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A Canadian Looks at LAFTA

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Canadian exporters take a keen interest in the development of regional trading groups such as LAFTA and their possible effect on our exports. This article sketches the formation of the Association and the problems it is facing. Subsequent ones will deal with the influence of LAFTA on the member countries.

Chemcell Sells Industrial Chemicals

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How does a big Canadian producer go about getting big business abroad? Here's how Canadian Chemical Company did it, beginning in Europe and going on to other areas. Smaller firms might profit from adopting the same techniques.

Rhodesia and Nyasaland in 1962

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Bright spots and dark spots—that was the picture in the Federation last year. Canadians are introducing products new to Rhodesian buyers, including some consumer goods, and range of products may widen as African incomes rise.

Why Not Try Spain?

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Remarkable economic progress in past two years makes this market much more interesting to Canadian exporters. R. M. Dawson, who went to our Madrid office last October, tells how to plan a business trip you'll enjoy—and profit from.

Britain's Blueprint for Housing

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Seldom has a British White Paper contained so much of direct interest to Canadian exporters. Our long-continued promotion of timber as a housebuilding material should show gratifying results as housing schemes take shape.

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COMING—DON'T NEGLECT THE SOUTHERN MARKET, JULY 13 ISSUE

A Canadian Looks at LAFTA

What are the purposes and policies of the Latin American Free Trade Association? How will it affect Canadian exports? From Mexico City, where LAFTA held its second anniversary meeting last fall, comes this discussion of the Association's program and progress, written with the interests of Canadian traders in mind.



Permanent secretariat for LAFTA has been set up in Montevideo, Uruguay, pictured above. In October 1963 the members will gather there for the Association's once-a-year review of policy and problems; last year's meeting was held in Mexico City.

H. S. HAY, *Assistant Commercial Secretary, Mexico, D.F.*

WHAT is Latin America? The term commonly refers to the 19 independent Spanish or Portuguese-speaking nations south of the Rio Grande. Its present population is 200 million, roughly that of the United States and Canada combined or of Western Europe. Two years ago, five of these countries—Argentina, Brazil, Chile, Mexico and Uruguay—ratified the Treaty of Montevideo, setting up the Latin American Free Trade Association.

Since that time, Peru, Colombia, Ecuador and Paraguay have joined LAFTA. These nine countries account for 86 per cent of the land area of Latin America, 70 per cent of its gross national product, and 60 per cent of its total trade.

Compelling Problems

A number of urgent common problems, and the example of the Common Markets in Europe and in Central America, led to the forma-

tion of LAFTA. One was the rapid increase in population—by 1975 Latin America, it is estimated, will have a population of 300 million and by 2000 perhaps double that number. The average annual income is only about \$300, roughly one-fifth the Canadian figure. The number of "effective consumers" remains low: about 80 per cent in Argentina, Chile and Uruguay, only 30 to 40 per cent in Brazil and Mexico, and less in the other countries. Manufacturing accounts for only 20 per cent of the gross national product and employs only 15 per cent of the labour force. Small national markets and the desire to develop local industry have resulted in short production runs, high costs and high prices, and in high duties and restrictions on imports.

Latin America traditionally has traded with North America and with Western Europe rather than with its Latin neighbours. Only about 10 per cent of its trade is intra-regional and until LAFTA entered the picture, that percentage was declining. It exports mainly primary products and in doing so the various countries compete with one another. To Argentina, Brazil and Mexico (the most industrialized of the group) the creation of a regional market had particular appeal because it meant the extension of the limited national markets for the variety of goods they now turn out. Proposals for a regional association took shape soon after the war and from 1949 on, the United Nations Economic Com-

mission for Latin America actively encouraged and guided its formation. Membership is open to other Latin American states with economic philosophies compatible with the spirit of the Montevideo Treaty. Venezuela, Bolivia and the Central American Common Market countries are likely candidates within the next few years. An application from Cuba was rejected.

A permanent secretariat was established in Montevideo, Uruguay. The members have agreed to meet once a year and meetings took place in Montevideo in 1961 and in Mexico City in 1962. One is planned for Montevideo again in October 1963.

What Are the Objectives?

LAFTA has set its sights on a type of Common Market midway between the European Economic Community and the European Free Trade Association. Like the EEC, its aim is an economically integrated community of nations, but like EFTA, each is to retain its own external tariffs and restrictions towards non-LAFTA countries. So far, there is no talk of political integration. LAFTA's program of economic integration aims at more specialization of production and greater efficiency by using larger-scale techniques and by the economies made possible by a much larger but protected common market.

Among the more important features of the program are:

- Elimination of tariff and other barriers to intra-regional trade in substantially all traded commodities by 1972.
- Integration and rationalization of industry throughout the area.
- Solution of substantial transportation and communications problems.
- Working out of a common approach to the financing of regional development and trade.

Twenty-Year Trends in Latin America

By 1975 Latin American consumption and production are expected to show dramatic increases over 1956.

- Foodstuffs—*virtual self-sufficiency is expected, but small quantities of wheat and milk products will be imported. Consumption of milk will treble; consumption of sugar and beef double.*
- Copper—*consumption will be five times greater; domestic producers will supply 80 per cent of demand.*
- Steel and steel products—*demand for steel and semi-finished steel products will increase twelve times; up to 86 per cent of consumption may be supplied by Latin America.*
- Basic chemicals—*imports now are valued at \$600 million a year; this figure will probably treble. Latin American output of petrochemicals, acids, alkalies, plastics and synthetic fibres will have to increase by four to meet this demand.*
- Paper and cardboard—*demand is expected to treble. Imports now account for 38 per cent of consumption; by 1975 they will practically disappear.*
- Passenger cars—*sales will increase by 15 times to 1.8 million vehicles a year. Seventy-five per cent will come from Latin American plants.*
- Liquid fuels—*consumption will treble and demand will be met entirely from domestic sources.*

● Co-ordination of various auxiliary services and policies for regional development.

Toward Internal Free Trade

Customs duties, import restrictions, and other barriers to trade are to be eliminated on substantially all products traded between LAFTA members during the twelve years to 1972. At each annual negotiating session, lists of the commodities on which each country wishes to give and receive concessions are presented. Requests for concessions are directed toward one country at a time and negotiated on a bilateral basis. Any concession granted is then extended multilaterally to all members. (Subsequently it may be

withdrawn in return for adequate compensation.) Members are free to select the products on which they are willing to lower duties; this gives considerable flexibility and helps national industries to adjust fairly smoothly.

Each year a minimum reduction of 8 per cent of the over-all weighted average of the duties on all goods must be achieved. At the end of each three-year period, the average must have been reduced by 25 per cent. At this juncture a common schedule is to be drawn up, consolidating irrevocably all concessions to that date.

At the end of the second round of negotiations, the over-all reductions achieved were probably double

To boost export sales and intra-regional trade, economists suggest that LAFTA must ultimately have a regional organization for clearing payments and facilities for financing exports. These problems have received a good deal of attention, but so far little progress has been made.

Arrangements for Agriculture

As in the European Common Market, LAFTA has special arrangements for agriculture. Members have pledged to co-ordinate agricultural development policies and trade in agricultural products. Agricultural imports may be restricted to regulate internal production and supplies, if other steps are taken to expand intra-area trade in these commodities.

Special arrangements are made for members whose economies are classified as underdeveloped. Paraguay and Ecuador qualify for these arrangements and their exports are consequently permitted free entry, right from the beginning, into other LAFTA countries. On imports, however, they are permitted to negotiate all concessions, as the other members do.

Effect on Trade

Latin American imports currently approximate \$8½ billion a year, of which capital goods make up about one third, raw materials another third, and consumer goods less than one quarter. Economists predict that by 1970-1975 imports could reach \$11 billion at 1950 prices. Of this, up to \$8 billion could come from other Latin American countries, a 1,000 per cent increase, and a virtual replacement of the present value of imports from abroad by a similar value of imports from Latin America.

Canadian exports to Latin America (LAFTA and non-LAFTA countries) in 1962 are set out in Table I. They are chiefly raw materials and capital equipment.

It is impossible to predict the specific long-run effects of LAFTA on Canada's trade with Latin Amer-

ica. Certainly there will be a rapid change in its composition. A variety of products now imported will soon be produced locally from raw materials. Imports of manufactured consumer goods and light equipment can be expected to fall off. On the other hand, opportunities for Canadian capital goods, machinery, precision instruments, chemicals and other raw materials not produced in

Latin America should be especially favourable in the next few years. So should opportunities for Canadian investment and knowhow in the form of engineering and technical services. There will be many good opportunities for alert Canadian exporters who watch carefully development of the Latin American Free Trade Association in the next few years. ●

The Changing Central American Market

FUNDAMENTAL changes in the economic structure of Central America are taking place, sometimes at a surprisingly rapid rate. The name of "banana republic" ascribed to most of the countries in the area has long become a misnomer; their economies are more accurately described as agro-pastoral. In most, coffee has supplanted bananas as the chief source of revenue and the importance of cotton, cocoa, and livestock is constantly increasing.

The entire area, including Panama, has a population exceeding 12 million and an area of over 200,000 square miles—about the size of France. The aggregate gross national product indicates a total purchasing power of U.S.\$3 billion, slightly less than that of Colombia, but the growth of the market in the past decade has averaged 6 per cent a year.

The six countries—Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama—buy about U.S. \$600 million a year of a wide variety of goods; Guatemala is the biggest buyer of the six—(U.S.\$138 million, followed by El Salvador \$122 million, and Costa Rica \$110 million). Canada's share of this expanding market was less than 2½ per cent in 1961.

There are a number of important influences at work that are affecting Canadian exports to this area, and as time goes on the activities of AID, the Inter-American Development Bank, the Central American Common Market Bank, Eximbank, and a number of other agencies will exert ever-growing influence and pressure on Canadian exports. One of the most vital of these influences is the Central American Common Market. Under the terms of the General Treaty on Central American Economic Integration signed in 1960, the five signing countries (Panama is not a member) agreed to eliminate internal customs barriers within five years and establish a common external tariff on goods from other countries. At the same time an agreement was signed

setting up the Central American Bank for Economic Integration. With headquarters at Tegucigalpa, Honduras, the Bank began operations in May 1961. It is currently capitalized at U.S.\$54 million, \$38 million of which is provided by the U.S. financing agencies. Its purpose is to provide financial aid for light industry.

Basically the tariff structure is intended to encourage the purchase of locally produced materials through tariffs on durable or non-durable goods that can be or are being produced in Central America. On the other hand, tariffs on raw materials and capital goods are equalized at low levels and duties on agricultural machinery completely eliminated. Currently 95 per cent of the products originating in Guatemala, El Salvador, Nicaragua and Honduras enjoy tariff-free treatment in the area. Costa Rica should be participating in this arrangement shortly. On imports from outside Central America, the member countries have equalized 95.5 per cent of the import duties.

The development of the Central American economy requires the provision of improved transportation facilities, introduction of modern agricultural methods including mechanization of farms, more electric power for light industry and domestic use, and better communications. All these should suggest sales promotion opportunities to Canadian suppliers. In addition, there is a market for industrial raw materials and mineral products, plus such staples as newsprint, wheat and flour. The market for consumer goods may decline.

The Central American countries have shown a genuine desire to use the integration program as a tool for co-ordinated development and are aware of the benefits that economic unity will bring. To increase or even maintain their share of this market, Canadian exporters must be as alert and aggressive as their counterparts in the U.S., Europe, and Japan.

—H. E. LEMIEUX, *Commercial Counsellor, Guatemala City.*

Chemcell Sells Industrial Chemicals

It took Canadian Chemical Company only ten years to build its export sales to over six million dollars a year. Its export sales manager, Bill Santel, tells how his company cultivated and won customers in 42 countries, beginning in Britain and Europe.

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

Plant in operation: September 1953.

First export sales made: last quarter of 1953.

First sales trip overseas: February 1954.

First 25 agents appointed: 1954 and 1955.

Overseas sales 1955: less than \$2 million.

Overseas sales 1962: over \$6 million.

Number of current overseas markets: 42.

STRIPPED to essentials, that's the story of Canadian Chemical Company's export success in its first ten years. Many Canadian firms set out to supply the domestic market and not until production begins to exceed demand do they cast about for foreign customers. But when Canadian Chemical Company (or Chemcell as it is often called) built its plant at Edmonton in 1953, management knew that output would exceed Canadian demand and that it must search for export outlets. Fortunately it was the right time to push industrial organic chemicals. The Korean War had just ended and chemicals were in short supply, while over in Europe

the rebuilding of industry was creating opportunities.

The job of mounting an export sales campaign went to W. A. Santel. In the ten years since he took on this assignment, Bill Santel has become a time-table traveller, covering the Far East, Europe, Australia and New Zealand, while his assistant Alan J. Cousins visits India, South Africa, South America and the Middle East. This personal canvass of markets is a feature of the company's export policy, and it is buttressed by market research, selective advertising, and close co-operation with agents.

Superficially different though many markets seem to be, the



method of approach to them remains much the same. It is to discover in each country the potential customers for a product, what the competition is, and which agents are equipped to do the best selling job. Canadian Chemical Company has applied this technique in places as different as Sweden and Vietnam, or Colombia and South Africa. It's one that can be made to work not only for chemicals, but for scores of other products too.

Letters First, Then Interviews

When Bill Santel began prospecting for markets in the fall of 1953, he started off by writing letters. He wrote first, naturally, to the Canadian Trade Commissioners in Europe, asking for the names of chemical importers or of firms buying chemicals in quantity. He also got in touch with Chambers of Commerce in certain cities where no Trade Commissioners were posted. He made contact with the chemical societies in Europe and with agents for certain other suppliers, in case they received inquiries for chemicals that their principals did not make.

His campaign-by-typewriter did not stop there. When he had secured names of possible agents, he wrote to them. He listed the chemicals his company produced and said that it was anxious to secure active, alert agents abroad. He asked them to give him details of local chemical

production, the volume and sources of imports, prices, and competitive conditions generally—as well as an outline of the services they could offer.

In return, he received a fantastic amount of correspondence, because so many firms wanted good principals to represent. He analyzed these answers, culled out the opportunists, and put on an "interview" list those who wrote good letters, seemed to be well established, and displayed a good knowledge of the market.

Next, he planned his initial sales trip. First he went to England—partly because of the Commonwealth tie and partly because of the preferential tariff. Then he visited France, Switzerland, Italy and Germany. Altogether he made six trips to Europe in 1954, mainly to get the matter of representation settled.

To him, the time and money spent in selecting the proper agent paid off, because the agent is the pivot of an export promotion program. Selling organic chemicals is, of course, much more complicated than selling refrigerators and demands more technical knowhow. Canadian Chemical Company insists that each of its agencies have either a chemist or a chemical engineer on staff. What Santel looks for is the ideal combination, hard to find, of technical ability and good business sense.

