How to Reach Germany's Big Buyers

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Whether she wants a cotton apron like one of these or a fur coat, the German housewife spends her money shrewdly, with an eye to good value. Large stores must keep their prices attractive by buying carefully and by making sure that the goods move quickly.

How to Reach Germany's Big Buyers

West Germans are in a buying mood. If you want them as customers for your consumer products, you need make only nine contacts. Our Duesseldorf office names them, gives explicit advice on how to make your offers to them.

LOUIS de SALABERRY, *Vice Consul, Duesseldorf.*

WRITING nine letters could bring you a share of a $2,500 million market for consumer goods. That is all you need to do to introduce your product to the four leading department store chains and the five biggest co-operative purchasing groups which dominate the West German market for consumer goods. And with the German economy booming and salaries rising, sales are rising too.

Keen buyers for Germany's retail stores are constantly on the lookout for everything from toothbrushes to twin beds, and if you can offer appealing style, an original design and an attractive price, there is a good chance of your doing business with them.

Here's how to start:

• Send descriptive literature and prices to the firms listed below, keeping in mind their requirements about prices, samples and language. Most buyers want prices quoted c.i.f. European port. If you have difficulty in working out a delivered price, you can ask a forwarding company to help you.

• As a rule, don't send samples unless they are requested. Most buyers find they don't know what to do with all the unwanted articles they receive and they dislike having to dispose of them. The Kaufhof chain of department stores, for instance, makes a point of accepting only samples for which it is willing to pay. An exception is the Karstadt department store group, which feels that offers without samples are just about useless.

• Most German firms can correspond in English, but some find it difficult to write in anything but German. Don't let this worry you. There is probably a capable German translator in your town or city. Your Chamber of Commerce can help you find him.

• Buyers don't like to overstock, but they are not too happy when they find that an item is selling well and they can't get any further supplies. They want to be sure they can depend on you as a constant source. Mention in your letter what quantities you can provide and how you propose to give them continuous service.

Four Department-Store Chains

The big department stores in Germany are as modern and well-run as they are in Canada. They depend on careful purchasing and low profit margins to keep their prices attractive, and on quick turnover to stay in business. If you would like to sell through department stores, you should get in touch with these four chains:

1. RUDOLPHE KARSTADT AKTIENGESELLSCHAFT, 2 Rheinische Strasse, 43 Essen. (Cable address: Karstadt)

The 50 Karstadt stores and 10 associate shops make annual sales worth $450 million. The manager of the Foreign Department, Rudolph L. Beck, corresponds in French and English. Quote c.i.f. Rotterdam or Hamburg in West German marks, or U.S. or Canadian dollars. Where possible, send samples with your offers. In New York you can bring your products to the attention of Karstadt's buyers through McGreevey, Werring & Howell, Inc., 225 West 34th Street, New York 1, N.Y.

2. KAUFHOF A.G., 35 Sterngasse, 5 Cologne. (Cable address: Elinzeka)

Annual sales in the 49 Kaufhof shops total over $400 million. Write in English to Heinz Salzmann, Manager, Foreign Department, quoting your prices f.o.b. Canadian port or c.i.f. European port, in Canadian or U.S. dollars. Kaufhof buys in New York through Kirby, Block & Co., Inc., 128 West 31st Street, New York 1, N.Y. F. J. Hessberger is its resident representative.

3. HERTIE Waren- und Kaufhaus GmbH., 45 Pfeilstrasse, 6 Frankfurt.

Hertie has 50 shops with a sales volume of about $300 million a year. The import manager, Leopold Kraft, prefers to correspond in French, but if necessary can get along in English. Prices should be quoted in West German marks, c. & f. German port, although c.i.f. prices will also be considered.

4. HELMUTH HORTEN K.G., 1 Am Seestern, 4 Duesseldorf.

This firm operates 47 shops under the names Merkur and Defaka, with a combined annual turnover of $250 million. Letters and literature in English can be directed to Mr. Heimbach in the Import Division. Prices can be quoted in U.S. or Canadian dollars, c.i.f. Rotterdam.

Co-operative Buying Groups

To meet competition from the department stores, many of Germany's smaller retail merchants have set up their own co-operative buying groups. In this way, they can afford the services of teams of specialized buyers and are able to share the advantages of large-scale purchasing. The biggest buying groups specialize in soft goods, but they also handle everything from cosmetics to garden furniture. Nineteen soft-goods purchasing groups serve nearly 7,000 shops, with a combined annual turnover of $1,350 million.

Here are the names of the major buyers:

1. EZ - TEXTIL, (Einkaufszentrale Europaeischer Textileinkaufsverbaende GmbH) 23 Herweg, Postbox 315, 7 Stuttgart-N.

This is a central buying office which operates on behalf of thirteen of the groups. It buys for close to 6,000 shops. Write in English, quoting your prices c.i.f. European port.

2. RHEINISCHE EINKAUFS-VERMITTLUNGS- UND BERATUNGSGESELLSCHAFT FUER TEXTIL-GESCHAEFTE A.G., 67 Sachsenring, Postbox 950, 5 Cologne.

Known by its short name of Rheintextil, this group purchases soft goods only for its 114 members. Correspondence must be carried on in German and prices quoted in West German marks, c.i.f. German port.

3. KATAG AKTIENGESELLSCHAFT, 4 Stresemannstrasse, Postbox 87, 48 Bielefeld.

This group purchases for 177 shops a wide range of soft goods—including upholstered furniture, bedding and carpets—as well as leather goods, furs, and camping equipment. Correspondence is carried on in German only and prices should be quoted c.i.f. European port.

4. GROSSHANDELSGESELLSCHAFT MBH., 15 Gustav-Stresemann-Ring, Postbox 201, 62 Wiesbaden.

Four hundred and ninety shops buy a wide range of clothing, household goods and personal articles through this group, which commonly calls itself Grohag. Write in English to A. Schmidt and quote prices c.i.f. European port.

5. HANDELSZENTRALE WESTDEUTSCHER, KAUFHAEUSER EGMBH., 102-104 Rheingauallee, Postbox 9079, 6 Frankfurt.

Known as Hadega, this group buys soft goods only for its 458 member shops. You can write in English, attention Mr. Wrobel. Prices must be quoted c.i.f. European port in West German marks.

These buyers all want a chance to look over your products. That is their job. But all of them are busy, swamped with offers and beseiged by salesmen; they have no time to waste. To ensure that your offer receives careful consideration:

Don't Forget to:

1. Make sure your price lists and descriptive literature are accurate and absolutely clear. A confusing offer gets 'filed' in the waste basket.

2. Quote your lowest possible prices. Buyers normally look for a

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real bargain before they will go to the trouble of importing.

3. When writing in English, be particularly careful to avoid slang and unusual expressions. Most Germans know only textbook English.

4. Don't call on buyers unless your product needs to be demonstrated. Foreign visitors are always made welcome, but buyers resent the time they take up. Most buyers feel an interview is unnecessary. They pride themselves on their ability to sense a good thing and they resist being 'sold'.

5. If you decide to call on buyers, go with something to sell. Businessmen without order-books are not welcome. If you want to study prices, style and quality, don't disturb the buyers. You can get most of the information you need by strolling through the shops.

The whole business of selling consumer goods in West Germany can be summed up in the same way in which we began—if you have something new or something special to offer, remember the nine big buyers who are as near as your mailbox. ●

British Customs and Tariff Regulations

The London office, drawing on a fund of experience in dealing with customs problems, briefs Canadian exporters on the British regulations and on the various types of duties.

L. N. LAUNDY, *Office of the Minister (Commercial), London.*

ONE of the services offered to Canadian manufacturers and exporters by the London office of the Department of Trade and Commerce is advice on British customs regulations and the obtaining of tariff classifications and rulings. Each week we receive from Canadian firms between 15 and 20 inquiries on this subject. Some are referred to us by the Department in Ottawa but the majority arrive direct from Canadian businessmen.

The information that follows is intended as a general guide to those who may find customs and tariff regulations confusing and often worrying.

Commonwealth Preferential Tariffs

The present form of the British Customs Tariff was established under the Import Duties Act 1958 and follows the Brussels nomenclature. This act repealed the Import Duties Act 1932, the Ottawa Agreements Act 1932, the Safeguarding of Industries Act 1921 (which established key industry duties) and numerous other sections of various financial acts.

A wide range of Canadian products are entitled to enter Britain under Commonwealth preferential tariffs. In many instances, this means that they are admitted free of duty, but in other cases Commonwealth products are liable to a preferential rate of duty. This works to the advantage of Canadian exporters but in order to benefit from Commonwealth preference, they must meet certain requirements.

The Commonwealth Preference Regulations 1958, a revised version of the original regulations, came into effect on January 1, 1959. These are described in Customs Notice No. 27A (copies of which are available free from the International Trade Relations Branch in Ottawa, as well as from this office) which explains the regulations, reproduces the certificates of origin, and gives particulars of the regulations covering Commonwealth "content", including the form in which costings should be prepared. The main provisions for qualifying under the preference regulations are:

1. The goods must have been grown, produced or manufactured in the Commonwealth and consigned from there to Britain.

2. The goods must have the appropriate Commonwealth content and details of the required proportions are given in paragraphs 5 and 6 in Appendices 2 and 3 of Notice No. 27A.

H.M. Customs and Excise must be satisfied that these requirements are fulfilled before they will allow the goods to enter at the preferential rate. If there is any doubt, the importer will be required to pay a deposit of duty at the full rate, pending the receipt of additional information to prove that the goods qualify for admission under preference.

Silk and Man-Made Fibres

One of the recurring difficulties Canadian exporters experience concerns the Silk and Man-Made Fibres Duties. These duties, which affect most items containing silk, artificial fibres or synthetic fibres, are still very heavy, even at the preference rates. For some categories, the duty is assessed on the value of the silk and man-made fibre content but in others it is based on weight. Even when the article contains only a small portion of material classified as man-made fibres (such as lining and trim in articles of clothing) the whole article is subject to duty at the man-made fibres rate. Canadian exporters should check this point carefully and, if in doubt, seek out advice beforehand.

Revenue Duties

The main duties levied on the following products are known as revenue duties and are subject to special provisions: beer, chicory (including extracts), cocoa, coffee (including extracts), glucose, hops, hop oil, hop extracts, hydrocarbon oils, invert sugar, matches, mechanical lighters, saccharin (including substances of a like nature or use), spirits (including perfumed spirits), sugar (sucrose), tea, tobacco and wine.

Anti-Dumping Duties

The Customs Duties (Dumping and Subsidies) Act 1957 empowers the Board of Trade to impose Anti-Dumping or Countervailing Duties on imports from any country after investigation has proved to the satisfaction of the Board that the goods have been dumped or affected by a subsidy. In addition, before such duties can be imposed, there must be evidence that material injury is threatened or caused to a British industry (or in certain circumstances to an exporting industry of a third country). The Board of Trade must also be satisfied that the application of such duties would be in the national interest.

Britain considers goods to be dumped if the export price in the country of export is less than the price for which similar goods are sold for home consumption in the country of origin (or export, as the case may be), in the ordinary course of trade.

Purchase tax (the British equivalent of the Canadian sales tax) is assessed on the "duty inclusive wholesale value of the goods in Britain" and is chargeable at one of the following rates for the following general categories:

10 per cent on clothing, furniture, tableware, kitchenware

15 per cent on confectionery and ice cream

25 per cent on toys and games, stationery and office requisites, watches and certain toilet requisites

45 per cent on cosmetics, perfumeries, motor cars and radios.

Articles liable to purchase tax upon resale in Britain must have purchase tax paid upon import and before release from Customs. For established trades where the volume of business warrants it, a special purchase tax certificate may be obtained allowing customs clearance without payment of purchase tax until the time of sale from the wholesaler's warehouse.

Commercial Samples

Under the Commercial Samples (Temporary Importation) Regulations 1955, commercial samples may be temporarily imported for the purpose of soliciting orders in Britain without payment of customs duty or purchase tax. This concession may be claimed either by commercial travellers and other representatives of firms abroad, or by persons or firms established in Britain, subject to fulfilment of certain conditions. A summary of these regulations is contained in a leaflet entitled *United Kingdom Customs Treatment of Commercial Samples,* copies of which can be obtained from the International Trade Relations Branch in Ottawa.

Watch the Documentation

Of all the problems we encounter with Customs, perhaps the most unnecessary ones result from incomplete documentation of shipments by Canadian exporters. Correct documentation is of the utmost importance. Exporters should ensure that:

a. The correct documents are supplied with each shipment

b. that these are correctly completed and

c. that they arrive promptly in order that the shipment may be cleared without unnecessary delay.

In addition to the bills of lading, two copies of the certificate of origin should be sent and it should be borne in mind that the original only is acceptable to H.M. Customs.

Each shipment requires at least two copies of the commercial invoice and where there is more than one package, a packing list (in duplicate) is needed, itemizing the contents of each package. Failure to supply these packing lists is one of the main reasons for delay in clearance through Customs.

When a consignment is shipped via a United States port, two additional documents are required: a certificate of continuous custody, and a rail or road consignment note.

Routine attention to these details will help ensure that your shipments are not unduly delayed at Customs.

The London office is in daily contact with H.M. Customs and Excise headquarters at King's Beam House, Mark Lane, London, E.C.3., and is therefore familiar with many aspects of British customs regulations.

Often the description of the goods given by a Canadian inquirer is sufficient for us to classify them under the correct tariff heading, but where there is any doubt, the inquiry is submitted to H.M. Customs and Excise for a ruling.

Canadian exporters are invited to write to the Minister (Commercial), Commercial Division, Office of the High Commissioner for Canada, 1 Grosvenor Square, London, W.1., for advice on and assistance with their customs problems. ●

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The Businessman Abroad

Visit it yourself—that's the best way to get the feel of a foreign market and succeed in selling there. Your business trip will run more smoothly, bring better results if you rely on the Trade Commissioner Service to help you with your plans. In this series of articles Trade Commissioners in many countries will tell you, drawing on their experience, how to line up and carry out a productive business visit.

