1960, the figure was Sfr.16.5 million, or 1.4 per cent of Swiss watch exports and 11.6 per cent of all Swiss exports to Canada.

One of the characteristics of the Swiss watch industry is its specialization. In 1955 there were 3,158 factories employing an average of 20 persons. In some parts of the country, up to 30 per cent of the work force is directly or indirectly connected with watch manufacture. There are some factories that produce mainly for the Canadian market and their agents and representatives in Canada have become known to and esteemed by the authorities and business community of many a small Swiss town and village.

The Chamber Organized

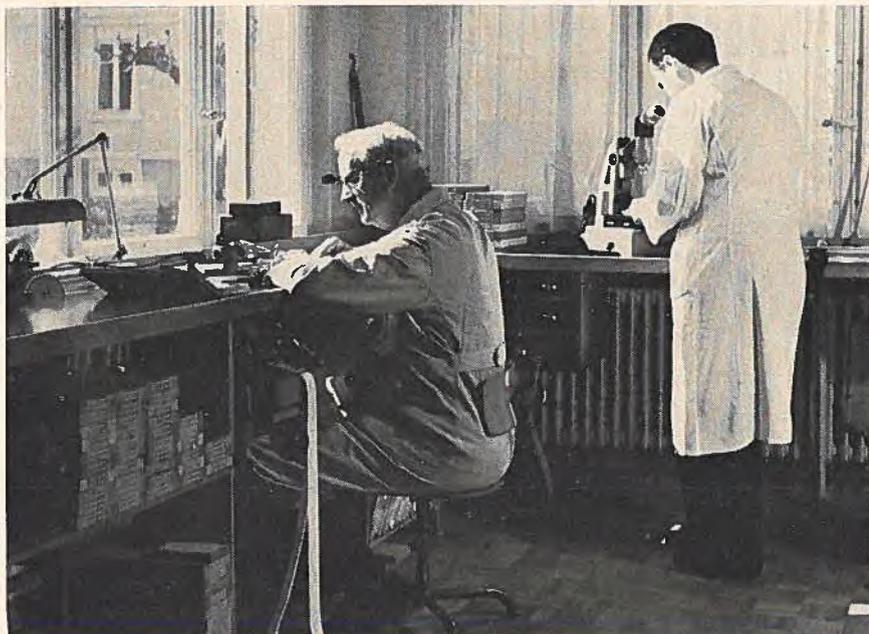
Attempts to organize the watch industry began in 1876 with the founding of the Société Inter-cantonale des Industries du Jura, later to become the *Chambre Suisse de l'Horlogerie*. The Chamber still dominates all professional organizations in this field and works in close contact with the public administration.

Between 1921 and 1924 the Chamber was instrumental in setting up special organizations for the three main branches of the industry—rough watchworks, parts, and watch assembly. In 1928 the three groups agreed to restrict the export of rough watchworks and parts in favour of increasing exports of finished watches. It was decided to prevent the establishment of watch factories abroad and the export of watchmaking machinery and equipment. This agreement was later replaced by a collective convention which went even further, regulating purchase and sale, price and export. A supervisory organ was established for the whole watch industry.

Decree Controls Manufacture

To prevent competition from factories that had not signed the convention, the super-holding com-

Workers in the factory of Reusser SA, at Bevilard, near Berne, make watches and watch movements that are sold almost exclusively to one Canadian company.



pany "ASUAG" was formed to acquire control of all the industry's component-part manufacturers. However, ASUAG was not able to prevent the founding of new enterprises, a fact which led in 1934 to a government decree making it necessary to obtain a permit to establish a watch factory, to increase the number of workers, or to extend or transform an existing plant. Export permits were instituted, first for watch parts only and later for watches as well. The 1934 decree was replaced in 1951 by the "watch statute", drawn up along similar lines.

(The manufacturers of the simpler and less expensive Roskopf watches form a separate association that does not belong to the convention. However, the bylaws of this association are equally rigid.)

For a long time the Swiss quality watch had undisputed first place in world markets. However, in recent years new and modern factories have sprung up in other countries. They operate with the most modern machinery and equipment and a high degree of mechanization and rationalization.

The Convention Challenged

At first these new developments had no effect on the Swiss watch industry and it did not seem necessary to change an organization that had worked so well for so long. But soon it was realized that the convention was too rigid to meet changing conditions. Its renewal in 1958 brought certain alleviations, particularly in the fixing of prices. It now became possible to change prices according to market conditions, costs of production, and technical improvements at the factories. But the problem of competing with foreign enterprises persisted. The convention, designed to protect medium-sized and small enterprises, did not permit a rational employment of all production factors. In the face of rapid technical and economic change the whole structure lost its usefulness.

The industry has also lagged in the field of research. It is true that watchmakers are continuously bringing out new models, especially in the higher-priced categories, but a period of great prosperity and a sense of tradition have prevented any extensive research. The success of foreign manufacturers is showing clearly that a more dynamic approach is needed, together with a better co-ordination of efforts.

The economic integration of Europe also raises problems for the Swiss watch industry. Switzerland is an EFTA member and the proposed liberalization of imports and exports will affect her watch business. The Common Market countries, which in 1959 absorbed 16 per cent of Swiss watch exports, have adopted a common customs tariff discriminating against goods from non-members. Furthermore, Switzerland must contemplate the possible integration of EEC and EFTA in one great market with open competition.

New Moves

The Swiss watch industry is well aware of these problems. In 1959, discussions took place between watchmaker associations of Switzerland, West Germany, France and the United Kingdom, aimed at better understanding and closer contacts. A common European watch agreement may therefore be expected. In 1960, quality control on a voluntary basis was introduced as the first step towards compulsory controls that would protect the good name of the Swiss watch. Some factories have also installed new and automated production lines.

The expiration of the watch statute at the end of this year will provide an opportunity for a new approach, with greater liberalism and freer competition, although it will not exclude a certain solidarity in order to maintain the industry's position in world markets. On this basis, Switzerland may well retain its first place among the world's watchmakers. ●

Tobacco in New Zealand

THE tobacco manufacturing industry of New Zealand consists of four companies turning out \$21.1 million worth of cigarettes and other tobacco products. Although domestic tobacco production of more than seven million pounds in the 1959-60 season was the highest ever (and a 59 per cent increase over 1956-57), it accounted for only 32 per cent of the industry's raw material.

Domestic growers are protected and encouraged by Tobacco Board regulations which provide that manufacturers must take up at least 30 per cent of the domestic leaf before they are permitted to import. During the last season, ended July 21, 1960, 32½ per cent of all leaf used was domestic leaf and about 68 per cent was imported, more than 90 per cent of it from the United States. Imported tobacco, by the way, is exempt from licensing this year.

Preliminary figures show that New Zealand imported almost 6.5 million pounds of leaf in 1960, valued at \$4.83 million. After the United States, Rhodesia is the second most important source of supply, with exports growing from 350,000 pounds in 1958 to 430,000 in 1959 and doubling to 892,000 pounds in 1960.

It should be noted that there is a high import tariff of \$0.521 per pound on unmanufactured tobacco used for making cigarettes (no duty is levied on unmanufactured tobacco used for cigars) which widens the price differential between domestic and imported leaf.

Our Trade Commissioner in New Zealand reports that apparently no Canadian leaf entered New Zealand in 1960, although 78,502 pounds (worth approximately \$65,800) of Canadian leaf were imported in 1959.

New Zealand's domestic production is expected to increase each year until it supplies half of the total tobacco used. However, it probably will not supply much more than 50 per cent of the raw leaf that the industry requires. There is ample opportunity, therefore, for Canadian tobacco growers to obtain a share of the market and to hold it for many years to come—provided, of course, that the price and quality of the Canadian leaf are competitive with other sources.

—W. J. COLLETT,
*Assistant Commercial Secretary,
Wellington.*

F. IAN WOOD, *Vice Consul and Assistant Trade Commissioner, New York.*

How to Sell the United States Lumber Buyer

Could Canadian exporters increase their lumber and wood product sales in the U.S. Mid-Atlantic states? Our New York Office sent out a comprehensive questionnaire to local buyers and discovered we could do more to sell more.

"MUCH of the loss of business that Canadian producers selling in the mid-Atlantic seaboard states have suffered can be attributed to the supplier's indifference to or seeming lack of interest in the needs of the customer."

Observations like this one are heard only too often by the Commercial Division of the Canadian Consulate General in New York. In several known instances, lack of personal contact, neglected correspondence, or failure to follow up has meant the loss of substantial orders. The growing number of complaints of this nature has led us to conclude that Canadian lumber exporters are losing potential customers for want of advice on what lumber buyers expect in the way of service. Accordingly, the New York office recently undertook to solicit the views of some 200 wholesalers, retail wholesalers, commission agents, brokers and manufacturers in New York, New Jersey and Connecticut. By getting the local trade to outline past difficulties and define its requirements, we might help Canadian lumber exporters to make a fresh approach and ensure better service and increased sales. We asked ten basic questions and a statistical breakdown of the answers we received is presented below.

1. Do you receive direct offerings regularly from Canadian lumber exporters?

	Yes	No
Wholesalers	35	11
Retail wholesalers	3	3
Commission agents	4	4
Brokers	2	2
Manufacturers	5	11
	<u>49</u>	<u>31</u>

Next, we asked how many offering sheets were received regularly.