He first appointed an agent in Britain and then gradually in other areas until by the end of 1955 he had some 25. In selecting an agency he sought the opinion of the Trade Commissioner and others to determine how well known it was and whether it had the proper contacts and adequate financial resources. He made calls on customers with potential agents and inspected the agents' offices to see if they had sufficient staff. When the choice proved difficult, he sometimes let three or four agents sell the products for a certain length of time; the one who produced the most business got the agency. Normally, Canadian Chemical Company appoints only one agent in each country and he must be a national of that country.

The care taken in selecting agents has proved worthwhile. "They have grown with us," Santel says, "and have increased their sales." Of the original 25, he has since changed only two in two countries. Today Canadian Chemical Company has distributors in 42 countries; the list starts with Argentina and ends with Yugoslavia.

Supporting the Agent

Usually the contract with an agent includes a six-month trial period and all agents work on a standard commission. Some of them buy for their own account, others act solely as agents and the com-



Every two or three years, Chemcell meets with its European agents at a central point. This picture was taken in Copenhagen in 1962, following a luncheon. The company's director of marketing, J. A. Stenstrom, (first on left) attended the meeting and Mrs. Stenstrom acted as hostess at the luncheon. Fourth from right is Dr. N. A. C. Friend, who is now in charge of Chemcell's London office.

pany ships orders to and bills the customer direct. To speed up delivery (a vital competitive factor) and give the best possible service, Chemcell has set up warehouses in various parts of Europe (Rotterdam, Antwerp, Genoa and Trieste) and latterly in Sydney, Australia. Agents have the authority to order direct from the nearest warehouse and their orders are filled in one to two days. A commercial bank is delegated to control each warehouse and act for the company; it makes out the customs invoices, etc., and keeps track of stocks. So far the volume of business in other areas, such as the Far East and South America, has not justified the establishment of warehouses. The use of overseas warehouses has become fairly common among Canadian exporters, but Santel points out that Canadian Chemical Company was one of the first to adopt it.

The agent receives support in many other ways. The company provides him with technical information, brochures and samples and often suggests possible outlets for its products. Backing up the agents' selling effort, Canadian Chemical Company has a program of international advertising in trade journals serving the export markets. These are product ads and list the names of agents in each country. To encourage advertising at the local level, the company pays part of the cost of approved advertisements and promotion material. Most of these ads appear in technical journals; Canadian Chemical Company's advertising department sends over proofs and often plates of successful ads and the agent sees to the translation of copy. Calendars and other promotion pieces are supplied to the agent from time to time.

These practices are fairly standard among large companies, but Canadian Chemical Company does other things that are a bit unusual. It encourages its agents to come to Canada and to visit Edmonton to see the plant. But in addition, it helps agents, during their visits to

Canada, to obtain non-competitive lines. Some have gone back with four or five other Canadian products to sell.

Some time ago, the company began meeting with all its European agents at some central point every two or three years. The first gathering was held in Zurich and the second last year in Copenhagen. These two or three-day meetings are partly business, partly social, and offer a good opportunity to discuss technical advances and new sales policies and to introduce new products. Some senior officials of Canadian Chemical Company have participated in these meetings.

In addition to doing a first-rate selling job, the company expects an agent to provide up-to-date statistics on chemical imports into his territory and to keep it fully informed about local tariffs and about the competition.

London Office Opened

Two-and-a-half years ago, representation in Europe moved forward a further stage with the opening of an office in London, with N.A.C. Friend, who has a Ph. D. in chemistry, in charge. This year the staff will be expanded, to give quicker service to British and European customers. The London office will operate like a domestic district sales office; it will release stocks to European agents and do its own invoicing and billing.

Competitive Advantages

In the gruelling race for new and broader markets, Canadian Chemical Company, Santel explains, has two advantages that offset the handicap of distance. One is very efficient production methods—the Edmonton plant is highly automated and the manufacturing process rigidly controlled to meet exacting specifications. The other advantage is low cost fuel and raw materials, which come from the nearby oil and gas fields. It needs all these favourable factors to be competitive with other world producers, like Britain, Germany and Italy. More-

over, it has constantly to seek out new markets to replace those which decline through growth of their own chemical industries; Japan, for example. Lately it has done some business in Eastern Europe and a growing volume in Latin America.

In his ten years as export sales manager for the company, Bill Santel (and his staff) have had little time to relax—and relaxation isn't in the cards, either. Each year he submits his estimate of how much production the export market can absorb. This estimate is studied and management then allocates a specific amount of production to export. Bill Santel's job and that of his colleagues is to get out and sell it. This method assures the steady customer of continued supply and stimulates a constant effort to secure new orders.

In this race for markets the export operation has the strong support of management at all levels. This Bill Santel considers essential to success.

Export Formula

Listed one by one, the ingredients in his export formula (he insists that none of them is unusual) are:

- Visit agents and customers as often as possible, even if, for the moment, you cannot meet all their needs.
- Quote prices whenever possible c.i.f. The customer wants to know the landed cost.
- Choose agents personally and after careful investigation of their contacts and resources.
- Back up your agents in every possible way and give them support and quick service.
- Supply your customers consistently.
- Win the support of top management in your firm.

Sales figures confirm that it's a formula that produces results. ●

- Department store business up 10 per cent; buying on credit increased.
- Decline in immigration affected sales of furniture, some household appliances.
- Trend among retailers is toward carrying heavier inventories.
- More buying by Africans apparent in several fields, as their purchasing power rises.
- Canadian sales down slightly, but range of commodities shipped is widening.
- Outlook for Canadian exporters good, if political and economic conditions remain stable.

Rhodesia and Nyasaland in 1962

L. S. GLASS,
Trade Commissioner, Salisbury.

BUSINESS in Rhodesia and Nyasaland last year, although still affected by political unrest, was considered fair to good, with some soft spots. Insolvencies for the first nine months increased from 200 to 250, and by far the major proportion were in Southern Rhodesia. One of the biggest supermarkets in Salisbury, for example, went into liquidation with indebtedness of about £175,000.

Early in 1963, this office undertook a survey of business done and future prospects in the more important retail fields, and our findings are set out below.

Department Stores

One of the largest department stores, which also operates a supermarket, reported an increase of business of about 10 per cent in 1962 and credits most of this to improved merchandising methods. Some feel that the statistics for 1960 and 1961 were somewhat inflated, because during that time television arrived and extraordinary sales of television sets greatly distorted them. This particular store

reported that purchases on credit increased sharply over cash sales last year compared with 1961.

One factor in this situation is the fact that during a large part of 1962, at the instigation of one firm of importers and retailers, a price war in foodstuffs took place. The department stores with supermarkets attached benefited considerably from this price war, for although their markup on individual items had to be cut drastically, their turnover went up sharply, offsetting the lower markup. Furthermore, it brought a greater number of people into the department stores and "impulse" purchases of other goods increased considerably. Many people from outlying districts not accustomed to going into Salisbury to buy took advantage of this price war, increasing sales further.

Other Businesses

Reports from manufacturers' representatives, importers and wholesalers were spotty. Some stated that 1962 was an excellent year for them, with up to a 12½ per cent better turnover than in 1961. Those who enjoyed a good year did so largely because of better sales promotion and reductions in overhead costs. One such agent and importer reports that the trend among retailers is to go back to carrying heavier inventories instead of buying from hand to mouth.

Little information was received from farmers' co-operatives; 1962 sales were said to be merely "satisfactory."

Household Appliances

Christmas sales in 1962 were better than expected although sales of radio and television sets and refrigerators have apparently reached saturation point. Business in these items is usually done with people who want more up-to-date equipment. Sales of stoves and washing machines, and of electric irons and toasters, continued to be fairly steady. The decrease in immigration has affected the trade in household appliances because new arrivals account for a good deal of business in this line.

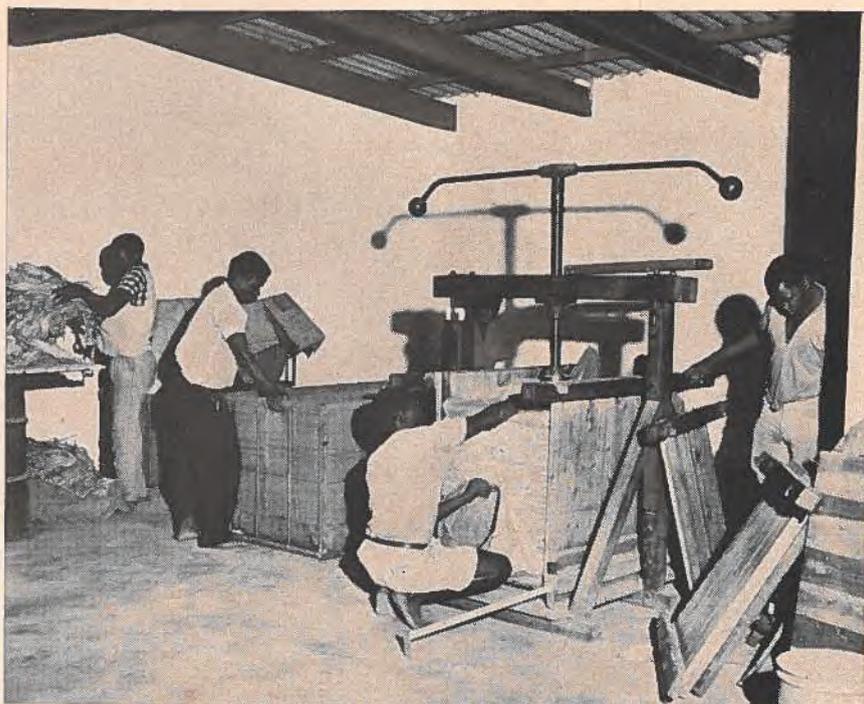
Clothing and Draperies

Sales of men's and women's clothing were fairly close to the 1961 figure, but apparently there was a general falling-off in purchases by the public during September, October and November. However, Christmas sales equalled those of 1961.

Apparently the drapers who had the foresight to import new and different materials had a good year, and one firm reported that cash sales definitely increased in 1962 over credit sales. He saw this as an indication that people are more selective in their buying and not inclined, as in the past, to buy anything at all because they have a charge account. It could also mean that the Rhodesian is more inclined to live within his income, rather than run up bills that he might find difficulty in meeting.

Furniture

Furniture dealers reported a poor year in 1962 and a decline of at least 15 per cent on the total year's trading. Christmas, however, was somewhat better and was only 2½ per cent below 1961. Here again, the drop in immigration figures is felt immediately, because there is little need for complete house fur-



Tobacco comes second only to copper among Rhodesia's exports and the revenue it brings in means much to the Federation's prosperity. Last year tobacco sales to foreign countries were valued at £33.6 million. In the photograph, bales of cured tobacco are being prepared for the auction floor at a farm in Southern Rhodesia.

nishings for people who already live here. Moreover, many householders are more inclined to have slip covers made for their old furniture than to buy new furniture. One bright spot in the furniture trade is the increasing buying by Africans, and retailers and manufacturers catering to this trade reported a good year.

Jewellery, Photographic Equipment

All firms in the jewellery trade reported that 1962 was considerably better than 1961; in fact one of the largest jewellers in Salisbury said that 1962 had been his best year.

For photographic equipment dealers, it was a fair year but net profits dropped because buyers were seeking firms which would offer a discount on photographic equipment. The retail outlets have been overloaded with inventory and once a new gadget appears, everyone must obtain it or his general sales drop. Next to drug stores, photographic dealers seem to be most

numerous and the future does not look too bright for them.

Builders' Supplies

Reports from stores in this field show a definite fall-off in business in 1962, but this was already apparent from the almost complete standstill in building activity. One of the largest firms in this business (which operates as importer, wholesaler and retailer) intimated that it was pessimistic about the immediate future but optimistic about the long-term future.

Exports Up, Imports Down

In the first eleven months of 1962, imports decreased and exports increased, promising a net favourable balance for the full year.

On the basis of the index (with 1954 equals 100) the volume of imports for the first eleven months of 1961 stood at 112.9; for the same period in 1962 it was 102.9. Total imports for 1961 were valued at £155 million for the whole year

TABLE I
IMPORTS INTO RHODESIA
AND NYASALAND

	1961	1962 (11 mos.)
	(millions of £)	
Foodstuffs	12.2	11.1
Beverages and tobacco	1	1.1
Crude materials	4.6	4.6
Mineral fuels	8.3	9
Oils and fats	0.889	0.690
Chemicals	12.6	12.3
Manufactures classified by materials	36.7	33.9
Machinery and transporta- tion equipment	47.7	42
Miscellaneous manufac- tured articles	15.2	14.4
Miscellaneous transactions	3.4	3

and for the eleven months ended November 1961 £143 million. For the similar period of 1962 imports reached only £132 million. Total exports for the first eleven months of 1961 were valued at £190.3 million, compared with £194.9 million during the same period of 1962. The breakdown of imports by categories for this period is given in Table I.

Copper and tobacco are really the backbone of the Federation's exports and although the copper mines were beset throughout the year by wildcat strikes by both Europeans and Africans, output was maintained at a very high level. In the first three months of 1961, the index of mineral output was 145.8 and for the first quarter of 1962, 146.4. Sales of flue-cured Virginia—which, as in Canada, is sold chiefly abroad—totalled 233.3 million pounds valued at £32.8 million in 1961; average price per pound was 33.83d. In 1962 the quantity sold was slightly smaller largely because of the weather, which brought tobacco on so rapidly that a considerable amount remained unsold at the end of the auctions. The total sold was 230.8 million pounds valued at £33.6 million, bringing an average price of 34.96d. per lb., the highest since 1955, when the average price per pound was 40.35d., but the weight sold was only 125.9 million pounds. The northern area of Nyasaland also produces a certain amount of tobacco and here

TABLE II
PRINCIPAL CANADIAN EXPORTS
TO RHODESIA

	1961	1962
	(Can. dollars)	
Lumber	172,453	602,537
Passenger autos and chassis	595,748	402,955
Plastics and synthetic rub- ber, not shaped, n.e.s.	366,402	265,296
Newsprint paper	255,685	201,333
Wheat	262,714	140,589
Wrapping paper	138,771	135,093
Marine engines and parts	102,593	125,543
Rock drilling machinery and parts	158,306	115,899
Polyethylene resins, not shaped	.....	97,600
Malt	125,275	94,876
Road vehicle parts	144,951	88,160
Wheat flour	66,747	80,927
Writing and reproduction paper	55,608	76,506
Truck chassis	69,076	65,705
Fish, canned, frozen and smoked	128,473	64,541
Aluminum fabricated materials, n.e.s.	24,318	60,777
Spark plugs and parts	114,033	58,846
Aircraft engines and parts	16,234	49,249
Sanitary paper	15,315	46,995
Card punch machinery, computers and parts	8,042	43,315
Transformers and parts	54	37,894
Broad woven fabrics, cotton, n.e.s.	30,377	36,600
Logs, poplar, aspen and cottonwood	30,947	33,773
Sausage casings	14,028	26,249
Biological products for human use	34,845	24,068
Watches, movements and parts	22,378	23,786
Aircraft assemblies and parts	5,375	20,736
Files and rasps	18,146	17,631
Copper pipe and tubing	1,241	15,885
Stains, lacquers and thinners	1,449	15,554

again both weight sold, value and average price per pound remained at approximately the average of previous years.

