

New Zealand Continues Import Controls

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An attitude of 'wait and see' prevails among New Zealand's businessmen, as export earnings slump and development projects are delayed. Like other suppliers, Canada is feeling the effect of strict import controls—and they will remain tight, this article points out, until next July at least.

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Don't go after the big foreign markets only—try selling in some of the smaller ones, where you will meet less competition. That's part of the export strategy practised by a Quebec electrical appliance company, as part of a campaign that has brought and is bringing interesting results

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On the large electrification program in the underdeveloped northeastern part of Brazil hinges future industrial development in this area of 20 million people. Our report outlines the objectives of the continuing Paulo Afonso project and describes the market it provides for engineering equipment and services.

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The London trade office has written before about the market in Britain for Canadian appliances. This time our readers, in a sense, present the facts: members of a Canadian trade mission which went to study the situation at first hand report in detail, through the mission secretary, on export prospects.

Australia Stabilizes Its Tobacco Industry 20

The Federal Government is working to improve conditions in the tobacco-raising industry, which has suffered in the past from fluctuations in sales. Guaranteed percentages of the home market are encouraging processors to adopt new techniques and curing methods well known in Canada are being tried out.

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New Zealand Continues Import Controls

Strenuous attempts under way to develop secondary manufacturing to keep down imports, boost exports, mean prospects for selling machinery, equipment and raw materials. Import controls shut out many products, are maintained for balance-of-payments reasons.

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

FOREIGN exchange reserves at a serious low, adverse terms of trade, and a balance-of-payments deficit characterized the New Zealand economy throughout 1961. Combine these with over-full employment, growing internal demand, and inflationary pressures, and you have a country suffering from a mild hangover following a buoyant 1960.

The basic influence on New Zealand's economy is an external one—overseas demand for its primary produce. Returns from meat, dairy products, and wool constitute better than 90 per cent of annual export earnings, which in 1961 fell by over £20 million to a total of £281.5 million. This weakening of overseas markets, coupled with the uncertainty over Britain's entry into the European Economic Community, created a hesitant business climate and brought a distinct pause in economic growth.

Internally, despite readjustments in various sectors, the economy remains sound but relatively static, particularly in the agricultural production and manufacturing fields. Gross national product in 1961 reached £1,305 million and should rise by £40 million or 3.1 per cent this year, with a hopeful estimate of a 4 per cent increase in 1963. This increase in GNP resulted from rises in personal income, salaries and wages, and in consumption and from

moderate allowances for more government expenditure and private investment.

Agricultural output has had a good start following last summer's drought in many parts of the country, but farm incomes before taxes have fallen by 8 per cent this past season because of the significant drop in farm prices for wool and lamb. Both commercial and private

construction have passed their peak and fallen off rapidly. Manufacturers' inventories of finished goods are growing at a time when sales turnover at retail and wholesale is seasonably sluggish. Consumer costs are rising gradually. The heavy demand for credit, a rise in interest rates, and a drop in personal savings indicate tighter money. Direct taxation has risen to an average of 21



Sheep like these, being "held" by a champion heading dog at a sheepdog trial, help to make wool New Zealand's biggest earner of foreign exchange. Some 97 per cent of the wool clip is sold abroad; brought in nearly £105 million in 1961-62.

per cent of private income and consumption absorbs 92 per cent of disposable income compared with 90 per cent in 1960-61.

In general, the business community has a feeling of hesitancy—an attitude of 'wait and see' before making vital decisions on expansion plans or new projects. The Government when possible has cut back or delayed development projects that call for heavy expenditures in an effort to balance the budget and to conserve foreign exchange.

Exchange Crisis Persists

Net overseas assets currently stand at £70.6 million, sufficient to cover only 2½ months of import payments, rather than the desirable minimum of six months. This represents, however, a considerable improvement in reserves which dipped to a low of £47 million last December.

For the year ended June 1962, the current account deficit totalled £18.6 million compared with £67.0 million in 1961; the improvement was brought about mainly through a reduction of £54.7 million in payments for imports. The first half of the calendar year, however, is New Zealand's peak export season and imports predominate from July to December. This means that the improvement cannot be used as an argument to relax import controls or the efforts to swell overseas reserves.

Although New Zealand's traditional exports are primary agricultural products, a rapid rise in production of these does not necessarily mean a solution to balance-of-payments difficulties. Traditional export markets such as Britain are already developed, and key potential markets in the temperate zones have either import restrictions or a limited demand because of their own surpluses.

Exports Slump

For the year ended June 30, 1962, exports totalled £293.7 million, £300,000 short of the pre-

vious year. Butter prices improved during 1962 after acceptance of quota arrangements imposed by Britain, which takes more than 90 per cent of New Zealand butter and cheese exports. Receipts for wool, the largest earner of foreign exchange, were up slightly because of the larger quantity shipped. Meat had a disappointing year in spite of efforts to establish new outlets, with 26 per cent of shipments going outside Britain. Meat prices were down on average; returns slipped by £3.8 million to £78.8 million.

Wool apart, New Zealand's dependence on Britain for export earnings lessened very little in the past year. This market alone accounted for over 51 per cent of export receipts—one reason for the great anxiety over the Common Market negotiations. The next largest buyer was the United States, taking some 15 per cent, then France with 6 per cent, Japan over 5 per cent, and Australia nearly 4 per cent. Canada was several places down on the list with 1.33 per cent.

Export prices are not likely to show much change, with wool in battle against synthetics, butter on British quota, and meat merely holding its own. The terms of trade as of September 1961 have not been in New Zealand's favour—a drop from 96 to 85 for exports and a rise from 98 to 101 for imports, based on the index 1957=100.

Imports for the twelve months ended in June reached only £258.3 million, or 17.5 per cent less than in the year ended June 1961, which demonstrates the effect of making 1961 import licences last for another six months. Canadian firms shared in this decline, with a drop in their total exports for January to July 1962 to \$13.4 million from \$20.8 million in the corresponding months of 1961.

Export Promotion Stepped Up

The timely counsel of the high-level Canadian Trade Mission to New Zealand last April to "get out and sell" has been incorporated in

government measures to promote exports announced in June. The New Zealand Trade Commissioner Service is to be expanded (New Zealand now has T.C. offices in Montreal and Vancouver; the latter was opened last October). A special income tax deduction will be allowed on certain types of expenditure for export promotion, such as overseas advertising, market research, samples, and participation in trade missions. In general, the permitted deduction will amount to 150 per cent of the actual amount spent on export promotion, subject to the proviso that the taxpayer's cost is to be not less than 5s. for every £1 spent. Producer boards, which do not usually pay taxes, are excluded from this concession.

Government funds have been allotted to assist manufacturers to participate in trade fairs abroad. At the same time, the New Zealand Manufacturers' Federation is giving the lead to sending trade missions abroad, with government co-operation and assistance. A selling mission has just returned from a tour of the South Pacific Islands and has proved to be an effective first step in announced plans to send selling missions to Australia and to the west coast of Canada and the United States in 1963.

An Export Trade Promotion Council, with the Minister of Overseas Trade as chairman, was established early this year for the express purpose of encouraging exports. Its members include leading businessmen, both traders and manufacturers, from all parts of the country.

Other government measures to facilitate the reduction of manufacturing costs and to assist exporters indirectly include extension and liberalization of the 20 per cent special depreciation allowance for modern plant and equipment. Of equal importance has been the abolition in June of control over capital issues. An Industrial Finance Corporation has been proposed—private enterprise would have majority control—to channel necessary ex-

New Zealand Faces Trading Problems because:

- Net overseas assets currently total £70.6 million, enough to pay for imports for only 2½ months.
- Returns from chief exports—meat, dairy products, wool—fell by over £20 million in 1961.
- Exports for year ended June 30, 1962, decreased £300,000 from previous year.
- Traditional markets for its main exports, primary agricultural products, are already highly developed.
- Terms of trade are adverse, with the index for exports (based on 1957) down, and index for imports up.
- Build-up of industry increases demand for imports of capital equipment and raw and processed materials.

pansion capital to small and medium-sized firms. In short, there is a determination on the part of government and manufacturers alike to create an export-minded secondary industry.

Diversification Is Limited

It is often suggested that New Zealand should diversify its range of commodities for export but there are many problems to be overcome. First of all, the country is deficient in natural resources, aside from grass, man-made forests of radiata pine, coal, limestone, some gold, and the prospect of economic reserves of natural gas. (It is also hoped that iron-sand deposits now being tested abroad will qualify as a workable resource.) Secondly, even to develop these natural resources requires the import of capital equipment and ancillary raw materials. Diversifying exports thus gives rise to a greater demand for imports of raw and processed materials in addition to the large proportion now used—about 40 per cent of all goods available in the country. Deteriorating terms of trade which now rule, geographical distance

from sources of materials and from markets for finished products, shortage of labour (unemployment stood at 1,524 last June with 6,033 notified vacancies), and rising shipping costs, plus several other factors, rather dampen the enthusiasm for diversification of exports.

To keep current account deficits under control and boost overseas reserves seems to call, therefore, for strict control of imports into New Zealand, plus periodic loans raised abroad and sale of overseas assets.

Borrowing Abroad

The New Zealand Government turned to the overseas money market in 1961 for a £20 million loan in London and a \$20 million one in New York. Another £10 million has just been raised in London. So far the loan facilities of the IMF and World Bank, which New Zealand joined in October 1961, have not been used. The Government has made it clear, though, that it will continue to borrow from overseas as required to ensure full use of resources and maximum production and to maintain over-full employment. The possibility of borrowing

another \$15 million in New York this year is being considered.

Import Controls Selective

With balance-of-payment difficulties that appear to be chronic, import controls have been further tightened. The announced objective of the current twelve-month import licensing schedule effective last July 1 is to provide for private imports not exceeding £250 million. This figure is more nearly consistent with what New Zealand officials consider the country's ability to pay.

As a result, the import of consumer goods, luxury products and goods available from local sources has been prohibited or virtually prohibited in order to permit allocations for essential needs, such as capital equipment, raw materials, and components for further processing. This import schedule does not give new importers opportunities to establish themselves as they could under the 1960 and initial 1961 schemes. The growth of Canadian exports has necessarily been slowed up, except within the commodity range specified in the schedule. Canadian exporters would be well advised to consult the Department of Trade and Commerce in Ottawa or the Trade Commissioner in Wellington about the import restrictions affecting their goods before launching an export program in the New Zealand market.

The import schedule coincided with the introduction of the new Customs Tariff and is framed to accord with the new nomenclature. Because the new tariff has condensed some 4,000 items into about 1,000 groups, many problems of interpretation and classification have arisen, not to mention the several amendments to the tariff issued since July. Canadian exporters awaiting confirmation of New Zealand orders should not despair because the delay in reviewing import licence applications is largely the result of an immense backlog and in some instances of indecision about the correct tariff classification.

A "Free Funds" Import Scheme was announced in June to facilitate expenditure on imports permitted by the 1962-63 schedule by holders of approved assets overseas. Only 80 per cent of valid funds declared may be used for imports and the remainder must be repatriated to New Zealand. So far it appears that the scheme will not generate more than £2 million of imports from a reliable estimate of £40 million of privately held overseas funds that would qualify.

In August, further incentive for New Zealanders to export came in the form of special replacement licences equal to the value of imported raw materials or components incorporated in goods exported. These licences are confined to manufacturers. Moreover, incentive bonus licences have been offered to manufacturers who qualify for special replacement licences. These bonus licences may be used to bring in other raw materials or components permitted entry under the 1962-63 import schedule.

New Customs Tariff

New Zealand has adopted the Standard International Trade Classification (Revised) of the United Nations Economic and Social Council for its new tariff, which became effective July 1. Although obligations under the GATT and commitments encompassed in trade agreements with certain countries still require negotiation on specific tariff rates in some instances, the announced aims of the tariff are:

1. To provide additional protection to domestic industry.
2. To reduce the cost of imported materials.
3. To relate the tariff more directly to the foreign trade statistics.
4. To revise the method of arriving at valuation for duty.

The newly formed Tariff and Development Board will maintain a

continuing review of the tariff structure and advise the Government accordingly on formulating industrial development policy.

Trade Prospects for Canada

Although the momentum of trade activity in 1960 and early 1961 pushed Canadian exports to a record \$31.1 million last year, the fall-off in 1962 will be significant. Exports to New Zealand in the first seven months of this year totalled \$13.4 million compared with \$20.8 million for the corresponding period in 1961. This decline, of course, was the result of the extra six months of extended import licences but our best efforts will be needed to reach the 1960 total of \$24 million. With reduced allocations, importers and manufacturers are being plied with offers from keen competitors who seek to increase their share of a smaller import pie. There is a genuine desire on the part of licence holders as well to use their licences for goods from traditional sources, with their long-established overseas connections.

Almost all exporters of consumer goods, aside from essentials such as life-saving drugs, may expect smaller sales this year. This will apply specifically to canned fish, although short supplies of Japanese pink salmon favour Canadian packers; various papers including newsprint; woven textile piecegoods; some hand tools; sporting goods; certain locks and locksets; alcoholic beverages; automotive accessories; jewelry; wallpaper; kitchen utensils and other household goods.

Canadian products which managed to maintain average to better sales in this period of consolidation were plant and engineering equipment, electrical generating and distribution goods, electronic equipment, western red cedar lumber, certain chemicals, unfinished copper and aluminum, some steel products (particularly stainless sheet), saw-mill and pulp and paper machinery, and materials handling equipment of the larger and more complex types.

In the long range, New Zealand also offers a potential outlet for sulphur and potash and other basic raw materials.

Immediate export prospects are most promising for any product that New Zealand industry cannot do without, and for which there is no suitable alternative made locally. It is in this area that growth is possible through keen pricing, superior design, full backing with technical details, and on-the-spot investigation and customer service. Personal visits are the best way of cultivating this market satisfactorily. The days of relying on the postal service to bring in substantial orders are fast fading. One Canadian sales manager of specialized repair equipment recently toured the country demonstrating his machines. On leaving he remarked: "I've more than paid for the visit—the orders I picked up exceed last year's total exports."

What is often overlooked is the increasing share of imports of the type Canada can offer that government departments and other public bodies (such as utilities, transport services, and harbour boards) require. Much of this business is called for by tender and interested Canadian exporters should keep in close contact with the New Zealand Trade Commissioners stationed in Montreal and Vancouver. Invitations to tender issued by several government departments are automatically lodged with these offices.

