

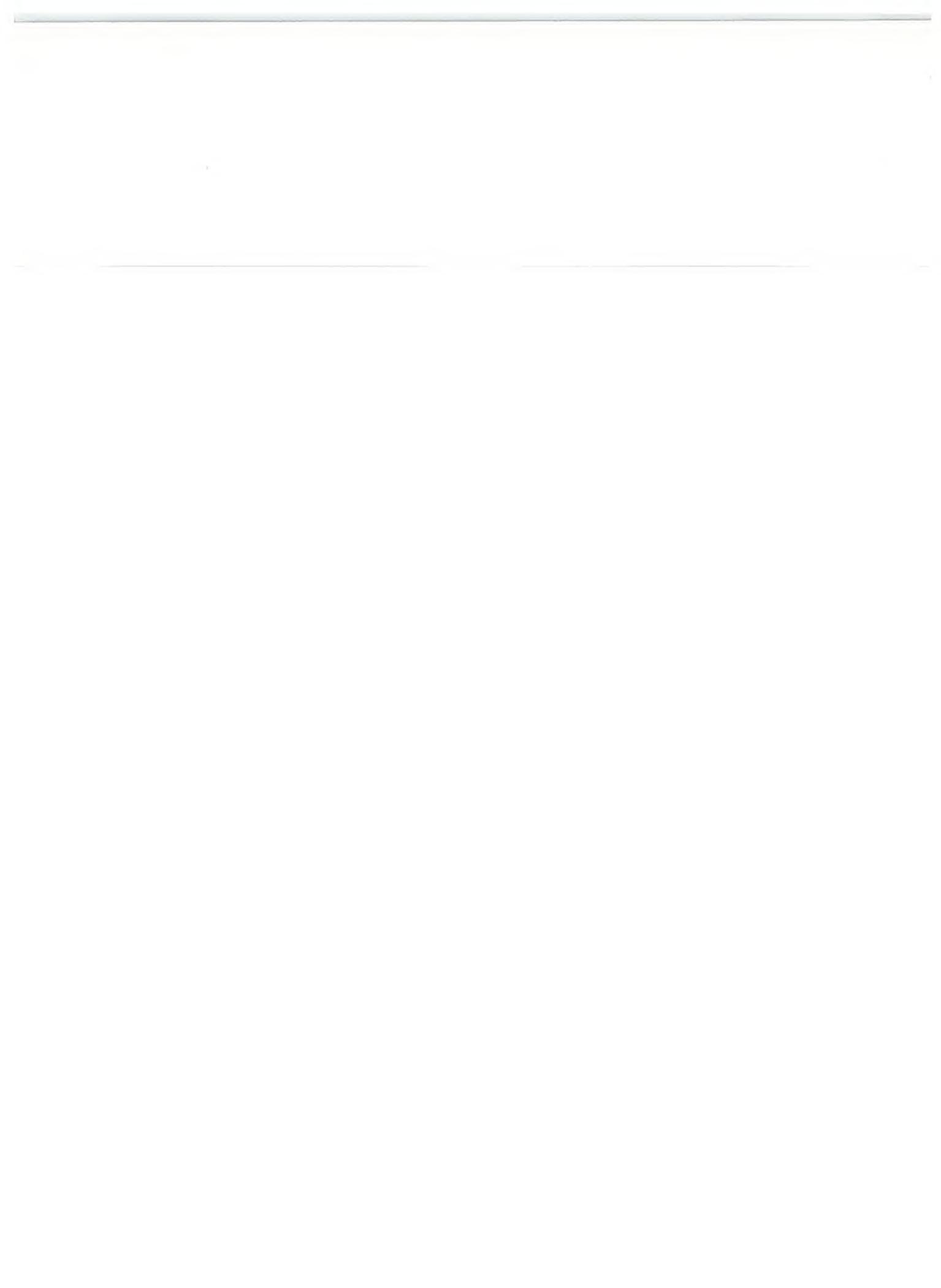
**Don't Neglect the Southern Market (page 2)**

**Selling Furniture and Furnishings through Chicago (page 12)**

# FOREIGN TRADE

DEPARTMENT  
OF TRADE AND  
COMMERCE  
OTTAWA

**JULY 13. 63**



# FOREIGN TRADE

JULY 13, 1963

Vol. 120 No. 1

Established in 1904. Published fortnightly by the Department of Trade and Commerce.

The Hon. MITCHELL SHARP, Minister.

JAMES A. ROBERTS, Deputy Minister.

Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.

Price \$5.00 a year in Canada; \$7.00 abroad.

Single copies: 25 cents each.

Material appearing in this magazine may be reprinted, preferably with credit to "Foreign Trade".

## **Don't Neglect the Southern Market** 2

*If you still think of the South as the land of cotton and tobacco, up-date yourself by reading this. You'll discover how the surge in industry there means bigger pay-rolls, more spending power, and opportunities for selling raw materials, equipment, and even consumer goods. Perhaps your company can enter this market.*

## **It's Easy to Visit South Africa** 5

*Two weeks spent in the Republic could mean rewarding orders. Survey the market for your product first, with the help of our Cape Town and Johannesburg offices; if prospects seem worthwhile, fly out and call on South African businessmen.*

## **South Africa: a Selective Market** 7

*This review of the import control system now in effect should help Canadian firms to decide whether they can find South African customers. Last year we sold there \$37½ million of a wide range of products, despite the changing trade pattern.*

## **Mastercraft Hustles Handbags** 9

*A casual conversation at the Canadian Samples Show in Montreal in June 1962 sparked this story of how an up-and-coming Canadian firm in the accessories field has successfully entered the United States, British markets; has plans to expand.*

## **Selling Furniture and Furnishings through Chicago** 12

*Chicago, centre of so many trade fairs and trade shows, is also the furniture capital of the U.S., with huge permanent showrooms and semi-annual Markets that attract thousands of buyers. How can Canadian producers use these facilities?*

