Domestic Appliances for British Housewives (page 20)

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

MAR. 10. 62

FOREIGN TRADE

MARCH 10, 1962 Vol. 117 No. 5

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

COMING—THE FAR EAST: A BUSINESS REVIEW, MARCH 24 ISSUE

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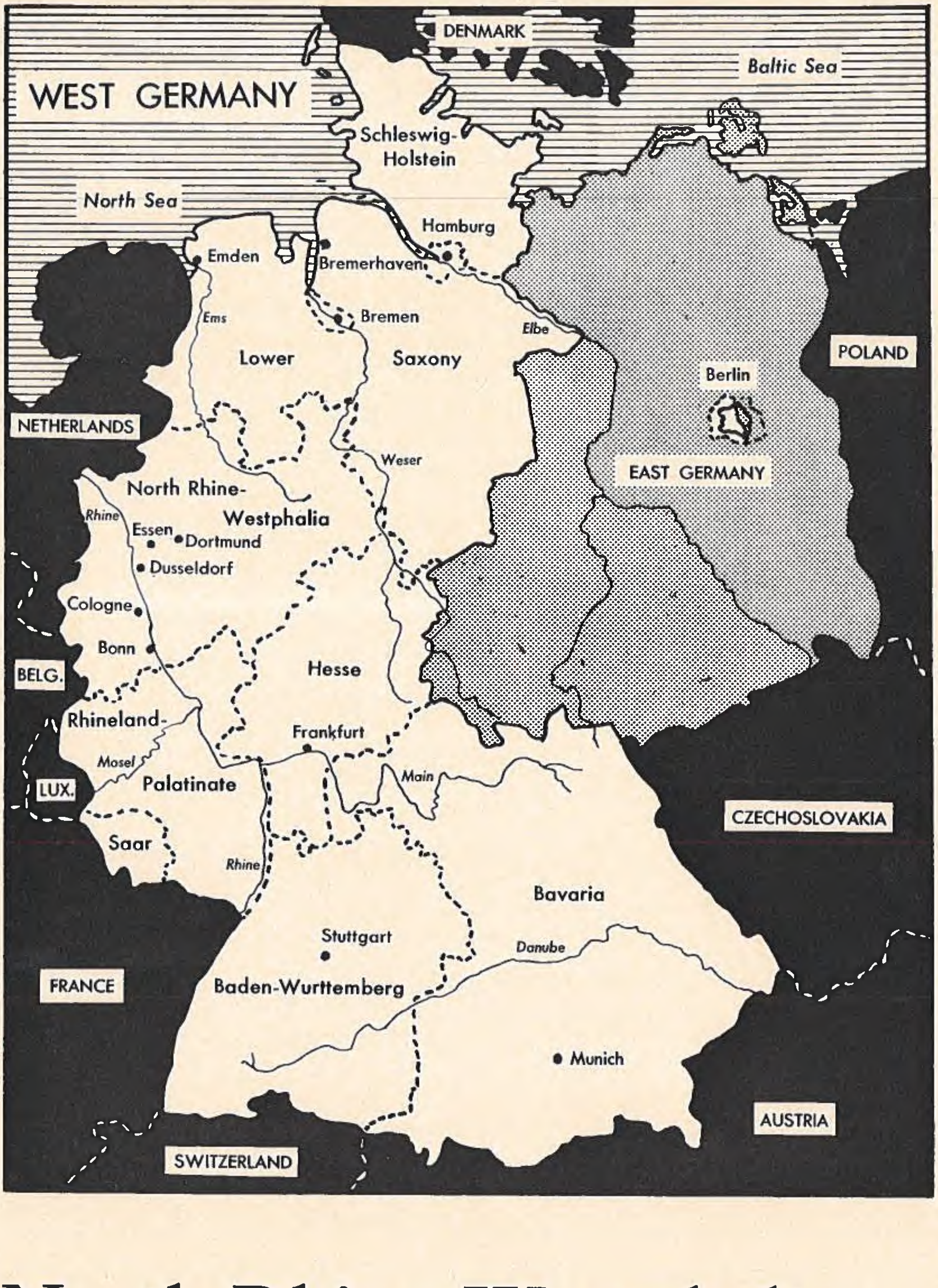


North Rhine-Westphalia

- - a Booming German Market

Late last year, the Trade Commissioner Service opened an office in Dusseldorf, capital of the industry-rich German province of North Rhine-Westphalia. Here is introductory information on this area, with its 16 million potential customers.

HOWARD E. CAMPBELL, *Consul for Canada, Dusseldorf.*

IF you are an employer in the North Rhine-Westphalia area of West Germany, you have more jobs than you have employees; if you're a manufacturer of consumer goods, you have 16 million customers on your doorstep; if you're a visiting Canadian exporter, you're in the industrial heart of Germany.

Roughly half the industry and one third of the population of West Germany is concentrated in North Rhine-Westphalia. Within a radius of 175 miles of Dusseldorf, capital of the province, live 75 million people—or 45 per cent of the total population of the European Common Market.

Dusseldorf Office Opened

Because of its strategic position, Dusseldorf was chosen by the Canadian Government as the site for a new Consulate, opened last November, to help Canadian exporters expand their sales to West Germany. Dusseldorf is called "the office desk of the Ruhr". Surrounding it is the heaviest concentration of industry in all Europe. Workers in these factories are among the highest paid on the continent; their average income is 4 per cent higher than for industrial workers in the rest of Germany and 38 per cent higher than for those in France.

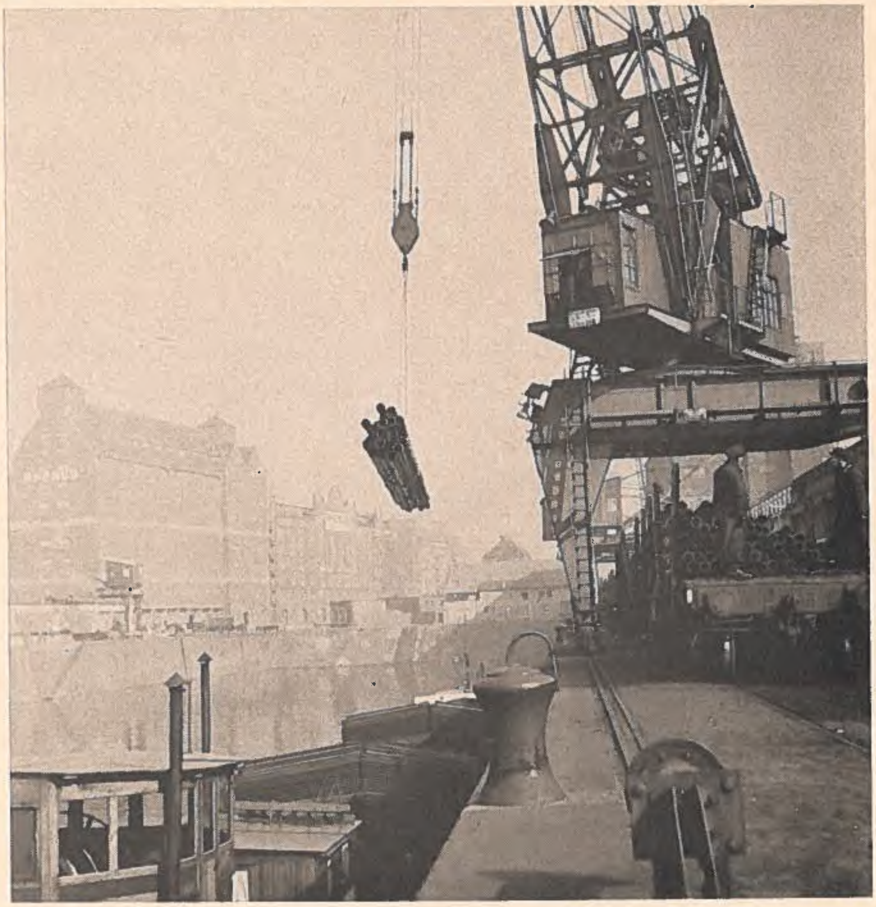
As most Canadian businessmen are aware, the West German economy has expanded rapidly in recent years. Although the rate of expansion has slowed down somewhat during the past few months, it is still high compared with other countries. The buoyancy of the economy can be attributed to a heavy demand for German goods in Europe and in other world markets. Important too is the continuing market for building materials to alleviate the housing shortage. Lack of housing has been a chronic problem in the Federal Republic and the influx of refugees from the East has aggravated it. German industries need more manpower but there is insufficient housing to accommodate these workers. Nevertheless, labour is so short in the Ruhr that in recent months some mines and factories have brought in trainloads of workers from as far away as Spain and Italy.

Industrial Concentration

German industry is diverse and scattered throughout the country but its most important segment—coal, iron and steel—is concentrated in the Ruhr Valley. This region, in central North Rhine-Westphalia, with the area around Aachen (near the Belgian border), produces almost every type of manufactured steel product, from needles to locomotives. Close to 20 million metric tons of coal a month are mined in the Ruhr Valley. A large portion of it is used to produce iron and steel but there is enough left over to make over 80 per cent of the manufactured gas used in West Germany and to generate considerable electrical power. Almost half-a-million workers are employed in the Ruhr Valley coal mines, compared with 250,000 in the United States mines.

Crude steel production in North Rhine-Westphalia in 1961 averaged 2.8 million metric tons a month. Other important industries in the province are the automobile, chemi-

Steel pipe is loaded on a Rhine barge at Dusseldorf. Close to 2½ million tons of freight were shipped from Ruhr industrial plants to world markets last year.



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cal and petrochemical, textile, machinery and machine tool, paper, electrical equipment, pharmaceutical, glass, plastics and hardware industries. Overseas shipments from these industries accounted for over a third of the $12 billion worth of goods exported from West Germany last year.

Like a magnet, the concentration of industry in North Rhine-Westphalia has drawn industrialists as well as workers from all over the world. There are 16,000 manufacturing enterprises in the province. An almost unbroken chain of cities spans the Ruhr area, so that it has been justly called "the land of cities". Included among them are Essen, Dusseldorf, Dortmund, Wuppertal, Gelsenkirchen and Duisburg, with populations of over 400,000 each. Duisburg is also the largest inland port in Europe.

Among the industries that have been attracted to the North Rhine-Westphalia market are 100 manufacturing, sales or service companies set up by United States firms in recent years. Although more of these are located in Dusseldorf than in any other city in the state, there is no single concentration in the province. To date only one Canadian company has established a branch in North Rhine-Westphalia.

Market for Canada

Canada supplied West Germany with $180 million worth of goods in 1961 and this figure is expected to rise to $200 million this year. Major imports from Canada have been wheat, aluminum ingot, asbestos, copper, iron ore, flaxseed, nickel and aircraft engines. But other Canadian products can be sold here as well. For example, Germany imports substantial quantities of hides and skins, lumber and pulpwood, textile fabrics, paper and cardboard, wood pulp, chemicals, clothing, electrical appliances, automatic vending machines, sports equipment and other goods that Canadian firms can supply. Germany also buys abroad foodstuffs, including frozen fish, fruits and vegetables, and egg products. Canadian producers in these fields might profitably investigate the possibilities of selling in North Rhine-Westphalia.

The newly established Canadian Consulate in Dusseldorf will be glad to send you the names of importers, agents and distributors in North Rhine-Westphalia. If you are interested in establishing outlets for your products in this important market, write directly to the Canadian Consulate, P.O. Box 2102, Dusseldorf, West Germany. ●

Arizona: Growth Means Opportunity

An 1858 report to Congress said of Arizona: "The region is altogether valueless and after entering it, there is nothing to do but leave." Things have changed—and opportunities have multiplied—since that report was written over a century ago.

G. F. OSBALDESTON, *Consul and Trade Commissioner, Los Angeles.*

EASTERNERS have always made use of Arizona as a vacation area. It has taken somewhat longer for them to recognize its value not only as a place to get away from work but as a place to work. Several factors have played a part in this readjustment in thinking.

Of great importance has been the tremendous growth of industry in Southern California, where the environment is intermediate between that of the East and that of Arizona. Once manufacturers became convinced that mild winters and sunshine were conducive to high production schedules, they had learned a lesson necessary to their later adaptation to Arizona. Other important factors have been the continued improvements in water-supply technology, the spread of air conditioning, and better transportation connections.

TABLE I

GROWTH OF MANUFACTURING IN ARIZONA

Industry	Employment 1950	Employment 1960
Food	3,300	6,600
Lumber	2,800	3,800
Printing	1,700	3,200
Primary metal	3,200	4,700
Machinery	800	6,300
Ordnance, aircraft	700	11,600
All others	3,000	9,700
Total	**15,500**	**45,900**

The revolutionary manufacturing growth in Arizona is shown in Table I, taken from the *Arizona Directory of Manufacturers,* 1960.

Arizona is primarily a metal-ore state, with copper far out in front of all other minerals combined. Mineral production there has exceeded $300 million in value since 1955, with copper accounting for about four-fifths of the total. Arizona has led the nation for decades in copper production, in some years accounting for nearly half of total U.S. copper output.

Uranium production in 1959 amounted to 1.5 million pounds of uranium oxide. Silver and gold are produced primarily as byproducts of copper mining. Sand and gravel, zinc and cement were the minerals ranking next in 1959.

TABLE II

RATES OF GROWTH IN ARIZONA

	1946	1960	Gain (per cent)
Population growth	616,000	1,302,161	111
Income growth	$669,000	$2,650,000	296
Non-agricultural employment	134,000	343,700	156
Agricultural income ($'000)	$163,200	$ 435,600	167
Manufacturing employment	12,200	48,800	300
Bank deposits	$398,036	$1,272,408	220
Non-ferrous mineral production	$282,977	$ 366,340	39

TABLE III

EMPLOYMENT PROJECTIONS

	1959	1969	Increase 1959-1969 (per cent)
Non-agricultural wage and salaried employment	299,300	554,500	85
Manufacturing employment	45,400	102,500	126
Wholesale and retail trade employment	71,700	138,700	93.4
Construction employment	29,100	54,500	87.3

Arizona's agriculture is almost entirely based on irrigation and although less than 2 per cent of the area is cultivated on its 9,000 farms, the yields are so satisfactory that farm income in 1959 reached $411 million. Two crops a year are common because of the long growing season.

Long-staple cotton is by far the leading crop and Arizona is the fifth largest cotton-producing state. Lettuce, alfalfa, cantaloupe and citrus fruits are other major crops. Livestock contributes about a third of the state's farm income.

During World War II, the Federal Government began to encourage the dispersal of large defence installations away from heavily industrialized areas, particularly those on the coast. Both Phoenix and Tucson attracted war plants and training installations were developed in various parts of the state.

During the fifties, Phoenix was selected by Motorola as the site of both its Semiconductor Division and its Western Military Electronics Centre. Air Research, another newcomer, grew to rival Motorola as the city's largest employer. Sperry-Phoenix and General Electric also put in major installations and Goodyear Aircraft bought up its government-owned plant in nearby Litchfield Park when the War Assets Administration released it. Smaller companies—some 325 of them in the past twelve years—have flocked into Phoenix.

Meanwhile, Hughes Aircraft came to Tucson and has become the largest employer in the state.

Outside the metropolitan areas, some of the major new plants include the Snowflake paper mill near Holbrook, Arizona; the Clarkdale plant of Phoenix Cement, which is supplying a large part of its output to Glen Canyon Dam; plants at Coolidge and Parker to convert iron ore into pig iron by the Madaras process; an apparel plant at Yuma.

The state's tax program is conducive to the development of industry. Unlike many states, Arizona does not tax raw materials, parts or finished products, and machinery and equipment are assessed for taxation purposes at 50 per cent of book value.

Growth Truly Amazing

Arizona rates first in the nation in the rates of growth shown in Table II.

These growth rates cannot simply be brushed aside with the comment: "It is easy to go from one to two and show a 100 per cent growth rate". There is a deeper significance to the figures than such a statement implies. First, the growth has taken place in a brief period of time. Second, the industrial growth is related to areas in which the state offered very real advantages and continues to do so and there is no reason to expect that industrial progress will not continue. On the contrary, it is likely that the rate of growth will accelerate now that there is an industrial foundation on which to base new industry.