Another aspect of developing sales to New Zealand is dictated by the import policy, which to protect the country's balance of payments restricts the import of products which are made by local industry or are not considered essential to the economy. Because liberalization of imports can only be partial (if there is any at all) in the next few years, Canadian firms who find that controls are preventing the import of their goods might wish to consider arrangements for licensed manufacture of their products in New Zealand, with the supply of some components from Canada. ●

Three years ago this Quebec company, unschooled in export, began seeking foreign markets for its refrigerators. Against stiff competition, it has won more and more customers overseas, thanks to increasing expertise and a well-planned export strategy.

O. MARY HILL, *Editor, "Foreign Trade"*.

WHEN the president of Defrostomatic, Julien Racine, remarks that its export program began with a holiday in Bermuda, he is only half joking. Four years ago, just as the company was thinking seriously of entering foreign markets, he flew down to Bermuda for a brief vacation. There he happened to meet a good prospect and made the first overseas sale—as a byproduct of a holiday in the sun.

home and abroad, which were the most hopeful markets. One of the company's contacts—with the Trade Commissioner's office in Port-of-Spain, Trinidad—brought immediate results. The Trade Commissioner replied to a letter from Defrostomatic saying that he had a good agent in mind. Within 15 days, the company confirmed the choice of agent and the first order came in. Sales to Jamaica followed shortly after and then orders from Venezuela.

Defrostomatic Mounts an Export Campaign

But there is nothing haphazard or come-by-chance about the efforts of Defrostomatic Company Limited, a subsidiary of A. Belanger Limited of Montmagny, Quebec, to sell in foreign countries. Faced, like all our refrigerator manufacturers, with a Canadian market 90 per cent saturated, the company began in 1959 to seek the advice of the Department of Trade and Commerce, its Commodity Officers and Trade Commissioners on how and where to start an export program. Today it is shipping its refrigerators to 42 countries, as far apart as the West Indies and Iraq or Ghana and New Guinea, and finding foreign customers for its domestic freezers as well.

Step one in the company's overseas program, says Fernand Brisebois, vice-president of its Export Division, was determining, with the help of the Department's officers at

One Area at a Time

The company quickly decided, says Mr. Brisebois, that in carrying out an export program it is best to concentrate on one area at a time. It started out by securing agents in the West Indies and not until sales were well established there did it turn its attention to Central America. Here too results have been good, especially in Costa Rica, Guatemala, Panama and in the Dominican Republic.

Next came the Middle East. Catalogues and price lists (giving c.i.f. prices) were circulated to distributors recommended by the Trade Commissioner in Beirut. After a year's hard work, this campaign produced one of Defrostomatic's best customers, Iraq. Throughout 1961 trial orders dribbled in and the company secured a good distributor in Baghdad, Mohammed Taki Irani Sons Company. Last January Mr. Brisebois paid a flying visit to the Iraq capital. As a result, Defrostomatic refrigerators were approved for import into the country and he secured a firm order for 200. Several months later came a further order for 550 of the 11-cubic-foot model, obtained by bidding on a tender put out by the

Iraqi Ports Administration in Basrah. Currently under negotiation are sales to the Government of Kuwait.

Australasia and Africa

Other far-distant markets have also proved to be worth exploring. Through the Trade Commissioner in Sydney, Australia, the company was put in touch with a good agent for New Caledonia, the New Hebrides, Papua and New Guinea. Not long ago the Administration of Papua and New Guinea bought 220 refrigerators and repeat orders are expected. And from the Fiji Islands small orders arrive in Canada almost every month.

This year brought a sortie to a different continent, Africa. In January Mr. Brisebois headed for Lagos, Nigeria, to man the Defrostomatic exhibit at the Canadian Trade Fair there and later at the one in Accra, Ghana. Satisfied with the interest shown—all the models on display were sold, plus an upright-type freezer—he selected agents in each country and they have already concluded some business. When these two fairs ended (they were the first in which the company had ever participated directly) Mr. Brisebois visited other West African markets, including Senegal.

Asia and Europe

The sales offensive in the Far East is also going well. Distributors have been chosen in Hong Kong (where sales have been good despite the keen competition), in Singapore, in Thailand, and in North Borneo. Taiwan has proved to be more of a problem and at the moment Defrostomatic is considering a proposal to ship its refrigerators completely knocked down and assemble them in a plant in Taiwan. This appears to be the only method of making sales there under the current import licensing arrangements.

Exploitation of the market in Britain began soon after the import restrictions on dollar goods were lifted. The company's British agent exhibited at the Ideal Home Show,

with good results. Under the name of Defrostomatic (GB) a sales office has been opened in London; last year many hundred units were sold in Britain and the figure is expected to rise this year.

In Europe, the Scandinavian countries were the first ones chosen for extensive sales promotion. In the spring of 1963 Defrostomatic will make its first concentrated effort in the Common Market area by exhibiting in the Canadian section of the Household Goods and Hardware Trade Fair in Cologne, West Germany.

Representation Arrangements

No attempt is made to work out the same representation arrangements in every country. In some areas, such as the West Indies, the company uses commission agents; in others, such as Iraq, Lebanon, Hong Kong and Singapore, it works through distributors who stock and sell on their own account. As mentioned before, in Taiwan it is considering assembly within the country and also in Portugal, where this might enable its models to compete better in price with those made in Germany and Italy. In Ghana and Nigeria, following the trade fairs, Mr. Brisebois decided to select good African distributors rather than some of the European-based companies trading in this area, believing that this choice would work out best in the long run.

Adapting the Product

In common with most other exporters, Defrostomatic has discovered that selling overseas calls for adaptation of the product as well as of selling methods. One of the difficulties in exporting made-in-Canada refrigerators is that these models sometimes cannot withstand the high temperatures for long periods that a tropical climate imposes.

The answer is to tropicalize the product by equipping it with a stronger compressor and a larger and more expensive condenser. Usu-

ally the company relies on the advice of its agent about voltage, the proper type of compressor, and so on. One of the advantages that Canadian refrigerator makers enjoy over their United States competitors is that, with their smaller production runs, they are prepared to turn out models suited to the electrical characteristics of the country in which they will be sold. The United States, with its mass production, finds this impossible and must provide a special transformer for certain markets. This raises the cost of the product.

Packing and Payment

Two other problems have demanded attention. One is getting the refrigerators and freezers to distant destinations undamaged. Initially the packing was not strong enough and many shipments arrived in poor condition. Today the models go into a durable corrugated carton that will keep out moisture. This carton is reinforced with a wooden frame and bound with fairly wide steel strapping. (Not enough strapping was used at the beginning.) Since the present type of export pack was adopted, the marine insurance rates on Defrostomatic shipments have been lowered three times.

The other problem is terms of payment and when to allow credit and how much. In working with a new distributor, Defrostomatic finds it prudent to sell on letter of credit only and many buyers, including those in New Guinea, continue to purchase on these terms. About 60 per cent of its foreign sales, however, are made on sight draft, d.o.p., and 30 per cent on 60 days, d.o.a.

Secret of Success

On investigation, the secret of Defrostomatic's success so far in obtaining foreign customers appears to be relatively simple. The company is able to produce a refrigerator at a price that makes it competitive in many foreign markets that cannot afford more expensive models. Starting with a minimum

knowledge of export procedures, its Export Division has acted quickly on the advice given to it, has kept red tape to a minimum, has carried on a systematic export campaign, and has made deliveries promptly. In its promotion it has stressed the North American styling and the dur-

ability of its products—and has convinced customers that the prices of its refrigerators are not too high, keeping in mind the size and the special features offered.

The rising curve of sales bears witness that this export policy is the right one. In 1960, Defrostomatic

sold about 1,000 refrigerators abroad. Last year the figure jumped to 2,500 and by the end of 1962 it is expected to reach 4,500. And, says Mr. Brisebois, many other markets are still unexplored. There's still plenty of scope for enterprise! ●

Power Projects in Northeast Brazil

Canadian equipment and machinery manufacturers can bid on tenders that will soon be called for the Paulo Afonso power project in the less developed Northeast States, to be financed by the IADB.

MALCOLM ROWAN, *Assistant Commercial Secretary, Rio de Janeiro.*

A prerequisite for a higher standard of living in Brazil's Northeast is cheap electrical energy to encourage industrial development. Where will this energy come from? Who will supply it? These questions were partially answered 14 years ago when Cia. Hidro-Eletrica de São Francisco (CHESF) was formed to develop the hydro-electric resources of the Paulo Afonso Falls on the São Francisco River. In August 1962 the Inter-American Development Bank (IADB), as part of the *Alliance for Progress* program, approved a \$15 million loan to CHESF. This marks yet another step in the effort to develop the hydro-electric resources of Northeast Brazil.

CHESF is wholly controlled by the Federal Government, with a few non-voting shares held by some of the Northeast States and private individuals. The objective is to provide bulk power to private industries and distributing companies within a radius of 280 miles of Paulo Afonso, an area with a population of approximately 20 million, about

one-quarter of that of the entire country. This takes in the two major cities of the region, Salvador and Recife. Paulo Afonso itself is situated about 125 miles from the east coast of Brazil and about 1,100 miles north of Rio de Janeiro.

Paulo Afonso Project

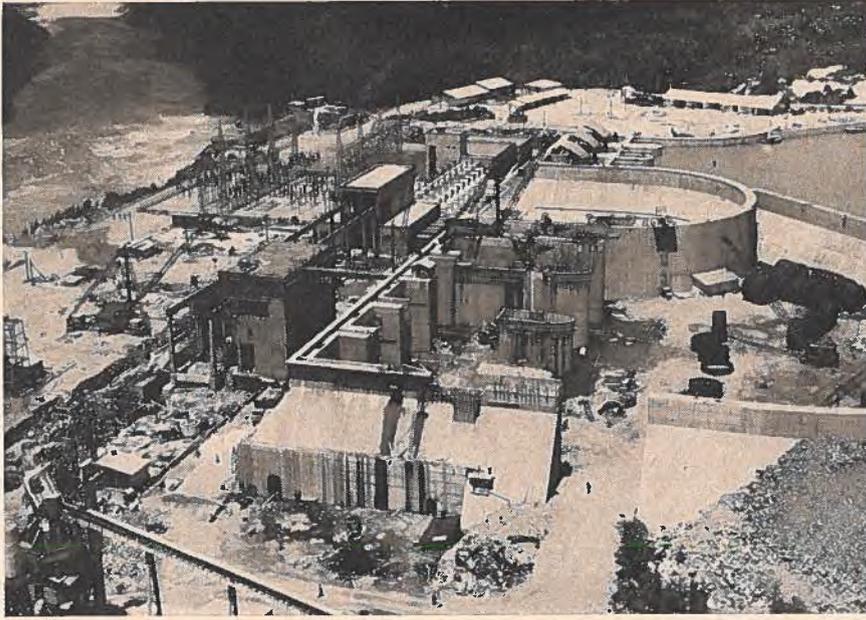
In 1948, when construction first began, the problems at Paulo Afonso seemed insurmountable, but by 1955 three 60,000 kw. generating units were in operation. The production of electricity at Paulo Afonso in 1955 more than doubled the supply of power which was available in the same area just five years before. In 1950, only 110,000 kw. were being produced in the Northeast, or 5.9 per cent of the production for Brazil as a whole. Today five generating units are in operation and a sixth is expected to start shortly, bringing the total generating capacity up to 375,000 kilowatts by the end of this year. But this is only the beginning, as Paulo Afonso has a total estimated capacity of 1.53 million kw.

Because of the variations in the water levels between the wet and dry seasons—as much as 30 meters at the dam site—underground powerhouses are used; a total of four such powerhouses will be in operation by the time Paulo Afonso is fully developed. Three more turbines, generators and auxiliary equipment to be bought with the IADB loan will complete the second powerhouse. It is estimated that not until 1966 will equipment need to be installed in the third powerhouse. A fourth, with a potential of 300,000 kw., is being studied.

Electrification Plan

With the creation of SUDENE (the Superintendency for the Development of the Northeast) in 1959, CHESF became an integral part of the over-all development program for the Northeast region and co-ordinates its efforts with those of SUDENE in what is known as the Northeast Electrification Plan.

The Electrification Plan calls for greater supplies of electric power for industry in the Northeast at a uni-



Three generating units went into operation at Paulo Afonso in 1955; this view shows the water intake, control office, transformer bank, and elevating substation of No. 1 powerhouse. Five units are now in operation and expansion continues, as the foreground of this picture shows.

formly lower rate than in South Central Brazil, in order to encourage industry to establish in the area. For purposes of execution, this plan is divided into two main programs, for the regions east and west of Paulo Afonso. The East Program is to be undertaken first because that is the more densely populated area. The West Program, consisting mainly of transmission lines, will be undertaken later.

IADB Loan

The Northeast's foreseeable demands for power up to 1970 call for an approximately 150 per cent increase in the present generating capacity at Paulo Afonso. With an expenditure of \$42 million over a three-year period, which includes the construction of two additional transmission lines—one to Salvador and the other to Recife—as well as substations and auxiliary equipment, CHESF hopes to meet these energy demands. Consumption increases for the region are estimated at 34 per cent a year in 1962 and 1963, 17 per cent in 1964, and then 10 per cent a year until 1970.

The Inter-American Development Bank loan, from its ordinary resources, will cover 36 per cent of

the cost of the three-year expansion. The funds will be used to finance the purchase of imported equipment for the Eastern region, where about 98 per cent of CHESF's present power production is now sold. This equipment consists of three turbines, three generators, and transmission-line equipment for 220 kv., 132 kv. and 66 kv. transformer substations (primary and secondary). The loan will also pay for some imported raw materials for the equipment that will be made in Brazil.

The loan will be made in dollars or in other currencies available to the Bank, except cruzeiros. However, up to the equivalent of \$3 million will be freely convertible Italian lira. Seventeen-year repayment terms have been granted, beginning three-and-a-half years after the contract is signed and at an interest rate of 5½ per cent.

What Are the Opportunities?