	1-5	5-10	Over 10
Wholesalers	17	9	12
Retail wholesalers	1	2	
Commission agents	3		1
Brokers	1	1	
Manufacturers	3	2	
	<u>25</u>	<u>14</u>	<u>13</u>

Canadian suppliers, then, are not making a concerted effort to keep wholesalers, the big purchasers, posted. "Keep us informed regularly about stocks and prices" was a frequent marginal note to the question.

The fact that buyers are anxiously seeking more offers is clearly shown in answers to the next question.

2. Would you like to receive more direct offerings?

	Yes	No
Wholesalers	46	1
Retail wholesalers	10	1
Commission agents	5	2
Brokers	7	
Manufacturers	10	2
	<u>78</u>	<u>6</u>

Previous inquiries in our office territory led us to believe that Canadian producers are not keeping in personal touch with their outlets. The response to question three confirmed our suspicions.

3. How often do you receive visits from representatives of Canadian lumber exporters?

	Regularly	On occasion	Seldom or never
Wholesalers	22	7	22
Retail wholesalers		1	7
Commission agents	2		5
Brokers	1		3
Manufacturers	1		15
	<u>26</u>	<u>8</u>	<u>52</u>

One firm in New Jersey remarked that a representative of a Canadian producer had not called on him in eight years! On the other hand, thirty out of fifty wholesalers who were asked whether a representative of their firm had visited a Canadian plant or wholesaler in 1960 answered "yes".

4. Do you have a regular buying connection with a Canadian supplier?

	Yes	No
Wholesalers	42	20
Retail wholesalers	4	5
Commission agents	4	4
Brokers	4	2
Manufacturers	8	12
	<u>62</u>	<u>43</u>

Of the wholesalers who replied "yes" to this question, only 17 claimed to represent a Canadian mill. Several others expressed interest in making permanent contact with a source of supply.

Each year the Commercial Division of the Canadian Consulate General in New York mails lists of Canadian lumber suppliers to the trade in the area. The lists are prepared by the Forest Products Division, Department of Trade and Commerce, and contain the names and addresses of Canadian suppliers and the species each wishes to export.

5. Are the lists of Canadian lumber exporters sent you by this office useful?

	Yes	No
Wholesalers	58	5
Retail wholesalers	7	1
Commission agents	9	1
Brokers	1	1
Manufacturers	15	
	<u>100</u>	<u>8</u>

We learned that some 18 firms had established new connections as a result of these lists. Asked whether they wanted revised lists from time to time, their answer was almost unanimously "yes".

6. Are you familiar with all the commercial woods of Canada, their specifications and principal uses?

	Yes	No
Wholesalers	28	20
Retail wholesalers	4	3
Commission agents	4	2
Brokers	1	3
Manufacturers	9	6
	<u>46</u>	<u>34</u>

We then asked whether they would like to receive promotion literature on Canadian woods.

	Yes	No
Wholesalers	45	3
Retail wholesalers	6	1
Commission agents	7	
Brokers	3	1
Manufacturers	11	2
	<u>72</u>	<u>7</u>

"Exactly what we've always wanted", "Should have been done years ago!" were some of the comments on this suggestion.

Such enthusiastic response indicates a definite need for promotion literature among local lumber buyers. Several wholesalers were at pains to emphasize the importance of providing more information on grading rules for lumber and technical data on all aspects of wood utilization for distribution among their customers.

7. Do you believe that more active promotion in your area on the part of Canadian lumber exporters would result in increased sales?

	Yes	Questionable	No
Wholesalers	36	2	14
Retail wholesalers	8	2	2
Commission agents	4	1	1
Brokers	3		
Manufacturers	4		3
	<u>55</u>	<u>5</u>	<u>20</u>

Those who answered "yes" were asked to indicate under suggested headings the type of campaign that would be most effective.

	More Personal Calls	More Offerings	Promotion Pieces	Trade Paper Advertising
Wholesalers	30	10	8	7
Retail wholesalers	6	4	2	1
Commission agents	2	1	1	1
Brokers	2	1	3	2
Manufacturers	5	2	2	—
	45	18	16	11

"We believe an active sales promotion program should be spearheaded by more personal calls from home office personnel, at least until contacts are firmly established." This view was shared by the majority of the trade. Time and time again this method has proved the most effective way to initiate business and ensure a continuing and profitable relationship. We recommend it as an important step toward furthering sales of Canadian lumber and wood products in this area.

8. Are the prospects in your area for Canadian lumber and wood products this year better than in 1960?

	Yes	Same	Uncertain	No
Wholesalers	18	23	2	5
Retail wholesalers	5	2		
Commission agents	2	2		1
Brokers	3	1		
Manufacturers	5	3	2	
	33	31	4	6

9. What is likely to be the most important factor affecting sales of Canadian lumber and wood products in 1961?

	Price	Quality	Housing Starts	Business Conditions	Avail- ability of Mortgage Money
Wholesalers	37	6	8	4	2
Retail wholesalers	2	1		2	1
Commission agents	3	1			
Brokers	1	1			
Manufacturers	7	—	—	1	1
	50	9	8	7	4

Will you purchase a greater percentage of your lumber requirements from Canada this year than last? Twenty-six per cent said "yes", 18 per cent thought they would purchase a like volume, 47 per cent were uncertain, and 9 per cent felt their Canadian requirements would be below the 1960 level. Price was again cited as the chief determining factor.

10. Do you purchase your Canadian lumber from a mill, Canadian wholesaler, local wholesaler, local broker, or commission lumber salesman?

	Mill	Can. Whole- saler	U.S. Whole- saler	U.S. Broker	Commission Lumber Salesman
Wholesalers	41	23		1	2
Retail wholesalers	2	2	1		1
Commission agents	4	1			
Brokers	3	1	1		
Manufacturers	8	2	2		
	58	29	4	1	3

We were also anxious to have the view of the trade about its relationship with Canadian suppliers. Of the 72 firms who volunteered opinions, 50 replied, "entirely satisfactory". Twenty-one agreed their associations were "satisfactory", and only one firm felt its business relationship warranted a "fair-poor" rating. Critical comments were levelled at suppliers who failed to maintain a personal relationship through periodic visits or who neglected to follow up routine correspondence.

What Canadians Can Do

The results of the survey show that the Canadian lumber exporter can increase his sales in this area if he carries a carefully planned sales program full circle from initial contact to final sale to periodic follow-up. They also suggest ten steps to success that should be adopted to assure a favourable reception by the local trade:

1. Circulate regular offering sheets, with prices, as widely and as often as possible.
2. Wherever possible, follow up initial inquiries by personal visits to prospective customers.
3. Repeat visits to your customers as frequently as market potential and development of sales warrant.
4. Don't renege on orders—alibis won't win customers.
5. Maintain quality standards.
6. Ship on schedule for the promised delivery date.
7. Follow up promptly on all correspondence.
8. Distribute promotion literature and technical data on all commercial woods you have for sale to wholesalers and retail salesmen.
9. Co-ordinate advertising in trade journals and promotion efforts with distribution efforts; make advertising allowances to retailers.
10. Keep in touch with all prospects and keep prospects in touch with your services.

The buyer in the mid-Atlantic states is receptive; the Canadian lumber exporter might well exploit this favourable situation to the fullest. ●



Advertising Abroad

In India, a nation of movie-goers, film slides and shorts reach millions of potential customers, particularly for toilet articles, food products, and home furnishings.

BERNARD HORTH, *Assistant Commercial Secretary, New Delhi.*

WITH a population of 438 million now and an annual increase approaching ten million, India should some day be one of the world's great markets for consumer and industrial goods and hence for advertising services. That day lies some distance in the future, despite the progress made in the past decade under the Five Year Plans. The volume of advertising is none the less growing steadily as the industrial complex burgeons and incomes rise. On the other hand, illiteracy and extreme poverty place at least 80 per cent of the population beyond the reach of sophisticated advertising and the products and services it normally promotes. In the words of an Indian advertising executive, what is needed in this country is a language of advertising that will reach the masses who live in India's half-a-million villages. There, only the spoken word and the live demonstration are truly effective at present.

To reach the still large public represented by the relatively prosperous minority, India's seventy-odd fully accredited advertising agencies use most of the media employed in more advanced economies. Press and cinema advertising are, however, the principal forms.

Language Problem Difficult

Language diversity is the major problem facing Indian advertisers. Government advertising is done in

all of the 14 major languages. Commercial advertising must be done in most of the languages—with variations, of course, for different products and services. The working language of advertising in India is English and nearly all copy is done first in this and then translated into the vernaculars. Translation adds to costs and creates many problems of meaning and interpretation.

Indian agencies must also be more self-contained than elsewhere because there are no professional models in this country and very few free-lance artists and photographers. Thus the agencies must do all or most of their own artwork and photography. Photographic materials are expensive and in short supply.

Press Advertising

There are more than 7,000 newspapers and periodicals published in India. From an advertising point of view, the most important are the half-dozen or so leading English dailies. The weekly press is little developed; any real advance will probably be delayed until better printing machinery and paper become available. At a rough estimate, total press circulation approximates 20 million; there are only six or seven publications with a circulation exceeding 100,000. Advertising rates are much lower than in North America. For the

leading English dailies, rates range from Rs.20 to Rs.45 per column inch, depending on location and amount of space covered. They are considerably lower for the vernacular newspapers and the business weeklies.

Cinema Advertising

Cinema advertising is running the press a close second and may eventually surpass it. Movies are the major form of mass entertainment in India and an estimated 20 million Indians go to the movies every day. India is, in fact, the world's second largest producer of feature films. Screen advertising takes the form of both slides and movie shorts, with the latter rapidly gaining the ascendancy. All kinds of products are advertised in this way but toilet articles lead, followed by food products and home furnishings. Indian cinemas are divided into three classes and advertising charges for movie shorts might range from Rs. 0.75 per foot per week in a C class theatre to Rs.1.15 in an A class.