A study undertaken by the Arizona State Employment Service resulted in the projections of employment growth shown in Table III.

Can Canadians Participate?

Most Canadian firms rely on their Southern California representatives to cover the Phoenix area and this is probably the best arrangement for a wide variety of products.

Generally speaking, Arizona does not have a marketing area large enough to merit manufacturers' representatives carrying Canadian lines. In order to compete in the Southwest region of the United States, companies often must ship in carload or truckload quantities to obtain favourable freight rates. The Arizona market does not usually provide opportunity for such bulk sales. During my recent visit to Phoenix, manufacturers' representatives in the fields of food and industrial chemicals, and lumber wholesalers, all indicated they would have to handle Canadian lines by drawing on stocks held in Los Angeles.

In some fields, such as clothing, where transportation costs are not such a determining factor, Canadian exporters should certainly investigate local representation in Arizona.

Perhaps the first step would be for Canadian exporters who have representation in Southern California to check with these representatives to see what, if any, coverage they are providing in Arizona. If the Southern California representative is not interested in the area, it may be possible to set up local representation in Arizona by coordinating shipments to that state with those to Southern California.

Sales to some of these western states may look small but exporters should keep the growth factor in mind. It is often much easier to grow with a market than to try to break into established patterns of purchasing and supply in the more developed areas of the United States. ●

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Selling Chemicals in Brazil

Growth of industry has stimulated demand for chemicals, led our São Paulo office to survey the market for Canadian chemical products. Here is advice on the market and a list of the chemicals made in Canada that Brazilian firms wish to import.

R. H. GAYNER,
Vice Consul and Assistant Trade Commissioner, São Paulo.

PRACTICALLY every article written about Brazil tells of the immense growth that has taken place there in recent years. At the turn of the century Brazil's population was estimated at over 17 million; by 1940 the figure had risen to 41 million and the latest estimate is 70 million.

Five years ago the country had virtually no automobile industry. Today 11 firms are producing over 100,000 trucks and passenger automobiles a year and the Brazilian content ranges from 97 per cent on some models to 60 per cent on others. Incidentally, Brazilian capital participation in the companies producing automobiles is said to range from 98 per cent down to 26 per cent.

Compared with these examples of spectacular growth, the slow and steady development of the chemicals industry in Brazil may seem to lack colour. But with only small and inferior deposits of coal and petroleum and with other deposits of crude chemicals either non-existent or uneconomically situated, the local chemicals industry could only develop as a byproducts industry or in response to the demand created by new chemical-consuming manufacturing plants.

Demand Stimulated

Now, with the development of heavy industry such as steelmaking, mining, and the manufacture of plastics, automobiles, textiles and wood products, plus the new attention being paid to agriculture, there is a growing need for chemicals and a corresponding growth in the number of firms producing them locally. In addition, the Brazilian Government has further stimulated industrial growth by means of a decree that facilitates investment in capital goods machinery.

An additional aid and incentive to the development of industry is a government procedure known as the "registration of similars". When a company begins to make a certain product in sufficient quantity and quality to satisfy Brazilian demand, a petition can be forwarded to the authorities asking that imports of that commodity be classified in the "special" (as opposed to the "general") category, for purposes of payment in foreign currency. If the product is classified in the special category, an importer of the commodity has to buy the necessary foreign exchange at a rate four to five times higher than the general category rate. For this reason, the imported product usually becomes uncompetitive in price. Approximately 275 individual chemical commodities, ranging from certain crude products to some rather highly refined pharmaceuticals, have been listed in this fashion.

This, plus growing demand, is bringing many of the famous international chemical and pharmaceutical firms into Brazil. Up to December 1961, some $1.13 million worth of chemical and pharmaceutical machinery had been imported into Brazil from Canada, the United States, Switzerland and France—machinery which will be used to manufacture chemicals ranging from antibiotics to sulphuric acid.

Currently under construction or on the drawing-board are plans for the establishment of plants to produce synthetic rubber, titanium dioxide, sulphuric acid, benzene, caustic soda, chlorine, etc.

Opportunities to Sell

With all this expansion and the protection afforded domestic manufacturers, a Canadian exporter might well ask what interest Brazil has as a market for his products. The answer lies in the oft-repeated—and, in this case, justified—remark that increased industrialization leads to increased trade.

BRAZIL IS LOOKING FOR . . .

Ammonium chloride
Bentonite, 150 mesh
Benzene
Benzol for nitration
Butyl cellosolve
Calcium carbonate
Calcium phosphate
Carbonate of lead, basic
Carbon tetrachloride
Caustic soda
Citric acid
Chloroform U.S.P.
Chrome oxide
Cobalt, black oxide
Copper sulphate in powder
Cresilic acid
Dibutyl phthalate
Diethylene glycol
Diethylene glycol monoethyl ether
Dioctyl phthalate
Dodecyl benzene
Ferrous oxides, synthetic
Fertilizers in general
Fungicides
Glucose, anhydrous
Insecticides in general
Isopropanol
Lactic acid
Maleic anhydride
Methyl ethyl ketone
Naphthalene, crude
Organic pigments
Orthophosphates, industrial
Paraffin 133°/135°F
Pentaerythritol
Petroleum jelly (white)
Pharmaceuticals, various
Phthalic anhydride
Phosphoric acid
Phosphorous (white)
Potassium hydroxide
Propylene glycol
Sodium bisulphite 60/62 per cent
Sodium carboxy methyl-cellulose
Sodium cyanide
Sodium fluoride
Sodium hydrosulphite
Sodium phosphate (secondary)
Sodium triple phosphate
Sulphur, crude
Titanium dioxide
Triethanolamine
Urea
Zinc oxide

Recently this office conducted a survey of firms engaged in the production, import, distribution and consumption of chemicals, with the objective of finding out what products from abroad might be sold here. It must be remembered that in a dynamic market like Brazil and with such a broad industrial classification as chemicals, a survey can be considered only exploratory, not comprehensive and final. Further, many of the inquiries came from firms that already have sources of supply but are looking for cheaper or perhaps supplementary ones.

The Canadian chemical company which sees in the list on page six any product that it could supply, or any indication of a market for its products, should write to the Trade Commissioner in São Paulo asking for the names of Brazilian inquirers.

In writing to the Brazilian firm, give c.i.f. Santos prices *as well as* f.o.b. Canadian port prices. Without these, chances of sales success will be minimal. Just as important for the development of export sales is the inclusion of an exhaustive list of other products on which the firm is prepared to offer, specifying whether it can supply immediately, on a continuing basis, on a spot basis, or at some future date. ●

Selling Sulphur to Pakistan

Imports are increasing, with U.S. and German suppliers in the lead, with some competition from domestic low-grade sulphur.

JAMES A. ELLIOTT, *Assistant Commercial Secretary, Karachi.*

IMPORTS dominate the growing sulphur market in Pakistan. Although there are domestic sources of supply, they are not yet competitive in quality or price in relation to purity of the product. Most imports come from the United States and West Germany. In 1959 substantial amounts of sulphur were purchased from Britain but since then, the British have not maintained their position as suppliers.

The largest users of sulphur in Pakistan are the four sulphuric acid plants, two of which are run by paper and fertilizer firms. Their combined output is about 60 tons of acid per day, requiring about 20 tons of sulphur a day. All four plants use the contact process. This sulphur must be 99.5 per cent pure and is imported because the local refineries have so far only been able to reach 85 per cent purity.

The smaller consumers of sulphur, such as the rubber industry, use most of the local output. This domestic production comes from certain high-grade sands in Baluchistan which contain 40 to 60 per cent sulphur. Plans have been made to recover sulphur from natural gas and from coal, the latter in connection with a fertilizer plant. Natural gas service is available in some of the large cities but currently the sulphur content is not recovered in the cleaning process. A refinery of 30 tons a day has been built at Karachi but shortage of power has reduced its output to 8 to 10 tons a day and reports on the quality of its product are not too encouraging.

The price of imported sulphur is kept down by foreign exporters selling in shipload lots to cover both the India and Pakistan markets, as the latter is too small by itself to absorb imports of this quantity. The Pakistan customs duty payable is 5 per cent on crude sulphur and 7½ per cent on refined sulphur from all sources. Sulphur from the United States is apparently assessed 5 per cent duty because it is classed as crude sulphur even though it is more than 99 per cent pure. Sulphur is on Open General Licence. Anyone may import it, from all sources; in practice, however, industrial consumers are the only ones to obtain import licences.

IMPORTS OF SULPHUR INTO PAKISTAN

	1959	1960 (Jan.-June)
	(thousands of rupees)*	
Source of supply		
United States	156	583
Britain	195	11
West Germany	176	159
France	34	14
Japan	4	....
Netherlands	....	22
Sweden	....	9
Belgium	....	1
Total	**566**	**799**

*Rs.4.51 = Can.$1.00.

Pakistan apparently will continue to import sulphur in increasing quantities as industrialization continues. Canadian producers should be able to share in this growing market if they can match the already keen international competition and the increasing pressure exerted by domestic producers of low-grade sulphur.

There are no sulphuric acid plants in Afghanistan nor any other large industrial consumers of sulphur or sulphuric acid. Construction of a paper mill is being studied; it would require either sulphur or sulphuric acid. Canada's competitive position may be gauged by export possibilities in adjacent markets such as Pakistan, because Karachi, Pakistan's chief port, also has been Afghanistan's main world trade link. The current rupture in diplomatic relations between Pakistan and Afghanistan, however, is tending to becloud the issue at this time. ●

Chile Suffers Balance-of-Payments Crisis

Foreign exchange crisis makes new import controls necessary; bulk of Canadian exports not hit hard, position of some improved; new regulations govern Chile's free ports. Here is a preliminary report on the situation; further changes may be expected.

J. R. MIDWINTER,
Commercial Secretary, Santiago.

ON December 27 the Chilean Government suddenly announced the freezing of all foreign exchange operations, thus bringing to light in dramatic fashion a balance-of-payments crisis that had apparently been in the making for some time. The Exchange did not reopen until January 16.

For several months Chile's foreign exchange position had been deteriorating steadily. The Government had some time before taken its first steps to check the outflow of foreign exchange by banning the sale of air passages on credit and introducing other measures to reduce foreign travel. A sudden rush of remittances during December exhausted the country's foreign exchange reserves and brought on the crisis.

The Government has moved to correct the situation by partially devaluing the escudo, by prohibiting the import of a large number of luxury and other goods, by imposing additional import restrictions, and by reducing drastically the import privileges of Arica and other free ports.

More specifically, the new regulations will affect Canadian imports in the following ways.

The Central Bank has ruled that commercial banks may not provide exchange cover for drafts on import shipments until after 90 days from the date of issue of the bills of lading. Details of customs clearance and delivery procedures are still not available but the ruling institutes, in effect, a moratorium of up to 90 days on payments for imports, even where letter-of-credit terms are involved. Other regulations limit the terms on which goods may be shipped on consignment or against deferred payment.

Two Exchange Rates

The Government has established two foreign exchange markets and is now exercising considerable control through the Central Bank over day-to-day exchange operations. The two are the "free bank" and the "brokers' " markets.

Despite the terminology, the free bank market will maintain the previous fixed rate of 1.053 escudos to the U.S. dollar. This rate is to be used for export-import transactions, repayment of credits due in foreign currencies, and most invisible commercial transactions.

In the brokers' market, the rate of exchange between the escudo and foreign currencies is being allowed to fluctuate freely according to supply and demand. Two days after the exchanges reopened, dealers were selling dollars for 1.3-1.4 escudos, or about one-third more than the official rate that had prevailed for the past two years. Persons wishing to remit funds abroad, to obtain money for foreign travel, or to carry out certain commercial (and most non-commercial) invisible transactions must deal in the brokers' market. Foreign exchange for imports of luxuries and some other items into the free port of Arica must also be purchased at the brokers' rate.

The Central Bank is supervising exchange operations in both these markets closely. The situation, especially affecting the brokers' rate, has not yet stabilized and further changes may be expected.

Prohibited Imports

In recent years the Chilean Government has applied high and frequently prohibitive duties and other charges on imports, but has refrained by and large from imposing quantitative controls. (See "A Look at Chile's Import Policy", *Foreign Trade,* December 30, 1961.) This policy has now ended, at least for the time being.

The Government has removed approximately 700 items from its list of "permitted imports". Because many of those deleted are "basket items", such as "other forest products", "other textiles", "other metallic materials", "other paper products", "other articles and manufactures", etc., the number of articles prohibited is actually much greater than 700.

Generally speaking, the commodities now prohibited comprise luxuries, some other non-essential products, and a wide range of goods produced within Chile. Many of the latter class especially were already effectively denied entry because of prohibitively high import duties and customs surcharges. Chief items now formally prohibited, however, include:

Most wood products
Most non-staple foodstuffs
Alcoholic beverages
Tobacco in processed forms
Most textiles
Clothing
Acids, calcium, sodium and potassium compounds, some other chemicals, drugs, paints and related products
Soap
Motor vehicles and accessories
Plastic manufactures
Photographic equipment
Jewellery
Hardware
Hand tools
Copper products
Pumps
Small electric transformers and motors
Electrical fittings and conductors
Domestic appliances
Furnishings and other housewares
Leather manufactures
Some paper products
Radios, television sets, record players
Cosmetics and toilet articles

Canadians Little Affected

The bulk of Canadian exports to Chile are fortunately little affected by the new prohibitions. The Canadian position has actually improved in the sense that there is now somewhat greater assurance that foreign exchange will be available for the industrial raw materials and capital equipment that Canada is best able to supply. For example, these products of special interest to Canada may still be imported:

Nickel
Lead and zinc
Primary and semifabricated aluminum
Most secondary iron and steel products
Stainless and other special steels
Many chemicals and drugs
Sulphur
Nylon yarn
Plastic raw materials
Synthetic rubber
Rubber tires and tubes
Motor vehicle parts
Refractories
Asbestos fibre
Fishing nets
Agricultural machinery
Most mining machinery
Typewriters and other office equipment
Electric meters
Most scientific equipment

Canadian exporters who wish to learn the precise situation of their specific products should consult the International Trade Relations Branch of the Department of Trade and Commerce, or the Commercial Secretary in Santiago. It is in most cases possible to determine promptly whether or not a specific article may or may not be imported into Chile.

Since January 1, 1962, Chile has been granting tariff concessions on a fairly wide list of articles imported from member countries of the Latin American Free Trade Association. These are exempt from the new import controls. Although the list of concessions and the list of prohibited articles coincide in relatively few cases, the exceptions constitute nevertheless a significant sacrifice to the free trade principle and indicate the importance that the Chilean Government attaches to LAFTA.

Changes in Surcharges

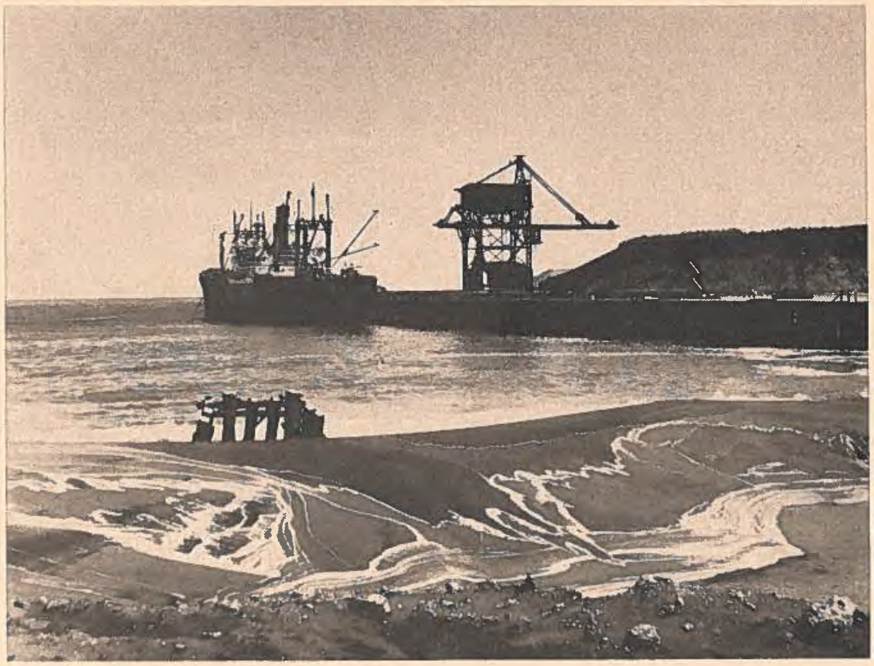
In addition to import prohibitions, the Government has greatly increased customs surcharges on about 150 items, in part to reduce imports further and in part, probably, to make up some at least of the revenue lost through prohibiting imports of many highly taxed commodities. These measures affect adversely a number of Canadian commodities, including nylon yarn, elastic cloth, some iron and steel products, rubber tires and tubes, typewriters and other office equipment, special papers, etc.