Rhodesian statistics on trade with Canada are available for the first eleven months of the year and on the basis of these, our sales to the Federation promise to exceed those for 1961. They were valued at £1,865,000 for the first eleven months of 1962, compared with £1,767,000 in the same period of 1961. Canadian figures give exports to the Federation for the full year 1962 as \$3,366,689 compared with

\$3,396,349 in 1961, a slight decrease.

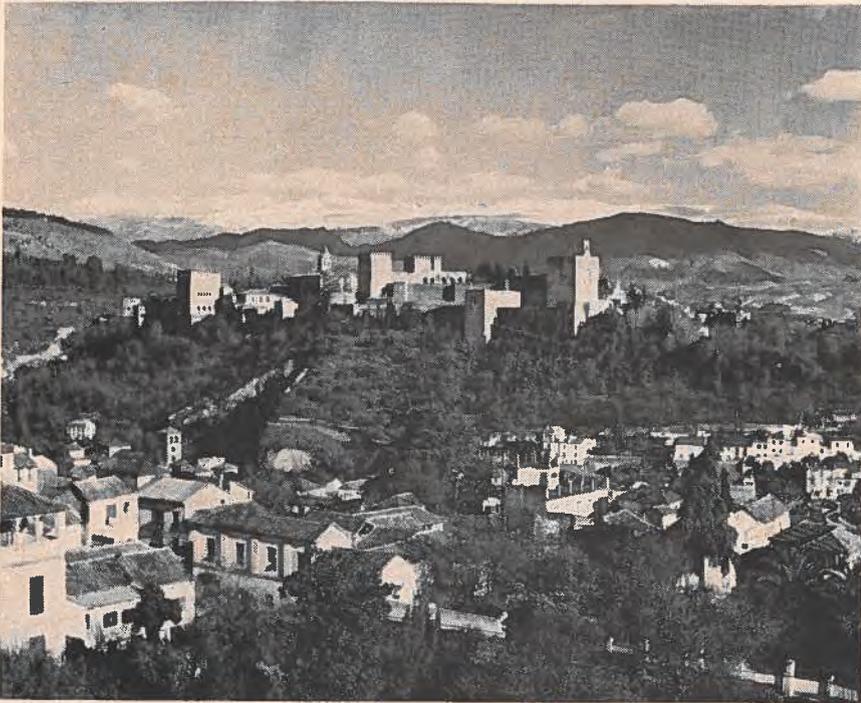
We sell a wide range of goods to the Federation: during the two years under review, for example, 197 items entered into our export trade; last year sales of 93 items increased and of 104 decreased. Some of the products sold only in small volume, however. Table II gives our more important exports.

Earlier I remarked that building activity in the Federation was stagnant. However, the Government has a large construction program for African housing and this apparently accounts for the increase in our lumber exports. Sales of hemlock lumber alone in 1962 rose from \$78,368 to \$382,380. The fall in newsprint sales resulted from the rise in local production and soon this will meet all Rhodesian needs. The same is true of wrapping paper.

Given favourable political and economic conditions, there is no reason why Canadian exports to this country should not expand at a steady pace. Sales of sporting goods, electronic equipment, printed cottons, women's lingerie, toys, dolls and games and many other products which were unknown on this market less than five years ago are increasing noticeably.

Competition is particularly keen from South Africa and Britain; in fact, imports into Rhodesia from South Africa are still running neck and neck with those from Britain, mainly because the Republic, on the doorstep of the Federation, is in a position to supply what it wants speedily and, more important, in smaller quantities. The latter is rather vital because it means that the importer does not have to carry the heavy inventories necessary when buying from overseas.

Canadian exporters should note that the Africans are increasing their purchasing power day by day and are becoming a more vital factor in the economic development of the country. Eventually, they will become important as consumers of imported goods. ●



If your Spanish itinerary allows you a few days as a mere tourist, you'll want to visit Granada. Here is the celebrated Alhambra, backed by the Sierra Nevadas.

Why Not Try Spain?

Canadian sales to Spain last year soared to \$15.4 million, are still going up. If you've been neglecting this market, include it in your European itinerary. You'll be impressed by the business opportunities in many fields and you'll appreciate Spain's charm and variety.

R. M. DAWSON, *Assistant Commercial Secretary, Madrid.*

THE average Canadian businessman probably knows less about Spain than about any other Western European country. Yet Spain has recently become an attractive market, with the current trade liberalization giving a strong stimulus to economic development and industrialization. It offers excellent opportunities for selling capital goods, industrial chemicals and raw mate-

rials and as the liberalization of imports proceeds, the market for consumer goods, now limited, will expand. Last year Spanish imports rose to over U.S.\$1.569 billion.

A short time ago Spain applied for some form of association with the European Common Market. This application has yet to be examined but it has significant implications. Foreign investors are

already showing great interest in licensing agreements and joint ventures pointed towards the large European market. The sizable pool of low-cost labour makes Spain an ideal location for industrial expansion if its application to join the EEC is not turned down. Why not plan to visit Spain in the near future and assess for yourself these opportunities for selling products or entering into licensing arrangements?

Come and See

It is true that a last-minute decision to come to Madrid following a visit to other European countries may bring some results. But your chances of doing business will be enhanced if you plan your trip in advance and prepare for it adequately. And bring the Trade Commissioners into the picture early, because we can do a great deal to help you. Write to us and tell us the purpose of your visit, what product you want to sell, and whether you wish to meet Spanish importers or manufacturers. Although import restrictions are disappearing gradually, a number of products cannot be imported freely. You don't want to find yourself in Spain trying to sell something that is not on the liberalized list. Ask our advice about which Spanish cities you should visit and how long you should spend in each. Make sure to include in your letter c.i.f. prices Spanish port of entry, possibly Barcelona or Valencia.

Getting Ready

Canadian visitors to Spain need only a valid passport and an international certificate of vaccination against smallpox. Arrange to carry with you travellers cheques in U.S. dollars. You can buy Spanish currency at the airport when you arrive; the current rate is 55.58 pesetas to the Canadian dollar.

Both your hotel reservation and your business appointments should be arranged well in advance. Madrid has now become a convention

centre as well as a tourist attraction (over eight million tourists came to Spain in 1962 and more than ten million are expected this year) and hotel rooms are hard to obtain at short notice. One of Madrid's many good hotels is the Plaza, in the same large building as the Canadian Embassy. Other leading hotels that Canadians frequent are the Ritz, Palace, Fenix and Wellington, only a few minutes away from the Embassy by taxi. A drive of about twelve minutes takes you uptown to the Castellana Hilton. Rates in most of these hotels are slightly lower than in Canada.

Spanish businessmen, particularly in Madrid, are often difficult to contact unless you make appointments. We can arrange these for you and help you use your time to best advantage. Many businessmen spend a good deal of time outside their offices and some Spaniards say that they do more business over a cup of coffee in a cafe than they do over a desk. This is another reason for lining up appointments before

you come. If you do not have an agent in Spain, we can make arrangements for interviews with suitable prospects. Most visitors can pack only three or four interviews with agents into one day, and if you are contacting possible customers or government officials, two to three are probably the limit.

What is the best time to come? We suggest that you avoid the hot summer months from July 15 to September 15, not only to miss the tourist peak but also because the Government moves to the summer capital of San Sebastian in the north for these two months. Most offices are short-staffed then because of annual vacations. Any other time of year is suitable, except possibly December. Keep in mind that Spain has several national holidays in addition to Christmas, New Year's Day and Good Friday, and that Madrid's fiesta day is May 15 and Barcelona's is September 24. The other principal holidays are:

January 6	—Epiphany
March 19	—St. Joseph

Maundy Thursday	
May 1	—St. Joseph the Worker
May 23 (1963)	—Ascension Day
June 13 (1963)	—Corpus Christi
June 29	—St. Peter and St. Paul
July 18	—National Day
July 25	—St. James the Apostle
August 15	—The Assumption of Our Lady
October 12	—Columbus Day (Día de la Raza)
November 1	—All Saints' Day
December 8	—Immaculate Conception

Where to Go

Madrid, the rapidly expanding capital of Spain, should be the first, and if you are relatively short of time the only, city you visit. Barcelona, the second largest, is the chief centre of Spanish industry and commerce. Most of the main trading firms in Barcelona also have offices in Madrid, so a visit to this thriving port, although recommended, is not essential. Bilbao, in the north, has extensive heavy industry nearby and is a good place for suppliers of industrial raw materials to visit. Valencia, a Mediterranean port, and numerous other places in the south (Seville, Malaga, etc.), are of particular interest to exporters of products sold in agricultural areas. Madrid is situated in the heart of the country and you can reach all these places fairly easily if you make the capital your headquarters. There are daily domestic flights to all the major centres by Iberia and Aviaco Air Lines, or fairly good overnight connections by train. Or you may prefer to rent a car; you can drive in one day to almost any Spanish city.

You may want to bring with you samples of your product. If these are of no commercial value, they are not subject to import duty. Samples of commercial value must be listed in duplicate for Customs at the port of entry and the list must give details and values. You will also have to furnish a cash deposit or a guarantee equivalent in value to the duty chargeable on these goods. When you take the samples out of the country, the deposit will be returned or the guarantee re-



Generalisimo Avenue in the heart of Madrid, with its modern buildings and rows of flanking trees. On an initial business trip to Spain, Madrid could be the one city you touch, but most Canadians also visit Barcelona and some Bilbao and Valencia.

Spain's Leading Cities

● **Madrid**—the capital, with a population of 2½ million, has grown from an administrative center into a thriving industrial and commercial city. It now has a wide variety of light industries and is, next to Barcelona, the most important industrial center in Spain. Until recently Barcelona was the logical place to have an exclusive agent for Spain but today most people consider Madrid the more suitable choice. The size of the Madrid market, the necessity of maintaining close contacts with government trade and other officials, and the industrial progress of the city have given it special importance.

● **Barcelona**—still the principal industrial and commercial center with a population of 1½ million, it is also Spain's most important seaport. It has a businesslike atmosphere not found in other Spanish cities. Barcelona Province is the center of the important textile industry and a rich agricultural area. The chemical, automobile, tractor, leather, paint, pharmaceutical, domestic appliance, furniture, plastics and machine tool industries are prominent here. Except in particular cases, any agent appointed in Spain should have good coverage of the Barcelona area. Some of the most highly regarded trading companies in Spain have their head offices in Barcelona, with branch offices in Madrid and other centers.

● **Bilbao**—the most important heavy industry center in Spain, including iron and steel—is also one of the most important ports. Industries mak-

ing precision engineering products, domestic appliances, machine tools, firearms, paper, motorcycles, ships, industrial chemicals, pharmaceuticals, and industrial and domestic sewing machines flourish in the area. To the west of Bilbao are the main coal-mining districts. The temperate climate in the Basque country may be one reason why its people have a reputation for hard work. Generally speaking, the area around Bilbao is considered the third most important commercial and industrial region. In consumption of many industrial raw materials, Bilbao ranks number one.

● **Valencia**—center of citrus fruit cultivation, the Valencia area is also the main vegetable and rice-growing region and an important port. It has a population of half a million. Although the citrus industry remains dominant, there are substantial paper, furniture, ceramic and handicraft industries in the vicinity.

● **Seville**—a large seaport with a population of 450,000, Seville is the most important commercial center in southwest Spain. Essentially this is an agricultural and wine-growing region with olives, olive oil, oranges, sherry and brandy figuring prominently.

There are other important commercial centers—Málaga, Zaragoza, Córdoba and Vigo—but generally speaking, they have fairly specialized industries and there is seldom any need for a visiting Canadian businessman to include them in his itinerary. As industrialization proceeds, however, the situation could change.

scinded. If you wish to sell any samples, you must obtain permission from the Ministry of Commerce.

Making the Rounds

Business hours in Spain vary a good deal, but the most usual are 9 a.m. to 1 p.m. and 4 p.m. to 7 p.m. In July and August most offices open slightly earlier and work straight through to 2.30, when they close. It makes a long day, particularly when the Spanish seldom dine before 10 o'clock. Span-

iards have a reputation for getting by on very little sleep but many of them enjoy a one-hour siesta in the afternoon. Government offices usually close to the public at 3 p.m. The banks are open from 9 a.m. to 4 p.m. Monday through Friday and from 9 a.m. to 12.30 on Saturday. Although virtually all commercial offices are open on Saturday, many executives take the day off.

English is not widely spoken or understood by businessmen in Spain, although its use is gradually

becoming more general. French is more common. If you have important conferences with people speaking Spanish only, the Embassy will try to provide an interpreter. When we cannot offer this service, we will refer you to an agency which can. All the major hotels have staff who speak English but when you use taxis, you should have your destination written out in Spanish.

The best way to reciprocate hospitality offered by a Spaniard is to invite him to dinner at one of the better restaurants. Don't let the dinner hour disturb you; an early dinner engagement is usually for ten in the evening. Warm hospitality is typical of Spain, especially when you show a genuine interest in the people and in the country.

Tips on Tipping

As a stranger, you will want some guidance about tipping. Taxis are cheap and a 10 per cent tip is standard practice for a fare of up to 50 pesetas, but do not give more than a five-peseta tip if the fare is more. Spanish pride is strong and even if you do not tip a taxi driver, he will probably not protest as they do in many other countries. A good tip to the bellboy who takes your suitcase to your room is 10 pesetas, or for two bags 15 (U.S.25 cents). Special favours or errands merit a five peseta tip. A service charge of 15 per cent is always included in the bill at an hotel or restaurant, but there is some latitude in tipping at meals. For example, if you are entertaining a small group for dinner and the bill comes to 1,000 pesetas, a 60-peseta tip is adequate. On the other hand, if you have enjoyed a particularly good meal for two costing only 400 pesetas, a 30-peseta tip would be about right. Just remember that some tip, not necessarily as high as 10 per cent, should be offered.

Putting your leisure time to good use won't present any problems. First, Spanish restaurants delight the gourmet. Excellent meals, including wines, can be obtained at

moderate prices. You can also find restaurants where the charges are higher (somewhat similar to those in Canada) and where you will be served in luxurious surroundings. (The quality of the food will not necessarily be any better.) If you enjoy wines, a magnificent selection of high-quality Spanish wines awaits you. Spaniards love to eat and don't be surprised to find popular restaurants filled at noon as well as in the evening with people ordering full-course meals.

