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COMING——THE MIDDLE EAST MARKETS REVIEWED, IN FEBRUARY 24 ISSUE

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On a landing strip high in the Himalayas in Northern India, the "Caribou" makes a stop on its round-the-world sales promotion flight. Natives of this region gather around to admire the aircraft and to gaze with cheerful interest at its crew.

D.H. Sells STOL* Utility Aircraft Abroad

Ingenuity, initiative and enterprise have paid off handsomely for de Havilland Canada's flying salesmen. Their sales books now record orders from 62 countries and foreign customers account for 70 per cent of the value of the company's current total sales.

SANDY A. F. MacDONALD, *de Havilland Aircraft of Canada, Limited.*

DURING the past ten years, 48 per cent of the dollar value of de Havilland Canada's aircraft business has been earned from export sales. In 1961, 70 per cent of the value of aircraft sales represented foreign orders—a contribution to the Canadian economy of more than $213 million in foreign trade.

Since the end of World War II, de Havilland Canada has specialized in the design, development and production of rugged, workhorse utility-type aircraft, capable of operating from tiny lakes and rivers, short fields or jungle landing-strips. Designed originally for service in the Canadian north country, these versatile "flying trucks" have found their way to the far corners of the earth. They are now operating in some 62 different countries, on all seven continents, and from pole to pole.

Since the original *Beaver* DHC-2 prototype made its inaugural flight at Downsview, Ontario, in 1947, some 1,500 of these aircraft have been produced. More than 400 DHC-3 *Otters* have followed down the de Havilland assembly lines, and 127 DHC-4 *Caribou* have either been produced or are on order. The *Beaver* carries up to seven passengers or a cargo payload of half a ton, and sells in a price range of $50,000 to $60,000.† The *Otter,* a larger edition of the *Beaver,* accommodates up to 11 passengers or a ton of cargo, and carries a price tag of approximately $95,000 to $110,000. The *Caribou,* latest addition to the de Havilland Canada line, is a twin-engine utility transport that seats 30 passengers, accommodates 32 combat troops or four tons of cargo, and costs in the neighbourhood of $550,000 to $600,000.

De Havilland Canada is the country's oldest aircraft manufacturer, established in 1928 as a sales and service organization by the de Havil-

**STOL means "Short Take-off and Landing"—Ed.*

†Aircraft are usually quoted less radio equipment and prices vary over a wide range, depending on configuration and special equipment. These prices do not include taxes.

land Aircraft Company in England. It continued to function in this rôle throughout the prewar years, but on the outbreak of hostilities suddenly mushroomed into a giant war-production machine, employing 8,000 people at the peak of its wartime career. The war over, DHC management took a bold step and elected to enter the highly competitive international field of aircraft design, development and production.

Developing STOL Aircraft

STOL means "Short Take-off and Landing". De Havilland Canada became the pioneer developer of commercial-payload carrying airplanes in this field. When one realizes that the *Caribou* takes off in a distance of only 540 feet, it is no exaggeration to say that the STOL airplane is something that has to be seen to be believed.

As a member of the great de Havilland world enterprise, the Canadian company acquired sales representation through agents or associated companies in some 63 countries throughout the world. Dealer organizations have proved highly effective in the case of U.S. manufacturers of private and business aircraft in the lower price brackets. Such dealers can afford demonstrator aircraft and the potential volume of sales in this particular category is reasonably high. In the vastly more specialized STOL commercial aircraft field, however, demonstrator airplanes for dealers are not economically feasible and de Havilland Canada has found that to be effective the sales efforts of its agents throughout the world must be followed up by the appearance of airplanes that are "absolutely real", manned by highly trained sales demonstration crews.

DHC has no dealer organization in Canada. In the early days of the *Beaver* era, it was common practice for the sales manager to tour the country with a demonstrator aircraft, "beating the bushes" in search of prospective sales. It was this early pioneer enterprise that established the pattern for today's sales promotion activities on an expanded world-wide scale.

"Caribou's" World Tour

Soon after the prototype *Caribou's* roll-out, following a successful test period for certification, on October 22, 1959, the aircraft left Downsview on a demonstration tour that was to take it more than halfway round the world. Covering some 40 countries en route, the "Caribou Trail"—commencing in Europe—led across Asia and the Middle East, continued on through Africa and the Far East, the South Pacific and finally arrived at journey's end "down under". From this point, at Sydney, Australia, the sales demonstration crew worked its way back to Canada via Britain, staging a series of demonstrations for SHAPE and NATO military authorities in France, Germany, Switzerland, Denmark, Finland, Sweden, Norway and Britain. The aircraft finally touched down at its home base at Downsview, Ontario, on May 25, 1960, after an absence of seven months in which it had covered a total distance of approximately 45,000 miles.

A few statistics from the journey and aircraft log will suffice to give some idea of the concentrated effort that goes into a sales safari of this kind. Some 479 demonstration flights were carried out, on which 6,683 passengers were airlifted; 154 airstrips were visited, many as short as 900 feet and at high density alti-

When the "Caribou" landed on a grass strip in the Baliem Valley, Netherlands New Guinea, the natives (seen crowding around the plane at the right) named it the "Great Bird that Folds Its Feet." They had never before seen a retractable landing gear.

tude (which greatly increases the length of the take-off run). One engine was feathered 500 times (to demonstrate the *Caribou's* ability to fly on one engine). In giving a run-down on the highlights of the tour, one of the crew members stated in part: "A dozen passengers were sick. A few were frightened. Some with reason . . . a lot without."

In May 1961, the *Caribou* was demonstrated at the Paris Air Show. To emphasize its STOL ability to land and take off independent of surfaced runways, the aircraft was operated out of a tiny field reserved for the use of helicopters! It was generally conceded at Paris that de Havilland Canada "STOL" the show. From Paris, the sales demonstration team proceeded on a second tour of North Africa and the Middle East, including a penetration behind the Iron Curtain—at the express request of the Yugoslav authorities —to stage a series of demonstrations at Belgrade. Other countries visited along the way included Jordan, Lebanon, Aden and Ethiopia.

Careful Planning Essential

At the time that this is written, in the closing weeks of 1961, the *Caribou* sales demonstration team is engaged on an extensive tour of the Western Hemisphere that will include a few points in the United States, many in the Caribbean, and will completely traverse the length and breadth of the continent of South America, touching at all the principal countries from the Atlantic to the Pacific.

These demonstration tours are painstakingly planned months in advance. Intricate details, including departure and arrival times, briefings, loading, unloading, and flying demonstration routines are precisely timed into a tight schedule, to which the crews adhere rigidly. This frequently spells dawn-to-dark working hours for them. In both the planning and execution of the tours—as in the case of D.H. Canada's participation in international trade fairs and exhibitions—the services of Canada's Department of Trade and Commerce have proved of incalculable value.

The handshaking cocktail party atmosphere is notably absent from D.H. Canada's public affairs policy. The activities of the P.R. Department are devoted almost entirely to the promotion aspects of the company's world-wide sales program. Target objective of public relations policy is the maintenance of a steady flow of sales, publicity and advertising propaganda destined to make its appearance in aeronautical publications throughout the world. Motion picture film is used extensively to generate interest in the company's products abroad. D.H. Canada films usually take the form of some colourful documentary story in which the appearance of the planes is incidental. This format has proved popular and the films are in constant demand by film libraries, associations, institutions and by the armed forces stationed in many distant lands throughout the globe.

Leads Followed Up

During those periods when the company's demonstrator aircraft are not in orbit, de Havilland Canada's sales personnel range far afield via the airlines to follow up on leads which have given some indication of promise. One of the company's sales representatives, bent on such a mission, arrived in Ghana—only to learn that formidable and thoroughly organized competition was already well established there ahead of him. Some 600 Russian sales emissaries had moved in bag and baggage. They were learning the language of the country, had accustomed themselves to the food, adopted the native dress, and were in process of consolidating themselves into the social and economic structure of their adopted land.

The Russians, furthermore, were in a position to talk a fairly attractive deal when it came to prices and terms on the purchase of Soviet aircraft.

Single-handed, and with nothing better adapted to the occasion, sartorially speaking, than a Yonge Street tailored sports jacket and a couple of nylon shirts, de Havilland Canada's travelling salesman tackled his assignment with quiet determination, confidence in his product, and faith in the democratic system of free enterprise. He came home with his pockets bulging with orders—12 *Otters* and eight *Caribou,* in addition to the 14 *Beavers* Ghana had already purchased from Canada.

Export Control List Revised

Following a complete review of all items at present under control, the Export Control List has been amended, effective February 5, 1962.

The Export Control List serves two purposes. It establishes the authority for control of the listed goods. It also serves as an indication to industry of the goods which will generally not be export licensed to Sino-Soviet bloc destinations and with which due care should be taken that there is no diversion to the Sino-Soviet bloc.

In the past it has been the practice to use broad definitions of goods subject to control. The revised Export Control List redefines items to provide a more precise identification and narrows control coverage of certain items that have heretofore been defined in general terms. Goods of Canadian origin outside the precise definitions will now be free of export permit control to destinations other than the Sino-Soviet bloc.

No change is made in the provisions for control of the re-export from Canada of foreign-origin goods.

Some new items have been added to the revised Export Control List, including cyrogenic (low temperature) equipment, certain thermoelectric materials and devices, ferritic materials and certain materials used in atomic energy applications. Certain items previously subject to control are not included in the revised Export Control List, such as deep hole drilling machines and rotary rock drill bits, external surface broaching tools, equipment for processing nitrogen tetroxide and high octane blending agents.

Copies of the Export Control List may be obtained by writing to the Export and Import Permits Section, Department of Trade and Commerce, Ottawa.

Foreign Markets for Canadian Oilseeds

Canada sells abroad some $100 million worth a year of oilseeds, oil and meal. What are the best markets for these oilseeds and how can they be maintained and perhaps expanded?

A. J. STANTON, *Chief, Plant Products Division.*

OILSEEDS have become increasingly important in Canada in recent years. Acreage has increased to about four million acres and production has set new records. The importance of export trade becomes obvious when we realize that most of this production is marketed outside Canada and that Canadian exports of oilseeds, oil and meal have totalled as much as $100 million in a year. Exports of flaxseed and linseed oil have always been important but only in recent years has Canada become a leading exporter of a variety of oilseeds, vegetable oils and oilmeal. With the addition of soybeans, rapeseed, mustardseed, sunflowerseed and safflowerseed to the Canadian oilseed crops, exports have expanded both in variety and volume.

Position in Export Trade

Flaxseed is the principal oilseed grown and accounts for the largest part of our foreign sales. With this large production and a relatively small and declining domestic demand for crushing, we must export most of the crop. This has led to Canada's becoming the world's largest exporter of flaxseed. Argentina and the United States also are important producers and exporters, but their exports are in the form of linseed oil and only some flaxseed. India too is a big producer but uses the bulk of the crop domestically, much of it for edible use, and only when world prices are high does Indian linseed oil enter international trade. Canadian flaxseed is recognized throughout the world for its excellent quality and high standards of grading and, generally speaking, there has been little difficulty in selling most of our flaxseed crops in world markets.

Rapeseed has gained prominence in Western Canada recently and the expansion of production and export shipments has made us the world's largest exporter of rapeseed. The other principal producers are Communist China, Pakistan, Sweden, France and West Germany, but only Swedish rapeseed enters international trade in any significant volume.

Soybean exports from Canada all go to Britain. Actually, soybean meal shipments to this market exceed those of beans and oil combined.

Britain Is Leading Buyer

There are three principal foreign markets for our oilseeds—Britain, Japan, and the Common Market countries.

Canada's best export market is Britain, the world's largest importer of oils and fats of all kinds. It is the only export market to speak of for Canadian soybeans, soybean oil and meal, and the best market for our flaxseed and linseed oil. The British preferential tariff allows Canadian soybeans and products to be successfully marketed in competition with the United States and Communist China. Canada exports to Britain roughly the equivalent of the Canadian soybean crop in the form of beans, oil and meal. This, of course, means that Canadian domestic requirements of soybeans, oil and meal are largely met by imports from the United States, an unusual and somewhat unique situation in our international trade.

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Canada also supplies almost the entire British requirements of flaxseed for crushing, as well as considerable quantities of linseed oil and meal. As on soybeans and soybean products, Canada also enjoys a preferential tariff rate on flaxseed and flaxseed products. However, even with this preference on linseed oil, Argentina, the Netherlands and the United States, with their much larger oil production and processing facilities, are able to sell larger quantities of linseed oil in the British market. Future sales of flaxseed and linseed oil to Britain will depend upon the needs of the paint-manufacturing industry there. Production and use of synthetic paints are increasing and this trend will probably restrict the use of linseed oil and lessen prospects for larger imports of flaxseed in the future.

Britain imports very little rapeseed because rapeseed oil is not used there as an edible oil. What little is imported is for industrial purposes. Canada supplies most of it and Sweden the remainder.

British crushers feel that Canadian rapeseed has never been offered at a price low enough to process the seed for oil production profitably. There is a great degree of interchangeability among edible oils and price is the major factor in determining the type used. If the British were to use rapeseed oil as an edible oil in place of some of the others, a tremendous market for rapeseed and rapeseed oil could be developed. However, considerable misconception exists among the British trade about the properties of rapeseed oil and meal, and some promotion work might be desirable.

Japan as a Market

In Japan, another of Canada's leading outlets for oilseeds, the situation is completely different from Britain. Japanese agricultural policy is aimed at increasing the domestic supply, mainly soybeans and rapeseed, with the Japanese Government regulating the trade and the industry. The Government has the authority to restrict or prohibit imports and to require importers and processors to purchase domestic oilseeds, even though they are higher-priced than imported types. However, the Japanese Government has been liberalizing the import of oilseeds during the past year and, it is reported, will in the future rely largely upon tariffs to protect and subsidize its domestic production.

Soybeans are Japan's major oilseed crop but domestic soybeans generally are used in making food products. In other words, they are not processed for oil as most of the imported soybeans are. On the other hand, rapeseed and mustardseed are Japan's most important domestic oilseed crops as a source of edible vegetable oil.

At the present time, Japan's production of oilseeds and oil-bearing materials appears to have reached a maximum. Domestic production now accounts for less than half of total requirements and therefore she has become one of the world's largest importers of oil-bearing materials. The United States is the leading source of oilseeds for Japan, supplying over two-thirds of total Japanese imports, chiefly soybeans. Canada is the second major supplier and Japan's major source of flaxseed and rapeseed. The competition for Canadian flaxseed in Japan comes from the U.S. and Thailand.

The prospects for continuing sales of Canadian oilseeds to Japan are good and there are opportunities for increasing them. With a fast-growing consumption of edible oils and, at the same time, little expansion in production of domestic edible oilseeds, the future prospects for marketing Canadian rapeseed and mustardseed appear to be good. In Japan, rapeseed has an advantage because it is purchased for its oil content, which is higher than that of soybeans, and not primarily for its oilmeal content, which is increasingly true of soybeans. Moreover, the fact that Japan has and will likely continue to have a substantial crop of rapeseed will help to keep rapeseed oil before the consuming public and the crushers geared to processing this seed. Another significant development is that the meal is beginning to be used as a livestock feed.

The consumption of drying oils in Japan is also expanding and even with the development of synthetic paints, it is expected that vegetable drying oils, which include linseed oil, will more than maintain their position. Japanese crushers do not want semi-processed or processed products. They want raw materials and with very little domestic production of flaxseed, Japan should prove a continuing good market for Canadian flaxseed.