On the other hand, separate decrees have reduced duties and surcharges on a few items not produced in Chile in sufficient quantity to meet domestic requirements. The elimination of the 200 per cent surcharge on imported sulphur is of particular interest because it opens a small but new market to Canadian producers. The Government will continue to waive payment of duties and other import charges on machinery and equipment needed by specified industries (see *Foreign Trade,* December 30, 1961).

Prior Deposits

The Government has also decided upon a partial return to the prior deposit system, though under another name. Importers, upon registering foreign orders, must now deposit with the Central Bank a sum equal to the customs surcharge applicable. This can be as much as 200 per cent of the c.i.f. value

Wharves like this one at Huachipato receive Chile's imports of industrial raw materials; Canada will still be able to sell in this category despite new import controls.



of the product, although it will be much lower in most cases. For most staple Canadian products the required deposit will be 10 per cent or less of the c.i.f. value.

The deposit will be returned upon presentation of proof that the foreign exchange requirement has been covered or upon submission of the shipping documents for goods shipped on consignment or provided free. The deposit may be held for as long as 90 days in some instances and this could represent a considerable burden for importers, especially since the commercial banks have been ordered *not* to lend money for these deposits.

Exempt from the deposit requirement are products imported by government agencies, by the major copper, iron, nitrate and iodine mining companies, and imports financed by international financial institutions or brought in on deferred-payment terms.

Free Ports Affected

The new measures have considerably reduced the import privileges enjoyed during recent years by Arica in northern Chile and by the southern provinces of Magallanes (Punta Arenas), Aysén and Chiloé, styled as "free ports". Compared with the stringent import restrictions now applied to the rest of the country, however, the free ports still receive relatively liberal treatment.

Arica will experience stricter regulation because of its land connections with the rest of Chile and the opportunity this presents for movement of contraband. Effective January 13, 1962, imports prohibited entry into Chile proper may enter Arica only on payment of the full duties and other taxes called for under Chile's customs tariff, except for customs surcharges. Since these surcharges range up to 200 per cent of the c.i.f. value, however, this exception represents a significant concession to the free port. Passenger vehicles including parts are, however, subject to a special tax of 200 per cent of their f.o.b. value. These products may *not* be transhipped to the rest of the country. Luxury goods, including automobiles, imported into Arica were previously subject to an import tax of only 25 per cent of their c.i.f. value, and most other articles now on Chile's prohibited list were charged only 10 per cent.

A few essential commodities may still enter Arica free of all charges. These include foodstuffs not prohibited, fuels, construction materials, trucks, buses, jeeps, spare parts, components, raw materials and all commodities needed for industrial development, mining and agriculture in Arica. The new restrictions will not affect Canadian flour sales, for example.

Merchandise not included in either of the two preceding paragraphs may enter Arica upon payment of a charge of 25 per cent of its c.i.f. value (previously 10 per cent). This is still lower than duties generally levied on products imported into Chile proper, especially when account is taken of the customs surcharge, from which Arica is exempt.

Arica continues to receive one other important concession. Imported goods reshipped to the rest of Chile are subject to full import duties but receive a 50 per cent rebate if, after processing, local content amounts to at least 25 per cent of their value. This measure was introduced when the Government originally drew up the free port legislation. Its purpose was to stimulate industrial development in Arica and it did lead to the establishment of a number of small factories serving the Chilean market. Most of them should still be able to operate profitably.

Chileans may travel to Arica and make purchases there for their own account, although the value of goods they may take back with them is limited and the Government has announced that it will enforce customs regulations strictly in future.

Most products (except "luxuries" whose import into Chile proper is prohibited) are manufactured within the country. It will now be difficult to sell many such goods in Arica because Chilean producers should be able to offer lower prices under the tariff protection now afforded them.

In the southern provinces of Magallanes, Aysén and Chiloé, (in effect, the city of Punta Arenas) certain luxury goods are now subject to Chile's regular duty structure except, as in Arica, for the customs surcharge. These luxury goods include jewellery, furs, precious metals, silks and various other textile products, toilet articles and cosmetics, housewares, radios, television sets and record players, also alcoholic beverages, tobacco, cameras and film, most domestic appliances, motorcycles and motor scooters, etc. Automobiles are subject to a special tax of 100 per cent of the f.o.b. value.

All other goods continue to enter Magallanes, Aysén and Chiloé duty-free, provided total imports into the area do not exceed total exports in value.

Future Uncertain

These measures could bring considerable austerity to Chilean life. The import restrictions and exchange controls seem certain to force up prices of many products and services despite government efforts to control them. Larger budget deficits seem likely. Chileans fear another inflationary spiral with the complementary erosion of the external value of the escudo. Such a development could introduce much uncertainty and complexity into Chile's foreign trading relations.

Besides working out details of the measures just introduced, the Government will also have to search now for long-term solutions to Chile's basic economic problems. These might well involve still further changes in import and foreign exchange policy. Fortunately, most Canadian products now being sold to Chile in quantity would almost certainly occupy a high place on any import priority list that the Government might devise. ●

Netherlands Tanning Industry

West European producers provide keen price competition for Canadian leather in the Netherlands market, but we are selling cowhides and calfskins there and demand is strong.

N. RIEMEIJER, *Commercial Assistant, The Hague.*

THE leather industry is one of the oldest in the Netherlands. Several factors stimulated its development, including sufficient livestock to provide the hides, and an abundance of pure water and vegetable tanning materials, principally oak bark. In 1819 there were about 750 tanneries but during the nineteenth century the number rose to nearly 1,000. It dropped again in the early part of the present century to 460 and since then the industry has become further concentrated and modernized. There are 123 tanneries today of which 78 employ more than ten workers (total 3,800) and 45 have ten or less (total 200). Over 87 per cent of them are in the province of North Brabant.

In 1960 production of the large tanneries totalled approximately $44.6 million and 37 per cent of output was exported. Sales of the smaller plants totalled nearly $1.1 million.

Hides and Skins

The principal raw materials that the industry uses are cowhides, calfskins, horsehides and sheepskins. The country's three million head of cattle would be enough to supply cowhide needs if the animals were bred purely for meat production. However, the Netherlands is predominantly a dairying country where the cows are kept primarily for their milk and relatively little cowhide is available from domestic sources.

Calfskin production is somewhat better since all calves not needed for future milk production are slaughtered immediately or shortly after birth. The number of sheep raised in the Netherlands is far too small to cover total tannery requirements.

Large annual exports of domestic hides and skins further reduce the number available to industry. The tanneries are consequently forced to import about 65 per cent of their hide and skin requirements. Chief suppliers of cowhides and calfskins are West Germany, Belgium, France, the United States and Argentina. Sheepskins come mainly from New Zealand and Britain and the bulk of the horsehides from West Germany.

The fact that the Netherlands is both an importer and exporter of certain types of hides and skins is due to demand from domestic and foreign leather industries and to the important position the country holds in the international hide trade.

In 1960 the Netherlands shipped calfskins, cowhides and sheepskins to West Germany; cowhides, horsehides and sheepskins to Italy, and calfskins to Rumania and Yugoslavia.

Imports and exports of hides and skins are set out in the table below.

Leather Production

Until the beginning of this century, tanning was done with vegetable materials only. Other methods, such as chrome tanning of upper leathers, are also being used now and, as a result, the tanning process is considerably shorter for most types of leather.

NETHERLANDS TRADE IN HIDES AND SKINS, 1960

	Imports		Exports	
	(metric tons)	($'000)	(metric tons)	($'000)
Calfskins	1,280	1,348.5	4,869	4,914.9
Cowhides	49,195	21,175.7	28,370	14,416.1
Horsehides	1,618	734.2	1,906	1,040.5
Sheepskins	6,703	5,563.8	1,962	1,980.8
Other hides and skins	163	181.9	210	168.2
Total	**58,959**	**29,004.1**	**37,317**	**22,520.5**

NETHERLANDS-CANADA LEATHER TRADE

	1960		Jan.-Aug. 1961	
	(metric tons)	(Can.$)	(metric tons)	(Can.$)
Imports from Canada				
Calfskins, fresh, wet salted or pickled	25	28,314	45	53,482
Cowhides, fresh, wet salted or pickled	2,112	819,390	1,768	697,268
Sheepskins with wool, fresh, wet salted or pickled	10	4,290	....	....
Other hides and skins, tanned, except horsehides	....	....	2	7,346
Exports to Canada				
Horsehides, fresh, wet salted or pickled	25	13,156	....	....
Bovine cattle leather, n.o.p., (square feet)	117,300	32,604	124,900	31,460

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In 1960, Netherlands tanneries employing more than ten workers produced 6,430 metric tons of heavy leather from cowhide, of which sole and welt leather totalled 5,175 metric tons, harness and saddle leather 830, and belting and other technical leather 425. Light cowhide production reached 58.4 million square feet, horsehide 1.4 million, calfskin 3.7 million, and sheepskin (excluding chamois leather) 8.9 million.

Imports and Exports

Leather imports into the Netherlands in 1960 consisted of: heavy cowhide, 409 tons valued at $627,484, West Germany supplying nearly 60 per cent; light cowhide, 8.5 million square feet valued at $4 million, mainly from Belgium, France and West Germany; calfskins, 19.9 million square feet valued at $1.4 million, chief suppliers Belgium, France and West Germany; horsehide, 304,400 square feet valued at $143,286, Britain supplying about 85 per cent; sheepskins, 17.9 million square feet valued at $5.6 million, of which 27 per cent came from France and 20 per cent from Britain.

The home industry absorbs most of the domestically produced heavy leather but exports substantial amounts of light cowhide and leather made from calfskin, horsehide and sheepskin. Of the heavy cowhide produced by Dutch tanners in 1960, 1,127 tons (approximately 18 per cent) valued at $1.5 million went abroad; the main customers were Belgium and West Germany. Shipments of fine cowhide totalled 21.7 million square feet (over 35 per cent of production) valued at $7.8 million. More than half went to Belgium and West Germany was also an important customer.

Exports of calf leather totalled 2.3 million square feet worth $1.6 million, horsehide 916,000 square feet worth $555,412, and sheepskin 3.0 million valued at $567,424. Best customers for calf, horsehide and sheepskin leather were Belgium, Luxembourg and West Germany.

Trade with Canada

Until 1949 Canada shipped small quantities of upper leathers to the Netherlands. But with the exception of 18,500 square feet of sheepskin leather valued at $7,436 bought in 1959, there were no leather imports from Canada from 1950-1960. This is because Canadian tanners are unable to meet the keen price competition from domestic and West European companies. However, Netherlands agents and importers generally admit that our leathers are of good quality and, if offers are competitive, they would certainly buy from us again. ●

BUSINESSMAN'S BOOKSHELF

The Principles and Problems of Export Packing

C. H. Nethercote, Department of Forestry. 47 pages. 15 cents.

INADEQUATE packing is, with lack of interest and inactive agents, probably one of the most common mistakes made by the Canadian exporter in dealing with markets abroad. To help the businessman to solve the numerous problems of packing, the Ottawa laboratory of the Forest Products Research Branch has for a long time been conducting experiments. The results of 35 years of such studies are summarized in this pamphlet, made available at a nominal price.

In the intense competition for world markets, protective packaging is as important as good salesmanship. Merchandise exported is exposed to so many hazards that without proper protection the goods will certainly be damaged and a customer perhaps lost. From this point of view, proper packaging becomes a way of actually saving dollars.

Lavishly illustrated, this brochure indicates the general principles of good protective packing and how to cope with the many difficulties encountered in shipping goods and materials abroad.

Headings such as the following are treated extensively: the selection of interior packing and various methods, the selection of containers and various examples and applications, air shipping, marking, and strapping. Many basic rules are clearly explained and the ten most common causes of preventable loss and damage are dealt with in detail. In addition, the pamphlet contains a selective bibliography for the exporter who wants books on his special problems.

Altogether, a must for Canadian exporters.

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

Plain Talk about Public Relations

By Leonard L. Knott. 79 pages. $2.50.

MR. KNOTT is a veteran of 25 years in the PR field and his intimate experience gives point to his views on the obligations of the businessman in public relations. His object here is to hold a mirror up to unethical, foolish business practices. The free enterprise system cannot survive, he believes, without a dramatic reshaping of its public image. Intelligent PR—"good PR is simply to have a good reputation"—can help do the job, but more important, business must mend its ways. He catalogues an interesting series of abuses that confound the PR consultant trying to give free enterprise (the author prefers the term "responsible enterprise") a good reputation. Although he criticizes strongly, Mr. Knott's sensible proposals for reform will start the reader thinking. The alternative is that "in the end, unethical conduct in business may help destroy business."

Published by: McClelland and Stewart Limited, 25 Hollinger Rd., Toronto 16, Ontario.

British Commonwealth and Empire Trades Index, 1961/62

Business Dictionaries Ltd. 1,097 pages. $5.00.

CANADIAN businessmen wishing information on British and Commonwealth trading companies can put this useful volume to work in much the same way that they use the *Canadian Trade Index*. The first two sections are, however, more comprehensive than the final ones.

Section I lists British and Irish firms under classified product headings, which are arranged alphabetically and numbered. It gives cable and postal addresses, telephone numbers, and some Commonwealth and Empire addresses for the firms. Section II lists all the companies again, alphabetically by name, with cross reference to the numbered classifications of Section I. Trade-marks and brand names in use in the Commonwealth and Empire are given alphabetically in Section III, with the names and addresses of the owners. Section IV provides an alphabetical listing of international cable addresses, with company names, postal addresses, telephone numbers, and often brief descriptions of the products the firms sell.

The remaining sections are less complete. Section V gives Section I and Section II treatment to companies in 16 countries of the Commonwealth and Empire; Section VI does the same for eight foreign countries.

Order from: R. V. Gillman, Suite 421, 1117 St. Catherine St. W., Montreal, Quebec.

Practical Exporting and Importing in Canada

By J. R. Arnold. 114 pages. $4.95.

SOME years ago, Mr. Arnold established himself in Vancouver as an export merchant and his own experience has provided the material for this useful handbook. It is directed to the man who wants to carry on business as an export merchant or commission agent and it is packed with down-to-earth advice.

Once he has established an office (see the section "Organizing Your Firm") the export merchant, says Mr. Arnold, faces three problems: "what to sell; where to find the goods; and where to find the customers." These problems are taken up one by one; included too is a chapter on working out costs and quotations.

One of the most useful features of the book is that it puts into practice the principles of exporting by giving case histories of how three export orders were handled—herring for Hong Kong, flour for Gambia, and frozen fish for France. These examples not only make plain the procedures but also the problems encountered and the pitfalls awaiting the unwary.

The final chapter deals with importing. Because most export merchants in Canada also do importing, its inclusion adds to the value of the book.

Published by: University of Toronto Press, Toronto 5, Ontario.

Van Nostrand Atlas of the World

D. Van Nostrand Company, Inc. 240 pages. 98 cents.

READERS of *Foreign Trade* soon develop a good working knowledge of foreign place names and world geography. To accelerate the process, however, this handy pocket atlas can provide the needed ready reference to little-known countries. The book contains maps of every country in the world, plus information on their physiography, chief cities, and economies. Tables give population and demographic data by country, and national 1958 production figures for important commodities. There is an index covering each article and the map, flag and coat of arms of each country, and a gazetteer lists the 13,000 place names given in the 60 maps.

The book has an interesting way of organizing the salient information about a country in broad, clear outlines and, within the bounds set by space limitations, this pocket atlas achieves its purpose admirably.