Madrid offers the visitor a wealth of cultural pursuits. It has, for example, one of the finest art galleries in the world, the Museo del Prado. It also contains many well-known historic buildings, such as the Royal Palace, Ermita de San Antonio de la Florida with Goya frescos, National Library with Museum of Modern Art attached, Romantic Museum, Sorolla Mu-

seum, Church of San Francisco el Grande with Goya paintings, and so on. Several famous historical sites are within a short drive of Madrid, such as Toledo, Segovia, La Granja, El Escorial, Valle de los Caídos, and Avila; any of these make an ideal weekend outing. There are several good night clubs and flamenco shows in Madrid, but you will probably find that the long working hours, coupled with the normally late dinner, leave you little time for other recreation.

Madrid has two bull-rings: La Monumental, the most important in Spain, and Vista Alegre. Bullfights take place most Sundays and Thursdays during the season (spring to autumn), and one every day during fiesta week in May.

After You Leave

When you have completed your business and are ready to leave

Spain, the Commercial Division of the Embassy would appreciate a short chat, even by telephone, giving us a summary of your findings. If time does not permit, we would appreciate your writing us a note on your return home, giving us some details about your visit. All of this is part of our follow-up program and this information can be indispensable in helping us cement relations between you and any new-found Spanish business associates. In due course, we are also anxious to learn about any agency appointments or, if you do not mind, of any business resulting from your visit. All of this helps us to keep our records up-to-date and to offer you efficient service.

Any success you achieve during an initial prospecting in Spain will be multiplied, we believe, after each succeeding trip. Let us help you to plan your visit now. ●

BUSINESSMAN'S BOOKSHELF

Export and Import Procedures

Morgan Guaranty Trust Co. of New York. 10 pages. Free.

THE International Banking Division of the Morgan Guaranty Trust Co. has prepared this booklet to serve as a reference and guide to those confronted with the various problems involved in the importing or the exporting of goods.

Although it is not intended as a complete analysis of export and import operations, the booklet does outline in some detail the more important types of financial instruments and methods used in carrying on foreign trade. In addition, it includes brief descriptions of some of the agencies now operating under the U.S. Government and international organizations and summarizes their services in the field of foreign trade financing.

Although the text has been prepared for U.S. readers concerned with the apparent complexities of export payment transactions, it should be almost equally useful to the Canadian exporter because it discusses primarily foreign transactions and practices.

Order from: Morgan Guaranty Trust Co., New York City, New York.

Public Money Sources for Overseas Trade and Investment

John E. Loomis. 243 pages. U.S.\$16.50.

THE accelerating pace of trade and investment around the world has led to a spectacular growth in public funds available to finance these activities. A road map through the maze of agencies administering these funds has just been provided by John E. Loomis, a Washington consultant on international financing, in this manual.

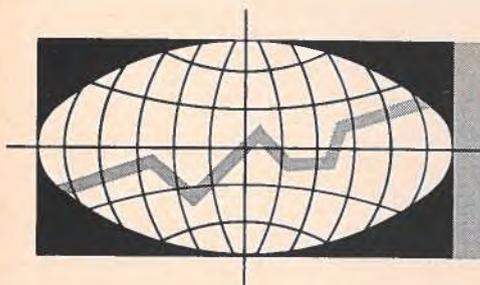
Essentially it is written for Americans doing business for overseas aid and development agencies. Thus, in addition to sections on the World Bank, International Finance Corporation, International Development Association and the Inter-American Development Bank, it also has chapters on the Export-Import Bank, AID, Investment Guarantee Program, etc., which finance projects that are tied to U.S. companies and suppliers. Nevertheless, many Canadian businessmen, engineering firms, exporters, investors and development banks which might participate in an overseas program or project will need this manual while they are negotiating with or advising overseas recipients.

For each of the agencies discussed, Mr. Loomis provides a clear explanation of its legal foundations, its principal requirements for loans, and its typical lending activities. Lending policies are also given full treatment, including who may qualify, what kinds of goods and services will be financed, and the types of programs available. He adds expert advice on the choice of lender and the terms and conditions of loans.

This manual also tells how to take advantage of sales opportunities presented by procurement activities

flowing from the making of loans. Helpful guidance is given on the mechanics of loan application procedures. At the end of each chapter, the author has included a representative list of loans made by the particular agency to help the prospective borrower understand its lending activities better.

Order from: Bureau of National Affairs, Inc., 1231 24th Street, N.W., Washington 7, D.C.



Trade Prospects

West Germany

The Federal Republic is Canada's fourth largest market and our sales there are increasing. But this growth cannot be maintained unless we can meet the fierce competition in prices and in terms.

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

CANADIAN exports to West Germany are increasing steadily despite smaller wheat sales during 1962, and Germany holds her position as our fourth most important customer. However, we must not take this market for granted: we face stiff competition in almost every product that we sell here. Traditionally, wheat and other grains, aluminum, non-ferrous metals, asbestos, iron and iron ore, chemicals, oilseeds and pulp comprise over four fifths of our exports to the Federal Republic. These products are well established and require less pioneer work than finished or manufactured goods, which are subject to great competitive pressure.

Canada means quality in many countries. We must capitalize on this reputation whenever we can as it is often the main advantage we

have. In the highly competitive German consumer goods market, Canadian merchandise of superior quality can often hold its own. A rising standard of living makes the German consumer willing to pay a little more to obtain quality. To benefit from this readiness, our products must not only be good but superior.

Pricing and Payment

The most serious problem the Canadian exporter faces in the West German market is competitive pricing; he must make every effort to keep his prices in line with those of other suppliers, both domestic and foreign. In some instances this is not possible but in others, more attention to export pricing for this market might help.

Too often Canadian exporters offer their merchandise to perfectly

reliable German importers on letter-of-credit terms. This often results in lost sales. Germany today is a modern and wealthy industrial state and German firms in general are just as reliable as Canadian.

Effect of EEC

As a result of the development of the Common Market, a structural change in trade in favour of EEC members is affecting certain products and groups of products. In such cases it can be accepted that competition will increase, to the detriment of actual or potential Canadian sales. However, this is certainly not true of all products and perhaps not even of the majority. It is least true in those industries or sectors of industry that require raw materials. It is also far from uniformly true of finished goods.

The effects of the Common Market (within which some customs duties have already been reduced to zero between member countries) are felt more heavily perhaps in finished consumer goods of all sorts.

Some examples are household articles, textiles, builders' supplies, sundries—in fact, most finished goods that involve no special technical factors and which are already being mass-produced in some or all of the EEC member countries. Canadian products of this type with no special technical or production advantage and the prices of which are often based on considerably higher labour costs usually cannot compete in West Germany against cheaper local or Community production. This holds true even

though our quality is usually acknowledged to be equal and sometimes better.

The Overseas Territories and other countries associated with the Common Market are permitted to supply minerals, basic foods and forest products to Germany (much of which enters through Hamburg), and therefore they may provide increasing competition for Canadian products—to the extent, of course, that they compete with our goods for the same uses. Aluminum is an example, and our tobacco sales,

mostly in this territory, might also be affected because of Greece's association with EEC, although our Virginia tobacco does have a particular market which it should be able to hold against Oriental tobaccos. Poultry is the hardest hit: sales made by all third countries have been insignificant since the EEC marketing regulations for this product came into effect on August 1, 1962. This may be partly the result of unused stocks that importers built up before August 1. Only the future will tell. ●

Belgium and Luxemburg

To succeed in this open market, exporters of manufactured and consumer goods must emphasize quality and competitive prices. Growth and composition of future Canadian sales will be affected by industrial program, the EEC, and GATT negotiations.

L. H. AUSMAN, *Commercial Counsellor, Brussels.*

BELGIUM AND LUXEMBURG are open markets for raw materials and manufactured goods from all parts of the world. Since the war, they have not placed any currency restrictions on imports and they have now liberalized most of those agricultural products on which quantitative restrictions were applied. A few remain, but Belgium has assured her GATT partners that these will be removed as soon as it is possible to do so.

Because this market is open, price and quality are extremely important in influencing the nature and extent of Canadian exports to the Belgo-Luxemburg Economic Union. This, of course, accounts in part for the preponderance among our sales to this country of agricultural products (mainly wheat) and industrial raw materials. Canada will continue to find markets here for some of her manufactured and consumer goods, but substantial increases in this trade may depend

on economies resulting from increased production or, in some cases, on closer attention on the part of manufacturers to the techniques of pricing for export.

The competitive nature of the Belgian market for Canadian products is accentuated by the preference now accorded Belgium's EEC partners—a preference that will increase as internal tariffs are reduced and the common external tariff applied during the next five to seven years. More favourable access to the Belgian market for Canadian products may result from concessions that could be secured through the proposed forthcoming GATT tariff negotiations and from such commodity agreements as may form part of the settlement resulting from the application of the Community's common agricultural policy.

It is interesting to note that the Belgian four year economic program, begun in 1962, calls for an annual increase of 4 per cent in

the gross national product. Because 40 per cent of Belgium's production is exported, there must be an annual increase of 8.5 per cent in exports to take care of the rise in productive capacity. The extent to which the Belgian program meets its goal will affect Canadian trade with this country. Because of the increase in industrial production, Canadian consumer goods and other manufactured products will meet greater competition from domestic (and other EEC) sources. On the other hand, Canadians can look forward to a growing demand for the raw materials we supply to Belgian industry.

In the continued lack of clarity about the EEC's implementation of its agricultural policy, it is difficult to predict the effect of the Common Market on our sales of agricultural products to Belgium in 1963. Wheat is by far the most important of these products and some importers have hesitated to make commitments during the early months of the "levy" system. However, it is felt that, in the long run, hard Canadian wheat will maintain its relative position in this market. ●

For more detailed information see the January 12, 1963, issue of *Foreign Trade* that featured the BLEU market.

Protesting Bills of Exchange

QUESTION	AUSTRALIA	NEW ZEALAND	CYPRUS	GHANA
1. Are bills of exchange common?	Yes.	Yes.	Yes.	Yes.
2. What are the usual terms?	Usually sight to 90 days, but sometimes terms are longer.	Sight to 180 days. Most are drawn at sight with a large percentage allowing presentation to be deferred until arrival of carrying vessel.	Varies from 30 to 120 days. Imports of goods from outside sterling area require a licence with a maximum term of 120 days. A special permit from the exchange control is required.	Usually drawn at sight. Sometimes terms are given but seldom exceed 90 days.
3. What is the procedure when documents are attached?	Documents are released in accordance with instructions of forwarding bank or drawer. Unless contrary instructions are given, documents are not released until payment. Documents attached to a term bill are normally released on acceptance but instructions are the determining factor.	With sight bills, documents are released against payment. With term bills, documents are released upon acceptance. The latter involves clean credit extended by the drawer to the drawee.	Customary to release documents against acceptance.	On sight bills, documents are released only against payment. On usance bills, documents are released against acceptance if so instructed.
4. Is it usual to protest bills in the event of non-payment or non-acceptance?	If dishonoured by non-acceptance, a bill must be protested for non-acceptance. If not previously dishonoured by non-acceptance but by non-payment, it must be protested for non-payment. A bill protested for non-acceptance may also be protested for non-payment.	U.S. and Canadian banks usually instruct against protest. Other overseas banks usually instruct to protest. Protest may be made for either non-acceptance or non-payment.	Bills may be protested for non-acceptance or for non-payment.	As a general rule, banks in Ghana do not protest bills unless they are specially instructed to do so. Sight bills can be protested for non-payment. Usance bills can be protested for both non-acceptance and non-payment.
5. What is the benefit to be derived from protesting?	Preserves recourse against those liable and is a prerequisite for legal action.	Preserves recourse for the holder against prior parties.	Protesting is a prerequisite for legal action.	Protesting establishes beyond legal doubt that a bill has been presented to the drawee for payment. There is little other benefit.
6. What psychological benefit is derived from protesting?	Usually damages business reputation.	May encourage faster payment by a reluctant drawee.	None, because protests are not officially published.	None.
7. What is the cost of protesting?	Varies from about \$4.00 to \$10.00, including notarial charges, depending on the state in which the bill is protested.	About \$6.00 including notarial charges.	About \$2.25, including court fees and stamps.	About \$1.60.
8. How is the protest carried out?	Through a notary public.	Through a notary public.	By the bank direct to the Registrar of the District Court.	Through a notary public.

*A written order for a certain sum of money, to be transferred on a certain date from the person who owes the money or agrees to make the payment.

* in the Commonwealth

NIGERIA	SIERRA LEONE	RHODESIA	TRINIDAD	JAMAICA
	Yes.	Yes.	Yes.	Yes.
in sight to 90 days. Bills are normally granted after a good relationship has been established between the supplier and buyer.	Principally at sight. Sometimes 30, 60 or 120 days, usually for Far Eastern imports.	Sight to 120 days, usually sight, occasionally 180 days.	Sight to 180 days. The majority are sight.	Most are sight drafts. Most commonly used note is 90 days, some 30 and 60 days. Notes rarely exceed 180 days.
Documents are released against payment.	Documents are released against payment or acceptance.	Documents are released on owner's instructions. On bills drawn at currency, documents are usually released against acceptance. On bills drawn at sight, documents are generally released against payment.	For bills drawn at sight, documents are released against payment. For term bills, documents are released against acceptance.	For a sight bill, documents are released on payment. For time bills, documents are released on acceptance.
both for non-acceptance and non-payment.	Yes, both for non-acceptance and non-payment.	Yes, both for non-acceptance and non-payment.	Bills are protested for non-payment and for non-acceptance only on the drawer's instructions.	It is possible to protest a bill of exchange but it is more common for a bill to be merely "noted for protest" by a notary. The notary is then in a position to protest this bill in future.
holder of a bill retains recourse against the drawer and all endorsers. Best deed is acceptable court evidence.	Provides evidence to the courts that the bill has been presented.	Necessary as a prerequisite for recourse against the drawer and endorsers.	An additional safeguard if it becomes necessary to collect the bill by legal proceedings.	Protesting acts only as a stepping-stone to further legal action to obtain the sum owing. It does not give the legal right to collect the money.
Generally involves smaller local imports.	Has some effect on a customer of good standing, but none on a customer with few or no assets.	None.	None.	Very little if the drawee has a questionable credit rating. Normally, however, advice that a bill will be protested brings immediate results because legal action would injure buyer's reputation.
about \$4.20, including fees and stamp duty.	About \$40.00.	About \$47.00, including notary and bank charges for both noting and protest.	About \$6.31.	The cost of "noting" ranges from \$1.00 to \$4.50. Actual cost of protesting is an additional \$6.30.
through a notary public.	Through a notary public who will ascertain the reason for non-payment.	Through a notary public.	Through a solicitor.	Through a notary public.

ment (drawee) to the creditor to whom the money is owed (drawer).