## **Trade Prospects in Thailand and Burma** 14

### **What's Current in Commodities?**

**Agricultural Products: West Germany** 18

**Christmas Trees and Holly: California** 21

**Australia Produces More Aluminum** 4

**Australia Promotes Exports** 16

**Surinam Offers Open Market** 17

**LAFTA Membership and Colombia's Trade** 24

**Ceylon Faces Trade Problems** 26

**Supplying Furniture for Dutch Schools** 28

**Commodity Notes** 32

**General Notes** 22

**Foreign Exchange Rates** 34

**Markets in Brief** 36

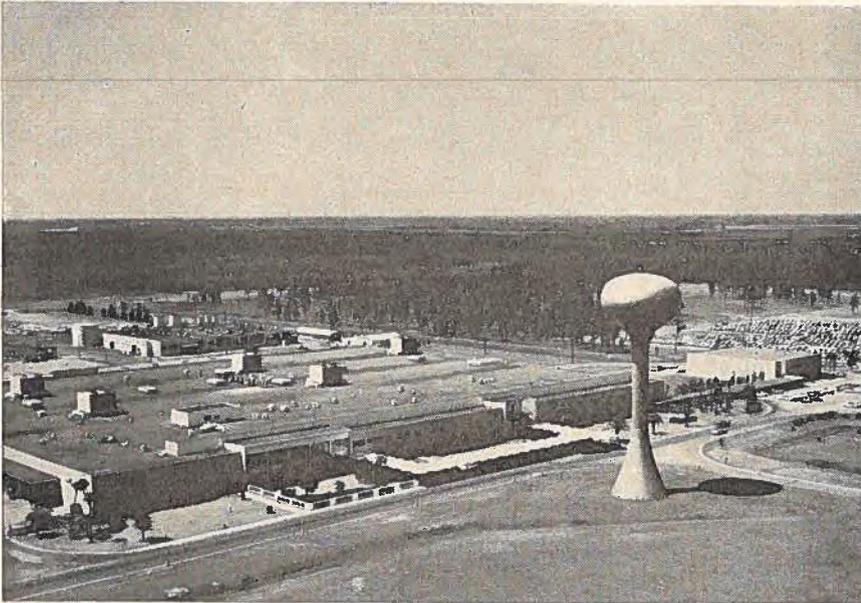
**Foreign Tariffs and Trade Regulations** 29

**Transportation Notes** 31

**Trade Commissioners on Tour** 33

**COMING—BRITISH HOUSING MISSION VISITS CANADA, JULY 27 ISSUE**

# Don't Neglect the



*Defence industries in the South provide a market for a wide range of technical products. Florida's largest single employer, for example, is the Martin Co., Orlando Division, whose sprawling plant, pictured here, makes surface-to-surface missiles and air-to-surface missiles, and also electronic control systems for air defence.*

The space program, electronic plants, aircraft manufacture—these and other industries, plus banner agricultural output, are boosting payrolls, increasing demand in eleven Southern States. Canadians can sell both industrial and distinctive consumer products there—if they undertake vigorous firsthand sales promotion.

T. F. HARRIS, *Consul and Trade Commissioner, New Orleans.*

MANY Canadian exporters seem to think that the United States market stops at the Mason-Dixon line. Nothing could be farther from the truth. Today the South is, economically speaking, after California the fastest growing area in the country. The prospects for most Canadian exporters in this market are well worth investigating.

The New Orleans office is responsible for trade promotion in eleven states—Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Ten-

nessee, Alabama, North Carolina, South Carolina, Georgia and Florida. This territory contains nearly one fourth of the area and population of the continental United States. Although median income is the lowest in the nation, it is rising at double the national rate. Payrolls are increasing faster than the national average. Bank deposits, which are doubling every 12 years for the South as a whole, have trebled in 12 metropolitan areas and have quadrupled in Baton Rouge, Louisiana, and Jackson, Mississippi. Construc-

tion too is expanding faster than in the U.S. as a whole.

## **Industrial Expansion Startling**

Florida is an outstanding example of what is happening in the South. The U.S. Government's decision to center all manned space flight around Cape Canaveral has brought a \$60 million expansion with facilities that have spread from 17,000 to 97,000 acres. The space complex is backed up by a burgeoning electronics industry in what used to be an exclusively agricultural and tourist area. Despite the FHA-VA (Federal Housing Administration-Veterans' Administration) halt to speculative home-building, Florida still heads the region in construction.

Georgia's largest corporate employer, Lockheed, is expanding because of big new contracts and Atlanta's General Motors and Ford plants are in high gear. By 1964, a new Litton Industries plant at Atlanta will employ 2,000. Hiring is under way for a large computer installation by the Internal Revenue Service. Despite its racial problems, Mississippi is growing rapidly and its program to attract new industry is meeting with great success.

These states, with Alabama, Louisiana and South Carolina, comprise what is known as the Deep South. This whole region is closing the books on a banner farm year, especially in cotton. The freeze damage to Florida's citrus crop has been partly offset by a tremendous jump in sugar-cane production. Louisiana's sugar-cane crop is also up and so are prices. Louisiana is reaping benefits from NASA's (National Aeronautics and Space Administration) Saturn booster plant near New Orleans, plus an impressive expansion in petrochemicals.

The Southwest (Oklahoma, Texas, New Mexico and Arizona) had a

# Southern Market

growth rate of 5.3 per cent last year and forecasts indicate that the 1963 rate (an estimated 5.7 per cent) will top this. It is, in fact, the only region where the growth rate for 1963 is expected to be higher than in 1962. (It should be noted that New Mexico and Arizona come under the jurisdiction of the Canadian Trade Commissioner in Los Angeles.)

The Houston area in Texas is booming around the NASA complex where employment, zero in 1961, is now 2,400 and will reach 3,500 by the end of 1963. Fort Worth will benefit greatly from General Dynamics' \$750-million contract for the TFX fighter plane, although the impact won't be felt for some months.

## Products for Industry Favoured

These highlights serve to indicate that the South is moving forward rapidly. With wages rising and more jobs available, there is a greater demand for consumer goods. The large number of new plants that have been opened in the area since World War II provide an excellent market for industrial components and semi-processed goods. It is estimated that over 50 per cent of all goods sold at wholesale in the United States find their way to industrial markets and over 45 per cent of all goods manufactured there also go to industrial buyers. In the South particularly, this appears to be the field in which the greatest opportunities lie for impressive large-scale gains in Canadian exports to the U.S.

## Selling Consumer Goods

Of less importance in over-all quantitative terms but of special significance are the prospects for Canadian sales of fully manufactured goods. Increased exports of manufactured goods to the important regional U.S. markets would facilitate

## What Can Canadians Sell?

The following Canadian products should sell well in the South, with persistent sales promotion.

<i>High fashion and bulky knit wool sweaters</i>	<i>Rutabagas</i>
<i>Outerwear and sportswear</i>	<i>Seed potatoes</i>
<i>Leather goods</i>	<i>Peat moss</i>
<i>Giftware</i>	<i>Canadian whisky</i>
<i>Fish flakes</i>	<i>Hardwood furniture components</i>
<i>Canned and frozen salmon</i>	<i>Maple lumber for flooring</i>
<i>Canned lobster</i>	<i>Birch veneers</i>
<i>Frozen fillets</i>	<i>Dryer felts</i>
<i>Canned hams</i>	<i>Plastic-coated chain link fencing</i>
<i>Dehydrated foods</i>	<i>Tracked vehicles</i>
<i>Specialty foods</i>	<i>Defence equipment</i>
<i>Apples</i>	

For details, write the New Orleans office.

specialization and longer production runs, with increased efficiency and lower unit costs for our secondary industry. The United States is a highly competitive market, with massive domestic production over the wide range of manufactured goods. There is, however, growing consumer receptivity to imported goods of all kinds. Over the past few months, we at this office have called on the top officials of department stores, supermarket chains and large wholesale grocers in such major cities as Dallas, Houston, Atlanta, Miami and New Orleans. We found no resistance whatever to imported goods. A recurring question was: "What has Canada to offer that is distinctively Canadian?" This points up the fact that although buyers here are interested

in Canada as a source of supply, (everything else being equal), they are not interested in Canadian products that are carbon copies of goods produced by domestic manufacturers.

