

France in 1962: Market Reports for Canadian Exporters

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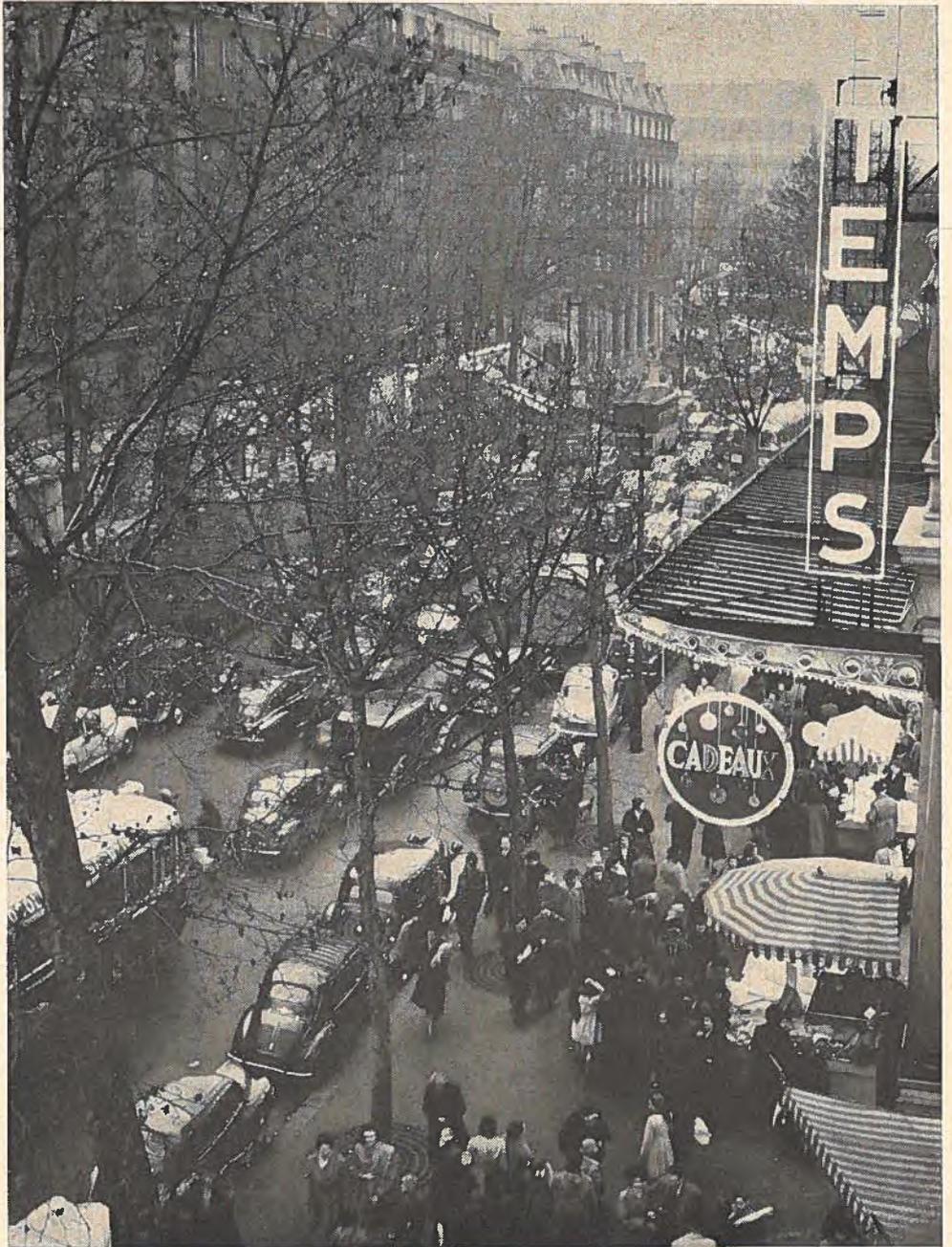
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COMING—HOW OUR WASHINGTON EMBASSY CAN HELP YOU, SEPT. 8 ISSUE

FRANCE IN 1962



In the heart of Paris, shoppers hurry along intent on Christmas buying. On the right is Printemps, a leading department store and possible outlet for many Canadian consumer goods.

What's new in France? A vigorous approach to business and international trade, a stable currency and a balanced budget, the continuing removal of import barriers—these have created a climate of opportunity. Now is the time for more Canadians to study this market, our Trade Commissioners in Paris point out. In the articles that follow they provide basic facts and figures on the economy, suggest immediate trade possibilities worth investigating, and brief our businessmen on the techniques of doing business in France.

FRANCE has in recent years made noteworthy economic progress. Gross national product has been increasing steadily at an annual rate of 4.5 per cent in real terms and all indications point to continuing economic growth. The franc is sound and convertible. Exchange reserves stand at \$3 billion and exports have increased by over 70 per cent in five years. France has now replaced Canada as the world's fourth largest international trader.

Many factors are involved in this achievement, including a vigorous approach to business and to international trade and a respect for new ideas and new techniques. French businessmen, labour leaders and government officials are working hard and effectively to modernize industry and agriculture, to increase productivity, to reduce costs and to seek new markets in Europe and abroad. Competition is accepted as one of the facts of economic life in the new Europe of the 1960's.

Naturally, there are problems. Skilled labour is in short supply. Wages are rising and work stoppages increasing. From time to time farmers block the major highways with their shiny new tractors or hurl low-priced artichokes to demonstrate their impatience with agricultural and distribution reforms. Nevertheless, there is throughout the country a sense of progress and change. Integration within the European Economic Community will be pushed ahead on an accelerated time-table.

Population Factors Important

The population of France between 1918 and 1945 remained practically stationary and Frenchmen throughout this period were inclined to rest on past achievements and to construct barriers to foreign influences and products. Since 1945 the birth rate has risen sharply and population has increased from 42 to 46 million.

Two out of every four Frenchmen will be attending school or univer-

sity by 1965. Key French businessmen and government officials are frequently under 40 years of age. They surprise Canadian visitors by arranging appointments at 9.00 a.m. or at 7.30 p.m. and business is frequently carried on on Saturday mornings. The average working week in France has in fact increased in the past three years and now stands at 46.1 hours. Mr. Valery Giscard d'Estaing, the 37-year-old French Minister of Finance and Economic Affairs, recently placed "le travail des Français eux-mêmes" as the first of three main factors leading to French economic recovery.

Economic Planning Emphasized

Another important feature of French economic life is co-operation among government, industry and labour in planning and conducting the nation's business affairs. France's successive "Plans d'Equipe-ment et de Modernisation" have facilitated development by removing much of the uncertainty from business decisions. The economic plans are worked out by 30 Modernization Commissions that include representatives of government, business, labour and independent experts working together. In all, some 3,000 Frenchmen are consulted and made aware of each other's intentions and problems. Through this process, understanding has been developed

between business and labour leaders and national economic objectives have been planned and achieved realistically.

France's Fourth Economic Plan for the period 1962-1965 was approved by the National Assembly on June 21, 1962. Appropriate fiscal, administrative and investment arrangements are now being made to increase national output by 5.5 per cent a year in real terms over this period. The labour force is expected to expand by a million and consumer income by 20 per cent. There will be no reduction in the working week of 46.1 hours. (Further details of France's Fourth Economic Plan were given in the January 13 edition of *Foreign Trade*.)

National economic planning is now a permanent feature of the economy. Work is already under way on objectives for the period 1966-1969. The intention is to present the French people with a series of alternatives in 1966 for national consideration and decision. The planners will demonstrate that a great increase in consumption goods, for example, will mean a lower rate of investment. Similarly a crash program of industrial decentralization will mean lower productivity and hence lower incomes. The alternatives, with their effect on the well-being of the average Frenchman, will be worked out in detail and the National Assembly will determine the program to be followed.

FRENCH NATIONAL EXPENDITURE AT MARKET PRICES

	1957	1958	1959	1960	1961	Per cent increase 1957-1961
	(billions of new francs)					
Gross national product	210.6	239.6	259.9	285.9	309.1	46.77
Consumer expenditures	140.3	158.2	169.7	186.2	203.0	44.69
Public expenditures on goods and services	31.1	34.2	38.9	40.9	45.0	44.69
Gross capital formation	43.6	49.5	48.5	55.5	58.0	33.03
Exports and current receipts	28.3	32.6	39.4	46.5	49.2	73.85
Imports and current expenditures	-32.7	-34.9	-36.6	-43.2	-46.1	40.98
Current balance	- 4.4	- 2.3	+ 2.8	+ 3.3	+ 3.1	

Source: *Les Comptes de la Nation*—1961.

The third element in French recovery is the determination to facilitate economic growth by stabilizing the national currency and by containing expenditures. The national currency was devalued in December 1958 and has subsequently been held firm and convertible. Gold and foreign exchange reserves now exceed \$3 billion and are increasing each month. Government expenditures in 1961 were held down to

62 billion new francs and were financed from revenues. As a result, the Government was not obliged to resort to the money market for medium- and long-term financing and businessmen were able to secure their credit needs without too much difficulty. A constant effort is being made to keep prices down, increase productivity, and reduce distribution costs. New supermarkets and food distribution centres are being built

and a daily program on the nationally-owned television network advises housewives what to buy and at what prices.

France's national accounts for the period 1957 to 1961 have just been released and are summarized in the accompanying table. The high percentage of national expenditure devoted to investment and the increasing importance of foreign trade are worth noting. ●

French Foreign Trade: a Changing Pattern

Progress in liberalizing trade, increased imports have heightened opportunities for Canadian suppliers, despite growing importance of EEC countries in the French import and export pattern.

A. G. KNIEWASSER, *Commercial Counsellor, Paris.*

THE French Government accelerated its program of trade liberalization and tariff reductions during 1961. The prime objectives of French commercial policy are now European economic integration and unwavering support of the provisions and interpretations of the Rome Treaty. The French market is to be exposed to foreign competition to a degree never before envisaged. Reductions in the customs tariff are being made in advance of the EEC schedule in an effort to keep domestic producers competitive and to reduce costs.

During 1961 French exports to all countries rose by 5.2 per cent to NF.35.7 billion. Imports increased by 6.3 per cent to NF.33 billion, leaving a favourable balance of trade of NF.2.7 billion. These trends are continuing in 1962. Both exports and imports are rising and a new tariff cut of 10 per cent became effective on July 1.

Trade Liberalization Proceeds

Import controls have now been removed on most manufactured

goods from OECD countries. The only products for which import licences are still required are newsprint, aircraft, ships, energy, armaments and certain watches and transistors. The latter two will be freed from controls before October 1, 1962. Import formalities have been simplified. Progress has been made towards liberalizing trade with non-OECD countries and a new trade agreement signed with Japan that enlarges import quotas and frees a number of categories of goods from import licensing. The intention is to continue with this trade liberalization program during 1962.

Agriculture has made slower progress. Import licences are still required for most products and sanitary regulations present difficulties. Trade in salmon, tuna, shellfish, dried meats, offals, soups, relishes and honey is, however, unrestricted. Import quotas are being made available for a number of items still under control. Experienced local agents are essential to handle the formalities.

As a result of these measures, the French market is now more freely accessible to Canadian exporters than at any time in the history of our trade relations. Entry of most Canadian goods is unrestricted and new sales can be developed if prices are competitive when the French tariff is taken into account. An important corollary is the opportunity Canadian exporters now have to promote export sales directly in such important French cities as Bordeaux, Lyons, Marseilles, Lille and Strasbourg in addition to Paris, where competition is keen and customers are overwhelmed by offers from all over the world.

French Tariffs Lowered

French tariffs on goods from the European Economic Community have now been reduced by 50 per cent. These reductions were made in advance of the schedule under the Rome Treaty and were timed to offset inflationary forces in the French market. The French external tariff against non-EEC countries, including Canada, has in many cases

also been reduced towards the level of the common external tariff. The general effect of French participation in the EEC is to lower tariffs and improve terms of access to this market for many Canadian products.

Table I outlines the trend of French tariffs levied against a number of Canadian manufactured products since 1959.

Imports of Manufactures Rising

Trade liberalization and lower tariffs have led to a substantial increase in total French imports, and to relatively larger purchases of fully manufactured products from abroad. French imports from foreign countries increased from NF.23.4 billion in 1960 to 25.6 billion in 1961. Imports of manufactures accounted for 28.8 per cent of this, compared with 24.8 per cent in 1960 and 22.2 per cent in 1959. Prospects for further increases in imports of fully manufactured products are good in view of the active investment and consumer demand. Purchases of industrial raw materials will also increase now that stocks have been worked down to operating levels.

Table II summarizes French trade with foreign countries from 1959 to 1961 by groups of commodities. French exports are now one of the main driving forces in the national economy. Sales abroad have doubled since the devaluation of December 1958 and now account for 12 per cent of the GNP. In 1961 exports to countries outside the franc zone exceeded imports for the first time since 1927. Sales of machinery, aircraft, agricultural and petroleum products all rose by more than 25 per cent during the year.

Direction of Trade

Integration within the European Economic Community is the outstanding characteristic of French foreign trade. The EEC accounted for 40 per cent of French imports and 45 per cent of French exports in 1961. West Germany alone purchased 25 per cent of all French goods sold abroad and supplied 22

TABLE I
SELECTED FRENCH TARIFF RATES

Description	(ad valorem)				Tariff on EEC Goods	
	Tariff on Canadian Goods				Jan. 1 1962	End of Transition
	Dec. 1 1960	Jan. 1 1961	Jan. 1 1962	End of Transition		
Synthetic textiles, fibres	19.8	19.0	16.5	14.0	13.2	0
Refractory bricks	18.0	16.4	14.4	10.0	12.0	0
Oil burners	19.8	18.7	16.5	13.0	13.2	0
Weighing equipment	18.0	17.6	15.6	15.0	12.0	0
Cranes	18.0	17.3	15.3	14.0	12.0	0
Sounding and drilling equipment	18.0	17.6	15.6	15.0	12.0	0
Agricultural machinery	13.5	13.1	11.6	11.0	9.0	0
Dairy equipment	13.5	13.1	13.1	11.0	9.0	0
Pulp-mill machinery	18.0	17.3	13.6	12.0	10.8	0
Typewriters	22.5	21.3	17.0	16.0	13.2	0
Vending machines	18.0	17.1	15.1	13.0	12.0	0
Telecommunications equipment	22.0	19.2	17.0	16.0	12.0	0
Polystyrene	27.0	25.8	22.8	20.0	18.0	0

TABLE II
TRADE WITH FOREIGN COUNTRIES, BY CATEGORIES

	Imports			Exports		
	1959	1960	1961	1959	1960	1961
	(in millions of new francs)					
Foodstuffs	2,092	2,299	2,313	1,882	2,702	3,399
Energy	4,803	4,498	4,238	778	710	876
Raw materials	4,363	5,749	5,775	2,111	2,656	2,763
Semi-finished products	3,558	5,497	5,925	6,718	8,044	8,637
Machinery and equipment	3,116	4,301	4,935	2,805	4,097	5,190
Manufactured consumer products	1,132	1,644	2,452	4,656	5,535	5,486
Total	19,064	23,988	25,638	18,950	23,744	26,351
	(in per cent of total imports/exports)					
Foodstuffs	11	9.6	9.0	9.9	11.4	12.8
Energy	25.2	18.7	16.6	4.1	3	3.3
Raw materials	22.9	24	22.5	11.1	11.2	10.5
Semi-finished products	18.7	22.9	23.1	35.4	33.9	32.8
Machinery and equipment	16.3	17.9	19.2	14.9	17.2	19.7
Manufactured consumer products	5.9	6.9	9.6	24.6	23.3	20.9
Total	100	100	100	100	100	100

per cent of total purchases. Trade with Britain, Spain and Switzerland has also expanded substantially. Preferential sales to the franc zone, some 37.5 per cent of total French exports in 1958, were reduced to 26.1 per cent in 1961. Over the same period, imports from the franc zone declined from 27.6 per cent to 22.3 per cent of total imports. French trade officials regard these trends as satisfactory. They feel, however, that the time has come to diversify and new efforts will be made in 1962 to develop markets in North and South America.

France's Fourth Economic Plan calls for a 55 per cent increase in imports and a 60 per cent increase in exports (by volume) over the period 1959-1965. The assumptions on which these calculations are based are:

- (1) Trade liberalization will continue and will be expanded.
- (2) The Rome Treaty will be applied on an accelerated schedule—i.e., tariffs on inter-Community trade will be removed entirely by 1965.