Markets in Brief

KUWAIT

Area: approximately 6,000 square miles.

Population: 325,000; 50 per cent are non-nationals.

Climate: very hot from May to September, but humidity is not high; winter is very cool, with heavy rain and storms from November to February.

Language: Arabic; English used to some extent.

Currency: dinar; one Kuwait dinar=\$2.80 (official rate).

Foreign exchange and import controls: no import licence or exchange permit required, except for firearms, munitions, poisons, pork, and alcoholic beverages.

Weights and measures: metric system; British and United States measures understood by the business community.

Capital: Kuwait.

Chief centres: Port of Kuwait (population) 200,000; Mina al Ahmadi, headquarters of Kuwait Oil Company which employs 10,000 people, of whom more than 1,000 are British, American or European.

Economy: based on oil; 1962 royalties \$485 million.

Total Kuwait imports: over \$200 million a year.

Chief imports: machinery, iron and steel, building materials, textiles, clothing, foodstuffs, automobiles, electrical appliances, pharmaceuticals.

Chief suppliers: United States, Britain, Germany, Japan, India, France, Italy, Netherlands.

Value of imports from Canada: 1962—Can.\$1,040,242; 1961—Can.\$941,213.

Chief imports from Canada: (Can.\$'000) 1962—automobiles 485.8, asbestos 176.8, flour 114.7, wearing apparel 37.7, excavating and dredging equipment 34.1, washing machines 27.2, nuts 26.3, clocks 20.3, refrigerators 17.2, paints 15, paper products 14.8.

Chief export: oil, 85 million tons in 1962.

Chief market: Britain (one third of oil exports).

Chief Canadian purchases: 1962—crude petroleum \$10 million; 1961—crude petroleum \$20 million.

Dollar exchange: readily available on the free market.

Prices: should be quoted in U.S. dollars, preferably c.i.f. or c. & f. Kuwait.

Usual terms of payment: sight.

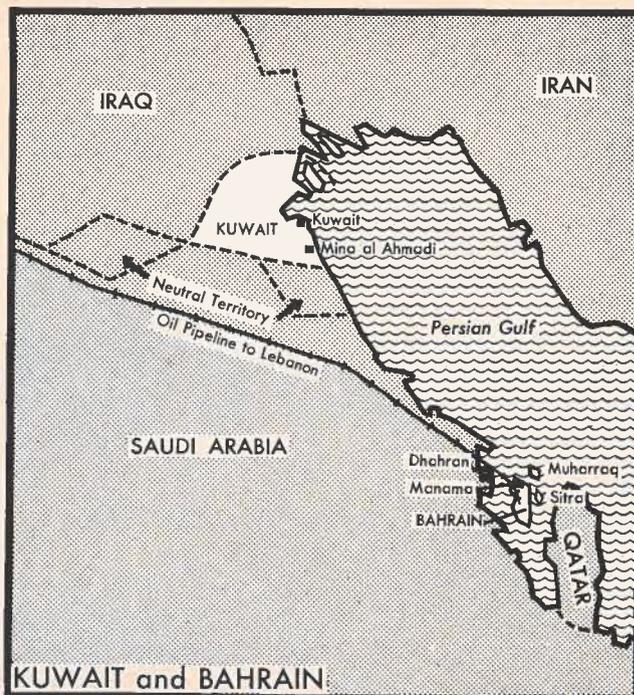
Samples: free if of no commercial value; subject to duty when of commercial value.

Visas: visa is required.

Trade agreements: none between Kuwait and Canada.

Customs regulations: customs duty is at an over-all rate of 4 per cent; imports for the state and oil companies are exempt.

Banks: British Bank of the Middle East, National Bank of Kuwait, Commercial Bank of Kuwait, Gulf Bank.



Oil companies: Kuwait Oil Company (Britain-U.S.), the most important; American Independent Oil Co. (U.S.) and Getty Oil Co. (U.S.), operate in the Neutral Zone; Arabian Oil Co. (Japan-Kuwait) and the Shell Oil Co. (Britain-Netherlands), offshore concessions.

Correspondence: airmail essential for all correspondence; letters 25 cents per half ounce.

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

For detailed information on this market write to:

Chief, Asia and Middle East Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
P.O. Box 2300
Beirut, Lebanon

BAHRAIN

Area: six principal islands with total area of approximately 250 square miles.

Population: 140,000 (including 3,000 Europeans and Americans, and 17,000 from other countries).

Climate: very hot and humid from May to October, mild between November and April.

Language: Arabic; English spoken to some extent.

Currency: Indian rupee; one rupee=Can.\$0.23.

Weights and measures: 1 ratl=1 lb., 4 ratls=1 rub'a (4 lb.), 14 rub'as=1 maund (56 lb.). English and U.S. measures are understood by the leading merchants.

Capital: Manama on Bahrain Island, population 65,000.

Chief ports: Manama, and Sitra on Sitra Island, oil company's terminal.

Other marketing centres: Muharraq on Muharrak Island, population 30,000.

Economy: largely dependent on oil (annual revenue average \$17 million). Income also derived from transit and entrepôt trade.

Total Bahrain imports: 1962 (8 months)—\$45 million; 1961—\$63 million.

Chief imports: provisions, household goods, fabrics, clothing, machinery, building materials, motor vehicles.

Chief suppliers: Britain, United States, India, Japan, Germany, Netherlands.

Value of imports from Canada: 1962—Can.\$210,264; 1961—Can.\$111,480.

Chief imports from Canada: (Can.\$'000) 1962—automobiles and trucks 94.9, card punch machines and computers 57.3, clocks 25.5, electric motors 13.5, wearing apparel 6.5.

Bahrain exports: refined petroleum products (mostly oil), about 9 million tons a year. Re-exports of imported goods total about one third of imports.

Crude oil production: 2½ million tons a year.

Canadian purchases: none.

Dollar exchange: readily available on the free market.

Prices: should be quoted in U.S. dollars, c.i.f. or c. & f. Bahrain whenever possible.

Samples: free if of no commercial value; subject to import duty when of commercial value.

Trade agreements: Canada accords most-favoured-nation treatment under the General Agreement on Tariffs and Trade.

Customs duties: 5 per cent on essential goods, 10 per cent on non-essentials, 15 per cent on alcohol, tobacco and cigarettes. Imports for government and oil company enter duty-free.

Import regulations: import permits are required only for alcoholic drinks.

Banks: Bank of Bahrain, Eastern Bank Limited, British Bank of the Middle East, Arab Bank Limited.

Oil companies: Bahrain Oil Company, registered in Canada.

Correspondence: airmail for all correspondence; letters 25 cents per half ounce.

Documentation, customs tariffs, marking and labelling; consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

For further information on this market write to:

Chief, Asia and Middle East Division
International Trade Relations Branch
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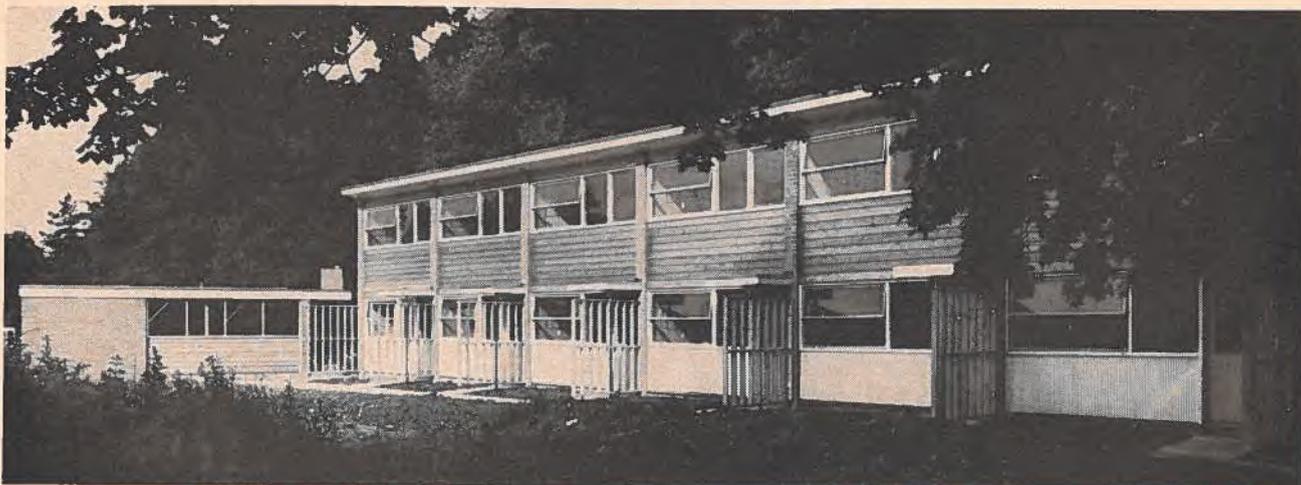
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The imaginative use of Canadian timber in public housing is illustrated by this old people's home in Buckinghamshire. The front and rear walls are framed in Pacific Coast hemlock and the cladding consists of wide western red cedar boards.

Britain's Blueprint for Housing

Timber exporters in Canada will find encouragement in far-ranging government plan just announced to solve Britain's housing problem in next decade. New building systems recommended to local housing authorities based on use of timber for prefabricated parts.

O. HICKIE, *Assistant Commercial Secretary (Timber), London.*

A BOLD and imaginative plan for meeting Britain's housing needs over the next ten years was recently made public. It was outlined in a White Paper released on May 28, 1963, by Sir Keith Joseph, Minister of Housing and Local Government.

The sweeping proposals that the White Paper contains are aptly summed up in its concluding paragraph, which also reflects the general tone of the report:

"The pace of new building will quicken. More and better houses will be built and in greater variety for the rising population. Sufficient land will be made available so that local shortages can be overcome. The growth of owner occupation will be fostered. Local authorities with remodelled subsidies—based on proper rent policies—will be

helped to clear the remaining slums much more quickly and to provide for the elderly and others who need to look to them. The range and rate of improvement will increase. An attack on the older depressed residential areas will be prepared and launched as each town gets rid of its slums and masters any shortage. Finally a new arm of housing—housing societies supported by the building society movement and by a government-financed Housing Corporation—will be brought into action to provide homes without subsidy and without profit for letting and for co-ownership."

1. Annual Housing Target

As this statement indicates, the core of the White Paper consists of five major proposals which, if im-

plemented in the manner visualized, would ultimately overcome most of Britain's housing problems. The first of these is to attain a sustained target of 350,000 houses a year as soon as practicable to keep pace with the projected population growth and to provide for a steady replacement rate arising from slum clearance and urban renewal projects. In fact, judging by these needs alone, an even more ambitious housing program would be warranted, but it would not be realistic to aim at a higher rate just now.

In setting this target, the capacity of the building industry is crucial because it is already faced with increased programs in the public sector in addition to house construction. However, to achieve increased output the Government proposes to assist the industry in a number of ways:

- Public authorities will be encouraged to use building systems that promise good results, are competitive in cost, and can supplement existing local labour and contracting resources.

- Assistance will be given in developing new building systems for use by local authorities such as the so-called "5M" system based on the use of timber and light steel construction. Timber has been found particularly adaptable to the manufacture and use of industrialized components in building and is expected to play an important rôle in stepping up productivity.

- To help the industry in increasing output by adopting a more widespread use of the latest building methods and techniques and to coordinate the selection of building component sizes in new systems with a view to attaining some interchangeability in use, the Ministry of Public Buildings and Works has set up a Directorate-General of Research and Development, headed by Sir Donald Gibson.

- Builders will be given advice on how to prevent the monotonous uniformity of buildings associated with industrialized techniques of the past and on a system which can build a variety of dwelling types that can be grouped together with a degree of architectural unity while using a range of external cladding.

- Responsible local planning authorities will be assisted in undertaking necessary studies to ensure that more land will be forthcoming, because increased housing depends upon availability of land.

2. Housing Societies Encouraged

The second and perhaps most significant proposal outlines a new scheme for establishing a government-financed Housing Corporation to encourage the development of a strong housing society movement that will build and manage houses for rent or on a co-ownership basis. These housing societies should be capable of undertaking a series of building schemes and managing a substantial number of homes, operating with paid staff, in the main centres of population. The Building Societies Association has

Trade Mission Promotes Timber Sales

THE British White Paper on Housing has special significance for the trade mission program of the Department of Trade and Commerce this year. The 1963 trade-mission schedule includes a specialized housing mission of considerable importance to the Canadian timber trade. It forms an integral part of a single, over-all objective—promotion of greater use of Canadian timber and plywood in British housing.

Based on the assumption that house-building offers the greatest scope for increasing timber sales to Britain, this mission represents a special promotion effort directed at those groups and organizations which influence and specify the materials to be used in British residential construction. It was designed to provide opportunities for representatives of British housing authorities, architects, builders and other specialist groups vitally concerned with housing to get together with their Canadian counterparts for discussions, demonstrations and a first-hand examination of Canadian house-building methods and systems,

with special emphasis on the use of timber-frame techniques.

Composed of 16 British representatives from central and local government building authorities, organizations closely associated with the housing field, and leading executive officers of the Timber Trade Federation in Britain, it toured Canada from coast to coast from June 1 to 22. Although it will be some time before the results of its visit can be fully assessed, judging by the reaction and comments of the members it was an unqualified success.

When the decision to include this mission in the 1963 program was taken some time ago, it was based on the noticeable trend of increased interest among British housing authorities and builders in the possibilities of timber as a building material for increasing output and productivity in residential construction. Developments since that time have strongly supported the timeliness of this decision and current evidence indicates that timber will play a significant part in Britain's stepped-up housing program in the years to come.

indicated that it is prepared to lend two-thirds of the money these societies require for any building scheme, with repayment spread over 40 years to keep rents within the reach of clients. It will be the rôle of the Housing Corporation to lend the remainder of the mortgage funds needed, taking a second mortgage. Under these arrangements, housing societies will be able to borrow the full cost of building for any rental schemes and up to 95 per cent for co-ownership schemes. Parliament will be asked to provide an initial fund of £100 million to the Housing Corporation for this purpose, allowing for a steadily rising program in the years ahead, at the discretion of the Government. The Corporation will also be given the power to acquire land by agreement or even by compulsion, subject to adequate safeguards, to make it available to housing societies.