Common Market Countries

Another main outlet for Canadian oilseeds is the Common Market countries. These are, as a group, our second best customer for oilseeds and in some years our best market for rapeseed. Very small quantities of Canadian soybeans have been exported to Europe other than Britain because of the stiff price competition from the United States and Communist China.

CANADIAN EXPORTS OF OILSEEDS, 1960

	Flaxseed	Rapeseed	Mustardseed	Soybeans
		(in thousands of dollars)		
Britain	20,746	208	12	5,016
Japan	9,360	4,884	264	.....
West Germany	2,284	244	232	138
France	2,899	1,323	7	.....
Italy	428	3,883	.....	.....
Netherlands	4,963	499	503	.....
Belgium	1,801	.....	189	.....
Total for the above countries	42,481	11,041	1,207	5,154
Total, all countries	**47,283**	**13,240**	**2,604**	**5,181**

Canadian rapeseed is exported to several of the Common Market countries, though it is lower in oil content than the type offered by other suppliers. Customers there want rapeseed uncontaminated by mustardseed. Here a Canadian laboratory technician checks a rapeseed sample for mustard content.

The Common Market is a major outlet for the world's exportable supplies of fats and oils because its six countries produce only about 50 per cent of their requirements. Production of vegetable fats and oils, including olive oil, provides only 20 per cent of needs and 80 per cent must be imported. Aside from olives, which are grown in Italy, rapeseed is the only oilseed raised in any quantity in the Common Market area.

In some of these countries—particularly Italy, France, and West Germany—the production, import and marketing of oilseeds and vegetable oils are subsidized and controlled by means of various duties, levies, taxes and requirements imposed on the importer and the processor. For example, in Italy the cost of olive oil production is high and non-competitive with imported oils. The Government therefore imposes various requirements and taxes in order to bring the imported products as closely in line with the price of olive oil as possible. In France, the import, export and marketing of all oilseeds and vegetable oils are handled and controlled by semi-government agencies. French government policy is to increase the domestic production of edible oilseeds and purchases of foreign oilseeds and oils are controlled and based upon its needs in excess of domestic supplies and of quantities obtained from its associated territories. West Germany, on the other hand, is encouraging domestic production of rapeseed through a support-price program and requires the processing industry to purchase a percentage of the domestic oil. In Belgium, the Netherlands and Luxembourg, production of oilseeds is not significant and marketing of oilseeds and vegetable oils is not restricted.

There are some problems to be faced and overcome in order to sell more oilseeds to Europe. In rapeseed, the main problems are the oil content of Canadian rapeseed, lower than that offered by some of the other supplying countries; the presence of mustardseed in the rapeseed; consumer resistance to rapeseed oil; the unacceptability of rapeseed meal in some countries, and the general preference for soybean meal in all of them.

European purchasers are naturally interested in receiving seed with a high oil content. Most of the crushers can process all types of oil-bearing seeds and the price of the seed is the factor governing the type of oilseed purchased and processed. Rapeseed offered by some of the other supplying countries is higher in oil content than Canadian seed and naturally this places the Canadian seed at a disadvantage. In Italy, customs duties and excise taxes are based upon an officially established oil content for each type of oilseed imported. If the oil content of an imported seed happens to fall below the official level, the importer must still pay the full duty and taxes. This in effect means that he is penalized. On the other hand, if the oil content of the imported seed is higher than the official level, the importer receives a bonus in the form of extra oil though he pays duty only on the officially established content.

Another problem in the long-term development of European markets for rapeseed is resistance to the use of the oil and meal. During the last war rapeseed was produced on a large scale in Continental Europe and the oil and meal were of such poor quality that a resistance against them was built up. This still persists and a promotion campaign in this area too may be desirable. The Canada Department of Agriculture has planned or under way research on the whole range of oilseed crops. Improvements in varieties, in cultural practices and in processing of rapeseed in particular are in sight.

The main problem in the expansion of flaxseed marketings in Europe is the low-cost Argentine

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linseed oil. By virtue of the Argentine Government's subsidized program, linseed oil is being sold in Europe at prices below the cost of economic conversion of the seed. This has resulted in the reduction of flaxseed crushings in Belgium, the Netherlands and West Germany to a minimum and some plants have stopped handling flaxseed. However, this situation may change shortly. A Common Market duty is being imposed on linseed oil and it is expected that this will allow crushing to take place again on a larger scale. The total amount of linseed oil used for industrial purposes in Western Europe will probably not change very much but there should be a greater opportunity for marketing more flaxseed for conversion into oil in Europe. The high quality of Canadian flaxseed should give it a preference.

The Common Market countries are big users of soybeans, taking about one-third of U.S. exports. Canadian soybeans, however, are not shipped to Continental Europe to any extent. The problem is their higher price and the limited supply in Canada. Our soybeans are recognized for their high quality but prices will have to be in line with those of the United States and Communist China before we can expect them to be sold extensively to Europe.

The improvement in economic conditions in Western Europe should result in a continuing increase in the consumption of oilseed products. At the same time, it is doubtful whether production of oilseeds in the Common Market countries will rise much. This obviously means larger imports.

The proposed Common Market external tariff on fats and oils will allow all oilseeds and oilmeals to enter duty-free. However, there will be duties on the crude and refined oils but these should act as an incentive to import oilseeds rather than oils. Another important factor is the changing economic conditions in the under-developed tropical countries which supply such large quantities of vegetable oils and oil materials. As living standards rise in these countries, it has been suggested that domestic use of these oils will increase and exports decrease. Moreover, the price spread between their products and ours should narrow.

Expanding Our Sales

In the foreseeable future, Western Europe will require a large and increasing volume of oil-bearing materials, and must meet this need largely through imports. Japan too is consuming more fats and oils each year and the bulk of its much-needed supplies must come from outside sources. How can Canada take advantage of this greater demand and step up its exports of oilseeds?

First, we must have reasonable access to these markets. Oilseeds are in a rather unique and favourable position in foreign agricultural trade. Although a few of these countries maintain certain restrictions on imports, generally speaking Canadian oilseeds enjoy good access to the important foreign markets that often restrict or prohibit the import of most other agricultural products.

Second, Canadians must supply the quality of oilseeds that foreign buyers demand and must offer them these oilseeds at competitive world prices. Past performance has shown that Canadian flaxseed and rapeseed can be produced and exported at world competitive prices. To retain our existing trade and expand it in the future, quality and price will become even more important. Canadian oilseeds must compete with oil-bearing materials from many sources and the fact that most oils are now interchangeable means sharp and at times severe competition from both local and foreign oils and oil-bearing materials. The foreign crusher will buy the material from which he can get the most oil of good quality at the lowest cost. If Canadian producers can fill his needs, their sales will rise in the years ahead. ●

Pulp and Paper Reviewed

PRODUCTION of newsprint during 1960 increased more rapidly in Europe and Asia (almost 11 per cent) than it did in North America (6 per cent) and reached a record 14 million metric tons. Canada continued to be the world's largest producer, followed by the United States, Finland, Japan and Britain. These facts are brought out in the *Yearbook of Forest Products Statistics* published by FAO in Rome last December. Canada and Finland were the leading exporters of newsprint and the United States and Britain the leading importing countries.

Wood pulp production in 1960 reached almost 69 million cubic metres, an increase of 83 per cent over 1951. North America is still by far the leading pulp producer, but increased its output by only 4 per cent in 1960 compared with the world average of 7 per cent. Mechanical pulp accounts for about 31 per cent of world output. Chemical wood pulp production increased by about 8 per cent, but this increase was noticeably higher in Europe and in Asia than in North America and in the U.S.S.R. Pulp from other fibrous materials remains relatively less important, though production also increased by 13 per cent. World exports of wood pulp increased by 14 per cent compared with 1959. North America's shipments rose 21 per cent, mainly because of the very large increase in exports from the United States. Sweden, Finland and Norway together still account for 55 per cent of the world trade in wood pulp.

World production of paperboard reached a new high of 24.6 million metric tons in 1960 and exports rose 13 per cent above the 1959 level. The *Yearbook* shows that exports from Europe accounted for 56 per cent of the world total and those from North America for 41 per cent. A rise of 8 per cent in output of printing, writing and other papers was reported, for a total of 13.5 million metric tons of printing and writing and 21.7 million of other papers.

Canadian businessmen interested in detailed statistics on output, imports and exports of forest products for 160 countries will be able to obtain the *Yearbook* from the Queen's Printer in Ottawa later this year. It gives a comprehensive picture of the tremendous development taking place in the forest industries in all parts of the world. ●

Transporting Goods to Mexico

A useful study of methods of shipping the $36 million worth of products that Canada sells to Mexico each year, plus information on the growing efficiency of internal communications in that country.

GEORGES E. BELANGER, *Office of the Commercial Counsellor, Mexico, D.F.*

TRANSPORTATION of goods between Canada and Mexico is vital because the exchange of merchandise is substantial. Canadian exports to the Mexican market have kept up a steady pace, averaging Can. $36 million a year during the past six years. Canadian purchases from Mexico, chiefly agricultural products, exceed sales to Mexico in volume but not in value.

The largest volume of our exports go to Mexico by sea; rail shipments account for most of the remainder. Truck lines and air cargo services are also being used to a lesser degree by Canadian exporters to this market. Whatever type of transport is employed, the shipper will find that transportation services within Mexico have become more efficient as a result of recent improvements.

Rehabilitation of the railroad system and highway construction have been the main objectives of the present administration in improving communications because these account for the bulk of internal freight and passenger travel. Despite rapid gains and the growing acceptance of commercial aviation, domestic air-freight traffic is still relatively small. Although the country has an extensive coastline along both the Gulf of Mexico and the Pacific Ocean, it has only begun to engage in international maritime shipping, principally between Mexican Gulf ports and the United States. Vessels of foreign registry still carry the bulk of ocean cargoes, with Mexican ships limiting their activity to coastal traffic.

Railroad Transport

The total mileage of the Mexican railroad network has varied only slightly in the past 30 years, but rail services have made progress to meet a growing demand. Government expenditures on modernization of the railroad system during 1960 totalled U.S.$55.7 million. Small unprofitable branch lines have been abandoned in favour of providing greater efficiency over short runs. Wide-gauge standardization of tracks and replacement of outmoded steam equipment with modern diesel units have increased over-all tractive power by 17 per cent above prewar years. Freight movement has expanded from 2,500 million ton-miles in 1930 to 8,000 million ton-miles in 1959.

Of the 14 railroads operating in Mexico the government-operated Ferrocarriles Nacionales is the most important; it owns 70 per cent of total track and handles 74 per cent of all railway freight and 81 per cent of passenger traffic. The principal railway lines are:

	Miles
Mexico City—Nuevo Laredo	701
Mexico City—Ciudad Juarez	1,224
Mexico City—Piedras Negras	842
Mexico City—Oaxaca	369
Mexico City—Ciudad Hidalgo (Guatemala border)	875
Mexico City—Guadalajara-Mexicali	1,640
Tampico—Aguascalientes	416
Coatzacoalcos—Salina Cruz	188
Coatzacoalcos—Progreso	592

Preliminary figures for 1960 show that the Mexican railway system carried 26 million passengers and 24 million metric tons of freight.

Government financial assistance for the railways has included replacement of freight cars formerly rented from United States and Canadian carriers by locally manufactured boxcars that are being supplied at the rate of 1,400 units per year. It is expected that by 1965 Mexican railroads will have enough units to handle the freight volume expected. The growing favourable position of and confidence in the national railways is further demonstrated by the recent abolition of the American Association of Railroads' permit system that controlled the movement of foreign railway cars onto Mexican rail lines because of a shortage of domestic equipment.

Combined facilities of Canadian, United States and Mexican rail networks provide efficient connections for all-rail routings from Canada to destination in Mexico. The main domestic routes connect with U.S. lines at four major border points: Nuevo Laredo, Piedras Negras, Ciudad Juarez and Nogales.

Highway Transportation

Mexico has a 30,000-mile network of all-weather roads, with 16,250 miles paved and the rest hard-surfaced. All major highways converge on Mexico City, the principal market center of the country,

starting from the U.S. border in the north and Guatemala in the south. The principal seaports also have good roads to the interior, including a through network extending from the Yucatan peninsula to the central plateau of Mexico.

More than 150 commercial trucking lines operate within the country. Internal freight movement by roads is on the increase; 3.5 million metric tons of freight were transported on federal public service vehicles during 1959.

The most travelled highway routes are:

	(metric tons per year)
Mexico City—Nogales	649,000
Mexico City—Veracruz	565,000
Mexico City—Ciudad Juarez	458,000
Mexico City—Laredo	528,000
Mexico City—Acapulco	340,000

Canadian and U.S. carriers have increased their volume of freight to the Mexican border and it is now a routine matter to ship carload or less-than-carload lots from the Toronto area directly to Laredo, Texas. Daily connections with Mexican trucking operators are available for internal distribution in the country. Freight deliveries to Mexico City originating in Toronto take approximately 10 to 14 days. Points in Western Canada are also serviced by truck carriers that tranship goods for Mexico at Portal, North Dakota. From this point, U.S. carriers transport merchandise through the Midwestern States to the Mexican border points at Laredo and El Paso, Texas.

From Vancouver, road transportation to Mexico takes four days and there is a daily service. The same service is available from Montreal to New York, where shipments may be transferred to carriers destined for Laredo, averaging 10 days' travelling time out of Montreal.

Maritime Services

There are good seaport facilities in Mexico on both the Pacific and Gulf coasts; the latter handles the bulk of maritime traffic. During 1960 the Mexican Government allocated U.S.$8.9 million for expansion and development of port facilities, with emphasis on the areas of Ensenada, Tampico, Minatitlan, Salina Cruz, Progreso and Guaymas.

Approximately 75 per cent of Mexico's foreign trade is handled through several ports on the Gulf coast—principally at Veracruz, Tampico, Coatzacoalcos and Progreso. Important Pacific ports are: Ensenada, Guaymas, Manzanillo Mazatlan, Acapulco and Salina Cruz. The Pacific port of Acapulco lacks rail transportation to Mexico City and all shipments are trucked to the capital by highway.

On the average, 11,000 vessels enter Mexican ports each year. Mexican imports by sea average 1.5 million metric tons a year and exports are estimated at 4.5 million metric tons.

Atlantic Shipping Services

Mexican ships participate extensively in coastal traffic but the bulk of ocean cargoes is still handled by vessels of foreign registry. Mexico has recently entered the competition, however, with the formation of the Mexican Line, operating weekly runs between U.S. Atlantic and Gulf ports to the Mexican ports of Tampico, Veracruz, Coatzacoalcos and Progreso.

Flota Mercante Grancolombiana runs a fortnightly service from Montreal during the summer and from Halifax during the winter to the Gulf ports of Veracruz and Tampico, continuing on to Central and South America. The Swedish-American Line operates a service every two weeks from Montreal in the summer and from Halifax and Saint John during the winter. This line calls at Tampico and Veracruz and (with sufficient cargo inducement) at Coatzacoalcos and Progreso on the same coast. Normal sea cargo shipments from eastern Canadian ports take on the average 25 days to reach the main Gulf ports of Tampico or Veracruz.