Colombia and Ecuador

JOHN H. BAILEY,
Commercial Secretary, Bogotá.

THE Colombians consider their capital, Bogotá, the "Athens of South America" and they rate culture, good family connections, a knowledge of history, and simple old-fashioned courtesy very highly. To a large extent the Ecuadorians, who are the Colombians' next-door neighbours and goods friends, hold the same views. When a Canadian businessman is planning a trip to this part of the world, therefore, we suggest that he would be well advised to do a little background reading. This does not mean spending hours digging up facts in detail on the history and culture of Colombia and Ecuador, but rather going through several readable books on these countries. Among them are *Green Fire* by Peter Rainier (the story of emerald mining and travelling in the hinterland of Colombia); *The Four Seasons of Manuela* by Victor Walter von Hagen (the factual and impressive story of Bolívar's trials and tribulations in Colombia and Ecuador as seen through the eyes of his mistress, Manuela) and certain other travel books such as *Gateway to Colombia, Penthouse in Bogotá,* and *Ecuador, Country of Contrasts.* In addition, current articles in *The Economist, Newsweek, Time* and other periodicals will stand the businessman in good stead when the conversation with his client suddenly turns to politics —and it always does in these countries.

If there is sufficient time before his trip begins, we recommend that the businessman buy some language records or take a few lessons in Spanish. He will be more than repaid when he sees how any effort on his part to speak a few words of greeting in Spanish impresses his potential customer, even though the latter may turn out to be a graduate of McGill or M.I.T.!

Social and Business Customs

Among the local social customs that should be followed are these: shaking hands every time you greet or leave a person, even if you have to go through the same routine with him half a dozen times a day; removing your hat (if you are wearing one) each time you talk to a businessman you meet in a hotel lobby or elsewhere; accepting promptly an invitation to dine at a Colombian or Ecuadorian home (it is one of the highest honours your host can pay you), and arriving punctually at the home with flowers for the Senora. The Colombian businessman is generally on time for business appointments in his office or for a luncheon engagement, but when it comes to a social event in the evening, he may arrive as much as an hour after the time specified. By the same token, if you are going to his home by taxi, find how long it will take and then arrange to arrive about twenty or thirty minutes after the time mentioned. Even then, you will probably be the first person there unless "hora inglesa" has been specified to the other guests. After you return to Canada a letter of thanks (preferably in Spanish if a translator is available) to both business and social contacts will help keep the door open for future business.

Before leaving Canada, the businessman should write to the Commercial Secretary in Bogotá about making appointments for him, as it is customary here to phone a businessman and make an appointment before going to see him. The normal work week in Colombia is still 5½ days, although there is a movement now (led mainly by subsidiaries of North American companies) to introduce the five-day week. The business hours during which outsiders should make calls are 9.00 a.m. to 12.00 noon and 2.30 p.m. to 5.30 p.m., even though the senior executives with whom he will be dealing will probably have been at their desks as early as 8.00 a.m. and will remain as late as 7.00 p.m. A luncheon date is usually from 12.30

—Standard Oil Co. (N.J.)

The businessman investigating the market in Colombia should not miss the booming industrial centers like Cali, capital of Valle Department. Pulp and paper, textiles, pharmaceuticals, soap, building materials and other products are made here. Our picture, taken from the surrounding green hills, shows its red tile roofs touched by the sun.

p.m. to 2.30 p.m. and is generally held in one of the many excellent restaurants or the two main hotels. (If the invitation is from a Colombian, this luncheon will probably take place in one of the first class clubs.)

Preparing for Your Visit

In his initial letter to the Embassy in Bogotá the Canadian businessman can help by providing a tentative schedule. The Trade Commissioner is then in a position to make suggestions about the itinerary because, for one thing, there are a large number of religious and other holidays in South America that may affect the timing of the visit. In addition, the Trade Commissioner can make provisional or firm hotel reservations at the Tequendama Hotel in Bogotá or the Hotel Quito in Quito. These are modern North American-type hotels. Some Canadian export managers like to stay at the Continental Hotel in Bogotá or the Humboldt Hotels in Quito or Guayaquil, where prices are lower and because they feel their Colombian and Ecuadorian contacts will see that they are more "en rapport" with the country because they stay in hotels patronized by its nationals.

For the trip to Colombia, it is most important to have a competent travel agent obtain the visas and other valid travel documents for all the countries to be visited in South America before leaving Canada. There have been instances where businessmen who left Canada in a hurry with the idea of obtaining visas for neighbouring Central or South American countries have spent two or three days of working time visiting consulates in Bogotá, having medicals, being photographed, obtaining visas, and so on. Entry into Colombia and Ecuador is relatively simple, because only the following documents are required:

1. A valid passport.

2. A tourist card (valid for three months) or a visa which can be obtained from the Colombian and Ecuadorian Consulates in Montreal, Ottawa, Toronto or Vancouver.

3. Smallpox vaccination certificate. (Yellow fever and typhoid inoculations are also recommended if one is visiting tropical sections; in these regions, it is also wise to take an anti-malaria drug.)

Getting to Bogotá

Because Bogotá and Vancouver are equidistant from Montreal, it is obvious that in the jet age it is simple to travel to Bogotá in one day. The usual route from Eastern Canada is to leave Toronto or Montreal in the morning for New York on TCA and pick up a Braniff or Avianca (Colombian National Airline) flight which arrives in Bogotá the same day. Or the traveller can take the Eastern flight out of Montreal to Miami and transfer there to Avianca or Braniff. Another method is to go TCA from Toronto to Kingston (Jamaica), and then take the two-hour jet flight from there to Bogotá. Although airline schedules are continually changing, it should be noted that it is currently possible to fly to New York from Canada Monday night and take an Avianca flight the next morning which, after about six hours of direct flight, places you in Bogotá in time for a luncheon date with your customer. If you have customers to visit in Mexico and Central America, there are a variety of ways of reaching Colombia after the initial flight to Mexico on Canadian Pacific Airlines. Between Bogotá and Quito, Ecuador, there is reasonably frequent service; the flight takes only 55 minutes by jet and there is a biweekly flight in propeller planes from Cali (in Colombia) to Quito and Guayaquil in Ecuador.

For internal travel in Colombia, Avianca maintains a network of flights which are unexcelled. If you are planning to visit the booming industrial centers of Medellín or Cali, for example, there are a number of one-hour flights to each place every day. Any businessman contemplating such visits would be wise to buy his ticket after he has arrived in Colombia because prices will probably be more advantageous and Canadian travel agents may not have the latest local flight schedules.

The latter suggestion applies equally to Ecuador, where there are frequent flights between Quito and the commercial center of Guayaquil.

Some Travel Tips

As a health measure, moderation in eating and drinking at the 8,600-foot altitude of Bogotá and the 9,300-foot of Quito is essential. The shortage of oxygen causes digestive problems that will be aggravated if the visitor eats large starchy meals and consumes more than two or three alcoholic drinks during the first few days. The traveller should also pass up fresh unpeeled vegetables and fruits. A lightweight wool summer suit, conservative in colour, will usually suffice for the wide range of weather that he will encounter (air-conditioning in the tropics and heated hotel rooms in Bogotá and Quito make this one-weight suit a good choice). As for money, it is recommended that businessmen arrive with a number of small peso notes (ones, twos, tens and twenties for Colombia) and the same in sucres for Ecuador. (A one-peso note is worth about 12 cents and a sucre note is worth about five cents Canadian.) These will be useful for tips at the airport, for taxi fare, and for checking into your room at the hotel. Later, at the local branches of Canadian banks in all the major cities or at your hotel, you can change your travellers cheques or notes as required. Because prices of taxis, hotel rooms and meals are all reasonable by Canadian standards, the average daily expenses for a businessman can be estimated at $20 to $25 per day.

Appointing an Agent

Assuming that the Canadian businessman has obtained information beforehand from the responsible Commodity Officer in the Department of Trade and Commerce or the Commercial Secretary in Bogotá on whether his product can be sold here, his first task during his visit should be to appoint a reputable agent. In the old days, there were a few products that could be sold direct to manufacturers in this territory but today practically everything has to be sold through local agents. This includes, for both Colombia and Ecuador, engineering services, raw materials (with a few exceptions) and capital equipment. In Ecuador, a number of consumer products can be listed in the same category (practically all consumer goods are on the Prohibited Import List in Colombia).

Today, with the complexities of import regulations, the demand for local service facilities, and the desire for 'national participation', we recommend that a local agent be appointed as soon as possible. Canadian and other foreign companies who are enjoying a good share of Colombia's $400 million (or Ecuador's $130 million) annual import business have either established agents or have opened branch offices in these countries. Because more and more business in products ranging from wheat to electric power plants is being done through semi-official entities—and this official type of business will expand even more rapidly as the *Alliance for Progress* funds increase—the tenders issued by these national bodies call for the bids to be submitted through an "approved" local agent. They want someone in the country who can provide the necessary services and who can be held responsible if something goes wrong.

Because internal transport is so well developed, it is becoming common to appoint one agent to cover the whole country, even though Colombia has four distinct marketing areas and Ecuador has two. Each product or service has to be considered separately, however, and the number of agents needed is something that can only be decided after the Canadian businessman has made a few calls and has the 'feel' of the local market.

All in all, the Canadian visitor will soon find himself feeling at home in either Colombia or Ecuador. He will discover that the businessmen in these countries are much like himself and are used to thinking and doing business in much the same way as Canadians do. If any problems arise on which the Canadian businessman wants advice or actual assistance, all he has to do is visit or phone the Canadian Embassy (Carrera 10 #16-92, Tel: 43 00 65, Bogotá; Icasa Building, Diagonal del Seminario Menor y 10 de Agosto, Tel: 35 629, Quito) and bilingual members of the staff will be pleased to do everything possible to make his stay in these countries an unqualified success.

Be Sure It Goes Airmail

TRADE Commissioners in a number of posts are again reporting that letters from Canadian businessmen are reaching them by seamail. This usually means weeks of delay. Some of these letters were probably intended to go airmail but because the postage was insufficient, they were automatically transferred to seamail. Canadian businessmen writing to overseas markets are urged to make sure that the office staff is weighing their letters and putting on the right amount of airmail postage.

Australian Agriculture:

volume up, value down

Record wool clip, second largest wheat harvest in history, large output of dairy products brought volume of rural production for 1961-62 season up 1 per cent, but net farm income declined 3 per cent. Agricultural exports increased in both volume and value.

H. A. GILBERT, *Commercial Counsellor, Melbourne.*

AUSTRALIAN agriculture achieved several new records and near records in the year just past,* mainly because of generally favourable conditions throughout the country. The 1962 wool clip was 4 per cent above the previous record, production of dairy products (particularly milk and cheese) set new highs, and fruit crops were heavy. The cereal harvest was larger than expected a year ago and meat production experienced a welcome revival, with beef production 20 per cent higher than in 1961.

The volume of rural output, according to the most recent estimates, was 1 per cent higher than in 1961 and a record 55 per cent above the immediate prewar level. However, the gross value of production fell A£15 million† below 1961. Current estimates place the 1962 figure at £1,360 million.

The gain in value of production credited to a larger wool clip at better prices and an increase in whole milk production was more than offset by falls in the gross value of cereals and meat. Cereal values were affected by a decline in production despite an increase in the guaranteed price of wheat, and meat values by a fall in sale-yard prices, even though production rose over the previous year.

*The Australian fiscal and agricultural years end June 30; 1962 is the period July 1, 1961, to June 30, 1962.

†Australian £=Canadian $2.48.

Exports of agricultural products increased both in volume and value. Export volume set a new record in 1962 and export value increased by an estimated £90 million to £790 million. The rise in export value resulted largely from increases in wool sales of £31 million, in wheat sales of £30 million and meat sales of £17 million. A rise in the volume of exports and an improvement in butter prices on the British market resulted in an estimated rise of £5 million in the value of dairy exports.

Net farm income decreased about 3 per cent from 1961, largely because of a decline in the value of production since there was only a slight increase in the cost of production. According to the latest estimate of the Bureau of Agricultural Economics, 1961 net farm income was somewhat below £490 million.

Wool Clip Sets Record

Production of wool in 1962, at an estimated 1,708 million pounds (greasy) (9 million pounds more than in the previous year), set a new record. The average price for the year was 54.13d. per pound, some 4 per cent higher than in 1961. Exports for the year were valued at approximately £397 million, 12 per cent above last year. Japan, Australia's best customer for wool, accounted for almost one-third of the increase in export returns. A significant feature was the replacement of France by Italy as Australia's third best customer. Exports to Communist China, the United States, the U.S.S.R., West Germany and Belgium also increased appreciably. Shipments to France declined somewhat and Britain, formerly the largest buyer of Australian wool, was in second place, behind Japan.

The industry has always stressed wool promotion. Last year the Australian Wool Growers' and Graziers' Council and the Australian Wool and Meat Producers' Federation agreed to an increase in the wool-promotion levy. The federal organizations of wool growers, recognizing the necessity of continuing promotion activities undiminished, agreed to pay the 10/- per bale promotion levy for another year—that is, till June 30, 1963.

The method of selling the Australian wool clip was considered by the Wool Marketing Committee of Enquiry set up in June 1961. After exhaustive examination and consideration of various alternatives to the present method of selling by auction, no change was recommended for the time being, though the committee did report that possibly at some future date it might be advisable to set up a central selling authority, somewhat similar to the Australian Wheat Board.

Wheat Crop Second Largest

The 1962 wheat crop, the second largest on record, was produced from 14.7 million acres and totalled

In 1961-62, Australian Farmers . . .