Published by: D. Van Nostrand Company (Canada) Ltd., 25 Hollinger Rd., Toronto 16, Ontario.

Norway—A Prospering Market

Den norske Creditbank and Aftenposten. 21 pages. Free.

THIS small but useful booklet for exporters to Norway is published jointly by a Norwegian bank and Norway's leading newspaper.

It provides a quick review of the Norwegian economy and a summary of Norway's main imports. Concisely covered are such topics as population, the transport system, gross national product and standard of living. Bar charts compare imports of various commodity groups from the EFTA countries, the EEC countries, and "the rest of the world". It is interesting to note that Britain and West Germany are the main suppliers in most commodity groups. A breakdown within the commodity classifications is also given and imports of each product are compared with domestic production.

Canada is not listed separately as a country of origin except for nickel matte. Reference to Canadian DBS figures, however, will provide detailed information on our exports to Norway.

An attractive format and colourful illustrations facilitate reading and the booklet should prove valuable as a reference.

Order from: Joshua B. Powers Inc., 551 Fifth Avenue, New York 17, New York.

Vegetable Oils and Oilseeds (1961)

The Intelligence Branch of the Commonwealth Economic Committee. 233 pages. $2.50.

THE production of margarine is increasing rapidly in Canada and this offers an ever expanding market for oils and oilseeds. But Canada is only one of the numerous markets for the producers of vegetable oils and oilseeds that this book analyzes in detail. It reviews production, trade, utilization and prices of groundnuts, cottonseed, linseed, soybeans, coconut and oil palm products, olive oil and many other oilseeds and oils. Through an analysis of statistics from the main countries concerned with the trade in oilseeds, it provides a very useful reference for any businessman involved in the production or sale of these commodities.

Appendices show for various countries annual available supplies of vegetable oil and figures on soap, margarine and compound cooking-fat production, together with details of the quantities of oils and fats used in their manufacture. Further appendices deal with world whale-oil production and with the tariffs of Britain, Canada, the United States, and the Common Market countries, and the proposed common external tariff of the European Economic Community.

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

The Canadian Economy: Selected Readings

549 pages. $7.50 (cloth), $4.25 (paper).

BUSINESSMEN will find this an excellent source-book on every aspect of the Canadian economy. It gathers together articles on a variety of problems, selected and edited by John J. Deutsch, Burton S. Kierstead, Kari Levitt and Robert M. Will. It is not easy to assemble reference works on such a wide range of topics and this book in part solves the problem. A good bibliography at the end of each section is helpful to those who want to do further research on a particular topic.

The book is divided into eight parts, corresponding to the division of subject matter in an introductory course in economic principles. The introduction deals with the theory of economics as applied to the Canadian scene. Part II, on "Product and Factor Markets", contains articles such as "The Future of Competition in Canada: a Businessman's View" by R. M. Fowler, and "Industrial Relations and Government Policy" by Stuart Jamieson. Parts III and IV encompass the "macro" aspect of economics, including such topics as "Maintaining Economic Stability", by the Gordon Commission, and "Fiscal Policy" by K. W. Taylor.

The section of the book apt to be of most interest to readers of *Foreign Trade* is Part V, on "Trade and Commercial Policy". The majority of the topics treated are of vital interest to businessmen dealing in export products and international financing; the subjects include "Canada and GATT", "The Tariff Question," and "Europe's Unification and Canada's Trade".

The other three sections on "Growth and Development: National Policies", "Foreign Investment in Canada", and "Industrialization and Its Impact" are treated in much the same manner.

Published by: The Macmillan Company of Canada Ltd., 70 Bond St., Toronto 2, Ontario.

Survey of Markets and Business Year Book, 1961 Edition

The Financial Post. 242 pages. $4.00.

THE great distances in Canada sometimes mean that large Canadian marketing centres are as far from a manufacturer's plant as are his foreign customers. The exporter is of course interested in the growing wealth and population of these centres because they affect the sales potential in a general marketing area. For keeping abreast of such developments, the *Financial Post's* annual *Survey of Markets and Business Year Book* is a useful reference. The 1961 edition provides statistics on population, families, households, housing, consumer expenditure, disposable income, new construction, publications and their circulation, manufacturing plants and total employee salaries, capital expenditures, average incomes, retail sales, and projected (ten years hence) population for about 400 Canadian business centres, grouped by province. Statistics on provincial growth introduce each section. Figures are the latest available (for population, the 1956 census).

Other sections of the book give a statistical survey of national business—foreign trade, employment, wages, price movements, municipal finance, public finance and taxation, and national industry, covering agriculture, new branch plants, construction, fisheries, manufacturing, merchandising, etc.

Order from: MacLean-Hunter Publishing Co. Ltd., 481 University Ave., Toronto 2, Ontario.

Spain Makes Economic Progress

Aluminum, sheet and strip steel, flaxseed, asbestos constitute Canada's chief exports to this market, where raw and semi-manufactured materials for industry are in biggest demand.

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

THE year 1962 opened on an optimistic note. The Spanish economy had undoubtedly expanded during the previous twelve months although much more could have been done. There had also been considerable under-employment which resulted in low incomes for many and this in turn reduced consumption of consumer goods. A really poor grain harvest darkened the picture most of all, and meant heavy outlays of foreign exchange on grain imports. On the other hand, the tourist trade did exceptionally well; Spain has at last come into its own as a holiday country. Over eight million tourists flocked in last year and spent about U.S.$450 million. Spain is still the greatest travel bargain in Europe.

Trade Deficit

The small foreign trade surplus achieved in 1960 quickly disappeared in the succeeding months and the 1961 year-end deficit on the balance of trade reached approximately $250 million. Imports totalled slightly more than $1 billion and exports about $750 million. The large earnings from tourists easily made up the deficit, however, and left a substantial balance in the Treasury. At the end of 1961 Spain's convertible currency reserves stood at more than $850 million.

The raw material requirements of the Spanish market are increasing, as is the cost of these imports. Exports of agricultural products, oranges and others, account for a large part of the foreign exchange earnings but they vary from season to season. Fortunately, 1961 was a very good year for the traditional Spanish products—exports of oranges reached nearly one million metric tons—and all sold at good prices.

Canadian Sales

Canadian trade with Spain is growing steadily. Our exports have climbed from $6.2 million in 1959 to $10.2 million in 1960 and to $8.6 million for the first nine months of 1961, largely because of the expanding market for raw and semi-manufactured materials. Finished products comprise only a small percentage of Canada's exports to Spain. This pattern appears to be definitely established and the market here for raw materials can be greatly increased. The accompanying table shows Canada's principal exports to Spain during the last three years.

Budget Larger

The budget for 1962 totals $1.48 billion, compared with about $1.22 billion in 1961, and is expected to

PRINCIPAL CANADIAN EXPORTS TO SPAIN

	1959	1960	1960 Jan.-Sept.	1961 Jan.-Sept.
	(in Can.$'000)			
Codfish	258.0	877.6	197.2	376.9
Aluminum in primary forms	1,212.2	3,047.7	2,235.2	1,188.0
Asbestos milled fibres	1,330.8	1,031.1	489.3	1,240.2
Drugs and chemicals (including synthetic rubber until 1959)	1,408.7	35.2	....	....
Synthetic rubber	....	594.2	452.8	652.3
Flaxseed	....	1,073.0	784.1	1,253.4
Sheet and strip carbon steel, H.R.	....	1,232.3	1,232.3	....
Sheet and strip steel, n.o.p.	....	198.9	5.2	72.6
Ammonium sulphate	372.0	225.0	225.0	....

balance. Direct taxes will contribute about $852 million, indirect taxes only $504 million. Efficient tax collection, the Government's stabilization program, and economic revival are increasing tax returns and forcing the Government to choose between holding expenditure at present levels (and lowering taxes) or stepping up public spending in proportion to increased revenues and in this way spearheading economic development. A tax-reduction bill will be introduced to provide a fairer distribution of the tax burden, but the budget and various related laws show that greater industrial development and improved social conditions are uppermost in government policy. The allocation for public works increased from $137 million in 1961 to $222 million this year, agriculture from $5 million to $22 million, pensions from $65 million to $76 million, and education will receive $34.8 million more this year than last.

Public works programs provide for extensive outlays on building and modernizing roads. The estimate is for more than $3 billion over the next fifteen years. Foreign experts will come in partly as highway engineering consultants (two foreign firms will open offices in Spain for this purpose in the next few months, one Swedish and one German) and as contractors. Some $8.25 million will go into purchases of earthmoving and heavy machinery for a two-lane superhighway running along the Mediterranean coast. Spain will probably seek a large World Bank loan.

Aid and Investment

United States aid to Spain during 1961 amounted to about $140 million and helped plug the gap caused by a bad harvest, notably of wheat. These U.S. grants are expected to decline but loans will continue to be provided on easy terms and agricultural surplus products will move to Spain under PL480, for partial payment in pesetas.

Foreign investment in Spain looked healthy early in the year, but diminished later on. A large number of representatives of international financial houses visited Spain during the year, however, and given a reasonable investment law considerable foreign capital would undoubtedly flow into Spain immediately. A new law governing foreign investment is expected shortly and it should do much to improve the climate for foreign investors.

The need for a development plan to exploit Spain's resources to best advantage is clear. The World Bank is at present preparing recommendations for such a plan and the Government has just created the post of commissioner for economic development.

The financial community is awaiting the new Banking Law, which is expected to emerge at any time and which may regulate the close relationship between the large banks and the leading industrial firms. It is also possible that the Instituto Espanol de Moneda Extranjera may be returned to the control of the Central Bank from the Ministry of Commerce.

The limited convertibility of the peseta, introduced in mid-1961, has not benefited the man in the street and blocked pesetas are still blocked, although they are now called "internal" pesetas. The introduction of a free exchange market is a slow process and the common man will wait a long time before he can buy legitimately a hundred U.S. dollars with cash pesetas over the counter in a bank. However, progressive liberalization of exchange control is expected.

Spain and the Common Market

All official pronouncements on the state of the economy at the end of 1961 reflected optimism. The Minister of Commerce predicted further increases in the foreign exchange reserves during 1962, which would probably bring them close to $1 billion—largely because of the booming tourist trade. Crop conditions so far this year are satisfactory. Spain normally runs a substantial trade deficit and, with the expansion in the economy, the deficit will tend to increase but this should not cause alarm. The Minister constantly urges industry and agriculture to increase exports and those industries prepared to battle for foreign markets will receive preferential treatment. Some industries are competitive enough but others have flourished behind a solid wall of protection and import prohibitions. These will suffer severely from Common Market competition if Spain joins the group.

There seems no doubt that Spain will in time join the EEC, simply because she has no alternative. Presumably everybody will help her to do this, but negotiating the conditions for joining will take a long time. The main question will be what facilities the other members will offer to assist Spain in the transition period, and how much she will have to concede on industrial imports to maintain her market for agricultural exports. This question will probably dominate Spain's foreign trade problems in 1962.

Tours of Commodity Officers

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

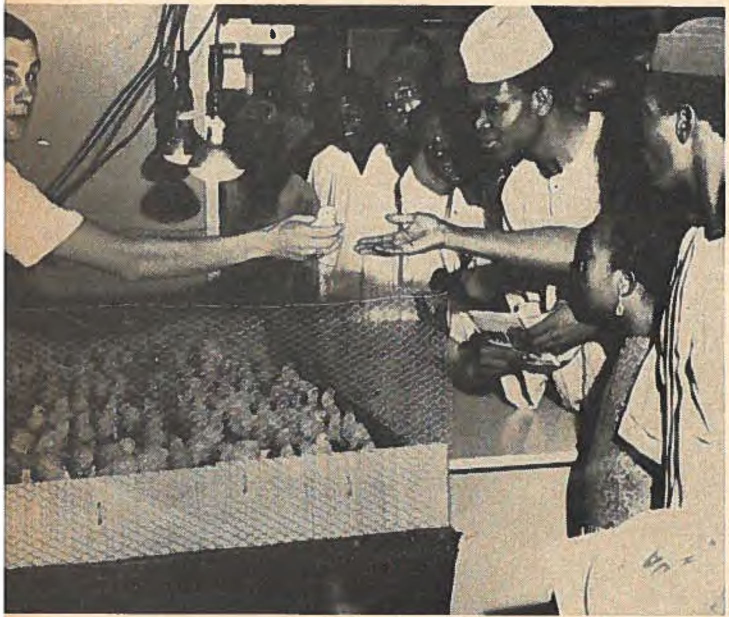
Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

Thousands of the Nigerians who flocked to the Canadian Trade Fair in Lagos, January 17-28, pedalled up to the entrance and parked their bicycles outside. Inside, they gazed with eager interest at the automobiles that Chrysler, Ford and General Motors displayed, and at the sturdy truck trailers exhibited by another company from Woodstock, Ont.

Canada Takes a Trade Fair to Nigeria

A smart advertising hand-out, prepared with the West African climate in mind, was the "I am a CANADA fan." Groups of Lagos young fry like these acquired them at the Fair and put them to instant use; so did the not-so-young, especially after a trip around the over-100 exhibits and the other attractions.

A group of Trade and Commerce officers on duty at the Fair pause outside some of the buildings with Edward R. Murrow, radio and TV personality and Director of the United States Information Agency (second from right), who made a special trip to inspect the Fair. With him are (left to right): John Mountain, Commodity Officer; D. G. W. Douglas, Chief, Trade Fairs Abroad Division; Frank Hamilton, Trade Publicity Branch (all of Ottawa) and (right), H. W. Richardson, Commercial Counsellor at the Canadian Embassy in Lagos.



The youngest things at the Fair were the day-old chicks, flown in from Toronto three days a week by Shaver Poultry Breeding Farms of Galt, which sells them in 28 different countries. The attendant is placing one of the small balls of down in the outstretched hand of a Nigerian, while other chicks cheep in the background. The chickens sold well.

MONTHS of planning and promotion, both in Canada and in far-distant West Africa, came to a climax recently in Lagos, Nigeria. On January 17, as the flags of both countries floated over brightly decorated buildings, the Prime Minister of Nigeria officially opened the Canadian Trade Fair. The High Commissioner for Canada in Nigeria was there to welcome him and to make the opening speech, and two ships of the Royal Canadian Navy were lying at anchor in the harbour.

In the eleven days that followed (the Fair closed on January 28), over 350,000 Nigerians came to gaze at the products displayed by the 107 Canadian firms that participated, to queue up at the information stand for booklets on Canada and attractive promotion pieces, to watch documentaries on Canadian life at the open-air cinema on the grounds, and last but most important, to transact business.

The products on display represented a good cross-section of Canadian production; the catalogue of exhibits began with "adhesives" and ended with "transport equipment". In between, they ranged from camp trailers to sweet pickles, and from arc-welding transformers to pyjamas. To lend a personal touch, executives from 40 of the firms exhibiting were on duty at the fair, including eight presidents of companies, many export managers, and a number of sales managers. Other firms were represented by their Nigerian agents or had arranged co-operative staffing.

To give potential buyers the best possible opportunity to do business, certain days and certain times of day were reserved for business visitors. And business was brisk. One company is quoting on 23 large trailers for the Port of Lagos Authority for use at Apapa; a company selling sliding-door hardware found it hard to cope with the demand; the maker of a new type of building panel booked many orders; so did a manufacturer of protective coatings. The Northern Electric Company is tendering for a new telephone system to cover Nigeria and Atomic Energy of Canada hopes to sell two or three of its Theratron cobalt 60 therapy units. Some 38 Canadian companies appointed agents during the course of the Fair.

Midway in the second week, the Canadians had an interesting and useful meeting with Nigeria's Federal Minister of Trade, Chief Dipcharima. They also met and talked with a colourful delegation of 33 Ministers and Chiefs from Ibadan, Western Nigeria, who spent a day at the Fair. Other visitors came from Togoland, Dahomey, Ghana, and Portuguese Africa. The delegates to the African Summit meeting, then in session at Lagos, found time to see the exhibits and the Minister of Education in the Congo Government, Brazzaville, went away the proud owner of a new Canadian automobile.