Pacific Shipping Services

The Flota Mercante Grancolombiana schedules a service from Vancouver twice a month, stopping at Acapulco. The Grace Line offers a fortnightly service but provides no refrigerated storage space. Stops are made at Acapulco. The Chilean-North Pacific Line and the Mitsui Line operate a monthly service between Vancouver and Acapulco. All four carriers are prepared to call at other Pacific ports if sufficient cargo is offered. Southward freight movement on the Pacific is handled by these lines. Northbound cargo, however, is solicited by European, Japanese, Chilean and Argentine carriers, with terminal ports in the United States and Canada.

Air Services

In 1959, aircraft of Mexican registry covered a total of 46 million miles in 234,000 flight-hours, carrying 1.7 million passengers, 3,000 tons of mail, and 70,000 metric tons of freight. These figures represent 80,000 flights, of which 82 per cent were domestic and 18 per cent international. By the end of 1960 there were 51 local and 14 international airlines operating in Mexico.

As of 1959, Mexico had 830 airport facilities including 13 international airports. Mexico City has a modern air terminal where U.S., Canadian, European and South American commercial carriers maintain offices. Mexico City is connected by regular scheduled flights with the major capitals of the world.

Plans are under way for the construction of a new international airport, at a cost of U.S.$16 million, to be located in the State of Mexico and within convenient commuting distance of Mexico City. These new facilities are required for better handling of jets that the major international air carriers are now putting into service.

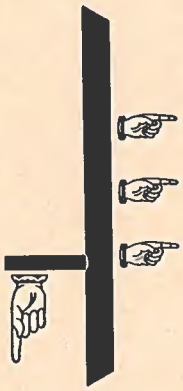
Canadian Pacific Airlines operates regular services from Montreal to Mexico City via Toronto and also from Vancouver. Air cargo may be conveniently shipped to Mexico with a minimum of delay for customs clearance upon arrival.

Shipping by Parcel Post

Sometimes Canadian exporters must forward relatively small shipments to their Mexican customers. In these cases, the sending of merchandise by parcel post should not be overlooked.

Packages weighing up to 11 pounds can be sent by airmail and those weighing up to 44 pounds but with a combined length and width not exceeding 6 feet can be sent by regular parcel post. This method eliminates the additional expense of customs brokerage fees and offers convenience plus reasonably fast delivery to the consignee.

Further details about shipping services to, documents required for, and customs regulations in Mexico may be obtained by writing to the Department of Trade and Commerce, Ottawa, or the Commercial Counsellor, Canadian Embassy, Apartado 25364, Mexico 5, D.F. ●



Advertising Abroad

In New Zealand, newspapers and magazines attract avid readers; offer a good medium for promoting products in this country. Radio and point-of-sale advertising also popular.

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

THE New Zealand market is not difficult to penetrate through advertising, because of its special characteristics. Among these are:

- A population of 2.4 million, about 60 per cent of whom live in 18 main cities of at least 20,000 people each.
- No language problem, with English used throughout the country.
- High literacy rate, only a few points short of 100 per cent.
- Wide selection of media similar to Canadian.
- Some 29 accredited advertising agencies, (some affiliated or associated with North American companies), all anxious to help the foreign advertiser.

In other words, New Zealand is a market ready-made for excellent response to advertising. And yet many Canadian exporters appear to be reluctant to include New Zealand in their overseas advertising budgets.

Is there a need for advertising? Decidedly yes. New Zealanders are particularly brand conscious, with an intense loyalty that is not transferred easily; this applies especially to the more conservative people of the South Island. However, this loyalty can be weakened when consumers learn of alternative products that offer equal or better quality, value and design. Residents of the Auckland area, for example, have proved that they can and do switch to other brands of consumer goods.

Provided distribution is good and point-of-sale promotion is thorough and of high quality, national and even regional advertising campaigns can pay dividends.

Government Regulations

New Zealand has no state laws and regulations and no variations in duties or legal requirements between one provincial district and another. The Government is centered in Wellington and there is only one Parliament. Manufacturers therefore have to comply with only

one set of regulations in any field. A few pieces of legislation directly concern advertising. The Medical Advertisements Act requires the showing of the manufacturer's name and address and the formula on the package of any product coming within the scope of that Act. No statement can be made (or even implied) to the effect that a product is recommended or approved by the medical, nursing or allied professions. The Stock Remedies Act stipulates that when a stock remedy is registered, a prior statement of the claims made for it should be lodged with the Department of Agriculture and generally speaking, any advertising material must keep within those claims. The Food and Drugs Act governs packaging requirements in a manner similar to the Medical Advertisements Act. Broadly speaking, the artificial content of any product must be clearly stated as such and when a product is said to be pure, this must be true. The Trading Coupons Act restricts coupon redemption to money only. And finally, the New Zealand Broadcasting Regulations prohibit the use of superlatives in commercials.

Agencies

Advertising agencies* normally operate on a standard commission of 20 per cent of the gross costs and this is remitted by the medium, not by the client. Creative work is charged separately.

The rules under which agencies are accredited to the Newspaper Proprietors' Association and the New Zealand Broadcasting Service preclude the rebating of commissions to advertisers, although it is established practice to share earnings with accredited overseas agencies where material is supplied from overseas for insertion in New Zealand papers.

The quality of printing and production is considered up to world standards, but colour work is costly and used relatively less than in Canadian media because of smaller circulations. The advertising agencies have one big problem in press advertising—the fact that metropolitan newspapers vary in depth and number of columns. Some use a 10-em column width and some 11½ ems and adaptation of material naturally means additional costs.

*A list is available on request from the Editor, *Foreign Trade*, or the Commercial Counsellor in Wellington, New Zealand.

PRINCIPAL NEW ZEALAND DAILIES

City	Newspaper	Circulation (July/61 audit)	Flat rate per inch
Auckland	*N.Z. Herald*	200,000 (M)	39/–
	Auckland Star	130,000 (E)	27/6
Wellington	*Dominion*	80,147 (M)	20/–
	Evening Post	92,766 (E)	20/–
Christchurch	*The Press*	61,000 (M)	16/–
	Christchurch Star	60,000 (E)	16/–
Dunedin	*Otago Daily Times*	37,000 (M)	13/6
	Evening Star	25,000 (E)	12/–

Newspapers and Magazines

Overseas visitors are always impressed by the reading habits of New Zealanders. Almost everyone reads at least one daily newspaper (there are no Sunday editions). Couple this with the avid readership of United States (regretfully, few Canadian), British and Australian magazines as well as local ones, and the press becomes a potent medium for producing results for the advertiser's dollar.

• *Newspapers*—Of key interest to Canadian exporters are the eight daily newspapers published in the four main metropolitan areas in New Zealand (see table).

Seven of these dailies have 10-column sheets with columns 10 ems wide. The exception is the *N.Z. Herald,* which has nine columns, each 10 ems wide, and offers two-colour service to advertisers.

There are 34 dailies published outside of the main centres; they are usually referred to as "provincial dailies" and more than two-thirds are evening editions. The total circulation of this group exceeds 208,000 and they serve cities and towns with populations ranging from 10,000 to 50,000. All are printed on rotary presses and all use mats.

Saturday evening dailies in the four main centres mentioned above, as well as Invercargill, Nelson and New Plymouth, are augmented by special sports editions with much space allocated to features.

• *National Weeklies*—New Zealand national weeklies are expanding steadily. Topping the list are:

1. *New Zealand Truth* (circulation about 212,000)—a tabloid-size newspaper format. It often spotlights contentious issues, gives wide news coverage, and has a number of interesting features.

2. *Woman's Weekly* (circulation about 140,000)—offers four-colour offset process with a magazine format, and the wide range of subjects have a strong feminine appeal.

3. *Weekly News* (circulation about 129,000)—published by the *N.Z. Herald* organization, it has a broad appeal, with a good illustrated section, incisive comments on the news of the week, feature articles, and a comprehensive sporting section.

4. *New Zealand Listener* (circulation about 84,000)—official paper of the Broadcasting Service. With the listings of radio and TV programs, it carries informative features, plus reviews of books, films, and drama.

There are four monthly women's journals of which the *Home Journal* has the highest circulation—about 90,000.

• *Trade Journals*—The majority of these are published monthly. They cover thoroughly the interests that they serve and at the latest count numbered 133. They are loyally supported by advertisers in their particular line and the gross circulation per issue is estimated at 665,000 copies. Of most interest to the Canadian exporter might be the *New Zealand Manufacturer*—mouthpiece of the N.Z. Manufacturers' Association—the *N.Z. Hardware Journal,* the *N.Z. Timber Journal,* and the *N.Z. Electrical Journal.*

There are also several excellent farming magazines but these would perhaps be less suited to the needs of Canadian advertisers.

Radio and Television

All radio stations are owned and operated by the New Zealand Government through the N.Z. Broadcasting Service. There are two parallel networks—one non-commercial and one commercial.

The commercial stations do not overlap significantly and direct competition between any two is avoided. An eight-station commercial network covering the eight main cities and towns operates from 6 a.m. to midnight, Monday to Saturday. Another four-station network is fully commercial 6 a.m. to 8 p.m. and non-commercial thereafter. All commercial stations carry minute and half-minute spot advertisements, on-the-hour slogans, and half-hour and quarter-hour sponsored programs.

A discount is allowed on yearly contracts calling for regular weekly broadcasts of a particular type in any one session. For example, the highest rate prevails in Auckland—£2/15/- ($8.00) for a one-minute spot on annual contract and £3/6/- ($9.60) on a casual basis. The demand for "time" at all disposal points is sufficiently high to result in station waiting lists.

Copy broadcast is subject to censorship and all material should be submitted to the copy supervisor before it is recorded. Censorship even extends to the type of voices used; undue shouting is not allowed. Singing commercials are acceptable and sound effects are permissible provided the nature of the copy calls for them.

There are many terms which are not acceptable for broadcasting and any one-minute commercial must not have more than eight product mentions. "Knocking" copy and the use of superlatives are absolutely forbidden.

New Zealand's television with its 625-line system is in its infancy and to date has only three channels—Auckland, Wellington and Christchurch. The network is owned by the Government and no advertising on Sundays is permitted.

Sponsorship of programs is not allowed; advertisers may use only commercials of one minute, half-minute, 20 seconds and 10 seconds, and 10-second time spots. The timing of all commercials is rotated within the viewing hours. A 60-second commercial on a 13X-contract costs £49/10/- (about $144) each transmission in Auckland, and £39/10/- ($115) in Wellington and Christchurch. For longer contracts, rates are reduced accordingly.

In November, there were 17,113 television sets installed in New Zealand households—in Auckland 11,402; Wellington 2,431; Christchurch 3,280.

Movie and Outdoor Advertising

Advertising through films in New Zealand's 578 commercial movie theatres has ceased only recently. Now advertisers can screen only fixed slides and teleslides that incorporate spoken copy. Showings are sold for individual theatres or for grouped circuits, to suit the advertiser's needs. The total New Zealand film audience is estimated at 28 million a year.

Outdoor advertising of the billboard type is popular and highly organized. Passenger buses and streetcars are also equipped to carry display cards.

There are many agricultural and pastoral shows every year up and down the country. Perhaps more important is the Auckland Easter Show at which a Canadian exporter could arrange a display, customarily through co-ordinating his efforts with those of his New Zealand representative or agent. Wellington's next international trade show is slated for 1964.

Point-of-Sale

Perhaps the most important form of advertising is point-of-sale material. The techniques used are similar to those in Canada, and include professional window displays, animated counter displays, neon signs, free demonstrations, and the use of gimmicks. Here the assistance and advice of a New Zealand advertising agency, either direct or through the company's agent, can be most useful. The retailer in New Zealand, the man at the end of the chain of distribution, has come to expect tangible advertising support when he is asked to take on a new line. There are many worthwhile channels of publicity that the retailer seldom considers tangible enough; he likes to see advertising support in the local press and over the radio and TV.

The retailer also wants point-of-sale material, and he usually makes good use of it. But to keep him using a company's display material demands service and continuous encouragement from the sales representative.

These, then, are the various media through which the Canadian exporter or manufacturer can promote his goods in New Zealand. Advertising expenditure there was estimated recently at $130 million a year. This gives some evidence of the size of the consumer market and should encourage more Canadian participation in it. •

FAIRS AND EXHIBITIONS

■ Office Furniture in New York

THE National Office Furniture Association convention (April 26-29, 1962, in the New York Coliseum), provides an effective medium to display and market competitively priced Canadian-made office furniture, including desks, chairs, filing cabinets, folding tables, fabric coverings, rugs, office partitions, etc. It is the largest fair of its type in the United States. Furniture dealers—the major buyers of this type of equipment—attend the show in large numbers. Substantial sales often result from participation and individual company exhibits are as effective as national displays.

An important cross-section of the U.S. furniture manufacturing industry participates. Visitors usually number about 6,000 and come from all over the United States. Canadian firms can exhibit if they are members of the National Office Furniture Association. NOFA membership fee is $125 a year; its offices are at 327 South La Salle Street, Chicago 4, Illinois.

■ Garment-Making Machinery in London

THE 1962 International Clothing Trade Exhibition (April 12-17, 1962), held at Olympia in alternate years, features exhibits of equipment for the clothing industry. Manufacturers in the Netherlands, France, Germany, Italy, Sweden, Switzerland and the United States exhibit regularly. Visitors number, on the average, 12,000 and include manufacturers of ready-made men's, women's and children's clothing from all over the world. The various sections comprise machinery and materials for the cutting room, including pattern making and graders, cutting units, press knives, etc.; industrial sewing machinery; textiles; trimmings, interlinings, pipings, bindings, zips, belts, buttons; sewing and knitting machine needles; cotton and fibre lubricants; pressing and steam-finishing equipment; boxmaking and overprinting machinery and other packaging equipment.

This year visitors will see some special features. Management consultants have prepared a series of planned factory-production layouts that will demonstrate how best to design and equip areas for streamlined operation. Four sections will feature trouser, shirt, jacket and bra production.

The organizers have planned a series of lectures in conjunction with the show. They also expect to see many new products, such as additions to a range of heat-sealing fusible interlinings, machines especially designed for fast short-run production of work dockets, fabric designs in tricel-rayon and tricel-rayon-nylon for suits and skirts, a range of cutting machines, precision papers and chemicals for the cutting room, a metal-button machine for overalls, an automatic button feed machine, a semi-industrial wide-throw machine for specialized dressmaking, and a featherweight heat-adhesive material for making tapes which eliminates seam puckering in lightweight garments. Another kind of tape for use in the front edge of lightweight jackets does away with 'bluffing' and makes a perfect front edge.

Sponsored by the Factory Managers' (Clothing) Association and United Press Limited, this show is being held for the fourth time. Organizers are U.T.P. Exhibitions Ltd., 3 Racquet Court, Fleet Street, London, E.C.4.

■ Furs in Paris, Frankfurt

CANADA'S exhibits in the Fur Industries Salon, Paris, April 5-9, and at the European Fur Fair, Frankfurt, April 12-15, promise to equal last year's in size and glamour. The number of pelts chosen for display has jumped this year to 668, up 50 per cent. These are expected to demonstrate dramatically to European buyers that furs at all prices and for all purposes can be obtained in Canada, world storehouse of fine pelts.

Officers manning the Canadian display expect to remind foreign buyers that only a few hours separate them from Canadian auction centres and that they can transact business in Canada with a minimum of time and expense.

The Frankfurt Fair especially and the Paris Salon increasingly lay claim to being Europe's leading annual shows for the promotion of fur sales. Buyers come from all over Europe and the United States to discover the latest processing techniques and fashion trends. Visitors increase each year and Canada's opportunity to influence sales improves.