3. Accelerated Building Stressed

Central and local authorities will be encouraged to accelerate their construction programs to provide homes for those who are financially unable to undertake the cost of house-building, including the elderly. In addition, they will be urged to tackle redevelopment of slum areas while maintaining a work rate that the building industry can deal with efficiently. To achieve these objectives, local authorities are being asked to work closely together to step up output by a rationalization of traditional building methods and by making maximum use of industrial systems. To assure continuity of work, five-year building programs have been drawn up with local authorities and under these, many will more than double or treble their rate of construction.

4. Older Houses Maintained

As a fourth proposal, the Government stated its intention to take steps to ensure a substantial increase in the rate of repair, maintenance and improvement of existing houses with a reasonable life ahead to bring them up to certain prescribed minimum standards. The experience of local authorities has shown that some compulsion may be needed to achieve the desired objectives and the Government proposes to provide for this, but only in rental accommodation. Half of these improvement costs up to a maximum figure will be contributed from public funds. Under these conditions, and with the right to charge an additional rent of up to 12½ per cent for their half of the costs,

owners are not expected to suffer undue hardship in carrying out improvements. Local authorities will systematically designate areas obliged to undertake improvements and landlords will have the right to raise objections and even appeal to the courts if they consider that a particular house is not capable of improvement. Partial improvement and "patching" grants are also provided, to take account of special circumstances and conditions of particular houses or flats.

5. Subsidy Arrangements Overhauled

Finally, the Ministry of Housing and Local Government proposes to invite local authorities to join with it in a complete overhaul of existing

subsidy arrangements, involving a thorough examination of the financing of local authority housing. This is aimed at eliminating existing anomalies whereby taxpayers in some communities are obliged to subsidize rents of tenants who do not need such help, while they themselves are no better off and frequently already pay a higher rent or are meeting mortgage payments. To achieve this and to find out what subsidies are required, studies will be undertaken to determine the level of earnings in different areas so that local authorities will be able to charge rents properly related to the cost of housing on the one hand and to the ability of tenants to pay on the other. ●

COMMODITY NOTES

Batteries

GHANA—Ghana's first battery factory, near Sekondi in the Western Region, is expected to go into production in December. A joint Ghanaian-British enterprise, the factory will have a capacity of 20,000 batteries a year and will be known as the Ghana Battery and Electrical Company—Accra.

Coffee

ANGOLA—According to a news item from Luanda, capital of Angola, coffee production during the present season should reach three million sacks (about 180,000 metric tons) beating all previous records. Output declined in 1961 but in 1962 it rose again to 2.5 million sacks—Lisbon.

Cotton Yarn

NIGERIA—A new \$1.5 million cotton spinning and processing mill, NORSPIN Ltd., was expected to start production of cotton yarns this spring at Kaduna in Northern Nigeria, where most of the raw cotton is grown. Machinery for this project is arriving and will continue to arrive for the next two years. The mill will reach maximum production during the first half of 1965, when it will be processing approximately 5½

million pounds of Nigerian cotton a year. In full operation the company will supply yarn to the West African Thread Co. in Nigeria for thread manufacture, tire cord and fabric to the new Dunlop factory at Ikeja (near Lagos), and yarns for hand looms.

This is a joint undertaking of the United Africa Co. (Unilever), the British Cotton Growing Association Co., and the Dunlop Rubber Co.—Lagos.

Gamma Manganese Dioxide

SOUTH AFRICA—Investigations now under way may lead to the production of battery-grade gamma manganese dioxide at Gopani in the Western Transvaal. Press reports indicate that ore reserves at Gopani are extensive and there are no serious mining or transport problems. It is reported that a preliminary plant has been built and shipments of the material are being tested by battery manufacturers—Johannesburg.

Motor Vehicles

AUSTRALIA—A record 323,248 new motor vehicles were registered in Australia during 1962—12,889 more than in the boom year 1960. Official figures for 1962 show an improvement of 85,508 (36 per cent) over 1961 registrations, which were affected by the Government's restraint measures, including a larger car

sales tax. These measures were later repealed. The monthly average of new registrations in 1962 was 26,937 compared with 19,812 in 1961 and 25,863 in 1960—Melbourne.

Natural Gas

FRANCE—Commercialized natural gas produced in the franc area totalled 5,102 million cubic metres in 1962, 20 per cent over 1961. France accounted for about 42 per cent of this production, Sahara for about 6 per cent, and Gabon for 2 per cent—Paris.

Newsprint

BRAZIL—The Companhia Catarinense de Papel will build in the state of Santa Catarina a newsprint plant at an estimated cost of U.S.\$32 million with loans received from the local lumber companies, the National Development Bank (BNDE), and the National Pine Institute. Employing 4,000 workers and using 85 per cent domestic material, the plant is expected to supply 25 per cent of the country's newsprint requirements and recover the investment in two years' time—São Paulo.

Petroleum

VENEZUELA—The Venezuelan Shell Petroleum Company has discovered a new petroleum zone in Maracaibo Lake. This is Venezuela's most important petroleum area and has as much as 72 per cent of its petroleum resources. This new area is located near a zone assigned to the government petroleum company, Corporación Venezolana de Petroleo—Caracas.

Pulp and Paper

NORWAY—A leading Norwegian pulp and paper producer, Saugbrugsforeningen in Halden, has just put into operation a new pulp and paper mill with an annual output capacity of some 50,000 tons of magazine paper and about 40,000 tons (dry weight) of mechanical pulp. In spite of the weak paper market, the firm has already secured contracts that will keep the new paper machine busy throughout 1963. Most of the paper will be sold to customers in Western Europe. Annual capacity is now about 125,000 tons and a further expansion aimed at increasing annual production of chemical pulp from 70,000 to 90,000 tons is well under way—Oslo.

Railway Ties

NIGERIA—A Swedish company, A-Concrete Ltd., will soon start production of concrete railway ties in Kaduna, Northern Nigeria. The company also plans

two more factories in two other Nigerian centres. Sweden will supply all the mechanical equipment. The company has already obtained a contract from the Nigerian Railway Corporation for railway ties and is negotiating for further orders for these and other reinforced concrete products—Lagos.

Silicon Carbide

NORWAY—Silicon carbide will be produced by Orkla Exolon A/S and Co. at a new plant in Orkanger, expected to be ready shortly. Production will soon reach approximately 10,000 tons a year and further expansion is planned. Sales will be chiefly to European markets for abrasive, refractory and other uses. Participants in this new enterprise are Exolon Company, Tonawanda, a large producer of silicon carbide and aluminum oxide in the United States; Orkla Grube-Aktiebolag, Løkken Verk, which owns and operates the largest pyrites mine in Norway and has substantial investments in a number of Norwegian enterprises, and Christiania Spigerverk, Oslo, a large producer of iron and steel products—Oslo.

Soap

SWITZERLAND—A Swiss manufacturer has perfected a new disinfectant soap called Sano-septic, with an agreeable and discreet aroma. It includes antiseptic substances of Swiss origin and achieves a high degree of bactericidal activity. The detergency of the soap is unimpaired and its action on the skin is mild—Berne.

Synthetic Resins

PHILIPPINES—It was recently reported that American Cyanamid and Theo H. Davies & Co. of Manila have formed a new company, Cyanamid-Philippines Corp., to produce synthetic resins in the Philippines; the U.S. company owns 75 per cent and the Manila firm 25 per cent. The new plant under construction near Manila will cost about U.S.\$575,000 and will be in operation late this year producing melamine, urea, alkyd and polyester resins for the textile, paint and plywood factories in the Philippines—Manila.

Tractors

COLOMBIA—Three Spanish companies have announced plans to build a factory for the assembly and eventual manufacture of 40, 45 and 55 h.p. tractors in Colombia. These will be made under licence from International Harvester of England, with associated agricultural equipment such as seeders, cultivators, etc. In its proposal to the Colombian Government, the group stated its plan to assemble at least 1,000 tractors a year of the three types. The hope is to increase Colombia's coffee sales to Spain on a barter basis to pay for the tractor components—Bogotá.

Smaller grain crops, livestock losses cut down export earnings but created some opportunities for outside suppliers, such as table potatoes. Move towards modern farming methods may mean relaxation on imports of equipment, seeds, fertilizers, silos and tractors.

How Drought Affected Argentina

J. G. IRELAND,
Commercial Secretary, Buenos Aires.

THE fertile pampas regions of Argentina are the backbone of its agriculture and their prosperity or lack of prosperity is fundamental to the wellbeing not only of the farmer but also of the whole economy. The drought that prevailed during most of 1962 and which covered almost half of the pampas thus had far-reaching effects. It was the worst since the early years of the century, hitting hardest in southern Buenos Aires and western La Pampa Provinces. In many areas the harvest of wheat and other grains was almost wiped out and hundreds of thousands of cattle perished. Livestock losses in the three provinces hardest hit (Buenos Aires, La Pampa and Rio Negro) are officially estimated at 8.5 billion pesos and grain losses at 7.6 billion.

Grains and Oilseeds

The drought came at a bad time for Argentine grain producers, already beset by financial problems, the high cost of agricultural equipment and the lack of credit.

Wheat—Early in the season, the wheat harvest was expected to exceed the 5.5 million metric tons of the 1961-62 crop year. But the growers were not able to seed as large an area as they hoped and in many the crop was a complete loss. In the northern wheat belt of Cordoba and Sante Fé, the weather was better and outstanding yields there, both in quantity and quality, compensated for the losses. Production at present is estimated at 5 million tons, which leaves an exportable surplus of some 1.5 million. The uncertain outlook during the last few months of the year prompted the Government to ban exports (with the exception of those to Brazil) and this ban is still in effect. However, some 500,000 tons are

said to have been sold already, apparently to non-Brazilian buyers.

Coarse Grains—The winter-grown coarse grains—oats, barley and rye—which in Argentina are raised first for pasture and then the stands left to bear grain, were badly affected by the drought. Often the livestock herds grazed them completely when they could not find enough natural pasture. Table I shows the extent of the loss.

TABLE I
PRODUCTION OF COARSE GRAINS

	1960-61	1961-62	1962-63
	(metric tons)		
Oats	843,000	700,000	470,000
Barley (brewers and forage)	773,000	800,000	354,000
Rye	505,000	510,000	155,000

Flax—Flax is grown mainly in the northern and eastern regions and did not suffer too much from the dry weather. Production this year is estimated at some 900,000 tons compared with 818,000 in 1961-62.

Corn—The summer-grown crops such as corn were expected to save the day for Argentina but they also had some setbacks. Some 3.3 million hectares were sown to corn, about the same as last year, but the harvest is expected to total about 5 million metric tons, down from the earlier forecast of 6 to 6.5 million.

Sunflowerseed, Sorghum and Millet—Production of these three will also be smaller.

Livestock and Products

Although most livestock producers suffered heavy losses from the drought, those who were able to stay in business made possible the record exports of Argentine beef during 1962. A few new customers were obtained, among them Spain, which bought 20,000 tons. According to the National Meat Board, beef exports were up 42.6 per cent over 1961. Sales abroad of top-quality chilled meat reached 417,143 metric tons, compared with

292,533 in 1961; sales of the lower qualities totalled 118,252 metric tons compared with 68,795 in 1961. Exports of canned beef, on the other hand, decreased; the United States, usually the chief market, bought only 16,675 tons (26,605 in 1961) and the Philippines, the Netherlands and Canada also bought less.

Shipments of livestock on the hoof increased—from 153,746 head in 1961 to 234,181 in 1962—and went mainly to the neighbouring countries of Chile, Paraguay and Peru.

Exports of mutton went up to 41,000 tons in 1962 from 33,000 in the previous year; the chief buyers were Britain (24,000), Greece (10,000), Egypt and France.

Potato Imports Needed

Potatoes are an important Argentine crop and one of special interest to Canada because this country has been and is a good outlet for Canadian seed potatoes and since last year, for table potatoes also. The failure of the 1961-62 crop in the important potato-raising area of southeast Buenos Aires prompted the Government to remove customs duties and import surcharges on both seed and table stock coming into the country. Argentine importers got in touch immediately with their Canadian principals and encouraged them to make early shipments in order to benefit from the attractive market conditions. As a consequence, in several instances potatoes were shipped which were not entirely ripe and this, coupled in some cases

with poor handling procedures, resulted in a substantial number of losses. Argentina will be in the market for table potatoes again this year, but Canadian shippers should supply only perfectly sound potatoes and ship them only in refrigerated space, to regain the Canadian reputation for top-quality stock.

Table II shows production of four different types of potatoes in Argentina in 1961-62, and the corresponding figures for this season when possible.

Other Crops

Production of citrus fruit was down last season, with the exception of grapefruit; the apple and peach crops were smaller, and that of pears larger. More land has been sown to tobacco and less to cotton.

Outlook for the Pampas

The dire need in Argentine agriculture at present is readily available funds and credits, to help producers adopt more up-to-date techniques. The use of modern soil conservation methods, silage, artificial pastures, etc., would help to counteract the effect of natural disasters such as prolonged drought, which cannot always be averted. Many farmers are alive to this need and in many areas the CREA (Regional Consortiums for Agricultural Experimentation) are rapidly gaining momentum. These are sponsored and run by the producers themselves, but the National Institute of Agricultural Technology, INTA, an official body, contributes a good deal to the work.

Seeds, especially forage seeds for artificial pastures, are urgently needed at the moment. A newly created government agency, the Committee for the Promotion of Agricultural Technology, is already providing credit for the purchase of seed. Eventually it will divert its efforts and funds to other needs, such as fertilizers, etc.

The year 1963 began well for Argentina's farmers; intense rainfall

has covered all areas of the pampas, and subsoil moisture has been built up sufficiently to sustain the coming winter crops, and to help the drought-devastated areas to recover.

The Government's constant aim is to encourage agricultural production, the backbone of the economy, and it has done much to help farmers financially and to ease taxation. Sometimes, however, the overriding needs of the Argentine budget have prompted other measures that run counter to these objectives. For example, export retentions on wheat and other grains were cancelled in 1962 but a 5 per cent so-called "production tax" was introduced and drew bitter criticism from those affected by it. There seems to be a lack of a co-ordinated official taxation policy so that producers will know what to expect and calculate their costs accordingly.

Canadian Opportunities?

Another important and unsolved problem is the high cost of agricultural equipment. Producers complain about the unreasonably high prices of locally made units, asserting that it would be cheaper and more beneficial to permit more imports. Any decision to make it easier to bring in agricultural equipment and to encourage greater use of artificial pastures, fertilizers, and of the bulk system of grain storage and handling would interest Canadian producers. There is a large potential market here for many types of equipment and products used in agriculture and livestock raising—such as seeds, fertilizers, silos, tractors, etc., either imported directly or made here using Canadian knowhow under a licensing arrangement.

The aggressive export policy begun by the present Secretary of Commerce and the current competition in international markets are other forces urging Argentine producers to adopt modern and cost-reducing techniques, with the aid of imports as required. ●

TABLE II

ARGENTINE POTATO PRODUCTION

	1961-62	1962-63
	(metric tons)	
Early crop	26,600	33,800
Semi-early crop	180,000	257,800
Semi-late crop	870,600	*
Late crop	107,200	93,900

*No data yet available, reduced crop expected.