TABLE III
FRENCH IMPORTS AND EXPORTS 1959-1965

	Exports			Imports		
	1959	1965 (est.)	Indices of Percentage Increase 1965-1959	1959	1965 (est.)	Indices of Percentage Increase 1965-1959
	(millions of new francs at 1959 prices)					
Agriculture, forestry	1,157	2,943	254	1,186	1,576	133
Products of agricultural and food industries	1,191	1,867	157	1,526	1,826	119
Solid mineral fuel	114	70	61	1,697	2,530	148
Gas	1	.....	.....	25	34	136
Electricity, water, etc.	36	.....	.....	24	48	200
Petroleum, natural gas, motor fuel	562	880	156	3,185	2,856	89
Building material	203	293	144	223	470	210
Glass	221	338	152	37	150	405
Iron ore and steel products	3,228	3,720	115	1,272	1,572	123
Non-ferrous ores and metals	458	592	129	1,095	1,712	156
Primary metal products	1,003	1,538	153	546	989	181
Machinery and apparatus	1,687	3,504	207	2,308	4,105	177
Electrical machines and apparatus	666	1,527	228	416	1,402	335
Automobiles and cycles	2,423	3,474	144	337	1,570	465
Naval and aero-naval construction, armament	936	1,200	128	568	494	87
Products of chemical industries	1,793	3,717	207	1,956	3,274	167
Textiles	2,318	3,188	137	2,326	3,623	155
Clothing	178	259	145	34	149	435
Leather	503	707	140	199	405	201
Products of wood industries	382	608	159	307	535	174
Pulp, paper and cardboard	174	337	188	524	806	153
Press and publishing	196	319	162	141	261	185
Products of various industries	581	1,413	243	167	701	420
Drawings, films, etc.	96	168	.....	27	65	.....
Total	20,112	32,262	160	20,126	31,153	155

Source: Plan de Développement Economique et Social.

TABLE IV
CANADIAN TRADE WITH FRANCE

	(In millions of Can.\$)				Percentage change 1958-1961
	1958	1959	1960	1961	
Exports to France	44.7	43.2	72.9	71.9	+61
Imports from France	40.0	56.9	50.1	54.3	+36
Trade balance	+ 4.7	-13.7	+22.8	+17.6	.....

(3) Exchange controls will not interfere with the flow of trade.

The Plan also notes that traditional trade within the franc zone will continue to decline in relative importance because of self-determination in many states and the removal of import controls against non-French goods. Exporters are warned that they will have to face

keen new competition in non-preferential markets.

Table III outlines import and export estimates by group of commodities for 1959 to 1965. Substantial progress is already being made towards these goals. The index of imports at constant prices reached 123 in 1961, the export index 126.

For the period 1962-65, an annual increase of 6 per cent in im-

ports and 6.1 per cent for exports is therefore indicated.

Trade with Canada

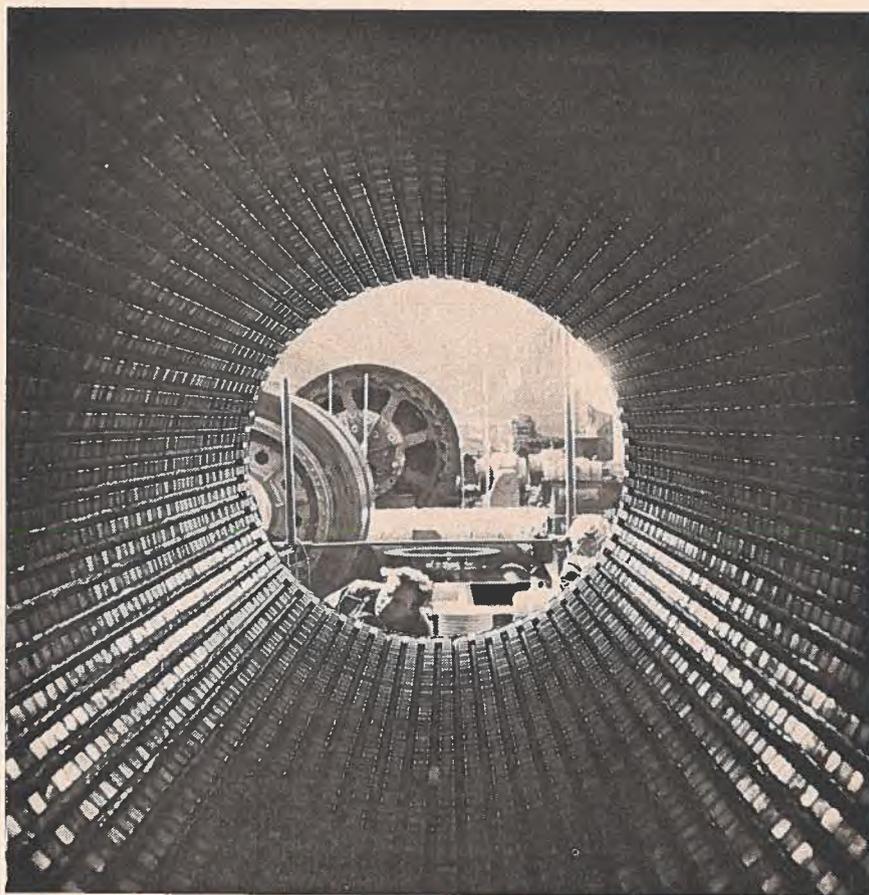
Canadian exports to France were maintained at record levels in 1961, despite substantial declines in the sale of industrial raw materials. Exports to France and the French Community totalled \$78 million and new markets were developed for a wide range of products of Canadian secondary industry. Imports from France also increased slightly to Can.\$54 million. A detailed review of these developments appeared in the June 30, 1962, issue of *Foreign Trade*.

Table IV summarizes the trend of Franco-Canadian trade since 1958.

The Selling Program

The 60 per cent increase in Canadian exports resulted from improved market prospects in France and from the intensive selling efforts of hundreds of Canadian businessmen. In 1958, less than 50 Canadians visited this market; last year, the Paris Trade Office arranged business calls in France for 320 exporters and 42 new sales agencies were established as a result. In 1958, there was no trade-fair participation in this country; this year, Canada entered successful displays at the international trade fair in Lyons and at the Paris Fur Salon. Trade information booths were set up at the Bordeaux and Paris international trade fairs.

The Canadian Ambassador to France, resident Canadian businessmen, representatives of Provincial Governments in Paris, members of la Chambre de Commerce France-Canada and Trade Commissioners participated in widely publicized "Canada Day" ceremonies at each of these regional fairs. The programs were organized and sponsored by the local Chambers of Commerce and included round-table discussions of trade possibilities with leading businessmen in these cities. Extensive television, radio and newspaper coverage was secured and initial



This picture illustrates French technological skills—one reason why complicated French machinery finds buyers in many parts of the world. Here the coil for a stator, destined for use in a turbo-alternator group of 250,000 kw., is being wound.

contacts followed up by representatives from the Paris Trade Office, who remained in each centre for private discussions with importers interested in Canada.

The trade fair program for 1963 calls for participation in fairs at Paris, Marseilles, and Strasbourg and in one specialized event, the Paris International Aeronautical Exhibition. Canadian business visitors are invited to attend any of these events. Discussions are carried on in French exclusively.

A useful trade mission program is also in hand. Over the past 18 months Canadian trade missions have explored in depth the French market for oilseeds, pulp, fine papers, heating and air-conditioning equipment, canned and processed food products and iron ore. Plans are currently under way for missions to investigate sales possibilities for

leather, fresh and frozen fish, lumber and plywood. A proposal to organize a comprehensive Canadian trade mission to France for the fall of 1963 is under study.

Readers may also be interested in a new promotion technique now being tried out experimentally in France. In April of this year a Canadian Businessmen's Committee, consisting of the local Canadian representatives of Canadian banks, stockbrokers, transport companies, legal firms and manufacturing companies, was established to advise and assist the Paris Trade Office in seeking out new business contacts and possibilities. The committee has subsequently proved active and helpful in extending practical business advice gained over many years of experience in France to Trade Commissioners and visiting Canadians. Our advisers in turn have

found it useful to be kept fully informed of Trade Commissioners' activities.

Prospects for the Future

Canadian Trade Commissioners in Paris are convinced that trade with France will grow substantially over the next five years. Demand for agricultural, industrial and consumer products will continue to rise and the market will remain open for enterprising exporters. Keen competition from home producers and from France's partners in the European Economic Community (who will soon have tariff-free access to this market) can be expected. The keys to success are, of course, competitive prices, good design, active salesmanship, perseverance, and imagination. A carefully planned selling program combined with advance consultation with the Trade Office and business calls on prospective importers in Paris and other important cities often bring results.

There is an immense reservoir of goodwill towards Canada and visiting businessmen are assured of a friendly and helpful reception. French importers prefer to "Buy Canadian" whenever possible. We suggest that you reassess your prospects here in view of the many changes that are taking place. *Pourquoi pas?*

Have You Read These?

The following articles that have appeared in earlier issues of *Foreign Trade* will help to fill in your picture of the market in France.

"How to Advertise in France", June 3, 1961.

"French Aluminum Production Soars", June 17, 1961.

"French Market for Fruit and Vegetable Products", December 16, 1961.

"France Sets Up Fourth Plan", January 13, 1962.

"French Market for Hides and Skins", February 10, 1962.

"French Market for Tobacco", February 10, 1962.

"Business Conditions in France", June 30, 1962.

What's Current in Commodities—in France?

Agricultural and Fisheries Products—Many lines sell well, despite import controls on some; opportunities for various types of commodities are outlined below.

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

FRANCE has made very real progress towards the liberalization of import controls during recent years, but agricultural and fisheries products are still in large measure subject to import restrictions. This is especially true of commodities that compete with French production, or are included in one or more of the many French bilateral trade agreements.

Nevertheless, a fair number of Canadian agricultural and fisheries products can enter under liberalized tariff classifications. Sales of a number of Canadian products in this category have increased substantially and good sales prospects for others have yet to be exploited.

Further, the fact that a Canadian product is faced with import restrictions does not necessarily preclude the possibility of selling it in France. Generally, restricted imports are subject to quota control under which import licences are issued to importers.

In the absence of specific agreements, priority is generally given to products originating in the franc zone, Common Market countries, OECD members including Canada, and then others. Sales of some Canadian products in this category

not only are being made but are increasing each year, as Table I shows.

The key to marketing products faced with import restrictions is often locating French buyers whose prospects of obtaining licences are good. Sometimes the problem is being able to ship quickly when quotas are subject to time limits.

Aside from questions of tariffs and access to this market, it should be emphasized that consumer atti-



Two French farmers argue the relative merits of pigs on sale at a typical animal market in the Basses-Pyrenees. With a flourishing agriculture of its own, France retains import restrictions on many farm products, including frozen or canned meats, but imports of other processed foods are possible.

tudes and habits are changing in France. Moreover, with the implementation of the common agricultural policy within the EEC, the Canadian exporter will be faced in some instances with new restrictions but in many others with new opportunities.

Cereal Grains and Seeds

The prospects of increasing sales of durum wheat to France are excellent. Local production is limited to roughly 60,000 tons a year and imports total over 400,000. Consumption is increasing. North African supplies are expensive and sometimes uncertain and French millers are prepared to pay a premium for Canadian quality. In addition, with the implementation of the common grain policy on July 30, 1962, semolina millers will be free to purchase their durum requirements for their own account rather than through the French Cereals Office.

Good prospects for sales of Canadian hard wheat direct to French millers could also develop under the new grain-trading regulations when they come into force. There is a demand for hard wheats with high protein strength to blend with and improve the quality of flour milled from domestic soft wheat. Canadian exports of hard wheat have already risen from \$160,000 in 1958 to over \$5.4 million in 1961. Last year was perhaps exceptional because of a shortage on the French market of spring wheat seed in the early spring, but otherwise there is a definite demand and this will likely increase.

Imports of clover and grass seeds into France are liberalized. France buys every year substantial quantities of clover seed (over \$1 million in 1961), mainly from New Zealand, Hungary, the United States and Canada. Imports of grass seed amount to over \$3 million a year and come from the United States, Denmark, Britain, Canada and Common Market members. Emphasis on better use of pastures in France suggests continued sales for Canadian seed growers.

TABLE I

AGRICULTURAL EXPORTS FROM CANADA TO FRANCE

		1960	1961
(Can.\$'000)			
Cereal grains and oilseeds			
Wheat excluding seed	(R)	681	5,436
Grass seed	(L)	104	93
Durum wheat	(R)	12,729	10,554
Clover seed	(L)	150	139
Flaxseed	(R)	2,899	1,277
Rapeseed	(R)	1,324	1,166
Total		17,886	18,664
Fur-bearing animals, furs and fur apparel			
Live mink	(L)	nil	1
Other fur-bearing animals	(L)	3	6
Furs, ranch mink, undressed	(L)	39	61
Furs, wild mink, undressed	(L)	12	20
Other furs, undressed	(L)	.60	3
Furs, dressed	(L)	10	20
Fur apparel	(L)	4	27
Muskkrat skins, undressed	(L)	17	2
Total		85	140
Food products			
Edible offals, frozen	(L)	8	15
Canned peas	(R)	nil	.22
Canned vegetables and vegetable juices, n.e.s.	(R)	nil	.15
Pickles and relishes	(R)	nil	.18
Sauces	(L)	nil	2
Honey	(L)	nil	.30
Nuts	(L, except walnuts)	nil	1
Maple sugar and syrup	(L)	16	40
Whisky	(R)	45	67
Apples, fresh	(R)	142	nil
Canned meats	(R)	33	3
Soups and mixes	(L)	5	2
Confectionery	(R)	11	4
Total		260	135
Fisheries Products			
Salmon, Atlantic, frozen	(L)	18	21
Salmon, Pacific, frozen	(L)	515	697
Flatfish filets	(L)	nil	3
Salmon, canned	(L)	90	236
Lobster, fresh or frozen	(L)	.07	13
Scallops, fresh or frozen	(L)	nil	1
Lobster, canned	(L)	10	33
Fish roe	(L)	5	4
Total		638	1,007

(R) Restricted.

(L) Liberalized.

Source: DBS.

Oilseeds

France imports over \$10 million worth of flaxseed and about \$5 million worth of rapeseed each year; Canada, Argentina and the United States are the principal suppliers. In rapeseed, Canada has occupied an important position, competing

with Communist China, Sweden, and other countries.

Canadian rapeseed sales to France are a relatively recent development and although the competitive position of other oil sources has an important bearing on sales, the recently announced improvements

TABLE II
FRENCH RATES OF DUTY FOR IMPORTS OF SELECTED
AGRICULTURAL AND FISHERIES PRODUCTS

	Effective July 1, 1962 per cent ad valorem on c.i.f. value	
	On Canadian products	On EEC products
LIBERALIZED TARIFF ITEMS		
Day-old chicks	19	15.4
Beef or pork livers, fresh, frozen or chilled	Exemption	Exemption
Other offals, fresh, frozen or chilled	6	Exemption
Salmon, fresh, chilled or frozen	10	6.5
Salmon roe, fresh, chilled or frozen	18	13
Salmon roe, salted, dried or smoked	25.5	19.5
Lobsters whole, salted, dried or smoked	27	19.5
(duty to be not less than per kg. gross)	0.90 NF.	0.65
Lobster tails, salted, dried or smoked	30.5	22.75
Mussels, salted, dried or smoked	13.5	9.75
Canned salmon	18	13
Prepared mustard	13.6	6
Natural honey	30	21
Seed potatoes	6.5	3.5
Sauces, mixed condiments	16	7.5
Soups, liquid, solid or powdered:		
with meat or fish	17.6	7.5
without meat or fish	10.9	4.0
Maple sugar and syrup	26.6	14
Furskins, undressed	Free	Free
Furskins dressed		
Beaver, grey squirrel	2.2	Free
Other	9	5
Apparel and clothing accessories of fur	24	15
RESTRICTED TARIFF ITEMS		
Fresh, chilled or frozen:		
Meat, beef	20	Exemption
Meat, pork	6	Exemption
Frozen: Vegetables	16.8	10.5
Fruits	15.4	9.1
Fresh: Table potatoes	18	Exemption
Apples	6.6-11.4	4.2-8.4
Potatoes, dried or dehydrated	16	10.5
Potatoes, flaked (instant)	19	14
Canned: Pork	31.1	22.75
Vegetables	13-23	7-17.5
Jams, jellies, marmalades	30	21
Pickled vegetables	22	14
Sausages	21	13
Breakfast foods	28.8	17.5
Macaroni, spaghetti, etc.	42.2	25
Biscuits	22.2-32	9-5
Cheddar cheese	12	12
Processed cheese	12	10.5
Confectionery	27	15
Flavoured or coloured sugars, syrups	97.1	77

in the grading of Canadian rapeseed for export should strengthen our position.