■ Chemical Equipment in New York

THE seven Canadian exhibitors at the Chemical Industries Exposition in New York, November 27-December 1, 1961, have expressed satisfaction with the results obtained. They have written to the Department of Trade and Commerce to tell of their success and of the benefits they expect to derive. Said one: "We had 81 inquiries, of which 65 were from purchasers of competitive products and who now show interest in buying from us." Another wrote: "The show has been for us a great opportunity to advertise our company and to export our services." A third reported: "We are confident the results will benefit our United States business."

The Chemical Industries Exposition, held bi-annually, is the largest and most important exhibition in this field held in the United States. It was the first

time that the Canadian Government had sponsored participation in this show and it was intended as a test. For that reason the Government only contracted for 700 square feet of floor space, but participation in the 1963 Exposition is expected to increase and a larger area has already been requested.

The management of the Exposition estimates that the attendance of senior executives and engineers reached 50,000. Exhibitors and visitors came from all over the United States and from South America, Germany, France, Britain and Sweden.

■ Boats in London

COMMODITY Officers from Ottawa who helped man the Canadian exhibit at the 1962 International Boat Show, London, January 3-13, have reported on the many successes the Canadian participants achieved. Several firms formerly unrepresented made agency arrangements during the show (covering Europe as well as Britain) and many which already had British agents widened their distribution. A number of company representatives took orders at the display; one sold nearly $15,000 worth of products and expects that this year business totalling $100,000 will stem from his participation. Interested buyers have requested trial runs for some of the craft in Britain in the early spring.

Consumer and trade inquiries about products not yet handled by agents in Britain pointed to the broad market for the aggressive Canadian manufacturer. British interest in boating is growing rapidly; yacht clubs have increased from 320 in 1946 to over 1,000 in 1960. North American styling has caught on and, with attention to quality and price, Canadians can produce craft that Englishmen will want to buy. Small boats are popular because they are easily moved; the large ones appeal because they make a bigger splash.

The London Boat Show is the equal of any similar show in North America. Trade attendance pushed beyond last year's total and the 1962 Canadian exhibit was considered one of the best at the fair. Twenty Canadian manufacturers took part. Some plan to make other sales trips to Britain almost immediately and the agent of one firm is exhibiting independently at fairs in Genoa, Milan, Glasgow and Copenhagen.

Coming Shows of Interest in Britain . . .

ELECTRICAL ENGINEERING—*Electrical Engineers (ASEE) Exhibition,* Earls Court, London, England, March 20-24. Apply: Electrical Engineers (ASEE) Exhibition Ltd., 6 Museum House, 25 Museum Street, London, W.C.1.

HARDWARE—*International Hardware Trades Fair,* Olympia, London, England, May 14-18. Apply: Universal Exhibitions Ltd., 74 Holland Park, London, W.11.

HYDRAULICS—1962 *International Compressed Air and Hydraulics Exhibition and Fluid Power Conference,* Olympia, London, England, April 30-May 4. Apply: Executive Secretary, International Fluid Power Conference, St. Richard's House, Eversholt Street, London, N.W.1.

MATERIALS HANDLING—*Mechanical Handling Exhibition,* Earls Court, London, England, May 8-18. Apply: The Manager, Mechanical Handling Exhibition, Dorset House, Stamford Street, London, S.E.1.

REFRIGERATION—*1st International Refrigeration Fair,* Olympia, London, England, April 13-19. Apply: Contemporary Exhibitions Ltd., 2 Dunraven Street, Park Lane, London, W.1.

WATER TREATMENT—*Effluent and Water Treatment Exhibition and Convention,* Seymour Hall, London, England, October 31-November 3. Apply: Thunderbird Enterprises Ltd., 140 Cromwell Road, London, S.W.7.

and on the Continent . . .

AGRICULTURE—The Agricultural Exhibition Week in Paris, France, including *The Agricultural Produce and Processed Foods Show, The Agricultural Show, The International Dog Show, The International Poultry Show, The International Show of Agricultural Machinery,* at the Parc des Expositions, Porte de Versailles, Paris, March 6-12. Apply: The French Ministry of Agriculture, Paris.

HANDICRAFTS—*International Handicrafts and Trade Fair,* Munich, Germany, April 12-23. Apply: Messeleitung, International Handicrafts and Trade Fair, Munich 12.

HOSPITALS—*International Hospital Exhibition,* Cologne, Germany, May 9-12. Apply: Messe- und Ausstellungs-Ges. m.b.H. Koln, Postschliebfach No. 140, Cologne-Deutz.

VEHICLES—*International Motor Show,* Geneva, Switzerland, March 15-25. Apply: Association des Intérêts de Genève, Place des Bergues 3, Geneva.

Canada's exhibit at the International Boat Show in London in January featured a canopy of manila rope in the design of a compass "rose". Under it were grouped the 21 exhibits.

53018-8—3½

What's current in commodities?

Tobacco

Britain—United States and Rhodesia and Nyasaland compete strongly with Canada in this big market that takes about 75 per cent of total Canadian tobacco exports.

W. M. MINER, *Assistant Agricultural Secretary, London.*

BRITAIN is the world's largest importer of unmanufactured tobacco, with annual purchases exceeding 300 million pounds. This huge market prefers a flue-cured Virginia-type leaf which is light in colour, fine in texture and mild. All of the principal tobacco-exporting countries seek a share of the business, making the trade keenly competitive. In such a well established market, price, quality, grading standards and servicing determine the exporter's success. Although tobacco imports from dollar sources require a licence, these are freely issued and do not limit the trade.

Aided by long-standing tariff preferences, Commonwealth countries which produce tobacco naturally turn to Britain as the important buyer. Some of these countries have concentrated on growing a leaf suited to the British market. For the Federation of Rhodesia and Nyasaland, tobacco is a major export commodity and its sales to Britain represent a necessary source of foreign exchange. The British market takes 75 per cent of Canadian tobacco exports—30 million pounds of dry leaf in 1960.

Sources of Imports

Despite Britain's importance to Canada as a buyer of tobacco leaf, only 8 per cent of her 1960 requirements were obtained from Canada. More important suppliers were the United States, the Federation of Rhodesia and Nyasaland, and India. Canadian tobaccos sold in Britain consist largely of flue-cured bright leaf, followed by burley leaf. Limited quantities of raw leaf, cigar leaf, and manufactured tobacco products are also marketed here. The following table shows the volume of the trade in recent years and the principal suppliers. The 1960 imports included 343.5 million pounds of flue-cured tobacco and Canada sold to Britain 28.6 million pounds of this.

Commonwealth countries have enjoyed a growing share of the market. The Federation of Rhodesia and Nyasaland expanded its sales considerably up to 1960 but last year both Canada and India stepped up exports.

Industry Is Concentrated

The tobacco manufacturing industry depends entirely upon imports because Britain does not grow tobacco. Re-export of tobacco and tobacco products is small—only 2.3 million pounds in the first nine months of 1961. The processing industry is concentrated in the hands of a few large companies. The past year has seen two steps toward further concentration and despite some concern shown by the Monopolies Commission, the Government has permitted the consolidation to take place. Normally the principal manufacturers arrange their own purchases but there are a number of companies operating in the market as merchants, brokers and small processors. Canadian tobacco exporters must concentrate their sales efforts on the larger manufacturers but they can also offer to a range of smaller potential importers.

The rising level of consumption and imports augurs well for the industry. Annual reports and statements of tobacco companies reveal progress in marketing, another favourable indication.

Consumption Is Increasing

Sales of manufactured tobacco goods to the British public have risen steadily and the current per capita consumption of tobacco products is only about one-third less than in the United States. Cigarette smokers are responsible for most of the increase. Over the past five years the expansion in sales of filter-

BRITISH IMPORTS OF ALL UNMANUFACTURED TOBACCOS

Country	1958	1959	1960	Jan.-Nov. 1960	Jan.-Nov. 1961*
	(in million pounds)				
United States	163.9	140.4	178.4	163.6	142.1
Rhodesia and Nyasaland	74.6	86.8	105.4	98.1	94.9
India	44.6	37.3	42.7	42.2	43.5
Canada	23.4	29.6	30.1	28.3	34.1
Total, all countries	**315.9**	**300.6**	**364.6**	**338.8**	**320.7**

*Tentative figures.

Source: *Tobacco Intelligence,* Commonwealth Economic Committee, London.

tipped cigarettes has been the major feature of the market. Tipped cigarettes may have more appeal for medical reasons but they also have an economic advantage: they are cheaper because tax is not paid on the filter tip. The present high taxes thus encourage the trend toward tipped cigarettes and it is estimated that they now account for more than 20 per cent of the market. Cigar smoking is increasing rapidly in terms of numbers consumed but this form of smoking represents less than 1 per cent of the over-all volume. The increase in consumption is confined to smaller cigars, most of which are made in Britain.

Prospects Are Good

The outlook for Canadian tobacco in Britain is favourable under current market conditions. Stocks in hand of unmanufactured tobacco are slightly high but the trend in consumption and the trade pattern both indicate bright sales opportunities. The outcome of Britain's approach to the Common Market is an important but unknown factor; it could result in tariff revisions that might favour non-Commonwealth sources. In view of its dependence on the British market, the Federation of Rhodesia and Nyasaland will strive vigorously to retain its share of the market and to expand sales. In the past, slightly lower prices and improved quality and grading have aided its selling efforts. The strong competition must be met by extensive selling campaigns, supported by favourable leaf quality and price. The Canadian industry should give personal attention to the important British market to maintain its current exports and to capitalize on future expansion. ●

Belgium—Canadians must spend money on promotion if their high- and medium-quality tobaccos are to find a larger market here.

A. A. LOMAS, *Assistant Commercial Secretary, Brussels.*

DURING 1960, Belgium imported 28,867 metric tons of unmanufactured tobacco, only 117 tons of which came from Canada. The principal suppliers at present are the United States, Rhodesia, Brazil and India, with others in the following order:

TOBACCO IMPORTS INTO BELGIUM AND LUXEMBOURG, 1960

Country	Imports (metric tons)	Imports (per cent of total)
United States	8,033	27.8
Rhodesia	2,872	9.9
Brazil	2,101	7.3
India	2,054	7.2
Greece	1,920	6.8
Dominican Republic	1,812	6.4
Paraguay	1,326	4.7
Indonesia	1,030	3.6
Turkey	642	2.2
Argentina	633	2.2
Poland	611	2.1
Italy	565	1.9
Rumania	529	1.8
CANADA	117	0.5

To a great extent, this pattern of import is determined by the nature of the Belgian tobacco manufacturing industry and the system of government controls and taxes on its production. Before 1939, there were about 900 enterprises (almost all of them very small) manufacturing various tobacco products. During and since the war, this number has been reduced by severe competition to about 200 firms, ten of which are recognized as important producers —mainly of cigarettes. The major factor in this development has been strict government control of selling prices for manufactured tobacco products which, coupled with rising costs for raw tobacco, has demanded greater operating efficiency and forced most of the small companies out of business.

This cost-price pressure still continues and requires Belgian manufacturers to purchase their raw materials at the most advantageous prices possible. Traditionally, good-quality American tobaccos form the basis of their blends, but tobaccos for mixing and filling are purchased wherever prices are lowest for adequate qualities. It is assumed in the trade here that Canadian prices are generally almost the same as U.S. prices for similar qualities, and since the U.S. product is better known, buyers are reluctant to change their sources of supply for high- and medium-quality tobaccos. Instead, they tend to look to Canada for lower grades, and are only interested when Canadian prices are competitive with those offered by such suppliers as Rhodesia, Italy, India, etc.

The importance of these low-cost tobaccos is clearly shown in the average prices paid in 1960, with the wide differential in prices between U.S. tobaccos and those from other sources.

Tariff Will Rise

The problems of the Belgian tobacco manufacturing industry seem destined to become more complicated with the further development of the European Common Market. Unlike several of its partners in the EEC, Belgium depends almost entirely upon outside sources for its raw tobacco. The current Belgian duty on this material from third countries is 16 per cent with a minimum of 724 B.Frs. per 100 kilos. Under the new common external tariff, however, this rate is expected to rise to 30 per cent, with a minimum of 1,450 B.Frs. per 100 kilos. Faced with severe competition in finished products in their home market from France, West Germany and Italy, the Belgian manufacturers will be forced to maintain and even increase their current use of low-cost tobaccos and prospects for larger imports of medium- and high-quality leaf appear dim indeed.

Will it be possible for Canadian shippers to gain a more important share of this market? Two courses seem possible. To compete with U.S. tobaccos for the high- and medium-quality market, Canadian tobacco must be made better known to the Belgian trade. Presumably this could be done by advertising in trade journals, by regularly providing the leading importers and manufacturers with samples, and, of course, by using good active agents or representatives. The alternative is concentration on lower qualities of tobacco, where competition, based almost entirely on price, would be with the cheap tobaccos from Africa and Asia. Neither possibility is entirely desirable from the point of view of Canadian producers and exporters, but one or the other seems necessary to obtain a larger share of the Belgian market. ●

France—Tobacco monopoly controls all imports; buys largely from Rhodesia because of favourable prices.

R. G. WOOLHAM, *Assistant Commercial Secretary, Paris.*

FRENCH smokers have a well developed preference for blended cigarettes manufactured from dark tobacco, with the result that demand for flue-cured tobacco is very small. Sales of Virginia-type cigarettes account for about 1 per cent of total annual consumption. Roughly 1,000 tons a year of lower grades of flue-cured tobacco for cigarettes of this type are purchased from Rhodesia which, because of lower prices, is gradually replacing the United States as the chief source of supply.

In addition, India supplies France with low-grade flue-cured tobacco which is used in small proportions in the manufacture of cigarettes from dark tobaccos. Conversely, various brands of Virginia-type cigarettes are imported, principally from Britain, and sold in France at prices about the same as or even lower than domestic prices in the country of manufacture. The volume of sales of imported manufactured cigarettes is not large and depends to some extent on the prestige value of imported products in general.

The import, manufacture and sale of tobacco and tobacco products in France are controlled by the government-owned French Tobacco Monopoly. Access to this market therefore depends on obtaining a favourable evaluation from this organization. Generally the French Tobacco Monopoly prefers to do business directly with producer organizations in the supplying country. It also gives much importance, when considering import business, to the ability to provide a dependable and steady supply. On the other hand, only one buyer means that once a foothold has been gained and confidence established, prospects are good for continuing sales.

Prospects for the sale of Canadian flue-cured tobacco to France therefore depend largely on price and the ability to guarantee a continuing supply of the desired grades. ●

Netherlands—Canadians who want to sell tobacco here must persuade Dutch to use Canadian quality grades in blends.

J. E. MONTGOMERY, *Assistant Commercial Secretary, The Hague.*

TOBACCO and tobacco products have a ready market in the Netherlands. Per capita consumption continues to rise as women cigarette smokers are growing in number and men appear to start smoking at an earlier age. Sales of tobacco products have increased steadily during the last few years.

The demand for Virginia-type tobacco and cigarettes has diminished in favour of United States blends and medium dark tobacco varieties. The Netherlands manufacturers normally purchase their requirements through international tobacco brokerage houses or have specific overseas purchasing affiliations.