When, on January 28, the work of dismantling the exhibits began, the businessmen felt that the Fair had proved its value, both in orders received and in the promise of more business to come. ●

The Prime Minister of Nigeria, Alhaji the Rt. Hon. Sir Abubakar Balewa, P.C., K.B.E., cuts a white ribbon to symbolize the official opening of the Fair. On his left, His Excellency T. LeM. Carter, Canadian High Commissioner to Nigeria. Two Nigerian officials accompany the Prime Minister; on the right, a Nigerian soldier.

A Nigerian mother (who neatly solves the baby-sitting problem) briefs herself on Canadian industry by pausing at the CIL exhibit. The large map of Canada at which she is gazing shows the location of CIL plants and offices across the country. The Fair did an educational as well as a selling job.

Like Canadians, Nigerians like to take away some souvenir of their visit to the Fair. These shopping bags, with their "Canada for Quality" slogan, colourful maple leaves, and obvious usefulness, proved a sensation. A mother, son and daughter just leaving the grounds are clutching theirs possessively.

What's current in commodities?

Domestic Appliances

Britain—How brisk is the demand for household appliances in Britain? What types sell best? What is the competition? How should Canadian manufacturers approach this market? This report answers these pertinent questions clearly and succinctly.

S. G. HARRIS, *Assistant Commercial Secretary, London.*

THE patterns of living in Britain have changed greatly since the Second World War. Nowhere is this fact more in evidence than in the home where, as in North America, the housewife's daily load is being lightened by an increasing number of gadgets and domestic appliances. This change has taken place more recently than in Canada and the boom in appliance sales is (with a few exceptions) continuing.

That the British market for appliances is nowhere near the saturation point is evidenced by the results of a recent sample survey conducted by Odhams Press. Over 4,000 representative homes all over the country were visited and the extent of ownership of home appliances discovered is shown in Table I.

TABLE I

OWNERSHIP OF HOME APPLIANCES IN BRITAIN

Appliances in the Home	Per cent of housewives using them
Gas cooker	71.5
Electric cooker	24.2
Spin or tumbler dryer*	5.1
Washing machine	39.4
Refrigerator (electric)	19.7
Refrigerator (gas)	3.3
Steam iron	17.5
Toaster	11.7
Kettle	32.2
Food mixer	3.0
Vacuum cleaner	71.1
Hair dryer	24.3
Fire or heater†	63.6
Coffee percolator	14.9

*Spin or tumbler dryers were included for the first time in the current survey.

†Small electric element heater with up to 2 kw. output.

Since Britain removed the restrictions on purchases of products from dollar and other countries about two years ago, considerable numbers of foreign household appliances have appeared in the stores. Canadian, European and United States manufacturers have shared in this new market and a few figures on imports of selected items are given in Tables II and III.

In the past five years the domestic appliance industry in Britain has experienced an unprecedented boom, far exceeding the expansion of the British economy as a whole. Because of over-expansion, however, the industry suffered a minor setback in the spring of 1961. This, coupled with the reimposition of restrictions on instalment buying and a short time later a small increase in purchase tax (both measures to combat the temporary international balance-of-payments difficulties), meant that production in 1961 was slightly down on the record year, 1960. But it is still considerably larger than the 1959 output.

TABLE II

CANADIAN APPLIANCE EXPORTS* TO BRITAIN

	1960	1961 (8 mos.)
	(Can.$)	
Electric ranges and parts	476,107	626,958
Other ranges	3,494	32,706
Washing machines and laundry equipment and parts	19,123	80,139
Refrigerators and freezers	79,776	272,932
Lighting fixtures and lamps	758	22,608

*Source: Dominion Bureau of Statistics.

Kitchen Ranges (Cookers)

In 1960 Britain produced over 300,000 gas ranges and about 150,000 electric ranges. Although previous figures on ownership show that the great majority of British housewives cook with gas, the electric cooker manufacturers have made great strides recently and, under the spur of competition from imports, have increased their production until now it almost equals output of gas cookers. The British product, however, still lacks the modern styling of the North American lines and it is considerably smaller. Backboard control panels with timing devices and clocks are only now beginning to appear and oven grills and spits are virtually

TABLE III

IMPORTS OF APPLIANCES INTO BRITAIN*

	1960	1961 (9 mos.)
	(Can.$)	
Electric cookers	2,232,735	1,944,520
Domestic washing and drying machines	1,430,261	1,462,634
Domestic refrigerators and refrigerator equipment	5,313,313	1,430,143
Electric lighting appliances and parts	2,051,245	1,595,660

*Source: U.K. Trade and Navigation Acts.

non-existent. Latest British designs feature high backs with eye-level grills that appear to be gaining favour.

Canadian products do appeal to a small proportion (but large in total numbers) of the population who want a "luxury" product. Preeminent among these are the ranges made by one Canadian manufacturer which established its own branch in Britain before the war and which does well with its large (by British standards) models. At least two other Canadian companies are selling ranges in Britain. Canadian gas ranges are not yet being sold here, for reasons given later.

Washing Machines

Annual British production of washing machines totals about 350,000 units of all types. Again, as in kitchen ranges, British machines tend to be smaller and more compact; they must fit into the small British kitchen because the majority of homes do not have basements. They are usually designed square with a flat top to go under or form part of a kitchen counter or work space. In the past 18 months the trend has been to more and more automatic machines; sales of the old familiar wringer-type washer are declining although they are still substantial. Generally speaking, Canadian domestic machines are both too big and of the wrong shape to suit this market.

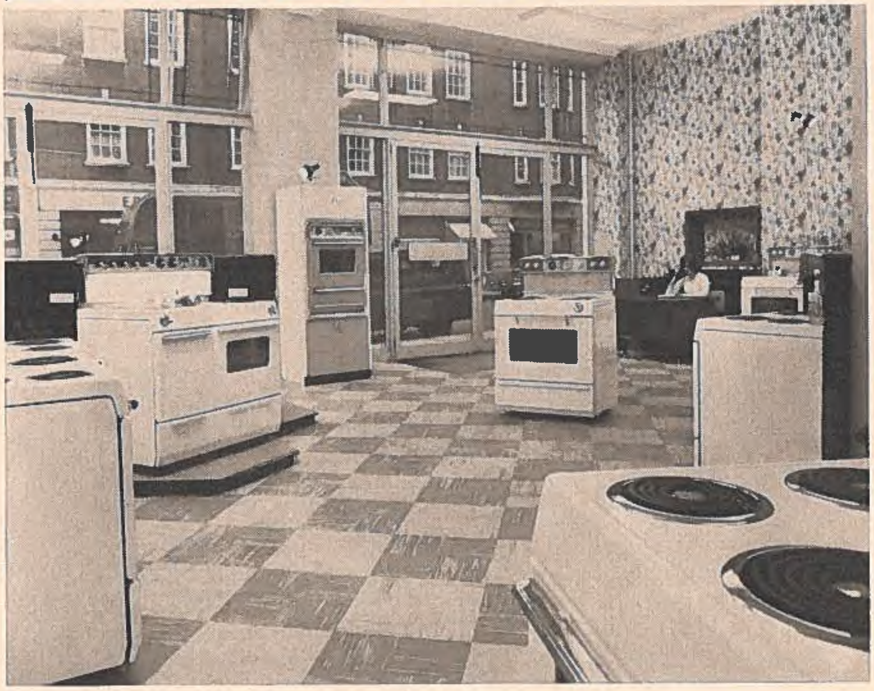
The Canadian export figures for washing machines going to Britain cover principally commercial units going into coin-operated laundry establishments. One Toronto firm has been notably successful in establishing several of these and has a major program in hand. Commercial laundrettes, so common in Canada, are now receiving considerable attention in Britain and other Canadian manufacturers might do well to consider these outlets more closely.

Refrigerators

British refrigerator production totals almost 500,000 units a year. The vast majority are small units with a capacity of three to six cubic feet and they too have flat tops to go under kitchen counters or form part of a counter. Of all the domestic appliance industries, the refrigerator industry appears to be the most over-extended. There is a profusion of makes and models and imports this year have fallen considerably. Taking the long view, however, there seems to be considerable room for expansion. This autumn for the first time British manufacturers have incorporated deep-freeze compartments in their small domestic models but the large deep-freezes common in Canada are still rare.

It is this deep-freeze market that offers the best opportunities to Canadian manufacturers. Large domestic freezers are not made here yet and the increasing use of frozen packaged food products should ensure an expanding market for some years. One Canadian manufacturer has had an agent selling its products here for 18 months and sales are going well.

One Canadian household appliance manufacturer, well known in Britain in prewar years, has established an attractive new showroom in the very heart of London.



Other Appliances

There are probably many other appliances that could be sold in this market. Kitchen gadgets and small kitchen appliances are becoming more and more common but price competition is severe and prospective importers must be prepared to invest considerable sums in stocks, marketing and advertising.

A Canadian floor and table-lamp manufacturer who visited London last spring received a most encouraging welcome. He found that his designs are considerably ahead of British ones and his prices not too far out of line. He has now developed an expanding business in this country. There are probably many others with similar products who could do likewise.

How Appliances Are Sold

Home appliances in England are still considered somewhat of a luxury. Prices, though perhaps moderate by Canadian standards, are still high for the average British consumer whose wages may be only two-thirds or one-half those earned by his Canadian counterpart. There are several reasons for the high British price tag. First there is purchase tax (usually about 25 per cent of the wholesale price). Then there is the complex system of distribution, involving importer-distributors, wholesalers and retailers. Finally, there is retail price maintenance legislation that prevents retailers selling a branded product below the manufacturer's set price. Discount houses have not made much impact yet in Britain and they do not sell branded lines.

For the Canadian exporter to Britain, these factors are both a hindrance and a help. They are a help because a potential exporter can tell in advance what price he has to quote to meet competition. They are a hindrance because, if one follows the usual marketing channels, a Canadian price c.i.f. British port may be more than doubled by purchase tax, distributor's and wholesaler's commission before the product reaches the consumer.

Generally the importer-distributor may want up to 20 or 25 per cent commission (depending on stock payment arrangements), a wholesaler about 15 per cent, and a retailer 25 to 30 per cent. A purchase tax of 25 per cent (recently raised "temporarily" to 27½ per cent) is levied on the wholesale price and this is added to the retail price at the time of sale. Retailers do not usually take their commission on the purchase tax portion of the price.

Some of these middlemen may, however, be bypassed by either setting up a branch in Britain to handle imports and distribution or by laying in stocks in a warehouse and selling through a commission agent direct to the large retail outlets—chain stores, department stores and electricity and gas boards. Such an agent might operate on 5 to 15 per cent commission, with perhaps an allowance for advertising and promotion. Obviously there is a lot of "fat" in British marketing methods and several Canadian companies have found it worthwhile to follow one or other of these alternatives.

By far the biggest single outlets for major appliances are the regional electricity and gas supply boards. There are twelve regional gas boards and fifteen electricity generating boards covering the whole of Britain. These boards, apart from supplying gas and electricity, operate chains of appliance shops selling direct to the customer. It is estimated that last year 98 per cent of gas appliances and over 50 per cent of electrical appliances were sold through these service stores.

Before a manufacturer or importer may sell his products through these outlets, he must obtain the approval of the regional board. Approvals are granted to manufacturers whose products meet the board's specifications for safety, design and performance.

Standards and Approvals

Before going further, it should be understood that there are no statutory legal requirements governing the sale or use of electric or gas home appliances in Britain. In spite of this, the electricity and gas supply boards have found it in their best interests to set up their own standards which appliances must meet before they allow them to be sold through their retail outlets. Similarly most of the chain and department stores insist on some form of approval to protect their own good name. There are several approval agencies besides the gas and electricity boards, the most common of which are the British Electrical Development Association, Test House, the British Standards Institution, and the newly formed British Electrical Approvals Board.

The latter organization, the BEAB, was formed in 1960 by the British Electrical Development Association, British Electrical and Allied Manufacturers' Association, British Standards Institution, Electrical Contractors' Association, and the Electrical Wholesalers' Federation, with the encouragement of the Consumer Protection Committee of the Board of Trade. This was in response to public indignation aroused by the revelation that considerable numbers of dangerous appliances were being sold on the market. The Board is currently in the process of setting up standards and test facilities for over 70 major electrical appliances. It is making considerable progress and is becoming widely recognized throughout the trade, but has as yet no legal status. This and other organizations will, for a modest fee, undertake to test electrical appliances submitted to them and if necessary advise the manufacturer of modifications needed to gain approval. Once his products are approved, the manufacturer is entitled to label them with the organization's special insignia.

It cannot be emphasized too strongly that approvals are not necessarily for standards of safety but in many cases for standards of design and performance. The gas boards are perhaps most difficult because they consider the designs of Canadian kitchen ranges and gas burners unsuitable for the British market and so far have not approved them. Because they handle virtually all domestic sales, it is very difficult to sell Canadian gas appliances in Britain.

Finally, one short note on general electrical specifications in Britain. The standard voltage is 230-240 single-phase 50-cycle, with a very few others (in the process of being converted) of 200-220 volts. The three-wire system is in general use, colour-coded—red for live, black for neutral, and green for earth. Because of the multiplicity of electric socket designs, plugs are not usually supplied with the appliance. Heavy appliances such as kitchen ranges must be connected solidly to a "cooker control unit" which is run off a separate sub-circuit in the home fused for 30 amperes. Other domestic circuits are fused 5 to 15 amperes.

We think that there are good opportunities in Britain now for selling kitchen ranges, deep freezes, commercial laundrettes, electric table and floor lamps of smart design, and many novelty kitchen appliances. We in the London office of Trade and Commerce feel that Canadian appliance manufacturers who are prepared to enter the British market and make a serious effort to promote and sell their products here stand a good chance of success.

If you have an appliance that you feel might sell, write to the Minister (Commercial), One Grosvenor Square, London, W.1., who will be pleased to assist you. ●

Refrigerators

Trinidad—Rising standard of living, similarity of electricity supply, preferential tariffs make this market a natural for Canadian refrigerator manufacturers, if they want to cultivate it.

R. L. RICHARDSON, *Assistant Commercial Secretary, Port-of-Spain.*

TRINIDAD offers an ideal export market for the Canadian refrigerator manufacturer. There are no local producers and no import restrictions. Preferential tariffs give him an advantage and electrical voltage and cycle are the same as in Canada. The market demand appears good in the long run. The fact that Trinidad was Canada's largest export market for refrigerators in 1960 indicates that some Canadian manufacturers are actively pursuing this export opportunity. However, the Canadian share of a 12,000-unit market in 1960 was only 14 per cent. There is plenty of scope for other Canadian exporters to move in.

Like children here, these small Trinidadians will soon become used to going to their spanking new Canadian refrigerator for an after-school snack or a glass of milk.

Sales Boom

In a country with a tropical climate and a rapidly rising standard of living, refrigerators top the shopping list for household appliances. The rising trend in imports began in 1956, when some 3,700 units came into the country. The following year the number rose by 10 per cent and in 1958 by another 15 per cent to over 4,000 units. Refrigerators had become by then a status symbol as well as a practical domestic need. Dealers will confirm that they sold electric units to homes that were not even wired for electricity because the owners wanted to show their friends a new refrigerator.

In 1959 sales jumped by 50 per cent and in 1960 by another 40 per cent. Imports of electric units in that year reached 11,920 and 152 non-electric units were sold. The figures for the first half of 1961 suggest that 1960 was the peak year but this will not be known for certain until last year's Christmas sales are counted.

It is by no means too late to win a share of this growing market. It is estimated that some 40,000 units are in use in a territory of over 100,000 homes. Aided by a World Bank loan, the Trinidad and Tobago Electricity Commission has started a $25 million expansion program to bring electricity to every house. There is good reason to believe that annual demand for some years to come will be for not less than 10,000 units.

What Do They Buy?

Almost every style of refrigerator sold in Europe or North America sells in the Trinidad market. The most popular sizes at the present time are in the six to nine cubic foot range, although both smaller and larger units find buyers. These refrigerators contain all the modern features, including automatic defrosting, full-width freezers and butter-holders. Most of them carry a five-year guarantee against defective manufacture. The customer can choose between 25 different brand names from at least eight different countries and his final decision will depend on price, appearance, salesmanship and the assurance of after-sale service.