- **Produced an estimated 1,708 million pounds of greasy wool, nine million more than in the previous season.**
- **Sold more wool to Japan than to any other country; Britain ranked second as customer.**
- **Raised 246.3 million bushels of wheat, with an average yield of 16.8 bushels per acre.**
- **Exported 207,000 tons of beef and veal (second highest figure on record) and 48,000 tons of mutton.**
- **Produced 179,000 tons of butter (lowest volume since 1958) but carryover remains large.**
- **Had heavy sultana crop of 78,500 tons; face some marketing problems.**
- **Earned a net income about 3 per cent below the 1961 figure of £490 million.**

246.3 million bushels. The area sown to wheat for grain was a postwar record, exceeding the previous record (1948) by nearly a million acres. The quantities produced in New South Wales, Victoria and South Australia were smaller in 1962 than in 1961, but Queensland, Western Australia and Tasmania had small increases over the previous season. The average yield of 16.8 bushels per acre for the 1962 crop was 3.6 bushels an acre below the previous year, and 0.3 bushels an acre below the average for the past five years.

This year's good crop was matched by an excellent marketing record by the Australian Wheat Board. By the end of the year there were only some 20 million bushels of the exportable surplus remaining and this amount was earmarked for traditional customers. Once more Communist China was Australia's largest customer, taking about 38 million bushels, including a large proportion of off-grade wheat. Other large and unusual buyers were Spain and Italy; regular customers like Germany, Japan and India took substantial quantities.

Though it is early to forecast next year's crop, it is expected that 16 million acres will be planted to wheat from which, based on the last ten years' average, 280 million bushels could be produced. If the average for the last two years of 18.6 bushels per acre is achieved, the crop will approach 300 million bushels.

The yield of 39 million bushels of barley in 1962 represented a decline of over 40 per cent from the previous year's harvest. Early preliminary forecasts indicate a lower barley acreage for this coming season, as a switch from barley to wheat has been reported. Export prices for 1962 average one-sixth more per bushel than last year.

An estimated 57.2 million bushels of oats were harvested from 3.4 million acres retained for grain in 1962. The average yield was 16.8 bushels per acre, considerably lower than last year's 21 bushels. Little change in the oats situation is indicated for the coming year.

The 1962 production of linseed is estimated at 12,100 tons.

Meat Production Up

Beef and Veal—Production of beef and veal in 1962 increased 128,000 tons over the previous year's 642,000. Increased cattle slaughterings were accompanied, however, by a 20 per cent drop in sale-yard prices. Exports in 1962, at an estimated 207,000 tons, were the second highest on record; 72 per cent of shipments went to the United States. Exports to Britain dropped by 6,000 tons from last year's total of 41,000. Of the other export markets, Japan and Canada were the only ones to show any significant increases, with shipments of 4,000 and 3,000 tons respectively.

Mutton and Lamb—Production of mutton in 1962 is expected to approximate the 1960 record of 370,000 tons. Exports reached a record 48,000 tons. The United States took an estimated 50 per cent of all exports; Canada ranked next with 7,500 tons, then Britain with 6,200.

Lamb production in 1962 points to an all-time record of 210,000 tons, exceeding last year's total by 6,000 tons. Britain was the largest market, with shipments amounting to 70 per cent of the total. The value of lamb exports, however, at £2.6 million, was the lowest for many years.

Butter Surplus a Problem

Production of whole milk for 1962 is estimated at 1,450 million gallons, an all-time record. The state showing the greatest increase over 1961 was Victoria, which produced 9.6 per cent more than last year.

Butter production, at 179,000 tons, dropped considerably in 1962, and was the lowest since 1958. Prospects for next year are for a record output of 198,000 tons, higher than for any year since 1956.

Cheese production, on the other hand, has been increasing steadily for the past several years. In 1961 it totalled 46,600 tons and the estimate for 1962 is 54,000 tons, a new record.

The output of sweetened condensed milk continued to decline and for ten months of 1962 amounted to 26,370 tons. This decline was offset by a rise in the production of unsweetened condensed milk by 1,473 tons to 30,917. Full-cream powdered milk and infants' and invalids' foods both rose by 4 per cent. Powdered skim milk output also rose slightly, but production of powdered buttermilk increased 13.5 per cent over the same period in 1961.

Domestic butter consumption has been declining consistently for several years. Though exports have improved, stocks are relatively large and the industry faces a heavy carryover into 1963. A new company known as the Asian Dairy Development Co. Ltd. was formed in May of this year, after the signing of an agreement between the Australian Dairy Produce Board and private business interests. This company is setting up plants in Malaya, Thailand, Burma and the Philippines to process and develop dairy products in Asia from raw materials supplied by Australia. In this way it is hoped to decrease the butter surplus by selling butter oil to these plants, the first of which is to be set up in the Philippines. It may be some 14 months before the others are in operation.

Sheep in northeastern Victoria seek the friendly shade of a gum tree. Last year a record wool clip sold at good prices brought in £31 million more than in 1960-61.

Markets for Dried Fruits

Estimated production in 1962 of various varieties of dried fruit was: sultanas 78,500 tons, currants 7,700 and raisins 7,500.

The situation in 1960 of short world supplies has changed to long supply, with the result that the heavy Australian sultana crop will probably pose a formidable marketing problem.

The Australian Dried Fruits Control Board took the initiative in convening a conference of world producers of dried vine fruits to discuss problems common to the industry. This conference took place in Rome between July 2 and 6, 1962. Though detailed results of the conference are not yet available, it is hoped that closer co-operation between world producers may result from the discussions and that orderly marketing of world supplies may be achieved.

Canned Fruits Reach Record

Production of apricots, peaches and pears reached a record in 1962; the total pack amounted to 7.5 million cartons, reported as of excellent quality. After deducting the estimated requirements of the domestic market, there will be close to five million cartons available for export.

The main market, as in the past, will be Britain, although the hope is that Canada (which has been an important outlet) will take additional quantities this year. In 1961 total Canadian imports of all kinds of Australian canned fruit reached approximately 6.0 million pounds valued at £412,000.

Sugar Orders Increase

The export situation for Australian sugar has become somewhat

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brighter than last year. Orders for shipment of the 1962 crop to various destinations are accumulating so satisfactorily that the Queensland Sugar Board has approved the harvesting of all available cane in that state. It is expected that this will mean a record 1.65 million tons of sugar, with over a million for export.

Orders have already been received for 300,000 tons of sugar for Britain, 310,000 for Japan and 114,000 for Canada, in addition to smaller quantities for other destinations. The fact that the United States has granted Australia a quota of 40,000 short tons of sugar at a price above the world price and that Australia may be able to obtain further orders from the United States under its global quota at the world price is a source of satisfaction to the industry.

Tobacco Sales Good

Except for Western Australia, where sales were unsatisfactory, 96 per cent of the 1962 crop which was offered for sale was sold at an average of 140.7d. a pound, a marked contrast from the 1961 sales.

The crop, though somewhat smaller than last year, totalled 11,082 short tons. The industry fully realizes that tobacco leaf produced must be of a quality acceptable to the manufacturers and the smoking public—factors that can be overlooked if too much attention is given to the Commonwealth Government's policy of assisting in marketing. This policy prescribes that manufacturers, in order to obtain concessions for imported leaf, must use 43 per cent home-grown tobacco. To assist in the production of tobacco of approved quality, the Commonwealth Government has made available an additional £24,000 a year for extension work in the tobacco-growing states. ●

India Reorganizes Commerce Ministry

Canadians who want to sell their products in India or enter into joint industrial ventures there must often obtain help or advice from the Ministry of Commerce and Industry. The recent changes in this Ministry are outlined here for this reason.

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

INDIA'S Ministry of Commerce and Industry has been radically re-organized to strengthen the Government's efforts to promote exports and to facilitate industrial development.

Because Canadian businessmen interested either in exporting to India or in joint company ventures invariably find it necessary to consult with the Ministry when they visit New Delhi, the following brief outline of the reorganized functions of the Ministry may prove helpful to them. There have been a number of other developments but the present outline is sufficient for an understanding of the key positions and their duties as they are established at present.

Ministry of Commerce and Industry

K. C. Reddy, Minister
S. Ranganathan, Secretary

Functions

1. Regulation and fostering of trade and commerce; control and regulation of imports and exports; negotiation of trade agreements with foreign countries; determination of tariffs; commercial representation overseas; promotion of exports and participation at government level in fairs and exhibitions abroad.

2. Encouragement and ordered development of large and small-scale industries in private and public sectors; provision of aid for development of industries and control of plantation industries; active promotion of over-all industrialization.

3. Exercise of control over production, distribution and pricing of certain essential commodities; administration of Companies Act, and regulation of forward trading.

Departments

The Ministry consists of three departments—International Trade, Industry, and Company Law Administration.

Department of Industry

Nityanand Kanungo, Minister

J. Prasad, Joint Secretary

R. V. Subramanian, Joint Secretary (joint ventures)

V. K. Ramaswami, Deputy Economic Adviser

B. D. Kalelkar, Senior Industrial Adviser (engineering)

G. P. Kane, Senior Industrial Adviser (chemicals)

Functions

The creation of the new Ministry of Steel and Heavy Industries under C. Subramaniam has taken away some of the responsibilities of this department. The present functions are:

General industrial policy

Administration of Industries Act

Industrial management

Productivity in industry

Planning, development and control of, and assistance to all industries. This does not include those industries under the jurisdiction of the Steel and Heavy Industries Ministry and the Food and Agricultural Ministry.

Chemical industries, including caustic soda, paper and newsprint, synthetic rubber, plastics, etc., and also insecticides, antibiotics, power alcohol and salt.

Small-scale industries (related government corporations: Small-Scale Industries Board and Small-Scale Industries Corporation)

Under this department are the various Directorates of the Development Wing, except those transferred to the Steel and Heavy Industries Ministry.

This department is also responsible for internal trade, control of future trading and administration of the Essential Commodities Act, trade-marks, standardization of products and raw materials (Indian Standards Institution), weights and measures, and patents and designs. Also under this department are sericulture, handloom and handicraft industries.

Government companies under this Department are:

Hindustan Antibiotics Limited

Hindustan Cables Limited

Hindustan Insecticides Limited

Hindustan Organic Chemicals Limited

Hindustan Photo Films Manufacturing Co. Ltd.

Hindustan Salt Company Limited

Indian Drugs and Pharmaceuticals Limited

Rehabilitation Industries Corporation Ltd.

National Industrial Development Corp. Ltd.

National Instruments Limited

National Newsprint and Paper Mills Ltd.

National Small Industries Corporation Ltd.

Department of International Trade

Manubhai Shah, Minister

D. S. Joshi, Special Secretary

K. T. Satarawala, Chief Controller of Imports and Exports

Functions

This department is responsible for foreign trade, trade promotion, trade missions and trade commissioner service, international trade and commodity agreements (except wheat agreements), import and export controls, trade fairs abroad, and tariffs (including GATT).

Plantation industries (tea, coffee, rubber, coir) and the jute and cotton textile industries are under this department's jurisdiction. So are two government companies directly involved in export promotion—the State Trading Corporation of India Ltd. and the Export Risks Insurance Corporation.

Directly under this department also are the Chief Controller of Imports and Exports, Director General of Commercial Intelligence and Statistics, Tariff Commission, Jute and Textile Commissioners, and the Tea, Coffee, Rubber and Coir Boards.

Department of Company Law Administration

D. L. Mazumdar, Secretary

The sole responsibility of this department is to administer the Indian Companies Act, 1956. The Registrar of Joint Stock Companies reports to this department. ●

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Selling Fine Foods in Los Angeles

A quality product, distinctively packaged, will attract customers who want something different; gift packages and individual-portion items for cocktail lounges are other sales possibilities.

R. C. ANDERSON,
Consul and Assistant Trade Commissioner, Los Angeles.

CANADIAN producers of fish, apples, cherries, potatoes, cheese and meats are today finding customers in the Los Angeles area. The size of this market is impressive. Grocery store sales in metropolitan Los Angeles in 1961 totalled over $2.5 billion. About 4,200 grocery stores, 812 of them large supermarkets, serve a population of just under seven million. Food imports total $180 million a year. If you are not among the successful exporters of food products to the West Coast of the United States, some of the information put forward in this article may convince you that a large and growing market awaits you.

Retail Outlets Expand

West Coast grocery stores at first developed independently of the large eastern chains. Within the last few years, amalgamation of these individual stores and small grocery chains has received a tremendous impetus from the impressive rise in population. Although half of all the grocery stores are still independently owned, supermarkets handle the great volume of food sales and there is a trend to still larger chains and to the centralization of purchasing facilities and management. Safeway Stores is the largest chain and has 192 outlets in metropolitan Los Angeles. There are five other chains, each of which operates more than 50 stores.

Specialty stores, delicatessens and gourmet shops have also increased in number and practically every supermarket now has a section devoted to imported foods and gourmet products. There are also smaller shops that specialize in particular lines of food, such as the Cheese House in Pasadena which carries over 140 different varieties of cheese from all over the world.

Exhibiting Canadian Foods

In the month of July Los Angeles plays host to an annual show called the Pacific Fine Food and Beverage Fair. This year for the first time Canada participated, with an exhibit of maple syrup, whiskies, jams and jellies, hams and bacon, fisheries products, smoked salmon, Canadian tea and coffee, wild rice, mints, honey, and other products. The Canadian displays had an enthusiastic reception and over 1,000 buyers representing supermarket chains, independent groceries, delicatessens and gourmet shops visited our exhibits.

Forty-six food brokers and manufacturers' representatives requested information and price quotations on Canadian products and were interested in taking on Canadian lines not already represented in this area. There were 30 inquiries from buyers for independent grocery stores who also were interested in carrying one or more of the Canadian lines. Many firms in the food industry wanted either to buy products in bulk and package them here or requested to be informed once representatives had been appointed so that they could buy from them.