Main Suppliers

Netherlands statistics have no separate import classification for flue-cured tobacco. Stripped and unstripped leaf tobacco imported during the first ten months of 1961 (and presumably used for cigarette, pipe or cut tobacco manufacturing) totalled 22,495 metric tons, including 516 metric tons of burley. The principal suppliers to the Netherlands market were the United States, Rhodesia and Brazil; smaller quantities were imported from India and South Africa. Canada supplied 31 metric tons of unstripped leaf. Cigar-leaf imports are not shown separately but a small part of the 22,495 metric tons may have been used for cigar manufacturing.

Benelux and EEC Tariffs

Tobacco imported from Canada into Holland for processing is subject to the Benelux outer tariff. The proposed Common Market external tariff will be considerably higher than the present Benelux one. The Netherlands tobacco industry is particularly concerned about these increased tariffs because tobacco

factories in other Common Market countries largely process tobacco either domestically produced or from their overseas associated territories. In contrast, the Netherlands does not raise any tobacco and prefers to import from traditional supplying countries. In order to offset the increased duty on imported tobacco, the Netherlands Government has reduced the excise duty on tobacco products. Further reductions in the excise duty are expected as the proposed Common Market external tariff is gradually implemented.

Market for Canada?

Canadian producers and exporters of flue-cured leaf tobacco are faced with two main problems in breaking into the Dutch market —quality preferences and traditional purchasing habits. Dutch importers feel that cigarette smokers here do not like the taste of Canadian tobacco because it is not regarded as being "sharp". Manufacturers in Holland are averse to changing their sources of supply and the grades of tobacco used. They prefer to buy traditional qualities where they can obtain regular supplies, and thus ensure a stable quality in their blends.

What can Canadian tobacco producers and exporters do to win a larger market in Holland? There is much promotion work needed. The end-users of tobacco in the Netherlands must be assured that they can expect regular supplies of tobacco from Canada and they must be educated to the use of our quality grades in their blends. Dutch manufacturers are accustomed to receiving offers from many sources of supply, both through brokerage houses and by personal visits from representatives of foreign producers and exporters. Canadian producers and exporters will need to canvass Dutch buyers actively and regularly and to send them regular information on the supply, price and quality of tobacco from Canada. If they carry on promotion actively, they should be able to make sales. ●

West Germany—North American tobacco popular, with U.S. leading supplier; competitive position of Greece and Italy will improve as EEC internal tariffs disappear.

R. E. GRAVEL, *Consul General and Trade Commissioner, Hamburg.*

GERMANS, although they are not as heavy smokers as Canadians, are nevertheless consuming more tobacco every year. In 1960 average consumption per capita was 1,630 cigarettes, 100 cigars, and 237 grams of cigarette and pipe tobacco. Cigarettes are the most popular and their consumption, which now represents 84 per cent by value of total tobacco sales, is increasing. Much of this growth takes place at the expense of other forms of smoking.

Swing to Blends

Cigarette smoking in Germany has undergone a radical change since the war. Before the war, 90 per cent of the cigarettes smoked were made of Oriental tobacco. Today, blended cigarettes have practically (but not necessarily permanently) replaced the Oriental type and a large market has developed for North American Virginia tobacco. German cigarettes consist of approximately 50 per cent Virginia, 40 to 50 per cent Oriental and up to 5 per cent burley. American burley and flue-cured Virginia set the quality standard and any other burley and Virginia tobaccos are considered as substitutes, generally fetching lower prices. Over 70 per cent of the smokers today buy filter-tip cigarettes.

Production of domestic tobacco in Germany has been decreasing steadily and now represents less than 20 per cent of the total tobacco used by the industry. The cigar industry and the fine-cut and pipe-tobacco manufacturers are the main users of domestic tobacco.

The trade in West Germany appears to play no significant rôle in the importing of flue-cured tobacco. The large firms—four of them control 90 per cent of the cigarette production in the Federal Republic—buy almost exclusively directly from the producing countries. Dealers and importers deal mostly in cigar, fine-cut, pipe and snuff tobaccos.

Competition from EEC Countries

Principal exporters of tobacco to West Germany are the United States (approximately 40 per cent), Greece, Turkey, Rhodesia and Nyasaland, Italy, Brazil, Indonesia, and recently Japan. Canada's sales during 1960 totalled 1,176,276 pounds of flue-cured tobacco valued at Can.$678,491. In the first seven months of 1961, Canadian exports of tobacco to Germany totalled 265,605 pounds valued at Can. $132,791.

Present duties on imports of tobacco are equivalent to U.S. 19.4 cents per pound but for tobacco coming from other European Common Market countries, the tariff is equivalent to approximately U.S. 15.5 cents per pound. This tariff on tobacco imports from EEC countries will be reduced further until eventually it disappears altogether. This will place Greece and Italy in a more favourable position.

The Government controls the price of cigarettes in West Germany and since 1948 the manufacturer's portion of this price has not been increased. Cost factors are therefore all-important to the industry but in spite of this, it remains quality conscious.

To gain a market in West Germany, Canadian tobacco producers and exporters must maintain and improve the quality of their product through research and other methods, because it is, to some extent, considered to be a substitute. They must also bring their prices into line and assure customers of continuity of supply. ●

Denmark—Tobacco imports enter without restriction and free of duty. Canadians can increase sales if price and quality right.

K. NYENHUIS, *Commercial Counsellor, Copenhagen.*

DENMARK has a well-organized tobacco manufacturing industry, with a production in 1960 valued at 454.6 million D.Kr. Cigars and cheroots accounted for approximately 232.8 million D.Kr. and cigarettes for 164.3 million. There are nine cigarette manufacturers, two of which turn out an estimated 90 per cent of all cigarettes manufactured in this country (total: 5.2 billion in 1960). There are four major manufacturers of cigars and pipe tobacco and a few smaller ones.

Denmark does not raise tobacco, so the industry depends entirely on imports of leaf. There are no import restrictions and leaf-tobacco imports are not subject to customs duties.

The accompanying table shows the principal sources of supply.

IMPORTS OF RAW TOBACCO

From	1959	1960	Jan.-Sept. 1961
		(metric tons)	
Canada	55.4	107.6	47.0
United States	6,011.1	5,521.0	4,950.0
Brazil	2,761.2	2,589.5	1,586.0
Indonesia	1,676.8	1,628.0	930.0
Rhodesia and Nyasaland	1,054.4	1,012.4	554.0
India	180.9	127.6	3.0
Turkey	197.2	322.8	144.0
Other countries	713.2	886.1	357.0
Total	**12,650.2**	**12,195.0**	**8,571.0**

Danish tobacco manufacturers are not tied to any sources of supply and are not bound to make their purchases through any definite channels. The larger manufacturers generally send members of their own staffs to the various overseas auctions to judge the quality of the leaf crops and then buy on the spot through local companies. Smaller tobacco manufacturers obtain their requirements chiefly through Danish representatives of foreign leaf-tobacco companies. The number of these Danish representatives is not large because the larger manufacturers account for the bulk of tobacco imports into this country. On some occasions, however, they do accept offers from local representatives.

As Danish tobacco manufacturers are free to choose their own suppliers, larger Canadian tobacco exports to Denmark certainly are possible, provided the quality and price are competitive, and provided that deliveries are guaranteed once orders have been placed. Canadian tobacco producers and exporters are invited to obtain the names and addresses of Danish tobacco manufacturers and of tobacco representatives from the Commercial Counsellor, Canadian Embassy, Prinsesse Maries Allé 2, Copenhagen V, Denmark, who will be glad to assist in marketing their product. It is most important that offers contain full information on quality and appearance of the various grades, as well as c.i.f. Copenhagen prices, plus payment and delivery terms. ●

Norway—Buyers are interested in finding new sources of supply in this U.S.-dominated market; present grades of flue-cured supplied do not always satisfy importers.

W. E. FULTON, *Assistant Commercial Secretary, Oslo.*

NORWAY consumes between 3,000 and 4,500 tons of unmanufactured tobacco a year. No tobacco is grown locally although some attempts, not altogether unsuccessful, were made at local cultivation during the years of the German occupation.

Manufactured tobacco products made in Norway are usually labelled in English—this remained true even from 1940-45. Hence in tobacco shops one sees such brand-name cigarettes as "Ascot", "South State", "Long Fellow", "Teddy", etc.

The Norwegian tobacco industry is locally owned. One private businessman owns a group of three firms which together produce about half the country's tobacco products. Two large manufacturers are situated in Oslo and others in Bergen, Kristiansand, Stavanger and Trondheim. One is tied exclusively to Carreras Ltd., London, England, for the ready-cut and blended tobacco used in making "Craven A" cigarettes.

Suppliers

The United States is Norway's principal supplier of flue-cured tobacco. Its sales in the first nine months of 1961 reached 24.9 million kroner out of a total of 32.4 million. Rhodesia and Nyasaland followed, with 4.4 million kroner worth. Nearly all Canada's exports to this market consist of burley.

About half Norway's smoking tobacco goes into roll-your-own cigarettes; consumption of factory-made cigarettes is comparatively low. Cigar smoking is on the increase but the use of chewing tobacco and snuff is declining. The United States holds top place as a supplier of cigarettes to Norway, followed by Britain and the Netherlands. The Netherlands and Britain furnish most of Norway's smoking tobacco.

Market Prospects

Export prospects for Canadian flue-cured tobacco are reasonably favourable. Current U.S. prices are considered out of line by the Norwegian industry and as a result manufacturers are looking elsewhere for cheaper sources of supply. The percentage content of Rhodesia and Nyasaland and other non-U.S. tobacco in local smoking mixtures has risen gradually. Moreover, Norwegian buyers are not altogether pleased with the grade of American flue-cured leaf that they receive.

Norway has no restrictions on the import of unmanufactured tobacco and the product enters the country duty-free.

To gain a foothold in this market, Canadian producers and exporters should—

- Deal direct with the large groups; these firms will refuse to buy from an agent. To reach the smaller manufacturers, contact a local agent.
- Quote c.i.f. Oslo prices in Canadian funds, stressing the discount position of the Canadian dollar.
- Emphasize the attractive low price of Canadian flue-cured leaf.
- Make certain that a uniform grade can be supplied.
- Supply redrawn samples.
- Make a personal visit to Norway; this is almost indispensable.

Winning a reasonable share of the Norwegian tobacco market quickly in the face of well-entrenched U.S. tobacco interests and competitive Rhodesia and Nyasaland prices will not be easy. Prospects are far from discouraging, however. The initial sale is the most difficult but once a sale is achieved, competitive prices and careful grading should produce repeat business. ●

Finland—Liberalization of imports from dollar countries, rising consumption have improved opportunities for Canadian producers.

G. F. G. HUGHES, *Commercial Counsellor, Stockholm.*

FINLAND does not produce any tobacco and this fact, plus a steadily rising per capita consumption of tobacco and a recently liberalized import policy, means an interesting market for Canadian exporters.

United States tobacco interests, aided in the 1950's by the local currency payment provisions of Public Law 480, have been successful in swinging predominant consumer taste over to the American-blend cigarette from the prewar preference for Oriental-type cigarettes.

Since the beginning of 1960, dollar exchange has been available for tobacco imports and there is now no reason why Canadian tobacco competitive with U.S. grades in quality and price should not sell in Finland.

The feature of the tobacco business in Finland that makes it so different from its neighbour, Sweden, is that import and manufacture both are in private hands. The industry employs over 2,000 persons and although more than a dozen firms are involved in tobacco manufacture, three large organizations account for about three-quarters of production. Foreign tobacco exporters who wish to sell in Finland normally appoint agents.

IMPORTS OF UNMANUFACTURED TOBACCO INTO FINLAND

	Average 1934-38	Average 1951-55	1957	1959
	(in thousands of pounds)			
United States	1,239	3,533	4,819	5,627
Greece	2,360	3,351	3,003	3,244
Turkey	1,095	2,079	1,808	1,554
U.S.S.R.	625	617	417	339
Rhodesia and Nyasaland	.....	130	134	294
Brazil	264	197	168	173
Indonesia	.....	100	88	116
India	.....	53	35	113
Bulgaria	300	219	247	100
Yugoslavia	.....	57	50	93
Other	1,602	445	210	221
Total	**7,485**	**10,781**	**10,979**	**11,874**

Principal suppliers of tobacco are the United States, Greece and Turkey. The U.S. has increased its share of the market from only 13 per cent in 1946 to about 50 per cent in 1960. Of the types exported from the U.S. in 1959, flue-cured accounted for 6,199,000 pounds and burley 685,000 pounds, out of total imports into Finland of 7,110,000 pounds.

The accompanying table extracted from U.S. Department of Agriculture statistics indicates the principal supplying countries and demonstrates the postwar trend toward increased use of flue-cured and burley tobaccos. ●

Sweden—A steady market for flue-cured and burley, but the United States currently supplies most of the demand.

G. F. G. HUGHES, *Commercial Counsellor, Stockholm.*

SWEDISH smokers are now using about 25 million pounds of tobacco products a year. In 1959, 59 per cent of the total was accounted for by cigarettes, 24 per cent by snuff, and 14 per cent by smoking tobacco; cigars, cigarillos and chewing tobacco made up the remainder. Cigarette consumption is rising rather slowly, partly because of the small increase in population. The use of cigars, cigarillos and smoking tobacco remains stable and it is interesting to note that Sweden still leads the world in per capita snuff consumption, although in recent years there has been a swing towards cigarettes. Average cigarette consumption, at about 1,200 per person a year, is less than a third of the average in the continental United States but is rising about 3 per cent a year.

SWEDEN'S IMPORTS OF UNMANUFACTURED TOBACCO

	Average 1946-50	1957	1958	1959
	(in thousands of pounds)			
United States	10,838	16,874	11,232	10,983
Greece	992	3,000	631	1,411
Rhodesia and Nyasaland	570	1,058	289	1,234
Yugoslavia	178	.....	661	862
India	1,355	.....	35	230
U.S.S.R.	30	68	.....	222
Cuba	337	181	115	189
Brazil	401	9	15	34
Italy	149	661	672	22
Other	1,611	1,138	247	574
Total	**16,461**	**22,989**	**13,897**	**15,761**

Tastes Are Changing

At present, Canada does not supply any of Sweden's tobacco imports. On the other hand, the United States sells a higher percentage of leaf to Sweden than to any other country in continental Europe. In 1958 the U.S. share of Sweden's leaf imports was 81 per cent. The Swedish taste for cigarettes has gradually swung away from the Oriental type common throughout Europe before the Second World War to American blend cigarettes. Through heavy taxes, the price of cigarettes and other tobacco products is maintained at a high level and this factor, with smokers' preferences, rather favours high-quality tobaccos. United States tobacco interests have been particularly successful in filling these needs.

The accompanying table taken from statistics given in a circular issued by the U.S. Department of Agriculture amply demonstrates the predominant position of the United States among the tobacco suppliers of Sweden.

The relative importance of the different types of tobacco imported varies somewhat from year to year. For instance, in 1957 Sweden imported from the U.S. 10.8 million pounds of flue-cured and 1.8 million pounds of burley; in 1959 the corresponding figures were 5.1 million and 3.1 million pounds respectively.

For some years the import of all types of tobacco and its manufacture in Sweden was under government monopoly but in May 1961 the monopoly was divested of its control over the import of manufactured tobacco. One now sees in Sweden a fairly wide variety of imported cigarettes as well as the preponderantly popular locally manufactured brands. Attesting to the public preference for American-type cigarettes is the fact that most cigarettes manufactured in Sweden are sold in packs resembling the American pack, even to the point of having the printing in English!