Other Media

Radio advertising is prohibited in India; formerly Indian advertisers made good use of Radio Ceylon but with the current foreign exchange shortage it may now be used only where export promotion can be proved. Direct mail advertising is generally reserved for products and services of interest to those in the middle income bracket and higher. A technique particularly well suited to India is the dispatch into the villages of vans equipped with loudspeakers, demonstrators, leaflets and samples.

Outdoor billboards (or hoardings, as they are called in this coun-

try) are in general use. Because of the high cost of paper and printing services, they are all hand-painted on metal. Billboard rates range from Rs.150 to Rs.200 per month. Other visual display material—such as posters, showcards, leaflets and win-

dow displays—is also used. Because Indian shops tend to be small and crowded, shelf-edge strips are more popular than window displays and showcards.

Canadian firms have done little advertising in India in recent years

as business opportunities have dwindled because of stringent import controls. When conditions improve, they will find a well-developed Indian advertising service ready to assist them in making export sales. ●

Foreign Corporate Names

What do the abbreviations found after the names of companies in other countries mean? For example, what does AG or GmbH stand for in a German corporate name, or SA in an Argentine or a Belgian one? Some of the more important of these terms are listed and explained in the following table, reprinted from *Investor's Reader* of June 21, 1961, with the permission of the publishers, Merrill Lynch, Pierce, Fenner & Smith, New York City.

ARGENTINA

SA—*sociedad anonima*. No firm (personal) name; transferable shares; at least ten incorporators.

SRL—*sociedad de responsabilidad limitada*. No more than 20 "partners" (25 in some cases); restricted transfer of ownership; not dissolved by a partner's death.

SACI or SAIC—*sociedad de capital e industria* (company of capital and industry). One partner contributes capital and another his labour; only latter's name may appear in firm name.

AUSTRALIA

Ltd.—*limited* (liability company). At least two directors (three in New South Wales) and five to seven "members" (stockholders).

Pty Ltd—*proprietary limited*. Limited liability; closely held; restricted transferability of ownership; maximum 50 members (20 in Western Australia); public subscription prohibited. (But Broken Hill Proprietary Limited, the leading Australian steel company, was founded before the Companies Act of New South Wales was passed and was allowed to retain "proprietary" as part of its name.)

NL—*no liability*. Mining company in which shareholders are not required to pay calls for additional capital after original subscription of 5 to 10 per cent of par value of shares; their shares would then be forfeited and sold at public auction.

BELGIUM

SA—*societe anonyme* (see France). At least three directors and seven registrants; one-fifth of each share price must be paid in; par or no par stock; at annual meeting, no stockholders may vote over one-fifth of shares outstanding or two-fifths of shares represented at meeting.

SPRL—*societe de personnes a responsabilite limitee* (company of persons with limited liability). Liability limited by shares to amount of subscription; minimum of two, maximum of 50 shareholders, all individuals; may not be organized for banking or insurance; may not issue bonds.

BRAZIL

SA—*sociedade anonima*. Shareholders liable only for par value of shares; directors have general management power; all must be Brazilian residents.

Ltda—*sociedade limitada por cotas* (private limited liability company). Each partner liable up to total capital of company, not merely for amount he subscribed; may not sell portion ("quota") without consent of others; nominees may be used by a foreign corporation, including its own subsidiaries.

BRITAIN

Ltd—*limited liability company*.

Public company: minimum of seven members and two directors; may issue public shares; liability to extent of subscription; no loans to directors.

Private company: two to 50 members; needs only one director; costs less to form; less publicity required; transfer of shares restricted; no public subscription for shares or debentures allowed; may make loans to directors.

FRANCE

SA—*societe anonyme*. Anonymous company not bearing names of principal participants, as French partnership would. Minimum seven shareholders; directors must be shareholders; president and chairman must be same man ("president-directeur general"), elected by board; board of auditors elected by shareholders acts as watchdog.

SARL—*societe a responsabilite limitee* (company with limited liability). No transfer without consent of majority of stockholders, representing at least three-fourths of outstanding shares; chief executive officer ("gerant") appointed by majority of stockholders; no directors, but if over 20 shareholders, a "conseil de surveillance" is required.

GERMANY

AG—*aktiengesellschaft* (stock company). Minimum 1,000 shares; at least three directors, with one-third representing labour; board of directors supervises, board of managers rules, day-to-day work; stockholders elect directors and managers; stockholders liable only for amount subscribed.

GmbH—*gesellschaft mit beschraenkter Haftung* (company with limited liability). Directors not required; labour representation not required unless over 500 employees; one or more managers; no public reports; stock usually closely held; bylaws may require approval of transfers by other holders; often used as subsidiaries both by foreign and domestic companies.

ITALY

SpA—*societa per azioni* (company [owned] through stock). Minimum capital 1 million lire; balance sheet must be published.

SARL—*societa a responsibilita limitata* (company with limited liability). Minimum capital 50,000 lire; balance sheet must be published; transfer of shares more cumbersome; directors not required.

JAPAN

KK—*kabushiki-kaisha* (stock company). Seven incorporators; any number of shareholders; at least three directors; duties much like those in U.S. corporation, ditto officers.

YK—*yugen-kaisha* (limited liability company). Two or more organizers; no more than 50 members; may

vote against transfer of membership interest to outsider; may waive annual meeting by unanimous written consent; minimum one director.

MEXICO

SA—*sociedad anonima*. At least five shareholders, one or more directors; 25,000 pesos minimum capital.

SdeRL—*sociedad de responsabilidad limitada*. No more than 25 members; shares not negotiable; at least three-fourths of members must consent to any transfer of interest; one or more managers; minimum 5,000 pesos capital.

NETHERLANDS

NV—*naamloze vennootschap* (nameless company). No minimum capital unless listed on Amsterdam Stock Exchange; has board of directors and a managing board, both elected by shareholders.

SOUTH AFRICA

Ltd or Bpk—*limited or beperk*. Liability limited to the amount, if any, of unpaid subscription on stock.

Pty Ltd or Edms—*proprietary limited or eiensdoms*. Private company in which trading of interests is restricted; maximum of 50 members; no public subscription of shares or debentures.

SWEDEN

AB—*aktiebolag* (stock company). Three incorporators; minimum capital 5,000 kroner (\$965); at least three directors, of which one-third at most may be foreign.

SWITZERLAND

AG or SA—(see Germany and France). Three organizers but needs only one stockholder; one or more directors; board of managers.

GmbH or SARL—(see Germany and France). Two founders; no negotiable certificates; one or more managers; rarely used.

UNITED STATES

Inc.—*incorporated*. This means that the firm is a corporation under specific or general state or federal legislation. Liability is usually limited to shareholder's agreed investment. "Ltd." is in use in some states.

Co. Inc.—company can be used in the United States to denote a partnership. The added "Inc." means that incorporation has given the firm limited liability status (although in some cases it may still be a partnership or a privately held company). ●

Malaya Begins New Five Year Plan

Early this year the Federation began work on its Second Five Year Plan; its emphasis on the opening of new agricultural land, improved services and diversified industry should mean better markets, now and in the future, for Canadian products and skills.

KEITH O. HILLYER, *Assistant Trade Commissioner, Singapore.*

MALAYA successfully completed its First Five Year Plan in 1960 although some targets were not met because of the extra financial and administrative burdens of the struggle with Communist insurgents. Over the five-year period, gross investment reached \$1,000 million, or almost 12 per cent of total income. Industrial employment rose to 145,000 in 1960 from 133,000 in 1955, in spite of the fall in employment in Malaya's traditional handicraft industries. In the Federation's largest industrial estate, Petaling Jaya, more than 150 factory lots were sold and over 80 new factories are now in operation; they are producing such varied commodities as pharmaceuticals, biscuits, plastic goods, canned milk.

Although tin production was curtailed during 1958 and 1959, iron ore output rose rapidly. Exports of iron ore in 1960 totalled more than 5.5 million tons as opposed to only 1.5 million in 1955.

In agriculture, the Federation's objective in the First Plan was to assist rubber producers in carrying out a tremendous replanting pro-

gram, replacing over-age and low-yielding trees with high-yielding varieties. Over 765,000 acres were thus replanted and 165,000 new acres added. About 46 per cent of total acreage is now planted in high-yielding trees. Irrigation facilities were expanded and 30,000 acres of virgin jungle opened to agriculture.

Transportation facilities were expanded; 30 million dollars went into improving and building roads and bridges and road mileage increased by 10 per cent to an estimated 6,995 miles. The Malayan Railway completed the first phase of its dieselization program and more than half of total engine mileage is now run up by diesel locomotives. A new ferry terminal and four new ferry vessels were put into operation at Penang.

Installed electrical generating capacity rose from 297,000 to 392,000 kilowatts. Construction began on the hydroelectric scheme in the Cameron Highlands—the first stage is to be in operation by 1963. Social services, particularly education, advanced significantly, though the stringent economic measures intro-

duced because of the Communist insurrection hampered this program.