Attendance at the Pacific Fine Food and Beverage Fair is not large because it is restricted to buyers from the food industry. The Canadian firms which participated and which already had agents in the area used the show to step up interest in their products. Meat packing companies, distilleries and a fish-packing company participated for this reason.

How to Sell

Regulations—The Food, Drug and Cosmetic Act of the Federal Government of the United States sets out the regulations governing the content and labelling of food products. Labels from your food product are ordinarily all the officials need to decide whether you can sell it in the United States. There is a branch office of the Department of Health, Education and Welfare, which administers the Act, in Los Angeles and the Trade Commissioners here will submit your labels to it to determine whether your product meets the requirements.

Representation—Appointing a representative or broker is a most important step in selling to the Los Angeles market. Often a manufacturers' representative or food broker concentrates on certain lines and it is best to find one who specializes in your field. We have made many contacts through the Fine Food Fair and in other ways and have talked to many agents and food

Part of Canada's exhibit at the Pacific Fine Food and Beverage Fair in Los Angeles last July, attended by over 1,000 buyers for supermarkets, grocery chains, delicatessens and gourmet shops. Among the products shown in the picture are canned hams, confectionery, whiskies and packaged fish.

brokers representing well-established firms. We know there are a good number who would promote your products aggressively.

Pricing—Price is most important. A Canadian product priced competitively with a similar domestic product can be sold, but Canadian food processors usually find it difficult to be competitive because of tariffs and transportation costs. Our food products must therefore be sold on the basis of quality, and this allows for a higher price.

Packaging—Your product should, of course, be appropriately packaged. If it is packaged in exactly the same way as the U.S. product or in a similar container, it will be bypassed because it is more expensive. I have talked to many brokers and representatives active in the food industry for a number of years and each has advised me as follows: "You've got to get the product in the consumer's hands." To do this, it must be packaged in attractive containers, with colourful labels emphasizing that it is an imported food. A recent study has revealed that most specialty imported foods are bought entirely on impulse; once the customer handles a product, a sale results 75 per cent of the time. There is little advantage in having a quality product if you cannot make the initial sale because of unattractive packaging. Moreover, the first purchase influences repeat sales.

Bulk Sales—Bulk sales are also a possibility for some types of food products because many supermarkets have facilities for packaging under their own labels. We also have discovered that some chain stores would be interested in having Canadian firms package specialty items under a U.S. label.

Gift Packages—The sale of gift packages has increased tremendously and selected gift foods, attractively wrapped, find a good market in Los Angeles, particularly during the Christmas season. A number of firms packaging California-produced foods have made an art of the gift package. There is plenty of opportunity for Canadians in this field but the foods must be carefully selected and attractively put up.

Individual Portions—The sale of small packages of food products for use in cocktail bars is an interesting new outlet. One firm here is interested in any Canadian product that could be packaged in a 1 to 1½ ounce size, suitable for selling at cocktail bars. This firm started out two years ago with sales of $2,000 a month and is now selling $150,000 worth of individual-portion food items each month.

Act Now

From the reception of Canadian food products at the Pacific Fine Food Fair and the talks we have had with food brokers, grocery store buyers and manufacturers' representatives, we believe there is a good market for Canadian food lines in Los Angeles. This does not mean that all food products produced in Canada can be sold here. It does mean that if your product can score on at least one of the points set out above, you should explore this area. As the second largest retail market in the United States, Los Angeles provides a good opportunity for Canadian specialty foods. Send us information and price quotations and let us survey this market for you. ●

COMMODITY NOTES

Asbestos Cement

HONDURAS—La Fabrica de Cementos de Honduras plans to spend U.S.$200,000 to $250,000 on a plant to produce asbestos cement sheets. The equipment will be set up near the Cementos de Honduras plant in San Pedro Sula and production will total about 20 to 24 metric tons a day—Guatemala City.

Astrakan

ANGOLA—The raising of Astrakan lambs and the preparation of skins has been developing for many years in the Huila region in South Angola, with the assistance of the Portuguese Government. Because the industry is well organized and the climate there exceptional, South African producers have become interested in it. Experts from South Africa recently visited Sa da Bandeira and at least forty families now raising Astrakan lambs in South Africa would reportedly be interested in moving to the Huila region to continue their activities. The Astrakan fur produced in Angola is of such high quality that there is no difficulty in finding markets—Lisbon.

Bicycles

NEW ZEALAND—Morrison Industries Ltd. of Hastings has signed a 20-year agreement with Raleigh Industries of Britain covering the production of a wide range of Raleigh bicycles. The agreement has the full support of the New Zealand Government. The company does not expect special tariff protection nor any guaranteed share of the New Zealand market, which is estimated to absorb 35,000 bicycles a year. Production will begin early in 1963 with 72 per cent New Zealand content, increasing to 93 per cent two years later—Wellington.

Bitumen

AUSTRALIA—The Shell Company of Australia Limited will build a bitumen-processing plant at Townsville, Queensland, at an estimated cost of A£250,000. Production will begin early in 1963—Sydney.

Cigarettes

NIGERIA—A modern cigarette factory using mainly local leaf will be established at Ilorin near the River Niger within the next 12 months. The Kwara Tobacco Company, being formed in the Northern Region to manufacture and market cigarettes, will own the new plant. The company's authorized initial capital of £500,000 will be subscribed by the Government of Northern Nigeria and the United Africa Co. Ltd. (a Unilever firm), jointly. The enterprise will employ 200 people and will at first be much smaller than the Nigerian Tobacco Co. Ltd. plant owned by the British-American Tobacco Co.—Lagos.

Children's Clothing

IRELAND—A £40,000 clothing factory, Jay Bee Ltd., has been opened at Carndonagh for the production of children's garments. Practically the entire output will be for export. The firm is associated with a London house, Wise Bros., and will have its showroom in London; it hopes to cater also to the Common Market countries—Dublin.

Clothing

IRELAND—A German firm, Kemper, has acquired a factory site at Drogheda where it will produce women's wear. Most of the output will be designed for the European market and will use substantial quantities of Irish tweed, it is believed—Dublin.

Cobalt

UNITED STATES—The Bethlehem Steel Company has announced plans to build a plant in Baltimore to produce a concentrate from which cobalt will be extracted. The plant will process calcined pyrite from the sulphuric acid plant at Sparrows Point, Maryland. The concentrate will yield an estimated 700,000 pounds of cobalt and 900,000 pounds of copper a year. Cobalt in metallic form is used in magnets, super or high-temperature alloys for jet engines and missile parts, high-speed tools and powder metallurgy. Cobalt oxide and salts are required in the manufacture of driers for paints, inks and varnishes, and the ceramic and glass industries use them also. Cobalt-60 is known for its use in deep-ray cancer therapy and in industrial radiography—Philadelphia.

Footwear

IRELAND—French, Italian and Irish interests are joining forces to produce rubber and composition moulded soles and heels for footwear at a factory in Ballybay, Co. Monaghan. The new company will be known as Hypp Products Ltd.—Dublin.

DENMARK—The Danish Trades Information Council reports that boot and shoe imports rose 177 per cent during the first year after liberalization came into force. From July 1, 1961, to June 30, 1962, they totalled 39 million kroner, compared with approximately 14 million the previous year—Copenhagen.

Grain

SYRIA—Wheat production in Syria has increased during the last three years from 553,000 tons in 1960 to 755,000 tons in 1961 and an estimated 1,167,000 tons this year. Barley production has also risen—from 150,000 tons in 1960 to 333,000 tons in 1961 and an estimated 700,000 tons in 1962. Rains were favourable this year and 740,000 acres came under cultivation —20 per cent more than last year. Syria is making a considerable effort to use all its water resources. Two dams recently completed will provide storage for 250 million and 57 million cubic meters of water—Beirut.

Hand Tools

PAKISTAN—A factory with an output of 50,000 dozen hand tools a year will open near Karachi late this year. Production will include engineers' files, hacksaws and blades, and woodworking saws. The plant has been financed by a loan from the Industrial Development Bank of Pakistan, which distributes funds from foreign loans to private companies—Karachi.

Meat

GUATEMALA—Exports of fresh, chilled and frozen meat increased from U.S.$204,900 in 1960 to U.S. $809,900 in 1961. Several frozen meat packing plants have been established during the last two years and Guatemala hopes to develop its markets for frozen beef further in the United States and Puerto Rico—Guatemala City.

Oil

KUWAIT—Oil exports and crude oil production in 1961 were the highest ever, according to the Kuwait Oil Company. Exports reached 77 million tons and production 81.4 million. A highlight was the advance in the company's use of natural gas, which more than doubled. Other major developments were the completion of the gas injection plant and of the liquefied petroleum gas project—Beirut.

PERSIAN GULF—The Sheikhdom of Abu Dhabi in the Persian Gulf is expected to start shipping oil this year when installations with an annual capacity of six million tons are completed. The concession for Abu Dhabi is held by a company whose name will shortly be changed to the Abu Dhabi Petroleum Company, an associate of the Iraq Petroleum Group. Developers are still assessing the full potential of the new oilfield but know enough now to begin constructing a loading terminal on the Gulf to berth large tankers. This will be linked with the oilfield by a 70-mile pipeline.

The export of oil from Abu Dhabi will affect significantly the economy of the Sheikhdom, a desert state of some 30,000 square miles with little soil cultivation. Its people live mainly by fishing and pearling—Beirut.

Pulp and Paper

NORWAY—The Sande Paper Mill A/S, jointly owned by the Norwegian firm, Sande Tresliperi A/S and the British Reed Paper Group, has completed its integrated pulp and paper factory at Sande on the southeast coast. The paper factory has just begun operations, although the pulp mill went into production in November 1961. The mill cost Norwegian kroner 60 million and production capacity is 25,000 tons of semi-chemical pulp and 30,000 tons of fluted paper a year. Most of the semi-chemical fluted paper will be exported to Britain and other West European markets for making corrugated cardboard boxes. The operation will use hardwood almost exclusively, especially birch, alder and asp. Future expansion in fluted paper output to 50-60,000 tons a year can be accomplished at comparatively small cost—Oslo.

Synthetic Road Material

DENMARK—A new factory for the production of a synthetic road material, synopal, has opened in Thisted, North Jutland, with a capacity of 200 tons a day. The material was first developed in 1956. Production will go primarily to Scandinavia, Britain, North Germany and the Netherlands. The plant has cost 10 million kroner and harbour installations a further 2 million kroner—Copenhagen.

Trade Commissioners on Tour

In Territory

G. E. BLACKSTOCK, Consul and Assistant Trade Commissioner in New Orleans, will visit Oklahoma City, Oklahoma, and Memphis, Tennessee, October 20-26.

M. B. BURSEY, Commercial Counsellor in Oslo, Norway, will visit Iceland October 14-20.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit Oklahoma City, Oklahoma, and Dallas, Texas, October 20-31.

W. R. VAN, Trade Commissioner in Liverpool, England, will visit Bradford and Leeds October 30-November 1.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Blackstock and Mr. Harris at New Orleans, Mr. Bursey at Oslo, and Mr. Van at Liverpool.

Iron Ore Mission Studies European Market

Can Canadian sales of iron ore to the European Coal and Steel Community countries be stepped up? How are developments in the European steel industry affecting the ore market? A ten-man Canadian trade mission studied these questions while visiting Britain and the Six; here is a summary of its findings.

R. T. B. HARVEY, *Metals and Minerals Division.*

ON Friday, May 4, 1962, ten men assembled in Ottawa. They included top-level industry executives, the national director of a major Canadian labour union, and senior officers of the Federal Government. Following an intensive briefing session they left by plane the same evening for Europe. In the next three weeks the group was to hold high-level discussions with government and industry representatives in seven European countries.

The group was the Canadian Iron Ore Trade Mission. The countries to be visited were Britain and the six member nations of the European Coal and Steel Community. The discussions were to be held with the High Authority of the ECSC, with major ore-purchasing and steel-producing companies, and with appropriate government departments in each country visited.

The objectives of the mission were to explore the changing situation in iron ore exports to Europe, to determine the possibilities of expanding Canadian ore sales in these countries, and to promote interest in Canada as a major source of iron ore. Over-all, the mission sought to obtain a deeper understanding of conditions—political, economic, commercial and technical—that might affect the growth of the trade in the markets covered.

To enable the mission to achieve these objectives, its program was planned in close consultation with the Canadian Government Trade Commissioners posted in these countries.

Forecasts of Consumption

In Luxembourg, the High Authority of the ECSC provided a forecast of possible iron ore consumption in the Community during 1965. On the basis of a crude steel output in 1965 of from 89 million to 94 million tons, Community ore requirements could rise to 150 million tons. Of this, 42 million would be imported and the remainder would come from the Community. In 1961, total imports of iron ore from sources outside the Community reached 34.8 million tons. The High Authority indicated that in the period 1972 to 1975, imports of iron ore by the Community might reach 58 million tons.

In Britain crude steel output in 1965 is forecast at between 29 million and 32 million tons. This would require from 44.5 million to 49.5 million tons of iron ore, of which possibly 24 million to 27.25 million tons would be imported. In 1961, Britain imported 15.2 million tons from all outside sources.

Significant information was obtained in most of the countries visited on the growth and changing nature of iron ore requirements, on the sources used, and on future commitments for supplies. Already there are substantial future commitments and it was evident to the mission that the market available to Canadian suppliers would not be as large as one might assume from the consumption forecasts.

Iron Ore Market Changing

The mission found that the European iron ore market has changed drastically in recent years. Technical developments in the production of oxygen converter steels have released the European steel industry from dependence upon high-phosphorous ores. The depletion of domestic ore reserves, rising costs, and competition from high-grade imported ores, especially in Africa and South America, have brought pronounced changes in the outlook for domestic ores in Europe. Although domestic ore production in Britain and France may increase by about 10 per cent by 1970, the bulk of any future increase in consumption will probably be met by high-grade imports.