Products of distinctive design and presented in an appealing way will find a ready market, provided the manufacturer is prepared to cooperate with us in doing a vigorous job of selling. Buyers from the South attended the National Canadian Samples Show in Toronto in April. If your goods were displayed there and you established contact with these buyers, it is essential that you follow up by keeping them informed on style and price changes and delivery schedules. If possible, call on them in their own stores. This will give you a closer personal

contact and the opportunity of seeing at firsthand what your competition is offering.

### Lines to Feature

The Department of Trade and Commerce will sponsor a booth in the Texas International Trade Fair next October in Dallas. This fair will give the Canadian firms participating a chance to test the reaction to their products of the over 900,000 potential buyers who are expected to attend. Consumer goods for which prospects appear particularly good are high fashion and bulky knit woollen sweaters, outerwear and sportswear, leather goods and giftware.

Fisheries products for which there is a demand include fish flakes, canned and frozen salmon, canned

lobster, and frozen fillets. Food brokers have expressed considerable interest throughout the territory in canned meats, particularly canned hams, dehydrated foods and specialty foods. The demand is there and interested firms can obtain details by writing to the New Orleans office. Prospects for bigger sales of apples are good but it is probable that sales of rutabagas will decline slightly. Sales of seed potatoes to Florida, Georgia and North Carolina are not expected to increase, although these could probably be expanded with some active promotion on the part of Canadian growers. The market for Canadian whisky continues to increase and sales are expected to be higher in 1963. There is a good demand for peat moss and provided that sup-

plies can be increased, 1963 sales should be up.

Higher sales are forecast for hardwood furniture components, maple lumber for flooring, and birch veneers. There are a great number of furniture manufacturers in the South and they represent a virtually untapped market for wooden furniture components. The names of furniture manufacturers listed by state will be sent on request from this office. Other products for which a substantial market could be developed in 1963 are tracked vehicles, dryer felts and plastic-coated chain link fencing.

### Technical Products

We at New Orleans began in the fall of 1962 a series of calls on defence industries in the South and on the NASA installations referred to above. There appears to be a big market here not only for defence equipment but also for a wide range of other technical products. As inquiries develop, they will be passed on to interested Canadian suppliers and we feel sure that substantial sales will result if suppliers follow up diligently. Once contact has been established, a personal visit by a representative of the Canadian firm will go a long way towards the securing of orders.

### Needs Vigorous Selling

The Southern market is large. It is growing rapidly and will continue to grow for many years to come. We have recently assisted in and witnessed substantial Canadian sales of office furniture, veneers, plastic-coated fencing, food products, and many other commodities. We can help you by assessing local sales possibilities and recommending suitable representation.

You can profit from a vigorous approach to this market. Write to us at the Canadian Consulate General, Suite 1710, 225 Baronne Street, New Orleans 12, Louisiana. Better still, pay us a visit. ●

### Australia Produces More Aluminum

AUSTRALIAN production of aluminum has risen substantially this year with the opening of the first stages of a new integrated project and with the expansion of capacity in the country's other major aluminum complex.

Alcoa of Australia Pty. Ltd. has started ingot production at its new smelter at Geelong, Victoria. The present capacity is 20,000 tons of aluminum a year, but before the end of 1963 another 20,000-ton unit is expected to be in operation. Fabricating facilities are also under construction on the same site and it is expected that an extrusion plant and rolling mill will be functioning by late 1964. The Alcoa project, which began in 1961, also includes the development of extensive bauxite deposits and the establishment of an alumina refinery in the Darling Ranges near Perth, Western Australia. Alcoa of Australia is owned jointly by the Aluminum Company of America and three Australian firms: Western Mining Corporation Limited, Broken Hill South Limited, and North Broken Hill Limited.

The other Australian aluminum producer, Comalco Industries Pty. Limited, owned by Conzinc Rio Tinto of Australia Ltd. and Kaiser Aluminum of the United States, has increased the capacity of its aluminum

smelter at Bell Bay, Tasmania, to 43,500 tons a year and plans to raise this to 52,000 tons this summer. Two years ago its capacity was only 12,000 tons. In addition, Comalco has completed port facilities at Weipa in Queensland, adjacent to a major open-cut bauxite field estimated to contain at least 2 billion tons of ore ranging in content from 45 to 58 per cent of available alumina. The entire mining and bulk-loading system of the field is so nearly fully automatic that only six men per shift maintain the current annual production rate of 300,000 tons. Comalco has announced its intention to build an alumina factory with an annual capacity of 360,000 tons.

The quoted price of aluminum in Australia is now £251 a ton (approximately \$609) or £20 less than the £271 listed earlier this year for domestic production.

Australia's total annual consumption is estimated at 50,000 tons, more than double that of five years ago. Forecasts are that consumption should double again before the end of this decade if the present vigorous development of existing applications and the introduction of new uses are maintained.

—L. W. STRYKER,  
*Office of the Commercial Counsellor,  
Melbourne.*



*This is the heart of modern Cape Town, with the mountains rising in the background. On a first trip, a Canadian exporter may visit only Johannesburg and Cape Town, unless he is selling a technical or specialized product or wishes to go farther afield.*

## It's Easy to Visit South Africa

Don't neglect the biggest market in Africa, especially if you sell raw materials or equipment for industry. The trip over is simple, its businessmen happy to receive visitors, and the Trade Commissioners stationed there are eager to help you. In fact, they offer advice in this article that should prove useful.

L. J. TAYLOR, *Assistant Trade Commissioner, Johannesburg, and*  
R. G. GODSON, *Assistant Trade Commissioner, Cape Town.*

SOUTH AFRICA, with its great natural wealth, is today the most industrialized and, in terms of purchasing power, the most important market on the African continent. And fast and economical air travel has brought it within the reach of every Canadian businessman. You should consider making a business visit, especially if:

- You exhibited in the Rand Easter Show when Canada had a pavilion there.

- You have appointed an agent in South Africa in the past two years and wish to give him invaluable assistance and the opportunity to introduce his Canadian principal to his customers.

- You are selling successfully in this market. A visit will keep you in touch with developments there and abreast of new trends. It will also help you to deal personally with specific problems such as rising prices, lack of import permits, or the growth of local competition.

- You have obtained from the Trade Commissioners in South Africa a preliminary market survey that shows trade prospects as favourable. As a next step, you should see that market for yourself and select an agent to handle your product.