One Tobacco Importer

Although the monopoly no longer controls the import of manufactured cigarettes, it remains the sole manufacturer and therefore the sole importer of unmanufactured tobacco. The name has been changed to Svenska Tobaks AB and it is to this organization that any Canadian tobacco exporter should address himself in order to attempt sales. There are, in theory, no reasons why a Canadian tobacco exporter cannot sell to the Svenska Tobaks AB. This company, however, has been receiving excellent service, good quality and good prices for a number of years from its traditional suppliers and is unlikely to change unless new offers have some definite advantage. The tobacco business has been long established and there is no doubt that any Canadian company wishing to invade the field will have to be prepared to offer high-quality tobaccos at very competitive prices and on a regular basis.

Visitors to Pakistan

FOREIGN visitors entering Pakistan may bring into the country only 80 rupees in State Bank of Pakistan notes, and are forbidden to bring in one hundred rupee notes. The Canadian Commercial Secretary in Karachi warns Canadian businessmen that they may suffer some embarrassment if they buy notes totalling over 80 rupees at the more favourable exchange rates prevailing in neighbouring countries.

Jamaica—Declining cigarette production, greater output of domestic tobacco, and stiff competition from U.S. suppliers pose difficulties in this traditionally Canadian export market.

C. G. BULLIS, *Assistant Trade Commissioner, Kingston.*

ALTHOUGH Canada is traditionally the leading supplier of flue-cured tobacco to Jamaica, the United States has made sharp inroads into the market during the past two years. Total Jamaican tobacco imports have remained relatively constant at about 1.4 million pounds a year since 1956, but Canada's share of the market dropped sharply after 1959 (1959, 1.3 million pounds; 1960, 852,400; January/September 1961, 467,512). The United States meanwhile has increased its sales from 12,000 pounds in 1956 to 327,000 pounds during the first nine months of 1961, and a number of countries (such as British East Africa and Rhodesia) have entered the market recently.

Sales Threatened

Several adverse developments confront the Canadian tobacco exporter to this area in 1962. The B. & J.B. Machado Tobacco Co. Ltd., which makes all of the cigarettes produced in Jamaica, has dealt with Canada for many years and is aware of the quality of the Canadian product. But it has received better quotations from U.S. firms and has quite naturally given them the business. Local cigarette production rose rapidly from 600 million in 1954 to 784 million in 1957 but declined steadily during the succeeding three years to 694 million in 1960. (Although complete statistics are not yet available for 1961, figures for the first six months indicate that production reached approximately the same level as in 1960.) Cigarette imports, on the other hand, rose from 295,398 pounds in 1957 to well over 600,000 pounds in 1960.

Any increase in consumption has therefore benefited imported brands almost entirely—these come mainly from Britain and the U.S. Finally, efforts are being made to increase production of locally grown tobacco.

At the present time, therefore, Canada's market for tobacco is threatened in three ways—first by the decrease in number of cigarettes manufactured in Jamaica; second, by the increasing potential for local production; last and most important, by the keen competition from lower-priced American tobaccos.

Jamaica's customs tariff provides for a duty of 80 cents Canadian on unmanufactured tobaccos imported from all sources. Because Canadian firms do not enjoy a preferential margin over their U.S. counterparts, it will be necessary for them to compete on a straight dollar-and-cents basis if they wish to regain their dominant position in the market. ●

Trinidad—Canadian tobacco sales in Trinidad slumped when prices rose in 1959 but current discount on the Canadian dollar could help producers to regain markets.

R. F. RENWICK, *Commercial Counsellor, Port-of-Spain.*

TRINIDAD'S tobacco consumption is rising, keeping pace with the expansion in population. About 820,000 Trinidadians at present consume 2.33 pounds of tobacco each a year. Imports have risen steadily from 1.7 million pounds in 1957 to an estimated 1.96 million in 1961, using the January/October 1961 figure of 1.63 million as a basis. Port-of-Spain tobacco manufacturers schedule a steady flow of raw material and ten-month figures can be extrapolated with some accuracy.

Trinidad's purchases of Canadian tobacco reached a peak in 1959 of 1.5 million pounds. The accompanying table shows details of imports over the past four years and reveals that recently imports from Canada have slumped considerably. This trend continued in 1961, when only 726,000 pounds were imported for ten months, forecasting an annual rate of 871,200 pounds. Only one cigarette factory in Trinidad uses Canadian tobacco and when our prices advanced in 1959, the management of this local Imperial Tobacco Company affiliate stepped up its purchases of U.S. and African tobaccos. This has resulted in imports from the U.S. totalling 589,700 pounds for the first ten months of 1961, compared with 535,369 pounds for all of 1960. Imports for the first ten months of 1961 from seven "other" countries totalled 317,400 pounds compared with 172,000 in all of 1960.

Trinidad does not impose an excise duty on manufactured tobacco imports. Furthermore, tobacco can

TRINIDAD IMPORTS OF MANUFACTURED TOBACCO

	1957	1958	1959	1960
		(in pounds)		
Total	**1,712,703**	**1,751,047**	**1,824,966**	**1,906,231**
of which:				
CANADA	1,357,850	1,376,500	1,488,999	1,194,417
United States	353,614	370,037	333,224	535,369
British Africa, n.e.s.	.....	.....	.....	102,396
Rhodesia	193	383	.....	36,855

be imported from the usual sources under Open General Licence. The rate of duty is the same under the British preferential tariff and the general tariff—W.I.$2.26* a pound ad valorem on the c.i.f. price. This rate is subject to a surcharge of 15 per cent of the duty payable, making an effective total duty of W.I.$2.599 on imports from all sources.

Experiments over the past three years in tobacco growing on both Trinidad and Tobago have met with modest success. There are now 100 acres under cultivation on the island of Tobago and 50 acres on Trinidad. These crops are now being reaped and will be cured for use in Trinidad during November/December of this year. Domestic yield from both areas is not expected to exceed 150,000 pounds.

Canadian tobacco is well known in Trinidad and is perfectly acceptable for blending. The current discount on the Canadian dollar means a lower landed cost in Trinidad. Prices must be kept competitive if our tobacco is to regain its former marketing position here. ●

*W.I.$1.00=Can.$0.60.

British Honduras—**Preferential tariff rates and good shipping service put Canadian growers in better position here.**

C. G. BULLIS, *Assistant Trade Commissioner, Kingston.*

UNTIL 1959, Southern Rhodesia and the United States supplied all the unmanufactured tobacco requirements of the British Honduran market; these requirements have remained relatively constant at about 96,000 pounds a year. During 1959, however, Canada shipped a little over 5,000 pounds and although the amount itself was not large, it represented the first sale of Canadian tobacco to British Honduras in several years.

Canadian growers are in a position to market their products competitively in this market. Although they have experienced transportation difficulties in the past, the new shipping service between Eastern Canada and British Honduras should help solve the problem. In addition, Canadian firms enjoy a preferential margin of approximately 20 cents Canadian per pound on unmanufactured tobacco. This should more than offset the advantage of lower freight rates which United States firms have by shipping out of the Gulf ports.

Although the market is extremely small, Canadian firms enjoy a tariff advantage and should be able to obtain a much larger share of this business. ●

Hides and Skins

France—**$5.1 million worth of cattle hides and $600,000 worth of calfskins were imported in 1960; production of leather garments, travel goods and gloves has risen appreciably. Opportunities for Canadian exporters of hides and skins are excellent.**

YVON C. JAURON, *Assistant Commercial Secretary, Paris.*

THE French leather industry is an important one; it comprises 90,000 manufacturing firms employing 250,000 workers and sales in 1960 totalled over $1.5 billion. Individual craftsmanship still counts for much in this trade and French quality remains among the highest in the world. Millions of new francs have been invested in modernizing plants and in increasing productivity.

The tanning section of the industry has been affected by the shrinking of traditional outlets (such as saddlery and belts), and the constant inroads of substitutes, such as rubber and plastic. In consequence, 65 per cent of the firms in business in 1959 have now ceased operations. The more important ones managed to convert from producing heavy leather to turning out lighter leather for footwear uppers and garments. The production of light leathers, in short, has compensated for the decline in heavy leathers. Production of upper leather in 1960 reached 203.8 million square feet, an increase of 58 per cent over 1952, while production of heavy leather fell to only 27,482 metric tons, a decrease of 12 per cent from 1952.

Shoes, Luggage, Gloves

The shoe-manufacturing industry was rationalized after the war, as were the tanneries, to meet increasingly competitive market conditions. Between 1946 and 1959, some 400 small factories closed down. Although 1,500 shoe factories in 1960 produced an average of 40,000 pairs of shoes, some produced as many as 250,000. Improved productivity enabled the industry to turn out altogether 147 million pairs of shoes in 1960, an increase of 14 per cent over 1959. Thirty five million pairs, largely women's models, went to export markets. Major foreign mar-

kets were West Germany, Britain, Sweden and the United States.

Although sole leather output has continued to decline, fine leather has surged ahead. Production of sole leathers decreased by 26 per cent from 1959 to 1960 and by 16 per cent in the first half of 1961. Production for uppers (more than half of which are made from split cattle hides) continued to climb and was 11.25 per cent higher in 1960 than in 1959. Giant strides have been made over the past few years by the fancy leather trade, and more especially the leather garment industry.

The manufacture of travel goods is one of the most promising outlets for leather. Sales in this industry last year totalled nearly $100 million, an increase of 11 per cent over 1959. Twenty per cent of the output went to foreign markets.

The French glove industry continues to maintain its world-wide reputation; exports account for nearly one-third of its total production. The biggest foreign market is the United States, followed by Canada, Britain, Sweden and West Germany. This industry manufactured 670,000 dozen pairs of gloves in 1960, 18 per cent over 1959.

Leather Clothes

However, greatly increased demand for leather garments has been the principal cause of expansion in the French leather industry. The demand can be attributed first to recent advances in the tanning processes, making for more supple skins with a much wider colour range, and second, to the significant improvement in the French standard of living, enabling the average consumer to buy leather garments once beyond his reach.

This branch of the industry is now turning toward the readymade garment trade. Demand for these garments is such that fashion houses now include them in their collections. For the last three years the International Leather Show in Paris has presented new fashions in men's and women's leather garments.

The leather industry has demonstrated considerable flexibility in meeting the increased postwar demand for more fine leather goods, including travel goods, gloves and garments. In doing so, it has succeeded in expanding production without prejudicing its traditional high standards of quality and design. This expansion can mean excellent opportunities for Canadian exporters of hides and skins. Demand for calfskins and raw cattle hides is so great that the industry was obliged to import $5.1 million worth of cattle hides and over $660,000 worth of calfskins last year. Expressed in tons, France imported 27,027 tons of cattle hides compared with a local production of 79,631 tons. Imports of calf and kip skins totalled 3,154 tons and local production 28,112 tons. Canada occupied seventh place among suppliers of cattle hides, shipping $240,000 worth. Top suppliers were the Netherlands ($1.2 million), Argentina ($860,000), West Germany ($440,000), the United States ($439,000), Uruguay ($318,000), and Paraguay ($244,000). Our shipments of calf and kip skins totalled $66,994 in 1960, compared with $28,045 in 1959. It appears that the French industry will have to count more and more on foreign suppliers and Canadians should be able to win a larger share of this promising market.

No duties are imposed on imports of raw hides and skins into France, although there is a 10 per cent ad valorem duty on tanned hides and skins. The rates of duty envisaged under the EEC tariff will remain unchanged.

In the course of a visit to the International Leather Show in Paris last fall, Trade Commissioners contacted importers and wholesalers who expressed interest in studying offers of cattle hides and calfskins from Canadian suppliers. The Commercial Division of the Canadian Embassy is in a position to assist Canadian leather exporters interested in the French market. ●

Zinc and Lead from Slag

THE Boliden Mining Company, one of Sweden's largest mining, metal and chemical industries, is to invest $7 million in a slag-fuming plant at its Rönnskär works in North Sweden. The project, which is the biggest single investment scheme in the company's history, will make it possible to produce 20,000 to 25,000 tons of zinc clinkers and 6,000 to 7,000 tons of leached lead dust from 200,000 tons of slag a year.

In the new plant, a mixture of pulverized coal and air is blown through molten copper slag. This extracts most of its lead and zinc content in the form of metal fumes. These fumes are oxidized into dust and then collected and treated in a gas-purifying plant. For the time being, the zinc and lead compounds will not be processed further at the Rönnskär works but sold to continental purchasers.

The new plant, based on an American idea but specially adapted by the company's engineers to meet local requirements, will go into operation in about two-and-a-half years. Value of production is estimated at close to $3 million a year.

Boliden at present operates seven mines in north Sweden and six in central Sweden, and under special agreement with the Government also operates the publicly owned mines of the Adak field. The company's output covers 45 per cent of Sweden's overall consumption of copper, 75 per cent of silver, 60 per cent of iron sulphide and more than Sweden's total requirements of lead, gold, selenium and arsenic.

In terms of sales value, copper is the predominant product and accounts for 44 per cent of total mineral sales. The copper smelting plant at Rönnskär has a capacity of approximately 45,000 tons of electrolytic copper a year. However, only one-third of its output is derived from locally mined ores.

Prospecting activities have been intensified in the past few years, principally in foreign countries, and projects are being tried out in North and South America, in North Africa, and in Southern Europe. Under a recent agreement with interests in Colombia, Boliden expects to do prospecting in that country also.

—L. B. THOMSON,
Commercial Assistant, Stockholm.

Swiss Plastics Market Growing

Switzerland imported over $40 million worth of plastic raw materials in 1960 and over $7 million worth of plastic manufactures, including spools, reels, lamp covers, bags, gloves and apparel.

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

THE plastics industry in Switzerland, as in a number of other European countries, has grown considerably in the last 15 years. Swiss firms are today producing a wide range of plastic raw materials (see Table I) as well as semi-manufactured and finished plastic goods.

Although no exact statistics are available, the estimated value of production for the entire plastics industry totals some 240 to 300 million Swiss francs* a year. Its estimated 7,000 employees are reported to have one of the highest rates of output per worker in Europe.

Thirteen medium- and large-scale concerns make plastic raw materials in Switzerland. Several are among the largest firms in the country. Production of semi-manufactured goods has tended to be concentrated more in the hands of medium-sized firms. Forty manufacturers turn out such products as laminates, pipes, fittings, hose, rods, profiles, cords, wires, sheets, ribbons, films, etc. Approximately seventy medium and small companies make finished goods. Many are old-established rubber and leather firms which have added plastics departments to existing facilities. Their output ranges from buttons and containers to toys and utensils.

Foreign Trade

Foreign trade in all these types of plastic products is important; imports of plastics in 1960 made up 2 per cent of total imports and exports of plastics made up 1.4 per cent of total exports.

Although Switzerland was a net importer of plastic materials and products in 1960, exports totalled Sfr.111.1 million. This total was made up of the following: products of condensation, polycondensation and polyaddition Sfr.51.5 million; products of polymerization and copolymerization Sfr.27.1 million; regenerated cellulose Sfr.15.9 million; other artificial resins and plastic materials Sfr.1.9 million; and products manufactured from these four groups of plastic materials Sfr.14.7 million. The most important markets were West Germany, France, Austria, Britain, and Italy.