Suppliers from any country in the free world are eligible to tender on purchases bought with ordinary resources loans of the IADB. Canadian equipment and machinery manufacturers can therefore participate in the competitive tenders CHESF expects to call in the near

future. Each company wishing to participate in the call for tenders will be required to register with CHESF. The Canadian firms not already contacted directly by our Rio de Janeiro office and which wish to register with CHESF should write to the office for further information. The time to act is now.

CHESF, according to a recent interview with its president, Dr. Sales, expects to undertake all the construction and engineering work related to the erection of the transmission lines.

São Francisco Valley

The São Francisco is a magnificent river nearly 2,000 miles long, with many fine potential hydroelectric sites. Many of these sites are farther away from the Northeast market than Paulo Afonso is and as yet have no similar market nearby. But within the next few years, this river will be further developed and the hydroelectric site at Sobradinho will no doubt be the first such project. In fact, preliminary work at Sobradinho is already under way.

Canadian consulting engineering and construction firms wishing to work on electric power projects in Northeast Brazil, as in the rest of the country, should either set up a Brazilian subsidiary or associate with a Brazilian firm, because it is doubtful that any work can be obtained in Brazil without knowledgeable people on the spot. Our Rio de Janeiro and São Paulo offices will gladly help interested engineering and construction firms to find suitable Brazilian associates. ●

What's current in commodities?

Toys and Games

West Germany—Canadian-made toys sold here in small quantities last year. Quality products that appeal to European tastes should win customers, especially if they are displayed first at the famous Nuremberg Toy Fair, held in the early spring.

RICHARD TURCOTTE, *Vice Consul, Hamburg.*

WEST GERMAN spending on toys, games, and festive products stood at almost \$100 million in 1961, a spectacular increase of 21 per cent over the previous year.

Imports, accounting for 15 per cent of these expenditures, have jumped 70 per cent since 1959 and 250 per cent since 1957, in spite of the fact that West Germany is itself one of the major world producers and exporters of toys and festival goods.

Canadian toys appeared significantly in the German import statistics in 1961 for the first time in many years. The value of our sales to Germany was only \$5,500, but it is an encouraging sign.

The German standard of living in recent years has rapidly become one of the highest in Europe. The tastes of German consumers too are changing, moving away from considering price only towards wanting quality. Quality and design often command a premium and the trend is expected to continue. It may well be that increased attention to this market on the part of Canadian manufacturers of quality toys and allied products who are willing, where necessary, to accommodate themselves to some degree to Euro-

pean tastes and designs could result in a rewarding share of the modest but increasing market in Germany for quality imported toys.

With a toy production of about \$120 million in 1961, of which one-third (or \$40 million) was exported, apparent consumption of toys in the German domestic market is about \$95 million; \$15 million, or one-sixth, of this represents imports.

Italy Is Leading Supplier

Italy was the largest single exporter to the German market in this field, supplying 20 per cent of total imports, followed closely by Denmark 18 per cent, Japan 16 per cent, Britain 12 per cent, the United States 8 per cent, and France, Hong Kong and the Netherlands with a composite share of 20 per cent. These eight countries supplied altogether 95 per cent of German imports of these products.

Italian competition, as Table II shows, is strongest in dolls and children's vehicles. The Danes, followed by the Japanese and British, are the leaders in other types of toys, especially metal and plastic toys and construction sets. The Americans are overwhelmingly in

the lead as suppliers of social games, model aircraft, and similar articles that are now beginning to be popular in Europe.

Table II gives a breakdown of the German foreign trade statistics for 1957, 1959 and 1961 and shows the interesting relationships among the

TABLE II
COMPOSITION OF WEST GERMAN TRADE IN TOYS, GAMES

	1957	1959	1961
	(thousands of dollars)		
Dolls, parts and accessories			
Exports	2,775	1,894	1,824
Imports	425	1,169	2,354
Of which:			
Italy	210	599	1,510
Hong Kong	45	280	391
France	.....	53	157
Play vehicles for children			
Exports	711	706	601
Imports	95	335	850
Of which:			
Italy	30	135	489
Netherlands	59	164	160
France	.....	17	148
Other toys and toy models			
Exports	28,078	26,509	29,207
Imports	1,991	5,265	9,015
Of which:			
Denmark	757	2,406	2,538
Japan	160	464	1,859
Britain	347	680	1,558
United States	231	198	335
Canada	.....	.....	5.5
Social games			
Exports	1,292	1,551	2,609
Imports	1,410	1,410	1,530
Of which:			
United States	1,295	1,029	803
France	62	78	184
Japan	.....	24	130
Carnival, Christmas and other festival articles			
Exports	3,381	4,764	5,303
Imports	200	518	947
Of which:			
Japan	122	160	290
Italy	20	118	247
Hong Kong	7	44	88

TABLE I

WEST GERMAN TRADE IN TOYS, GAMES

	1956	1957	1958	1959	1960	1961
	(millions of dollars)					
Imports	1.9	4.1	8.0	8.7	10.4	14.7
Exports	37.0	36.2	35.2	35.4	40.0	39.6

TABLE III
GERMAN DUTIES ON TOYS AND RELATED ARTICLES

	EEC Members	Third Parties (per cent)	Eventual EEC
			Common External
Dolls, accessories and parts	7- 9	14.4-16.8	21-25
Play vehicles for children	6	12.1	21
Other toys and toy models	6- 7	12.8-19.2	24
Social games	7-11	13.5-18.4	21-23
Festival articles	6	12.3	22

various supplying countries in this trade in recent years.

Nuremberg Fair Important

The German toy industry is concentrated almost entirely in Southern Germany, chiefly Bavaria. In fact, 90 per cent of the German production is in this area. Trading in toys is almost exclusively restricted to Nuremberg, an old Gothic city in Bavaria which was already famous for toys in the late Middle Ages at a time when it was a flourishing trade-fair town.

Even today, most German toy import and export houses have their main buying offices in Nuremberg or the immediate area and the Nuremberg International Toy Fair, held annually within the city, in 1962 became the second largest specialized toy fair in the world. With 971 exhibitors, it was surpassed only by the New York fair.

The place and time for buying toys, social games and festival articles is the Nuremberg Toy Fair, which occupies a paramount position in the German trade and in effect has a virtual monopoly of it. In fact, one specialist has estimated that well over 60 to 70 per cent of the annual German sales of imported and local toys are made during the six days of this fair. It is a specialized buyers' fair, exclusively for toys and allied products, and the general public is excluded. The fair in March 1962 surpassed all other similar toy fairs, (including those in New York, Lyons and Brighton) in the number of registered buyers attending, 15,000, of which 27 per cent were foreign. Some 28 per cent of the exhibitors were foreign firms.

Distribution Arrangements

Foreign trade in toys in Germany is carried out almost exclusively by importers and exporters; occasionally manufacturers deal directly with wholesalers. Trade through an agency on a commission basis is rarer. Canadian manufacturers wishing to sell in this market will normally find it advantageous to make contact with an importer who can exhibit their wares at the annual Nuremberg Fair and also put his normal outlets to wholesalers or retailers at their service. Prices quoted should be c.i.f. north Continental port.

German duties on toys and related articles for members of the Common Market, for third parties including Canada, and the eventual Common Market external duties are shown in Table III.

A further 6 per cent turnover equalization tax is levied on the duty-paid value of all toy imports, irrespective of the country of origin.

Despite the high duties, the devaluation of the Canadian dollar, combined with a German revaluation of 5 per cent one year ago, should make quality Canadian toys much more attractive here and better able to compete against German toys.

Interested Canadian firms should get in touch with one of the three Canadian trade offices in Germany for further information and assistance in determining whether their products are competitive in this market. The offices will help them find contacts for the introduction of their products during the next buying season in early spring 1963. ●

Heavy Equipment

Brazil—Capital equipment is needed, but 'registration of similars', the high cruzeiro cost of products put in Special Category for exchange purposes, the shortage of dollars, and the demand for long-term financing present special problems to Canadian exporters.

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

BRAZIL, a country that is rapidly building up its industry, needs capital equipment and offers a good market to foreign suppliers, despite some foreign exchange problems.

What kinds of capital goods and equipment do the Brazilians want to buy? A survey recently undertaken by the Brazilian Association for the Development of Basic Industries offers some clues. The Association carried out the survey in an attempt first, to estimate the level of investment planned and projected in

various industrial sectors for the next ten years, and second, to relate this to the production potential of the Brazilian firms that could supply the necessary machinery and equipment. Table I gives the results of the survey.

This table reveals that, according to a group of Brazilian industrialists, the best sales possibilities over the next ten years would seem to be:

1. Heavy equipment for the electrical industry (\$59 million)

2. Equipment for the petroleum and allied industries (\$49.3 million)

3. Equipment for the production of cement (\$32.1 million)

4. Equipment for steel smelting and rolling (\$26 million)

5. Equipment to produce pulp and paper (\$17.4 million)

Tables II to VI give statistics on imports of machinery and equipment related to these various fields.

Canadians should bear in mind that the output of steel ingots almost doubled in the five-year period 1955-1960—from 1.2 million to 2.3 million tons—and, provided the expansion now programmed is carried out, total output should reach some 5.2 million tons in 1965 and 7.8 million in 1970. Steel output forecasts for 1965 and 1970 are based on expansion projects of existing mills and on the construction of new mills already projected or under construction.

The figures presented in Table I confirm that there is a great deal of work to be done in Brazil and a great need for imports, but foreign competition is severe. In addition, Canadian and other foreign manufacturers face a number of difficult problems arising from the country's shortage of foreign exchange and import restrictions. Many types of imported machinery are, however, given favourable exchange treatment by being classified in the Brazilian General Category for exchange purposes. The Brazilian authorities, at the request of the importer, may also grant a reduction of up to 50 per cent of the duty on mechanical appliances and machinery intended for agricultural or industrial purposes and which have no national equivalent.

Problems in Selling

Among the problems that would-be exporters of capital goods to Brazil encounter is the "registration of similars". Under this procedure,

TABLE I

Industrial Sector	Investment planned and projected 1961-70	Projected value of equipment that could be made in Brazil	Percentage
	(millions of dollars)		
Heavy electrical equipment	410.0	351.0	86.0
Pulp and paper machinery	159.5	142.1	90.0
Petroleum and allied products	138.1	88.8	64.1
Steel smelting and rolling	114.0	88.0	77.0
Cement production	84.1	52.0	61.8
Total	905.7	721.9	79.7

Source: Economic Commission for Latin America.

TABLE II
BRAZILIAN IMPORTS OF ELECTRICAL EQUIPMENT

Item	1958	1959	1960
	(U.S.\$'000)		
Generators	5,006	5,633	4,916
Steam generating boilers	1,440	4,560	3,465
Electric generators coupled to steam machinery	2,787	4,080	977
Transformers, excluding frequency	4,778	3,038	2,524
Steam turbines	2,779	3,859	1,587
Steam engines, n.s.	51	.....	4
Hydraulic turbines	2,994	1,759	2,769
Electric generators coupled to hydraulic engines	2,334	3,761	15
Hydraulic engines, including regulators	.....	9	62
Total	22,169	26,699	16,319

Source: *Estatística do Comércio Exterior do Ministério da Fazenda*.

TABLE III
BRAZILIAN IMPORTS OF MACHINERY AND APPARATUS FOR THE PETROCHEMICAL INDUSTRY

Item	1958	1959	1960
	(U.S.\$'000)		
Machinery and apparatus for petroleum production and refining	194	2	475
Distillation units	94	162	.....
Autoclaves, Sterilizers, etc.	482	186	93
Boilers, condensers, etc.	1,818	4,998	3,257
Centrifuges	244	143	225
Total	2,832	5,491	4,050

Source: *Estatística do Comércio Exterior do Ministério da Fazenda*.

a domestic firm can have its product registered with the import authorities as "a national similar" to an imported product. Such a product can be registered as a national similar even though the group registering the product cannot supply the complete market. Once this has been done, that product cannot be imported either by a government buying agency or a private firm unless

it can be shown that the importer has been unable to purchase the product locally in sufficient quantity.

Moreover, the Brazilian authorities are empowered to raise the import tariff on a foreign similar by 30 per cent and may also classify it in the Special Category for exchange purposes. The additional expense of importing a product classified in the Special Category

TABLE IV
BRAZILIAN IMPORTS OF MACHINERY FOR CEMENT INDUSTRY

Item	1958	1959		1960
		(U.S.\$'000)		
Classifiers	6	37		159
Separators	35	231		166
Cement mixers	321	372		58
Machines for washing and mixing stones, earth and similar solid substances, n.e.s.	339	352		902
Crushing machines for the cement industry	28	64		110
Grinding machines for the cement industry	221	563		494
Machines for agglomerating and moulding solid fuels, ceramic pastes, concrete and similars, including machines for making sand foundry moulds	377	269		233
Total	1,327	1,888		2,122

Source: *Brazilian Commodity Nomenclature*, 1955.

TABLE V
BRAZILIAN IMPORTS OF HOISTING MACHINES AND ROLLING MILL EQUIPMENT

Item	1958	1959		1960
		(U.S.\$'000)		
Hoisting machines of any kind, n.s.	4,206	3,521		6,510
Rolling mill equipment, including rolls	7,043	11,253		9,708
Diesel oil locomotives, including diesel electric	24,049 (138 * units)	18,263 (113 † units)		13,633 (84 ‡ units)
Total	35,298	33,037		29,851

Source: *Estatística do Comércio Exterior do Ministério da Fazenda*.

*All from United States.

†109 units from the U.S.; 4 from West Germany.

‡83 units from the U.S.; 1 from West Germany.

TABLE VI
BRAZILIAN IMPORTS OF MACHINERY FOR THE PULP AND PAPER INDUSTRY

Item	1958	1959		1960
		(U.S.\$'000)		
Wood pulp, paper and board preparing and finishing machines	1,604	902		2,436
Presses for trimming, glazing and cutting paper and paperboard	143	138		130
Machines and apparatus for manufactures in the paper industry	261	110		585
Total	2,008	1,150		3,151

Source: *Estatística do Comércio Exterior do Ministério da Fazenda*.

currently adds approximately 200 per cent to the cruzeiro cost of it to the Brazilian importer.