What's current in commodities?

Nuts and Bolts

Iran—Demand for nuts and bolts is growing since passenger automobile imports were prohibited. Iranian importers are only interested in the best quality and insist on good packaging.

A. F. WYETT, *Commercial Division, Canadian Embassy, Tehran.*

NUTS AND BOLTS have been imported into Iran from practically every country that produces them, but now the importers have narrowed down their list of suppliers to a few who supply high-quality products. Iranian and Sikh merchants hold a monopoly on the nut and bolt industry, which is centred in Tehran. Imports of these products are still made in the old bazaar manner, stocked by the merchant and then sold by brokers who receive a nominal commission. The nuts and bolts may change hands as often as three or four times before reaching the ultimate user.

Each importer has his representative in the principal cities of the provinces whom he supplies on consignment, accepting drafts of up to three and four months as guarantee for payment. The agent in turn sells through brokers.

Their business methods may be old-fashioned, but Iranian importers demand good quality—perhaps because the majority of the nuts and bolts are used in the automotive trade and a bolt that cannot stand up to the rugged Iranian roads is soon discarded.

The principal demand is for the following:

- Carriage bolts and nuts to be used for the bodies of buses and lorries, 30 per cent.
- Hexagon head cap nuts and bolts to be used in the automotive trade and in factories, 30 per cent.

- Roofing bolts and square nuts for lighter automotive work, 10 per cent.

- Stove bolts and square nuts for special automotive work and for stoves, 5 per cent.

- Machine bolts and square or hexagon nuts for special automotive work, 1 per cent.

- Iron bolts, hexagon head and nuts for factories, tractors, etc., 24 per cent.

The bolts and nuts are bought on c. & f. basis, Khorramshahr; payment is by letter of credit. Iranians

expect good packaging and the nuts and bolts they import are usually packed in attractive boxes and shipped in crates that are not only seaworthy but very strong because the journey from Khorramshahr to Tehran is extremely rough and difficult.

During the Iranian year 1339 (March 21, 1960, to March 20, 1961) 4,480 tons of nuts and bolts were imported.

Because the import of passenger automobiles into Iran is forbidden, the demand for nuts and bolts is expanding. Other potential users are the government-owned railways and factories, the giant oil industry, and the small developing local industries. Statistics are not yet available for the year 1340 (March 21, 1961 to March 20, 1962) but they should show a considerable rise over the quantities imported in 1339. •

Power Equipment

Colombia—Nine electric power projects are going forward or are under study, designed to double power generating capacity by 1970. Canadian firms can compete for contracts to supply heavier types of power equipment and long-distance transmission cables.

J. H. BAILEY, *Commercial Secretary, Bogotá.*

THE development of additional sources of electric power in Colombia has been given high priority in the Government's over-all Ten Year Economic and Social Development Plan. An increase in electric power is essential if the country is to carry out its many expansion plans. In addition, from the social point of view the Colombian authorities are anxious to raise as quickly as pos-

sible the standard of living of the large masses of people in the rural areas and in the mushrooming suburbs of the big industrial cities. One of the most striking and useful ways of doing this is to bring electric light and other amenities based on electric power to them.

Including the 92,850 kw. of new power facilities which came into production in 1962, Colombia now

has over 1.2 million kw. of installed generating capacity. It is expected, however, that the new projects to be undertaken during this decade will raise this capacity to 1.9 million by 1965 and to 3.1 million by 1970. It is expected that the main industrial cities and surrounding territories will continue to use approximately the same proportion as at present: 25 per cent in Bogotá and the Department of Cundinamarca, 19 per cent in Medellín and the Department of Antioquia, 16 per cent in Cali and the Department of Valle, 10 per cent in Barranquilla and the Department of Atlántico, and 6 per cent in the Manizales/Pereira area and the Department of Caldas. The remaining 24 per cent will be divided among the other Departments and territories.

Major Power Projects

There are three major power entities in the country which are controlled by regional boards of directors and operate like the Hydro Electric Power Commission of Ontario and the Quebec Power Commission. They cover the first three major power-producing and consuming areas mentioned above and are known as the Empresa de Energía Eléctrica de Bogotá, the Empresas Unidas de Medellín, and the Corporación Autónoma Regional del Cauca (CVC). In the rest of the country, power facilities are handled by local bodies that are subsidiaries of or affiliated with the semi-official central government agency known as the Instituto de Aprovechamiento de Aguas y Fomento Eléctrico (Electroaguas). The following are the more important projects each of these bodies is undertaking.

Electroaguas Carrera 13 # 27-00, Bogotá. Dr. Guillermo Rodríguez, Acting Manager.

● *The Cospique thermal project*—A 25 mw. extension to the thermal generating station near Cartagena. The World Bank staff is now com-



—IBRD Photo

Colombians working on the outlet tunnel from the Traneras Dam, through which water will flow through the penstocks to the Guadalupe III power station. The Guadalupe project, when completed, will supply 236 mw. of power to Medellín.

pleting appraisal of this project. It appears suitable for a foreign exchange loan of about \$5 million, which could possibly be negotiated this year.

● *The Tibú project*—The Tibú thermal generating station near Cúcuta is designed to have five units (of six mw. each) of which two are being installed. The last three units of six mw. are expected to be ordered this year and all should be in operation in 1965. Also included are transmission lines to Cúcuta and Bucaramanga and distribution facilities in Cúcuta and Tibú. Foreign exchange component: approximately \$4 million. Detailed studies of the project have been presented to the World Bank but have not been appraised.

● *Barranca-Bermeja thermal generating station*—This is being designed for a generating capacity of 25 mw., using bunker fuel and gas to be supplied from the nearby refinery and oilfields. The Barranca-Bermeja station is expected to be interconnected with the Tibú station by 1966. Foreign exchange component: approximately \$6 million.

Studies could be ready for detailed appraisal soon.

● *Rio Prado hydro station*—This is being designed to have an ultimate capacity of 50 mw. (four units of 12.5 mw. each). The first stage of the development consists of two generating units, a transmission line connecting the station with Ibagué and Neiva, and distribution facilities for Ibagué. It will require a loan to finance the foreign exchange component of approximately \$7 million, and possibly a supplementary amount of local currency financing. The studies are expected to be ready for detailed appraisal this year. For the second stage of the project, consisting of two units, external financing of approximately \$2.5 million would need to be arranged in 1965.

● *Rio Bravo hydro project*—This project, which will have a generating capacity of 21 mw., is situated between the cities of Pasto and Popayán in southern Colombia and would eventually form part of a system interconnected with that of CVC. The foreign exchange component is approximately \$7 million.

Detailed studies of the project have been presented to the World Bank but have not been appraised.

● *The Barranquilla thermal generating station*—The Colombian Government has agreed to purchase the Colombian properties of American and Foreign Power Co. An important consideration for the Government was that the purchase would make possible the necessary adjustments in tariffs, providing a basis for the urgently needed expansion in generating facilities at Barranquilla. It is expected that the properties will be transferred this year. The Barranquilla system, the principal property of A. & F.P. in Colombia, will be operated by the Electric Power Company of the Department of Magdalena, in which the Institute of Power Development is the major shareholder. First step in the expansion program will be a 50 mw. thermal addition which should be ready for appraisal shortly. The foreign exchange cost is estimated at \$7 million.

Corporacion Autonoma Regional del Cauca (CVC). Edificio Zaccour Piso 9, Cali. Doctor Bernardo Garcés, Director General.

● *Calima expansion project*—This consists of third and fourth units (of 30 mw. each) for the Calima I hydro station, a transmission line from Anchicayá to Buenaventura, and distribution facilities in Cali. The studies have been presented to the World Bank, which is appraising them. Amount of foreign exchange financing needed: approximately \$6 million.

● *The Timba and Calima II projects*—Upon completion of Calima I in 1964 (60 mw., being financed by a World Bank loan of \$25 million made in May 1960), plus an additional 60 mw., the financing of which is mentioned under the previous heading, the power demand projection for the CVC area indicates the need for Timba (60 mw.) (a combined station power and agricultural project), and the Calima II

(80 mw.) hydro development. These two developments are projected to be in operation in 1967-1968. The CVC program will require foreign exchange borrowing of \$20 million for the power portion of Timba and \$26 million for Calima II in early 1964. Appraisal may be possible in the second half of 1963 but a recent conversation with General Manager Garcés indicates that the Timba project may be delayed even longer because all engineering and other facilities will be concentrated first on the Calima II project.

Empresas Publicas de Medellín, Calle 53 # 52-16, Medellín. Doctor Luis Echavarría, General Manager.

● *First stage of Nare project*—The Nare development is the next step in the power program of the Medellín Power Company, following the completion of the Guadalupe hydro development, currently under construction with the aid of two World Bank loans totalling \$34 million. The Guadalupe scheme will add 236 mw. to the generating capacity of the Medellín Power Company. The first stage of the Nare hydro development (the Guatapé power station) consists of the construction of a small diversion dam on the Rio Nare, a main supply tunnel about 5 km. long, an underground powerhouse with four 66 mw. units, a tailrace tunnel, and a related transmission line. This stage of the project would be commissioned in 1968 and a loan of approximately \$27 million to finance the foreign exchange requirements would be needed in late 1963 or early 1964. The project would be ready for appraisal this year.

Supply of Equipment

The electrical and electronic manufacturing industry is rapidly expanding in Colombia and much of the technical equipment required for the hydroelectric expansion is being made in the country. Such large and well-known firms as

General Electric, Siemens, Philips, etc., already have large factories manufacturing transformers, switchgear, and other equipment. In addition a number of companies (including one financed in part by a large Canadian firm) are building plants to produce distribution cables.

In spite of greater diversification in domestic production of electrical apparatus, it will still be necessary for Colombia to import the heavier types of equipment and long-distance transmission cables for many years to come. During 1962 Canada sold Colombia over \$250,000 worth of regular electrical equipment and, in addition, accessory products such as boilers and stokers for steam generating plants. We therefore recommend that Canadian companies supplying electrical equipment and not already represented in Colombia try to appoint agents here if they wish to participate in the tenders which the various Colombian power entities will be issuing. These will have to be forthcoming quickly during the next few years if Colombia is to double its power generating capacity by 1970.

Tours of Commodity Officers

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

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

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

FOREIGN TARIFFS

AND TRADE REGULATIONS

Australia

TARIFF BOARD INQUIRY INTO DUTIES

Chain, Drafting Instruments—Effective June 4, 1963, duties on iron and steel chain are increased to 17½ per cent ad valorem B.P.T. and 25 per cent M.F.N., and on drafting instruments to 20 per cent ad valorem B.P.T. and 30 per cent M.F.N., applicable to a greater range than the previous duties.

Chicory—As a result of a recent Tariff Board inquiry, the Minister for Customs and Excise has announced that from May 10, 1963, the duty on imports from all sources of fresh or kiln-dried chicory will be increased to 5d. per lb. This is ½d. per lb. lower than the present combined normal and temporary duties.

Circuit Breakers and Switch Units—The Minister for Customs and Excise has announced that there will be no change in the existing rates of duty on circuit breakers and switch units. However, the Tariff Board suggested in its report that the rates of duty should be reviewed in four years' time.

Fuel Injection Equipment and Nozzle Testing Outfits—The Minister for Customs and Excise has announced that, effective May 24, 1963, the duties on fuel injection equipment and nozzle testing outfits, at present classifiable under tariff items 178(L) and 176(P), will be free under the British Preferential Tariff and that the most-favoured-nation rate will be reduced to 7½ per cent.

Measuring, Controlling, Recording Equipment—The Minister for Customs and Excise has announced that, effective May 24, certain measuring, controlling and recording equipment is subject to an import duty of 10 per cent B.P.T. and 17½ per cent M.F.N. when for use in steam applications. The same equipment when not for use in steam raising or furnace applications will be admitted under bylaw subject to a rate of duty of free B.P.T. and 7½ per cent M.F.N.

Penicillins, Streptomycins—Effective June 4, 1963, the Minister for Trade has announced that penicillins and streptomycins are removed from import licensing. He also stated that the higher duties imposed on the antibiotics would replace the existing temporary duties. Benzathine penicillin, procaine benzyl penicillin and

streptomycin combined were also removed from the provisions of standing bylaws.

Textile Handkerchiefs—The Minister for Customs and Excise has announced that, effective May 10, 1963, increased fixed-rate duties will apply on imports of low-cost cotton and linen handkerchiefs. There is no increase in the duty on imports of good quality handkerchiefs from traditional sources of supply—Canberra.

Brazil

IMF AGREES TO DRAWING OF \$60 MILLION—The International Monetary Fund (IMF) has agreed to a drawing by the Government of Brazil of \$60 million to assist Brazil in meeting payments difficulties produced by a temporary decline in export earnings. This is the first drawing under the Fund's decision on compensatory financing of export fluctuations, which was announced last March.

The Fund's compensatory financing facility was designed to broaden its balance-of-payments support of member countries which experience temporary declines in export earnings due to circumstances largely beyond their control.

Brazil's exports declined substantially in 1962 due, particularly, to reduced sales of coffee and cocoa.

Brazil continues to face serious balance-of-payments problems, and the Brazilian authorities have indicated that they will co-operate with the Fund in an effort to find appropriate solutions.

The above release was received from the International Monetary Fund, Washington, D.C.

Thailand

SOME IMPORT DUTIES REDUCED—Effective May 1, 1963, Thailand reduced certain import duties for the purpose of industrial promotion. Listed below are the items affected, with both the old and new rates of customs duties:

Item No.		New Rate	Old Rate
10.01	—Wheat for use in the edible flour industry	Baht 1.50 per kilogram	Baht 2.20 per kilogram
26.01	—Bauxite for use in the fire-proof brick industry	ad val. 10%	27.5%
38.19(b)	—Alkyl benzene for use in the detergent powder industry	ad val. 10%	27.5%
73.03	—Iron scrap from old ships	ad val. 2%	5.5%

GENERAL NOTES

Australia

AUTOMOTIVE EXPANSION—General Motors-Holden plans another \$36.5 million expenditure on plant expansion within Australia in the next three years. This outlay will bring the total spent on expansion since the Holden car was introduced in 1948 to \$216 million. The company's manufacturing and assembly facilities in the five states where Holdens are produced will be extended and rearranged and new plants added. Expansion projects announced for Victoria, the major car-producing state, include a new foundry, a new plant for spare parts manufacture, and an extension of an assembly plant—Melbourne.