Economic planners consider the Federation's economy sound but certain trends may cause difficulties over the long term. As in most of South Asia, the population increase itself forces the pace of economic growth merely to maintain current living standards. In the Federation, the population expands by more than 3 per cent a year, which means there will be 340,000 new workers for whom employment must be found over the next five years. This rapid growth is felt most of all in rural areas where the full effects of industrial expansion under the Five Year Plan are not yet apparent. In many parts of the country, there is still overcrowding, low living standards and inadequate consumption. Finally, there is the threat to the economy posed by dependence on export earnings from natural rubber. At present natural rubber accounts for over 25 per cent of national income, nearly 30 per cent of total employment, and 60 per cent of all exports. With the increasingly effective competition from synthetic rubber, natural rubber prices are expected to drop to lower average levels than in the past and this could jeopardize the growth of the economy unless it is rapidly diversified.

Principal Objectives

In general terms, the objectives of the current Five Year Plan (1961-65), introduced in April, are to:

- Raise the economic level of the population, particularly in rural areas.
- Provide employment for all of working age.
- Diversify the economy and thus protect it from the effects of a possible decline in natural rubber prices.
- Expand and improve social services.

To accomplish these objectives, an estimated \$718 million in gross public investment will be needed over the next five years—over twice the actual public investment during the past five. The Government estimates that, in addition, about \$967 million will be required in gross private investment, an increase of 40 per cent over private investment attracted during 1956-60. Details of how the public investment will be spent are given below.

Agriculture and Fisheries

Opening Up Jungle—The Federal Land Development Authority will spend nearly all the \$182 million allocated to agriculture and fisheries in settling 24,000 families on new land reclaimed from the jungle. Each will have a 10-acre holding.

Rubber Replanting—Replanting scheme will continue. Area replanted with high-yielding varieties will reach 65 per cent of total acreage by 1965, from present 46 per cent.

Irrigation Projects—300,000 new acres to be drained and irrigated, mainly for paddy rice cultivation; of this, 200,000 acres will be opened by development of the Muda River catchment on the North Kedah plain.

Other Projects—Rehabilitation of coconut plantations; expansion of animal husbandry; development of rural agricultural and fishing co-operatives to improve processing and marketing facilities; enlarged research facilities; establishment of eleven dairy colonies close to urban centres, with fenced grazing land sown with special fodders. The first colony, announced in July, will be at Batu Arang near Kuala Lumpur and will have 1,000 head of cattle on 1,300 acres of pasture.

Transportation, Communications

Roads—Over \$63 million will be spent on roads, \$30 million of it on rural roads, adding 1,000 miles to the rural network.

Dieselization—\$6.7 million will help to continue the changeover to diesel locomotives and railway cars.

Ports—Completion (costing \$12 million) of the \$14-million Port Swettenham improvement project which will increase deepwater berthing facilities there so that 2.2 million deadweight tons a year can be handled instead of the present 500,000. Work will start in 1963 on six deepwater berths to handle one million tons a year on the mainland at Butterworth, near Penang; allocation is \$10 million. Work is scheduled to start in 1963, when Port Swettenham project is completed, and to finish in 1966.

Others—Expanded telephone and postal services; erection of several new medium-wave radio transmitters and external broadcasting service for Radio Malaya; development of a new international airport at Kuala Lumpur.

Utilities, Social Services

Hydroelectric Installations—\$44 million toward completion of the 106-megawatt first stage of the Cameron Highlands project of the Central Electricity Board, to be finished in 1963. Preliminary investigations to start on 100-megawatt second stage to be completed in 1970's; whole project estimated to cost \$90 million. A 30-megawatt thermal power station at Johore Bahru is to be completed and a 6-megawatt piston-engine power unit plus a 30-megawatt thermal plant at Butterworth near Penang to be built.

Water and Sewerage—\$33 million to improve rural water supplies and \$10 million for waterworks already under construction in several urban areas. Sewerage to be extended, particularly in George Town, Penang Island, and in Kuala Lumpur.

Social Services—\$87 million for education, affecting all levels from primary school to university and teachers' colleges; \$48 million to expand medical and public health

services; several new urban hospitals and a network of rural health units are planned.

Housing—9,000 new housing units planned for low-income families in urban areas; \$3 million allocated for new Parliament Building.

Aiding Industrial Development

The Federation has always endeavoured to foster local industry. Government policy of giving tax relief during the first two to five years of operation, and in some cases granting tariff protection either by exempting duty on raw materials or raising the duty on competitive products has proved a valuable incentive to "pioneer" industries.

Malayan Industrial Finance Ltd.—a lending institution specializing in new and sound industrial ventures will receive \$850,000.

Industrial Estates—\$2.5 million to create new ones like the Petaling Jaya estate.

Pineapple Canning Industry—\$1.7 million for rehabilitation.

The Rural and Industrial Development Authority—\$3 million to encourage small-scale enterprises in rural areas.

Financing This Program

Malaya's Second Five Year Development Plans calls for a total investment of \$1,682 million, of which \$718 million must come from public funds. In estimating the amount available for public investment, economic planners expect a continued rise in government expenditures over the five years but also a constant revenue equal to the amount available in 1960. Even though rubber and tin production will continue to increase in volume, rubber prices will probably move downward and revenue from rubber export duties in 1965 will probably decrease. On the other hand, as the economy progresses and diversifies,

revenue from other sources should increase, thus keeping government revenue at 1960 levels. Government surpluses for 1961 to 1965 should approximate \$113 million. An additional \$300 million should be available in loans from the Currency Board, Employees Provident Fund, and other planned public savings. About \$17 million is expected to be available in grants from Colombo Plan countries and \$178 million as loans from other foreign sources. Over one third of this latter amount is at the disposal of the Federation in undrawn balances of loans already granted. The remainder of the funds required (\$110 million) could be obtained by borrowing from external balances of the

Currency Board or the banks, or by reducing government balances abroad.

Most of the private investment of \$967 million can be financed through national savings, even assuming a declining proportion of income saved. Foreign private capital is expected in the amount of \$162 million, most of which would come from reinvestment of earnings of foreign enterprises already in operation.

Opportunities for Canadians

There is general agreement that Malaya's economy is sound and that the targets set by the Second Five Year Plan will be met. Although natural rubber fell in price in the

first half of 1961, production has continued to increase. The price of tin has rocketed to record levels. Industrial expansion continues, with 56 new industries receiving "pioneer" status. Major foreign investments include the aluminum rolling mill to be built by Alcan Malayan Aluminium Company Limited and the two tire factories planned by Dunlop Rubber Company (Malaya) Ltd. and Malayan Tire Corporation; together they expect to produce 2.2 million tires a year. There are opportunities for Canadian firms not only as participants in the projects proposed under the Development Plans but also in the increased consumption that will follow their successful completion. ●

Mexico Trades in Minerals

Greater Mexican control of mining industry may intensify competition for Canada in the U.S. market. Demand for Canadian ores in Mexico should increase as industry expands, and opportunities to sell mining machinery, some metal manufactures should improve.

G. L. GAGNÉ, *Assistant Commercial Secretary, Mexico, D.F.*

MINING has always been one of the mainstays of the Mexican economy. The Aztecs found large deposits of gold and silver and used these for decoration and sometimes as a medium of exchange. Today the industry has lost its predominance in the over-all economy of modern Mexico but it remains one of the principal foreign exchange earners. In the past few years it has experienced difficulties, mainly because of low world prices of metals generally, increased costs of production, and high taxation, both on exploitation and exports. Over-production of lead, zinc and copper and the glutted world mar-

ket for these metals caused a slowdown in exploration and a lack of incentive to replace obsolete machinery.

Employment in mining has also decreased steadily since 1950, when it gave work to some 100,000. Now the payroll stands at approximately 60,000. Apart from those miners who find steady employment, there have always been small prospectors and exploiters—the "gambusinos". Numbering some 80,000, they are usually poor farmers who follow gold and silver veins in their spare time between crops. They will, however, soon disappear; the Government proposes to enforce strict

control on mineral rights and to charge certain fees for exploitation permits.

Mexico still is the largest world producer of silver, with a 1960 output of 1,370 metric tons. However, it is expected that in the next two or three years Canada and the United States will surpass this country, which has traditionally dominated the silver market. Mexico is also one of the large producers of lead and zinc and as such is an active member of the UN International Lead and Zinc Study Group. In fact, the capital city was host to the Group last March.

Foreign Ownership Lessened

Until recently, foreign capital controlled approximately 90 per cent of the Mexican mining and smelting industry. However, with the passing of a new mining law last February, (see *Foreign Trade*, June 3, 1961) Mexican capital is now controlling a larger share of the

industry. A group of Mexican industrialists recently acquired control of two large mining and smelting complexes previously owned by American Climax of New York. The newly formed company—Metalúrgica Mexicana Peñoles, S.A.—is one of the larger producers of lead and zinc in Mexico and has great plans for expansion. It proposes the construction of a zinc refinery with a capacity of 30,000 tons a year, a plant to produce sulphuric acid, and another one for processing sodium sulphates. In the latter project, the U.S. company will be associated as a minority shareholder.

Other groups of Mexican financiers are also planning to acquire control of the Fresnillo Company, as the Mexican majority ownership entitles mining companies to benefit from a 50 per cent tax reduction on exploitation rights. It is expected that all mining companies will come under Mexican ownership or control within the next few years.

Although the larger share of foreign ownership is in U.S. and British hands, Canada has some interest in the Mexican mining industry. The Mexicanization may affect Canada in another way because Mexico also is one of the world's largest suppliers of lead, zinc and silver. As Mexican capital becomes more important and acquires new financial facilities, it is hoped that many companies will modernize their equipment and streamline their operations. The 50 per cent tax reduction will certainly permit them to offer metals at more competitive prices in the United States market, where Canada finds its best outlet.