Because of the high cost of financing, Brazilian industrialists have developed quite a knack of making do, extemporizing, and adapting equipment. Many Brazilian firms will produce an item tailor-made

which would be available much more cheaply, in terms of dollars, as a mass-produced product imported from abroad. But because of the cost of financing imports, the buyer is induced to buy domestically. This achieves the national aim of saving dollars and the higher cruzeiro cost can easily be passed on to the cus-

tomers. Therefore some industrial operations in Brazil may have a somewhat jerry-built look about them.

To encourage foreign companies to invest in Brazil, however, and to do it in such a way as not to cause a drain on foreign exchange, the Brazilian authorities have established a regulation whereby foreign firms can make their contribution toward the capital of a local subsidiary or partnership in the form of machinery or equipment. Thus a Canadian company can sometimes sell to Brazil through the head offices of international firms. In this way, many Canadian subsidiaries of international companies have sold used machinery and equipment to their sister firms in Brazil.

The possibility of long and middle-term financing also presents many opportunities for selling capital good in Brazil. But competition in this field—despite the occasional uncertainty created by short-run political considerations—is proving to be very keen. This is undoubtedly because anyone who has seen the huge protected market and the vast wealth of natural resources in Brazil and is familiar with the tremendous strides that it has recently made toward industrialization must be convinced that, in spite of political problems, Brazil will continue to develop as a market.

See for Yourself

The way to beat this foreign competition is to know the market at first hand. Willing and competent agents or partners are available. The Canadian businessman who wants to sell in Brazil cannot do it from behind his Canadian desk. He must visit the market, make contacts and keep close tab on subsequent developments. It is not easy but it is sometimes rewarding. The Canadian Embassy in Rio de Janeiro and the Canadian Consulate in São Paulo are always ready to help, but their assistance can only be limited until the exporter studies the market personally. ●

FAIRS AND EXHIBITIONS

■ Household Goods, Cologne

THE reaction of Canadian businessmen who manned their displays at last February's International Household Goods and Hardware Fair, Cologne, West Germany, and the results they obtained are ample evidence of the potential for sales that this large fair offers, says our Trade Commissioner in Bonn. Over 56,000 buyers, including 8,100 from 58 other countries, visited the show. Over 1,600 firms exhibited, 403 of them from outside Germany, with strong representation from France, Britain, Italy, Belgium and the Netherlands. Said one Canadian executive: "Though our products land in Europe at a higher value, some 20 per cent above the German, they are so much superior that there is a demand and market for them; on some of our products we are lower in price than comparable European goods." As the German standard of living continues to rise, the market for Canadian home appliances should become increasingly interesting.

The Department will therefore sponsor participation in the Cologne Fair again next year (February 15-18, 1963). The response from Canadian industry has been enthusiastic and our exhibit will include refrigerators, freezers, ranges, automatic washers and dryers, wringer-type washers, metal stools, tables, utility cabinets, table lamps, bathroom fittings, kitchen utensils, lawn chairs and outdoor cooking equipment.

■ Lumber in Chicago

LUMBER from Canadian mills will appear to advantage in an exhibit the Department has prepared for the National Association of Home Builders Show in Chicago, December 12-16, 1962. A 20-by-20 two-storey post-and-beam house with double A-frame, built entirely from Canadian material, comprises our display. The roof will have cedar shingles and the stairs lead to a second-storey lounge equipped with Canadian furniture. Display racks with literature on the specific forest-industry products will be placed close to the materials described. Eight transparencies giving further information will decorate the back wall. Visitors can enter the exhibit and examine the quality of Canadian Douglas fir, western hemlock, western white spruce, western white pine, western red cedar (in decking, siding, panelling and shingles), eastern spruce and white pine, birch and maple (in flooring and railing), and hardwood plywood panelling.

The 19th Annual NAHB Convention and Exposition will be held again this year under one roof at McCormick Place. Over 25,400 registered business visitors attended last December. These included contractors and members of related trades, associations and pro-

fessions from all over the United States. About two-thirds of them saw and the majority inspected Canada's display of woods in their end uses.

■ Foods at New York

EVERY three years, the food industry of the world chooses a suitable city in which to hold a large trade fair. Here it displays its products under the sponsorship of AIDA, Association de la Distribution des Produits Alimentaires. AIDA's 5th International Congress and Exhibition took place this year in New York (September 8-16) and Canada for the first time entered an official exhibit which featured the products of 13 firms. The department-sponsored displays were "functional and representative", reports our New York Trade Commissioner. "Prominent illuminated signs above the exhibits were clearly visible and established effectively the presence of the Canadian displays." The variety of products the Canadians showed was of much interest to visitors. Many of these goods entered the U.S. market for the first time at the AIDA show and were new also to the many overseas traders who attended. Buyers came from over 30 foreign countries; every part of the world except the Communist Bloc sent representatives. Canadians received over 270 inquiries and reported many promising prospects for future sales. Over 25,000 trade visitors attended and over 50,000 of the general public. Congress sessions drew large audiences.

■ Sporting Goods, Chicago

A slightly new location just outside the Clark Room in the Morrison Hotel, a well-planned pre-show publicity program, smartly designed booths and 22 enthusiastic Canadian manufacturers (seven of them new to the show)—these are the ingredients for what is expected to be another highly successful Canadian exhibit in the National Sporting Goods Association (NSGA) Show in Chicago, January 20-24, 1963.

Canadian products in the display will include skates, skating and hockey outfits, hockey sticks, toboggans, cushions, sleds, sleighs, skis, ski boots, a camp trailer, tents, fishing reels, camp cots, a golf-ball retriever, an indoor putting game, club covers, golf shoes, home exercising equipment, vaulting horses, and bowling shoes.

Two large displays will probably attract much interest. One is a complicated camping trailer that breaks down into a fibreglass boat, a barge, and a walled tent. Another is a ski tractor that carries six persons over difficult country in winter.



Entrance to the Canadian display at the AIDA food-products show held this autumn in New York. Thirteen firms participated, and the illuminated panels suggest the range of their exhibits. This marked Canada's first appearance at this fair, which takes place every three years at a different location.

■ Boat Show in London

OUR London trade office has reported that Canada's exhibit in the International Boat Show at Earls Court last January was "unique and more ambitious than any other in the show. It brought considerable credit, as well as business, to Canada." Canadian manufacturers established several agencies (a result that in itself justifies participation), received many inquiries, and made direct sales. Officers staffing the exhibit distributed about 20,000 brochures that effectively described each product. Over 300,000 visited the show (5,000 of them from outside Britain) to see the products of 500 exhibitors.

The 16 Canadian firms participating in the government exhibit at next year's Boat Show (January 2-12) look forward to similar success. The Department has taken the same 2,500-square-foot area; this time it will be gravelled and visitors will view exhibits—such as the 28-foot cruiser—from elevated walkways. Other displays will include a camp trailer with boat, a boat trailer, sloops (one of fibreglass), runabouts, a moulded plywood hull, canoe, inboard/outboard engine and drive unit, a convertible top, a windshield, a boat dock and ramp, chair-beds, bucket seats, lifejackets, fishing rods, and marine accessories and supplies.

■ Include in Your Itinerary . . .

Melbourne's International Fair

The Melbourne Chamber of Commerce will sponsor its second International Trade Fair, February 27-March 16, 1963. Its first, in 1959, was considered an outstanding achievement. The fair site has since been enlarged and improved and now boasts 260,000 square feet of covered and 300,000 feet of open space. Certain days will be set aside for trade buyers only but the fair is otherwise open to the general public. Over 1½ million visitors are expected. The Momba Festival,

which features many cultural, sporting and general-entertainment programs, will be held at the same time.

Since the relaxation of certain import restrictions in 1960, Australian purchases of Canadian goods have totalled about \$79 million a year (1961). A large portion of these go to the state of Victoria, of which Melbourne is the capital.

Mexico's Home Fair

Mexico's largest trade show, the annual Home Fair, will take place for the sixth time next year from March 1 to April 3. Since its inception, this fair has broadened in scope and many of the exhibits are now only indirectly related to the home; the show is in fact destined to become a full-scale industrial exhibition. Next year approximately 1,000 displays will take up 50,000 square metres of space and more than 1¼ million visitors will see exhibits of furniture, textiles, clothing, food products, appliances, electronic equipment, etc. Home building materials and equipment needed in housing projects will occupy a separate section and, of course, Mexico's handicrafts industry will play an important rôle.

Ballets and plays in the Auditorium (seating 15,000) and the Terro del Bosque (capacity 1,200) and the "Feathers and Flowers Fiestas" should add to the visitor's enjoyment. Although foreign companies do not participate in this show, visiting businessmen learn much about Mexico's industries and can easily arrange discussions with Mexican executives.

Geneva's Motor Show

Organizers claim that the International Motor Show of Geneva (March 16-24, 1963) is the world's most comprehensive show-piece of the road-vehicle industry. The products of 16 countries are displayed in more than 600 stands, including automobiles, motors, car fixtures, parts, motorcycles and bicycles, outboard motors, boats, lubricants, first-aid supplies, camp trailers and equipment, and technical literature. ●

Electrical Appliances

Britain Offers Good Fringe Market

Last spring an eight-member trade mission visited Britain, Norway, Sweden, and the Netherlands to investigate the sales opportunities for Canadian electrical appliances—and promote them if possible.

Here are their conclusions about the nature and extent of demand, reached after a week's stay in Britain, which is currently Canada's chief European market for these appliances.

J. A. FINDLAY, *Appliances and Commercial Machinery Division.*

THE British market for major electrical appliances differs in several respects from those in other European countries, the Trade Mission members found. In Britain manufacturers can legally set retail prices and it is unlawful for a dealer to sell at less than the fixed price. Most appliances are sold through government-owned Electricity Boards. Another important factor influencing the sale and manufacture of appliances is living space—kitchens are generally small in this densely populated country and appliances have to be designed to fit in.

Electricity is distributed in Britain through 13 area Electrical Boards that sell electrical appliances as a means of stimulating the use of electricity. The Boards play an important role in the distribution of appliances because they control the major share of the market. They maintain extensive showroom facilities staffed by product demonstrators whose salaries are paid by the manufacturers of the appliances.

A price schedule issued by the North Western Electricity Board shows that appliances are sold on terms of 10 per cent down, with quarterly payments spread over periods of up to four years. The four-year payment term has done much to encourage the sale of top-

of-the-line appliances. For example, the average electric range sold to a private consumer costs him approximately \$150 to \$180 and this includes most or all of the automatic features. In contrast, simpler models, such as those installed in public housing, can be bought for \$90 to \$120.

Electricity Boards normally stock both imported and domestic appliances on a more or less impartial basis, depending upon their market potential. However, they will not stock an appliance that is not approved for safety and performance by the British Electrical Approvals Board.

An inspection of several apartment blocks in Manchester and Glasgow provided the Mission with much information on current British thinking concerning space requirements. As in the past, apartment houses are being built with very small kitchens—8 by 10 square feet is typical—that usually contain a small washing machine, a wash boiler, a small refrigerator and an inexpensive stove. Washing machines are normally placed underneath the drainboards, so they must be less than 33 inches high. Representatives of the North Western Electricity Board stated that, in their opinion, the size of appliances will

change very little in the next 10 or 20 years. They believe that the larger appliances used in North America will not be accepted in the British mass market because consumers will not have space for them. The exceptions are older houses and new single-family dwellings that often have larger kitchens.

Retail price maintenance has had a strong influence on the methods used to distribute appliances in Britain. The small local electrical shops, which lack capital and display space, are able to survive because they cannot be undersold and can get quick delivery from a nearby wholesaler. The Electrical Boards stock a wide range of appliances, provide display space and long-term credit, and employ direct salesmen. There are very few large privately-owned stores retailing appliances, probably because they cannot cut prices to sell in volume and therefore have no incentive to promote exclusive lines and private brands. One of the results of retail price maintenance is that the manufacturer finances all brand-name advertising and sales promotion.

Refrigerators and Freezers

A survey taken early in 1961 shows that 19.7 per cent of British homes are equipped with a refrigerator, an increase of 12 per cent over 1958. In a country with a population of 52.6 million this represents a large potential market and one that is largely unsatisfied. Domestic production now totals about 500,000 units a year. By far the most sales are in the three to six cubic foot size, although sizes up to about eight cubic feet are manufactured. The majority of English kitchens are too small for standard Canadian

12 and 14 cubic foot models. Canadians can sell in the luxury fringe market, although at the moment even this market is depressed by a temporary over-supply. Canadian firms making a six cubic foot machine of counter height may be able to sell in the mass market if their prices are competitive.

British-made refrigerators are very similar in design to Canadian. They are always straight-sided with flat tops so that they can use the available space efficiently. Models of four cubic feet and less are designed to fit under counter tops. Until this year, deep freezers were not part of standard refrigerators, but three manufacturers are now introducing models with separate freezing compartments. Most British refrigerators are lined with moulded plastic as opposed to the steel liners used in Canada. Except for the very small models, such as those designed for use in trailers, all units are compressor operated.

At least one British firm is now manufacturing a small domestic freezer of 13 cubic foot capacity and expects considerable expansion in this market. Freezers and coolers of various types are now being imported for commercial and farm use. The rapid growth of frozen-food distribution is encouraging manufacture of freezers.

Cooking Equipment

Annual sales of electric ranges have doubled during the last ten years. Since the removal of import restrictions, imports have increased even faster. Canada is the largest single supplier; our share of British imports of ranges is somewhat less than 50 per cent. In absolute terms, our exports of ranges to Britain were valued at \$479,327 in 1960 and \$893,541 in 1961.

The growth pattern in this industry can be partly explained by the gradual raising of the living standard, but it is also due to the increasing popularity of electric cookers over gas. Not long ago most cookers sold in Britain were gas-operated,

but steady sales promotion by the Electricity Boards is changing this situation. The South of Scotland Electricity Board is particularly proud of its achievements and claims that 80 per cent of cookers sold in its area are electric.

There are many important differences in design and styling between Canadian and British cookers. Until very recently, all British cookers maintained a certain basic stability in styling and features. Certain new models on the market, such as those put out by Tricity Cookers Limited and the Jackson brand, reflect the North American influence in their attempt to look wider without changing the dimensions. Horizontal lines and rectangles carried from one side of the range to the other help to achieve this appearance. Although some models have changed in appearance, they have not altered much in basic design.