Advantages to Canadians

Canadian and other Commonwealth manufacturers enjoy a substantial preference on import duties. The preferential duty is 10 per cent ad valorem on the c.i.f. value, plus a 15 per cent surtax on the duty paid, totalling 11½ per cent of the landed cost. To non-Commonwealth competitors the duty is 25 per cent plus the same surtax, or up to 28¾ per cent of the landed cost. This 17¼ per cent margin gives the Commonwealth manufacturer an over 20 per cent margin on factory cost. Another factor that operates to the advantage of the Canadian supplier is the local electrical set-up. Trinidad has a 110-220 volt 60-cycle system, which means that the Canadian manufacturer can sell units manufactured for the domestic trade.

A Word to the Wise

The problems are small but worth noting. The corrosive humidity in Trinidad requires that metal components such as coils and strip should be made of copper or some other non-corrosive material. Electrical current supplied to the home is subject to wider fluctuations than are normal in Canada and the motor should be made to allow for this. It is important to assist your agent/distributor in providing technical service, bearing in mind that all refrigerators are imported and the technicians have not had the opportunity to visit a refrigerator plant. One of the most successful suppliers to the market has solved this problem by sending a technician to live in Trinidad where he can provide professional service for the entire Eastern Caribbean. To receive preferential tariff treatment it is important that the exporter comply carefully with the instructions on the certificate of origin. Otherwise, delays in clearing and additional charges may result.

Sales Approach

The first step in selling in this market is to choose a distributor. With 25 exporters competing here, it is no longer possible to sell through a commission agent. The only good outlet is a distributor who handles your product exclusively, selling from his own retail outlet. Advertising is important* and the better selling brands take a half-page in the daily paper at least once every fortnight. They also use film slides and at least one distributor uses the door-to-door method, employing salesladies. With each outlet handling an exclusive line, it is important to keep the public regularly informed about where to buy your brand.

Credit is important in this trade and instalment purchases are arranged either by the distributor or through a consumer finance company. During the 1959/60 boom, consumer finance contributed to the spending spree with very low down-payment terms. Lenient terms proved unwise, however, and in 1961 the required down payment was increased and the credit rating of the purchaser more carefully studied.

The accompanying table demonstrates that competition is keen. However, one exporter is reported to have sold over 1,500 units in 1960 and another over 1,000. Given a market of 10,000 units, each exporter could expect to sell 400 a year—not an uninteresting prospect. If you have not yet examined this market, therefore, you would be well advised to write the Commercial Counsellor, Office of the Commissioner for Canada, P.O. Box 125, Port-of-Spain, Trinidad. He can provide you with more information and assist you in locating a suitable distributor. If you are interested in exports, you cannot afford to overlook this opportunity. ●

REFRIGERATOR IMPORTS

	1956	1957	1958	1959	1960
			(number of units)		
Britain	1,930	1,428	1,787	2,604	3,922
United States	906	1,033	1,042	1,694	3,705
West Germany	571	860	996	1,465	1,759
CANADA	315	413	395	814	1,645
France	....	....	....	17	447
Italy	....	....	....	25	389
Others	3	1	48	164	53
Total	3,725	3,735	4,268	6,783	11,920

*See *Foreign Trade*, January 27, 1962, for an article on advertising in Trinidad.

FAIRS AND EXHIBITIONS

Foods in Glasgow and Manchester

SCOTTISH and English food buyers will find Canadian products on display at exhibitions in Glasgow and Manchester this year. Scotland's Food Exhibition (Glasgow, April 3-14), a biennial show, attracted 100 exhibitors in 1960 and about 250,000 consumers and members of the trade. The vertical food show at Manchester, the Grocers' Exhibition (May 8-19), also biennial, drew 94,000 in 1960, including over 20,000 British trade buyers.

The Department of Trade and Commerce will enter both fairs this year with exhibits of Canadian pickles; canned chicken; canned apples and other fruits; canned juices, vegetables and soups; honey and bee supplies; cheese and corn oil.

The *Scottish Daily Express* sponsors Scotland's Food Exhibition, with the co-operation of the Scottish Federation of Grocers and Provision Merchants. Essentially a consumer show, its organizers employ all available advertising media to ensure nation-wide coverage—cinema, television, the national and daily papers, trade journals, farm magazines, posters and window cards. This fair offers the opportunity to promote Canadian foodstuffs in a market where sales could be increased considerably.

Three large grocer associations are promoting the "North's 1962 Food Fair" at Manchester, which covers the trade in Lancashire, Cheshire, Westmorland, Derbyshire, Cumberland and North Wales. Sponsored by the *Daily Express*, it attracts trade visitors from all over the British Isles.

With the freeing of most Canadian goods from import controls, exports to Britain have increased dramatically in the past two years and participation in these two shows is expected to help Canadian producers expand sales in the British market.

Sporting Goods in Chicago

ONE Canadian exhibitor took orders covering his entire current production. Another claimed: "It was the best trade fair we have participated in in five years." A company executive said he made over 50 new contacts, and expected to double present sales in the United States this year. One representative put a figure of $200,000 on new business expected in 1962; others made arrangements with large U.S. chain stores and their sales should exceed this figure. "Generally," reports the Trade Commissioner at Chicago, "Canadian exhibitors and especially those exhibiting for the first time had results far greater than they anticipated."

These quotations indicate the over-all success of the thirty-six Canadian firms which displayed their products in a department-sponsored exhibit at the National Sporting Goods Association (NSGA) Show, Chicago, January 21-25. Although those exhibiting for the first time were particularly pleased with results, many putting in repeat appearances state that U.S. sales will increase again, as they have done after every NSGA show. A Canadian manufacturer of bodybuilding apparatus expects that U.S. sales will soon equal his other exports combined. He was exhibiting for the first time at Chicago.

The NSGA trade fair this year had 769 exhibitors—the highest ever. Visitors numbered 14,500, all of them from the sporting trade. A "Canada Night" reception, organized by the Trade Commissioner in Chicago, introduced over 400 guests—top buyers of sporting goods in the U.S.—to the Canadian displays (and also to some fine Canadian food). Many buyers discovered Canadian products that they did not know we made. (One buyer is expected to place an order equivalent to ten months' production with the Canadian factory.) Commodity Officers from Ottawa who organized the Canadian exhibit noted that all but one Canadian manufacturer manned their booths and one sent eight representatives.

Industrial Goods in New Delhi

THE Second Indian Industries Fair, New Delhi, ran officially from November 15 to December 31. Foreign participants were prevailed upon to continue exhibiting for an additional ten days, however—to January 10—and some of the Indian pavilions remained open until the beginning of February. The exhibition took place in permanent fairgrounds that cover 180 acres between Old and New Delhi; this symbol of India, a country halfway between the ancient and the modern, was repeated many times in the exhibits and by the people who visited the fair. Scale models of sputniks emitting beeps from outer space, a U.S. air-car, some of the heaviest earthmoving machinery made, jet aircraft, big oil rigs, and a model of the Canada-India atomic reactor vied for attention side by side with handlooms, ivory and sandlewood carvings, handbeaten brasswares and a wealth of artifacts and pictorial displays depicting India's heritage. Between these extremes, exhibits ran the gamut of Indian manufactures, from chemicals and textiles through industrial components and light engineering products to heavy equipment. It came as a revelation to many visitors to see the wide range of industrial goods India now manufactures.

An estimated five million people thronged the exhibition, some in traditional dress, some wearing modern garb, from all walks of life, rich and poor. One saw the coolies of India, men, women and children who spend their entire lives transporting mountains of earth in baskets on their heads, viewing colossal tractors with complete unconcern and probably very little understanding.

The United States pavilion featured live exhibits of industrial machinery and equipment in action. Fork-lift trucks raced about a small warehouse; tire-retreading, printing, automobile-engine rebuilding, and foundry shops produced actual goods and the air-car flew. The Russian exhibit stressed heavy plant and other machinery.

The other principal national pavilions were the British, German, Italian and Japanese on the one hand, and the entire bloc of East European countries on the other. All claim to have received many interesting inquiries. The first four were well done and distinctive; like most of the foreign displays they stressed the partnership theme. The British exhibit covered 40,000 square feet, was the largest display ever undertaken outside of Britain, and cost about £750,000. The German pavilion took up almost two acres.

Domestic pavilions far outnumbered foreign, however. The Central Government of India, its ministries, boards and a number of Crown corporations, various state governments and a large number of private-sector enterprises took space. The Central Government's science, defence, mining and other pavilions were especially large. One outstanding effort entitled "Our India" succeeded in portraying something of the diversity of the Indian people, their heritage and prospects in the 20th century. State governments were represented; one or two made presentations combining handicrafts with industrial manufactures backed by text and photographs illustrating the historical development and present plans of their areas.

The private sector boasted some excellent pavilions. Firms like Birla and Tata, General Motors and Ford of India were outstanding.

Although Canada was not represented at this fair, one or two Canadian products put in an appearance. The only model on display at the stand of the Atomic Energy Commission, for instance, was the Canada-India reactor. The Aluminum Company of Canada Ltd. gained a little publicity at the stand of the Non-Ferrous Metals Manufacturers Association, and Yugoslavia showed tractors it makes under licence from a Canadian firm.

—BERNARD HORTH,
Assistant Commercial Secretary, New Delhi.

■ Light Industrial Goods, Italy

FROM a modest beginning in 1930 the International Levant Fair, Bari, Italy, (September 6-21, 1962) has increased steadily in size and importance until it now ranks second only to the Milan Fair. It is well organized and features displays of practically all types of goods, including electrical equipment and machine tools, radio and television, food and wines, confectionery, textiles and footwear, heavy agricultural equipment, automobiles and transportation equipment, marine engines, and refrigeration. It covers some 300,000 square meters. Over 4,500 Italian firms exhibit, as do many foreign companies and countries.

■ Lumber in Chicago

"WE have concrete proof that we are influencing a large amount of new trade as a result of participation in this show. Aside from new sales, which are the object of our efforts, we feel sure that we are building up a long-range awareness of and respect for Canadian woods among builders, lumbermen, architects and customers."

So writes our Trade Commissioner in Chicago in his report on the Canadian Government exhibit at the National Association of Homebuilders Show, McCormick Place, Chicago, December 3-7. Some 550 exhibits crowded the show but Canada's was considered outstanding. Over 25,400 registered business visitors attended (the public is not admitted). About two-thirds of them saw and the majority inspected Canada's two-storey display of woods in their end uses.

To ensure that our exhibit had maximum impact on visitors, the Chicago office sent out pre-show press releases and photographs to 104 trade journals and 215 daily newspapers in the United States, and dispatched 1,965 individually typed and signed letters to its lumber contacts. Over 3,360 pieces of literature were distributed at the show itself. Officers of the Canadian Lumbermen's Association, the B.C. Lumber Manufacturers Association, the Red Cedar Shingle Bureau, the Northern Interior Lumbermen's Association, and the Department of Trade and Commerce attended the exhibit and handled inquiries.

Since the show ended the Chicago office has mailed out 100 specific-product inquiries to nearly 700 Canadian mills and wholesalers. Eighteen "service" inquiries went to the associations and 18 unusual ones to Ottawa. Fifty per cent of these requests originated outside the Chicago office territory.

Vertical Shows in the United States . . .

CANDY—*Annual Convention and Exposition of the National Candy Wholesalers Association,* New York, July 29-August 2. For information write: National Candy Wholesalers Association, 1343 L Street N.W., Washington 5, D.C.

ENGINEERING—*AFS Castings Congress and Exposition and 29th International Foundry Congress,* Detroit, May 5-11. For information: The American Foundrymen's Society, Golf and Wolf Roads, Des Plaines, Illinois.

FOOD—*Fifth International Food Congress and Exhibition,* New York, September 8-16. For information: Fifth International Food Congress and Exhibition, 1849 West 24th Street, Cleveland 13, Ohio.

HOUSEWARES—*National Housewares Show,* Chicago, July 9-13. For information: National Housewares Manufacturers' Association, Merchandise Mart, Chicago 54, Illinois.

MUSIC—*Annual Music Show,* New York, June 24-28. For information: National Association of Music Merchants, 222 West Adams Street, Chicago 6, Illinois.

OFFICE EQUIPMENT—*43rd International Conference and Office Exposition,* San Francisco, May 21-23. For information: National Office Management Association, 1927 Old York Road, Willow Grove, Pennsylvania.

OFFICE EQUIPMENT—*National Business Show,* New York, June 4-8. For information: Office Executives Association of New York, Inc., 530 Fifth Avenue, New York 36, N.Y.

PACKAGING—*Western Material Handling and Packaging Show,* Los Angeles, May 9-11. For information: American Material Handling Society, 2216 South Hill Street, Los Angeles 7, California.

PACKAGING—*Western Packaging Exposition,* San Francisco, July 17-19. For information: Clapp & Poliak Inc., 341 Madison Avenue, New York 17, N.Y.

TOOLS—*ASTME Engineering Conference and Tool Exposition,* Cleveland, May 7-11. For information: American Society of Tool Engineers, 10700 Puritan Avenue, Detroit 38, Michigan.

■ International Fair in Karachi

PAKISTAN will hold an international fair on a 72-acre site two miles outside Karachi from October 12 to November 20. Manufacturers may enter exhibits on their own provided their participation is "sponsored" by their governments, the organizers announce. Exhibits can be sold in Pakistan within the framework of existing import quotas and restrictions. Exhibits will enter the country duty-free and be placed in bond.

The Pakistan International Fair is held at irregular intervals; the most recent took place in 1955. It is horizontal and "aimed at reinforcing Pakistan's efforts to develop international trade, commerce and industry. Every facility will be provided for practical demonstration of the latest discoveries, inventions and improvements in industry, science, agriculture, etc."

■ Design Engineering in Chicago

ORGANIZERS of the Canadian exhibit in the 1962 Design Engineering Show (Chicago, April 30-May 3) have selected over fifty unique Canadian products for display there. A rocket missile for study of the upper atmosphere is one; because Chicago is a large defence-procurement centre, the rocket should attract informed interest. Another is an electronically equipped buoy that records all movement through the water in its vicinity and, on signal, broadcasts its recordings. The Canadian manufacturer of a machine that flame-cuts metal from a pencil-drawn pattern will show his product, as will the maker of a simplified wheel-alignment machine. A hydraulic winch powered by a hydraulic motor for logging, etc., will be on display. A 200-pound six-wheel (you blow up the plastic tires with one good puff) amphibian carrier for sportsmen and others is expected to cause a stir.

Other products include phosphors and nuclear detection equipment, a unique soldering machine, hydraulic pumps and fuel systems, a model tractor with hydraulic transmission, an electrical numerical control device, homing equipment for aircraft, and other electronic instruments. Whenever possible, equipment will be in operation.

The Department, sponsor of the Canadian entry, has taken 2,064 square feet of space on the centre aisle near the main entrance of the McCormick Place exposition centre, venue of this year's show. Nine of the 15 Canadian firms will be participating for the first time, and all are keen to show their products to the 16,000-20,000 technical personnel and buyers who visit the Design Engineering Show each year.

Trade Commissioners on Tour

In Territory

M. B. BURSEY, Commercial Counsellor in Oslo, Norway, will visit Bergen March 19-22.

B. C. BUTLER, Minister (Commercial) in London, will visit Cardiff and district March 26-30.

M. R. M. DALE, Trade Commissioner in Cape Town, South Africa, will visit Knysna, Port Elizabeth, Grahamstown, East London, Cathcart, Queenstown, and Aliwal North during April.

R. M. DAWSON, Consul and Assistant Trade Commissioner, Manila, will visit Taipei, Taiwan, April 23-28.

G. L. GAGNE, Assistant Commercial Secretary in Mexico City, will visit Guaymas, Sonora, Mexicali, and Baja California March 19-23.

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

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, March 26-30.

K. G. RAMSAY, Commercial Secretary in Lima, Peru, will visit La Paz, Bolivia, March 19-29.

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. Bursey at Oslo, Mr. Butler at London, Mr. Dale at Cape Town, Mr. Dawson at Manila, Mr. Gagne at Mexico City, Mr. Horth at New Delhi, Mr. McLane at Glasgow, and Mr. Ramsay at Lima.