Mining Production

Since 1950, the mining industry has not kept pace with the general expansion of the economy. Although the growth of the gross national product has averaged 4.5 per cent per year during the last decade, mining production has expanded by only 1 per cent. Precious metals

MINING PRODUCTION IN MEXICO			
	1959	1960	Variation 1959/60 (per cent)
General index (1950=100)	108.1	109.7	+ 1.5
Precious metals	87.1	86.8	- 0.3
Industrial minerals	114.0	116.2	+ 1.9
Production volume			
Gold	kgs. 9,756	9,598	- 1.6
Silver	tons 1,371	1,370	- 0.1
Antimony	" 3,286	4,301	+30.1
Arsenic	" 10,465	12,651	+20.9
Sulphur	" 1,338,405	1,292,803	- 3.4
Bismuth	" 239	256	+ 7.1
Cadmium	" 574	1,092	+90.2
Coal	" 1,576,616	1,021,435	-35.2
Copper	" 57,274	61,157	+ 6.8
Tin	" 383	466	+21.7
Graphite	" 27,837	36,018	+29.4
Iron	" 535,320	517,876	- 3.3
Manganese	" 76,935	73,437	- 4.5
Mercury	" 566	689	+21.7
Lead	" 190,680	191,973	+ 0.7
Zinc	" 263,935	268,227	+ 1.6

Preliminary figures.

Source: Direccion General de Estadística.

EXPORTS OF MINERALS

	1959	1960	Variation 1959/60 (in per cent)
	(in metric tons)		
Precious Metals			
Gold (kgs.)	1,384	1,458	+ 5.3
Silver	1,210	1,051	- 13.1
Industrial Minerals			
Antimony	2,500	3,380	+ 35.2
Arsenic	6,477	8,041	+ 24.1
Bismuth	97	96	- 1.0
Cadmium	475	1,126	+137.1
Copper	40,607	33,924	- 16.5
Graphite	24,577	33,573	+ 36.6
Iron	68,361	102,653	+ 50.0
Lead	140,275	137,259	- 2.2
Manganese	76,935	73,409	- 4.6
Mercury	720	774	+ 7.5
Sulphur	1,338,405	1,283,665	- 4.1
Tin	98	76	- 22.4
Zinc	248,588	244,567	- 1.6

Source: Direccion General de Estadística.

suffered the greatest losses because of depletion of reserves, especially of gold. The fixed price of gold, at U.S.\$35 per ounce, makes gold extraction less and less profitable in terms of the deflated value of gold relative to the increased prices of other commodities. The contraction of the United States market for lead, zinc and copper, on which Mexican

metal exporters depend almost exclusively, has forced mining companies to level off and sometimes curtail their production.

Optimism prevails in mining circles, however, as the predicted turn of the business cycle in the United States may lead the way to a tightening of metal prices. The domestic market also offers a

brighter picture, since a doubling of iron and steel production is expected within the next five years. The largest production increase in 1960 was in cadmium, which has easy access to world markets. Export value of this metal increased by 152 per cent in 1960 over 1959. The accompanying table shows that the output of small-tonnage metals and minerals has increased significantly, but large-tonnage products show a marked tendency to decrease.

Export Patterns

The prosperity of the mining industry depends upon the strength of the world market for minerals and metals, because exports account for some 75 to 80 per cent of total production. Minerals and metals, in fact, occupy first place on the list of Mexican shipments abroad. Although in recent years they have decreased relatively (23 per cent of total exports in 1957) they again reached 30 per cent in 1960.

Before the Second World War, gold and silver were the largest exports and foreign exchange earners. With the advent of industrialization and the depreciation of precious metals in terms of the value of the U.S. dollar, gold and silver have been replaced by the basic industrial metals, lead, zinc and copper.

Four mineral products appear on the list of the eight largest exports:

PRINCIPAL MEXICAN EXPORTS 1960

	(millions of dollars)
Cotton	119.4
Coffee	60.9
Sugar	52.8
Shrimps	34.0
Lead	33.7
Zinc	29.6
Sulphur	28.2
Copper	24.8

Source: Anuario Estadístico de Mexico, 1960.

The accompanying table of metal and mineral exports for 1960 shows that although shipments of lead, zinc and sulphur decreased in volume compared with 1959, their export value has been maintained. The

MINERAL TRADE WITH CANADA 1960

Imports from Canada	
	(Can.\$'000)
Aluminum, primary form	3,738
Asbestos	1,837
Ores, n.o.p.	492
Nickel, fine, in oxide	251
Non-metallic minerals, n.o.p.	224
Others	35
Total minerals	5,877
Total imports	38,023

Exports to Canada	
	(Can.\$'000)
Fluorspar	1,241
Gypsum	164
Lead in pigs and blocks	141
Salt in bulk, n.o.p.	89
Mercury	79
Others	22
Total minerals	1,736
Total exports	21,007

stronger price for copper partly compensated for the loss of 16 per cent in export tonnage. It is expected that mineral exports will increase with the expected expansion of the Latin American Free Trade Area. There is also speculation about whether Mexico will experience more difficulty in marketing its metals in the U.S. as ownership by U.S. firms decreases.

Metals Imported

Metals not produced in Mexico are imported in sufficient quantities, either in the slab or billet form, for rolling, extrusions, etc. Specialty steels, alloys and certain semi-finished metal products are also imported in substantial volume, mostly from the United States. Imports of more advanced metallurgical materials are expected to increase in direct proportion to the rate of industrial development. At the same time, steel products such as sheets, rods and galvanized plates are now made in Mexico and imports are only allowed to fill the gap whenever domestic production cannot satisfy demand.

Imports of common metals constitute approximately 3 per cent of all imports, reaching \$29 million in 1959 and \$36 million in 1960. Recent expansion in the iron and steel industry (these products make up the bulk of metal imports) will

permit the Republic to maintain purchases at this relatively low level.

Mexico also imports substantial quantities of metal-bearing chemicals. Producers of aluminum oxides, chromic acid, chrome sulphate, sodium nitrate and titanium oxide would do well to investigate the possibilities of selling to this growing market.

Trade with Canada

Mexico's main mineral imports from Canada are aluminum, asbestos, nickel and other ores.

From these statistics, it appears that the Mexican market for minerals is a large one and should expand with further industrialization. Over the last few years, Canadian shipments of metals and minerals have constituted some 15 to 20 per cent of our total sales to the Republic. Finished or semi-finished metal manufactures—such as sheets, rods and rails—accounted for another 15 per cent.

Mexico's exports of metals and minerals to Canada amounted to 8.2 per cent of all shipments and were made up chiefly of the non-metallic minerals fluorspar, gypsum and salt. Lead and mercury are the only metals that we import in significant quantities.

Mining Machinery

The mining companies have kept purchases of mining machinery at an operational minimum because of apprehension over the effect of the new mining law on foreign-owned companies. Now that this legislation has been passed, it is hoped that new equipment will be purchased and inventories restored to normal levels. Many of the well-known mining-machinery manufacturers have branch offices in this country and maintain an adequate sales force to cover the market extensively. In addition, four companies have established facilities for the manufacture of tungsten carbide-tipped rods and diamond-drilling rods. Heavier machinery is still imported, primarily from the United States and Sweden. ●

The Netherlands Glass Industry

Concentration of production, increasing specialization have marked this industry in recent years. Dutch household glassware, fine quality crystal, glass bottles find both domestic and foreign buyers.

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

THREE years ago, practically the entire glass manufacturing industry of the Netherlands was centralized in one company, the United Glass Works in Schiedam. At that time, United Glass bought a 100 per cent interest in the N. V. Kristalunie Company, Maastricht.

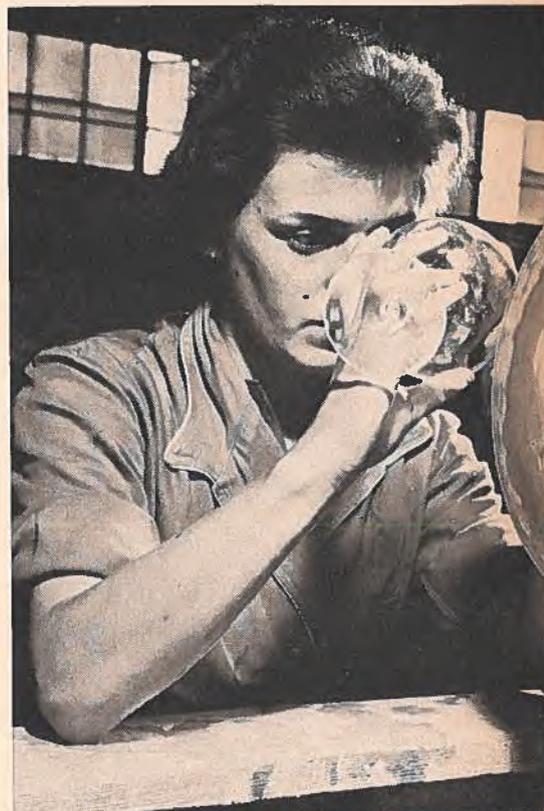
The Dutch glass industry goes back to the 15th century, when glass-blowing was introduced into the Netherlands from Venice. Over the following centuries the workshops of Amsterdam came to rank as among the most famous in Europe. At the beginning of the 20th century, Holland had about 50 glass factories and glass-processing shops, many of them family owned. With the introduction of mechanization, such as the Owens bottle-making machine, many firms were forced either to close down or to merge into more competitive units. This process reached its climax in the merger of 1958.