The typical medium-priced cooker retails for £40. The Belling 47 is an example: it has two radiant elements on top and a large cast iron plate. The cast iron plate is heated from the same element below the hob that is used as a grill or warming oven. Below the warming oven and grill there is the regular oven measuring 16 inches high, 13 inches wide and 13 inches deep. The oven has two doors: an inner door of plate glass for visual inspection and an outer solid door. Unlike Canadian stoves, both doors are hinged at the side rather than the bottom. All controls are mounted vertically along the side of the oven. Over-all dimensions of the unit are 44 inches high, 21 inches wide and 22½ inches deep. There is an eight-inch splash-back panel.

The Tricity Marquis is representative of a top-of-the-line unit and sells for £62. In size and basic design it is very similar to the Belling unit described above but it has several additional features. The splashback panel is about 15 inches high and contains the controls and a fluorescent light. The controls incorporate an automatic time switch

Members of the Mission

FIVE of the members were senior officers of electrical appliances companies, chosen to provide a cross section of the Canadian industry in terms of product lines, size of firm, and experience in the export field. An officer of the Canadian Standards Association travelled with them because electrical approvals are an important factor in selling appliances in Europe. A representative of labour and of the Department of Trade and Commerce completed the group.

D. M. Fairgrieve
Export Manager
Fairgrieve & Son Limited
Toronto, Ontario

L. G. McKee
President
Universal Cooler Co. Limited
Barrie, Ontario

L. B. Hardy
Export Manager
General Steel Wares, Limited
Toronto, Ontario

H. R. Force, Senior
President
Force Electric Products, Limited
Acton, Ontario

P. D. Normandeau
Vice-President and Managing Director
A. Belanger, Limited
Montmagny, Quebec

G. B. Tebo
Manager
Canadian Standards Association

G. Hutchens
Canadian Director
International Union of Electrical, Radio
and Machine Workers

J. A. Findlay
Secretary of the Mission
Department of Trade and Commerce

and a five-hour minute timer. It has four high-speed radiant plates and a rotating oven spit is available at extra cost. One of the surface elements contains a thermostat which contacts the pot and prevents overheating. The oven and grill chamber are larger than in the cheaper models. The oven elements in nearly all British stoves are

placed on both sides of the oven rather than on the top and bottom.

At least one Canadian stove is well established in Britain, but it does not compete directly with the local high-volume lines. This prestige 30-inch model sells for three times the price of the Tricity model described above. It caters to that small percentage of the market that wants something different and can afford to pay the price. It is believed that other Canadian companies would have to enter this market on a similar basis.

Laundry Equipment

With a population of 53 million and a market saturation for washers of 40 per cent, there is an excellent long range potential for laundry equipment in Britain. During the twelve months to September 30, 1961, the British market absorbed 654,500 washers. In the same period, an additional 242,200 machines were exported. Of the total for home consumption, 55 per cent were of the semi-automatic type. Most of these were twin-tub machines with small centrifuge extractors instead of wringers. Thirty-five per cent were wringer type, including a small number with hand wringers, and approximately 10 per cent were fully automatic machines.

Despite the demand in Britain for compact appliances, the very popular twin-tub washer measures 18 by 30 by 33 inches high. These units are kept under the drainboard when not in use or are used to provide extra table space. Twin-tub washers take 50 per cent more floor space than even the large-size Canadian wringer washers, but they do have the advantage of allowing the housewife to do the rinsing in the machine. This is important because laundry tubs are not standard equipment in British homes. The housewife with a wringer washer either uses the kitchen sink or the bathtub for rinsing, or she washes several loads and then drains the machine and refills the tub to rinse each batch of clothing separately.



During its travels in Britain the Electrical Appliances Mission visited the Ideal Home Exhibition in London, in which many Canadian firms had displays. Here some of the members pause before an exhibit of Canadian refrigerators and freezers.

In addition, there is an increasingly important market for fully automatic and semi-automatic machines. Many of the larger homes being built in suburban areas have laundry alcoves off the kitchens that provide adequate space for the Canadian type of automatic washer. Fully automatic machines are already taking 10 per cent of the total market and are expected to increase their share each year.

There are three problems that should be considered by Canadian manufacturers of automatic washers before attempting to sell in Britain. The first is that water pressure in many parts of the country is very low and automatics should not depend on more than five pounds pressure. Secondly, house doors are usually 24 inches wide so that machines must be narrow to get into homes. Finally, the British housewife wants to heat the water in the washer. This is not practical with agitator-type machines so the preference will be for tumble-type machines that can be fitted with heating elements.

The climate suggests that Britain should be an excellent market for clothes dryers but to date, although several models are on the market, sales have been disappointing. Figures are not available but it is estimated that 35,000 units were sold in 1960. One alternative commonly used by the British housewife is an electrical space heater in conjunction with a specially designed collapsible drying cabinet. The best-selling clothes dryers are those designed to be mounted on top of the automatic washer. The Bendix Triomatic, similar to the American Duomatics or combination washers and dryers, has met with only limited success because of the high cost. A great deal of consumer education will have to be done before dryer sales become significant.

Approvals Requirements

Approvals requirements in the United Kingdom are developing and changing rapidly at the moment. The Mission's discussions in various areas (Glasgow, Manchester, Lon-

don) and with different organizations (Area Boards, British Standards Institution (BSI), British Electrical Approvals Board (BEAB), British Electrical Development Association (EDA), manufacturers, wholesalers and retailers) revealed considerable divergence in opinion. This is understandable in view of the changing situation and the present lack of publicity concerning the new British Electrical Approvals Board. It seems clear, however, that approval by the appropriate agencies is becoming a virtual necessity for national distribution of electrical appliances in Britain.

In the past, approvals have largely been voluntarily requested, and such enforcement as existed was provided by the 14 semi-autonomous Area Boards. The central point for approvals testing was the EDA Laboratories at Leatherhead (near London), but testing facilities were also maintained by several of the Area Boards. Certain appliances, such as electric blankets, were approved by BSI and carried the BSI "Kite Mark" as the sign of approval.

With the increasing interest of Canadian manufacturers in exporting to Britain and the introduction of more stringent approval requirements there, the Canadian Standards Association approached BSI in 1961 for a reciprocal arrangement under which Canadian goods could be tested in Canada to British standards and thus find acceptance in Britain without further test. This has been agreed to in principle by BSI and BEAB and it remains only to work out the detailed procedures.

The most significant recent development was the creation of the British Electrical Approvals Board for domestic appliances in 1960. This is a national organization approved by the Government and sponsored by EDA (representing the Electrical Supply Industry), the British Electrical and Allied Manufacturers Association, British Standards Institution, Electrical

Wholesalers' Federation and Electrical Contractors' Association, representatives of which form the board of management. Its approval will be based upon BSI standards and its test work will be carried out principally at the EDA laboratories. As the necessary standards are developed and the approvals scheme becomes operative, it is expected that a single BEAB approval will permit domestic or foreign manufacturers to distribute their products throughout Britain without further tests. In the interim, products marketed by the Area Boards may be subjected to supplementary tests at EDA laboratories and, in any case, the Area Boards may accept or reject a particular product for sale in their shops for commercial considerations. Nevertheless, rapid progress is being made toward national acceptance of BEAB approval.

British Standard No. 3456 will embrace the specifications for all domestic electrical appliances to be approved by the BEAB. As the requirements for each appliance are published, applications will be accepted by BEAB for approval. The present list of published specifications is as follows:

Part A—Heating and Cooking Appliances

Section

- A 1 General Requirements
- A 2 Electric Fires
- A 3 Electric Kettles
- A 5 Electric Toasters
- A 6 Electric Coffee Percolators
- A 7 Electric Wash Boilers
- A 8 Electric Immersion Heaters
- A 9 Electric Irons
- A10 Electric Steam Irons

Part B—Motor-Operated Appliances

Section

- B 1 General Requirements
- B 2 Electric Vacuum Cleaners
- B 3 Electric Dry Shavers
- B 4 Electric Hair Dryers

Part C—Electrical Refrigerators and Food Freezers

This series will be extended to cover all domestic electrical appliances.

Having secured agreement with BSI and BEAB, CSA proposes to provide facilities whereby Canadian manufacturers may have their products tested in Canada to British Standard 3456. Applications will be dealt with in the same manner as ordinary CSA work, subject to the additional problems of clearing the CSA reports with BSI and BEAB prior to approval. The scheme is expected to be in full operation within a year.

Market Prospects

Sales made to date prove that there is a definite market in Britain for Canadian appliances. Although few could meet the needs of the mass market in Britain, the population is large enough to include a great many consumers who want something a little different.

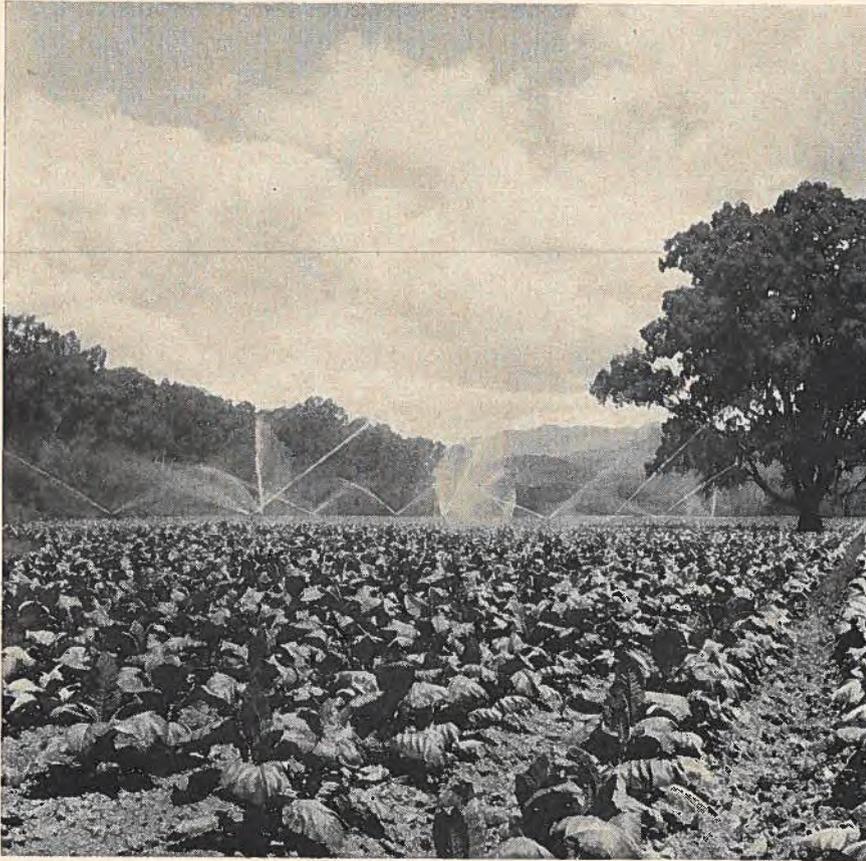
At present, the refrigerator market is overstocked, both in the small and larger Canadian sizes, but this may change as inventories are depleted. The consumption of frozen foods is growing rapidly and this means a strong demand for more domestic and commercial freezers.

Canadian ranges in the 30-inch size can be sold in Britain and there is no local competition in this size.

There are also worthwhile opportunities for the larger capacity washers produced in Canada—not in the mass market but in the considerable fringe market estimated at 5 per cent of the total. The larger capacity of Canadian washers is attractive to those people who want to do the whole family wash, including bedding and table linen.

Automatic dryers are not yet important, but coin laundries may prove to be one of Canada's best exports to Britain if the present trend continues.

Any reader who would like to have a copy of the complete report of the Electrical Appliances Mission should write to the Trade Missions Division, Department of Trade and Commerce, Ottawa.



This field of tobacco at Myrtleford, Victoria, is being irrigated and fertilized at the same time; sulphate of potash is added to the irrigation water. The Federal Government assists Australian growers by regulating the percentages of imported and domestic leaf that may be used in the manufacture of tobacco products.

Australia Stabilizes Its Tobacco Industry

Australia tackles problem of stabilizing and modernizing tobacco-growing industry. This could mean openings for sales of Canadian equipment to cultivate and process the crop; could prove more rewarding than efforts to sell Canadian tobacco leaf.

LEON B. STRYKER, *Commercial Assistant, Melbourne.*

AUSTRALIANS consume about 55 million pounds of tobacco a year and the total is rising steadily as the population increases. Local growers supply approximately 50 per cent of the country's needs. The value of the domestic crop approximates A £12 million (Can.\$28.8 million) and from this it is evident that although tobacco cannot be considered a major agricultural product, it does rank as one of Australia's important crops. In the early 19th century it did in fact come next to wool in importance as an export and in manufacture for local consumption was second only to spirits. Since that time the industry has experienced many ups and downs. Wars and high import duties created several boom years and bad weather, blue mould and over-production as often sent profits plunging downwards. Government and private research into better growing and processing techniques has nevertheless continued steadily and has assisted growers to weather some difficult periods, such as the switch-over to flue-curing in 1926-30.

The Second World War reversed a past trend—the planting of more domestic leaf during wars when outside supplies became difficult to obtain. Plantings dropped from 8,550 acres in 1940-41 to 3,970 in 1945-46 and this situation continued until 1948-49, when production began rising steadily until the 1960-61 season, which saw the largest acreage ever under tobacco (see Table I).

TABLE I
AUSTRALIAN TOBACCO OUTPUT

	Acreage	Yield (short tons)	Value (A £)
1957-58	13,976	6,118	6,210,000
1958-59	16,205	6,962	7,693,000
1959-60	21,298	10,159	11,326,000
1960-61	30,183	14,942	11,670,000

The tobacco leaf auctions that followed the 1960-61 crop were considered a failure, however. A record 15,000 short tons were offered at

auction, an increase of 50 per cent over the previous year and of nearly 120 per cent over 1958-59. More than 3,000 tons did not find a buyer and the average auction price of 115.2 pence a pound was 16 per cent lower than in 1959-60 and the lowest average price in eight years. (For quick comparison, one Australian penny equals one Canadian cent.)

The Federal Government set up a special committee of review to examine the unsold bales and report on their marketability. The committee members were unanimous in their finding that 30 per cent of the leaf was unfit for sale and the remainder had limited use. They also reported on the hardship among tobacco farmers and later the Federal Government allotted £175,000 for distribution to needy growers. Later, the Australian Tobacco Growers' Council assisted by the Federal and State Governments set up an investigation committee to recommend on future production and marketing policy.