There are good prospects for selling soybeans, oilcake and meal. This item is liberalized and exempt from duties and in 1961 French imports totalled over \$7 million.

Fur-Bearing Animals, Furs

Imports of live fur-bearing animals into France vary considerably from year to year. However, French breeders are endeavouring to improve their facilities and production techniques. Sales of undressed ranch

and wild mink skins to France have been increasing during the last four years. Sales of undressed muskrat skins, however, have been unsteady. Fashion trends, of course, have a marked effect on sales prospects, but the steady increase in consumer incomes in France suggests continued sales of furs from Canada.

Sales of dressed furs and fur garments to France, though not large, have increased steadily during the last four years. Liberalization of imports and wider appreciation of the Canadian product has helped to strengthen this trend. It is interesting that Canadian sales to France of all items under this heading reached \$140,000 in 1961 compared with only \$44,000 in 1958.

Food Products

Best prospects for sales of processed foods to France include sauces, relishes, soups, preparations for soups; dried meat except pork, game, and frozen edible offals; and (to a lesser extent) confectionery, especially cocktail biscuits, and possibly honey. Imports of frozen meat, vegetables and fruits are virtually prohibited and sales of canned meats, vegetables and fruits are difficult because of import restrictions. Where import restrictions have been relaxed, Canadian food products should find a ready market if pricing is competitive with other foreign suppliers.

Canada has an advantage because her food products generally include French-language labelling. Further, in the recently established supermarkets in France, the superior packaging experience and appeal of the Canadian product generally enhances sales prospects.

Some Canadian products sell better in the low-volume luxury market. Despite import restrictions, some sales in this class can be secured through agents who participate in local trade fairs (see page 21 of this issue) which gives the supplier a head start when further liberalization takes place. Cocktail foods and biscuits are in particular demand as whisky, especially

Scotch, is rapidly replacing the traditional "apéritif" in France.

Exporters of canned goods should familiarize themselves with the French marking and labelling regulations which require, among other things, that imported canned goods be stamped or embossed with the country of origin.

Sales of some agricultural products (such as fresh apples) subject to import restrictions can be developed during periods of exceptional local shortage. Sales prospects in this class are sporadic and generally a supplier must close the sale and initiate shipment quickly, as a time limit is often placed on the open quota.

Other agricultural products, imports of which have been liberalized and which Canadian exporters can readily supply—such as seed and table potatoes and day-old chicks—are subject at present to stringent French sanitary regulations, which so far have precluded the possibility of sales.

Fisheries Products

Most fish products have been liberalized, especially those of interest to Canadian exporters. Prospects are best for frozen salmon, groundfish fillets, fresh or frozen lobsters and scallops. Sales of Canadian West Coast salmon have increased during the last four

years by over \$150,000 a year and totalled nearly \$700,000 in 1961.

Sales of canned salmon have tended to fluctuate, partly because of price and partly because of a tendency on the part of French importers to over-order in one year with high stocks to be moved during the next.

Promising new sales prospects include live and frozen lobsters and frozen scallops. For live lobsters, however, the number of French buyers with facilities to handle and store shipments of this type is limited and this tends to restrict market penetration. But these facilities are increasing and sales of live lobsters should continue to expand. ●

Consumer Goods—The Paris office singles out sales opportunities for many types of Canadian consumer goods; stresses that unusual design, top quality, saving of labour or greater comfort are major selling points, can offset higher duty on Canadian products.

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

THE growing prosperity of the French consumer, plus progressive liberalization of import restrictions, offers Canadian exporters new opportunities for selling consumer goods. These developments have already attracted the interest of many Canadian suppliers, as the increasing volume and diversification of Canadian exports to France during the last two years indicate.

Sales prospects for the main categories of consumer goods are discussed in the following paragraphs.

Natural and Synthetic Fabrics

It is believed that France offers a good outlet for synthetic and blended fabrics because of the expanding demand and the receptiveness to new designs and new materials. French consumers are using more and more synthetic fabrics or fabrics incorporating synthetic fibres because they are easy to look after and are drip-dry.

In 1961, the United States increased its sales of these fabrics to \$1.2 million, compared with \$230,000 in 1960. This suggests that prospects for Canadian sales of synthetics are good, especially for wash-'n-wear fabrics. Since 1959 the tariff on synthetic fabrics has been cut substantially—from 22 to 16.5 per cent ad valorem.

In the wool and cotton industry, French producers are highly competitive and enjoy excellent export sales. But even when Canadian prices are not competitive, outstanding design and quality can help to sell Canadian wool and cotton fabrics in France.

Clothing and Footwear

The French clothing industry enjoys a world-wide reputation and a long tradition of elegance that makes foreign success in this market very difficult. Moreover, competitive Italian production is beginning to make substantial inroads.

At the same time, however, the trend toward buying foreign-made clothing is apparent, as shown in Table I. The French tariff on clothing imported from non-EEC members has been somewhat reduced over the last two years and now averages 19 per cent ad valorem.

Canadian exports of knitted goods and men's and women's wear reached nearly \$50,000 in 1961, a modest figure compared with imports from the United States and Britain. In view of the strong French demand for clothing specialties in cotton and blended fabrics, Canadian sales should make new progress in the months ahead. French buyers are always willing to look at new lines and market prospects appear bright for well-presented and distinctly Canadian clothing.

The same remarks apply to footwear. The French industry as a whole is highly competitive and attuned to French taste. In addition, duties are considerably lower on imports from Italy and other EEC countries. Imports from Italy of men's and women's shoes, for example, benefit from a 10 per cent duty compared with 20 per cent on Canadian footwear. But Canadian sales could be made on the basis of originality and quality. To take one

TABLE I
LEADING FRENCH IMPORTS OF CLOTHING AND FOOTWEAR

	(outside EEC)	
	Knitted Goods, Clothing	Footwear
1960		
United States	\$1,318,354	\$ 27,646
Britain	1,710,546	137,030
Canada	34,976	7,351
1961		
United States	\$1,789,589	\$ 55,456
Britain	2,450,282	157,608
Canada	53,922	4,776

example, Canadian slippers made of seal or elk leather should sell well in France.

Household Appliances

Use of modern labour-saving devices has increased rapidly in France over the last six years; since 1956, sales of refrigerators and washing machines have doubled and significant advances have been made in the use of small domestic appliances. But there is room for further exploitation: in 1960, only 22 per cent of French households had refrigerators and 23 per cent had washing machines. With the incentive of strong domestic demand, French producers are increasing their output; Germany and Italy, France's Common Market partners,

TABLE II
LEADING FOREIGN SUPPLIERS OF HOUSEHOLD EQUIPMENT

	Refrigerators Domestic, Electric		Washing Machines Domestic, Electric		Electro-Mechanical Apparatus, domestic, such as: vacuum cleaners, irons, razors	
	1960	1961	1960	1961	1960	1961
	\$	\$	\$	\$	\$	\$
West Germany	1,456,396	2,336,071	365,612	698,102	603,578	1,025,144
Italy	550,914	3,318,522	18,472	328,182	202,184	144,773
United States	442,414	231,594	122,072	114,140	189,690	472,028
Britain	22,804	225,626	2,345,258	3,487,080	760,182	1,384,456

benefiting from lower French import duties on these goods, are also pushing up their sales. Italy in particular has achieved spectacular increases in sales of refrigerators and washing machines to France during the last two years.

The United States sold fewer refrigerators in 1961 compared with the previous year but Britain increased its sales ten times. This was partly because of differences in transportation costs and partly because U.S. branded products are being supplied through new U.S. subsidiary plants located in France. Both countries increased their sales of other domestic appliances—the United States by 40 per cent and Britain by 50 (see Table II).

Canadian manufacturers have not yet succeeded in selling refrigerators and washing machines, al-

though Canadian products are of high quality and superior design. The French market for imported products of this type is difficult but not impossible. The Canadian manufacturer should note that two of the leading suppliers are not members of the EEC and are therefore subject to the same tariff as Canadians—14 per cent for refrigerators and 15 per cent for washing machines.

Although the market for refrigerators and washing machines is highly competitive, the field of small housewares presents a wide range of opportunities and a rapidly growing market not fully exploited. There should be excellent opportunities for mixers, juice extractors and toasters. Export prospects for Canadian products, however, depend largely on an aggressive sales

Value-conscious French shoppers examining fabrics in the big Paris department store, Au Bon Marché. The trend towards using more synthetic fabrics and drip-dry blends means good sales prospects for Canadian textile manufacturers. Even cotton materials will find customers if the design and quality are outstanding.



TABLE III
LEADING FOREIGN SUPPLIERS OF DOMESTIC HEATING EQUIPMENT

	Oil Burners		Domestic Ranges Gas and Electric		Air Conditioning Equipment	
	1960	1961	1960	1961	1960	1961
	\$	\$	\$	\$	\$	\$
West Germany	67,991	124,738	666,800	616,640	68,900	128,252
Belgium	122,293	269,912	266,184	609,414	.....	.....
Italy	127,610	95,830	.....	27,910	.....	28,810
United States	175,970	230,090	11,212	12,874	343,012	958,700
Britain	38,256	70,932	14,184	1,614	12,800	40,440

policy combined with competitive pricing.

Domestic Heating Equipment

Market prospects in France for oil burners appear to be good. As Table III shows, the five leading foreign suppliers of oil burners, with the exception of Italy, have increased their sales in 1961 over 1960. This rise indicates a growing demand for oil burners that local production cannot meet. Several members of the Canadian Home Heating Mission which visited France last March concluded that our equipment could compete in France both in price and quality, even paying a duty of 16.5 per cent ad valorem.

As for domestic ranges, the leading suppliers are France's Common Market partners who benefit from lower internal tariff rates (10 per

cent ad valorem against 17 per cent on similar Canadian products). However, both the United States and Britain export small amounts. Under the circumstances, prospects for selling Canadian-made ranges in France appear limited.

On the other hand, prospects seem excellent for air conditioning equipment, particularly of the window type which is becoming increasingly popular. Table III shows that the first foreign supplier is the United States, which sold nearly \$1 million worth in 1961. This suggests that Canadian manufacturers should be able to develop a profitable outlet in France if, in addition to competent representation, prices and terms of payment are competitive.

All heating equipment sold in France must be approved by the Electrical and Mechanical Services Division of the French Ministry of

TABLE IV
MAIN IMPORTS INTO FRANCE OF TOYS, GAMES AND SPORTS REQUISITES

	1960	1961
United States	\$ 724,582	\$3,803,214
Germany	1,237,988	2,285,926
Britain	637,646	1,278,772
Italy	346,614	1,178,354
Canada	9,280	10,134

Industry. Experience reveals that French heating contractors are reluctant to study offers if the equipment has not already been approved. Canadian manufacturers should therefore be prepared to submit samples of their equipment to this division to ensure that it meets official French specifications.

The Canadian manufacturer should also be prepared to share costs of advertising in trade publications. More and more foreign firms selling on the French market are sharing advertising costs and readiness to support advertising helps to secure sales.

Toys, Games, Sports Equipment

Prospects for selling scientific and educational toys and games in France appear to be excellent but for conventional toys that tend to compete with local production



Our home-heating equipment can be sold in France—that was the conclusion reached by the Canadian Home Heating Equipment Mission which visited Europe last spring. Here members of the mission examine a French furnace on display at the Salon des Arts Menagers which they visited in Paris.

chances are not as bright. As Table IV shows, France imports considerable quantities, in spite of duties reaching in some instances 25 per cent ad valorem. These import figures demonstrate a new interest on the part of French buyers in imported toys and games. French wholesalers are looking for suppliers of original and top-quality toys and

there seem to be immediate sales opportunities for original educational toys.

Sporting goods also present a wide range of sales opportunities centering on equipment used in camping and fishing. This sector is developing rapidly, thanks to increases in the standard of living and more leisure time, and offers a

potential outlet for Canadian exporters.

Canadian exporters of consumer goods may obtain from the Commercial Division in Paris preliminary market information for specific commodities. Even better, the Division welcomes visits by Canadian businessmen who wish to investigate this expanding market.

Electronic Products—A \$60 million market for electronic products should mean good opportunities for Canadians as French importers become aware of our capabilities.

G. P. MORIN, *Assistant Commercial Secretary, Paris.*

FRENCH imports of electronic products reached \$60 million last year and the demand continues to rise. Sales prospects for Canadian firms are good.

In order of importance, the main electronic products imported into France are crystal diodes and triodes and other crystal valves, electronic adding machines, instruments and measuring instruments, fixed or variable resistors other than heating resistors, and cathode-ray tubes.

The main foreign supplier is the United States, which ships about half of total French purchases.

Other leading suppliers are West Germany, the Netherlands, Britain and Switzerland. Canada ranks eighth, with sales worth about \$900,000 and consisting mainly of radar equipment and measuring, testing and controlling equipment.

The French electronics industry is growing rapidly and total domestic sales are expected to exceed \$1 billion by 1965, compared with just over \$650 million in 1960. Despite this anticipated growth in domestic output, sales prospects for Canadian electronics products should remain bright, as French

buyers are becoming more aware of Canadian capabilities in this field.

Among the products that Canada could probably sell in this market are electronic data processing equipment for inventory control, machine control computers, selective calling units, stereophonic domestic receivers and hi-fi equipment, sonogenic equipment, and specialized electronic and communications equipment already designed and in production in Canada but not yet made in France.

In the components field, Canadian companies should concentrate on selling to France high-quality printed circuits, frigidors, silicon rectifiers, micro-circuitry of various types, special transformers for military and commercial electronic devices, radar and communications equipment. ●

Plywood—Prospects are best for half-inch thickness or more, in demand for concrete formwork.

G. P. MORIN, *Assistant Commercial Secretary, Paris.*

FRENCH production of plywood totalled 190,973 tons last year, of which about 10 per cent was exported. Some 80 per cent of this industry's raw material requirements are met by imported tropical woods; the most important is okoumé. About 70 per cent of the plywood consumed in France is used by furniture makers and 30 per cent by the building industry.

Plywood imports into France total about 9,000 tons a year. The chief

suppliers are Gabon (6,095 tons) and West Germany (2,505 tons), and to a lesser extent Belgium-Luxembourg, Ghana, and Sweden.

Canada's share in this market has so far been small but in 1961 we sold 450,542 square feet of Douglas fir plywood valued at \$38,717, compared with only \$7,507 worth in 1960.

Canadian firms could expand their sales in this market. Plywood is being used more each year, espe-

cially by French architects and contractors. The best prospects are for plywood of a half-inch thickness or more. Smaller sizes cannot compete with local production, but sizes of a half-inch or more are in demand for concrete formwork. This plywood is competitive in price and further market promotion should enhance sales prospects for the Canadian product.

Canadian firms might also find it worthwhile to examine more carefully the French market for decorative plywood. This kind of plywood is not made in France in quantities sufficient to meet the demand, which has been growing steadily in the last few years. ●

Lumber—French consumers buy largely superior qualities of Douglas fir, hemlock and balsam; demand should increase if prices competitive and price fluctuations not too great.

G. P. MORIN, *Assistant Commercial Secretary, Paris.*

FRANCE now produces about 42 million cubic metres of timber each year; however, slightly less than half of this output consists of fuelwood. Hardwoods, including fuelwood, account for 68 per cent of the French cut. The most important wood species found are (in order of importance) oak, pine, poplar, beech, fir, spruce and larch.

France is the largest producer of hardwood lumber in the EEC and ranks second (after West Germany) in softwood lumber. During 1961, production of both softwood and hardwood lumber increased and totalled respectively 5 million and 2.5 million cubic metres. Output of softwood and hardwood logs and of pulpwood was larger but production of railway ties and pitprops declined.

Fonds Forestier National

France has a surplus of fuelwood but does not produce enough softwood to meet its requirements. The total volume of softwood lumber, pulpwood, paper and paperboard imported into France represents in round wood the equivalent of more than 6 million cubic metres of logs. These imports total NF.1.2 billion in value.

The Fonds Forestier National was set up in 1946 by the French Government to reduce the gap between softwood demand and supply. This agency seeks to increase domestic production by planting trees on waste land and new wood species in low-yield forests; by building roads to reach forests difficult of access; by protecting forests against natural disasters, and by lending money to forest owners.

Since its establishment, the Fonds Forestier National has put under timber over 2.2 million acres of land. The proportion of various species planted in 1960 was as fol-

lows: pine and larch 31 per cent, other softwood 53, poplar 11, eucalyptus 1 and other hardwood 4.