### **How We Can Help**

South Africa maintains import controls which may or may not affect your sales prospects here. Foreign exchange is not the problem, because importers can obtain it readily once they have valid import licences. But these are restricted when a similar product to yours is made in the country. So before you plan a trip to South Africa, check with us about your sales prospects. To assess them properly, we will need complete information, and this includes illustrated literature on your product, technical specifications, detailed prices c.i.f. Cape Town and Durban or f.o.b. Montreal or Vancouver,

and samples where possible. If you are selling raw materials or equipment for industry, please list the types of industries that are potential users. Give us details about your success in other export markets and the names and addresses of any contacts you may have made independently in South Africa.

Once we have this information we can indicate the broad possibilities for the sale of your products here.

If the purpose of your visit is to select a suitable agent we can, before you arrive, compile a short list of potential agents who have the facilities to represent you effectively. When you get here, you will be able to call on them to check the thoroughness with which they cover their territories, to find out what other lines they carry, and to ensure that they are well known to the trade and, if necessary, technically qualified to handle your products. You may decide to split the territory and appoint agents in two or more centres. If engaging a distributor is advisable, you will want to be sure that the firm you choose has enough import permits to stock your products and adequate servicing facilities.

### **Preparing to Come**

You have decided to come? Then do write us in advance outlining the purpose of your visit and exactly what you hope to accomplish—whether you are planning to survey the market, appoint an agent, arrange buying connections, or visit actual or potential customers.

Send us a tentative itinerary as soon as you can. This will help us to arrange appointments with reliable agents and potential buyers, and to make provisional or firm hotel reservations and internal travel arrangements. At the end of your visit we can provide you with credit and bank reports on agents and buyers.

Plan to stay for two weeks, particularly if this is your first visit. South Africa has many tourist attractions, such as the Kruger Na-

tional Park and various seaside resorts, which you may want to visit. If you do, plan to stay longer.

Often it is sufficient to confine a business visit to Johannesburg and Cape Town. If you have a specialized product or a wide range of potential users, a broader itinerary is probably desirable. We can advise you on this point.

If you are Canadian-born, you require only a valid passport to enter the Republic but naturalized Canadians must obtain a temporary permit on entry. On arrival you must satisfy the South African authorities that you have sufficient funds to maintain yourself here, plus the price of a return passage. There is no restriction on the amount of currency that you may bring into South Africa. Your personal effects will be admitted free of duty and so will your case of samples if they have no commercial value. If you leave any samples with your agent he will arrange for the payment of duty (if any) and will obtain an import licence.

To enter South Africa, it is not necessary (although advisable) to have an international smallpox vaccination certificate, *but* you must have one to re-enter Canada. Visitors who pass through a yellow fever zone must have an international certificate indicating inoculation or immunity. This is not necessary, of course, if you fly directly from London or another European city to Johannesburg.

What to wear? Autumn or summer weight clothing is suitable; dry cleaning facilities are good here.

### **When to Come**

Generally speaking, South Africa's climate is pleasant the year round. The seasons, however, are the reverse of those in Canada. The only unsuitable time for a visit is from mid-December until mid-January because many establishments are closed and many businessmen are away on a combined Christmas and summer vacation.

It is important that your visit coincide with the local buying seasons, particularly if you make a consumer product such as toys and novelties (for which the buying season is January and February) or leather (bought in March-April and October-November). We can easily find out the best time for you.

### **How to Come**

The best way to come is by air and there are regular flights from all points in Canada via Europe to Johannesburg. It is possible to make the trip in one day, but you may find it profitable (many businessmen do) to combine your visit with a trip to Europe or Britain, to West Africa, the Federation of Rhodesia and Nyasaland, or even to Australia, because there is a once-a-week flight to Australia from South Africa. Canadian airlines can quickly arrange flights to suit your itinerary, making use of the many direct services to and from Johannesburg.

Regular flights by South African Airways and modern rail services connect all the major centres in the Republic. There are thousands of miles of good paved highways and you can hire a drive-yourself car at lower rates than in Canada.

### **Now You're Here . . .**

In South Africa the regular hours of business are from 8.30 a.m. to 5 p.m., Monday to Friday; the lunch hour is normally from 12.45 to 2 p.m. Although most firms work on Saturday mornings, they do not usually expect business visitors. Four to six calls can be made during a day but calls without an appointment are not a good idea unless you are with your agent. The Trade Commissioner can often accompany you to your appointments and also arrange them after you arrive. In fact, we can help in many ways to make your visit more profitable and comfortable.

South African business practices are much the same as Canadian,

although this country is more influenced by British practices and ideas. You should use visiting cards liberally. A small cocktail party at your hotel for customers you have called on is a good idea. If you are choosing an agent it is advisable to entertain each candidate at lunch or dinner.

All banks here (the two largest are Barclays Bank D.C.O. and the Standard Bank of South Africa) have business connections with most of the Canadian banks. Banks are open from 9 a.m. to 2 p.m. except on Wednesdays, when they close at 1 p.m.; on Saturdays they are open from 9 to 11 a.m. The unit of

currency is the rand, which is divided into 100 cents and is worth approximately Can.\$1.50.

South Africa has two official languages with equal legal status—English and Afrikaans—and all notices and signs are in both languages. However, English is the business language and you will find that all the people you come into contact with speak it fluently.

The main business centres in the Republic are Johannesburg, Cape Town, Durban and Port Elizabeth, modern cities by Canadian standards with thriving business communities. The calibre of South African hotels and the quality and kind

of food are much the same as in Canada. You should budget about \$25 a day for living expenses.

The Canadian Trade Commissioner offices are in Cape Town, 13th Floor, African Life Centre, St. George's Street (telephone 2-5134), and in Johannesburg, 17th Floor, Mobil House, Corner Rissik and de Villiers Streets (telephone 33-2628).

You will find South African businessmen open and friendly, extremely hospitable and appreciative of personal visits. We look forward to seeing you and will meet you at the airport in either Johannesburg or Cape Town. ●

## South Africa: a selective market

Import control, imposed to conserve foreign exchange and foster local industry, confines opportunities for Canadians mainly to capital plant and equipment and spares and raw materials—or to technically advanced or novel products not yet made in the Republic.

L. J. TAYLOR, *Assistant Trade Commissioner, Johannesburg.*

THE South African economy has been moving steadily upwards and real output in 1963 may increase by 5 per cent. Expanding exports stimulated the early stages of the revival and increased manufacturing activity to replace goods formerly imported; the capital expansion programs of state corporations, government spending, slightly more consumer spending, and construction activity are accelerating it. Gold output continues to expand at 8 per cent and will soon reach one billion dollars a year. (This industry now buys 93 per cent of its needs from South African manufacturers.) Less promising aspects of the present situation are the continued hesitation in consumer spending, especially on non-durable goods, and the low level of private invest-

ment by both local and foreign businessmen.