In Europe, in addition to continuing competition from Sweden, Canadian suppliers must face mounting competition from new sources being developed in Africa, Asia and South America. This competition originates principally in Algeria, Liberia, Mauretania, Morocco, Sierra Leone and Guinea in Africa; in Venezuela, Brazil, Chile and Peru in South America, and in India and in particular Goa in Asia.

Efforts directed towards political and economic stability in African nations have encouraged greater investment in the development of the ore reserves of these countries. By offering incentives or by direct participation, governments in Britain and the ECSC countries have materially assisted industry in developing assured supplies of low-priced high-grade ore through investment in the less developed countries listed above. Moreover, by a wide spread of participation in this investment, ore consumers have minimized risks of interruption of iron ore supplies that might result from political instability in any one source country.

The availability of abundant ore supplies in recent years has resulted in iron ore prices c.i.f. European ports declining by a margin of from 20 to 30 per cent. The effect of earlier over-estimates of the rate of growth has borne heavily on the market and on prices for the coverage of short-term requirements. The already depressed price range is unstable as a result. There seems little possibility of an improvement in price levels over the next few years. This is a matter of concern to Canadian iron ore producers who find it difficult to compete at prevailing rates.

European Steel Industry Is . . .

- Less dependent upon high-phosphorous ores because of technical advances in production of oxygen converter steels.
- Encouraging industry to develop assured supplies of low-priced high-grade ore by investing in mines in Africa, Asia, and South America.
- Paying lower prices for iron ore c.i.f. European ports because of abundant ore supplies in recent years and over-estimates of rate of growth.
- Moving towards use of ores with high iron content—60 per cent or more.
- Building more sintering plants because of necessity of blending low-grade domestic ores with richer imports.
- Constructing steel plants on tidewater to use high-grade imported ores exclusively.

Types of Ore Used

The growth pattern of the steel industry in Europe has diverged from that of the North American industry. In Europe, because of the necessity of blending low-grade domestic ores with richer imports from overseas, sintering plants have been built to agglomerate a considerable portion of blast furnace burden. The trend towards sintering has been further strengthened by the abundance of cheap high-grade direct-shipping ores available from Africa and South America, because excellent fines can be screened from these ores.

There is a distinct move in Britain and in the Community countries towards the use of ores with high iron content. In Italy, future ore requirements will call for ore containing 65 per cent iron; in Belgium, ore containing from 60 to 65 per cent iron is desired. This trend was apparent in all countries visited and under these circumstances the lower-grade direct-shipping ores available from Canada now are less acceptable. Although pelletizing is a possible alternative, the extent of investment in European sintering plants minimizes the importance of pellets for the time being. The demand for pellets may be best assured where European companies are participating in operations where pellets are produced.

In line with the developing emphasis on high-grade imported ores, there is a growing trend in Europe to construct steel plants on tidewater. These plants would rely entirely upon high-grade imported ores and facilities are either planned or in operation in Britain, Germany, France, Belgium and the Netherlands. This trend is encouraging for Canadian producers.

The mission found that at the present level of European scrap prices, the production of metallic sponge iron for sale to Europe is not commercially feasible. This material cannot be sold for more than a small premium above scrap prices c.i.f. European ports and a sales price f.o.b. Canadian port of less than $25 a ton of metallic iron cannot be considered attractive.

The prospects for the sale of steelmaking converter pellets to Europe are considerably brighter. These pellets must sell for about the same price per unit of iron as steel scrap. They must contain less than 2 per cent silica, more than 80 per cent iron, and be between 70 and 90 per cent reduced to metallic iron. For large tonnages, converter pellets appear to be a firmer prospect than sponge iron melting stock.

Problems of Canadian Suppliers

The basic problem facing Canadian exporters is that many foreign sources are offering low-priced direct-shipping ores with a higher iron content than any Canadian direct-shipping ore. The mission found that the new capability of Canadian ore producers to maintain shipments on a year-round basis helped to encourage the interest of European customers, used to thinking of Canadian ore as available only during a limited shipping season. It was disappointed to find, however, that few European receiving ports were capable of handling large carriers. The Canadian industry has constructed, or can easily modify, harbours and loading facilities to accommodate the largest ore carriers envisaged. If equivalent unloading facilities were available at receiving ports in Europe, important savings could be realized and the competitive position of Canadian ore enhanced.

The conclusion was inescapable, however, that European consumers have only a marginal interest in Canadian iron ore at the present time, in view of its high cost and, in some instances, lower grade. Europe is interested in keeping contact with Canadian sources for some portion of its expanding ore requirements, however, and it seems likely that this portion will be sought in high-grade beneficiated materials.

In its report the mission stressed that if a substantial Canadian ore trade is to be maintained, the closest co-operation between management, labour and industry will be required. Every encouragement must be given to assisting investment in the processing of iron ore to improve its grade and to exploit the economies of large-scale operations.

The mission was the first occasion on which the iron ore industry had come together as a group to survey a market at first hand and to draw conclusions based on this survey. The members obtained significant information on the European market and in addition were able to impart to all authorities visited new information on and concepts of the Canadian industry. They were able to impress upon these groups their Canadian identity and the fact that the mission represented management, labour and government interest in the industry. The mission hopes that its activities may have contributed to a sound future trend of investment in Canadian ore operations by European steel producers. The members observed that the situation in the European market is capable of substantial change and that a further joint look at developments would be warranted within a reasonably short time. ●

Australia's Steel Industry Expands

Canada exported a variety of steel products to this market during Australia's 1960/61 steel shortage; should continue to sell there, especially in times of abnormal demand. Australia in turn is shipping various types of steel to Canadian customers.

C. N. K. LEGGE, *Commercial Assistant, Sydney.*

AUSTRALIA has become an overall net exporter of steel during the past year, as local production and exports have increased and imports have declined. The local industry is more and more able to meet domestic requirements, although it has not yet reached complete self-sufficiency in all sectors. Sudden increases in demand (to which Australia is vulnerable) which cannot be met from local sources will of course mean temporarily increased imports. These periods of abnormal requirements will, however, probably occur less frequently in future and will have more modest implications for overseas suppliers.

Only a recurrence of the boom conditions of 1960 would again increase appreciably the demand for overseas supplies of the general run of steel products. Under the more normal conditions in prospect, however, import demand for a few years will probably be limited to special steels.

Import Trend Down

Australia's steel imports for the last three fiscal years (ending June) have totalled: 1958/59—A£21 million, 1959/60—A£23 million, 1960/61—A£55 million. Uncorrected figures, subject to revision, show that imports during the last half of 1961 totalled A£10.3 million and during the first quarter of 1962, A£4.6 million. The boom conditions of 1959 and 1960 are reflected in these figures, but even more so in the monthly returns, which indicate that the peak of steel imports from abroad was reached in October 1960. Since then, except for a substantial but temporary rise in January/February 1961, purchases moved steadily downward to March 1962, the latest month for which figures are available. In part, this drop in imports points to reduced demand resulting from credit restrictions imposed by the Government in late 1960. These led to cutbacks in production of consumer durable goods and building steel.

Ingot Production Rises

In the five years to June 1961, Australia's domestic output of ingot steel increased by about one million long tons—from 2.77 million in 1956/57 to 3.74 million in 1960/61. Production for March

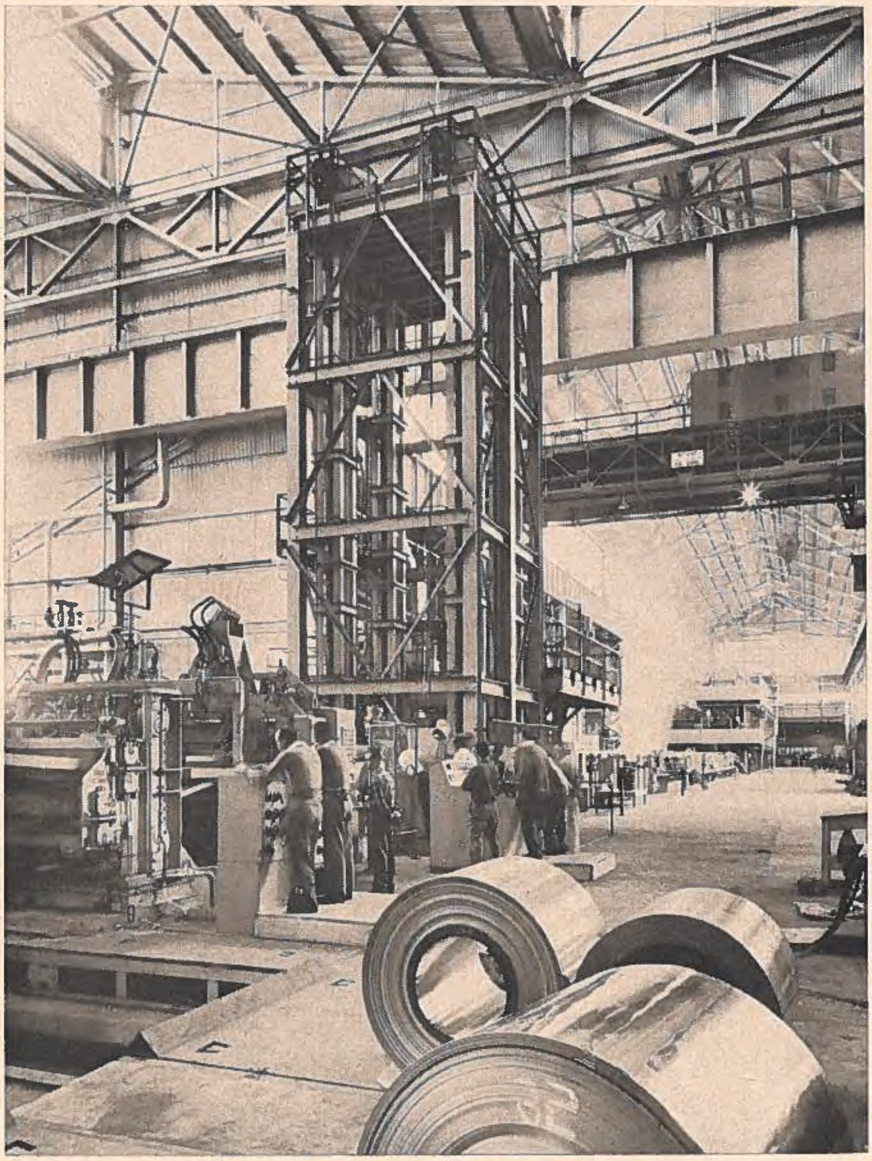
1962 was at an annual rate of 4.1 million tons. This is expected to rise to 4.5 million by the end of 1962, when capacity will total about 4.75 million tons. At the present rate of growth it seems probable that the industry will exceed the original estimate of 6.5 million ingot tons by 1970.

The dominant basic steel producer, Broken Hill Proprietary Company Limited, through its long-range planning (including development of local iron-ore, coal and limestone deposits) now has a fully integrated operation. It is also diversifying its output of finished steel products to include some not previously available from local sources. Some of the more important developments are as follows:

Ferro-Alloys—The Ferro-Alloy Division of B.H.P. at Newcastle, N.S.W., has so far been unable to meet local needs. This has necessitated substantial imports of the iron alloys of manganese, chromium and silicon, quantities in each case depending on demand and on the amount available locally. For example, output of ferro-manganese (high carbon) fell from 23,136 tons in 1958 to 6,440 tons in 1960, and imports rose from 3,650 tons in 1958/59 to 36,025 in 1960/61. To raise output, B.H.P. has built a ferro-alloy plant at Bell Bay in Tasmania which was opened earlier this year under the management of a wholly-owned subsidiary, Tasmanian Electro-Metallurgical Company Pty. Limited. The plant has a capacity of 38,000 tons a year and will concentrate initially on the production of ferro-manganese.

Tinplate and Sheet—Development of local facilities has had considerable effect on imports of tinplate and sheet. In 1956/57, 140,225 tons valued at A£14.1 million came into the country. By 1959/60 imports had dropped to 42,450 tons, the direct result of output from the hot-dip tinplate plant commissioned in August 1957. Imports rose to 65,463 tons valued at A£6.4 million in 1960/61, because of the 1960 boom conditions. Even then, purchases consisted largely of electrolytic tinplate, not made in Australia at that time. The new A£7.7 million plant opened last April at Port Kembla, N.S.W., to produce tinplate and sheet by the electrolytic process (initial capacity, 150,000 tons a year) will reduce tinplate imports by a further A£5 million a year.

Cold Rolled Stainless Steel—The Commonwealth Steel Company Limited, a subsidiary of Broken Hill Pty. Co. Limited, before 1959 had facilities for producing stainless steel sheet by the hot rolled process only. In September of that year the company commissioned a cold rolled stainless steel plant at Unanderra near Port Kembla. This



Last April the first Australian plant to produce tinplate and sheet by the electrolytic process went into operation at Port Kembla. Our photograph shows the electrolytic tinning line, entry end, with the decoiling and lap welding section in the foreground, then the control desks and the looping tower. Initial operating speed of the line is 1,000 f.p.m. and the ultimate speed reaches 17,000 f.p.m.