The Fonds Forestier National contributes to making France less dependent on foreign sources of supply; however, local users will still have to rely on timber imports to meet a large part of their increasing needs.

Imports

French imports of softwood lumber were the largest ever during 1961 and totalled 908,000 cubic metres compared with 658,000 in 1960. Purchases abroad of hardwood lumber rose during that period from 34,000 to 50,000 cubic metres. Imports of hardwood logs, which come mostly from African

countries, increased slightly to 1,102 thousand cubic metres and purchases of softwood logs, at 2,000 thousand cubic metres, equalled those of last year. Pulpwood imports were much larger, at 1,294,000 cubic metres. Table I summarizes French timber production, imports and consumption during 1961.

Canadian lumber exports to France during 1961 were the largest since 1947 and were valued at \$1.3 million compared with \$1 million in 1960. Canadian sales last year were up 240 per cent over 1959. This remarkable increase resulted from the liberalization of lumber imports from the dollar countries in January 1960 and also from lower Canadian prices and greater French lumber requirements.

According to French statistics, Canada last year was the fifth largest supplier of softwood lumber, with 31,475 metric tons. (Shipments made from Canada in November and December 1960 are included in

TABLE I
FRENCH TIMBER INDUSTRY

	Production	Imports	Consumption	Percentage of imports to use
	(in thousand cubic metres)			
Softwood lumber	5,000	908	5,314	17.0
Hardwood lumber	2,500	50	2,200	2.3
*Softwood logs	8,800	2	8,392	.....
*Hardwood logs	6,928	1,030	7,492	13.7
Pulpwood	4,651	1,294	5,395	24.0
Pitprops	1,450	6	1,113	.....
Non-coniferous ties	410	8	256	.....
Coniferous ties	75	.....	3	.....

*Figures available only for 1960.
Source: OECD *Timber Statistics* 1962.

TABLE II
CANADIAN LUMBER EXPORTS TO FRANCE

	1960		1961	
	Quantity (m.b.f.)	Value \$	Quantity (m.b.f.)	Value \$
Hemlock	6,331	539,320	8,446	680,773
Douglas fir	2,056	298,938	4,263	438,758
Spruce	1,556	228,241	971	122,418
Balsam fir	.....	.....	149	12,747
Western red cedar	34	4,675	79	10,438
Birch logs	18	5,573	.....	.....
Maple	.....	.....	4	1,695
Total	.....	1,076,747	.....	1,266,829

Source: DBS.

1961 French statistics.) Canada is still well behind the traditional suppliers—Sweden, Finland and the U.S.S.R. Last year, Canadian exports represented only 6 per cent of total French imports of 501,000 metric tons—an increase of 37 per cent over the previous year. French statistics also show that Canada sold to France last year 205 tons of square-edged hardwood and 44 tons of hardwood lumber.

Table III gives a breakdown of French imports of softwood and hardwood lumber during 1961.

TABLE III
FRENCH IMPORTS OF SOFTWOOD AND HARDWOOD

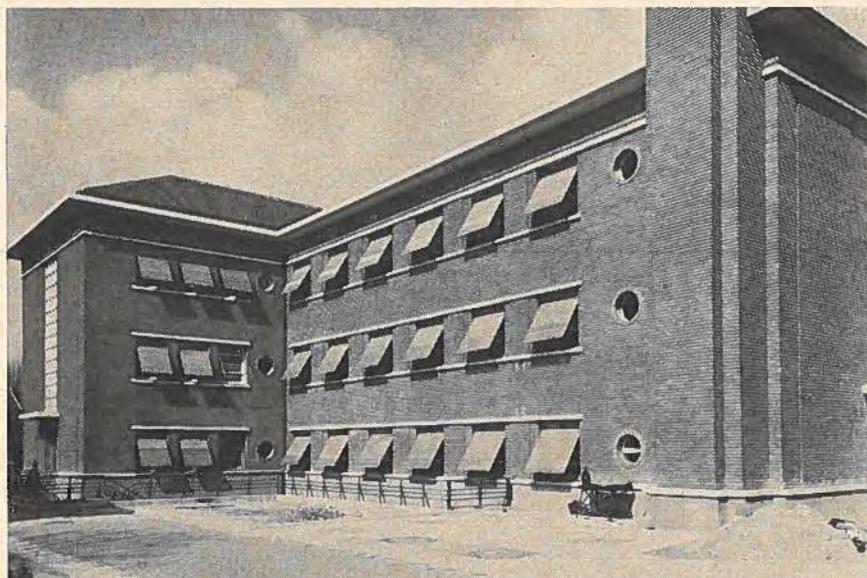
(in metric tons)	
Softwood	1961
Sweden	126,117
Finland	110,650
U.S.S.R.	102,575
Poland	36,236
CANADA	31,475
Czechoslovakia	27,918
Rumania	23,703
United States	15,365
Austria	10,711
Benelux	10,675
West Germany	3,860
Others	2,154
Total	501,439
Hardwood	
Ivory Coast	10,464
Malaya	9,803
Cameroun	2,013
Yugoslavia	1,860
Rumania	1,540
Borneo	1,017
Gabon	889
Congo	687
Belgium-Luxembourg	687
Sweden	618
West Germany	546
Others	3,384
Total	33,508

Source: *La Revue du Bois*, April 1962.

What Canada Sells

Canadian lumber imported into France comes mostly from British Columbia and consists chiefly of superior qualities.

● *Douglas fir*—The No. 2 clear and better Douglas fir is used mainly



These rolling shutters on the exterior of an apartment house in France are made from Canadian lumber. Douglas fir, hemlock and balsam fir are often used for these shutters and for garage doors and fine woodwork.

for making window shutters and also for garage doors and fine woodwork. The merchantable grades, Select No. 1 and No. 2, have been used by the French construction industry in increasing quantities since 1959. This trend should continue in coming years if Canadian prices remain attractive.

● *Hemlock and balsam fir*—Clear and better hemlock and balsam fir are used for the same purposes as Douglas fir of that quality. Prices of merchantable grades are now very competitive and French contractors will import larger quantities in the next few years if prices remain favourable.

● *Spruce*—Canadian prices are high but French firms would buy more if larger supplies were available from Canada. It is difficult for inferior qualities of spruce to compete on this market because local firms have been buying from other sources for many years.

● *Other lumber*—France has started recently importing western red cedar from Canada, which could be used here in larger quantities and, for instance, for greenhouses

if prices were more competitive. Local importers find prices of yellow cedar and western white pine too high. Eastern Canadian lumber is not really known in France.

● *Shingles and shakes*—A market could be developed for cedar shingles and shakes; however, it would be relatively small because these products could be used only for cottages.

The major barrier to larger sales of Canadian lumber in France is price fluctuations. Local importers are willing to accept a rise or a fall of 5 per cent but say that they cannot cope with fluctuations of 10 and 15 per cent common today. One way to increase Canadian exports to this market would be for our producers to allot regularly a larger share of Canadian output to France.

Future Sales

French lumber imports are expected to level off this year but long-term sales prospects are good. Although France produces enough hardwood lumber (tropical species excepted), the country will nevertheless continue to import small quantities of this lumber. Best pros-

pects are in softwood lumber and demand for it will grow with the expansion of the French economy and rising standards of living. Cana-

dian lumber is now widely known throughout France and exporters should take advantage of new opportunities in this market.

The Paris Trade Office will be glad to assist in introducing Canadian exporters to French firms interested in buying from Canada. ●

Pulp and Newsprint—Canadian exporters of pulpwood and wood pulp seem to be capitalizing on new opportunities in France, but our newsprint producers are not getting an increasing share of rising French imports.

G. P. MORIN, *Assistant Commercial Secretary, Paris.*

CANADIAN pulpwood exports to France last year were the largest since 1958—47,504 cords valued at \$1.554 million. Sales prospects for this year appear encouraging and the forecast is for larger imports from Canada by French mills.

If pulpwood exports from Canada keep increasing at this pace, Canadian suppliers will soon have recaptured the enviable position which was theirs in 1956, when their sales reached a record \$2.4 million. French purchases in Canada, however, dropped off considerably in 1957 and 1958 and in 1959 Canada did not sell any pulpwood here. In 1960, our shipments of pulpwood were valued at about \$500,000.

Pulpwood Sales Rise

There were several reasons for last year's remarkable rise in Canadian pulpwood exports to France. The first was an increase of 60 per cent in over-all French imports (which reached 671,000 tons) and the second, attractive offers made to local buyers by Canadian producers. In addition, stocks at the beginning of 1961 were extremely low because in 1960 French users, in an effort to cut costs, had decided to carry smaller stocks than in preceding years. However, bad weather during the winter of 1960-61 hampered the French cut and made the transport of pulpwood from mountainous areas difficult. Forest owners at that time were dissatisfied with what they considered too low prices

for their pulpwood and it was not until December 1960 that the French Government decided to ease price controls. In the meantime, however, domestic production during the first months of the year had fallen well below normal. French buyers consequently had to find other sources of supply to meet not only their annual requirements but also to rebuild their stocks.

Competition and Prices

Finland remains the most important source of supply for the French industry, accounting for 60 per cent of total imports. The remainder of the market is shared almost equally by Canada, the U.S.S.R. and Rumania. Shipments from Rumania consisted of beechwood only—the first Rumanian sales of this type of pulpwood to France. Those imports are likely to continue because a mill in Rouen using only beechwood will double its annual production to 120,000 tons next year.

French pulpwood production rose further last year and reached a total of 4.6 million cubic metres compared with 3.5 million in 1960. This increase stemmed chiefly from a 75 per cent rise in hardwood production which amounted to 2.2 million cubic metres. Local production will increase again this year but less than during 1961.

Pulpwood stocks have now been replenished and French imports are expected to be smaller this year. This fact, however, should not dampen Canadian sales prospects.

Pulpwood prices, which were very high in 1961 because of the large European demand, tended to decline during the latter part of the year. Canadian and Soviet suppliers readjusted their prices downwards, a move which Finnish exporters hesitated to follow. Both Canada and the U.S.S.R. will probably increase their share of the French pulpwood market during 1962 and with the devaluation of the Canadian dollar, Canadian sales should rise substantially. Further, Finland and the U.S.S.R. now process more of their own spruce pulpwood and this should better Canada's position. Many French importers have expressed interest in establishing new contacts with Canadian exporters. Until recently some French mills were reluctant to use Canadian pulpwood because it has more colour and must be mixed with other pulpwood. These mills have been successful in convincing their customers to use pulp made from Canadian pulpwood and have made changes in their factory equipment so as to be able to use it.

French importers will start buying in September and October for next year and would like to receive offers from Canadian exporters.

Wood Pulp

Canadian wood pulp sales to France have increased steadily since 1958 and totalled \$4.4 million in 1961; in fact, last year's pulp shipments to France were the largest since 1955. Sales prospects for 1962 are good and the volume should match or exceed 1961, provided that Canadian prices are kept as competitive as they were last year.

Table I gives a breakdown of Canadian wood pulp exports to France during 1960 and 1961. France ranks third among pulp buyers in Europe, after Britain and

TABLE I
CANADIAN WOOD PULP EXPORTS
TO FRANCE

	1960	1961
	(cwt.)	
Dissolving spec. alpha	333,768	699,369
Bleached sulphate	1,971,143	2,052,392
Bleached sulphite	606,535	836,644
Semi-bleached sulphate	178,498	272,330
Unbleached sulphate	625,122	422,483
Unbleached sulphite	nil	132,375

Source: DBS.

West Germany, and imported 792,000 tons of wood pulp in 1961, an increase of 20 per cent over the previous year. Leading suppliers were Sweden with 41 per cent and Finland with 20 per cent of the total. Other suppliers included the United States, Norway, the U.S.S.R. and Canada.

The rise in Canadian sales in the last three years resulted from lower Canadian prices, larger French wood pulp requirements, and the tendency of French buyers to diversify their sources of supply.

The French wood pulp industry has grown rapidly in the last decade and can now meet 65 per cent of the country's needs, compared with 35 per cent before World War II. Last year domestic output rose by 5 per cent over 1960 and reached an all-time high of 1,240 thousand tons. Despite this rise in production, France will still have to rely on imported wood pulp because total consumption now exceeds two million tons a year. Predictions for

TABLE II
CANADIAN NEWSPRINT EXPORTS
TO FRANCE

	Quantity	Value
	(in tons)	(Can.\$)
1957	20,600	2,854,484
1958	18,300	2,497,164
1959	4,680	639,947
1960	9,960	1,376,430
1961	4,610	666,176

Source: DBS.

1962 are that wood pulp imports will level off and will equal those of last year.

Canadian suppliers should continue to sell more on this market in coming years if their prices match those of their competitors.

Newsprint Sales

Unlike pulpwood and wood pulp, sales of Canadian newsprint in France dropped by 50 per cent last year—to 4,610 tons valued at \$666,000 compared with 9,960 tons valued at \$1,376,000 in 1960.

Table II illustrates the decline in Canadian newsprint exports to France since 1957.

Total French imports rose from 84,000 tons in 1960 to 91,000 last year. Canada's main competitors in this market are the Scandinavian countries which supply 80 per cent of French newsprint imports. Exports from EEC countries multiplied more than twofold last year and accounted for about 8 per cent of French purchases. Canada's share

of this market was approximately 5 per cent.

Domestic newsprint production increased by 20,000 tons last year to 436,000. More newsprint will be available from French mills in coming years, but not enough to cover the rising needs of the French press.

Newsprint imports into this country remain subject to quantitative restrictions. All purchases of domestic and foreign newsprint are made through the Societe Professionnelle des Papiers de Press (SPPP), an agency which operates under the supervision of the French Government. Its import quota for 1961 was limited to 91,000 tons: the current year's quota will be made public shortly.

French users are interested in buying more newsprint from Canada but have not yet been able to obtain from Canadian producers terms as attractive as those offered by Finland, Norway and Sweden. Local importers are interested in signing long-term contracts with foreign suppliers. Canadian newsprint exporters must be prepared to meet these conditions if their share of the French newsprint market is to increase in coming years.

Canadian firms interested in selling pulpwood or wood pulp in this growing market or in making long-term newsprint contracts with French importers should get in touch with the Commercial Section of the Canadian Embassy in Paris. ●

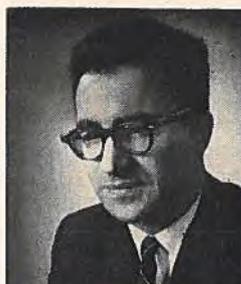
Canadian Trade Commissioners at Your Service in Paris



A. G. Kniewasser
Commercial Counsellor



R. G. Woolham, Asst.
Commercial Secretary



Y. C. Jauron, Asst.
Commercial Secretary



G. P. Morin, Asst.
Commercial Secretary



Biggest commercial centre in France after Paris is Marseilles on the Mediterranean, one of the world's busiest ports. A key distribution centre for a large part of southeastern France, it has become the main market for imported oilseeds and durum wheat.

J. A. L. BESNARD,
Commercial Assistant, Paris.

A very large proportion of the distribution of products in France is done from Paris, which continues to be the leading commercial and financial centre. This holds true despite the fact that there are a number of large provincial towns, all of them active both commercially and industrially. Similarly, transportation facilities, rail or road, all converge on Paris, and the importance of the capital is clearly shown by the fact that approximately six million people live there (more than one Frenchman out of every eight). The next largest city, Marseilles, has a population of only 800,000.

The regional centres—such as Lyons, Marseilles, Strasbourg, Bordeaux, Nantes, Lille and several others—also offer a substantial outlet for a wide range of Canadian products. Some of these cities specialize in specific commodities and service local markets in their region. Le Havre, for instance, is the market for rubber, coffee, cotton, and, to some extent, for lumber; Rouen handles most imports of coal and of North African wines; Marseilles, the main market for oilseeds and durum wheat, serves as a key distribution point for a large portion of southeastern France; Lille and its satellite towns of Roubaix and Tourcoing service substantial textile industries in the area and cover the northern region. Bordeaux is the natural distribution centre for the southwest, and Strasbourg, Metz and Nancy play a similar rôle for the northeast.

Channels of Trade

● *Buying Syndicates*—Distribution methods in France are diverse. Imports of certain commodities are more or less monopolized by professional organizations or “groupements”—for example, SIOFA, in charge of all imports of oilseeds, the Société Professionnelle des Papiers de Presse for newsprint, the Comptoir des Matières Premières pour

Doing Business in France

Liberalization of imports in the last two years has meant more Canadians are selling or wish to sell their products to the French. Our Paris office has pertinent advice for them on the characteristics of this market and on the techniques and methods of making sales.