South Africa's foreign trade position is sound. Although the terms of trade have swung against the Republic by nearly 10 per cent since 1957, exports have increased in value by 20 per cent while imports have remained constant at \$1.5 billion. Imports and exports are now roughly in balance and gold production more than compensates for the net unfavourable invisible payments position. Capital control measures taken in June 1961, although somewhat relaxed subsequently, continue to hold the door against any possible sudden outflow of capital from the Republic.

A rapid outflow of foreign exchange in the early postwar years led South Africa to introduce im-

port control measures in November 1948. These have since been maintained with varying degrees of intensity. Directly or indirectly, import control effectively limits imports to those products that cannot be supplied by the factories and farms of the Republic. Canadian businessmen must be selective in their approach; it is unrewarding to attempt to introduce an imported item if the product is made in South Africa. Promotion efforts should be directed at those areas still being supplied by imported goods.

Although it is the South African importer who must obtain the necessary permits to import goods, the following review will be of interest to Canadian companies selling or planning to sell to the Republic because their prospects depend on

the import control policy. Permits are for the f.o.b. port of export value of the goods and can generally be used to clear imports arriving up to March 31 of the succeeding year. There is no discrimination as between currencies.

### Regulations Covering 1963

The broad outlines of import control policy for the following year are sketched out in November by the Minister of Economic Affairs and shortly thereafter the regulations are announced. The following are the five basic paragraphs of the 1963 regulations.

● *Paragraph 1* lists goods requiring no import permit and includes raw coffee and tea, cotton, wool and staple fibres, petroleum and some products, books, accessories for the clothing industry.

● *Paragraph 2* covers basically capital plant and equipment, raw materials, maintenance spare parts, and consumable stores and accessories, together with a list of specific items, including aircraft, butchers' and dairying equipment, dental and optical requirements, scientific and laboratory equipment, tractors, scales, tools, textile piecegoods, survey equipment and specified items of office equipment. Manufacturers are granted import permits sufficient to keep six months' stock of raw materials on hand. Merchants received an initial quota for 1963 of 50 per cent of their 1960 imports. Under this paragraph, both merchants and manufacturers can import capital equipment (valued at over \$1,500 per item) only after being granted a specific permit. The over-riding consideration in granting permits is "that in the determination of import facilities, cognizance would be taken of the local availability of such goods."

● *Paragraph 3* covers vehicles and a special formula is used to work out quotas for individual assemblers or distributors. Among other factors, this takes note of the local content of the cars assembled.

● *Paragraph 4* covers Group A goods: consumer goods not yet made in South Africa; clocks, watches; vacuum cleaners, window air conditioners, and small appliances; certain items of kitchenware, crockery and glassware; lamps and lanterns; firearms; oilcloth; photographic equipment, and certain musical instruments. It also includes Group B goods, such as "general merchandise" and all items not listed elsewhere. Registered importers receive quotas for 1963: a group A issue of 110 per cent of the average imports of the merchant in 1959 and 1960 and a Group B issue of 45 per cent of the assessment base period—that is, the level of imports in 1948 reassessed in the late 1950's and with provision for individual reassessment on an *ad hoc* basis upon application.

● *Paragraph 5* contains the "restricted list" first introduced in May 1961 (and subsequently modified and revised) under the following broad headings: processed foods, textile products and clothing, household appliances, agricultural implements, electrical equipment, building materials and hardware, paper and wood products, and luxury goods. To obtain the required specific permit the importer must surrender an import licence of double the value of the goods to be imported. A concession granted this year allows an importer to bring in his first \$7,500 of goods on the restricted list without this 2 for 1 provision being enforced. Fertilizers and lumber are dealt with on a special administrative basis because of the rapid increase in South African production.

### Effect on Trading Patterns

Under import control, trading patterns have tended to become rigid. Because most agents do not themselves possess import licences, it is often difficult for them to introduce new lines to merchants unwilling to use scarce permits to take a chance on a new product. The authorities will receive applications

for additional import licences to purchase new products but importers must justify their applications by showing their present permits are being used only to import goods not obtainable within South Africa. In other words, the importer must justify to the authorities any switch in his sources of supply.

Only 10 per cent of South Africa's imports consist of consumer goods and because manufacturers in addition receive better import licence treatment, the Canadian wishing to export capital plant and equipment and spares which are not already available in South Africa or raw materials is generally in a better position than an exporter of consumer goods. But whatever the product, those with some new feature or approach stand the best chance of gaining entrance to this competitive but forward-looking market.

Among the products that stand a good chance in this market are:

- Workshop lathes
- Artisans', mechanics', builders' tools
- Oil circuit breakers
- Flameproof switchgear
- Machine tools
- Laboratory fittings
- Packaging equipment
- Canning industry equipment
- Stainless steel valves
- Paper yarn
- Synthetic tops
- Arnel fabrics
- Fancy swimwear fabrics
- Imitation book cloth
- Ash oars
- Calendar pictures
- Papier maché fruit pack
- Laces and embroidery

The Canadian Trade Commissioners in Cape Town and Johannesburg would welcome hearing from Canadian manufacturers in any of the above fields and others who can offer a product that is new, technically advanced, and suitable for a country like South Africa which is undergoing rapid industrialization. ●

# Mastercraft Hustles Handbags

Smart women in New York and London are buying handbags made of Canadian leather to Canadian designs—thanks to a well planned, smoothly executed sales campaign by this Canadian company, and the practice of good follow-through.

KEN A. GILMOUR,

*Sales Manager,*

*Mastercraft Leather Goods Limited.*

*As told to O. Mary Hill.*

“YOU sell your handbags in New York and Los Angeles—and in London?” This, in a slightly sceptical tone, is what many Canadians say when I tell them where Mastercraft Leather is finding export markets. They are equally surprised when I explain that the bags we sell abroad are made of Canadian leathers to Canadian designs, and that only the frames are imported. (They come from Europe.)

We ourselves chose to try out the United States and British markets first. In two-and-a-half years we have built up our sales to the point where we can't take on any new U.S. customers and only a few British ones until our new factory in Montreal is finished and our production expands. Exports last year accounted for 8 per cent of our sales, and this year foreign sales are already 68 per cent of the 1962 sales.

## **Came to Export Conference**

It was the first Export Trade Promotion Conference in Ottawa in December 1960 that gave us the impetus to export. Before I joined Mastercraft I was a buyer for Morgan's in Montreal and I already knew a good deal about merchandising in other countries and had contacts with overseas buyers. I had my eye on the U.S. and on Britain as places to try selling; in fact, I had left a few of our handbags with Altman's in New York to test the market and discover whether we had any chance of attracting the much-wooed American consumer. (Altman's buyer had suggested a few changes in design and construction and we made these changes.) So at the conference I naturally made appointments with the Trade Commissioners in the U.S. and in England.