Though the Netherlands is not rich in raw materials, it does have most of the necessary ones for making glass. The southern part of Limburg has vast quantities of a special kind of sand that, because of its iron content and the size of the grain, is almost ideal for making the best quality glass. (It is also exported to other European countries.) The country also provides other essentials, such as limestone

and lime marl. Certain components of special glass (such as red lead oxide) have to be imported, mainly from surrounding countries. Energy for the industry comes from the State Mines, which produce all the gas and, more recently, the oil needed.

Glass Containers

The concentration that took place in the Netherlands industry brought about an intense specialization among the different plants, particularly in the branch that manufactures packaging materials. For instance, one factory makes beer bottles almost entirely and another milk bottles. These factories are highly mechanized. The automatic bottle-manufacturing machines imported in 1911 are still in use and each one can make up to 60,000 bottles a day without human labour. The plant can turn out the over 10,000 different types of bottles in circulation in Holland. The principal customers for glass containers are the pharmaceutical, chemical, engineering, cosmetics and food-and-drink industries. The home market takes a good share of the total production of about 300 million bottles. However, in 1960 over three million guilders' worth of bottles, phials, jars and other containers were exported, mainly to Belgium, Luxembourg, West Germany and Britain.



Household Glassware and Crystal

Perhaps the most famous section of the Netherlands glass industry is the one that produces domestic glassware and crystal. It turns out a wide range of products, from low-priced glassware to the highly artistic crystal.

The manufacture of mass-produced glassware was started about 1914 to compete against low-quality imports and inferior local production. The experiment was successful and today Holland is known for its attractive glassware sold at a surprisingly low price. But still more important is the production of fancy glassware by the Leerdam and Maastricht factories. Their products have a world-wide reputation for quality and design. The glassworks of Leerdam and Maastricht employ more than 2,000 workers, some of whom are competent artists. The N. V. Nederlandsche Glassfabriek at Leerdam concentrates on table and cut crystalware and the N. V.

NETHERLANDS GLASS EXPORTS 1960

	Quantity (1,000 kg.)	Value ('000's guilders)
Glass in tubes	3,380	7,508
Lead glass	23	502
Safety glass	1,060	2,171
Bottles and other containers	6,082	3,049
Crystal and other glass articles	1,254	4,375

Kristalunie at Maastricht specializes in the heavily cut crystalware. Old hand-blowing techniques are still used by the glass specialists in the making of the superior kinds of small glassware and, after a series of delicate manipulations that call for great dexterity, the end product is an object of great beauty and value.

This sector of the Netherlands glass industry is strongly oriented towards exports. In 1960, exports

of household glassware and cut or polished glass reached almost F1.4.5 million. The list of countries to which these exports go is long and includes not only Europe but all other parts of the world as well.

Other Types of Glass

Other articles of glass make up an important share of total Dutch output. Factories making lamp bulbs have become firmly established because of their connection with the Philips electrical industry. Glass bricks, glass wool, glass silk, laboratory glassware and technical equipment are turned out in useful quantities. Holland still relies entirely on Belgium for its supplies of flat glass. However, a plant for making window glass was recently erected at Tiel, on the Amsterdam-Rhine canal, by three important Belgian enterprises. Production is

expected to begin about July of 1962.

Influence of Common Market

The Netherlands glass industry is already well protected by the Benelux tariff, which in some cases is as high as 24 per cent on imports from countries other than members of EEC. The general opinion is that the final setting-up of the Common Market will not have very important consequences for the Dutch glass industry. In the hollow-glass sector, the relatively high costs of transportation will prevent a big expansion of trade between EEC member countries. As for crystal, its high quality and reputation may enable it to gain certain markets previously restricted, but the manufacturers will also have to meet keener competition from glassmakers in the other EEC countries. ●

COMMODITY NOTES

Automobiles

BRAZIL—Willys Overland do Brasil is planning to increase production of the Renault *Dauphine* car by 60 per cent this year, to 12,000 units. Of the parts used in manufacture, 70 per cent are Brazilian made. The President of the Association of Automobile Producers is reported to have stated recently that the industry is virtually independent of imported material; equipment valued at only U.S.\$10 million is expected to be imported this year, compared with imports of U.S.\$96 million in 1959 and U.S.\$30 million in 1960—Sao Paulo.

Bananas

CANARY ISLANDS—There are some 14 million banana trees covering an area of 8,400 hectares in the Canary Islands, and the crop brings in an average annual income of \$21.6 million. The 1960 crop totalled 287,837 tons, of which 86,698 tons were exported to 16 countries. The principal customers were Denmark (19,151 tons), the U.K. (18,009), and Morocco (10,862), followed by Germany, Finland, Norway and Ireland. This year's crop is expected to be 100,000 tons larger than the average for the past

ten years; during the decade cultivation has risen by 20 per cent—Madrid.

Chemical Machinery

INDIA—A Bombay firm has reportedly been granted an industrial licence to manufacture 10,000 tons of chemical machinery and equipment a year. It will build a factory on the northern outskirts of Bombay to make pressure vessels, pressure storage spheres, distillation columns, heat exchangers and coolers, autoclaves, air receivers, catalyst collecting drums, scrubbers, evaporators, stills, dryers, mixers, etc. It is expected to save the country Rs.10 million a year in foreign exchange and will help meet India's Third Plan target of Rs.500 million worth of chemical plant and equipment. Local production in 1959 was valued at Rs.7 million—Bombay.

Cloth

SOUTH AFRICA—Two South African mills have started production of a new type of worsted "fancy" cloth. A French designer of the exclusive cloth is supervising the colouring and pattern of the new material, which will be made with the latest British

spinning machinery. The manufacture of this high-grade cloth constitutes a new industry; previously only plain cloth was produced. It will be the first "fancy" cloth produced in Port Elizabeth. The cloth is intended for an exclusive market—Cape Town.

Coal

AUSTRALIA—A New South Wales coal mining company, Clintons Nattai Collieries Pty. Ltd., has won a new contract with the Fuji Iron and Steel Company to export one million tons of coal to Japan. Shipments will range over the next five years and will be over and above the other orders already negotiated between the two firms.

The Fuji Iron and Steel Company is studying a plan to reduce freight costs by constructing a 22,000-dead-weight-ton coal carrier for a ten-sailings-a-year shuttle service between Japan and Australia. The Yawata Iron and Steel Company is considering a similar plan. Japan is now importing about 400,000 tons a year of coal from Australia under long-term arrangements—Sydney.

Cotton

PARAGUAY—Preliminary estimates of the 1961 cotton crop assess the yield at between 25,000 and 30,000 tons. Guaranies 155 per 10 kilograms has been the average price paid. In some areas, however, it has gone as high as guaranies 170—Montevideo.

SPAIN—By 1970, Spain hopes to be producing 800,000 bales of cotton per year. Some 680,000 acres were planted to cotton in 1960 but the crop was small because of poor weather. Generally, the yield obtained promises well for Spain as a cotton grower. In the Alicante region it is double that of Egypt and North America and the fibre quality is excellent.

Spain still imports cotton—about 72,882 tons in 1959, mainly the short-fibre type from Egypt and the U.S.—because Spanish cotton is higher priced and, if Spanish textiles are to compete in foreign markets, a proportion of raw fibre must be bought abroad.

Cotton production will probably increase until it covers domestic consumption. The farmers earn more money from cotton than from cereal crops and the Government saves foreign exchange that would otherwise be spent on imported cotton—Madrid.

Iron Ore

AUSTRALIA—The Federal Government has approved the first overseas shipment of Australian iron ore since it lifted its export ban. Almost A £1 million worth of high-grade ore will go to Japan from the Fineflower Creek field near Grafton in northern New South Wales. Exports will be allowed only on a carefully controlled basis—Sydney.

Livestock

NICARAGUA—The Government is making efforts to improve standards in the cattle industry in Nicaragua. With expenditures of \$3 million during 1960-61 on the livestock industry, the hope is to double fresh meat exports to the United States from 1959's \$1.3 million. Over \$1.5 million has been spent on the expansion and modernization of the Matadero Modelo meat-packing plant. Current processing capacity of 120 head a day will be increased to 420 by 1962 and freezing capacity to 40 tons a day—Guatemala City.

Minerals

AUSTRALIA—The Broken Hill Proprietary Company Limited has formed a new £1 million mineral exploration company called Haematite Explorations Proprietary Limited. The new company will handle some of BHP's current and future exploration expenditures, and will carry out general mineral exploration and not just search for iron ore—Melbourne.

Oil

NIGERIA—The new Bonny oil terminal at the mouth of the Bonny River in the Eastern Region of Nigeria, and adjacent installations (including the Bomu-Bonny 12-inch crude oil pipeline), have now been completed. The project cost approximately £1½ million and took almost two years to finish.

The pipeline is 12 inches in diameter and 180 miles long. It traverses dry land, swamp and river bottom, connecting Bomu (the main gathering station in Nigeria of the Shell-BP Development Company of Nigeria) with the terminal. Crude oil is being pumped through it now at the rate of 19,000 barrels a day. This volume will be increased gradually during the year to 60,000 barrels a day, representing a total annual production rate of three million tons—Lagos.

Oil Refinery

NEW ZEALAND—Tenders for the construction of the first refinery to be built in New Zealand are being called this summer. The project will take about three years to build, will cost an estimated \$55 million, and should go into production early in 1965, according to the managing director of one of the participating companies. The consulting engineering is to be done by the Shell group in the Netherlands and London and international tenders for the project will probably be called—Wellington.

Petroleum

GUATEMALA—After several years of exploration and large expenditures, the major international oil companies are selling or failing to renew their leases in Guatemala. The companies found promising geological

formations, but the area failed to come up to expectations. Six wells, located mainly in the El Peten jungle region, have been drilled during the past few years—Guatemala City.