Papeterie for wood pulp, the Union des Consommateurs de Ferrailles de France for iron and steel scrap, Société Ferimport for iron ore and so on. Pulpwood imports are handled almost exclusively by specialized agencies acting on behalf of the leading pulp and paper companies.

● *Department Stores*—Another important channel of trade, at least for consumer goods, is the large department stores and chain stores. Some of these are known the world over, such as Printemps, Galeries Lafayette, Louvre, and Bon Marché. In addition to their own stores in Paris, these large firms usually own or control a number of subsidiaries or semi-independent stores in many provincial towns and also operate

chains of stores known as Prisunic, Monoprix, Uniprix and the like. The latter are “a kind of amalgam of our lower-priced department stores and of our bigger drug-chains” (to quote from a special article on French department stores that appeared in the May 6, 1961, issue of *Foreign Trade*). In many instances, these stores purchase direct from the seller.

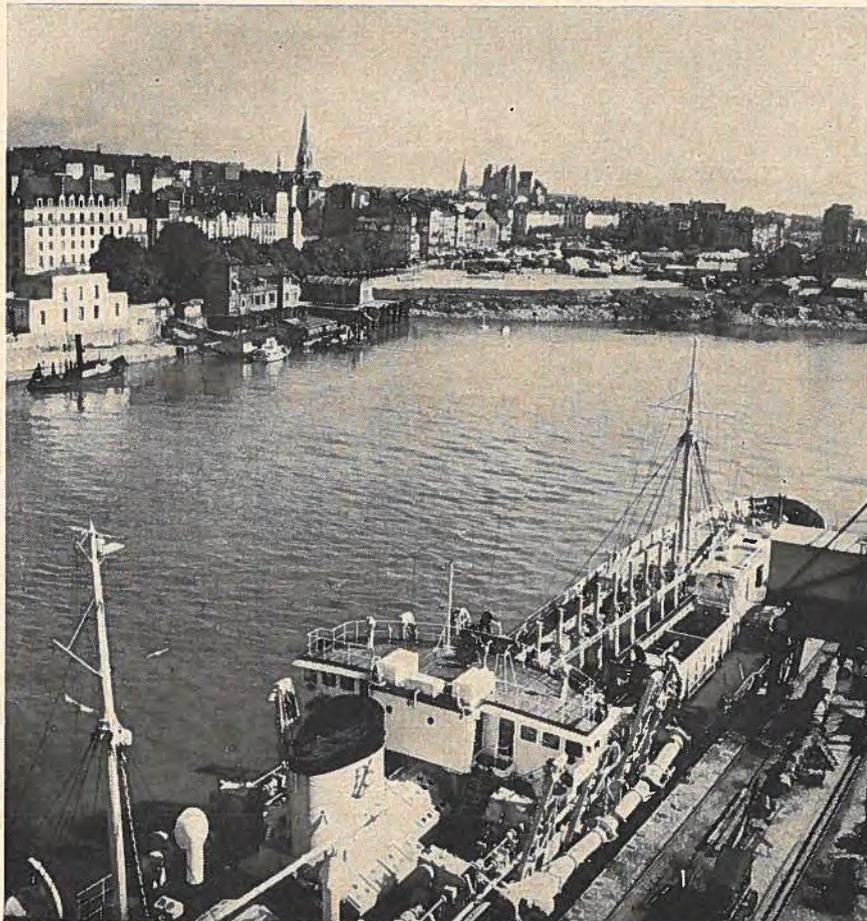
Certain department stores are also taking an active interest in the establishment and operation of supermarkets, mainly devoted to retailing food products. Occasionally the concept has been extended to include non-food products as well.

● *Mail Order*—Mail-order business, fairly active up to the outbreak of the Second World War, has now

almost completely disappeared. It used to be in the hands of department stores like the Louvre or the Printemps, but at present the only organization of importance in this field is the Société Manufrance, of Saint-Etienne (Loire).

● *African Trading Companies*—For many years, France has been the main—indeed almost the exclusive—supplier of a number of African countries. In these former territories of the French Empire that have now become independent states, both wholesale and retail trade remains largely in the hands of great firms with head offices in metropolitan France and which operate numerous stores in different African centres. These companies, of which the best-known are the Compagnie Française de L’Afrique Occidentale (CFAO), and the Société Commerciale de l’Ouest Africain (SCOA), offer prospective outlets for Canadian consumer goods.

Another busy French city is Nantes, on the Loire River and the most important centre in Brittany, with a population of some 223,000 (1954). Main imports passing through this port are coal, wine and phosphates from North Africa, wood and other construction materials, and tropical agricultural products.



Methods of Approach

For some commodities, a Canadian exporter can deal directly with large buying organizations. Where technical knowledge and service are essential to developing sales, a qualified local sales representative must be appointed, usually on an exclusive basis.

However, for a wide range of products the best approach is to obtain the services of a carefully selected agent on an exclusive or non-exclusive basis, depending on the product and the sales region to be served. Sometimes warehousing and special storage facilities must also be considered. Specialized importers and agents are generally members of their own associations and through these organizations it is frequently possible to obtain assistance in the evaluation of market prospects for a Canadian product. In addition, specialized local trade fairs and exhibitions are sometimes useful in appraising competition and are often a good means of introducing a new product or promoting an established one. (Trade fairs are

discussed in detail in the following article.)

Subsidiary Companies and Licensing Arrangements

Another way of doing business in France is the setting-up of local manufacturing facilities or the conclusion of licensing arrangements with local firms. With the gradual implementation of the Rome Treaty, with resulting preferential treatment for goods originating within EEC member countries, many foreign firms have taken action of this kind or are examining this method of market coverage and investment.

Submitting Offers

In submitting offers, the exporter should make every effort to conduct correspondence in French if possible. Offers, catalogues and other printed material and labels will also be more readily accepted and understood if they are supplied in French. Exporters should endeavour to convert units of weight and measurement to the metric system. Prices should be quoted c.i.f. French port, preferably in U.S. dollars.

Terms of payment vary considerably with the product and with the financial status of the buyer. Often buyers expect sight or 30- to 60-day drafts, but before extending these terms of payment the Canadian exporter must be fully satisfied not only of the reliability of the buyer, but also that customs clearance is assured if import licences are required.

Value of Personal Visits

The value of direct contacts and the usefulness of personal visits to France cannot be stressed too strongly. The Commercial Division of the Canadian Embassy in Paris is always pleased to welcome Canadian businessmen in Paris and will on request arrange hotel reservations and appointments with local firms. But Canadian manufacturers or exporters should bear in mind that hotel reservations must be secured well in advance and that visits to France during the August vacation period should be avoided. ●



Among the French trade fairs in which Canada exhibited last year was the Paris Fur Salon in April. This attractive display featured (right) Canadian fur pelts, with emphasis on mink and (left) high-fashion coats and stoles made from these furs.

Selling through Trade Fairs

Would your company like to promote a brand name or introduce a new product in France? A trade fair might be the answer—particularly if the product comes under import restrictions.

A. de GAMACHES, *Office of the Commercial Counsellor, Paris.*

EUROPEAN trade fairs, much more than their North American counterparts, have a traditional rôle and importance in marketing developed over several centuries. Trade fairs held in France today are no exception. Some of them are purely domestic and others attract extensive international participation. Some emphasize only specific products or processes and others a broad range of industrial and consumer goods. All can be

used to advantage in developing and strengthening Canadian sales to France.

International Trade Fairs

The international trade fairs generally provide for the exhibit of a wide range of products and processes and emphasize international participation, either government or private. Government exhibits of participating countries and private stands are usually grouped together,

although it is possible for foreign firms to obtain space within a specific product classification.

International trade fairs usually draw a large number of visitors. Sometimes, however, a special day or time during the day is set aside for buyers only. The main value for the Canadian exporter in participating in fairs of this type is the opportunity to obtain publicity for brand names or new products. One of the best examples of a trade fair in this class is possibly the Paris International Fair, in which the Canadian Government participated last spring with a trade information booth. The Department of Trade and Commerce takes part in fairs of this type to attract inquiries for Canadian products and services and to publicize Canada as a source of supply for a wide range of industrial raw materials and manufactured goods.

Sometimes international trade fairs give prominence to one industry—as, for example, the International Aeronautical Show which will be held in Paris in late spring 1963. Already the Department of Trade and Commerce has secured space and it is expected that more than twenty Canadian firms will be represented in Canada's exhibit.

National Fairs

France also has a number of trade fairs more national in scope. Although they may be held in various regions, they tend to emphasize French production and services. The so-called horizontal fairs of this type in France are similar to international fairs and are usually open to foreign participation. However, there is decidedly less emphasis on this aspect and very often it is the agent or representative rather than the exporter who exhibits. Fairs of

this type may offer an excellent opportunity for the exporter to support an agent's efforts in sales promotion and marketing. Often good publicity can be secured for the product and sometimes good coverage of a specific regional area obtained.

In France, government legislation permits French importers to bring in virtually any type of product, even though it may be subject to severe import restrictions, if it is to be displayed by an agent at an authorized trade fair.

An import licence on this basis may be secured for a product up to a value of 250 NF. per square metre of exhibit space. This often offers a Canadian exporter an opportunity to move his product onto the French market in small quantities. Several Canadian products—such as preserved asparagus, marshmallows, canned salmon, whisky and stoves—have been sold recently in France through this channel. Among the trade fairs in France of this type are:

TABLE I
VERTICAL TRADE FAIRS IN FRANCE

Exhibition	Location	Date for 1963
Aeronautical	Paris	June 6-16
Equipment for food industries	"	October 5-14
Glassware, china, crockery and crystal	"	September 8-16
Home equipment	"	February 25-March 17
Automobile	"	October 3-13
Laundry, dyeing, dry cleaning	"	November 8-18
Wood and woodcutting	Lyons	March 31-April 8
Business efficiency and office equipment	Paris	October 11-20
Retail trade equipment show	"	October 5-14
Confectionery	"	September 8-11
Building and building equipment	"	April 18-28
Leather goods and equipment	"	September 7-12
Electronics	"	September 6-12
*Furs and fur industry	"	April 18-22
Women's clothing	"	April 27-May 6 November 2-11
Clocks and watches	Besançon	September 7-16
Hotel and catering equipment	Paris	October 10-21
Toys and games	Lyons	February 17-23
Agricultural machinery	Paris	March 5-10
Handling equipment	"	May 14-23
Measuring and controlling equipment	"	November 14-21
Furniture	"	January 23-28
Pleasure boating	"	May 23-June 3
Plastics	Oyonnax	May 15-21
Open air equipment	Paris	October 26-29
Hardware and heating equipment	Lyons	March 23-25
Radio and television	Paris	March 7-12
Winter sports equipment	Grenoble	March 16-20
Textiles	Paris	May 26-30

*Fairs in which the Canadian Government has participated.

Place	Date for 1963
*Lyons	March 31-April 8
Lille	April 27-May 12
*Bordeaux	June 15-June 27
Strasbourg	Sept. 5-Sept. 16
Marseilles	Sept. 19-Sept. 30

*Fairs in which the Canadian Government has participated or plans to participate.

Of particular interest to most exporters is the "vertical" type of trade fair, restricted to one class of products. There are many fairs of this type in France but some are open to French firms only. In many, however, foreign firms can also take part. As above, an agent or representative may supervise the exhibit on behalf of a Canadian and if the product is under import control, the fair will also offer some access to the market.

The principal advantage of participation in a fair in this category is that attendance is usually restricted to buyers only and a Canadian exporter meets only potential customers. Sales may sometimes be

made on the spot. In addition, a Canadian exporter may in this way assess his competition in the French market. Some Canadian businessmen find it worthwhile to time a personal visit to this country to coincide with a specific trade fair. Participation may also be used to introduce a new product or to promote established ones. The Paris Fur Salon held each spring is a good example of a trade fair in this

class. The Canadian Government has participated in this salon regularly during the last few years to help promote sales of Canadian raw and dressed furs. Other fairs in this class are shown in Table I.

Canadian Participation

Government participation seeks support from Canadian manufacturers of products which are selling or might be sold in France. Par-

ticipation in Government exhibits abroad is co-ordinated by the Trade Fairs Division of the Department of Trade and Commerce in Ottawa. Individual firms wishing to enter trade fairs on their own can also seek information from the Division or from the Commercial Division of the Canadian Embassy in Paris, which can help in evaluating a particular trade fair and making arrangements for participation. ●

U.S. Hospitals: a Worthwhile Market

Everything from antibiotics to uniforms—that's the range of goods bought by the over 7,000 hospitals in the United States. Is your company aware of these sales opportunities?

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

HOSPITALS in the United States are said to be the fifth largest industry in the country in terms of goods and services purchased each year. There are approximately 7,000 of them across the country and the range of their purchases encompasses hundreds of different products manufactured by a wide range of industries.

Centralized Buying Popular

A substantial proportion of the buying is done through central purchasing agencies that charge member hospitals an annual fee for their services. Pennsylvania, for instance, has a centralized purchasing body which operates on behalf of 54 non-profit hospitals in the state with a total of 15,642 beds. Its formal title and address is Hospital Purchase Service of Pennsylvania, 311 South Juniper Street, Philadelphia. The list of goods

which it buys for the member hospitals exceeds 150. Undoubtedly some of them could be of interest to Canadian manufacturers anxious to sell here and I think it is worthwhile to note a number of the more promising ones from a Canadian standpoint:

Antibiotics
Bags—paper, laundry, duck, twill
Bedspreads—white, coloured, fancy, decorative
Blankets—cotton, part wool, all wool, synthetic
Bottles—prescription, glass
Chairs—office, arm, stack and wheel, of wood or metal
Clinical ware—stainless steel
Crutches—regular and adjustable, of wood or aluminum
Cushions—foam
Cutlery—stainless steel knives, forks, spoons
Desks—wood and metal
Elastic bandages
Face masks—cotton, paper, others
Filing cabinets
Furniture—office, hospital, of wood or metal
Gloves—surgical, vinyl examining

Gowns—operating, patients' special
Ice machines
Infant wear—diapers, shirts, training pants
Instruments—surgical, stainless steel, chrome, others
Laundry—baskets, bags, nets
Physiotherapy equipment
Plastic dishes and trays
Sheets
Trays
Tricolators
Underpads
Uniforms
X-ray—envelopes

In New York there is a similar centralized purchasing service and it serves about six times as many hospitals as the one in Pennsylvania. They are not confined to New York State alone but are located all over the country. Its title is Hospital Bureau Inc., and its address 60 W. 55th Street, New York 19, N.Y. In Michigan, there is the Hospital Purchasing Service of S.W. Michigan, Box 169, Hastings, Michigan. Western Pennsylvania hospitals are served by the Hospital Council of

West Pennsylvania, 130 De Soto Street, Pittsburgh 13, Pa.

There are no prohibitions against purchasing outside the United States; in fact, many surgical instruments come from Britain or West Germany. The central purchasing groups will buy where they can get what they want for the best price. Prompt deliveries, however, are essential, because hospital purchasing operates on the theory that sick people should not have to wait. Canadian firms wishing to quote should give laid-down prices, including duties, in U.S. funds, to enable purchasers to make comparisons with other suppliers.

Displays at Hospital Conventions

One of the best ways to make Canadian products known to the hospital authorities is to display them at hospital conventions. Each year the American Hospital Association (the official organization of hospitals in the U.S.) holds a national convention in its own building in Chicago. The next one is to be held next month and there still may be time for a Canadian manufacturer to book show space. Particulars are available from the American Hospital Association, 840 North Lakeshore Drive Chicago, 2.

Similarly, in May 1963 the hospitals in the Pennsylvania and Southern New Jersey areas will hold their annual convention in Atlantic City. Particulars about exhibiting are available from the Secretary of Exhibits, 506 E. State Street, Trenton, New Jersey. The convention is held in one of the large convention halls in Atlantic City and the number of exhibitors is usually large.

The purpose of this article is to bring to the attention of Canadian manufacturers a large and lucrative market which they or their U.S. sales representatives may never have tackled. With the Canadian dollar at its present discount, many of our products may be extremely competitive. I hope that some readers may be stimulated to investigate the opportunities for their own particular products. ●

Netherlands Iron Foundries

THE Netherlands currently has some 87 iron foundries which altogether employ about 8,700 workers. These foundries are highly diversified; some form part of integrated enterprises such as engineering works, shipyards and heating appliance factories. Others merely act as suppliers to other companies.

The local iron foundries use chiefly pig iron and metal scrap. The principal supplier of pig iron is the Royal Netherlands Blast Furnaces and Steel Works Ltd., Ymuiden. In addition, certain quantities of raw materials are brought in from abroad, as Table I, covering Netherlands imports in 1961, shows. Scrap is obtained largely through the old-iron trade.