This Year's Crop

For the 1961-62 season, acreage dropped to 28,300 and yields are estimated at only 11,080 short tons, a decline from the previous year of 25 per cent, caused chiefly by 1961's unsuccessful auctions which prompted some growers to quit the industry.

Western Australia excepted, the states have this time sent in good reports of the auction sales. Queensland, Victoria and New South Wales, the other tobacco-growing states, have had excellent results. The least successful was the Mareeba (Queensland) district; about 10 per cent of the 1,800 short tons offered failed to attract bids, but the rest fetched an average 150 pence a pound, which compares with last season's national average of 115 pence. About 96 per cent of the New South Wales crop has been sold at an average of 140 pence and 96 per cent of Victoria's (compared with 66 per cent last year) went for

139 pence, or 36 pence more than in 1961.

Aiming at Stability

Never has more attention been focussed on the problems that confront tobacco growers and manufacturers than at present. The unsatisfactory auction sales of the 1960-61 crop and the virtually complete failure of the current crop in Western Australia have highlighted the need for a close examination of the industry and have resulted in prompt and, it is hoped, remedial action by government departments.

The Federal Government has already announced various measures designed to bring greater stability to the industry, the most important of which concerns the percentage of Australian leaf that local manufacturers must use before they can qualify for the duty concessions on imported leaf. The Government stated at that time that the percentage for the 1962 crop would be 43 per cent domestic tobacco for both tobacco and cigarettes.

However, because the current year's output has fallen substantially short of expectations, the Minister for Customs advised early in September that the 43 per cent proportion of domestic tobacco in cigarettes would, for the year ending June 1963, be reduced to 40 per cent. The domestic content for manufactured tobacco production would drop from 40 to 37 per cent. The proportions for the year beginning July 1963, originally set at 43 per cent for both cigarettes and tobacco, will be reduced to 40 per cent for both products.

Over the past decade, the mandatory percentage has increased gradually from 3 per cent for cigarettes and 5 per cent for tobacco in 1951-52 to the proportions given above. These increases have been instrumental in raising output during that period from A£2 million a year to the present £12 million.

The increases in percentage nevertheless present a number of problems to the manufacturer. When the

proportion is small and tobacco production is consequently held down, manufacturers are able to take up all the usable Australian leaf without difficulty and to purchase overseas leaf for blending to suit Australian smokers. When both percentage and production increase, difficulties occur in the blending of tobacco required for the Australian market.

Government Assistance

The Federal Government, however, does not expect to achieve long-term stability in the industry through its percentage system. It needs the co-operation of state governments, growers and manufacturers who will accept their responsibilities and will implement policies designed to ensure the production of an acceptable leaf. In addition, it intends to provide £24,000 a year to assist the states to advise and help producers. This is over and above funds already available for tobacco research.

The latest development is the Federal Government's decision to allocate approximately £260,000 (Can.\$624,000) towards an expanded research program. The money will go to state departments of agriculture, the federal Department of Primary Industry, and the Commonwealth Scientific and Industrial Research Organization (CSIRO). A small portion of the allocation will be used to send an Australian delegation to the third world tobacco science congress at Salisbury, Southern Rhodesia, early in 1963. An illustrated pamphlet describing the recent changes in manufacturers' requirements will be issued shortly.

The Government has also decided that the concessionary duty will in future be granted to manufacturers who meet the requirements for satisfactory minimum stock holdings of Australian leaf.

Australia still imports the larger part of its tobacco requirements. Canada sold a small quantity to this market in 1960-61 but the United

TABLE II
AUSTRALIAN IMPORTS OF
UNMANUFACTURED TOBACCO,
1960-61

	Quantity (thousand pounds)	Value (£'000)
Canada	104.8	50.9
Rhodesia and Nyasaland	13,495.0	3,488.0
South Africa	1,821.7	533.0
Other Commonwealth countries	11.7	2.1
Brazil	28.7	9.2
Cuba	57.7	22.8
Greece	62.0	25.5
Mozambique	70.8	19.1
Turkey	45.5	11.7
United States	19,978.4	7,549.3
Other foreign countries	35.0	6.9
Total	35,711.2	11,718.3

States is by far the leading supplier. Total imports of unmanufactured tobacco declined by 1.3 million pounds (or £950,000) from the previous year; Table II gives the statistics but these do not include the £1.6 million spent on overseas purchases of manufactured tobacco,

cigarettes, cigars and snuff during 1960-61. It is estimated that imports for the fiscal year 1961-62 will run to £8.07 million, or approximately 30 per cent lower than last year.

Equipment Sales Prospects

Although on the face of it there appear to be reasonable market prospects for Canadian tobacco in Australia, a recent survey carried out jointly by the Trade Commissioner posts in Sydney and Melbourne indicates that the principal importers are committed to their present sources of supply. Canadian tobacco, however, is certainly not unknown to the major manufacturers and importers. Should offers of competitive and similar-quality tobacco be received from Canada, it is possible that the local companies would consider turning to Canada as a source of supply when their present long-term contracts expire.

However, there is another development which seems more promising. Canadian businessmen might

easily obtain contracts for the machinery and equipment used to cultivate and process the crop. All Australia's tobacco was flue-cured by natural convection until this past season, when an experimental down-draught curing-barn was imported from New Zealand. The subsequent trials were considered successful and plans are now under way for loose-leaf curing experiments based on the Canadian principle.

Although tobacco cultivation is not new to the Australian scene, at this stage in its development the industry would probably welcome ideas and machinery that have proved successful elsewhere in maintaining quality control under similar conditions. It is in this sphere rather than in the supplying of raw tobacco that Canadians could be of value to Australian growers at the present time. The Trade Commissioners in Sydney and Melbourne will be pleased to receive correspondence from Canadian suppliers who feel they have a product to offer the Australian growers. ●

COMMODITY NOTES

Anti-Corrosion Coatings

AUSTRALIA—P.G.H. Industrial Products Pty. Ltd., Doonside, New South Wales, has developed a tar-enamel compound that protects ferrous metals, concrete and other building materials against corrosion. The product is a plasticized coal-tar pitch that can be painted, rolled or sprayed when cold. It already has been used to combat corrosion in major industrial plants and public facilities such as harbours, water and sewerage works, roads, bridges, railways, airports and hydroelectric projects. "TE50" is impermeable to water and resists acids, alkalis and many oils and solvents. It does not crack in winter or sag in summer. New Zealand, Singapore and Malaya have begun importing it—Sydney.

Automobiles

ITALY—Italy is estimated to have imported 49,116 motor vehicles during the first six months of 1961; imports of foreign cars are continuing to rise strongly. In the same period, imports of spare parts, mostly for Renault and Austin cars, totalled 263,797 quintals,

compared with 201,777 quintals in the first six months of the previous year—Rome.

NEW ZEALAND—The Government has agreed to another proposal that will increase automobile imports without draining the funds normally available for private importing. It is understood that it will permit overseas car manufacturers who wish to expand their assembly plants in New Zealand to bring in the necessary capital in the form of motor vehicles. At least three of the major automobile companies have presented such proposals to the Government; their planned aggregate investment would reach more than £1 million.

This would bring in 3,000 cars over and above the normal import allocations. When added to the number that will be imported under the Government's free-funds scheme, total car imports would rise to a relatively high figure.

A condition of the new plan, as with the free-funds procedure, is that £1 in every £5 must be remitted through normal banking channels. If the investment totals £1 million, therefore, official exchange reserves will increase by £200,000. The Government, it is

understood, will not apply the scheme to other industries—Wellington.

Cartridges

PAKISTAN—Wah Industries Ltd., Pakistan's only manufacturer of cartridges, claims to have made the country self-sufficient in 12-bore cartridges and is now seeking export markets. Pakistan's imports were at one time estimated at two million cartridges a year; Wah Industries now produces about five million, leaving a sizable surplus for export. Output includes four, six and eight I.G. and I.G. shots in 2½ inch cartridges—Karachi.

Cement

SOUTH VIETNAM—The Government's new U.S.\$55 million cement factory, which includes a clinker plant at Ha Tien and a grinding mill at Thu Duc, is its largest industrial investment this year. The factory will produce an estimated 300,000 tons of cement by 1964, saving Vietnam some two million dollars a year. Construction of the Long Tho cement plant in Thua Thien province has halted, pending study of a request to enlarge the factory to raise output to 60,000 tons a year—Hong Kong.

Crayfish

AUSTRALIA—Crayfish now ranks as the third largest export to the United States, after meat and wool. Earnings from the 1961-62 catch rose to U.S.\$13.3 million, compared with U.S.\$8.6 million the previous year. America takes approximately 96 per cent by value of all Australia's crayfish exports; only a small fraction goes to Europe—about 300,000 pounds in 1961-62—Melbourne.

Detergent

COMMUNIST CHINA—It is reported that a Shanghai laboratory and two large chemical factories have developed a process for producing a synthetic detergent without the use of alcohol and the factories have begun manufacture. The detergent removes both oil and dirt spots and because of its alkali base is suitable for washing fabrics of silk, wool and man-made fibre—Hong Kong.

Metal Structures

ITALY—Through an agreement with Finsider (part of IRI, the government-controlled Italian Reconstruction Institute), the U.S. Steel Corporation will acquire 50 per cent of the capital of the Costruzioni Metalliche Finsider company. The purpose of this agreement is to develop further production of metal structures in Italy and possibly to export them throughout the Mediterranean area and to the Common Market coun-

tries. A factory to manufacture approximately 100,000 metric tons of metal structures is planned—Rome.

Terylene

AUSTRALIA—A joint venture of Imperial Chemical Industries of Australia and New Zealand Ltd. and British Nylon Spinners (Australia) Pty. Ltd. will mean the manufacture of terylene at a factory in Bayswater, Victoria. It is proposed to spend \$9.6 million to extend the existing premises, which will be complete in 1964. Both filament yarn and staple fibre terylene will be produced.

ICIANSZ has exclusive rights to the manufacture of terylene polyester fibre in Australia and New Zealand, but will transfer these to BNS (Australia) Pty. Ltd.—Melbourne.

Wool

AUSTRALIA—Complete automation of the wool top manufacturing industry is now considered possible because of a revolutionary wool-scouring process developed at the University of New South Wales. It involves aqueous compression jet scouring. Tests have shown that compression scouring causes much less fibre breakage and this, coupled with the high degree of uniformity and efficient removal of the grease, means a superior product.

The invention marks the culmination of years of research and development financed partly by grants from the Australian Wool Research Committee. In the process, the wool, travelling on a conveyor belt, is compressed beneath a revolving drum and scouring liquid is forced through it by holes in the drum. It is then squeezed dry to complete the scouring.

A company formed by the University of New South Wales, Unisearch Limited, has lodged patent applications in 16 countries—Melbourne.

Trade Commissioners on Tour

In Canada

D. J. McEACHRAN, Assistant Trade Commissioner in Hong Kong:

Ottawa—November 5-16

Montreal—November 19-27

Toronto—November 28-

December 7

Vancouver—December 12-21

When he completes his tour and leave, Mr. McEachran will be posted to Lima, Peru, as Assistant Commercial Secretary.

In Territory

G. A. NEWMAN, Commercial Counsellor, and J. H. SUGGITT, Assistant Commercial Secretary, in New Delhi, India, have cancelled their visit to Calcutta until early in 1963.

FOREIGN TARIFFS

AND TRADE REGULATIONS

Austria

IMPORT QUOTAS ON RESTRICTED GOODS EXPANDED—It has been announced that a 30 per cent across-the-board increase in global import quotas for non-liberalized goods was put into effect on October 1 by Austria's Ministry of Trade and Reconstruction. As a result, more consumer goods, as well as other commodities, may be imported into Austria during the last three months of the year, including furniture, gas ranges, cooking appliances, shoes, cosmetics, radio and television sets, textiles and garments, cleaning agents, as well as tractors and several chemical products.

Britain

REDUCTIONS IN BRITISH EUROPEAN FREE TRADE ASSOCIATION RATES OF DUTY—The European Free Trade Association Convention was ratified on May 3, 1960. Besides Britain, the European Free Trade Association includes Norway, Sweden, Denmark, Switzerland, Portugal and Austria. In 1961 Finland formed an association with EFTA. Duties between member states on goods in the industrial sector have been progressively reduced since that time. A further general reduction in these rates of duty was implemented on October 31, 1962. This reduced British EFTA tariffs to 50 per cent of their level at the time the association was formed.

RESULTS OF GATT NEGOTIATIONS—The results of Britain's negotiations under the recent GATT Tariff Conference have now been released. Changes in the British tariff came into effect on October 31.

Adjustments in the British rates of duty resulted from Britain's negotiations with the United States, the European Economic Community and other non-Commonwealth countries. These adjustments affected margins of preference on some items of interest to Canada in the British tariff and also resulted, in some cases, in consequential reductions in British rates which apply to Commonwealth countries.

Lower British rates to Commonwealth countries on items which are of interest to Canadian exporters include certain textile and other products containing silk or man-made fibres, motor vehicles and a wide range of automotive parts and accessories. In the case of motor vehicles, the concession in the rate applicable to non-Commonwealth countries was from 30 per cent to 22 per cent, while the reduction in the rate accorded to Commonwealth products will be from 20 per cent to 14½ per cent. Generally, these

reductions were brought into effect in one stage on October 31, 1962. An exception is the concession on motor vehicles, accessories and parts which will be brought into effect in three stages.

The following items on which the rates applicable to non-Commonwealth countries have been reduced, thus narrowing preferential margins, are of particular interest to Canada. (Former rates are indicated in brackets.)