TABLE I

AUSTRALIAN IMPORTS OF SELECTED IRON AND STEEL PRODUCTS 1960/61

	Total Imports	From Canada
	(long tons)	
Ferro-silicon	8,177	2,249
Ferro-alloys, other	45,166	300
Bar and rod, stainless	686	277
Bar and rod, h.g. carbon and alloy steels	4,323	340
Bar and rod, other	63,982	1,435
Angles and tees	38,876	166
Hoop, cold rolled	16,305	805
Hoop, hot rolled	6,876	312
Strip, stainless	740	456
Strip, other	13,016	442
Plain sheet, stainless	2,086	206
Plain sheet, transformer grade	7,892	895
Plain sheet, other	156,768	1,310
Plain plate	131,148	277
Plate and sheet, electrolytic tinned	50,579	322
Plate and sheet, galvanized flat	16,111	367
Iron powder	1,930	465
	(Australian pounds)	
Castings and forgings in rough and steel blanks	436,143	309,465

TABLE II

AUSTRALIAN EXPORTS OF STEEL TO CANADA

	1956/57	1957/58	1958/59	1959/60	1960/61	9 mos. to Feb. 1962*
	(In Australian pounds)					
Plate and sheet	431,967	27,021	....	50,283	116	228,329
Hoop and strip	....	....	....	....	....	8,447
Wire rod in coils	....	....	....	....	....	18,265
Pipe and tubes	48,083	13,965	....	....	494	5,941
Universal plate	....	....	....	....	....	27,982
Pig iron	21,007	3,215	7,905	7,874	12,687	†

*Preliminary figures.
†Not available.

new plant has capacity to meet present Australian demand of 10,000 tons a year of cold rolled products and could expand output to as much as 18,000 tons a year.

Expansion Plans

Aside from these developments, which aim at supplying steel products previously imported, the bulk of the expansion in the steel industry is directed toward increased over-all output. Whenever possible, new processes are adopted to ensure economic plant operation.

The Broken Hill Pty. Co. Limited has for many years operated (either directly or through its subsidiary companies) the major steel-producing mills at Newcastle and Port Kembla in New South Wales. It is now in process of developing two more fully integrated steel plants at Whyalla in South Australia and at Kwinana in Western Australia, where there are only limited facilities for the production of steel products at present.

At least A£80 million will be spent in developing these new plants during the next eight years. At Whyalla, where much preparatory work has already been carried out, the first unit will be a A£12 million structural mill, expected to be in production early in 1964. Plans for Kwinana include a blast furnace by 1968, facilities to produce 450,000 tons of steel a year, and expansion of existing rolling mill capacity from 160,000 to 300,000 tons.

Other major developments under way include Australia's first oxygen steel plant at the B.H.P. Newcastle works, where two furnaces now being installed will be in production in November. There are plants due to be commissioned by the end of the year or early in 1963: a 44-inch bloom mill of 1.5 million ingot tons capacity, a A£9.6 million rod mill with an annual capacity of 500,000 tons, and a fourth blast furnace also capable of producing 500,000 tons.

At Port Kembla, site of the original steel works established in 1928, the first stage of a second fully integrated steel works, (the Flat Products Division) has been completed. The next major addition will be a A£12 million, 140-inch plate mill, due for completion early in 1964.

Exports Increase

Australia's iron and steel exports during January/March 1962 totalled A£10.5 million. This about equals the quarterly rate since June 1961, when the local supply situation became favourable. New Zealand is the largest market but other countries, such as the United States and Canada, are taking increasing quantities of Australian steel. Sales abroad have risen steadily since the beginning of 1961 and unless a marked resurgence of local demand influences the industry's export capacity, this trend should continue. It now looks as if Australian exports of certain basic iron and steel products could hold steady at a relatively high level, and that the industry's capacity will enable it to meet larger future demands.

Trade with Canada

During Australia's 1960/61 steel shortage, Canada exported a variety of steel products to this market, even though our proportion of the sales of specific items was fractional (see Table I).

Because of its increased production capacity and a temporary drop in domestic demand for steel since the middle of last year, Australia has been able to increase its exports to Canada, as Table II shows.

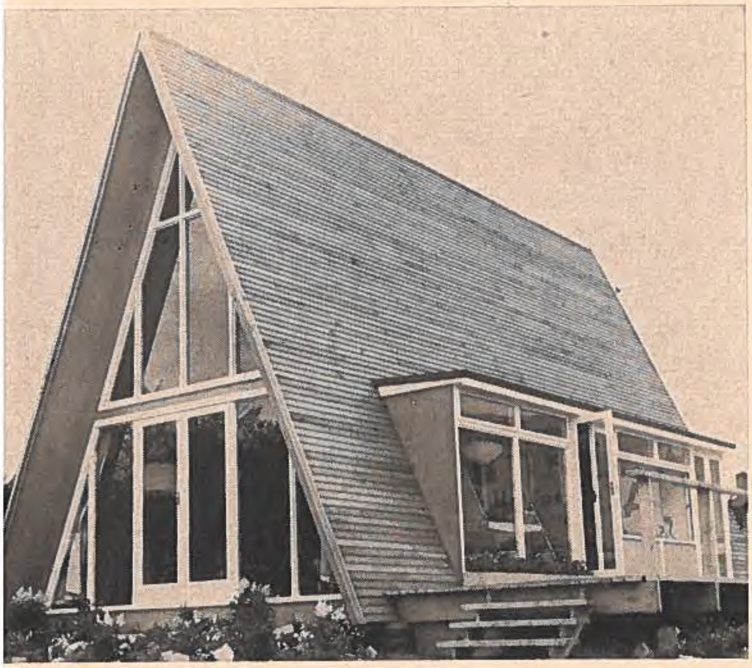
Although the Australian iron and steel industry does not present as encouraging a picture as it once did for the Canadian exporter, firms able to gauge the fluctuations in supply and demand that occur within the steel industry from time to time should be able to obtain profitable business. ●

In the U.S.S.R.—A shipment of 375 Canadian Hereford yearlings will soon arrive in the Soviet Union to be used in a herd improvement program and also in cross breeding. The Russian experts who selected them are shown on a Canadian ranch.

In Argentina—The first shipment of Canadian motor-graders to this country is unloaded as the manufacturer's agent looks on. The sale was made with the assistance of the Long-Term Finance Section of the Export Credits Insurance Corporation.

Canada in Foreign Markets

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



In Ireland—Canadian timber helped to create this striking A-frame house near Dublin. The A trusses are Canadian hemlock, and Canadian cedar and Douglas fir waterproofed plywood were used throughout. (Photo The Irish Times Ltd.)

In Trinidad—A shipment of Canadian beer has arrived in Port-of-Spain and these dock workers are loading the cases onto a truck for delivery to grocery stores and bars in the city.

Wheat producers over a large area and livestock raisers face difficult problems because of widespread drought. Government is providing several types of aid, including concessions on imports of pedigree livestock; wheat imports may be needed.

Drought Affects Argentine Agriculture

A. G. GLADE,
Agricultural Assistant, Buenos Aires.

ARGENTINA has a multiple-crop economy, unlike many other Latin American countries. Its agriculture is diversified, producing tropical fruits in the north, grapes in the Andean region, and a variety of grains and other products in the temperate zones, which also include the most important and well-known livestock areas. Year after year more than 90 per cent of total Argentine exports consist of agricultural products. In 1961, for instance, of total exports worth 964 million pesos, livestock products accounted for 516 million (or 54 per cent) and other agricultural products (mainly grains and oilseeds) for 388 million pesos, or over 40 per cent. This makes the country's current agricultural problems particularly serious.

For many months, drought has prevailed in several of the most important Argentine livestock-producing areas. Although widespread rains fell during July and alleviated the problem in many regions, the southern and western parts of the province of Buenos Aires and the eastern part of La Pampa province continue to suffer seriously from the lack of water.

The drought areas include one of the two most important Argentine wheat-producing areas, the southern Buenos Aires wheat belt. In this zone, lack of soil moisture has prevented preparation of the soil and seeding operations. The recent establishment of attractive minimum official prices for grains for the coming crop year, coupled with urging by the Government, has created a good atmosphere for an increase in wheat acreage. In the northern grain belt, seeding was carried out in a normal way, but in the south because of the drought it was practically impossible to seed any wheat before the beginning of August, which in normal years is the end of the seeding season. The seriousness of the situation may be gauged by the fact that in most years 50 per cent of the total Argentine wheat crop comes from the southern grain belt.

Livestock herds in the drought areas are in a pitiful condition and it is unofficially estimated that some 8.5 million head are in danger of starvation. Pastures have been so over-grazed that they will need considerable time to recover.

Government Aids Farmers

A government decree published on August 7 declared extensive regions in the provinces of Buenos Aires, La Pampa, San Luis and Córdoba disaster areas. These areas include more than half of the fertile pampas. The purpose of this decree is to assure a swift and decisive implementation of several measures already adopted by the Government to assist farmers in drought areas. These measures include:

- Special railway rates for transportation of livestock from drought to non-drought areas and for the movement of animal feedstuffs to drought areas.
- Purchases by the National Grain Board of oats, barley, rye and sorghum to be resold to livestock producers at subsidized prices.
- Import of fodder grains by the Government if needed.
- Preferential assignment of railway cars for transportation of fodder and livestock.
- Banking credits for purchases of seed and feedstuffs, etc.

This decree foresees the establishment of a military command for the drought area which will supervise all police forces and civil agents for the period of the emergency.

Drought has been a recurring problem in this country, but this year the predicament is particularly serious. Proper soil conservation methods, planned pastures, use of silage and other up-to-date agricultural practices are only now making headway among Argentine breeders of beef cattle. The joint efforts of the National Institute of Agricultural Technology and of private organizations led by leading breeders are providing a vital background for rational livestock breeding practices.

Helping Livestock Producers

There have recently been important amendments to the Income Tax Act, affecting livestock production. The following investments may from now on be deducted from taxable income:

a. The value of all purchases of female stock.

b. The value of all purchases of bulls, plus the corresponding yearly amortization value.

c. The total value of investments related to purchases of fodder seeds and grains and costs involved in preparing planned pastures.

d. Purchases of agricultural equipment (an exemption already in effect was extended) including new silos for all purposes.

e. Investment in buildings for hired hands and the owner himself in accordance with blueprints furnished by the Income Tax Department.

f. Twenty-five per cent of the sales value of steers over certain minimum live weights (410 to 430 kilos, depending on the region of origin).

In Argentina livestock breeders are taxed on the difference between the selling price of an animal and its "index" value, established by the Government. Some three years ago, new realistic index values were established for several classes of livestock. However, steers were not included and it was thus profitable for breeders to switch to raising sheep, cows and so on. Recently the Government finally established realistic index values for steers, thus doing away with discrimination against the production of high-quality beef animals.

Wool Producers Benefit

A second very important decree cancelled the 10 per cent export retention formerly levied on greasy, scoured and carbonized wools. This will benefit wool producers, although export taxes remain in effect on this commodity, such as sales tax (13 per cent), National Institute of Agricultural Technology tax (1.5 per cent), roadbuilding tax (1 per cent), and statistical tax (0.3 per cent). All of these taxes apply on the f.o.b. value.

Livestock Imports Favoured

At the end of July a further decree established that imports of pedigree livestock (cattle, horses, sheep, swine, etc.) would, from then on, be exempt from the 20 per cent temporary emergency surcharge. Another decree exempted all seeds from this surcharge.

A further announcement indicated that financial aid to livestock producers to a total amount of 2,000 million pesos will be available to enable them to hold these animals to await more favourable sales conditions.

The outlook is not too promising. Some rain has fallen on the pampas, however, but many herds have now been depleted seriously and the process of recovery will take time.

The outlook for cereal crops is also rather grim and it appears that for the 1962/63 crop year the summer-sown crops (including corn, sunflowerseed, etc.) will save the day for Argentina as they did in the present year when corn was by far the best foreign exchange earner for this country. It may even be necessary to import some wheat for consumption by mid-1963 as in 1952. ●

Coffee Agreement Negotiated

REPRESENTATIVES of 58 coffee exporting and importing countries who attended the UN Coffee Conference in New York from July 28 to August 25 have negotiated a new five-year International Coffee Agreement. This agreement is now being studied by governments and will come into force provisionally when at least twenty exporting countries representing 80 per cent of world exports of coffee, and ten importing countries representing the same percentage of world imports, declare their intention to ratify it. (The percentages are based upon 1961 figures.) Canada was represented at the conference and is a party to the agreement.

One of the main objectives of the new agreement is to help increase the purchasing power of coffee-exporting countries by keeping coffee prices at fair levels and by increasing consumption. To this end, it will attempt to achieve long-term equilibrium between the producton and consumption of coffee. Exporting countries ratifying the agreement are assigned basic export quotas; for the first year, beginning October 1, these will be 99 per cent of the basic quotas. The quotas will be reviewed and adjusted periodically during the life of the agreement. (Brazil's basic quota is 18 million 60-kilo bags.) Quarterly quotas will also be set.

Importing countries which ratify the agreement undertake to prohibit the entry of coffee from any exporting or importing member that is not accompanied by a certificate of origin or re-export that names the country or territory in which the coffee was produced or processed. This enables the International Coffee Council, set up under the agreement in London, England, to check on whether members are complying with it. Importing countries also undertake not to import more coffee from non-member countries than they did during a specific period.

The agreement contains no provisions for direct price support nor does it set price targets. Instead, the hope is to maintain fair prices, not less than the general price level in 1962, by matching closely exports and world demand. Nor are there specific production controls but the Council may, after the first year, recommend production goals and take other steps to balance output and demand.

The new agreement replaces the present short-term coffee arrangement which 28 coffee-producing countries initiated some three years ago.

What's current in commodities?

Leather

South Africa—Improved domestic supplies and offerings from Europe have increased the competition for Canadian exporters, but market is worth study and a visit.

M. R. M. DALE, *Trade Commissioner, Cape Town.*

THE footwear industry here still depends on imported leather, although substantial quantities of domestic leather, which have recently been improving in quality, are being used. The over-all picture is that South African factories are satisfactorily meeting the country's needs in low and medium grades of leather. Higher grades are normally imported.

Despite a 50 per cent increase in footwear consumption since 1950 (see Table I), total leather imports have declined slightly since reaching a peak in 1958 (see Table II). Canada's share of the imports declined from 15 per cent by value in 1959 to 7 per cent in 1961. Deliveries of locally produced leather to footwear factories have remained fairly steady, with the exception of bottom stock (see Table III). Steady or declining sales of leather have resulted in part from the increasing use of substitute materials in place of sole leather. In other branches of footwear manufacture, these materials have made only modest gains. In an effort to reduce costs in the face of stiff competition, some local factories may increase their use of substitutes.