TABLE I
(metric tons)

Spiegeleisen		South Africa	103
Total	930	Canada	787
Of which:		Australia	205
Belgium/Luxembourg	164	Phosphoric Pig Iron containing	
West Germany	130	1 per cent or less by weight	
East Germany	400	of silicon	
U.S.S.R.	100	France	500
Hematite Pig Iron		Phosphoric Pig Iron containing	
Total	8,735	more than 1 per cent by	
Of which:		weight of silicon	
Britain	561	Total	2,932
West Germany	1,169	Of which:	
Norway	1,556	Belgium/Luxembourg	381

About 225,000 tons of iron castings were produced in the Netherlands in 1960 and the 1961 figure is expected to be slightly higher. In the early postwar years the equipment of nearly all domestic foundries was overhauled, improved and extended, with the result that their production capacity was substantially increased. A labour shortage, however, made it difficult to use the expanded capacity to the full. Consequently several companies are making their plants completely automatic.

The cast-iron products manufactured cover a wide range but the main ones are: tempered castings for tube sockets for bicycle frames, pipeline auxiliaries and automobile parts; cast-iron fittings for cocks and valves; marine castings for boilers, ships, dredgers, etc.; castings for railways, tramways, road vehicles, electrical machinery and apparatus; machinery castings; castings for sewage systems, for the building trade and for heating appliances; cast-iron sanitary ware; cast-iron domestic hardware; cast-iron bars, and ingot moulds and accessories for the steel industry.

About 80 per cent of the Netherlands foundries are members of the General Federation of Netherlands Ironmasters and together they account for over 90 per cent of total output of cast-iron products.

In 1960 the members of the General Federation of Netherlands Ironmasters exported nearly 15,000 tons of cast-iron products to various parts of the world. The figure for 1961 is not yet available but is said to be higher. According to Netherlands trade statistics, 76 tons of wire rod of iron or steel, hot-rolled or pressed, valued at \$11,400 were sold to Canada in 1961.

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

COMMODITY NOTES

Automobiles

CEYLON—Five local car agencies are arranging to assemble five makes of car here. Work is expected to start as soon as the scheme is approved by the Ministry of Industries. Planned also is the manufacture of car components, with technical knowhow to be provided by the agencies' overseas principals. The locally assembled cars are expected to sell at lower prices than automobiles assembled abroad. Imported vehicles are at present subject to heavy duties—Colombo.

NORWAY—The Swedish automobile manufacturers, Volvo A/B, are to collaborate with two Norwegian state-owned factories, Kongsberg Vapenfabrik and Raufoss Ammunisjonsfabrikker, to produce a light cross-country vehicle for the Norwegian army. Altogether 2,000 of these vehicles, costing the army Swedish kroner 73 million (Can.\$15.4 million), will be built. The first 150 are being made entirely by Volvo at the company's plant in Gothenburg; the remaining 1,850 will be assembled in Norway, with Norwegian factories providing about 25 per cent of the parts. The Volvos are to replace the jeeps now used by the army—Oslo.

Base Metals

AUSTRALIA—Two organizations, Australian Lead Development Association and Australian Zinc Development Association, are being formed to promote the use of lead and zinc. The sponsors and financial supporters of these organizations include the Zinc Corporation Ltd., North Broken Hill Ltd., Mount Isa Mines Ltd., the Broken Hill Associated Smelters Ltd., Sulphide Corporation Pty. Ltd., and Electrolytic Zinc Company of Australia Ltd.

Lead and zinc fabricating and semi-fabricating companies are expected to be asked to join the organizations. In addition to promoting the use of lead and zinc in all its forms, including alloys, the associations will seek to improve and widen the uses of the metals and raise the standards of application—Melbourne.

Beer

JAPAN—Kotobukiya, one of Japan's largest distilleries, is to enter the beer market next April. Before the end of the year the company will build a brewery at Fuchu, in suburban Tokyo. Initial annual capacity will be 30,000 kilolitres, approximately 50 million bottles. This is about 1.6 per cent of Japanese beer production—Tokyo.

Cement

NORWAY—Norway's largest cement producer, A/S Dalen Portland Cementfabrik of Brevik, increased its

output last year to 610,000 tons, a new record and 42,000 tons more than in 1960. Sales rose from 537,000 to 641,000 tons, or about 19 per cent.

Norwegian cement exports reached 121,000 tons, or 57,000 tons more than in 1960 and a record figure. Largest buyer was the United States; smaller shipments went to Chile, India, Madagascar, Nigeria and Martinique. All last year's exports came from this factory. Domestic consumption rose from 1.084 million tons in 1960 to 1.144 million last year—Oslo.

Cotton

INDIA—The Indian Cotton Mills Federation has voluntarily adopted a compulsory export program to increase foreign exchange earnings. The mills will be obliged to export 12½ per cent of the value of cloth produced and 3 per cent of the value of yarn produced each year. This obligation may be fulfilled by exporting cloth or yarn, or both, in any proportions, but individual mills may transfer their quotas to other mills. Mills not participating in the program will have their raw cotton quotas cut by 6½ per cent and those which do not reach the export targets set for them will have to pay to the Export Promotion Fund one-eighth of the value of their shortfall. These obligations are in addition to commitments under existing export incentive schemes. The new program should increase exports of Indian cotton textiles from about \$57 million in the first half of 1962 to \$73 million in the second half—New Delhi.

Electronic Reactor

UNITED STATES—The National Aeronautics and Space Administration has reportedly named Lockheed Missile and Space Company, Sunnyvale, California, to negotiate a contract for assembly of RIFT (reactor in flight tests) at the New Orleans Michoud plant. RIFT is intended to flight-test the NERVA (nuclear engine for rocket-vehicle application), and Michoud will begin assembly in about a year.

A total of nine stages will be necessary under the project. Initial RIFT stages will ride on the advanced Saturn booster now being fabricated at the Michoud plant and flights tests are scheduled for 1966/67 at Cape Canaveral. Standing over 300 feet high, the RIFT vehicle will have a diameter of about 33 feet. Goal of the program is to execute the astronaut team's round trip to the moon by the end of this decade—New Orleans.

Fibro-cement

PORTUGAL—The Portuguese company, CIMIANTO (Sociedade Técnica de Hidráulica), manufacturers of fibro-cement products and users of Canadian asbestos,

is setting up a new factory near Valência, Spain. Most of the machinery for the plant was produced in Portugal—Lisbon.

Fire Extinguishers

BRAZIL—Automatic sprinklers were recently exported from Brazil to Chile. The sprinklers were sold by Automatic Sprinklers, S/A, Proteções Contra Incêndio, of São Paulo. The systems were entirely planned, prepared and manufactured in Brazil—São Paulo.

Freight Cars

BRAZIL—Three Brazilian manufacturers have secured a contract valued at U.S.\$1.8 million for the sale of 150 freight cars to Uruguayan railroads. The companies are Companhia Industrial Santa Matilde, Companhia Brasileira de Material Ferroviário (COBRASMA), and the Fabrica Nacional de Vagões—Rio de Janeiro.

Herbs

CEYLON—Messrs. Nattermann and Kahn, a West German firm, has investigated the possibility of using Ceylonese herbs to manufacture drugs and injections in Germany for heart and liver diseases. A team of German pharmaceutical manufacturers has conducted research on such local herbs as cotukola, ganumalu, shoe-flowers and sennapods. They have taken about twenty varieties of plants back to Germany for experiments and possible commercial use—Colombo.

Iron Ore

INDIA—Iron ore production amounted to 12.14 million metric tons in 1961, 14 per cent over 1960. Exports declined 10 per cent to 2.2 million tons and consumption by domestic iron and steel plants rose 15 per cent to 8.3 million—New Delhi.

NORWAY—The large West German mining concern, Mannesmann, has applied to the Norwegian Department of Industries for a concession to start iron ore mining operations on the island of Rolløy, Northern Norway. After extensive investigations, German geologists estimate that the area contains about 30 million tons of iron ore, with an average iron content of 29 to 30 per cent. The Germans are convinced that conditions are favourable for large-scale mining operations. According to the operation plans, now completed, the company intends to mine 600,000 tons of iron ore a year—Oslo.

Machine Tools

FRANCE—France is now the fourth largest world producer of metalworking machine tools, accounting for 4.9 per cent of world output. Last year French production reached an all-time high of 66,000 tons, valued at NF.910 million.

Although exports make up over 30 per cent of this annual production, purchases abroad totalled 26.7 million tons in 1961; the French industry still depends heavily on foreign suppliers. Types of metalworking machine tools most in demand are grinding machines, mechanical presses and shears, automatic lathes weighing over 3,000 kilos, specialized milling machines for milling keyways and grooves, and gear-cutting machines—Paris.

Mohair

SOUTH AFRICA—At the summer mohair auctions at Port Elizabeth, 14,488 bales were offered, compared with only 12,329 last year, but the total value fell from over \$5.4 million to less than \$4.8 million. The gap widened between the prices of super kids and young-goat types and the lower classifications of grown goats' hair. In consequence, the average price per pound (which, sale for sale, decreased 25 to 30 per cent) did not have the same significance as it does with wool. The official opinion that commoner types, now facing increasing competition from synthetics, will begin to fetch lower prices has thus been endorsed, and the trend may become even more evident at the winter auctions. There is no concern, however, over the future of mohair of good length and quality—Cape Town.

Plate Glass

CEYLON—A new company, the Associated Glass Industry, will build a plate-glass plant on a 55-acre site at Ja-Ela, a suburb about ten miles north of Colombo, where raw material (glass sand) is readily available. The new industry aims at a production of 3,500 tons of glass a year, which would mean a saving of Rs.1.5 million a year in foreign exchange. The Government has already approved the project. Work is expected to begin this year, with a Rs.3 million capital investment and machinery costing Rs.1.3 million supplied by firms in Belgium. The plant hopes to meet domestic needs and eventually export—Colombo.

Powdered Milk

BRAZIL—The Banco do Nordeste (Bank of the Northeast Territory) has granted a credit of Cr.\$118.3 million to Garanhuns Industrial of the State of Pernambuco for a factory to produce powdered milk and other dairy products. Garanhuns will spend U.S.\$267,000 buying equipment abroad and will invest some Cr.\$120 million in the project—Rio de Janeiro.

Propellers

SWEDEN—Final tests on the world's largest controllable-pitch propeller, a KaMeWa unit with a diameter of 5.8 meters, are under way at the Kristinehamn workshops of Karlstads Mekaniska Werkstad (KMW). The propeller will be installed in a 25,000-ton Canadian ore carrier. It has four blades, each weighing 2.6 tons,

and a total weight of 28.5 tons. Blades and those parts of the hub in contact with water are of manganese bronze. The ship, under construction for Mohawk Navigation Co. at the Verolme Cork Dockyard Ltd. in Ireland, has a length of 225 meters and is intended for use on the Great Lakes.

The trend toward controllable-pitch propellers has been particularly noticeable in Canada and began with the completion of the St. Lawrence Seaway. The KaMeWa propeller makes it possible to navigate with great accuracy in the long canal and lock system—Stockholm.

Salt

LEBANON—A new salt refinery has been inaugurated at Tripoli on the northern coast of Lebanon. The first of its kind, it cost approximately \$335,000 and annual production will total 6,000 to 7,000 tons, enough for the country's present table salt needs—Beirut.

Sheet Steel

COLOMBIA—The Colombian national steel mill at Paz del Rio in Boyacá expects to have its new sheet rolling mill (Colombia's first) in production by mid-August 1962. Annual output is estimated at 50,000 tons, representing a saving of U.S.\$6 million a year in foreign exchange.

The plant is part of a larger mill bought from the national steel company in Chile; the other part was sold to Argentina. Before being shipped to Chile, it comprised the sheet rolling equipment of the Algoma Steel Company at Sault Ste. Marie, Ontario. The line installed at Paz del Rio is a most interesting mixture of equipment from many countries, and there is a good deal of Canadian equipment in it, especially the electrical controls and motors—Bogotá.

Steel

BELGIUM—Sidmar S.A., a company owned jointly by several firms with extensive steel interests in Belgium, France and Luxembourg, will build a large steel complex along the recently enlarged maritime canal near Ghent. Initial capacity will exceed one million tons of ingot, made by the LD process. The rolling mills will be designed especially to produce cold rolled sheet of high quality in large widths. Large-tonnage ore carriers will bring rich non-phosphorous iron ore directly to the mill.

According to present plans, the first phase of the operation, costing about \$260 million, will be ready to start production in about 3½ years—Brussels.

COLOMBIA—Instituto de Fomento Industrial, a German company, and Colombian private interests plan to invest some \$10 million in an iron and steel forgings plant, Forgas de Colombia, at Bucaramanga in Santander. The plant will use raw materials from the

Paz del Rio steel mill and will produce forgings for the assembly industries and for the repair of railway equipment, agricultural and other heavy machinery. This is the first industry of its kind in Colombia. With an annual capacity of 7,000 tons, it will save some U.S.\$7 million a year in foreign exchange—Bogotá.

SWEDEN—The current investment program in the Swedish iron and steel industry indicates a rise of about 60 per cent in production from 1959 to 1965—an annual increase of approximately 8 per cent, with the emphasis on quality as opposed to ordinary steel. Production of finished iron and steel will rise from 1.9 million to 3.2 million tons. Domestic demand is expected to increase from 2.3 million to 3 million tons, and exports from 500,000 to 800,000 tons. At the same time, imports may decrease from 900,000 to 600,000 tons. Greater emphasis on quality has stimulated an expansion of cold rolling mills and their products in the country and Sweden should soon be self-sufficient in auto body sheet and related products. Domestic production of steel plate is growing, and a sharp decline in imports is expected—Stockholm.

Timber

GHANA—The Ghana Timber Marketing Board has been dissolved and its functions, assets and liabilities transferred to the Ghana Agricultural Produce Marketing Board. The latter will assume, as of October 1, 1962, sole responsibility for all purchases, grading and sale of logs and all timber. Sales will be made by private agreement only according to world market values, at the best prices obtainable. Normal commercial considerations and timber-trade practices only will govern transactions; there will be no discrimination in favour of any buyer or country—Accra.

Water Conduit

PORTUGAL—It is reported that the Portuguese company, SOREFAME (Sociedades Reunidas de Fabricações Metálicas), has received an order from the Sudan for water conduit and associated equipment for the Roseires Dam. The equipment is to be installed within four or five years and at an estimated cost of some Can.\$4 million. The firm is supplying similar equipment for hydroelectric projects in other parts of the world, including Iran and Central America—Lisbon.

Index to Foreign Trade

The index to Volume 117 of Foreign Trade, covering the issues from January 13 to June 30, 1962, has now been printed. Readers who wish to have copies should write to the Editor.

PETROCHEMICALS: new Australian industry

Rapid expansion of chemical plants based on the petroleum-refining industry in Australia is providing an important new industry. Here is a report on its plans and its problems.

L. D. BURKE, *Assistant Commercial Secretary, Sydney.*

ONE of the newest industries in Australia and one of the fastest developing is petrochemicals. In investment and in the creation of new capacity, few others sectors of the economy have been able to match it. Because of this swift expansion, the industry today not only produces many of the raw materials that formerly had to be imported, but is also in a position to manufacture a wide range of other chemicals, merely by modifying or adding to existing plant. However, the question of whether or not expansion in the future will be as rapid as it has been in the past will depend on how well the industry solves a number of problems, both internal and external, that have recently appeared.

The manufacture of petrochemicals in Australia dates back only to 1958, when the first plant began to produce sulphuric acid from raw materials extracted during the gas-refining process. Since then, 18 more petrochemical units have come into operation and over \$125 million has been invested—most of this by the large chemical companies of the United States and, to a lesser extent, of Britain. Some of these plants are independent; some work in partnership with Australian companies.

Although Australia must still import all of its crude oil, several

modern oil refineries have been established and the petrochemical industry revolves around the four most important of these. The largest group is operating near the Mobil Oil-Esso Standard refinery at Altona in the State of Victoria. Other plants are based on raw materials provided by the Shell Oil Company's refineries at Geelong, Victoria, and Clyde, New South Wales, and at the Bitumen & Oil Refinery Pty. Ltd. (BORAL) refinery at Matraville, in New South Wales. BORAL is an Australian company in which the California-Texas Corp. has a minority interest.