Product	Most-Favoured-Nation Rate (in per cent)	British Preferential Rate
Synthetic rubber	8 (10)	Free
Hardwood logs	8 (10)	Free
Hardwood lumber	8 (10)	Free
“ “	15 (17½)	Free
Some types of container board	12½ (15)	Free
Some types of paperboard	12½ (15)	Free
Some types of wrapping papers	13½ (14)	Free
Marine engines	16 (17½)	Free
Aircraft engines	16 (17½)	Free
Various types of calculating machines	14 (15)	Free
Electric typewriters	16 (20)	Free
Ball roller bearings	15 (20)	Free
Needle roller bearings	15 (20)	Free
Airplanes	14 (17½)	Free
Transparent wrapping	16 (20)	Free
Nuts and bolts	16 (20)	Free
Razors	12 (15)	Free
Electric refrigerators	12 (15)	Free
Freezers	14 (17½)	Free
Washing machines	12 (15)	Free
Firearms	20 (25)	Free
Photographic film	20 (24)	Free

The above list is not inclusive. Information on whether specific commodities are affected by these changes may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Ceylon

INTENSIFICATION OF IMPORT RESTRICTIONS

—We have been advised by our Acting Commercial Secretary in Colombo that the import into Ceylon of 47 items that were formerly under Open General Licence has been restricted by the Government and now will only be allowed on specific import permits. Products on the list of interest to Canada are: vegetables (fresh, chilled and frozen); fruits (fresh, chilled and frozen); floor tiles and other similar articles; wallpaper; calendars; parts of bicycles; jewellery; floor covering

and floor cloth; ball point pens and propelling pencils and parts thereof; domestic and fancy ware made of plastic, vinyl, polyethylene or other similar materials.

Licences will be issued at the discretion of the Comptroller of Imports. The issue of import quotas in respect of some of the items will be announced at a later date.

The effect of this latest intensification is that only 63 items comprising food and drink, fuel and drugs, may now be imported into Ceylon without an individual import licence, i.e., on Open General Licence.

Chile

CURRENCY DEVALUATION ANNOUNCED—Chile has abandoned its official exchange rate and freed the value of the escudo. This means the abandonment of the fixed rate of 1.053 escudos to the U.S. dollar, in effect since 1959, in favour of a new fluctuating rate determined by the exchange market.

Since January 1962, Chile has operated two exchange markets, a "free bankers'" market at the fixed official exchange rate of 1.053 escudos to the U.S. dollar for most exports, imports and some invisible transactions, and a "brokers'" market at a fluctuating free exchange rate for some non-trade transactions and for certain imports into the Arica free port. On October 10, however, the President of Chile announced that the value of the escudo will henceforth be subject to the forces of supply and demand operating both in the "brokers'" market and the official "free bankers'" market.

Japan

FURTHER LIBERALIZATION OF IMPORTS—On September 29 the Japanese Government announced that further steps towards liberalization of imports had been taken. According to official estimates, 88 per cent liberalization, based on 1959 imports, has now been achieved.

Of 492 commodities which were previously on the Negative List and thus restricted, 230 have been transferred to the Automatic Approval or Automatic Fund Allocation classification. Under the Automatic Approval system there is no individual quota for particular goods but a total quota limit for all commodities on the list. This quota is established under the semi-annual Foreign Exchange Budgets. Importers may apply directly to the authorized bank for the foreign exchange needed to pay for the goods. For goods under the Automatic Fund Allocation system, although no restrictions are applied, it is necessary to obtain exchange allocation from the Ministry of International Trade and Industry before applying to an authorized bank for a licence.

On the basis of advance information, the recently liberalized items that are of interest to Canada include wood pulp, red clover seed, asbestos, kraft paper, swine

leather, leather for industrial use, some antibiotics, polyester and acrylic resins, automatic vending machines, some types of office machinery and electrical equipment, and semi-manufactures of nickel and aluminum.

Items that are on the Negative List require individual allocation of foreign exchange. When this is obtained, the necessary import licences will be issued by the banks. Commodities remaining on the Negative List include metallic copper, zinc, lead, coal, sulphur, blended whisky, wheat, macaroni, spaghetti, barley, tobacco, malt, honey, flour, livestock, rapeseed and mustard seed.

We expect to receive further details shortly from the Commercial Counsellor in Tokyo.

Lebanon

IMPORT TRADE CONTROL REGULATIONS—In three decisions issued at various times and published in the *Official Gazette*, the Government of the Republic of Lebanon has announced amendments to the import trade control regulations.

In a decision dated December 5, 1961, and published April 25, 1962, the Ministry of Health prohibited the import of penicillin tablets.

In a decision dated June 21, 1962, and published June 27, the Ministry of National Economy decreed that the import of the following would be subject to prior import licence: hairbrushes used by hairdressers; brushes for cleaning clothes and footwear; brushes for domestic use, for automobiles, for animals, and for artists and painters.

In a decision dated September 4, 1962, and published September 12, the Ministry of National Economy decreed that the following articles will no longer be subject to prior import licence: unworked cast or rolled glass; unworked drawn or blown glass; cast, rolled, drawn or blown glass.

Switzerland

EQUALIZATION TAXES ON IMPORTED GOODS—By a decree dated September 11 and valid from July 1, 1962, the Swiss Federal Council has introduced the following equalization taxes which are levied, together with the customs duties, at the Swiss border on the following goods:

	Sw.Fr.
Vinegar and acetic acid, per degree of acidity	.50
Wines used for the manufacturing of vinegar, per added degree of alcohol	.50
Collodions for technical purposes	20.00 per 100 kg.*
Products containing alcohol, used for technical purposes, such as rosin, glue, colouring matters, putty, varnish, lacquer, oil, grease, laundry products	20.00 per 100 kg.

*One kilogram equals 2.2 pounds.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Argentina Paraguay	C. O. R. Rousseau Commercial Counsellor J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Commercial Secretary E. E. Price Assistant Commercial Secretary	21st Floor A.M.P. Building Circular Quay SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Phone:</i> 27-7565
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobile Centre 2 City Road SOUTH MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 61-3473
Australia	R. B. Nickson Commercial Counsellor	Office of the High Commissioner for Canada State Circle CANBERRA	<i>Mail:</i> (City Address) <i>Cable:</i> DOMCAN <i>Phone:</i> U-1304 <i>Telex:</i> CBA C217 (DOMCAN CBA)
Austria Albania, Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	Commercial Counsellor for Canada (absent) P. A. Freyseng Acting Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 57-25-97 <i>Telex:</i> 1-3380 (DOMCAN VIENNA)
Belgium Luxembourg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Commercial Secretary P. T. Eastham Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 13.38.50 <i>Telex:</i> 0-2613 (DOMCAN BRU)
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Phone:</i> 42-4140 <i>Telex:</i> RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Phone:</i> 36-6301
Britain	B. C. Butler Minister (Commercial) S. G. Tregaskes Commercial Counsellor J. M. Rochon Commercial Counsellor (Metals and Minerals) D. B. Laughton Commercial Counsellor (Agriculture)	Office of the High Commissioner for Canada One Grosvenor Square LONDON, W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING, LONDON, W.1 <i>Phone:</i> Mayfair 9492 <i>Telex:</i> 2-2526, OR 2-8240 (DOMINION LDN)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Britain	W. M. Miner Commercial Secretary (Agriculture)		
	E. J. Ward Assistant Commercial Secretary (Timber)		<i>Cable:</i> TIMCOM, LONDON, W.1
	O. Hickie Assistant Commercial Secretary (Timber)		
	Geo. Hazen Assistant Commercial Secretary		
	E. L. Bobinski Assistant Commercial Secretary		
	Miss M. A. Armstrong Attaché (Exhibitions)		
	H. G. Garland Attaché (Fisheries)		
Britain (Midlands, North England)	W. R. Van Canadian Government Trade Commissioner	Martins Bank Building Water St. LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> MARitime 2177
Britain (Scotland)	Finlay Sim Canadian Government Trade Commissioner	Cornhill House 144 West George St. GLASGOW C.2	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Phone:</i> Douglas 6751
Britain (Northern Ireland)	Finlay Sim Canadian Government Trade Commissioner	15-17 Chichester St. BELFAST 1	<i>Mail:</i> (City Address) <i>Phone:</i> 21867
Ceylon	Commercial Secretary (absent)	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> CANADIAN <i>Phone:</i> 91341
Chile	J. R. Midwinter Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Phone:</i> 64189
	G. L. Gagne Assistant Commercial Secretary		
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	<i>Airmail:</i> Apartado Aereo 8582 <i>Surface Mail:</i> Apartado 1618 <i>Cable:</i> CANADIAN <i>Phone:</i> 43-00-65
	R. A. Bull Assistant Commercial Secretary		
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	<i>Mail:</i> Boîte Postale 8341 <i>Cable:</i> CANADIAN <i>Phone:</i> 2706 <i>Telex:</i> LEO 68 (DOMCAN LEO)
Cuba	Commercial Division	Canadian Embassy Calle 30 No. 518 Esquina A 7 A Miramar HAVANA	<i>Mail:</i> Gaveta 6125 <i>Cable:</i> CANADIAN <i>Phone:</i> 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> Hilda 3306

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Dominican Republic Puerto Rico	J. C. Leith Acting Commercial Secretary and Vice Consul	Canadian Embassy Edificio Copello 408 Calle El Conde SANTO DOMINGO	<i>Mail:</i> Apartado 1393 <i>Cable:</i> CANADIAN <i>Phone:</i> 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Upper Volta	A. G. Kniewasser Commercial Counsellor R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary G. P. Morin Assistant Commercial Secretary D. H. M. Brannion Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> BALzac 99-55 <i>Telex:</i> 2-0600 (DOMCAN PARIS)
Germany Federal Republic (States of Baden-Wurt- temberg, Bavaria, Hesse, Rhineland-Palatinate, Saar)	J. A. Stiles Commercial Counsellor W. F. Hillhouse Commercial Counsellor (Agriculture) C. Renaud Assistant Commercial Secretary	Canadian Embassy Zitelmannstrasse 22 BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 21971 <i>Telex:</i> 886421 OR 886422 (DOMCAN BONN)
Germany (State of North-Rhine- Westphalia)	H. E. Campbell Consul Louis de Salaberry Vice Consul	Canadian Consulate Bismarckstrasse 95 4 DUESSELDORF 1	<i>Mail:</i> P.O. Box 2102 <i>Cable:</i> CANADIAN <i>Phone:</i> 2-05-25
Germany (City States of Bremen and Hamburg, States of Lower Saxony and Schleswig-Holstein)	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General Ferdinandstrasse 69 HAMBURG	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Counsellor P. A. Théberge Assistant Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	<i>Mail:</i> P.O. Box 1639 <i>Cable:</i> CANADIAN <i>Phone:</i> 4824
Greece Cyprus, Turkey	B. A. Macdonald Commercial Counsellor F. I. Wood Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Commercial Counsellor K. D. Taylor Assistant Commercial Secretary	Canadian Embassy 5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	<i>Airmail:</i> P.O. Box 400 <i>Surface Mail:</i> P.O. Box 444 <i>Cable:</i> CANADIAN <i>Phone:</i> 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	<i>Mail:</i> P.O. Box 826

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	R. K. Thomson Senior Canadian Government Trade Commissioner P. M. Roberts Canadian Government Trade Commissioner J. M. T. Thomas Assistant Trade Commissioner N. R. Gish Assistant Trade Commissioner D. Molgat Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Phone:</i> 27743
India (except States of Gujerat, Maharashtra, Andhra Pradesh, Mysore, Madras, Kerala) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor for Canada J. H. Suggitt Assistant Commercial Secretary	13 Golf Links Road NEW DELHI 1	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Phone:</i> 74261
India (States of Gujerat, Maharashtra, Andhra Pradesh, Mysore, Madras, Kerala)	B. Horth Acting Canadian Government Trade Commissioner	Gresham Assurance House Mint Road BOMBAY 1-BR	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Phone:</i> 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> Gambir 1313
Iran	Commercial Division	Canadian Embassy Bezrouke Building Corner of Takht Jamshid Ave. and Forsat St. TEHRAN	<i>Mail:</i> P.O. Box 1610 <i>Cable:</i> CANTRACOM <i>Phone:</i> 4-9291
Ireland	P. V. McLane Commercial Counsellor for Canada	66 Upper O'Connell St. DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 44251
Israel	B. C. Steers Commercial Secretary for Canada	35 Carlebach St. TEL AVIV	<i>Mail:</i> (P.O. Box 20140) <i>Cable:</i> CANADIAN <i>Phone:</i> 221203
Italy Libya, Malta	J. H. Stone Commercial Counsellor M. S. Strong Commercial Secretary W. J. Jenkins Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 864-327 <i>Telex:</i> RMO 86 (RMO 86 DOMCAN OR RMO 56 DOMCAN)
Jamaica Bahamas, British Honduras	R. W. Blake Commercial Counsellor for Canada R. H. M. Cathcart Assistant Commercial Secretary	Barclays Bank Building King St. KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Phone:</i> 26948