My conversation with Bruce Rankin, the Senior Trade Commissioner in New York, confirmed my opinion that New York was the logical place to launch a sales campaign. He did some preliminary re-

search for me after the conference ended, and early in 1961 I went down to New York to carry it further. In the next few months I made several visits. I took some of our handbags with me to show to buyers and get their ideas. I also walked around the stores\* myself and looked over the bags on sale. I talked to the salesgirls as well as to buyers; asked: “What are your best sellers in handbags? What do women like about them?” Occasionally I bought bags to take home with me and examine closely.

## **Showing in New York**

I returned to Montreal after carrying out this market research and while some three dozen handbags were being designed and made up—incorporating some of the ideas that I had gathered—I set to work to plan a complete sales promotion program for the New York area. There is no point in looking for customers until you understand the market and are in a position to exploit it.

The next step was to get New York buyers to come and see my line. Bruce Rankin and his staff helped me to plan and put on a showing of my handbags in the Cedar Room at the Canadian Consulate for four days in June 1961. (We were, incidentally, the first Canadian company to have a solo show in the Cedar Room.) With their help, we sent out invitations to about 300 buyers of handbags for department stores in New York and, in many instances, right across the country. We also arranged for useful pre-show publicity in *Women's Wear Daily* and in *Handbags and Accessories*.

New York buyers are a hard-headed group and they are deluged with invitations. If you want them to come and see what you have to offer, you've got to go after them. With the help of the Trade Commissioner's staff, I made sure that those invited were either called on personally or were telephoned. Even

so, only about 12 per cent of those invited showed up, but nearly all of them placed trial orders. They liked most of our models, but some stores wanted designs modified or changed to suit their clientele. The prices, in the middle range (from \$6.50 to \$75.00 delivered New York) seemed to be about right.

### Doing the Follow-Up

This New York showing took place in June; in August and September I began to follow up the contacts I had made. I went back to New York and called on buyers—those who had not come to the show or not placed orders as well as those who had. I am still doing that follow-up and I expect to keep right on. I go to New York about once a month and make the rounds, keeping my eyes and ears open. I made a point of attending the two handbag market weeks in January and June each year. In June of 1962 the situation was reversed; Mastercraft entered the Canadian Samples Show in Montreal sponsored by the Department of Trade and Commerce and the U.S. buyers came to see us, both at the show and at our plant. The same was true of the National Samples Show last April in Toronto, where we again exhibited.

By the end of 1962, our preliminary campaign was beginning to bring results. That year our export business (almost entirely with the United States) accounted for 8 per cent of our total sales volume. And through buyers for groups of department stores with headquarters in New York, we were reaching out to other parts of the United States. We are today doing business with 73 stores in 40 cities in 22 states.

### Customers Visit Us

Our relations with U.S. buyers have now become so close that many of them come to Montreal to see our complete line. I give these visitors the V.I.P. treatment.

I meet them at the airport, drive them to our showrooms, take them out to lunch, and if it's a one-day stopover only, take them back to the airport to catch an evening plane. If they want to stay longer, our office makes hotel reservations for them. And we offer a unique service: we will even make appointments for them with our competitors. Buyers from as far away as Los Angeles have flown in to work with us. We are still expanding our U.S. contacts; in the fall we expect to exhibit at the Canadian Trade Fair in Philadelphia. Just now, we have to watch delivery dates closely and not make further

commitments until our new plant is operating.

### Prospecting in Britain

By mid-1962 we were well launched in the U.S. market and ready to tackle another country. We make regular buying trips to Britain and Western Europe because we buy the frames for our handbags there (in Spain, Italy, France, Belgium, Germany and England) and also certain types of handbags that we do not make ourselves, such as straw, beaded, cowhide or alligator bags. On one of these buying trips in April 1962, I snatched an hour or two to call on



**Robinson exclusive... leather handbags, only 13.00**

Made for us, patent leather and smooth leather handbags...  
 gracefully styled to complement any fashion. Surprises inside:  
 lots of room, zipper compartments and leather lining.  
 Classic spring shapes and sizes  
 in black, navy or white leather, black patent leather.  
 Big bag fashions at this tiny price.  
 Price plus 10% federal tax. Handbags

March 20, 1962  
 Los Angeles Times

Recently Mastercraft added Los Angeles to the list of U.S. cities in which it is selling. Here the handbags, stocked by Robinson's department store, are advertised in the Los Angeles Times. Mastercraft now is selling its bags in 40 U.S. cities.

the Trade Commissioners in the London office. Because our showing in New York had turned out so well, we discussed attempting something similar in London. Throughout the summer of 1962, I exchanged correspondence with London, and while we in Montreal were busy producing the bags for a showing, the Trade Commissioners were drawing up a list of 210 handbag buyers to be invited to a display at the London office of the Trade Commissioner Service, One Grosvenor Square.

I arrived in London the last week in October, with 57 model handbags to lure British buyers. The display was set up but before the showing opened, we did the usual follow-up of those who had received invitations. I had already written to the general managers of the stores with which I hoped to do business and had also sent invitations to the handbag buyers. These contacts we pursued in the usual way—by personal calls or telephone calls to stores in London and telephone calls to those outside the city. The result: more buyers came to our London than to our New York showing and only one failed to place an order. Some were so enthusiastic over our designs that they asked us to fill orders for Christmas selling. The buyer for Harrods felt that our bags were not high-priced enough for her clientele but next year we expect to offer her something exclusive and expensive.

### **What We Discovered**

This exercise in showmanship taught us several things. One was that English buyers like North American styling when it is combined with the same quality that British producers offer. The problem is distance—London is much farther from Montreal than New York is and it is more difficult to deliver orders promptly. We immediately began thinking about a subsidiary sales company in England and before I went back to Canada I had supervised the forma-

tion of the company and had found a showroom in Great Portland Street, in the heart of London's West End. We held a showing of our spring line there in January and I remained in London for a week. The delivery problem was solved by using air freight and our satisfied customers are well worth the extra expense.

We are now selling to the better department stores in London and in four other British cities and we keep enough stock in England to deliver most of their orders promptly. Fortunately, our handbags enter Britain duty-free and this helps us to compete with English, Italian and French manufacturers and to offset transportation costs. Most of the Italian and French bags are rather high-priced; we sell mainly in the range from \$12.00 to \$35.00, though we offer some bags at \$65.00. The best sellers are the \$12.00 to \$16.00 models.

### **How to Succeed**

Our first two years in the export market have taught us that selling in Canada, in the United States, and in Britain calls for three different techniques. It is fairly simple to find out what the Canadian buyer likes and wants and we can even conduct a good deal of our business over the telephone. In the United States—the toughest of all markets—the buyer expects to be pressured and he doesn't resent the hard sell. The British dislike it; there the approach must be more courteous and certainly in a lower key. They want facts about the product and they want to examine it minutely and check on the finishing; style is not their one thought. In each of these markets we have to offer a completely new line twice a year. Handbag designs are easily imitated and our only protection is the frame around which the bag is built; this can't be copied successfully in the same season.