Principal Plants

The principal petrochemical unit located near the Altona refinery is the Altona Petrochemical Co. Pty. Ltd., which is owned 50 per cent by the Mobil Oil Co. and 50 per cent by Esso Standard Eastern, both of the United States. Altona Petrochemical makes two basic products, ethylene and butadiene, which it supplies to plastics and rubber manufacturers. Shell Chemicals (Aust.) Pty. Ltd., at plants adjacent to its Geelong and Clyde refineries, makes three petrochemical products (sulphuric acid, detergent alkylates, and epoxy resins) and also one petrochemical-ethylene. Shell markets the first three of these chemicals directly to the industries that

use them: the detergent alkylates go into the making of synthetic detergents, the sulphuric acid into superphosphates, and the epoxy resins into coatings, adhesives, laminates, plastic tools, etc. The ethylene is supplied as a raw material to a local producer of polyethylene. BORAL, on the other hand, turns out heavy residual oils at the refinery and then ships them to associate companies which process them further into ethylene gas and the aromatic solvents, benzene, toluene and xylene. The ethylene and part of the benzene go into the manufacture of styrene monomer and the remaining solvents find a variety of industrial uses.

Other Petrochemical Products

There are a number of other petrochemicals manufactured in Australia from these raw materials. They and the firms that manufacture them are discussed below.

● *Polystyrene*—The polystyrene industry offers a good example of the progressive stages that the manufacture of certain chemicals has passed through in this country. Polystyrene was at first imported as a finished plastic. Later, styrene monomer was imported and the polymer made locally. Since 1961, however, styrene monomer has been made from domestic petroleum products. The two companies making it are Australian Petrochemicals Pty. Ltd. (owned 55 per cent by Monsanto of the United States and 45 per cent by the Australian firm, Petrochemical Holdings), and C.S. R.C.-Dow Pty. Ltd. (50 per cent Dow Chemical International and 50 per cent the Australian firm C.S.R. Chemicals Pty. Ltd.). In addition, a plant in Melbourne and another in Sydney make polystyrene from monomer. Local polystyrene requirements have been calculated at approximately 8,000 tons a year.

● *Polyethylene*—Polyethylene was originally made in Australia from alcohol produced from molasses. Two new plants now produce low-density polymer from ethylene.

Union Carbide Australia Pty. Ltd. (60 per cent Union Carbide of New York and 40 per cent Australian shareholders) began production at its \$10 million plant in Altona in October 1961. The ethylene comes from Altona Petrochemicals Pty. Ltd. Imperial Chemical Industries of Australia & New Zealand Ltd. (ICI ANZ) originally manufactured low-density polyethylene from ethyl alcohol, but it now purchases ethylene from the Shell ethylene plant at Clyde, N.S.W., which went on stream a few months ago.

● *Polyvinyl Chloride*—ICI ANZ has been making polyvinyl chloride from carbide for about ten years in Sydney. In addition, B. F. Goodrich-C.S.R. Chemicals Pty. Ltd. (60 per cent Goodrich Chemical of the U.S. and 40 per cent C.S.R. Chemicals Pty. Ltd) began producing it in June 1961 from petroleum-derived ethylene, obtained from the Altona Petrochemical Co. complex.

● *Solvents*—Commercial production from petroleum raw materials of the aromatic solvents, benzene, toluene and xylene, began approximately a year ago. The company which extracts and refines them from crude refinery gases is Commercial Solvents Pty. Ltd., a subsidiary of the Australian firm, Petrochemical Holdings. The benzene goes into the manufacture of styrene monomer, the toluene is used in the manufacture of TNT and as a gas additive, and the xylene mainly as a solvent for paint, resins, insecticides, and so on.

● *Synthetic Rubbers*—The manufacture of synthetic rubbers in Australia is of interest to Canada because of our traditional trade with Australia in this product. Local production began some eight months ago at the plant of Australian Synthetic Rubber Co. Ltd., jointly owned by Mobil Petroleum Co. and Esso Standard Eastern, each holding a 35 per cent interest, and Goodyear Tire & Rubber Co. (Aust.) Ltd., which has the remaining 30 per cent

interest. Goodyear of the U.S. supplies technical knowhow. Output comprises six grades of styrene butadiene rubber required principally by the tire industries. Chemicals used are butadiene, obtained from the Altona Petrochemical Co., and styrene, obtained from C.S.R.C.-Dow Pty. Ltd.

Two other products are manufactured by the Australian petrochemical industry.

● *Carbon Black*—Production began in 1959 at the \$5 million plant of Australian Carbon Black Pty. Ltd. (50 per cent Cabot Corp. and 50 per cent United Carbon Co. Inc., both of the U.S.). Plant capacity totals 30,000 tons a year, and output goes principally into rubber goods. Most of the necessary raw material is imported but it is expected that greater quantities of local materials will become available as the refinery industry expands.

● *Fluorocarbons*—Two new plants have come into operation recently near Sydney to make fluorocarbons, using imported carbon tetrachloride as a raw material. The two firms are Australian Fluorine Chemicals Pty. Ltd. (owned by U.S. and British interests) and Pacific Chemical Industries (75 per cent owned by Stauffer Chemical Co. of the U.S. and 25 per cent by French interests). These companies will produce a whole range of fluorocarbon gases for the manufacture of refrigerants and propellants. It is reported that ICI ANZ is planning to make carbon tetrachloride within twelve months to supply these firms.

Foreign Competition

Despite its rapid growth, the industry is not without its problems. With production geared to the relatively small domestic market of 11 million people, local manufacturers have found it extremely difficult to compete with the larger producers in the United States, Japan and Western Europe. Following the liberalization of import controls in early 1960, competition from over-

seas increased, particularly for plastic lines such as polyethylene and polystyrene. This resulted in reduced prices and output for the domestic manufacturers.

Because of the small size of the local plants and the fact that many of them have been in operation for only a very short time, the industry hopes to obtain government assistance—through tariffs or other means—at least until local producers are more firmly established.

There have been internal problems also. Although many of the plants represent the smallest commercial units that it is possible to build, one is often able to meet all the domestic requirements for a given product. The situation immediately becomes complicated when two plants start to produce a single line, as has happened in several instances. The feeling in the industry is, however, that these difficulties are short-term and that rationalization and the development of new processes and new products will eventually help to solve them.

Future Potential Impressive

The establishment of this complex industry has brought a number of important benefits to Australia. Local production of many intermediary and finished petrochemicals has resulted in substantial savings in foreign exchange. The availability of the new petrochemical materials has also given a boost to other industries. In addition, there is now a base industry that will permit further diversification in the manufacture of other chemicals as conditions warrant. Producers are already thinking of new products such as phenol, adipic acid for nylon, polypropylene, polyester and acrylic fibres. With an expanding population and continued improvement in the standard of living, the demand for chemicals in Australia is bound to increase. The petrochemical industry, already an integral part of the economy, can therefore be expected to play an increasingly important role in Australian development. ●

FOREIGN TARIFFS

AND TRADE REGULATIONS

Ceylon

REVISIONS IN TARIFFS AND IMPORT QUOTAS
—We have received cabled advice that the recent Budget Speech in Ceylon provides for upward revisions in the Customs Tariff and some reductions in import quotas. Preliminary information indicates the following changes:

(A) Customs Tariff:

	Per cent ad valorem	
	From	To
Plain writing and printing paper	15	55
Tissue paper	16	27½
Kraft paper	27½	45
Wrapping and packing paper, not elsewhere specified, including old newspaper	27½	45
Cereal foods	15	50
Food and drink, not elsewhere specified	100	150
Aluminum, mainly	7½	17½
Brass	7½	17½
Iron and steel:		
Bars and rods, slabs, including blister, jumper and tool steel, not fabricated	7½	17½
Black or galvanized chains, bolts, nuts, rivets not elsewhere specified, washers and nails (except wire nails)	20	30
Cast iron pans and baths	22½	32½
Drums and tanks, black, painted or galvanized and parts thereof, not elsewhere specified	15	25
Gratings and drain covers	28½	38½
Manufactures wholly or mainly of, not elsewhere specified	25	35
Plates and sheets, galvanized or coated, flat or corrugated not fabricated, not elsewhere specified	7½	17½
Plates and sheets, not coated, flat or corrugated, not fabricated, not elsewhere specified	7½	17½
Rolled angles, bulbs, channels, shapes and sections, H-iron, girders, tees, beams, joists, pillars, rails, not fabricated	7½	17½
Staples not elsewhere specified	20	30
Tubes and pipes, black or galvanized, not fabricated	7½	17½
Wire, plain, black or galvanized, not elsewhere specified, wire ropes and shoot runners and parts thereof	20	30
Motor vehicles: enclosed splash proof accumulators and batteries and parts	35	50
Asbestos:		
Ridges	25	35
Sheets	25	35
Tiles	25	35
Manufactures, not elsewhere specified	25	35

(B) Import Quotas:

Haberdashery and ready-made garments have been prohibited entry. Import quotas on textiles valued at less than Rs. 2 (46 cents) per yard have been cut by one third and those on tires and tubes by one quarter.

Full details will be published in *Foreign Trade* when they are received.

NOTE: Word has just been received that virtually all rates of duty in the Ceylon tariff, including those shown above, have been further increased by one-fifth. The main exceptions are foods, oils, kerosene and newsprint.

Israel

IMPORT LIBERALIZATION ANNOUNCED—As a result of negotiations under the General Agreement on Tariffs and Trade, the Government of Israel announced on April 24, 1962, that effective from June 1, 1962, import licences would no longer be required for certain commodities. The some four hundred products freed from import restrictions account for nearly one quarter of Israel's total imports in 1961. No exchange permit is necessary for liberalized goods; the importer applies directly to the authorized foreign exchange bank for foreign currency to pay for the shipment.

Commodities affected by the liberalization include:

- Certain oilseeds
- Certain vegetable and animal oils and fats
- Wheat
- Sugar
- Specified fish products
- A large number of pharmaceutical raw materials
- Certain medicines
- Various pigments and dyestuffs
- Many chemicals
- Certain cellulose products
- Specified types of paper
- Oak, pine and poplar wood
- Various minerals and metals
- A large number of intermediate metal products
- Coal and coke
- Asbestos
- White cement
- Synthetic rubber
- Internal combustion engines of various specifications
- Electric motors
- Various machine tools
- Heavy transport equipment
- Tugs, dredgers and most types of ships
- Various electrical apparatus and electrical components

Imitation jewellery
Calculating machines
Accounting machines and typewriters

Detailed information regarding the import trade control regulations affecting any particular commodity may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

United States

TARIFF INVESTIGATION INTO SOFTWOOD LUMBER IMPORTS—The United States Tariff Commission on the 26th day of July, 1962, instituted an Escape Clause Investigation to determine whether sawed lumber and timber of fir, spruce, pine, hemlock

or larch (not including dowels) are, as a result in whole or in part of the duty or other customs treatment reflecting concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like products.

A public hearing in connection with this investigation will begin at 10 a.m., e.d.s.t., on October 2, 1962, in the Hearing Room, Tariff Commission Building, Eighth and E. Streets N.W., Washington, D.C. Interested parties desiring to appear and be heard should write to the Secretary of the Commission at least five days in advance of the date set for the hearing.

GENERAL NOTES

Brazil

INDUSTRY EXPANDING—Howa do Brasil S.A. Industria Mecânica of São Paulo, affiliated with Howa of Japan and Nihon Spindle Manufacturing of Japan, has increased its capital from \$198 to \$300 million cruzeiros. All of the subscription was underwritten by Howa Kogyo Kabushiki Kaisha (Nagoya, Japan). Howa do Brasil's current line includes automatic weaving looms and twisting machines, and such miscellaneous equipment as fluted cylinders, spindles, rings, barrels or revolving cylinders. The new line, to be launched shortly, will include spinning and combing equipment and stair-carpet producing and pounding machines.

The Inter-American Development Bank has granted a loan of U.S.\$560,000 to Fundação Tupy of Santa Catarina, which plans to expand its production of motor vehicle parts and to begin making tractor parts. Fundação Tupy is one of the five major producers of automobile and truck castings in Brazil.

It is reported that the Société Française du Kylon, with headquarters in Paris, plans to set up a paper and cellulose industry in Montenegro, state of Rio Grande do Sul, to take advantage of the large supply of black acacia, of which Montenegro is the largest Brazilian producer. Some U.S.\$24 million would be invested in the project.

A new company has been formed in Curitiba, capital of the State of Parana, to manufacture and market paper and various types of cardboard. The company, Pastamec S.A. Industria e Comercio, has plans to produce pulp from local wood later on—São Paulo.

Central America

INTER-CENTRAL AMERICAN TRADE—Trade among the Central American republics is gaining

momentum under the terms of the General Treaty for Economic Integration, signed by Guatemala, Honduras, El Salvador and Nicaragua. In 1957 total trade among the Republics (including Costa Rica, not yet a member) was \$16.5 million, and by 1961 had reached \$37.4 million. Guatemala's trade with El Salvador and Nicaragua has climbed from 2.1 per cent of its share of global trade in 1958 to 6.3 in 1961—Guatemala.

Ceylon

PREFAB HOUSING UNITS—The Ceylon National Housing Department is making arrangements, in collaboration with a West German firm, to set up a factory for turning out prefabricated housing units. The prefab units will be used to ease the Colombo housing shortage and will also be sold to private home-builders throughout Ceylon—Colombo.

Colombia

ELECTRIC POWER—The World Bank has approved a loan of U.S.\$44 million to increase the electric power potential of Bogotá and the surrounding district. First stage of the development will raise capacity from 134,000 to 150,000 kw. in 1962, with the completion of the Sesquilé dam and the Guatavita reservoir. The second stage, to be completed in 1964, will increase capacity to 440,000 kw., the third (1966) to 630,000 kw., and the final stage (1969) to 930,000 kw.—Bogotá.

Ecuador

FOREIGN TRADE—The 1960 excess of imports over exports was reversed in 1961 to give Ecuador a favourable trade balance of 74 million sucres (U.S.\$3.7

million), the result of a 4.3-million-sucres decrease in imports to 1,584 million sucres (U.S.\$79 million), and an increase of 76 million in exports to 1,613 million sucres (U.S.\$80 million). Cocoa, coffee and rice exports were all smaller, but banana shipments, although they decreased by 3 million stems from 1960, earned 145 million sucres (U.S.\$7.2 million) more—Bogotá.

FERTILIZER FACTORY—Fertilizantes del Ecuador (FERTIDOR) will be granted benefits under the Industrial Development Law for the construction of a fertilizer plant near Guayaquil at a cost of some U.S.\$6 million. The plant will use imported ammonia to produce nitric acid, ammonia and complex fertilizers. Bahamian and Ecuadorian capital is financing the project—Bogotá.

France

NUCLEAR POWER STATIONS—L'Electricité de France (EDF), after experience with an experimental reactor at Marcoule, is now well advanced with its first series of nuclear power stations equipped with specially designed reactors for electricity production. Three new units are under construction at Chinon. EDF 1 station, with 68,000 kw. capacity, will go into operation this year. EDF 2 (170,000 kw.) will be completed in 1963, and EDF 3 (400,000 kw.) will be ready by 1965—Paris.

Hong Kong

STEEL ROLLING MILLS—Two steel rolling mills, designed to use metal obtained from Hong Kong's shipbreaking industry, will be functioning in the colony before the end of 1962. The mills, estimated to cost nearly Can.\$2 million each, will operate electric arc furnaces rated at between 10- and 15-ton capacities. Financed by local, British and Japanese interests, the mills will produce initially some 2,000 tons a month of steel materials, including building rods and bars, for use in Hong Kong and South East Asia—Hong Kong.

India

PAPERMAKING MACHINERY—When the Five Year Plans began, India did not manufacture paper-making machinery. Since then, 21 firms have been licensed to produce these machines. By the end of 1962, at least two or more firms are expected to be able to supply plants with a capacity of 50 tons per day; five-ton-per-day plants are already being made—New Delhi.

HEAVY ELECTRIC PLANT—Heavy Electricals Limited, Bhopal, undertaken with British collaboration and inaugurated in 1960, is expected to have an output worth Rs.50 crores (\$110 million) and to employ about 35,000 workers by 1968. Air-blast circuit

breakers for 132 KV and power transformers up to 40 MVA, traction motors and other equipment for railway electrification, and water turbines and water-turbine-driven generators of a rated capacity of 32 MW will be manufactured by 1962. By 1963, output is expected to include air blast circuit breakers for the highest voltages and rupturing capacities required, power transformers up to 60 MVA, and water turbines and water-turbine-driven generators of the biggest size required in the country, as well as diesel generators, large industrial motors up to 5,000 h.p. and motor control gear—New Delhi.