Powdered Milk

HONDURAS—The first powdered milk plant in Honduras, opened this spring, is owned by a group of Honduran agriculturists. They received both technical and financial assistance from the National Development Fund and UNICEF. The plant, working at 25 per cent capacity, is currently supplying enough powdered milk for 50,000 consumers—Guatemala City.

Pulp and Paper

NEW ZEALAND—Figures for the year ended March 1961 show an increase of 13,200 tons in newsprint output, 17 per cent above the record production of 1960. Wood pulp production increased from 242,800 to 261,400 tons. Consumption in 1960-61 was 200,000 tons (as against 184,000); this comprised all the mechanical pulp and 60 per cent of the chemical pulp produced. Pulp and paper exports totalled £6.4 million in value in 1960—Wellington.

Rayon

INDIA—Installed capacity for viscose yarn, acetate yarn, and staple fibre in 1959 reached 18,180, 1,200 and 21,600 tons respectively. In 1960 production of viscose yarn is said to have touched 20,500 tons; estimates for the others are not yet available. Canada has participated in this growth as a major supplier of chemical pulp. Between 1951 and 1960 our exports of that commodity rose in value from \$200,000 to over \$4 million.

The demand for rayon is expected to continue to grow—production targets for 1965-66 for rayon filament and staple fibre are 70,000 and 47,500 tons respectively. However, the outlook for continuing exports of pulp to India is not encouraging. The first local mill for the production of chemical pulp is expected to go into production early next year and the production target for 1965-66 is 90,000 tons a year—Bombay.

Refinery Products

BRAZIL—President Quadros has approved plans submitted by Petrobras for expansion of the country's refining capacity. These call for the collection of data for the construction of refineries at Pôrto Alegre, Belo Horizonte and Corumbá, and a pipeline from Belo Horizonte to Rio de Janeiro—Sao Paulo.

Rubber

BRAZIL—Brazil will produce an estimated 29,000 tons of rubber in 1961, of which 21,000 tons will be

uncultivated, 2,000 plantation rubber, 2,000 tons latex and 4,000 tons synthetic (the latter to be produced by the Duque de Caxias synthetic plant near Rio de Janeiro). Because consumption in 1961 is estimated at 69,000 tons, some 40,000 tons will have to be imported. As the Duque de Caxias plant reaches full production within the next five years, imports will decline. When Coperbo, the projected synthetic rubber plant to be constructed in Pernambuco, is completed, it will turn out 27,000 tons a year—Rio de Janeiro.

Steel

GUATEMALA—A new plant, Industria de Tubos y Perfiles, is currently under construction on the outskirts of Guatemala City and will begin producing tubes and profiles of iron, steel, brass and aluminum, this September. Guatemalan businessmen will supply the capital (\$200,000)—Guatemala City.

SWEDEN—Steel capacity in Sweden has been increased by 300,000 tons with the completion of the integrated steelworks of the Grängesberg Company at Oyelösund. The plant is designed to produce a single product—high-grade heavy plate. The plate will be used in Sweden's expanding shipbuilding industry, in the building industry, and for pipelines and machinery. In 1960 Swedish output of heavy plate totalled 275,000 tons and 310,000 were imported.

The plant is using the Swedish "Kaldo" system, said to be unsurpassed among oxygen processes for making high-grade steel from high-phosphorous pig iron. It is also suitable for use with low-phosphorous iron—Stockholm.

Telephone Equipment

CEYLON—Following a recent agreement, the United Kingdom is to grant Ceylon a £2½ million loan for the purchase of telephone equipment for the telephone system in the Colombo area. The offer of the loan followed the report of a team from the British General Post Office which visited Ceylon under the Colombo Plan in 1957. The new system is expected to be in operation within three to four years and will extend the present direct-dialling system—Colombo.

Timber

NEW ZEALAND—Output of rough sawn timber for the year ended March 1961 totalled 714.1 million board feet. This is the highest figure yet reached, and some 20 million board feet (2.9 per cent) above the previous year. Production of exotic varieties rose by 40.4 million to 395.4 million board feet, and indigenous varieties dropped by 20.1 million to 318.7 million. Total output of exotic timber has exceeded that of indigenous varieties for the second year in succession and now represents 55.4 per cent of the rough sawn timber produced—Wellington.

SWEDEN—Three quarters of Sweden's exportable surplus of timber—estimated at about 950,000 standards (10 per cent less than in 1960)—has been sold, according to a market survey. The market has been quiet recently, with buyers taking a wait-and-see attitude while reducing their stocks, which were comparatively large at the beginning of the year. Consumption remains high in the prevailing investment boom.

Generally, Swedish exporters have been able to maintain their prices, with the possible exception of shipments of certain lower-grade qualities. Home-market consumption of timber remains strong and many of the smaller sawmills are reported to show little interest in export contracts as they are able to sell their output locally at better prices—Stockholm.

Uranium

SOUTH WEST AFRICA—A huge deposit of uranium ore is lying unexploited in South West Africa's Namib Desert, five miles from the Usakos-Walvis Bay railway line and 60 miles from Walvis Bay, South West Africa's

largest port. The core of the deposit covers an area 10 miles long by 2 miles wide. The uranium oxide content of the ore is extremely high and the size and richness of the deposit puts it in the same class as the Mary Kathleen mine in Australia—Cape Town.

Vehicles

VENEZUELA—The Venezuelan Ministry of Development has announced that 12,580 motor vehicles were assembled in Venezuela in 1960, compared with 14,948 in 1959 and 13,443 in 1958. Tire production totalled 780,000 compared with 754,367 in 1959—Caracas.

Whisky

URUGUAY—It is reported that the Administration Nacional de Combustibles, Alcohol y Portland (ANCAP) is shortly to begin producing whisky in Uruguay. Output is expected to be on the relatively small scale of about 150,000 litres a year, but it is hoped to increase this gradually—Montevideo.

FOREIGN TARIFFS

AND TRADE REGULATIONS

Dominican Republic

CONTROLS ON COFFEE, COCOA AND PLANTAINS REMOVED—By decree on June 6, coffee and cocoa were freed from all controls on their production, purchase, sale, distribution, fixed prices and export, or other restrictive measures. These two products rank next to sugar in importance as exports from this Republic. Another decree removed all administrative control on the export of plantains—Ciudad Trujillo.

Vietnam

IMPORT PROGRAM MODIFIED—The Government of Vietnam has announced that a greater variety of goods may now be imported, on receipt of the necessary licences, against the country's own reserves of foreign exchange. These commodities, previously imported primarily under American Aid Fund Programs, were exempted from the equalization taxes applicable to the majority of imports financed with Vietnamese reserves. The equalization tax, levied on an ad valorem basis, is approximately 50 piastres per U.S. dollar (the

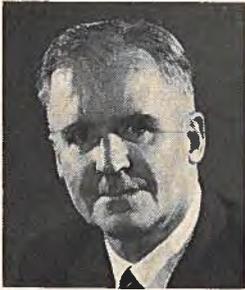
official rate of exchange is stated as 35 p. = U.S. \$1.00). The commodities involved in this modification of the import program include:

Plastic raw materials	Industrial alcohols
Iron and steel products	Chemical products
Bronze	Optical instruments
Nickel	Rubber products (except tires)
Zinc	Steel scales
Brass	Upholstery materials
Lead	Cork and cork products
Tin	Coarse ceramics
Chromium	Non-metallic mineral products

With the exception of newsprint and papers used in the manufacture of cigarettes, envelopes, tissues, and other paper products, all the above goods will now be subject to the equalization tax and, therefore, wholesale and retail prices can be expected to increase.

The effect of this modification is that these commodities may now be imported into Vietnam from Canada and other countries that formerly were excluded as sources of supply when imports were made under the United States aid program—Hong Kong.

TRADE COMMISSIONERS ON TOUR



R. W. Blake



L. A. Campeau



M. R. M. Dale



T. F. Harris

In Canada

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

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

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

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

Hantsport—Aug. 28	Quebec—Sept. 1-2
Kentville—Aug. 29	Montreal—Sept. 11-15
Saint John—Aug. 30	Toronto—Sept. 18-22
Fredericton—Aug. 31	

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	Vancouver, Victoria—Sept. 26-30
Toronto—Sept. 11-15	
Hamilton, St. Catharines, Niagara Falls, Brantford, Windsor—Sept. 18-22	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:

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

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

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

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

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

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

Geographical Listing for Exporters

Need Information on Foreign Markets?