NEW ZEALAND TRADE MISSION—A thirty-man New Zealand Trade Mission, sponsored by the New Zealand Manufacturers' Association and supported by the New Zealand Government, has completed a tour that covered Sydney, Canberra and Melbourne. The Mission completely discounted the impression that Australia was a difficult market. One crockery manufacturer was successful in obtaining 15 new outlets in Victoria and expects to open 60 in New South Wales in the next twelve months. Sales of ski clothing in one day in Melbourne were double exports of the previous year, one manufacturer reported. Exports of New Zealand hearing aids were expected to double.

Members of the Mission were able to introduce metal mouldings and builders' hardware into the Australian market. Fish sales are expected to increase substantially, leather goods had an excellent sale, and arrangements were made for the country-wide distribution of industrial rubberware and survey equipment. Export prospects for dishwashers and home battery chargers are favourable—Canberra.

Colombia

IMPORTS AND EXPORTS—Imports of U.S.\$43.8 million and exports of U.S.\$31.4 million in April 1963 resulted in a large unfavourable balance of trade. Imports for 1963 to the end of April totalled U.S.\$163.9 million compared with U.S.\$154 million in 1962 and exports U.S.\$97 million compared with U.S.\$109.9 million to the end of April 1962. A U.S. loan of U.S.\$60 million, which was granted at the beginning of this year to cover imports from the United States, does not quite close the gap between exports and imports. Canadian exports to Colombia

to the end of April exceeded Can.\$7.3 million, up from the equivalent period in 1962, when they totalled just over Can.\$5.7 million—Bogotá.

Ghana

TEXTILE MILL—The Ministry of Industries reports that work on a new £3½ million integrated vertical textile mill is expected to be completed in two years' time. The factory is being established at Tema jointly by a French and a West German firm. The report estimates that 1,000 people will be employed and about 20 million square yards of cloth a year will be produced from locally grown cotton—Accra.

Mexico

AUTOMOTIVE INTEGRATION—Integration plans for rationalizing the production of automobiles in Mexico are proceeding, and manufacturing plans of the Mexican affiliates of Renault, Chrysler, Ford, General Motors, Borg-Ward, Toyota, Volkswagen and Rambler have been approved. By the end of 1964, 60 per cent Mexican content must be achieved and it is anticipated that each of these companies will be building one or two models. They are being encouraged to use standardized equipment to the greatest extent possible and a variety of new components, including engine blocks, will soon be made in Mexico. Total investment in the near future is estimated at \$175 million.

At present there are 12 assembly plants in Mexico and they are working at only 40 per cent average capacity. In 1961, 62,000 vehicles were produced locally and another 25,000 were imported—Mexico, D.F.

Philippines

PULP AND PAPER—It was recently reported that negotiations for the construction of a 50-ton pulp and paper plant approved by the National Economic Council last year have started. Two German technicians have been in Manila to work out details and machinery will be supplied and installed by a group of well-known German firms. The plant will be located in southern Luzon on the concession of a large plywood factory. The plant will use lauan logs and wastes through the application of the sulphate process which has already been established.

A recent survey indicated that the pulp deficiency of the Philippines for the period 1963-1967 would be

about 78,000 metric tons a year. To meet the Republic's yearly requirements, at least five pulp plants with an annual capacity of 15,000 metric tons each would have to be established—Manila.

Portugal

FOREIGN INVESTMENT—During the first quarter of 1963, 33 new enterprises representing foreign capital investment were registered. They included textile manufacturing (five), construction (three), chemicals, synthetic resins, motor vehicles and pharmaceuticals (two of each), as well as metallurgical, cosmetic and glass manufacturing enterprises (one of each). West Germany provided 18 per cent of the total investment—Lisbon.

Spain

TOURIST TRADE—It has been officially reported that 8.7 million tourists visited Spain during 1962, a 16.3 per cent increase over 1961. Tourist spending in 1962 contributed \$473.4 million to the Spanish economy and was a decisive factor in compensating for a merchandise trade deficit. Most of these tourists came from Europe, mainly France (3,792,876), Britain (898,810), Germany (666,487), and Portugal (449,017).

Over a million and a half tourists visited the Mediterranean island of Majorca, of whom just over one million arrived by air and the remainder by sea. On certain days at the height of the tourist season in July and August, the airport had more air traffic than London airport. Ten million tourists are expected to visit Spain in 1963—Madrid.

Switzerland

PACKAGING INSTITUTE—At a recent meeting in Zurich, representatives of the packaging, foodstuffs and chemical industries and public communications and transport authorities founded a Swiss Packaging Institute. The Institute will carry out the testing of and research into packaging materials and methods. It is expected to arrange for the use of facilities at the Federal Material Testing Bureau in St. Gall—Berne.

Turkey

FORESTRY—With the aid of the UN Food and Agriculture Organization a long-term forest development plan is continuing. During the past five years, more than six million poplar trees have been planted in the ten-year project to increase the poplar forest area from 12,000 to 48,000 acres.

FAO experts have been working with Turkish authorities for the past year surveying timber consumption and future requirements and preparing a forest industries development plan. In 1962, Turkey produced

82,490 short tons of paper and paperboard and imported an estimated 60,000. The opinion of the FAO experts now in Turkey is that pulp and paper production could be increased five times by using modern technology—Athens.

BANKING—The new Industrial Investment and Credit Bank has commenced operations in Ankara. Half of the share capital of \$4 million has been paid up. More funds will be coming in from the Turkish Treasury in the form of an advance of \$6 million from foreign aid funds and from the six founding banks, which will provide the new institution with a credit line of a further \$4 million.

In addition to granting medium-term credits to private industry, the IICB will encourage foreign capital investment in collaboration with local interests, assist in the development of a Turkish capital market, and take up and sell shares issued by new and existing industrial corporations—Athens.

United States

TARIFF REDUCTIONS—The second stage of U.S. tariff reductions from the last GATT Conference will take effect July 1. A summary of the products affected was published in the April 21 and May 5, 1962, issues of *Foreign Trade*. Further details are available from the U.S. Division of the Department.

Uruguay

IRON ORE—Geological studies for iron ore in the Valentines region of Uruguay are now nearly completed. It is estimated that deposits of ore amounting to 30 million tons have been discovered. This would be sufficient to supply domestic needs (about 150,000 tons a year) for the next seventy years, and perhaps to supply a surplus for export. The Government has had offers from a Belgian, a Canadian, and a United States firm for development concessions—Montevideo.

Trade Commissioners on Tour

In Territory

R. W. BLAKE, Commercial Counsellor in Kingston, Jamaica, will visit Nassau and Grand Bahama Island July 15-24.

R. H. M. CATHCART, Assistant Commercial Secretary in Kingston, Jamaica, will visit British Honduras July 9-19.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Blake and Mr. Cathcart in Kingston.

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 .927805.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 17	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free .....	.007856	127.29	
Australia	Pound .....	.....	2.4146	.4141	
Austria	Schilling .....	.....	.04178	23.93	
Bahamas	Pound .....	.....	3.0182	.3313	
Belgium and Luxembourg	Franc .....	.....	.02159	46.32	
Bermuda	Pound .....	.....	3.0182	.3313	
Bolivia	Peso	Free .....	.09191	10.88	
Brazil	Cruzeiro	Official Free .....	.001767	565.93	
		Special Category	†	†	
Britain	Pound .....	.....	3.0182	.3313	
British Guiana	Dollar .....	.....	.6288	1.59	
British Honduras	Dollar .....	.....	.7546	1.32	
Burma	Kyat .....	.....	.2263	4.42	
Ceylon	Rupee .....	.....	.2264	4.42	
Chile	Escudo	Bank rate .....	.5843	1.71	
		Free .....	.3575	2.80	
Colombia	Peso	Certificate .....	.1198	8.35	
Congo, Republic of	Franc .....	.....	.02159	46.32	
Costa Rica	Colon .....	.....	.1627	6.15	
Cuba	Peso .....	.....	†	†
Czechoslovakia	Koruna .....	.....	.1497	6.68	
Denmark	Krone .....	.....	.1562	6.40	
Dominican Republic	Peso .....	.....	1.07781	.9278	
Ecuador	Sucre	Official .....	.05988	16.70	
		Free .....	.05066	19.74	
El Salvador	Colon .....	.....	.4311	2.32	
Fiji	Pound .....	.....	2.7191	.3678	
Finland	Markka .....	.....	.3368	2.97	
France, Monaco, etc.	Franc .....	.....	.2200	4.54	(1)
Franco-African Republics, etc.	Franc .....	.....	.004400	227.27	(2)
French Pacific	Franc .....	.....	.01210	82.64	(3)
Germany	D Mark .....	.....	.2708	3.69	
Ghana	Pound .....	.....	3.0182	.3313	
Greece	Drachma .....	.....	.03592	27.84	
Guatemala	Quetzal .....	.....	1.07781	.9278	
Haiti	Gourde .....	.....	.2156	4.64	
Honduras	Lempira .....	.....	.5389	1.85	
Hong Kong	Dollar	Free .....	.1869	5.35	*June 7
		Official .....	.1886	5.30	
Iceland	Krona	Official .....	.02507	39.89	(4)

†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 date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 17	Units per Canadian dollar	Notes (See below)
India	Rupee		.2264	4.42	
Indonesia	Rupiah	Official	.02395	41.75	(4)
Iran	Rial		.01423	70.28	
Iraq	Dinar		3.0179	.3313	
Ireland	Pound		3.0182	.3313	
Israel	Pound		.3593	2.78	
Italy	Lira		.001734	576.70	
Japan	Yen		.002994	334.00	
Lebanon	Pound	Free	.3587	2.79	
Mexico	Peso		.08623	11.60	
Morocco	Dirham		.2183	4.58	
Netherlands	Florin		.2996	3.34	
Netherlands Antilles	Florin		.5715	1.75	
New Zealand	Pound		2.9976	.3336	
Nicaragua	Cordoba		.1540	6.49	
Nigeria	Pound		3.0182	.3313	
Norway	Krone		.1509	6.63	
Pakistan	Rupee		.2264	4.42	
Panama	Balboa		1.07781	.9278	
Paraguay	Guarani	Free	.008736	114.47	
Peru	Sol	Free	.04018	24.89	
Philippines	Peso	Free	.2765	3.62	
Portugal & Colonies	Escudo		.03749	26.67	(5)
Singapore and Malaya	Straits dollar		.3521	2.84	
South Africa	Rand		1.5091	.6626	
Spain and Dependencies	Peseta		.01796	55.68	
Sweden	Krona		.2079	4.81	
Switzerland	Franc		.2493	4.01	
Syria	Pound	Free	.2825	3.54	
Thailand	Baht	Free	.05114	19.55	(4)
Tunisia	Dinar		2.6083	.3834	
Turkey	Lira		.1198	8.35	(4)
United Arab Republic	Pound	Official	2.4790	.4034	
United States	Dollar		1.0778125	.927805	
Uruguay	Peso	Free	.06592	15.17	
Venezuela	Bollivar	Controlled market rate	.3215	3.11	
		Official Free	.2372	4.21	
West Indies	Dollar		.6288	1.59	(6)
	Pound		3.0182	.3313	(7)
Yugoslavia	Dinar	Official	.001437	695.89	

Notes

1. 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.



In Peru—General delight seems to be the reaction as this woman takes a large, luscious bite of a Canadian apple from one of the first shipments to reach Lima's wholesale market.



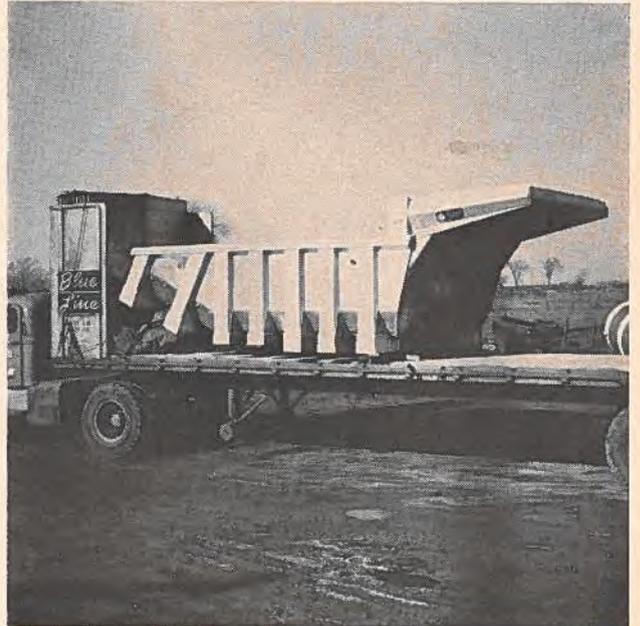
In Australia—Yes it is, in the Australian Alps where this tracked vehicle imported from Canada is being tested for later use on Australia's Antarctic research expeditions.

Canada in Foreign Markets

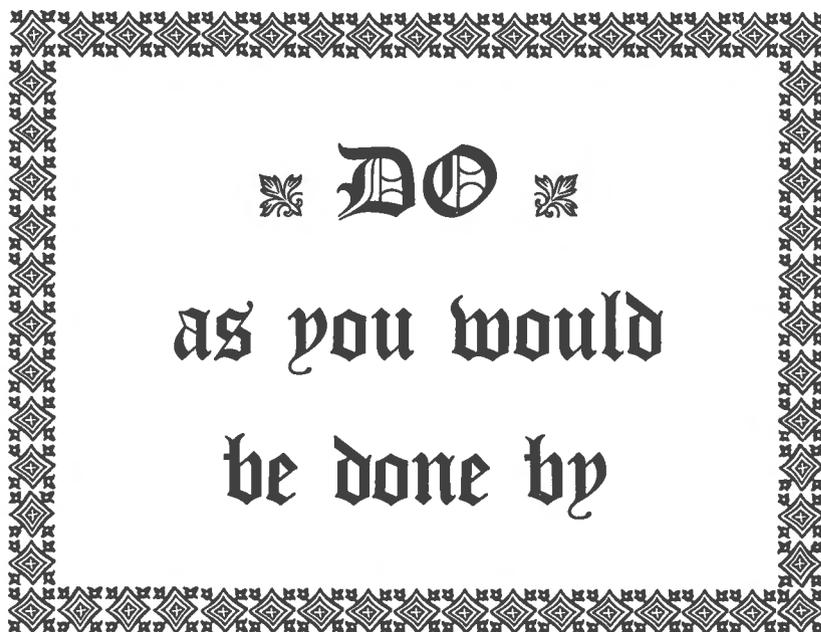
Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".



In Libya—The oilfields will welcome this shipment of casing protectors for pipe, shown being packed at the Canadian plant. They were made in a special size for the importer.



In the United States—A Canadian-made aluminum rock body for dump trucks on its way to New York State. Manufacturer has increased capacity 50 per cent by lowering its weight.



or you will be undone

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

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

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

* By airmail naturally.