How to Speed Payment Transfers from Venezuela

Knowing the correct procedures in shipping goods to Venezuela can make the difference between quick payment or long delays.

G. J. FONS, *Office of the Commercial Counsellor, Caracas.*

VENEZUELAN foreign exchange control regulations (see *Foreign Trade,* May 6, 1961) have been in force for over a year. Under the existing system, imports are divided into two groups: one, imports for the controlled market, for which foreign exchange is made available at the official rate of Bs.3.35 to the United States dollar; two, other imports for which foreign exchange is available at the free market rate (at present, Bs.4.20 to the United States dollar). The first group requires prior import permits and is subject to strict and time-consuming regulations involving the approval of the necessary application for foreign exchange. The second group obtains faster authorization for the transfer of money from the control authorities if the prescribed formalities are observed.

Many of the difficulties that arose during the early administration of the controls have been overcome, but numerous delays still impede the transfer of some payments. Canadian exporters can help to avoid some of these delays if they will consider the following suggestions. (Items marked with an asterisk apply to both categories of commodity imports.)

1.* Use airmail in communicating with Venezuelan customers and banks.

2.* Have your Canadian bank send its collections directly to the Venezuelan bank that is actually collecting the money. Avoid channelling collections through United States or Venezuelan correspondents of your bankers, as this only delays transfers.

3.* Instruct your Canadian banker to provide each collection or shipment with a separate covering form or letter when sending it to the Venezuelan collecting bank. Never use a form or letter covering several shipments or collections.

4.* Provide your Venezuelan representatives with letters authorizing them to deal on your behalf with the local collecting banks to expedite transfers.

5.* If your Venezuelan customer does not prescribe a bank for his collections, choose one of the local banks known for its prompt handling of transfers. (Two Canadian banks have branches in Venezuela.)

6.* Before sending your shipping documents, be certain that the consular declarations (tariff number and description of item) are given correctly on each document. Errors in the transcription of tariff numbers and in the description of items lead to long delays.

7.* Shipping documents should be checked for errors in transcription of weights—any discrepancies may mean long delays in transferring your money.

8.* Be careful not to short-ship nor to exceed the amount of merchandise ordered. Short shipments, pilferage in transit, overweight, etc., may require time-consuming special processing by the exchange control authorities.

9. All shipments of goods on the list of imports for the controlled market must be invoiced for their f.o.b. value, as freight and insurance must be paid in Venezuela; c.i.f. prices on such shipments may cause long delays in the transfer of your collection.

10. All shipments of goods on the list of imports for the controlled market not exceeding the U.S. $2,000 limit c.i.f. ocean-shipped, or U.S.$2,000 limit f.o.b. air-shipped can be sent on receipt of order. All shipments of goods on the list of imports for the controlled market exceeding this limit *must not* be shipped before you have received word from your customer or agent that the Venezuelan exchange control authorities have issued the import permit. The number of this permit should be secured and inserted in all shipping documents. Should your consular invoices or bills of lading be dated before the granting of the import permit, the Venezuelan exchange control may refuse the allotment of foreign currency for that shipment.

11. The application for transfer authorizations is greatly hampered if your shipments of goods on the list of imports for the controlled market are mixed with those of the free market, or if partial shipments are combined. Ship exactly according to the order received and do not combine several orders into one shipment. If partial shipments are necessary, make out a separate set of shipping documents for each partial shipment of each order and issue a separate draft for each of these shipments. Remember that your customer automatically applies for an import permit when he

places his order. Should your shipment on arrival fail to conform with that permit, currency allotment may be refused or, at best, a new application may have to be made, with the corresponding additional delays.

12. Avoid shipping small lots unless your customer specifies them. Small shipments are usually uneconomic because they have to bear minimum freight costs, commissions, etc., and processing them takes as much time and work as do the large ones.

13.* Instalment payment terms such as 30, 60 and 90 days for one shipment are remitted in practice as if the full value were due in 90 days. Although under present regulations partial payments for one shipment may be authorized, experience has shown that local banks wait until the customer has paid all the drafts before transferring the total of all the covering drafts.

14.* By supplying one additional copy of your shipping documents (bill of lading, consular invoice, commercial invoice, etc.) beyond the ones required, transfers can be expedited, as the Venezuelan Exchange Control Office can then grant foreign exchange without waiting for the copy of the customs voucher to be filed. This latter copy can then be filed within a 30-day period of grace.

15. Calculate pro forma invoices, as a basis for import permits, carefully; permits may be granted based on such invoices but foreign exchange may be denied when the shipment arrives, on the grounds that prices do not conform to current world market prices.

16. Comply carefully with the new rule for all controlled-market shipments by stating at the foot or on the back of your commercial invoice that "the prices therein given correspond to the regular export prices for Venezuela at the date of shipment". This statement should be authenticated by a notary public. ●

U.S. Steel Outlook—1962

THE Philadelphia office, which covers all of Pennsylvania, has within its area of responsibility one of the mainstays and bellwethers of U.S. industry—steel. Most of the mills are centered in the Pittsburgh area, but the Philadelphia area also has some.

The state of this industry is of more than passing interest to Canada, because shipments of Canadian iron ore to the United States in the first eight months of 1961 were valued at $48.6 million. In addition, Canada provides a big market for a wide range of U.S. steels in bar, sheet and plate form—a market worth many millions of dollars a year.

The year 1960 finished on a dull note, but the beginning of 1961 saw a progressive quickening of market demands for all kinds of steel. This gave a lift to the whole production pattern, a trend that continued throughout the year.

There are now strong indications that the rising level of steel demand will carry on into 1962 and that production for the year as a whole may reach 110 million tons, compared with 98 million in 1961. Customers are expected to increase their inventories to carry them through a possible steel strike next summer and as a consequence, inventory buying will probably have an extra lift in the first half of the year, thus keeping the industry at a high level of operation. This could lead to a decline in orders in the third quarter. When David McDonald, president of the United Steelworkers of America, attended a commercial conference in Philadelphia recently, he was questioned about the likelihood of a summer strike, but was pleasantly non-committal. Paradoxically, the United States imports more steel than it exports and a prolonged strike would tend to further the interests of foreign suppliers.

The upswing in steel output will depend on an expansion of automobile production, as well as on larger production of consumer durable goods. Support also will be needed from construction and machinery makers. Output is expected to be heavily concentrated on flat/rolled products. December 1961 auto production topped that of December 1960 by 19.8 per cent.

	Number of Cars and Trucks	
	Dec. '60	**Dec. '61**
General Motors Corporation	308,143	357,520
Ford Motor Company	180,837	221,570
Chrysler Corporation	58,261	68,550
American Motors Corporation	42,532	43,688
Studebaker-Packard Corporation	5,486	10,703
Total cars	523,420	627,005
Total trucks	71,839	75,026
Grand Total	**595,259**	**702,031**

The big questions for 1962 as a whole are the effect of early hedge buying on the volume of sales in the first half of the year, and the effects of any labour settlement upon future employment and related costs affecting the industry. Though increased labour costs may cut into profits, there is no indication as yet that competition within the industry itself will permit relief in the way of price increases. Nevertheless, one of the largest steel companies in Pittsburgh has gone on record that 1962 could be its first profitable year since 1957 if business forecasts prove accurate.

—W. J. MILLYARD,
Consul and Trade Commissioner, Philadelphia.

FOREIGN TARIFFS AND TRADE REGULATIONS

Ceylon

PROHIBITED IMPORTS—Effective February 6, 1962, the following imports into Ceylon have been totally prohibited and any outstanding licences have been cancelled:

Preserved fruits
Sauces
Account books
Registers
Exercise books
Albums
Erasers
Drinking straws
Writing and printing paper
Envelopes (except air covers)
Christmas and greeting cards
Handkerchiefs
Cotton and rayon towels and towelling
Foam rubber mattresses and cushions
Shoe laces
Toys
Candles
French polish
Hairpins
Nails imported with tea chest fittings
Wire nails and barbed wire
Cones for ice cream

Ghana

IMPORTS UNDER OPEN GENERAL LICENCE—A number of products have been added to the list of goods which may be imported into Ghana under Open General Licence from most countries, i.e., without specific permit. (See *Foreign Trade,* January 27, 1962.) These include:

Magazines and newspapers

Spare parts for:

(1) locomotives, ships and aircraft.

(2) motor bicycles, bicycles, tractors, earthmoving equipment, cranes, and other moving and movable vehicles.

(3) machinery of all kinds, including household and industrial equipment.

In addition, the following items have been authorized for import without specific licence, provided same is made on or before March 31, 1962: flour, milk, common soap.

Rhodesia and Nyasaland

LICENSING OF PIECEGOODS—Cotton and rayon piecegoods of an f.o.b. value not exceeding approximately 35 cents and 31 cents respectively per yard have recently been removed from the Open General Licence category and made subject to individual licence control.

Sarawak and North Borneo

NEW CUSTOMS TARIFFS—New Customs tariffs, consolidating and revising those previously in force, have recently come into operation in both territories. Details of rates applying to specific items under either tariff may be obtained from the Commonwealth Division of the International Trade Relations Branch.

South Africa

APPLICATION FOR AN INCREASE IN DUTY ON KNITTED FABRICS—Application has been made for an increase in duty on various knitted fabrics in the piece, dutiable under South African Tariff items 76, 77, 78, and 80, covering knitted fabrics of cotton, wool, and synthetic fibres.

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf. Action should be taken as soon as possible because tariff inquiries normally begin in South Africa shortly after the announcements are made.

United States

TARIFF RATE QUOTA ON CERTAIN FISH—In accordance with the proviso to item 717(b) of Part 1, Schedule XX, of the General Agreement on Tariffs and Trade (T.D.51802), it has been ascertained that the average aggregate apparent annual consumption in the United States of fish, fresh or frozen (whether or not packed in ice), filleted, skinned, boned, sliced, or divided into portions, not specially provided for—cod, haddock, hake, pollock, cusk, and rosefish—in the three years preceding 1962, calculated in the manner provided for in the cited agreement, was 190,476,220 pounds. The quantity of such fish that may be imported for consumption during the calendar year 1962 at the reduced rate of duty established pursuant to that agreement is, therefore, 28,571,433 pounds.

Venezuela

COMPULSORY IMPORT LICENSING—The Venezuelan *Official Gazette* No. 26,760 of January 24, 1962, published a joint decree issued by the Ministries of Finance and Development, according to which a requisite of compulsory import licensing for the following tariff items has been created.

611-01-03	Leather, sheep skin, n.e.s.	Bs.18.00
611-01-04	Leather, goat skins, n.e.s.	Bs.18.00
681-12-01	Wire rods and wire uncoated	Bs. 0.005
681-12-02-3	Otherwise coated (wire) (a) galvanized	Bs. 0.005
699-05-01	Barbed wire of iron or steel	duty-free

Shipments covered by consular invoices dated on or before January 24 will not require import licences —Caracas.

TARIFF CHANGES—The Venezuelan Ministries of Finance and Development by joint resolutions No.'s 24/242 and 26/244 published in the *Official Gazette* No. 26,760, of January 24, a decree declaring tariff changes that will be effective as of February 19, 1962.

The changes affect the following tariff items:

699-21-05	Tubes of lead, tin, aluminum, etc., for packing pomades, ointments and creams.	
699-21-05-1	Tubes of aluminum	Bs.5.00
699-21-05-9	Tubes of common metals	Bs.0.05
899-01-03	Fumigants in compressed, solid or full forms, tapers or wicks to repel or kill insects.	
899-01-03-01	Fumigants wicks in spiral forms, based on pyrethrum	Bs.2.00 (formerly duty-free)
899-01-03-9	Unspecified	duty-free

—Caracas.

COMMODITY NOTES

Aluminum

NORWAY—Norway's largest aluminum producer, the state-owned A/S Ardal & Sunndal Verk, has recently started operating a new smelter at Ardal, West Norway. By spring the smelter will be in full operation with an annual capacity of about 35,000 tons. This will bring the firm's total capacity to approximately 150,000 tons per year, 100,000 tons at Ardal and 50,000 tons at Sunndalsøra, West Norway. Further plans include expansion of the smelter at Sunndalsøra by 50,000 tons and the building of a new smelter somewhere in western or southern Norway with a capacity of 100,000 tons per year. These new facilities would bring output to about 300,000 tons a year—Oslo.

UNITED STATES—The aluminum industry will be providing 500,000 tons a year for the U.S. automotive industry by 1965, predicts John E. Blomquist, vice-president of Reynolds Aluminum Sales Company. All indications point to a record 220,000 tons of aluminum being used in 1962 cars, a gain of 29.4 per cent over 1961—Detroit.

Blast Furnace

JAPAN—A 1,700-ton blast furnace, claimed to be the largest in the Orient, has just been completed at the Fuji Iron and Steel Co. plant in Muroran on the south coast of Hokkaido. Estimated cost of the furnace is approximately $11.1 million and it is part of a $69.4 million expansion and modernization program at the Fuji mill. Also built under the program were two pure oxygen blow-in type converters, each capable of a daily production of 700 tons and a coke oven with a daily output of 1,150 tons. Fuji's facility-improvement plan calling for the construction of 12 new blast furnaces at Muroran has now been completed and at the end of 1961, the plant's monthly output of pig iron was about 170,000 tons. Steel ingot production reached approximately 170,000 tons by the end of 1961—Tokyo.

Ceramic Tile

VENEZUELA—A new plant, Ceramica Carabobo C.A., has opened in Valencia, Carabobo State, to meet the demand for ceramic tile in Venezuela. Built at a cost of U.S.$720,000, it contains a German-built Dorst tunnel kiln and produces special types of floor tiles, mosaics, and other ceramic products for the first time in Venezuela. In all, the factory makes more than 600,000 square feet of tile a month, in addition to a large quantity of refractory brick used in sugar mills, steel plants, boilers and kilns operating at high temperatures—Caracas.

Coal

AUSTRALIA—Thiess Bros. of Queensland and the Peabody Coal Company of the United States have formed a joint company to spend A£15 million (Can. $35.1 million) in developing the Kianga-Moura coalfield of central Queensland. This will include a new 100-mile railway from Kianga to Gladstone, a washing plant, and other facilities to allow production to rise to two million tons a year. Thiess has obtained firm orders from the Japanese steel industry for 3.4 million tons of Moura and Kianga coal over the next seven years—the largest overseas coal order ever received by an Australian company—Sydney.

Detergents

IRELAND—The Irish Sugar Company, Dublin, hopes shortly to launch a new detergent on this market. The detergent is made from sugar (cane or beet) and other chemicals and is said to be harmless even if eaten—Dublin.

Diesel Engines

INDIA—A new Indian company has been formed to manufacture diesel engines in the ranges 163 h.p. to 655 h.p. Technical collaboration will be obtained from a Swiss company, it is reported, and the required machinery paid for in rupees. The factory will be located near Ahmedabad in the State of Gujarat. Initially it will produce 45 engines per year on a single-shift basis. Plans call for increasing production in about three years to 75 engines per year. Production should start by the end of 1962—Bombay.

Electronic Equipment

BRAZIL—It is reported that the Sony Corporation of Japan, manufacturer of electronic equipment and transistor radios, is making arrangements to open a plant in Brazil—São Paulo.

Fertilizer

NEW ZEALAND—During the year 1960/61, New Zealand plants produced 1.27 million tons of fertilizer valued at £12.4 million, the highest output on record. The superphosphate content of these fertilizers totalled 1.04 million tons, an increase of 138,000 over the previous year—Wellington.

Forged Auto Parts

BRAZIL—SIFCO do Brasil S.A. has signed an agreement with the Inter-American Development Bank to cover a loan of U.S.$750,000 which will be used to purchase and install new machinery to make forged auto parts for the Brazilian automobile industry—São Paulo.

Iron and Steel

ITALY—Firms of the Finsider group, the government-controlled iron and steel holding organization, produced 2.65 million metric tons of pig iron and 4.99 million tons of steel in 1961, representing increases of 16.9 and 12.1 per cent, respectively, over 1960. The group's output accounts for 86.6 per cent of total Italian production of pig iron, and 55 per cent of steel. The value of its output is estimated at over $77 million, compared with $72.5 million in 1960, even though prices fell in 1961. By 1965 the group is expected to produce 9.4 million tons of steel and 7.3 million tons of pig iron—Rome.