Imports of plastic materials and goods in 1960 totalled Sfr.193.3 million and included products of condensation, polycondensation and polyaddition Sfr.51.7 million; products of polymerization and copolymerization Sfr.86 million; regenerated cellulose Sfr.19.1 million; other artificial resins and plastic materials Sfr.6.3 million, and

TABLE I

PLASTIC RAW MATERIALS PRODUCED IN SWITZERLAND

Urea moulding compounds
Phenol resin moulding compounds
Melamine resin moulding compounds
Cellulose acetate
Polyamides
Polyvinyl acetate
Polyvinyl chloride
Ethoxylone resins
Polyester resins
Alkyd resins
Phenol resins
Urea and melamine resins
Maleic acid resins
Plastic dispersions
Plastic adhesives and binders

TABLE II

SWISS IMPORTS OF PLASTIC MATERIALS AND GOODS, 1960

(In millions of Swiss francs)

Products of condensation, polycondensation and polyaddition

From	
West Germany	22.10
France	1.93
Netherlands	11.74
Britain	3.61
Sweden	1.61
CANADA	.74
United States	8.48
Other	1.50
Total	**51.70**

Products of polymerization and copolymerization

From	
West Germany	37.90
France	2.94
Italy	5.62
Netherlands	2.22
Belgium-Luxembourg	1.10
Britain	9.55
CANADA	1.39
United States	23.70
Other	1.58
Total	**85.99**

Products of regenerated cellulose

From	
West Germany	4.67
France	2.84
Belgium-Luxembourg	3.18
Britain	1.83
CANADA	.03
United States	4.75
Other	1.80
Total	**19.11**

Products of other resins and plastic material

From	
West Germany	.71
France	1.53
United States	2.47
Other	1.55
Total	**6.27**

Goods manufactured from above materials, including spools, reels, lamp covers, bags, gloves, apparel, etc.

From	
West Germany	17.56
France	2.92
Italy	2.04
Austria	1.34
Netherlands	1.16
Britain	1.32
CANADA	.02
United States	2.45
Other	1.40
Total	**30.21**

*Can.$1.00=approx. Sfr.4.15.

manufactured plastic products Sfr. 30.2 million. Table II shows sources of supply for these products.

Canadian Exports

Canadian exports of plastic raw materials to Switzerland in 1960 totalled Sfr.2.16 million, and of manufactured plastic goods Sfr. 20,000. Principal items were polymerization and copolymerization products in liquid or solid state, in lumps, powder, or moulding preparations, valued at Sfr.1.4 million. Exports of other condensation, polycondensation and polyaddition products in liquid or solid state, in lumps, or moulding preparations totalled Sfr.708,057. The remainder included small shipments of phenoplasts, polyvinyl resins, regenerated cellulose film and other manufactured goods.

During 1960 the Swiss plastics industry operated at capacity and demand was strong. The continued rise in Switzerland's general economic activity in 1961 and the particularly strong performance of the construction industry are considered the main factors in increasing demand for plastics during the year.

To meet the rising demand, many Swiss firms have been expanding their facilities. There are very few new firms entering the field, however, because of the strength of existing firms, the competitive situation in the market, and the high cost of plant and machinery, particularly for raw-materials manufacturing.

A continued high level of economic activity during 1962 would undoubtedly mean export opportunities for foreign plastics suppliers because Swiss producers, even operating at full capacity, cannot meet all the demand. This is especially true for raw materials; foreign suppliers of manufactured goods must of course meet both the price competition of Swiss producers and the strict quality and design requirements of this market.

The Swiss plastics industry is carrying on extensive research; it has already set up two research laboratories and is planning a third. It is also making strong efforts to train needed specialized workers.

Further information on the Swiss plastics industry, including more detailed statistics and the names of major producers and importers of plastic raw materials and goods, may be obtained by writing to the Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, Berne, Switzerland. ●

TRADE COMMISSIONERS ON TOUR

In Canada

J. H. BAILEY, Commercial Secretary and Consul in Bogotá, Colombia:

Toronto—Feb. 12-16
Winnipeg—Feb.19-20
Vancouver—Feb. 20-23

After he completes his tour, Mr. Bailey will return to Bogotá.

Businessmen who wish to see Mr. Bailey 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, Halifax, Ottawa, Winnipeg 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

W. E. FULTON, Assistant Commercial Secretary in Oslo, Norway, will visit Reykjavik, Iceland, for a week beginning February 11.

G. L. GAGNE, Assistant Commercial Secretary in Mexico City, will visit Monterrey and Nuevo Leon February 12-14.

B. HORTH, Assistant Commercial Secretary in New Delhi, India, will visit Calcutta from February 12-17, and Madras from March 12-17.

J. E. LANCASTER, Commercial Secretary in Karachi, Pakistan, will visit Dacca, Chittagong, Narayanganj, Khulna and Shamshernagar in East Pakistan February 5-16.

E. H. MAGUIRE, Trade Commissioner in Singapore, will visit Bangkok, Thailand, February 19-28.

K. D. TAYLOR, Assistant Trade Commissioner in Guatemala City, will visit San Pedro, Dula and Tegucigalpa in Honduras February 26-March 2, and Costa Rica March 3-8.

W. R. VAN, Trade Commissioner in Liverpool, England, will visit Manchester, February 13-15.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Horth at New Delhi, Mr. Fulton at Oslo, Mr. Gagne at Mexico City, Mr. Lancaster at Karachi, Mr. Maguire at Singapore, Mr. Taylor at Guatemala City, and Mr. Van at Liverpool.

FOREIGN TARIFFS AND TRADE REGULATIONS

France

TARIFF REDUCTION ON AGRICULTURAL PRODUCTS—On December 31, 1961, French rates of duty on agricultural products imported from Common Market countries were reduced by an average of 10 per cent. This brings the total reduction of the January 1957 rates to 40 per cent; this is now in line with similar reductions earned for most industrial products by last July.

In addition, French rates of duty on agricultural products imported from GATT countries were moved towards the currently proposed common external tariff of EEC countries by an adjustment of 30 per cent of the difference between France's January 1957 rates and the proposed common external tariff. In most cases this means a lower tariff and better access for agricultural products exported from Canada to France, particularly for those products that have been liberalized or for which a quota is available.

Nicaragua

EXCHANGE CONTROL REGULATIONS AMENDED—Effective since last September, Nicaragua's exchange control regulations have been amended to include coke and lignite on List I, which consists of items of "prime necessity". This means that these two commodities henceforth are exempt from the 100 per cent deposit requirement and the corresponding import licences can be issued without such deposits —Guatemala City.

COMMERCIAL LICENCE FEES—H. E. Lemieux, the Trade Commissioner responsible for Nicaragua, wishes to draw the attention of Canadian exporters to Nicaragua to Decree No. 559 which became effective February 15, 1961. This Decree imposes a fee on non-residental commercial travellers and on other classes of businessmen, and also makes it necessary for foreign firms to do business through Nicaraguan agents.

Upon entry into the country, any person whose travel document states that he is a travelling salesman must pay a 300-cordoba fee (U.S.$43). He may not leave the country without presenting a receipt proving payment of the 2 per cent monthly tax on credit and cash sales exceeding 1,666 cordobas (U.S.$238).

Every firm which sells in Nicaragua foreign products exceeding a value of 50,000 cordobas a year (U.S. $7,143) must maintain an authorized representative who is responsible for the commercial operations of its travelling salesmen. The Decree provides for a tax of 10 per cent of the c.i.f. value of the imports for violations of this regulation.

Agents or representatives of foreign manufacturers, exporters or insurance companies, exclusive distributors and other importers are subject to commercial licence fees ranging from 50 to 500 cordobas a year (U.S.$7 to U.S.$71).

Pakistan

IMPORT POLICY ANNOUNCED—Pakistan's recently announced import policy for the period January-June 1962 indicates no major shifts in the country's foreign trade policy. There are still strict limitations on import licensing and the attempt to link imports to exports through the Export Bonus Voucher scheme has been extended.

Eleven items have been deleted from the list of those for which commercial licences will be made available. The eleven are: building and engineering material, other than wood or iron; white and coloured portland cement; electrical instruments, apparatus and appliances; miscellaneous provisions, including food colours; refrigerators; fibreboard, hardboard; musical instruments; sheet glass; electrical accessories, and fountain pens. These may still be imported, however, under Export Bonus Vouchers.

Some explanation of the Export Bonus Voucher scheme may be useful. The scheme is an attempt to conserve foreign exchange by tying imports to exports. Exporters of certain specified domestic commodities (cotton and jute are *not* included) are given vouchers representing 20 to 40 per cent of their foreign exchange earnings. These vouchers may be freely transferred on the open market and may be used to import many products for which licences are not usually made available. They currently sell at a premium of 150 to 160 per cent and are valid for all countries.

New opportunities were presented to Canadian exporters when the list of industries entitled to automatic licensing for most of the raw materials and equipment they need was doubled to 36. The industries now entitled to this automatic licensing are: bobbins; cigarettes and cigars (excluding tobacco); clocks and watches; electric generation; electric casings; gas mantles (excluding art silk yarn); jute-baling; miscellaneous engineering; oil companies (tinplate); parcel tapes; shipbuilding; tea blending and packing; tramcars; umbrellas and fittings; journals, magazines and

newspapers; rickshaws; agricultural implements; auto piston (auto parts); baling hoops and G.I. wire; barrels, buckets and pails; bucket ridging; brushes; drums; dye mixing; enamelled ware; furniture (steel safes and almirahs); rerolling mills; stationery; tin containers; textile machinery parts; vegetable ghee (except cottonseed, soybean oil); wire nails; doors and windows; wire drawing; wood screws and rivets; waterproofing for textiles.

It must be stressed that these industries can import freely only raw materials and some equipment. The Karachi office will undertake to find out how semi-finished components are treated in answer to specific inquiries. Interested readers should write for further details on import policy to the Commonwealth Division, Ottawa, or the Commercial Secretary in Karachi.

Turkey

NEW FOREIGN TRADE REGIME ANNOUNCED —The Council of Ministers of the Turkish Government, in a Decree published in the *Official Gazette* of January 4, 1962, announced the foreign trade regime for January-June 1962. The regulations vary little from those of the preceding period.

According to the Decree, exchange of goods between Turkey and foreign countries shall be carried out in accordance with multilateral and bilateral agreements. Payments concerning exchange of goods with countries with which Turkey has concluded multilateral or bilateral trade agreements shall be made in accordance with the provisions of the pertinent agreements. Free and convertible currencies may also be used for payments in connection with bilateral agreements. Payments concerning exchange of goods with countries which have no agreement with Turkey shall be made in U.S. dollars for countries in the dollar zone and in other zones in U.S. dollars or other currencies convertible into dollars. No combined or private compensation transaction (barter deal) may be made under any name or form.

Imports of goods for trade may be made by real persons or legal entities holding an importer's certificate. These certificates are issued by the Chamber of Commerce or Industry with which the trader is registered. No certificate is required for imports made by industrialists, exporters and mine-owners for the exclusive needs of their commercial activities.

Imports are made according to the free import list, the list of goods to be imported against an allocation of foreign exchange, and the list of quotas for agreement countries. The free import list and the list of goods to be imported against allocations concern exclusively imports to be made from the European Monetary Area and the free currency zones. The quota lists of agreement countries must contain goods included in the various lists of permissible imports. Imports of old and used goods are forbidden when import is made against allocation of foreign exchange.

Import licences are obtained upon application from the Central Bank and are valid for a period of six months from date of issue. For goods requiring additional time for manufacture beyond these six months, an extension of time will be granted and entered on the licence issued.

Import licences shall be valid only for the tariff heading indicated in the licence and goods indicated against the said heading in the import list to which they refer. The import of different goods will not generally be authorized.

A guarantee of 10 per cent of the Turkish lira equivalent of the foreign exchange applied for must be deposited at the time of application with the authorized commercial bank. No guarantee is required from industrialists for imports. Applications for import licences for goods subject to quota limits must not exceed 20 per cent of the quota to which they refer. The limit of 20 per cent may not be applied to imports from trade-agreement countries.

Among the changes in the import regulations are: the bank guarantee may be accepted instead of cash or state securities for the 10 per cent deposit required at the time an import licence is applied for, and extension of the validity of the import licence will now be easier to obtain.

A few commodities have been removed from the free list and some eight items added to it. In the list of import goods subject to allocation, the quota for asbestos and cellulose powder has been increased and the quota for paper pulp and carbides reduced.

The status of any particular commodity under the current foreign trade regime of Turkey may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Ceylon Nationalizes Life Insurance

The state-sponsored Insurance Corporation of Ceylon began operations at the beginning of 1962 and will henceforth have a monopoly of all life insurance business in Ceylon and will compete with already established insurance companies in the field of general insurance. The Corporation has established branches at key centres throughout the country.

Shipping Service to Bolivia

Grancolombiana Lines, through its Eastern Representative, Swedish American Line Agency Inc., Montreal, provides shipping services from Canada to Bolivia via Mollendo, with vessels sailing from St. Lawrence and Atlantic ports. This service was omitted in the tabulation of shipping services from Canada to South America that appeared in the November 18, 1961, issue of "Foreign Trade".

COMMODITY NOTES

Aluminum

NIGERIA—Aluminium Ltd. of Canada has announced the formation of Alcan Aluminium of Nigeria Ltd., which will build West Africa's first aluminum rolling mill at Port Harcourt, Eastern Nigeria, at a cost of approximately $4 million. The Canadian company will subscribe about 80 per cent of the initial share capital and the remainder will come from the Investment Company of Nigeria Ltd. and the Industrial and Agricultural Company Ltd., both Nigerian development-finance houses in which the Federal and Eastern Governments have interests. Financing will also include a public offer to Nigerian investors in June, involving almost $1.1 million in convertible loan stock for which quotation will be sought on the Lagos Stock Exchange. This will reduce the Canadian company's share to about 60 per cent.

Plant and equipment have already been ordered. During the early stages of operation the plant will produce 1,600 tons of aluminum a year, rising to 7,000 tons by 1966—Lagos.

Chemicals

FRANCE—Chemical production rose by 7 per cent during the first six months of 1961. The increase was most striking in organic chemicals (up 15 per cent), particularly methanol and phenol (up 25 per cent). The wholesale price index for chemicals during this period rose less than 2 per cent, says *L'Agence Economique et Financière.*

During the same period French chemical exports advanced by 4 per cent to 1.4 billion new francs. Imports rose by 16 per cent to 1.1 billion new francs, following trade liberalization measures—Paris.

Copper

AUSTRALIA—Two of Australia's largest mining groups—Broken Hill South Ltd. and Consolidated Zinc—plan to spend more than £5 million re-opening old copper mines in the Cobar area of central west New South Wales. They anticipate production of 50,000 tons of ore a month within four years. After treatment, concentrates will be sent by rail to Port Kembla for refining. The Cobar mines will give Broken Hill South participation in three basic mining ventures; it already operates a silver-lead-zinc mine at Broken Hill and has a large shareholding in the aluminum venture planned by Alcoa of Australia Pty. Ltd.—Sydney.

Electric Locomotives

INDIA—The Government has commissioned the first electric locomotive to be made in India and plans to produce 21 more by February 1963 and a total of 225 during the Third Five Year Plan (1961/66). The English Electric Company is supplying technical know-how on this project. Fifty-five per cent of the components for the first unit have been imported but domestic content is to be gradually increased. The Government hopes to save $30 to $40 million in foreign exchange during the Third Plan by manufacturing electric locomotives in India—New Delhi.