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

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

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

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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by 1.031875.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 11	Units per Canadian dollar	Notes (See below)
Argentina	Peso .....	.....	.01250	80.00	
Austria	Schilling .....	.....	.03993	25.04	
Australia	Pound .....	.....	2.3136	.4322	
Bahamas	Pound .....	.....	2.8920	.3458	
Belgium and Luxembourg	Franc .....	.....	.02073	48.24	
Bermuda	Pound .....	.....	2.8920	.3458	
Bolivia	Boliviano	Free .....	.00008799	11,364.93	
British Guiana	Dollar .....	.....	.6025	1.66	
British Honduras	Dollar .....	.....	.7230	1.38	
Brazil	Cruzeiro	Free .....	.003969	251.95	
Burma	Kyat	Special Category	†	†	
Ceylon	Rupee .....	.....	.2167	4.61	
Chile	Escudo .....	.....	.2169	4.61	
Chile	Escudo .....	.....	.9809	1.01947	
Colombia	Peso	Certificate .....	.1540	6.49	
Congo, Republic of	Franc .....	.....	.02073	48.24	
Costa Rica	Colon	Official .....	.1838	5.44	
Costa Rica	Colon	Controlled free .....	.1552	6.44	
Cuba	Peso .....	.....	†	†
Czechoslovakia	Koruna .....	.....	.1433	6.98	
Denmark	Krone .....	.....	.1495	6.69	
Dominican Republic	Peso .....	.....	1.03188	.9691	
Ecuador	Sucre	Official .....	.05733	17.44	
Ecuador	Sucre	Free .....	.04783	20.90	
Egyptian Region, United Arab Rep.	Pound	Official	2.9631	.3375	
El Salvador	Colon .....	.....	.4128	2.42	
Fiji	Pound .....	.....	2.6054	.3838	
Finland	Markka .....	.....	.003225	310.08	
France, Monaco, etc.	New Franc .....	.....	.2100	4.76	(1)
Franco-African Republics, etc.	Franc .....	.....	.004200	238.09	(2)
French Pacific	Franc .....	.....	.01155	86.58	(3)
Germany	D Mark .....	.....	.2585	3.87	
Ghana	Pound .....	.....	2.8920	.3458	
Greece	Drachma .....	.....	.03439	29.08	
Guatemala	Quetzal .....	.....	1.03188	.9691	
Haiti	Gourde .....	.....	.2064	4.84	
Honduras	Lempira .....	.....	.5159	1.94	
Hong Kong	Dollar	Free* .....	.1773	5.64	*July 28
Hong Kong	Dollar	Official .....	.1808	5.53	
Iceland	Krona	Official .....	.02400	41.67	(4)
India	Rupee .....	.....	.2169	4.61	
Indonesia	Rupiah	Official .....	.02293	43.61	(4)
Iran	Rial .....	.....	.01362	73.41	
Iraq	Dinar .....	.....	2.8893	.3461	
Ireland	Pound .....	.....	2.8920	.3458	
Israel	Pound .....	.....	.5733	1.74	
Italy	Lira .....	.....	.001663	601.32	
Japan	Yen .....	.....	.002867	348.80	

†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 Aug. 11	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free .....	.3242	3.08	
Mexico	Peso .....	.....	.08255	12.11	
Morocco	Dirham .....	.....	.2064	4.84	
Netherlands	Florin .....	.....	.2868	3.49	
Netherlands Antilles	Florin .....	.....	.5472	1.83	
New Zealand	Pound .....	.....	2.8920	.3458	
Nicaragua	Cordoba	Effective buying .....	.1563	6.40	
		Official selling .....	.1464	6.83	
Nigeria	Pound .....	.....	2.8920	.3458	
Norway	Krone .....	.....	.1445	6.92	
Pakistan	Rupee .....	.....	.2169	4.61	
Panama	Balboa .....	.....	1.03188	.9691	
Paraguay	Guarani	Official .....	.008157	122.59	
Peru	Sol .....	.....	.03847	25.99	
Philippines	Peso	Free .....	.3766	2.65	
		Official .....	.5159	1.94	
Portugal & Colonies Republic of	Escudo .....	.....	.03601	27.77	(5)
South Africa ...	Rand .....	.....	1.4460	.6916	
Singapore and Malaya	Straits Dollar	.....	.3374	2.96	
Spain and Dependencies ...	Peseta .....	.....	.01720	58.15	
Sweden	Krona .....	.....	.1999	5.00	
Switzerland	Franc .....	.....	.2390	4.18	
Syrian Region, United Arab Rep.	Pound	Free .....	.2882	3.47	
Thailand	Baht	Free .....	.04881	20.49	(4)
Tunisia	Dinar .....	.....	2.4765	.4038	
Turkey	Lira .....	.....	.1147	8.72	(4)
United Kingdom ..	Pound .....	.....	2.8920	.3458	
United States	Dollar .....	.....	1.031875	.9691096	
Uruguay	Peso	Free .....	.6793	1.47	
Venezuela	Bolivar	Official .....	.3077	3.25	
		Free .....	.2251	4.44	
West Indies Fed. ..	Dollar .....	.....	.6025	1.66	(6)
	Pound .....	.....	2.8920	.3458	(7)
Yugoslavia	Dinar	Official .....	.001376	726.74	

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.

Markets in Brief

EL SALVADOR

Area: 8,016 square miles.

Population: 2,400,000.

Climate: low coastal areas humid and hot; higher altitudes hot but with less humidity.

Language: Spanish; most leading business firms can also correspond in English.

Currency: monetary unit is the colon; one colon=Can.\$0.40.

Weights and measures: metric system, although Spanish standards are still used in some areas.

Capital: San Salvador.

Chief Ports: a new port at Acajutla on the Pacific Coast was opened in April 1961. La Libertad and La Union are two other ports on the Pacific. Goods can be shipped by rail from the Atlantic port of Puerto Barrios, Guatemala, to El Salvador.

Marketing centres: San Salvador (population 225,000) the main distribution and financial centre, is connected with the Pacific ports by paved roads. Ahuachapán and Cojutepeque are small distribution centres close to San Salvador.

Economy: raw cotton is gaining in importance as an export but coffee still provides 80 per cent of export revenue. A number of small manufacturing plants produce a wide range of products.

Total Salvadorean imports: 1958—U.S.\$108,058,568.

Chief imports: 1958 (U.S.\$ million)—foodstuffs 16.5, oil and fuels 7.3, chemical products 16.6, manufactures 26.3, machinery and transportation 24.0.

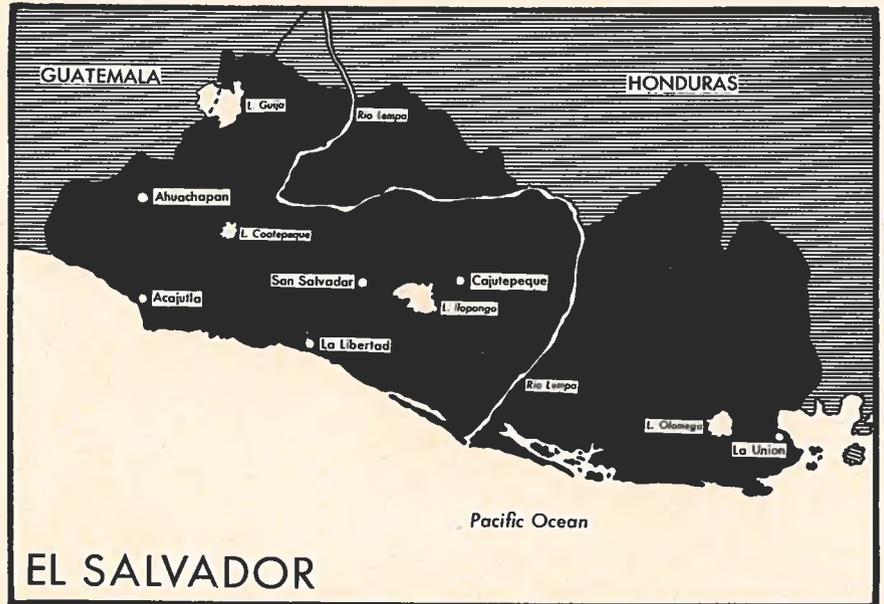
Chief suppliers: (U.S.\$ million) 1958—Canada 1.7, United States 52.0, Guatemala 3.0, Honduras 6.0, Venezuela 1.0, West Germany 10.0, Belgium 3.5, United Kingdom 4.7, Netherlands 7.5.

Value of imports from Canada: 1960—\$2,390,276; 1959—\$2,566,985.

Chief imports from Canada: 1960—newsprint \$550,378, flour of wheat \$540,419, upper leather \$117,715, aluminum \$113,490, inedible tallow \$104,594.

Total Salvadorean exports: 1958—\$116,022,768.

Chief exports: (U.S.\$ million) 1958—coffee 84.3, coffee extract 3.2, cotton 17.8.



Chief markets: (U.S.\$ million) 1958—Canada 1.1, Costa Rica 2.0, United States 19.1, Guatemala 1.9, Honduras 9.4, Nicaragua 1.6, West Germany 15.1, Belgium 1.2, Denmark 2.0, Netherlands 1.3.

Value of Canadian purchases: 1960—\$828,710; 1959—\$3.9 million.

Chief Canadian purchases: 1960—coffee, green \$752,927, cotton lint and fibres \$61,634.

Dollar exchange: no restrictions on import transactions at present, but there is a law which contains provisions for exchange controls and import licensing.

Prices: quote in U.S. dollars, preferably c.i.f. Pacific port.

Samples: admitted free if classified as having no commercial value and suitable only for demonstration.

Trade agreements: exchange of most-favoured-nation treatment between Canada and El Salvador. Some Canadian and United States products are granted preferential rates of duty.

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

Canadian banks: Bank of London and Montreal Limited.

Correspondence: airmail essential; 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

Canadian Government Trade Commissioner
P.O. Box 400
Guatemala City
Guatemala, C.A.



Have Your Cake and Eat It Too

Defy *them*: *they* always say you can't and you shouldn't. Go ahead, buy two cakes—one to look at and one to slice up.

This reminds us of FOREIGN TRADE. (No matter how far we have to reach, we always get back to FOREIGN TRADE.)

Some of our readers have a problem. They want to keep each issue of FOREIGN TRADE intact. They also want to tear out certain articles and file them for quick reference.

What to do? For them we have the same defiant advice. Go ahead, buy two FOREIGN TRADE's—one to look at and one to slice up.