Iron Ore

INDIA—The State Trading Corporation of India expects to earn $120 million in foreign exchange over the next seven years from agreements with Japanese steel interests for the supply of iron ore. The terms call for 12 million tons of ore by the end of 1968, of which 300,000 tons of high-grade and 450,000 tons of low-grade will be shipped by the end of this year. Indian exports of iron ore now average two million tons a year—New Delhi.

Paper

SPAIN—Paper prices in Spain increased in the last two months of 1961, some by 20 per cent. There are 255 paper firms in Spain, but only five have more than 500 workers and 103 have 25 workers or less. Annual production figures are newsprint 62,000 tons, book paper 85,000, kraft paper 43,000, kraft cardboard 8,000, thick wrapping paper 62,600, ordinary cardboard 37,000, cigarette paper 3,000, tissue and manila 6,600, and special paper 5,800—Madrid.

SWEDEN—Deliveries of paper and paperboard by Swedish mills were up from 2.1 million tons in 1960 to 2.2 million in 1961, according to the Swedish Paper Mills Association. Exports rose by 8 per cent to 1.4 million tons and domestic deliveries by 2 per cent to 840,000. Shipments to Europe accounted for 75 per cent of over-all paper exports, compared with 73 per cent in 1960. Common Market countries took 43 per cent of this (40 per cent in 1960) and exports to Sweden's partners in EFTA decreased from 29 to 28 per cent. West Germany was the largest single market, taking 23 per cent of exports. Despite import and currency restrictions in many areas and increased competition from other producers, including Japan and the United States, exports to countries outside Europe showed only minor changes.

The poorer market situation has reportedly affected the paper trade less than the pulp industry; generally speaking, it has been possible to market paper output. Extensions have proceeded according to plan and at the end of 1961 the capacity of the Swedish paper industry totalled about 2.5 million tons, approximately 10 per cent more than a year ago—Stockholm.

Pepper

INDIA—India's exports of black pepper in the year November 1960/October 1961 totalled 17.3 million kilograms, a drop from the previous year's 19.7 million, but satisfactory when compared with the three-year (1956/59) average of 13.5 million. Smaller shipments to the United States were the main reason for the decline, although the U.S. remained India's best customer (5.4 million), followed by the U.S.S.R. (4.0 million). Canada bought 800,000 kilograms and was India's fifth best customer. Approximately three-quarters of pepper exports go through the port of Cochin —Bombay.

Petroleum Products

AUSTRALIA—During 1960/61 exports of petroleum products reached 1.7 million tons, 434,000 tons or 33 per cent more than in 1959/60. Diesel oils (825,000 tons) and fuel oil (649,000 tons) together accounted for over 85 per cent of the total although gasoline (139,000 tons) and kerosene (104,000) were important.

Crude oil input to refineries totalled 11.7 million tons, an increase of 9.2 per cent over 1959/60. Refinery products amounted to 10.7 million tons and included gasoline (3.7 million tons), aviation turbine fuel (254,000), automotive diesel oil (1.5 million), industrial diesel oil (1.6 million), fuel oil (3.5 million). Consumption slackened during the period, increasing only 6.6 per cent over 1959/60, compared with the annual average increase of 8.9 per cent for the five years ended 1959/60. Imports of refined products rose by 5 per cent to 1.2 million tons, of which gasoline (625,000 tons) was the largest single item—Sydney.

Steel Pipe

SICILY—The Rheem Manufacturing Co. of New York and the SAFIM group of Milan, through their Rheemsafim Co., have built a factory at San Lorenzo Colli, near Palermo on the island of Sicily, to make electrically welded steel pipe.

The plant, equipped with a "yober" system, will make steel-strip hot-welded pipe in all the usual diameters from 3.50 to 12.76 inches, including good-quality smooth, carpentry, chemical- and petrochemical-industry, water and gas, bitumen-lined and covered pipe. Potential capacity is 100,000 metric tons a year in two or three shifts—Rome.

Tractors

SOUTH AFRICA—Three organizations have announced their interest in manufacturing tractors in South Africa. The first announcement came from the newly formed Massey-Ferguson S.A. Ltd., which stated that it might make tractors and tractor components, depending on the degree of standardization of farm equipment that could be achieved. The Ford Motor Company of South Africa (Pty.) Ltd. reported that it had set up a tractor research department to investigate the feasibility of making tractors here by January 1964 at the rate of 6,000 a year. South Africa Agricultural Machinery Engineering (Pty.) Ltd., also newly formed, has already started to import partly assembled tractors from its Italian principals, SAME—Cape Town.

Wine

SPAIN—The 1961 table-wine harvest totalled 450 million gallons, some 5 per cent more than in 1960. Sherry production will be a little above average, at 9 million gallons. Compared with increases in consumption of other beverages, however, wine sales remain static and not even the unusually large increase in the number of tourists visiting Spain (about eight million in 1961) has had much effect in boosting wine consumption. But beer sales are booming—there were 73 million gallons sold in 1960, compared with 13 million in 1950. Soft-drink consumption during 1960 reached nearly 100 million gallons, an increase of 25 per cent over the preceding year—Madrid.

Winter Wheat

UNITED STATES—On the basis of December 1, 1961, conditions, winter wheat production is expected to decline to 944 million bushels this year, 132 million bushels (or 12 per cent) less than in 1961. The anticipated decline follows a cutback in seeded acreage. Planted acreage for the 1962 crop totalled 39.0 million acres, 4.4 million (or 10 per cent) less than a year earlier.

The 1962 Wheat Program attempts to maintain the wheat-grower's income and at the same time halt the excessive build-up in wheat supply and reduce government storage costs. Producers who comply with the 10 per cent reduction required by the Program and who divert the reduced acreage to conservation become eligible for an increased national-average support of $2.00 a bushel ($1.79 in 1961) and for conservation payments on the diverted acreage—Detroit.

Wire and Cable

CEYLON—The Government has approved a $440,000 electric wire and cable manufacturing enterprise. Two Ceylonese businessmen in association with Oki Electric Company Limited, a large electric-cable manufacturer in Japan, are promoting the project. Later, the firm expects to make telephone wires and underground cables—Colombo.

Parcel Post to Mexico

IN the article "Transporting Goods to Mexico" the information given on shipping by parcel post was incorrect. Packages weighing up to 20 pounds can be sent from Canada to Mexico by surface and air mail but they must not exceed 3½ feet in length, width or depth and the combined length and girth must not exceed 6 feet.

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 .952664.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 26	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.01266	78.99	
Austria	Schilling		.04061	24.62	
Australia	Pound		2.3642	.4230	
Bahamas	Pound		2.9552	.3384	
Belgium and Luxembourg	Franc		.02109	47.41	
Bermuda	Pound		2.9552	.3384	
Bolivia	Potosi	Free	.08747	11.43	
Britain	Pound		2.9552	.3384	
British Guiana	Dollar		.6157	1.62	
British Honduras	Dollar		.7388	1.35	
Brazil	Cruzeiro	Free	.003343	299.13	
		Special Category	†	†	
Burma	Kyat		.2204	4.54	
Ceylon	Rupee		.2216	4.51	
Chile	Escudo	Bank rate	.9978	1.0022	
		Free	.7302	1.37	
Colombia	Peso	Certificate	.1567	6.38	
Congo, Republic of.	Franc		.02109	47.41	
Costa Rica	Colon		.1584	6.31	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1458	6.86	
Denmark	Krone		.1525	6.56	
Dominican Republic	Peso		1.0497	.9526	
Ecuador	Sucre	Official	.05832	17.15	
		Free	.04550	21.98	
El Salvador	Colon		.4199	2.38	
Fiji	Pound		2.6623	.3756	
Finland	Markka		.003280	304.88	
France, Monaco, etc.	New Franc		.2142	4.67	(1)
Franco-African Republics, etc.	Franc		.004284	233.43	(2)
French Pacific	Franc		.01178	84.89	(3)
Germany	D Mark		.2623	3.81	
Ghana	Pound		2.9552	.3384	
Greece	Drachma		.03499	28.58	
Guatemala	Quetzal		1.0497	.9526	
Haiti	Gourde		.2099	4.76	
Honduras	Lempira		.5248	1.90	
Hong Kong	Dollar	Free*	.1845	5.42	*Feb. 2
		Official	.1847	5.41	
Iceland	Krona	Official	.02441	40.97	(4)
India	Rupee		.2216	4.51	
Indonesia	Rupiah	Official	.02333	42.87	(4)
Iran	Rial		.01386	72.16	
Iraq	Dinar		2.9391	.3402	
Ireland	Pound		2.9552	.3384	
Israel	Pound		.3499	2.86	

*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.

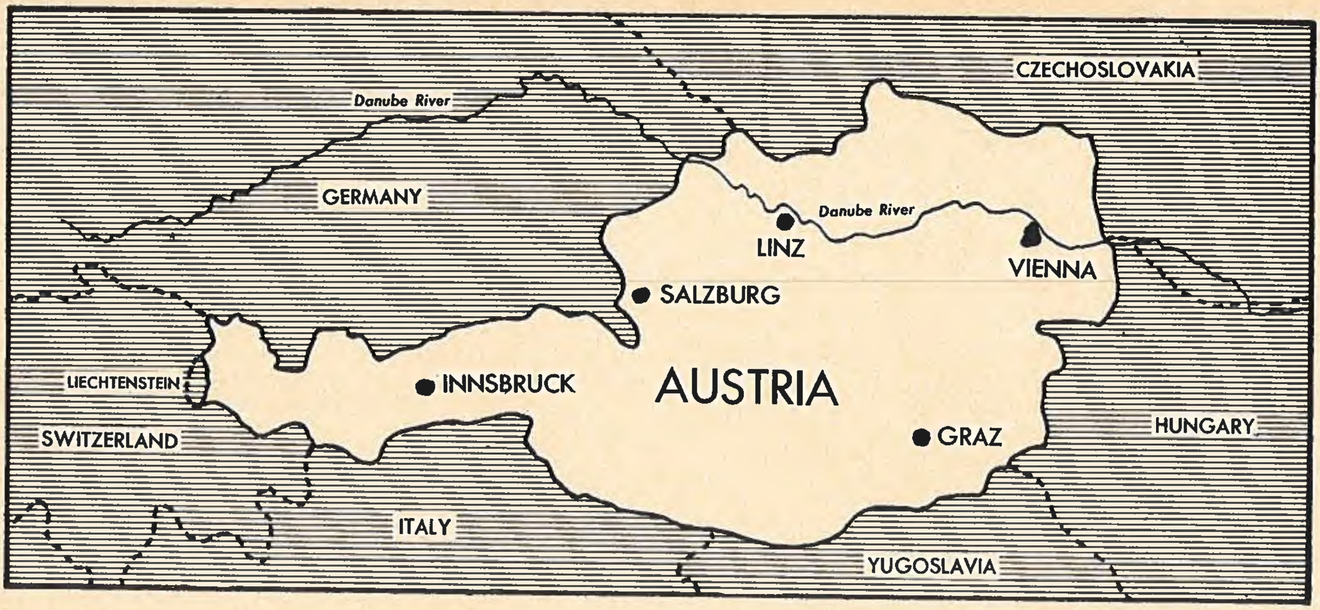
Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 26	Units per Canadian dollar	Notes (See below)
Italy	Lira		.001691	591.37	
Japan	Yen		.002916	342.93	
Lebanon	Pound	Free	.3317	3.01	
Mexico	Peso		.08398	11.91	
Morocco	Dirham		.2099	4.76	
Netherlands	Florin		.2902	3.44	
Netherlands Antilles	Florin		.5566	1.80	
New Zealand	Pound		2.9350	.3407	
Nicaragua	Cordoba	Effective buying	.1500	6.67	
		Official selling	.1488	6.72	
Nigeria	Pound		2.9552	.3384	
Norway	Krone		.1474	6.78	
Pakistan	Rupee		.2216	4.51	
Panama	Balboa		1.0497	.9526	
Paraguay	Guarani	Official	.008298	120.51	
Peru	Sol		.03913	25.55	
Philippines	Peso	Free‡	.2992	3.34	
Portugal & Colonies	Escudo		.03663	27.30	(5)
Republic of South Africa	Rand		1.4776	.6768	
Singapore and Malaya	Straits Dollar		.3448	2.90	
Spain and Dependencies	Peseta		.01749	57.16	
Sweden	Krona		.2036	4.91	
Switzerland	Franc		.2421	4.13	
Syria	Pound	Free	.2932	3.41	
Thailand	Baht	Free	.04965	20.14	(4)
Tunisia	Dinar		2.5297	.3953	
Turkey	Lira		.1166	8.58	(4)
United Arab Republic	Pound	Official	3.0142	.3318	
United States	Dollar		1.0496875	.952664	
Uruguay	Peso	Free	.09569	10.45	
Venezuela	Bolivar	Free	.2298	4.35	
		Official	.3135	3.19	
West Indies Fed.	Dollar		.6157	1.62	(6)
	Pound		2.9552	.3384	(7)
Yugoslavia	Dinar	Official	.001400	714.28	

‡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: AUSTRIA



Area: 32,376 square miles.

Population: 7,067,000.

Climate: moderate.

Topography: mostly mountainous.

Language: German; sales literature in German desirable, but not absolutely essential.

Currency: schilling; one schilling=Can.$0.04059.

Weights and measures: metric system.

Capital: Vienna.

Chief ports: none; Canadian exports to Austria are usually routed through North European ports (Rotterdam, Hamburg, Bremen) or Trieste.

Marketing centres: Vienna (population) 1,627,034, Graz 237,041, Linz 196,206, Salzburg 106,892, Innsbruck 100,639.

Economy: well-developed primary and secondary industries; natural resources consist chiefly of lumber, hydroelectric power, iron ore, magnesite and oil; tourist trade important.

Total Austrian imports: 1960—U.S.$1.41 billion; 1959—U.S.$1.44 billion; per capita imports in 1960, U.S. $200.35.

Chief imports: (per cent) 1960—building equipment and industrial machinery 12.1, solid fuels 6.9, cars 5.5, iron and steel 4.1, electrical equipment 4.0, chemicals 3.3.

Chief suppliers: (per cent) 1960—West Germany 40.0, Italy 8.1, United States 7.3, Britain 4.9. (Canada 0.9.)

Value of imports from Canada: 1960—U.S.$12.4 million; 1959—U.S.$16.8 million. (Figures taken from Austrian import statistics; 1960 drop in imports due to smaller purchases of wheat.)

Chief imports from Canada: (per cent) 1960—wheat 50.5, nickel 14.7, asbestos 12.9, synthetic rubber 7.9. Imports of finished goods are finding a modest but growing market.

Total Austrian exports: 1960—U.S.$1.12 billion; 1959—U.S.$968 million.

Chief exports: (per cent) 1960—iron and steel 19.2, lumber 12.3, building equipment and industrial machinery 7.0, pulp and paper 5.0, electrical equipment 4.2, metal goods 3.5.

Chief markets: (per cent) 1960—West Germany 26.8, Italy 16.7, Switzerland 4.8, United States 4.4. (Canada 0.6.)

Value of Canadian purchases: 1960—U.S.$6.8 million; 1959—U.S.$6.1 million.

Chief Canadian purchases: (per cent) a wide range of manufactured goods: metal goods 12.6, clothing 10.6, embroideries 10.6, medical and optical instruments 9.8.

Dollar exchange: freely available for most commercial transactions; some commodities still subject to quantitative import restrictions.

Prices: quote in Canadian dollars, preferably c.i.f. North European port.

Samples: dutiable only if of commercial value; travellers' samples submitted under bond.

Trade agreements: as a member of GATT, Canada enjoys most-favoured-nation treatment. Austria, now one of the Outer Seven, is contemplating associate membership in the European Common Market.

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

Correspondence: airmail only; letters 15 cents per half ounce.

For detailed information on this market write to:

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

or

Commercial Counsellor
Canadian Embassy
Opernringhof
Opernring 1
Vienna 1, Austria

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