Foreign Suppliers

Main suppliers of imported leather are Britain, Germany, France, Italy, the Netherlands, and the United States (see Table IV). The decline in imports from Canada has been mainly due to the improved quality of leather produced in South Africa and because the Continent is now offering excellent qualities at more competitive prices.

Calf leather is not produced in South Africa and therefore is in demand. There is also some demand for Canadian soft tannage side leather. Competition, however, is fierce. Imports of calf and side leather from the Continent fell off at the outbreak of World War II and Canadian suppliers were then able to enter the market. Since 1945, the European countries, par-

TABLE I

SOUTH AFRICAN FOOTWEAR INDUSTRY

	1939	1945	1950	1957	1959	1960	1961
	(thousands of pairs)						
Consumption	9,076	10,102	12,186	16,564	17,952	18,549	18,700
Production	8,023	12,560	12,955	17,384	17,486	18,275	18,837
Imports	1,318	132	232	599	1,452	1,122	692
Exports	265	2,590	1,001	1,419	986	848	829

TABLE II

TOTAL IMPORTS OF ALL LEATHER

Year	Canada	Total
	(thousands of Can.$)	
1957	1,233	10,679
1958	1,631	11,475
1959	1,723	11,411
1960	1,054	9,568
1961*	707	10,254

*Value represents square footage of:
Canada 1,568,000
Total 22,299,000

TABLE III

DELIVERIES OF SOUTH AFRICAN LEATHER TO FOOTWEAR FACTORIES

	1958	1959	1960	1961
Bottom stock (1,000 lb.)	10,700	9,700	8,000	7,900
Upper (bovine and calf) (1,000 ft.)	15,300	15,900	14,500	16,000
Lining (1,000 ft.)	460	290	140	250

TABLE IV

IMPORTS OF COWHIDE AND CALFSKINS

	1939	1945	1950	1957	1960	1961
	(thousands of Can.$)					
Canada	3	88	294	845	985	646
Britain	104	67	1,435	878	526	740
Australia	37	6	27	107	203	104
Belgium	40	....	51	251	176	158
France	15	....	205	321	580	829
Germany	116	....	128	930	1,198	1,533
Netherlands	330	....	263	254	228	448
Italy	....	....	....	51	107	139
United States	174	175	838	2,494	1,941	1,942
Total imports, including all others	1,101	4,486	4,073	6,310	5,990	6,562

ticularly West Germany, have gradually been improving their position. Because Canadians are not large consumers of veal, they cannot offer calf leather as soft or with as tight a grain as that offered by Continental suppliers. The United States offers a wider range of this type, perhaps as a result of Canada's selling a good many raw calfskins to that country. It is interesting to note that both Canadian and U.S. exports of cowhide and calfskins to South Africa decreased between 1957 and 1961 by about 20 per cent.

Patent leather, of which Canada has been an excellent source, has declined in popularity; last year South Africa took shipments valued at only $27,000. It is being replaced by other leathers such as black suede, which is popular all year round. At present the fashionable colours are black, white and bone. Other colours also sell well, particularly the pastel shades, but demand may change with fashion. The local producer has the advantage because he can change his colours at short notice; imported leathers may take up to four months from the date of order to reach the manufacturer.

Specimen Prices

The average prices of South African smooth-side leathers according to grades are quoted as follows—(rands converted to dollars at 1 rand equals Can.$1.53.)

Grade	Price (Can.$)
B	$0.49
C	0.46
R	0.42
D	0.35
DD	0.29

Continental leathers, particularly those from Germany, are being offered at very competitive prices. Specific German quotations are as follows:

Description	Price (Can.$)
Calf	$0.89-0.92
Sides—	
Kips	0.73-0.76½
Extremes	0.54-0.55
Glove (soft tannage)	0.54

Canadian glove sides have recently been quoted at 49 cents Canadian, because of the devaluation of the Canadian dollar. This should encourage Canadian firms to review their prices.

A customs duty of 20 per cent is levied on leathers with an f.o.b. price less than 25 cents (South African) per square foot. Domestic tanners have applied to the Board of Trade for this price to be raised. If the Board agrees, grades that now are duty-free would be subject to duty. The application is still before the Board.

Leather is also subject to import permit. If a manufacturer can establish the necessity for importing a special type, however, his application is normally granted.

Agents and Terms of Payment

The usual distribution is through a South African agent, who indents on behalf of his customer, who from that point on arranges for the actual import. Some organizations have their own facilities for importing and shipping to their customers as the goods are required. It is advisable to have an exclusive agent covering the whole country.

Terms of trade are usually sight draft on receipt of documents through the leading banks. Other means, such as letter of credit, confirming house, and (for the larger manufacturers) 90-day draft are sometimes used.

When to Sell

The buying seasons are usually March-April and October-November, but in certain instances round-the-year buying takes place. Sample hides must be shown to buyers and designers well in advance of manufacturing dates.

Overseas suppliers with the best chance to capture a share of the market are clearly those offering the finest qualities at the most competitive prices. By sending representatives to the country to find out at first hand what the position is, opportunities for the sale of both calf and other leathers should be found. Now is an ideal time for principals from Canada to visit South Africa and call on manufacturers here. Only through regular visits can suppliers actually assess the demand, confirm offers, and obtain a satisfactory and increasing share of the business. •

Copper Sheets and Tubes

Iran—Handicraft and automotive industries are chief users of copper sheet and tube, though demand for tube for the new water supply systems will grow. Yugoslavia and Germany main suppliers.

A. F. WYETT, *Commercial Assistant, Tehran.*

PROSPECTS that Iran will be importing more copper sheets and tubes over the next five years appear good, although present purchases do not exceed 2,030 metric tons a year. The chief users are:

The Handicraft Industry—The handicraft industry is centered in Isfahan. There are no accurate figures to indicate how many Iranians, young and old, are engaged in this trade, producing every conceivable type of copper article from cooking utensils to ashtrays, samovars, picture frames, teapots, candlesticks, lampshades and incense burners. Iran is famous for its Isfahan handicrafts and few visitors come to this country without purchasing some of these hand-worked curios. The copper sheets imported for the industry normally have the following specifications:

1. Cold rolled, bright copper sheets, 99.9 per cent, four feet square, 20 pounds each.

2. Hot rolled, soft bright copper sheets, 99.9 per cent, four feet square, from 20 pounds each; thickness from 0.68 to 0.95 mm.

The Automotive Industry—The automotive industry is a good outlet for seamless copper tube with inside diameters varying from ⅛ to 1 inch, and wall thicknesses from 0.65 to 0.95 mm. Emphasis is on good quality tubing even though the price may be somewhat higher.

Other Industries—The demand for copper sheets in Iran's infant industries is insignificant and will remain so for several years. However, demand for copper tubing for the new water-distribution systems in the built-up towns is becoming more important.

IRANIAN COPPER SHEET AND TUBING IMPORTS, 1960/61

	(metric tons)	(million rials)*
Tubing		
Total	**191**	
Of which:		
West Germany	70.7	4.4
Britain	64.0	7.2
Netherlands	28.1	2.0
United States	16.3	1.6
Sheets		
Total	**1,829**	
Of which:		
Yugoslavia	623.9	39.6
West Germany	375.3	27.8
Italy	264.8	17.0
Britain	260.8	19.1

*75 rials=U.S.$1.00.

Imports

The Iranian market, though an expanding one, is extremely competitive. The Eastern European countries and, to a lesser extent, Italy will continue to be important suppliers. The accompanying table shows official Iranian import figures for copper tubing and sheets for the Iranian year 1339 (1960/61).

Customs duties and commercial profits tax on copper sheets and tubes are given below. Commercial profits tax is applied in the same way as customs duties.

Sheets—Customs duty, 10 rials per kilo; commercial profits tax, 5 rials per kilo.

Tubes—Customs duty, 20 rials per kilo; commercial profits tax, 2 rials per kilo.

The larger importers of copper tubing normally buy for their own account; payment is made by irrevocable letter of credit. They have set up throughout the country a network of distributors who resell to the garages and shops.

Copper sheets are imported on a commission basis as well as for the importers' own account; purchases are made through letter of credit. The actual bazaar sales are, for the most part, transacted through brokers.

Brass Rods and Sheets

The market for brass rods and sheets is still small. Specifications for rods are usually UNI/2012 (Cu 58 plus 60 per cent, Ph 1.5 plus 2.5 per cent, FeC 7 per cent, Sn 0.8 per cent, Zn maximum), length 3 meters; for sheets, soft bright, deep drawing quality, 4 feet square (as well as other dimensions), 0.3 up to 3 mm. in thickness. ●

GENERAL NOTES

Argentina

FEED AIRLIFTED—The Argentine Air Force and Navy recently undertook an emergency airlift of feedstuffs to drought areas in central Argentina. The zones most affected by the five-month-long drought were the important grain and beef-cattle areas of southern Buenos Aires province and part of the province of La Pampa. A series of railway strikes hampered the Government's efforts to move in emergency supplies of feedstuffs from other areas, and over eight million head of cattle faced starvation. The Argentine Air Force and the Naval Air Service came to the rescue with an emergency airlift which operated for less than one week, but which moved substantial tonnages of grain. The project was costly and officials abandoned it when other military and naval transport, including trucks and ships, became available. It was, nevertheless, a concrete sign that the Government recognizes the plight of the farmer as one of the problems meriting top priority in the Argentine rehabilitation program—Buenos Aires.

Australia

MINERAL OUTPUT—Mineral output in 1961 reached a record A£245 million, A£9 million more than in the previous year, despite lower prices for metals such as lead and zinc.

Output of black coal totalled a record 24,064,109 tons (up 6.6 per cent) with exports at 2,850,307 tons (93.6 per cent went to Japan, an increase of 82 per cent over 1960). Black coal was Australia's most valuable mineral product.

Iron ore production reached a record 5,342,891 tons, an increase of 4,355,464. Over 2,590 tons of tin were mined, the largest amount since 1942. The chief exports were lead, gold, uranium oxide, copper and black coal—Sydney.

Australia

INSTALMENT BUYING—Money owed on time payments increased by A£2 million in June 1962 and the debt owed to firms financing instalment purchases to A£371 million. This was the first rise in instalment buying in 18 months. The figure stood at A£438 million at the end of December 1960, but fell to A£379 million in November and December 1961. These figures are said to be one of Australia's key economic indicators and point to a return of business confidence—Sydney.

Brazil

BRAZIL-U.S.S.R. TRADE—Brazil and the U.S.S.R. have agreed on an increase in trade between the two countries in 1962 to $80 million in each direction. Among the products listed in the protocol signed are 600,000 tons of crude petroleum and 300,000 tons of wheat from the Soviet Union, and 40,000 tons of coffee from Brazil—Rio de Janeiro.

PIPELINE—PETROBRAS, the government-owned oil monopoly, has begun preparatory work on the 365 km. pipeline between Rio de Janeiro and Belo Horizonte. When completed it will have a daily throughput of 70,000 barrels of petroleum, increasing eventually to 100,000 barrels—Rio de Janeiro.

Ceylon

NEW INDUSTRIES PLANNED—The Government is investigating the scheme to set up a new industrial complex to manufacture hardware, such as doors, window frames, locks, bolts, hinges, padlocks and nuts. The Development Division of the Ministry of Industries, Home and Cultural Affairs has also recommended the establishment of small-scale co-operatives to manufacture agricultural implements. Some of these implements are already being made at the government plant at Welisara and also by several private companies—Colombo.

Ecuador

HYDROELECTRIC DEVELOPMENT—A three-year plan has been launched to co-ordinate development of the hydroelectric resources of this country. Initial phase of the plan will be devoted to a study of hydrological and meteorological conditions and a valuation of the hydro possibilities of various rivers, plus a survey of existing generating resources. Studies will be continued during the second year and statistics will be prepared on electrical energy. In the third year, results of the studies will be condensed into reports on river flow and hydrographical and hydrogeological maps. Production and market information plans for specific projects and priorities for their construction will be prepared.

Investigation is to be made into the types, qualities, prices and sources of supply of equipment required and into the sources and methods of financing—Bogota.

Europe

LABOUR COSTS—A report by the German Industrial Institute indicates that labour costs in Denmark are the lowest in Scandinavia and that Germany's are the highest in the Common Market countries. Average manhour costs in the processing industries in 1961 were: Sweden 5.83 marks, Norway 4.78, West Germany 4.75, Denmark 4.53, Britain 4.45, Austria 2.55—Copenhagen.

CONSULTING ENGINEERING—Three of Europe's leading engineering firms—Italy's Italconsult, France's Société Generale d'Etudes et de Planification (SOGEP) and Germany's Deutsche Projekt Union (DPU)—have pooled their technology, experience and capital to set up a consulting engineering firm called Euroexpert. The firm will provide guidance in regional and national planning, including specialists in all the different technical sectors, for the less developed countries as well as the highly industrialized ones—Rome.

Jordan

IRRIGATION PROJECTS—Jordan's agricultural program includes several important irrigation projects. The Ghor Canal project will irrigate about 20,000 acres and the Yarmouk irrigation scheme about 120,000. In addition, several hydroelectric projects are planned—Beirut.

New Zealand

TOURIST INDUSTRY—The tourist industry in New Zealand now earns over £4 million a year in directly traceable revenue. The 1961 receipts from visitors from the United States totalled £812,900, more than four times the total six years ago and an increase of £75,000 over 1960. Receipts from Canadian tourists almost doubled in one year, reaching £108,000, receipts from British travellers increased by 18 per cent to £1.25 million, and from Australians by £1.77 million—Wellington.

Nicaragua

FORESTS—The Nicaraguan Government is embarking on an active program of reforestation and more efficient use of timber stands. In addition, a United States firm plans to invest $1.5 million in a plant on the Atlantic coast for the extraction of pine resin. The Institute for National Development is discussing with the United

Nations its reforestation program and the possible development of a pulp and paper mill—Guatemala City.