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Japan Korea, Okinawa	A. P. Bissonnet Commercial Counsellor	Canadian Embassy 16, Omote-Machi 3-chome, Akasaka, Minato-ku TOKYO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 408-2101/8 <i>Telex:</i> TK 2218 (DOMCAN TK 2218)
	J. D. Blackwood Commercial Secretary		
	C. M. Kerr Assistant Commercial Secretary		
	D. A. Hilton Assistant Commercial Secretary		
Lebanon Iraq, Jordan, Persian Gulf area, Syria	L. A. Campeau Commercial Counsellor	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Phone:</i> 50955
	C. E. Rufelds Assistant Commercial Secretary		
Mexico	F. B. Clark Commercial Counsellor	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	<i>Mail:</i> Apartado 25364 <i>Cable:</i> CANADIAN <i>Phone:</i> 25-15-60
	H. S. Hay Assistant Commercial Secretary		
Netherlands	J. C. Britton Commercial Counsellor	Canadian Embassy Sophialaan 5-7 THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 61-41-11 <i>Telex:</i> 31270 (DOMCAN HAGUE)
	J. E. Montgomery Assistant Commercial Secretary		
New Zealand Fiji, Samoa, Tahiti, Tonga	W. B. McCullough Commercial Counsellor	Office of the High Commissioner for Canada Government Life Insurance Bldg. WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Phone:</i> 70-644 <i>Telex:</i> WGN 9 (DOMCAN WGN)
	W. J. Collett Assistant Commercial Secretary		
Nigeria	H. W. Richardson Commercial Counsellor	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	<i>Mail:</i> P.O. Box 851 <i>Cable:</i> CANADIAN <i>Phone:</i> 25262
	J. R. Caux Assistant Commercial Secretary		
	N. L. Williams Assistant Commercial Secretary		
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	<i>Mail:</i> P.O. Box 1379—Vika <i>Cable:</i> CANADIAN <i>Phone:</i> 33-30-80
	M. R. Bell Assistant Commercial Secretary		
Pakistan Afghanistan	J. E. P. Lancaster Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Road KARACHI	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Phone:</i> 50322 <i>Telex:</i> KRC 10
	J. A. Elliott Assistant Commercial Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Peru Bolivia	K. G. Ramsay Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Phone:</i> 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner W. B. Walton Consul and Assistant Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Phone:</i> 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Ave. SALISBURY	<i>Mail:</i> P.O. Box 2133 <i>Cable:</i> CANTRACOM <i>Phone:</i> 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner D. S. McCracken Assistant Trade Commissioner	American International Building Robinson Road and Telegraph St. SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Phone:</i> 74260
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Sts. JOHANNESBURG	<i>Mail:</i> P. O. Box 715 <i>Cable:</i> CANADIAN <i>Phone:</i> 33-2628
South Africa (Cape Province), St. Helena, South West Africa	M. R. M. Dale Canadian Government Trade Commissioner R. G. Godson Assistant Trade Commissioner	13th Floor African Life Centre St. George's St., CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANADIAN <i>Phone:</i> 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor R. M. Dawson Assistant Commercial Secretary	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Phone:</i> 47-54-00
Sweden Finland	G. A. Browne Commercial Counsellor	Canadian Embassy Strandvagen, 7-C STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Phone:</i> 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> 44-63-81 <i>Telex:</i> 2-2386 (DOMCAN GENEVE)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Trinidad and Tobago Barbados, Windward and Leeward Islands, British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Counsellor	Office of the High Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Phone:</i> 34787
	C. J. St. Pierre Assistant Commercial Secretary		
Union of Soviet Socialist Republics	R. V. N. Gordon Commercial Counsellor	Canadian Embassy 23 Starokonyushenny Pereulok Moscow	<i>Mail:</i> (City Address) <i>Cable:</i> CANAD <i>Phone:</i> 415142
United Arab Republic Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	W. Gibson-Smith Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Phone:</i> 23110
United States	M. Schwarzmann Minister (Economic)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> DEcatur 2-1011
	W. J. Van Vliet Commercial Counsellor (Agriculture)		
	R. R. Parlour Commercial Counsellor		
	N. W. Boyd Commercial Secretary		
	J. MacNaught Commercial Secretary (Agriculture)		
	S. G. Harris Assistant Commercial Secretary		
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> DEcatur 2-1011
United States (Connecticut, the eleven northern counties of New Jersey, New York) Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Phone:</i> JUDson 6-2400
	A. A. Caron Consul and Trade Commissioner		
	R. D. Sirrs Consul and Assistant Trade Commissioner		
	W. G. Huxtable Consul and Assistant Trade Commissioner		
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner	Canadian Consulate General 607 Boylston St. BOSTON 16	<i>Mail:</i> (City Address) <i>Phone:</i> CONgress 2-1245 <i>Telex:</i> 0-094-567
	L. D. R. Dyke Consul and Assistant Trade Commissioner		

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Kentucky, Missouri, Nebraska)	H. J. Horne Consul and Senior Trade Commissioner	Canadian Consulate General 111 North Wabash Ave. CHICAGO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> RANDolph 6-6033 <i>Telex:</i> 0-025-571
	B. V. Chew Consul and Trade Commissioner (Timber)		
	N. L. Currie Consul and Assistant Trade Commissioner		
	J. M. Knowles Vice Consul and Assistant Trade Commissioner		
United States (Michigan, Ohio)	Blair Birkett Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	<i>Mail:</i> (City Address) <i>Phone:</i> WOODward 5-2811 <i>Telex:</i> 0-023-445
	I. V. Macdonald Consul and Trade Commissioner		
United States California (the ten south- ern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth St. LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Phone:</i> MADison 2-2233 <i>Telex:</i> 0-06-74119
	R. C. Anderson Consul and Assistant Trade Commissioner		
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner	Canadian Consulate General Suite 1710 225 Baronne St. NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> JACKson 5-2136
	G. E. Blackstock Consul and Assistant Trade Commissioner		
United States (Delaware, Maryland, the nine southern coun- ties of New Jersey, Pennsylvania, Virginia, West Virginia)	W. J. Millyard Consul and Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Phone:</i> LOCust 35838
	J. B. McLaren Consul and Assistant Trade Commissioner		
United States California (except the ten southern counties), Wyoming, Nevada (ex- cept Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 333 Montgomery St. SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Phone:</i> YUKon 1-2670 <i>Telex:</i> 0-03-431
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Phone:</i> MUTual 2-3515 <i>Telex:</i> 0-032-462
Uruguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Phone:</i> 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	<i>Mail:</i> Apartado 11452-Este <i>Cable:</i> CANADIAN <i>Phone:</i> 32.40.41.44
	D. I. Campbell Assistant Commercial Secretary		

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 .929422.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent October 22	Units per Canadian dollar	Notes (See below)
Argentina	Peso		.007769	128.72	
Austria	Schilling		.04170	23.98	
Australia	Pound		2.4120	.4146	
Bahamas	Pound		3.0150	.3317	
Belgium and Luxembourg	Franc		.02162	46.25	
Bermuda	Pound		3.0150	.3317	
Bolivia	Potosi	Free	#	#	
Brazil	Cruzeiro	Free	.002301	434.59	
		Special Category	†	†	
Britain	Pound		3.0150	.3317	
British Guiana	Dollar		.6281	1.59	
British Honduras	Dollar		.7538	1.33	
Burma	Kyat		.2259	4.43	
Ceylon	Rupee		.2261	4.42	
Chile	Escudo	Free	.5482	1.82	
Colombia	Peso	Certificate	.1808	6.23	
Congo, Republic of	Franc		.02162	46.25	
Costa Rica	Colon		.1624	6.16	
Cuba	Peso		†	†	
Czechoslovakia	Koruna		.1494	8.89	
Denmark	Krone		.1554	6.43	
Dominican Republic	Peso		1.0759	.9294	
Ecuador	Sucre	Official	.05977	16.73	
		Free	.04761	21.00	
El Salvador	Colon		.4304	2.32	
Fiji	Pound		2.7162	.3682	
Finland	Markka		.003362	297.44	
France, Monaco, etc.	New Franc		.2196	4.55	(1)
Franco-African Republics, etc.	Franc		.004392	227.69	(2)
French Pacific	Franc		.01208	82.78	(3)
Germany	D Mark		.2686	3.72	
Ghana	Pound		3.0150	.3317	
Greece	Drachma		.03586	27.89	
Guatemala	Quetzal		1.0759	.9294	
Haiti	Gourde		.2152	4.65	
Honduras	Lempira		.5380	1.86	
Hong Kong	Dollar	Free*	.1876	5.33	*Oct. 5
		Official	.1884	5.31	
Iceland	Krona	Official	.02502	39.97	(4)
India	Rupee		.2261	4.42	
Indonesia	Rupiah	Official	.02391	41.83	(4)
Iran	Rial		.01420	70.40	
Iraq	Dinar		3.0126	.3319	

#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 October 22	Units per Canadian dollar	Notes (See below)
Ireland	Pound		3.0150	.3317	
Israel	Pound		.3586	2.79	
Italy	Lira		.001733	577.03	
Lebanon	Yen		.002989	334.56	
Japan	Pound	Free	.3531	2.83	
Mexico	Peso		.08608	11.62	
Morocco	Dirham		.2163	4.62	
Netherlands	Florin		.2982	3.35	
Netherlands Antilles	Florin		.5705	1.75	
New Zealand	Pound		2.9944	.3339	
Nicaragua	Cordoba	Effective buying	.1537	6.51	
		Official selling	.1527	6.55	
Nigeria	Pound		3.0150	.3317	
Norway	Krone		.1505	6.64	
Pakistan	Rupee		.2261	4.42	
Panama	Balboa		1.0759	.9294	
Paraguay	Guarani	Official	.008721	114.66	
Peru	Sol		.04011	24.93	
Philippines	Peso	Free	.2773	3.61	
Portugal & Colonies Republic of	Escudo		.03742	26.72	(5)
South Africa	Rand		1.5075	.6633	
Singapore and Malaya	Straits Dollar		.3515	2.84	
Spain and Dependencies	Peseta		.01793	55.76	
Sweden	Krona		.2088	4.79	
Switzerland	Franc		.2490	4.02	
Syria	Pound	Free	.3003	3.33	
Thailand	Baht	Free	.05062	19.75	(4)
Tunisia	Dinar		2.6038	.3840	
Turkey	Lira		.1195	8.37	(4)
United Arab Republic	Pound	Official	2.4747	.4041	
United States	Dollar		1.0759375	.929422	
Uruguay	Peso	Free	.09812	10.19	
Venezuela	Bolivar	Free	.2370	4.22	
		Official	.3221	3.11	
West Indies	Dollar		.6281	1.59	(6)
	Pound		3.0150	.3317	(7)
Yugoslavia	Dinar	Official	.001435	696.86	

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 and Tobago, Leeward and Windward Islands.
7. Jamaica.

GENERAL NOTES

Australia

TOURIST PROMOTION—Australia will spend one million dollars overseas on tourist trade promotion in 1962-63. This follows the decision of the Federal Government to increase its annual base grant to the Australian National Travel Association by A £50,000 and to continue its matching subsidy to a limit of £75,000. ANTA will step up its "Come to Australia" colour-advertising campaign in North America, will establish a new travel information and promotion office in Auckland, N.Z., will move into a new street-level office in the West End of London and will increase the range and quality of its promotion literature. Visitors to Australia in the coming year are expected to exceed 110,000, and their direct spending in the country will total about A £23 million—Sydney.

Ceylon

AGRICULTURAL ECONOMICS BUREAU—The Government will set up a Bureau of Agricultural Economics, probably associated with the National Planning Department, to advise it on agricultural projects and programs and to study the economics of land use, cropping programs, and agricultural policy. The Bureau will also serve as an adviser to the private sector. It will be headed by a United Nations consultant—Colombo.

Ghana

STUDY POWER RESOURCES—Investigations have begun into the possibility of building a hydroelectric power station at the dam site at Bui, Central Ghana. If the project is feasible, about 300 Russians and 60 Ghanaians will work on it—Accra.

New Zealand

PORT AND RAILWAY STUDIES—The World Bank is studying the possibility of a loan to New Zealand for port development. The various harbour boards have made information available to a Bank Mission now in the country, which will visit a number of ports. A further IBRD mission is expected soon to consider New Zealand's proposal to borrow funds for development of the railway system—Wellington.

Italy

LARGE THERMAL STATION—The Edison-Volta Company has built and will soon put into operation a thermoelectric power station at La Spezia, said to be the largest and most up-to-date of its kind in Europe. Capacity will ultimately total 1,855,000 kw.,

with production potential of up to 12 billion kwh. Italian output in 1961 totalled 61 billion kwh.

The generating unit to start operation now will create 320,000 kw. of power; another, construction of which is well advanced, will produce 335,000 kw. and two further groups, on which work has started, will each produce 600,000 kw.

The La Spezia station is near the sea in the port area. Supplies from overseas can reach it easily and the seawater can be used for cooling—Rome.

Panama

ELECTRICAL PROJECT—The World Bank has granted a \$4 million loan to Panama's Institute of Electrification (Instituto de Recursos Hidráulicos y Electrificación) to increase supplies of electrical energy. The Institute is an autonomous organization established by the Panamanian Government in 1961 to direct electrical development. At present it supervises facilities with a capacity of 4,000 kw. and the loan will finance new capacity totalling 6,000 kw.

First phase will be the construction of a central hydroelectric plant at La Peguada with an initial capacity of 4,000 kw., and the installation of diesel generators with about 2,000 kw. capacity. The project will involve 100 miles of high-voltage cables to feed substations and distribution systems in the five main cities of the central provinces. Costs are estimated at \$7.6 million and will be shared by the World Bank and IRHE. Imported products and services will be contracted for through international tenders—Guatemala City.

South Vietnam

INDUSTRIAL COMPLEX—An industrial complex is to be built at An Hoa, 30 miles southwest of Tourane near the Nong Son coal mine. Firms are to bid for the supply of the following eight separate plants or installations: a thermoelectric power plant of 25,000 kva.; a transmission line of 60,000 v. to transmit power to Tourane and Quang Ngai; a plant to produce coal gas; a plant for the liquefaction of air; a plant for ammonia synthesis; a plant to produce sulphuric acid; a plant to make urea and ammonium sulphate, and a calcium carbide plant. Cost of the equipment necessary for the first stage of the scheme is estimated at U.S.\$25 million, of which \$14 million will come from a French loan.

Work is expected to start early in 1963 and to be completed by the end of 1964. Estimated annual production is 42,000 tons of urea fertilizers, 48,000 tons of ammonium sulphate and 8,000 tons of calcium carbide—Hong Kong.

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DEPARTMENT OF
TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, October 30, 1962.

Mr. G.B. Dickinson,
Vice-President,
Justine Dress & Sportswear Mfg. Co. Ltd.,
Montreal, P.Q.

Dear Mr. Dickinson:

I was pleased to learn from your letter of October 26 that you are now in the process of setting up an export department.

In view of the importance of knowing how to deal with export inquiries, the Department has prepared a number of booklets to help new exporters -- "Functions of the Commodities Branch", "Assistance Which Trade Commissioners Can Render", "Selling Abroad" and "Trade and Commerce at Your Service" -- and I am enclosing a complete set.

To assist you in the job of trade promotion this Division undertakes product studies and market surveys, assists in co-ordinating trade fairs, in organizing trade missions, etc. Information is available on trade opportunities, and arrangements can be made for Commodity Officers to visit your plant and discuss your problems with you. They can advise you on the export potential in markets abroad, as well as on communications, shipping and transportation. All these factors are important in making your initial approach to exporting a success.

It would also be to your advantage to have your firm listed in our Exporters' Directory. This listing is for the confidential use of this Department and our Trade Commissioners abroad. At the same time, it will enable you to deal directly with the Trade Commissioners to obtain reports on local conditions and establish contacts with local agents.

I trust that the foregoing information will be of help to you. I shall be glad to see you any time you are in Ottawa and to discuss your export plans in more detail.

Yours sincerely,

E.G. Gerridzen,
Assistant Chief,
Textiles and Consumer Goods Division.

Trade and Commerce Can Help You