Fuel Oil

URUGUAY—The national oil refinery, ANCAP, early last December exported fuel oil for the first time. A cargo of 7,000 tons was shipped in the tanker *Conquistador* to the South Georgia Islands—Montevideo.

Paper

NORWAY—According to a report by the Norwegian Papermakers' Association, Norway produced an estimated 820,000 tons of paper in 1961—an all-time record and about 20,000 tons more than in 1960. Exports reached some 500,000 tons and deliveries to domestic consumers over 300,000 tons. Sales are estimated at 950 million kroner. The rise in production has now virtually come to an end. Prices remained stable in 1961, except in some distant markets. During the first nine months of the year about 24 per cent of exports went to EFTA countries (chiefly Britain and Denmark), 35 per cent to EEC countries, and 42 per cent to other markets—Oslo.

Plastic Sheet

SWEDEN—Skanska Attikfabriken, Perstorp, producers of chemicals and laminated thermoplastic decorative sheet, have inaugurated a new factory to extend their present operations. Scheduled for an initial capacity of about 11 million square feet a year, the plant may be extended later to produce 27 million square feet. The company's present output of industrial and decorative laminates totals about 44 million—Stockholm.

Tires

NIGERIA—The Dunlop Rubber Company has announced that work is about to begin on a £2 million factory to manufacture car, truck and bicycle tires. The new factory will go up at the Ikeja industrial estate in Western Nigeria and will meet a large part of Nigeria's rapidly expanding needs. Dunlop and the Western Nigeria Development Corporation are building the plant in partnership, but they will invite Western Nigerian private capital to participate—Lagos.

Foreign Trade Service Abroad

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Lebanon Iraq, Jordan, Persian Gulf area, Syria	L. A. Campeau Commercial Counsellor W. B. Walton Assistant Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Phone:* 50955
Mexico	F. B. Clark Commercial Counsellor G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Phone:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-41-11 *Telex:* 31270 (DOMCAN HAGUE)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Phone:* 70-644 *Telex:* WGN 9 (DOMCAN WGN)
Nigeria	H. W. Richardson Commercial Counsellor C. T. Charland Assistant Commercial Secretary N. L. Williams Assistant Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	*Mail:* P.O. Box 851 *Cable:* CANADIAN *Phone:* 25262
Norway Iceland	M. B. Bursey Commercial Counsellor W. E. Fulton Assistant Commercial Secretary	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Phone:* 33-30-80
Pakistan Afghanistan	J. E. P. Lancaster Commercial Secretary J. A. Elliott Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Phone:* 50322 *Telex:* KRC 10
Peru Bolivia	K. G. Ramsay Commercial Secretary W. J. Jenkins Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Phone:* 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner R. M. Dawson Consul and Assistant Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Phone:* 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Phone:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5, and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Phone:* 74260
South Africa Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	*Mail:* P. O. Box 715 *Cable:* CANADIAN *Phone:* 33-2628
South Africa (Cape Province), St. Helena, South West Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Phone:* 2-5134/5

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Phone:* 47-54-00
Sweden Finland	G. F. G. Hughes Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Phone:* 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44-63-81 *Telex:* 2-2386 (DOMCAN GENEVE)
Union of Soviet Socialist Republics	R. V. N. Gordon Commercial Counsellor	Canadian Embassy 23 Starokonyushenny Pereulok MOSCOW	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 415142
United Arab Republic Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Phone:* 23110
United States	M. Schwarzmann Minister-Counsellor (Economic) W. J. Van Vliet Agricultural Counsellor R. R. Parlour Commercial Counsellor J. D. Blackwood Assistant Commercial Secretary J. MacNaught Assistant Agricultural Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States (Connecticut, New Jersey, New York) Bermuda	B. I. Rankin Deputy Consul General (Commercial) A. A. Caron Consul and Trade Commissioner R. D. Sirrs Consul and Assistant Trade Commissioner F. I. Wood Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* JUdson 6-2400
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner L. D. R. Dyke Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston Street BOSTON 16	*Mail:* (City Address) *Phone:* COngress 2-1245
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Kentucky, Missouri, Nebraska)	H. J. Horne Consul and Trade Commissioner N. L. Currie Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* RAndolph 6-6033

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
United States	J. M. Knowles Vice Consul and Assistant Trade Commissioner		
United States (Michigan, Ohio)	Blair Birkett Consul and Trade Commissioner I. V. Macdonald Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Phone:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Phone:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner G. E. Blackstock Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* JAckson 5-2136
United States (Delaware, Maryland, Pennsylvania, Virginia, West Virginia)	W. J. Millyard Consul and Trade Commissioner J. B. McLaren Vice-Consul and Assistant Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* LOcust 35838
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Phone:* MUtual 2-3515
Uruguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor D. I. Campbell Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	*Mail:* Apartado 11452-Este *Cable:* CANADIAN *Phone:* 32.40.41.44
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Counsellor R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Phone:* 34787
West Indies (Jamaica) Bahamas, British Honduras	R. W. Blake Canadian Government Trade Commissioner C. G. Bullis Assistant Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Phone:* 26948

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 .956652.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 29	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01262	79.24	
Austria	Schilling		.04044	24.73	
Australia	Pound		2.3517	.4252	
Bahamas	Pound		2.9396	.3402	
Belgium and Luxembourg	Franc		.02100	47.62	
Bermuda	Pound		2.9396	.3402	
Bolivia	Potosi	Free	.08711	11.48	
Britain	Pound		2.9396	.3402	
British Guiana	Dollar		.6124	1.63	
British Honduras	Dollar		.7349	1.36	
Brazil	Cruzeiro	Free	.003329	300.39	
		Special Category	†	†	
Burma	Kyat		.2195	4.55	
Ceylon	Rupee		.2205	4.53	
Chile	Escudo	Bank rate	.9936	1.0064	
		Free	.7135	1.40	
Colombia	Peso	Certificate	.1560	6.41	
Congo, Republic of	Franc		.02100	47.62	
Costa Rica	Colon		.1578	6.34	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1452	6.88	
Denmark	Krone		.1519	6.58	
Dominican Republic	Peso		1.0453	.9567	
Ecuador	Sucre	Official	.05807	17.22	
		Free	.04652	21.50	
El Salvador	Colon		.4181	2.39	
Fiji	Pound		2.6483	.3776	
Finland	Markka		.003267	306.09	
France, Monaco, etc.	New Franc		.2133	4.68	(1)
Franco-African Republics, etc.	Franc		.004266	234.41	(2)
French Pacific	Franc		.01173	85.2	(3)
Germany	D Mark		.2615	3.82	
Ghana	Pound		2.9396	.3402	
Greece	Drachma		.03484	28.70	
Guatemala	Quetzal		1.0453	.9567	
Haiti	Gourde		.2091	4.77	
Honduras	Lempira		.5227	1.91	
Hong Kong	Dollar	Free*	.1838	5.44	*Jan. 19
		Official	.1837	5.44	
Iceland	Krona	Official	.02431	41.13	(4)
India	Rupee		.2205	4.53	
Indonesia	Rupiah	Official	.02323	43.05	(4)
Iran	Rial		.01380	72.47	
Iraq	Dinar		2.9269	.3416	
Ireland	Pound		2.9396	.3402	
Israel	Pound		.5807	1.72	

*Latest available quotation date.

†Exchange auctions will be held each week for limited amounts of exchange.

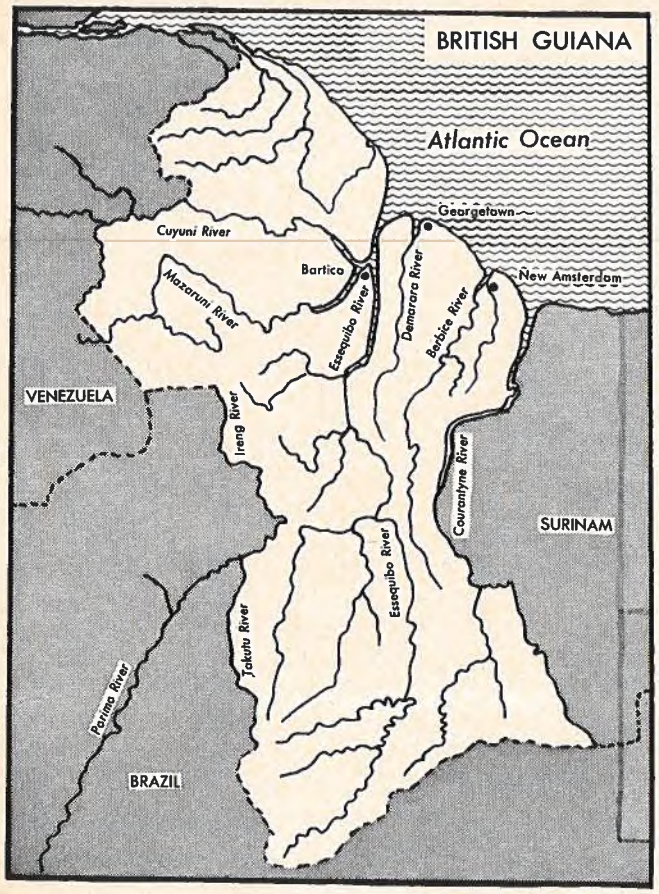
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 29	Units per Canadian dollar	Notes (See below)
Italy	Lira		.001684	593.82	
Japan	Yen		.002904	344.35	
Lebanon	Pound	Free	.3285	3.04	
Mexico	Peso		.08363	11.96	
Morocco	Dirham		.2091	4.77	
Netherlands	Florin		.2897	3.45	
Netherlands Antilles	Florin		.5543	1.80	
New Zealand	Pound		2.9195	.3425	
Nicaragua	Cordoba	Effective buying	.1584	6.31	
		Official selling	.1484	6.74	
Nigeria	Pound		2.9396	.3402	
Norway	Krone		.1467	6.82	
Pakistan	Rupee		.2205	4.53	
Panama	Balboa		1.0453	.9567	
Paraguay	Guarani	Official	.008263	121.02	
Peru	Sol		.03897	25.66	
Philippines	Peso	Free‡	.2723	3.67	
Portugal & Colonies	Escudo		.03648	27.41	(5)
Republic of South Africa	Rand		1.4698	.6804	
Singapore and Malaya	Straits Dollar		.3430	2.92	
Spain and Dependencies	Peseta		.0174	57.40	
Sweden	Krona		.2025	4.94	
Switzerland	Franc		.2421	4.13	
Syria	Pound	Free	.2924	3.42	
Thailand	Baht	Free	.04944	20.2	(4)
Tunisia	Dinar		2.5192	.3969	
Turkey	Lira		.1161	8.61	(4)
United Arab Republic	Pound	Official	3.0017	.3331	
United States	Dollar		1.0453125	.956652	
Uruguay	Peso	Free	.09529	10.49	
Venezuela	Bolivar	Free	.2280	4.38	
		Official	.3125	3.20	
West Indies Fed.	Dollar		.6124	1.63	(6)
	Pound		2.9396	.3402	(7)
Yugoslavia	Dinar	Official	.001394	717.36	

‡Exchange controls abolished.

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

BRITISH GUIANA

Area: 83,000 square miles.

Population: 550,000.

Climate: tropical and humid.

Language: English.

Currency: West Indies dollar; W.I.$1.00=Can.$0.61.

Weights and measures: Imperial system used.

Capital and chief port: Georgetown (population 140,000).

Political status: British colony with internal self-government.

Economy: main industries are mining (chiefly bauxite), agriculture (sugar and rice), and forestry.

Total British Guiana imports: (Canadian dollars) 1960—$88.3 million; 1959—$64.4 million.

Chief imports: (Can.$ million) 1960—machinery and transport equipment 26.9, manufactured goods 21.6, foodstuffs 14.8, miscellaneous manufactured articles 9.1, mineral fuels and lubricants 6.7, chemicals 6.1.

Chief suppliers: (Can.$ million, c.i.f.) 1960—Britain 34.6, United States 17.5, Canada 9.3, Trinidad 8.3.

Value of imports from Canada: 1961 (8 months) $3,499,421; 1960—$7,427,678; 1959—$4,392,257

Chief imports from Canada: 1960—dried salted pollock $649,891; dynamos, generators and parts $532,208; flour of wheat, n.o.p. $413,908; machinery and parts, n.o.p. $409,012; reapers, threshers or combines $322,529; bright flue-cured tobacco $256,948; industrial furnaces, ovens and parts $226,194; sardines $186,694; electrical apparatus $184,613; engines, n.o.p. and parts $176,791; split peas $159,798.

Total British Guiana exports: (Canadian dollars) 1960—$76.1 million; 1959—$60.4 million.

Chief exports: (Can.$ million) 1960—sugar 34.5, bauxite 17.7, rice 9.2.

Chief markets: (Can.$ million) 1960—Britain 28.3, Canada 18.9, United States 12.5.

Chief Canadian purchases: 1960—bauxite and alumina Can. $9.7 million, unrefined sugar Can.$8.3 million.

Dollar exchange: dollar exchange is freely available for goods not under import control. Most import controls have now been removed.

Prices: it is helpful to importers if prices quoted in sterling or West Indies dollars, but may quote Canadian dollars, c.i.f. Georgetown.

Samples: samples of no commercial value may be imported free of duty; if dutiable, they may be imported free of duty under bond, or if duty is paid it will be refunded on re-export.

Trade agreements: Canadian trade with British Guiana governed by Canada-British West Indies Trade Agreement of 1926, which provides for the exchange of preferences on a wide scale.

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

Banks: Royal Bank of Canada, Barclays Bank D.C.O.

Correspondence: use airmail; letters ten cents per half ounce.

For detailed information on this market write to:

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

or

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

Roger Duhamel
QUEEN'S PRINTER

If undelivered return to:
The Queen's Printer, Ottawa, Canada

Can I sell lumber on the Continent...?

DEPARTMENT OF
TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, January 11, 1962.

Mr. V.R. Keen,
President,
Exeter Lumber Exporters Limited,
Halifax, N.S.

Dear Mr. Keen:

Thank you for your letter of January 8, seeking information on the sales opportunities for lumber in Continental Europe. I am especially interested to learn that you have decided, on the basis of our discussions last month, to make a tour of the market early this year. Your letter is timely as we have been studying the potential in this market with the assistance of our Trade Commissioners.

Prospects for sales of Canadian lumber have never been better. According to a recent report prepared by the Timber Committee of the Economic Commission for Europe, lumber imports into this area during 1962 are expected to exceed those in 1961. Canada's share of the Continental European market now stands at slightly less than 2 per cent, with exports of 50 million board feet.

Most countries on the Continent are net lumber importers; total imports exceed 3,000 million board feet per year. The biggest buyer is West Germany with annual imports running at 1,200 million board feet. Italy and the Netherlands each import more than 300 million board feet and France between 300 and 400 million. Belgium-Luxembourg and Greece each require over 100 million board feet.

I am convinced that your company could take a part in increasing Canada's share of this important lumber market. However, you should be prepared to give agents and importers in those countries adequate assurance that you can supply their special requirements on a continuing basis.

We strongly urge you to visit Ottawa soon and discuss with us the full range of the Department's services to exporters. Meanwhile, we will advise our Trade Commissioners on the Continent of your proposed business trip so that they can work out an itinerary for you and arrange appointments with prospective buyers.

Yours faithfully,

O. Hickie

O. Hickie,
Forest Products Division.

Trade and Commerce Can Help You