I cannot offer any Canadian company with a line of fashion goods or accessories to sell a sure-fire method

of getting foreign customers. We at Mastercraft are merely applying tried-and-tested rules for export merchandising. The first one is to get out and do market research; this may take from a year to 18 months. You must offer people a product they like at a price they can pay. Some of this research can be done, and done well, by the Canadian Trade Commissioners abroad. But there is no substitute for your own legwork—making the rounds of the stores to see what is selling and how it is being sold before you make even a first call on buyers. Then go and see the buyers of the stores in which you would like to place your product, and take some samples with you. Ask them what they think of your materials and designs and modify your models in line with their suggestions. Then bring along your complete line and get these buyers to come and see it. Ours is not a business that can be done over cocktails; we have to bring buyer and product together and get his order—or his ideas.

When you launch out into export, be careful not to over-extend yourself. If you do, and production can't keep pace with orders, you will have irritated customers on your hands. And they won't be customers for long unless the service improves. Cultivate them constantly and assiduously and never take them for granted.

What plans have we at Mastercraft for the immediate future? When we feel that we have consolidated our position in Britain as well as in the United States, and when we have enough production, we intend to try out the Western European market. At the Second Export Trade Promotion Conference this spring, I had a chance to make a preliminary reconnaissance with the Trade Commissioners stationed there. After that, who knows? With a good product and a good sales promotion program, there are always fresh opportunities. ●

# Selling Furniture and Furnishings through Chicago

- Want to sell lamps, draperies, houseware lines, etc., in the U.S.? Begin by participating in the International Home Furnishings Market there next January and June.
- Furniture your line? Try a display at the Merchandise Mart, either on your own or through a manufacturers' representative, either in January or June.
- Investigate exhibiting at the American Furniture Mart, through an agent.
- Or consider taking showroom space at a hotel in downtown Chicago while the Markets are in progress.
- Interested? Write our Chicago office for more information.

J. M. KNOWLES, *Vice Consul and Assistant Trade Commissioner, Chicago.*

FURNITURE MARKETS came into being because "you cannot cram a breakfront into a briefcase." Merchants want actually to see and to learn about what they sell. Although furniture markets were established in Philadelphia and Boston in the early 1800's (a leadership which had passed to Grand Rapids, Michigan, by the 1870's), Chicago has been the principal furniture market in the United States since about 1922. Despite the launching of nearly a score of regional markets in other U.S. cities in recent years, Chicago remains the furniture capital of the country.

## Two a Year

Twice a year, in January and June, buyers converge on Chicago from all over the United States and Canada to shop the city's famous International Home Furnishings Market. Showrooms, which are usually leased on a more or less permanent basis by manufacturers or manufacturers' representatives, are maintained in the two principal

trading centres, the American Furniture Mart and the Merchandise Mart. Here the latest lines and newest designs are shown cheek by jowl with the old, reliable "bread-and-butter" merchandise.

## A Must for Canadians

Canadian home furnishing manufacturers who hope to achieve any significant sales penetration of the United States as a whole will find that participation in the International Home Furnishings Market is a must. Sooner or later, they will have to consider seriously either taking permanent showroom space on their own or sharing it with other manufacturers, or negotiating for representation with one of the many specialist agents who themselves maintain permanent exhibits.

If you are a manufacturer of furniture, it would be preferable to establish yourself in the American Furniture Mart. If you are producing home furnishings other than furniture (such as lamps, giftware, etc.) it would probably be advis-

able to try to conclude an arrangement to display your goods in the Merchandise Mart.

During the shows, airport limousine service is available to and from the Merchandise Mart and O'Hare International Airport. Free chartered buses run regularly from the principal hotels to the two Marts and a free bus shuttle service operates between them.

Details about the two Marts may help the Canadian exporter decide between them.

## The Merchandise Mart

Towering high into the air on Chicago's Wacker Drive stands the Merchandise Mart, for many years the biggest building in the world and outranked today only by the Pentagon in Washington. It contains a net rentable area of over three million square feet. Built originally by Marshall Field & Company, it is now owned by former United States Ambassador Joseph P. Kennedy, father of the President of the United States. The Merchandise Mart is generally recognized as the world's largest buying centre.

Approximately 1.2 million separate items of merchandise made by about 4,000 manufacturers are included in the wholesale lines on permanent display in the building. A 700-page directory is published each year to help buyers locate lines and items. There are more than 800 merchandising tenants in the Mart, many of whom are manufacturers' representatives who carry the lines of several manufacturers. Hundreds of manufacturers maintain and staff their own year-round display rooms. There are:

331 furniture lines  
189 floor-covering lines

184 curtain and drapery lines  
 476 housewares, appliances, radio and TV lines  
 250 toys, games and wheel goods lines  
 268 men's and boys' wear lines  
 948 china, glass, pottery and gift lines  
 224 lamps, shades and lighting fixture lines  
 817 women's, children's and infants' wear lines  
 161 linens, bedding and domestic lines

The Mart is open for business the year round. Because of seasonal activity in retail merchandising, market periods have been established. The market for spring and summer merchandise is held in January and for fall and winter in June. In addition to these major markets, there are many special markets devoted to apparel, gifts, and other specific lines of merchandise. The markets are not open to the public.

An average of 27,000 buyers register at the Merchandise Mart for each home furnishings market. More than half a million buying visits are made to the building every year or about 2,200 per workday.

Showrooms should be manned five days a week during business hours throughout the year. An exception is usually made for furni-

ture exhibitors, who customarily spend the week on the road and are at the Mart only on Fridays.

### The American Furniture Mart

Smaller than the Merchandise Mart, the American Furniture Mart claims to be the largest commercial building in the world devoted to a single industry. It is located on Chicago's Outer Drive and contains two million square feet of space.

About 1,250 manufacturers show their complete line of furniture at the Furniture Mart. There are:

132 upholstered furniture lines  
 128 bedding lines  
 94 bedroom furniture lines  
 106 cocktail table lines  
 96 desk lines  
 21 novelty lines  
 84 dining room lines  
 61 kitchen and dinette lines  
 51 lamps and shades lines  
 72 summer-casual lines  
 47 juvenile toy lines  
 41 chair lines  
 27 mirror and picture lines

About 60,000 buyers visit the American Furniture Mart during each of the International Home Furnishings Markets. The same practice is followed as at the Mer-

chandise Mart — only legitimate buyers are allowed in. Neither do the Furniture Mart authorities accept short-period market tenants, because their rentable space is more or less fully occupied the year round. It has become the brain and nerve centre of the furniture business. Principal trade associations of many types — retailers, manufacturers, wholesalers, salesmen, and suppliers — have headquarters at the American Furniture Mart. Many buying groups of dealers also maintain offices in the Mart. Associations and buying offices are listed below.