Norway

HYDROELECTRIC POWER—Norsk Hydro-Elektrisk Kvaelstofaktieselskab, Norway's largest chemical company and one of the world's leading exporters of nitrogen products, has applied to the Government for a concession to exploit the Røldal/Suldal waterways in southwestern Norway. When completed, this project will yield 2,100 million kwh. per year; today the company's consumption of hydroelectric power is about 5,000 million kwh. per year. The Røldal/Suldal project, (estimated cost, Norwegian kroner 370 million) will produce the power for an aluminum plant that the company plans to build in west Norway—Oslo.

Portugal

FOREIGN TRADE—The trade deficit for the first quarter of 1962 declined to $49 million, compared with $56 million in the same period of 1961, because of a 5 to 10 per cent increase in exports and a 2 per cent drop in imports—Lisbon.

FOREIGN LOANS—Portugal has negotiated loans and credits totalling nearly $200 million from Export-Import Bank of the United States and from West Germany and France to carry out the 1959/64 Development Plan. Among the projects covered are the Tagus-Lisbon bridge, the irrigation scheme in Alentejo, and industrial plants—Lisbon.

South Africa

THERMAL POWER—A new power station is to be built to serve the Witwatersrand industrial complex. Its eventual capacity will total 1.6 million kw. and construction costs will reach $200 million—Johannesburg.

Spain

EXIMBANK LOANS—The Export-Import Bank of Washington has announced that a further credit of $6 million has been granted to the state-owned steel works at Avilés (ENSIDESA). A third blast furnace will be built. ENSIDESA has already received credits totalling $19.7 million from Eximbank; the most recent one was $13 million for a rolling mill. These credits carry interest at 5.75 per cent. Export-Import Bank officials stated that the ENSIDESA works compare favourably with the finest steelworks in the world, and the Bank is willing to finance the establishment of an important steel industry in Asturias. This latest credit raises the total granted to Spain by Eximbank to some $300 million—Madrid.

Foreign Tariffs and Trade Regulations

Austria

IMPORT LIBERALIZATION—The Austrian authorities have informed the GATT secretariat that, as of July 1, 1962, an additional liberalization measure has been taken on imports from all GATT member countries except Cuba, Czechoslovakia and Japan.

The following are among the 114 tariff items and sub-items covered by this measure:

Prepared or preserved fish, other than in airtight containers
Sauces, mixed condiments and mixed seasonings
Chalk
Potassium peroxide
Phosphites and hyperphosphites
Potassium carbonate (potash, acid potassium carbonate)
Radio-active chemical elements and radio-active isotopes
Compounds, inorganic or organic, of such elements or isotopes, whether or not chemically defined
Blasting fuses
Cases of cardboard, coated
Silk yarn and yarn spun from noil or other waste silk, put up for retail sale
Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
Filament tubes
Projection lamps up to 500w.
Photo-electric cells
Sidecars
Balloons and airships
Parachutes and parts thereof and accessories thereto.

The list of tariff items covered by the new liberalization measure may be obtained from the European Division, International Trade Relations Branch, Department of Trade and Commerce.

South Africa

IMPORT LICENCES—The South African authorities have authorized the further issue of permits valid for the import of general merchandise and textile piecegoods. Specific steps taken are:

1. *Group A consumer goods*—an additional issue of 25 per cent has been granted, bringing the total issues for the current year up to 100 per cent of the average of an importer's imports of these goods during 1959 and 1960.

2. *Group B consumer goods*—an additional issue of 5 per cent, representing an increase of approximately 15 per cent on the issues already authorized for the current year, has been granted, bringing the total issues for the year up to 40 per cent of an importer's assessment basis.

3. *Textile piecegoods imported by merchants*—an additional issue of 10 per cent has been made, bringing the total issues for the year up to 85 per cent of the average of an importer's imports of textile piecegoods during 1959 and 1960.

Geographical Listing for Exporters

Need Information on Foreign Markets?

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

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

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

Country covered by	TC Post and	ITR Division
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese East Africa	(see Mozambique)	(see Mozambique)
Portuguese Guinea	Lisbon	Europe
Portuguese West Africa	(see Angola)	(see Angola)
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Rhodesia and Nyasaland, Federation of	Salisbury	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Rio Muni	Madrid	Europe
Rumania	Vienna	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Samoa	Wellington	Commonwealth
Sarawak	Singapore	Commonwealth
Saudi Arabia	Cairo	Asia and Middle East
Scotland	Glasgow	Commonwealth
Senegal, Republic of	Paris	Europe
Seychelles Islands	Salisbury	Commonwealth
Sierra Leone	Accra	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	Singapore	Commonwealth
Somali Republic	Cairo	Europe
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe

Country covered by	TC Post and	ITR Division
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Thailand	Singapore	Asia and Middle East
Togo	Paris	Europe
Tonga	Wellington	Commonwealth
Trieste	Rome	Europe
Trinidad and Tobago	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Salisbury	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Paris	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Wales	London	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zanzibar	Salisbury	Commonwealth

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

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

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which 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 .928882.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 24	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.008281	120.76	
Austria	Schilling		.04173	23.96	
Australia	Pound		2.4122	.4145	
Bahamas	Pound		3.0153	.3316	
Belgium and Luxembourg	Franc		.02163	46.23	
Bermuda	Pound		3.0153	.3316	
Bolivia	Potosi	Free	‡	‡	
Brazil	Cruzeiro	Free	.002303	434.22	
		Special Category	†	†	
Britain	Pound		3.0153	.3316	
British Guiana	Dollar		.6282	1.59	
British Honduras	Dollar		.7538	1.33	
Burma	Kyat		.2261	4.42	
Ceylon	Rupee		.2261	4.42	
Chile	Escudo	Bank rate	1.0233	.9772	
		Free	.5376	1.86	
Colombia	Peso	Certificate	.1607	6.22	
Congo, Republic of	Franc		.02163	46.23	
Costa Rica	Colon		.1625	6.15	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1495	6.69	
Denmark	Krone		.1555	6.43	
Dominican Republic	Peso		1.0766	.9288	
Ecuador	Sucre	Official	.05981	16.72	
		Free	.04764	20.99	
El Salvador	Colon		.4306	2.32	
Fiji	Pound		2.7165	.3681	
Finland	Markka		.003364	297.26	
France, Monaco, etc.	New Franc		.2197	4.55	(1)
Franco-African Republics, etc.	Franc		.004394	227.58	(2)
French Pacific	Franc		.01208	82.78	(3)
Germany	D Mark		.2691	3.72	
Ghana	Pound		3.0153	.3316	
Greece	Drachma		.03588	27.87	
Guatemala	Quetzal		1.0766	.9288	
Haiti	Gourde		.2153	4.64	
Honduras	Lempira		.5383	1.86	
Hong Kong	Dollar	Free*	.1876	5.33	*Sept. 14
		Official	.1885	5.30	
Iceland	Krona	Official	.02504	39.94	(4)
India	Rupee		.2261	4.42	
Indonesia	Rupiah	Official	.02392	41.80	(4)
Iran	Rial		.01421	70.36	
Iraq	Dinar		3.0144	.3317	

‡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 Sept. 24	Units per Canadian dollar	Notes (See below)
Ireland	Pound	....	3.0153	.3316	
Israel	Pound	....	.3589	2.79	
Italy	Lira	....	.001735	576.37	
Japan	Yen	....	.002991	334.34	
Lebanon	Pound	Free	.3533	2.83	
Mexico	Peso	....	.08613	11.61	
Morocco	Dirham	....	.2164	4.62	
Netherlands	Florin	....	.2990	3.34	
Netherlands Antilles	Florin	....	.5709	1.75	
New Zealand	Pound	....	2.9947	.3339	
Nicaragua	Cordoba	Effective buying	.1538	6.50	
		Official selling	.1527	6.55	
Nigeria	Pound	....	3.0153	.3316	
Norway	Krone	....	.1505	6.64	
Pakistan	Rupee	....	.2261	4.42	
Panama	Balboa	....	1.0766	.9288	
Paraguay	Guarani	Official	.008726	114.60	
Peru	Sol	....	.04013	24.92	
Philippines	Peso	Free	.2775	3.60	
Portugal & Colonies	Escudo	....	.03746	26.69	(5)
Republic of South Africa	Rand	....	1.5077	.6633	
Singapore and Malaya	Straits Dollar	....	.3517	2.84	
Spain and Dependencies ...	Peseta	....	.01794	55.73	
Sweden	Krona	....	.2090	4.78	
Switzerland	Franc	....	.2491	4.01	
Syria	Pound	Free	.3003	3.33	
Thailand	Baht	Free	.05065	19.74	(4)
Tunisia	Dinar	....	2.6053	.3838	
Turkey	Lira	....	.1196	8.36	(4)
United Arab Republic	Pound	Official	2.4761	.4039	
United States	Dollar	....	1.0765625	.928882	
Uruguay	Peso	Free	.09818	10.18	
Venezuela	Bolivar	Free	.2366	4.23	
		Official	.3215	3.11	
West Indies	Dollar	....	.6282	1.59	(6)
	Pound	....	3.0153	.3316	(7)
Yugoslavia	Dinar	Official	.001435	696.86	

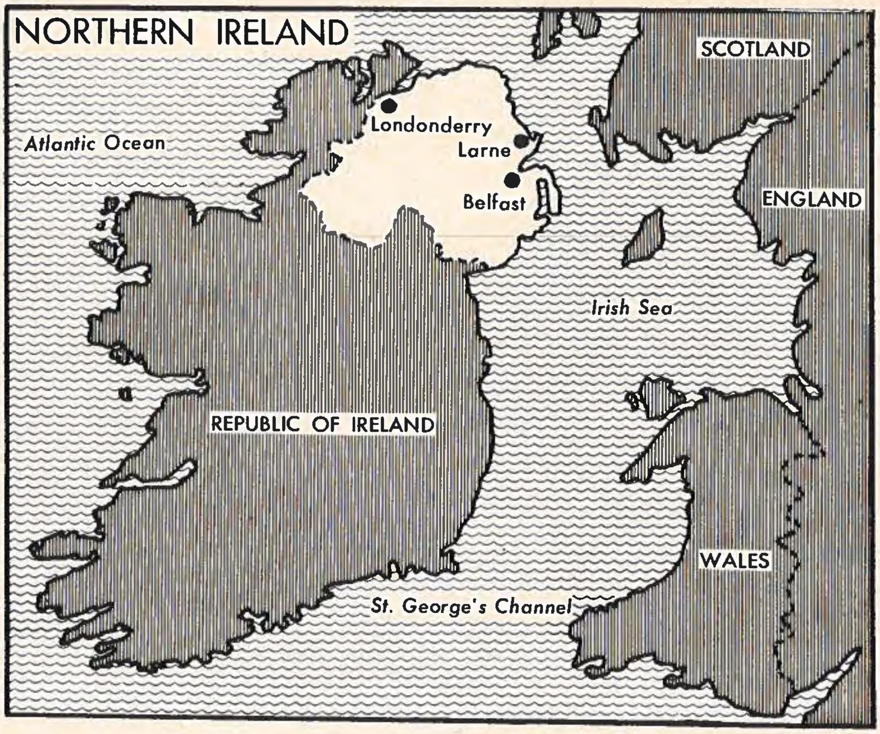
‡No quotation available.

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, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
7. Jamaica.

Markets in Brief

Northern Ireland



Area: 5,242 square miles.

Population: 1,425,000.

Climate: temperate, equable, humid; plentiful rainfall at all times.

Language: English.

Currency: British pound sterling; £1= Can.$3.016.

Weights and measures: imperial standard.

Capital: Belfast, Co. Antrim.

Chief ports: Belfast, Larne, Londonderry.

Marketing centres: Belfast (population 416,000), Londonderry (30,100).

Economy: based on agriculture, shipbuilding and textile manufacturing.

Total Northern Ireland imports: 1960—£369,945,000; 1959—£356,125,000.

Chief imports: (per cent) 1960—machinery 10, tobacco 5.3, coal 5, cotton goods 4.8, motor vehicles 4.3, animal feedstuffs 3.5, paper and paper goods 2.4.

Chief suppliers: (per cent) 1960—Britain 76.2, United States 4.3, Canada 3.2.

Value of imports from Canada: 1960—£12,709,000; 1959—£37,260,000. (Does not include value of shipments routed through ports in Britain.)

Chief imports from Canada: no separate figures available because they are included in over-all British trade statistics. Main commodities are forest products, wheat, feedstuffs, canned goods.

Total Northern Ireland exports: 1960—£334,301,000; 1959—£318,760,000.

Chief exports: (per cent) 1960—textile manufactures (excluding ropes and cordage) 22.7; metals and manufactures, machinery and electrical apparatus 10.8; clothing and footwear 6.3; miscellaneous manufactures, including ropes, tobacco, ships and aircraft 32.3.

Chief markets: (per cent) 1960—Britain 90 (much of Northern Ireland's export trade is routed through Britain and therefore a good proportion of the 90 per cent represents goods in transit); Republic of Ireland 4; West Germany, Norway, Italy 1.

Value of Canadian purchases: 1960—£188,000.

Chief Canadian purchases: not separately classified, but principally linen goods.

Samples: deposit refunded on re-export.

Visas: none required, but visitors must have a passport with required inoculations.

Correspondence: airmail, 15 cents per half-ounce.

Trade agreements and exchange regulations: for fiscal purposes Britain and Northern Ireland form a single unit, and the regulations in force are those of Britain.

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

For detailed information on this market write to:

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

or

Canadian Government Trade Commissioner
15/17 Chichester Street
Belfast 1
Northern Ireland

Roger Duhamel
QUEEN'S PRINTER

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

Have Your Cake and Eat It Too

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

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

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

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