Italy

ECONOMIC CONDITIONS—In 1961 net income in Southern Italy rose by 14 per cent, as against 8.9 per cent in Central and Northern Italy and 9.9 per cent in the country as a whole. Agricultural income rose by 23.6 per cent as against 3.9 per cent in Northern and Central Italy and 10.9 per cent in the country as a whole. Income of the industrial sector rose by 9.9 per cent in Southern Italy against 10.7 per cent in the North and a national average of 10.5 per cent.

Hurdles in the future development of Southern Italy are how to halt migration of workers and how to obtain full local employment through industrial expansion. To reduce migration, agriculture must be expanded to yield a gross annual product of lire 740,000 per worker by 1970. In the same period roughly 1½ million land workers must find other employment—Rome.

Lebanon

OIL REFINERY—Following an agreement on price structure between the Iraq Petroleum Company (IPC) and the Lebanese Government, IPC's refinery at Tripoli is to be enlarged. The new plant will produce, in addition to the present low-grade fuels, high octane benzene, butane gas, and aviation fuels. Two refineries currently operate in Lebanon. The combined capacity of over one million tons per year is directed towards domestic consumption. Foreign exchange spent on imports not available locally will be saved when the new refinery is built—Beirut.

Spain

BANK OF SPAIN NATIONALIZED—A decree published on June 13th in the Official Bulletin established the "Institute of Medium and Long Term Credits" and at the same time nationalized and reorganized the Banco de España.

The Institute will be under the control of the Finance Ministry and is responsible for management and inspection of all official credit institutions. The Finance Ministry remains the policymaking body. The nationalized Banco de España will deal with the issue of currency, the Government Treasury, and all kinds of com-

mercial operations pertaining to banking, including the inspection of the private banks and giving legal advice to the Government on money and credits—Madrid.

Turkey

VEHICLES—According to returns published by the Central Statistical Office, the number of motor vehicles registered in Turkey increased by 19,600 during 1960, to a total of 114,208 on January 1, 1961. This figure is made up of 57,460 trucks and vans, 45,767 passenger cars and taxis, and 10,981 buses.

Since 1960 the import of private passenger cars has not been permitted by the Turkish authorities, in order to conserve foreign exchange. However, licences are available for the import of trucks of all capacities, complete special-purpose vehicles, buses, chassis and tractors, as well as parts for local assembly of cars, trucks, vans, buses and tractors.

Foreign vehicles assembled in Turkey include Ford *Thames* trucks and buses and *Consul* passenger cars, Willys jeeps, *Bussing* trucks, Chrysler group trucks, Federal trucks, Commer trucks, Morris minibuses, and Minneapolis-Moline tractors.

The current import program makes ample provision for badly needed spare parts and accessories, particularly those required by the passenger car and taxi fleet—Athens.

Switzerland

AGRICULTURE—Swiss farmers spent about U.S.\$34.5 million on new tractors and other agricultural machinery during 1961. Increased mechanization of agriculture was prompted by a lack of farm workers. Light multi-purpose tractors capable of being operated by one person were in greatest demand—Berne.

TRADE COMMISSIONERS ON TOUR



R. M. Dawson



C. R. Gallow



K. F. Osmond

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa:

Ottawa—Sept. 4-14
 Quebec City—Sept. 17
 Montreal, Granby—
 Sept. 18-21
 Hamilton—Sept. 24-25

London—Sept. 26
 Windsor—Sept. 27
 Sarnia—Sept. 28
 Toronto—Oct. 1-6

K. F. OSMOND, Commercial Counsellor in Accra, Ghana:

Ottawa—Aug. 20-31
 Toronto—Sept. 4-14

Montreal—Sept. 17-28

When he completes his tour, Mr. Osmond will return to Accra.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Halifax, Ottawa, Winnipeg and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Industrial Development, Trade and Commerce, and in Fredericton at the Department of Industry and Development.

In Canada

R. M. DAWSON, Consul and Assistant Trade Commissioner in Manila, Philippines:

Vancouver—Sept. 5-7
 Winnipeg—Sept. 10-11
 Toronto—Sept. 12-14

Montreal—Sept. 17-19
 Ottawa—Sept. 20-Oct. 3

In Territory

H. E. LEMIEUX, Commercial Secretary in Guatemala City, will visit San Salvador in El Salvador, San Pedro Sula and Tegucigalpa in Honduras, and San Jose in Costa Rica, September 2-12. Businessmen who would like Mr. Lemieux to undertake assignments should write to him at his post as soon as possible.

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 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 .9275.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 13	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.008801	113.62	
Austria	Schilling		.04178	23.93	
Australia	Pound		2.4194	.4133	
Bahamas	Pound		3.0242	.3307	
Belgium and Luxembourg	Franc		.02168	46.13	
Bermuda	Pound		3.0242	.3307	
Bolivia	Potosi	Free	‡	‡	
Brazil	Cruzeiro	Free Special Category	.002995 ‡	333.82 ‡	
Britain	Pound		3.0242	.3307	
British Guiana	Dollar		.6300	1.59	
British Honduras	Dollar		.7561	1.32	
Burma	Kyat		.2264	4.42	
Ceylon	Rupee		.2268	4.41	
Chile	Escudo	Bank rate	1.0248	.9758	
		Free	.6100	1.64	
Colombia	Peso	Certificate	.1609	6.22	
Congo, Republic of	Franc		.02169	46.10	July 30
Costa Rica	Colon		.1627	6.15	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1497	6.68	
Denmark	Krone		.1560	6.41	
Dominican Republic	Peso		1.0781	.9276	
Ecuador	Sucre	Official	.05990	16.69	
		Free	.04798	20.84	
El Salvador	Colon		.4313	2.32	
Fiji	Pound		2.7245	.3670	
Finland	Markka		.003369	296.82	
France, Monaco, etc.	New Franc		2200	4.55	(1)
Franco-African Republics, etc.	Franc		.004400	227.27	(2)
French Pacific	Franc		.01210	82.64	(3)
Germany	D Mark		.2698	3.71	
Ghana	Pound		3.0242	.3307	
Greece	Drachma		.03593	27.83	
Guatemala	Quetzal		1.0781	.9276	
Haiti	Gourde		.2156	4.64	
Honduras	Lempira		.5391	1.85	
Hong Kong	Dollar	Free*	.1880	5.32	*Aug. 3
		Official	.1890	5.29	
Iceland	Krona	Official	.02507	39.90	(4)
India	Rupee		.2268	4.41	
Indonesia	Rupiah	Official	.02396	41.74	(4)
Iran	Rial		.01423	70.26	
Iraq	Dinar		3.0188	.3313	

‡No quotation available.

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

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

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 13	Units per Canadian dollar	Notes (See below)
Ireland	Pound .....	.....	3.0242	.3307	
Israel	Pound .....	.....	.3594	2.78	
Italy	Lira .....	.....	.001737	575.71	
Japan	Yen .....	.....	.002995	333.89	
Lebanon	Pound	Free .....	.3538	2.83	
Mexico	Peso .....	.....	.08625	11.59	
Morocco	Dirham .....	.....	.2156	4.64	
Netherlands	Florin .....	.....	.2988	3.35	
Netherlands Antilles	Florin .....	.....	.5717	1.75	
New Zealand	Pound .....	.....	3.0035	.3329	
Nicaragua	Cordoba	Effective buying .....	.1540	6.49	
		Official selling .....	.1529	6.54	
Nigeria	Pound .....	.....	3.0242	.3307	
Norway	Krone .....	.....	.1510	6.62	
Pakistan	Rupee .....	.....	.2268	4.41	
Panama	Balboa .....	.....	1.0781	.9276	
Paraguay	Guarani	Official .....	.008523	117.33	
Peru	Sol .....	.....	.04019	24.88	
Philippines	Peso	Free .....	.2779	3.60	
Portugal & Colonies Republic of South Africa	Escudo .....	.....	.03750	26.67	(5)
Singapore and Malaya	Rand .....	.....	1.5121	66.13	
Spain and Dependences	Straits Dollar .....	.....	.3522	2.84	
Sweden	Peseta .....	.....	.01797	55.65	
Switzerland	Krona .....	.....	.2097	4.81	
Syria	Franc .....	.....	.2495	4.01	
Thailand	Pound	Free .....	.3012	3.32	
Tunisia	Baht	Free .....	.05073	19.71	(4)
Turkey	Dinar .....	.....	2.5983	.3849	
United Arab Republic	Lira .....	.....	.1198	8.35	(4)
United States	Pound	Official	#	#	
Uruguay	Dollar .....	.....	1.078125	.9275	
Venezuela	Peso	Free .....	.09832	10.17	
	Bolivar	Free .....	.2373	4.21	
		Official .....	.3215	3.11	
West Indies	Dollar .....	.....	.6300	1.59	(6)
	Pound .....	.....	3.0242	.3307	(7)
Yugoslavia	Dinar	Official .....	.001438	695.41	

#No quotation available.

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, Camerouns, 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

Republic of Ireland

Area: 27,136 square miles.

Population: 2,800,000 (1961).

Climate: moist, mild, free from extremes of heat and cold.

Language: English and Irish.

Currency: the Irish pound is maintained at parity with the pound sterling; the latter circulates freely.

Weights and measures: the imperial standard is used.

Electrical characteristics: single-phase 220 volts, 50 cycles; power, three-phase 380 volts, 50 cycles.

Capital: Dublin.

Chief ports: Dublin, Cork.

Marketing centres: Dublin (population 593,000), Cork (77,860), Limerick (50,497), Waterford (28,000), Sligo (13,529), and Galway (21,000).

Economy: mainly agriculture and cattle; industry encouraged.

Total Irish imports (c.i.f.): 1960—£226.2 million; 1961—£261.2 million.

Chief imports: (millions of pounds) 1961—machinery and electrical goods 31.6; vehicles 25.3; textiles, excluding clothing 25.2; oilseeds, resins, etc., and petroleum products 20.6; live animals 15.3; chemicals 14.1; non-metalliferous mine and quarry products 13.1; cereals and feedingstuffs 12.9; iron and steel, excluding cutlery and machinery 12.5; miscellaneous articles, n.e.s., 10.1.

Chief suppliers: (millions of pounds) 1961—Britain 132.5; United States 19.9; West Germany 14.3; Iraq 8.2; Netherlands 6.9; Canada 6.2; Belgium 5.5; France 5.4.

Value of imports from Canada (c.i.f.): 1960—£4,743,192; 1961—£6,218,376 (Irish statistics).

Chief imports from Canada: (thousands of pounds) 1961—wheat 2,918; newsprint 674; aluminum and alloys, unwrought 629; conifer lumber 617; synthetic rubbers and rubber substitutes 305; textiles 123; linseed for expressing oil 117; non-conifer lumber 104; cattle hides, undressed 97.

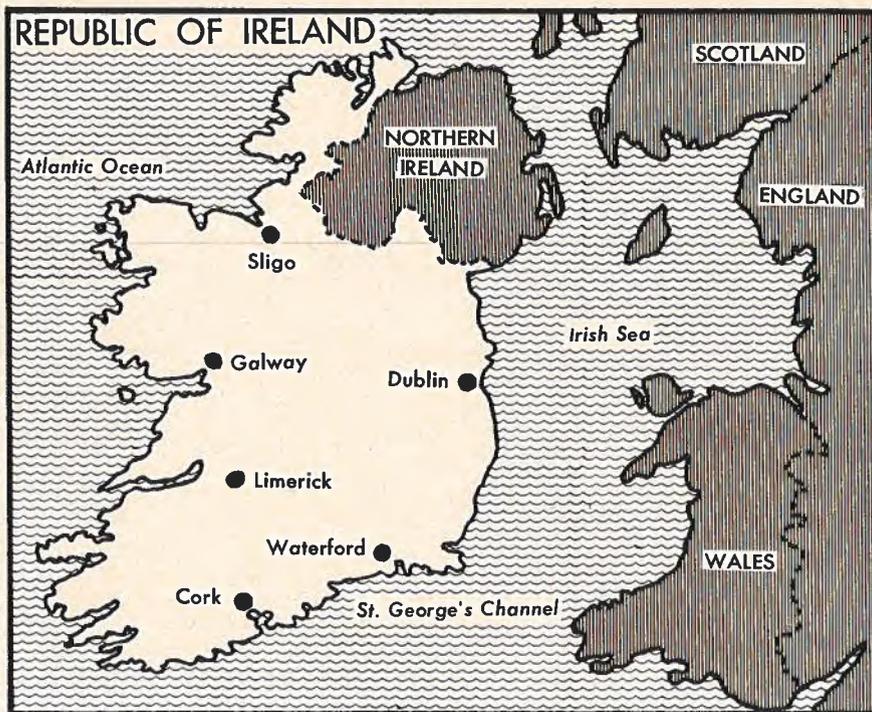
Total Irish exports: (f.o.b.) 1960—£148,171,208; 1961—£175,021,063.

Chief exports: (millions of pounds) 1961—livestock 55.3; foodstuffs of animal origin 42.3; textiles, excluding clothing 12.8; miscellaneous articles of food, n.e.s., 8.9; beverages 7.4.

Chief markets: (millions of pounds) 1961—Britain and Northern Ireland 131.4; United States 12.8; West Germany 5.4; Netherlands 2.0; Canada 1.6; Belgium 1.3; France 1.1; Italy 1.0.

Value of Canadian purchases: 1960—£1,196,775; 1961—£1,608,373 (Irish statistics).

Chief Canadian purchases: (thousands of pounds) 1961—chocolate crumb 303; manufactured chocolate preparations 207;



wool 186; jute yarn and thread 113; sugar and preparations 85; leather footwear 70; parcel post 51; cordage, cables, ropes 40; sisal floor coverings 38.

Dollar exchange: freely available for all permitted imports, especially raw or semi-manufactured goods; others subject to licensing, quantitative restrictions, or forbidden entry.

Prices: quote in sterling or Canadian dollars, preferably c.i.f.

Samples: deposit refunded or bond cancelled on re-export, maximum period 12 months.

Trade agreements: preferential tariff treatment given Canadian products under agreement of 1932, similar to treatment granted British goods.

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

Banks (commercial): there are seven main commercial banks: The Bank of Ireland, The National Bank Ltd., The Provincial Bank of Ireland Ltd., The Northern Bank Ltd., The Ulster Bank Ltd., The Hibernian Bank Ltd., The Royal Bank of Ireland Ltd. All have Canadian correspondents.

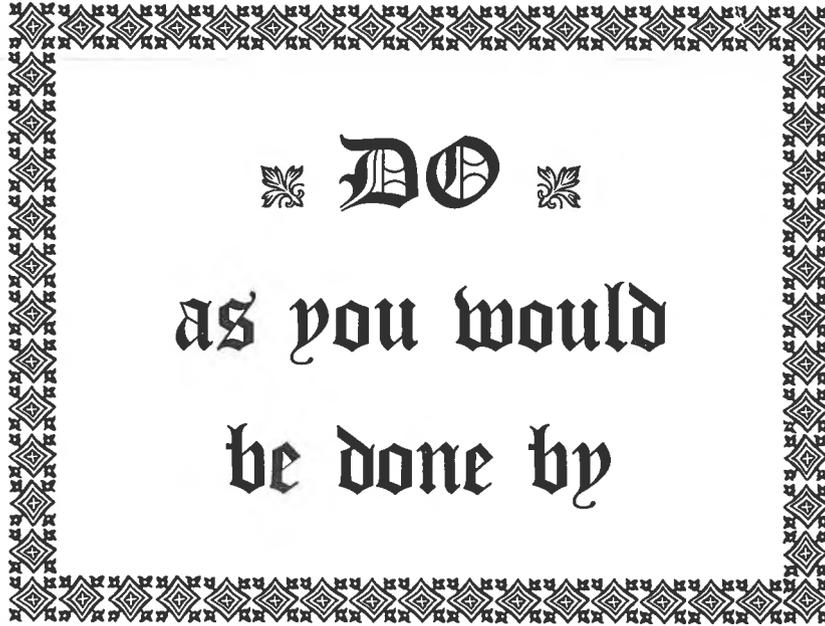
Correspondence: airmail, 15 cents per half ounce. (Surface mail takes three to eight weeks.)

For detailed information on this market write:

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

or

Commercial Secretary for Canada
Commercial Section
Canadian Embassy
66 Upper O'Connell Street
Dublin, Eire.



or you will be undone

—if we may put it that way. When you write to a supplier inquiring about his product and prices you expect the quickest reply* possible, even if he is on the other side of the world. You expect him to be interested, and courteous enough to tell you whether or not he can do business. If he doesn't respond promptly (or at all), you write him off.

The other fellow has the same expectations and the same reactions.

Some Canadian exporters are undoing themselves—and their country's export reputation.

* By airmail naturally.