#### Associations

American Walnut Manufacturers Association  
 Chicago Furniture Manufacturers Association  
 Chicago Retail Furniture Association  
 Fine Hardwoods Association  
 Home Furnishings Council of Chicagoland  
 Home Furnishings Industry Committee  
 The Mahogany Association  
 National Association of Furniture Manufacturers  
 National Retail Furniture Association  
 National Wholesale Furniture Association  
 National Wholesale Furniture Salesmen's Association

#### Buying Offices and Syndicates

American Furniture Associates  
 ARM of Retail Merchants Incorporated  
 Milton Harris & Associates  
 Home Furnishings Guild, Incorporated  
 Homecraft Stores  
 Retail Stores Service Incorporated  
 Select Furniture Service  
 Smart Living Stores  
 Southwest Furniture Buyers  
 Style Crest Incorporated  
 United Furniture Stores

Although the Furniture Mart is always open during business hours, exhibitors must be on hand only on Fridays.

#### Other Show Vehicles

The activities of the Merchandise Mart and the American Furniture Mart are supplemented during show weeks by complementary showings, for the market periods only, in various hotels in downtown Chicago. These shows are managed by various organizing agencies which maintain close liaison with the



The biggest building in the U.S. after the Pentagon—that's Chicago's Merchandise Mart, with a rentable area of over three million square feet. It has on permanent display about 1.2 million separate items, turned out by some 4,000 manufacturers.

authorities of the two principal Marts and lease perhaps one or two floors of a hotel for the required period. This is a less costly introduction to this market for a manufacturer who is coming into this area for the first time and has been unsuccessful in locating a suitable manufacturers' representative who has permanent showroom space at one of the Marts.

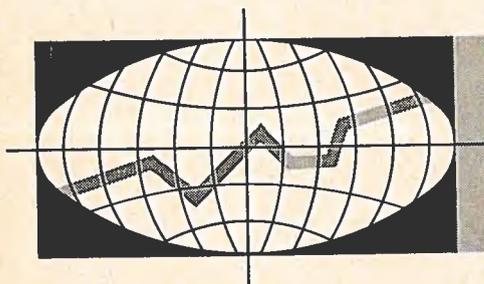
There are, of course, limitations to this method of showing your merchandise. It is not suited to the showing of furniture, for instance, but does very well for manufac-

turers of lamps, giftware, and other items which lend themselves to sample-type shows.

For example, this year the International Home Furnishings January Market coincided with the Chicago Curtain and Drapery Show (January 6-10) held at the Palmer House Hotel, and the Lamp Show (January 6-11), also held at the Palmer House. The Home Furnishings Market was immediately followed by the Independent Housewares Mass Merchandise Exhibit (January 13-17) at the Morrison Hotel, and the National China and Glass

Show (January 13-18) at the Sherman House Hotel. Numbers of business visitors to the earlier shows stay on to cover these as well.

If you wish to learn more about this market and its possibilities for your products, write to the Commercial Division, Canadian Consulate General, Suite 2000, 310 South Michigan Avenue, Chicago 4, Illinois, which will be pleased to assist you in making a suitable approach to selling your goods in the U.S. through the mammoth semi-annual International Home Furnishings Markets. ●



## Trade Prospects

### Thailand

Development of industry, inflow of foreign aid, program of capital projects promise good trading opportunities if prices are competitive. Canadian companies should seek out good local agents.

GEORGE HAZEN, *Assistant Trade Commissioner, Singapore.*

THAILAND is and should continue to be a promising market for many Canadian goods. Good economic management and international solvency are the keys to the country's progress and sound reputation.

Thailand's exports follow the traditional pattern—rice, rubber, tin, kenaf, maize, and teak and other exotic woods—chiefly tropical products surplus to its own food and industrial needs.

#### Imports Changing

Imports, on the other hand, are changing. They are increasing in over-all value but include a smaller percentage of fully manufactured

consumer goods and a larger percentage of capital goods and materials for the budding factories. But progress has its problems. The balance of trade in 1962 was unfavourable to the extent of Can.\$90 million, with exports at Can.\$490 million and imports at Can.\$580 million. The chief suppliers are Japan and the United States—46.4 per cent of the total—plus the EEC countries, Britain, and Indonesia, another 33.8 per cent.

Japan is a natural source of goods for Thailand because it is not far away and produces consumer products at prices within the income of the people. The United States

owes its position in Thai trade partly to its large aid programs and to loans.

The trade deficit is financed by a variety of international loans, grants, and trade credits. In 1962 agreements for loans were made with the World Bank for an irrigation project (Can.\$9.7 million), with the United States AID for an irrigation project (Can.\$12 million) and telecommunications work (Can.\$14.3 million), with West Germany for railway expansion (Can.\$11.8 million) and for hydroelectric projects (Can.\$12.1 million). These transactions helped increase the foreign exchange and gold reserves by Can.\$64.6 million to Can.\$518.2 million.

#### Foreign Aid Essential

Despite progress in industrialization, Thailand still depends largely upon agriculture. Its political sta-

bility encourages international aid and investment to make economic progress possible. The Thai Government has declared against nationalization of industry in an endeavour to attract foreign capital. In addition, foreign financial transactions have generally been simplified by the adoption of a single exchange rate.

Growth in heavy manufacturing has been slow but small and medium industries have prospered. As in many other countries attempting to promote secondary industry, there has perhaps been an attempt to proceed rather quickly, with relatively little attention given to financial resources. But growth, at a healthy 7 per cent last year, is none the less real and preliminary statistics estimate the national income at the equivalent of Can.\$2.7 billion in 1962.

#### Development Projects

Highway planning and building have proceeded steadily with U.S. aid and loans and other international help, and the State Highway Department will shortly be looking for engineering services. In mid-June, the World Bank announced a further loan of \$35 million for highway development, including equipment and services. Railway and air transport is also being expanded and plans may go ahead to improve and enlarge the Port of Bangkok. A feasibility survey for a supplementary port may be in the offing. Electric power projects and expansion of telecommunication facilities are also planned and various irrigation schemes financed by foreign aid have been approved.

A number of manufacturing projects are going ahead, although not without some difficulties; they are encouraged by the Government's policy of protection and tax relief. Oil refineries, a fertilizer plant, ventures in textiles, a paper mill and plants to turn out auto accessories, flashlights, toilet articles and hardware, plus a car and truck assembly plant, neared completion or were

finished in 1962. The sod has just been turned for a \$15 million tire factory. Negotiations are proceeding with the Soviet Union for the establishment of a steel plant. The Government intends to continue promoting investment in new industry and is making small loans for this purpose.

The market for fully manufactured goods in Thailand, (although they provide a declining percentage of imports) continues to expand in absolute terms. Recent studies indicate that the population will reach 30 million this year, with an annual rate of increase of more than 3 per cent. Bangkok, the capital, has 2.3 million people. The number employed in the primary industries of agriculture, fishing and forestry is high, some 85 per cent of the labour force. Tariffs are non-discriminatory with the same rates applying to all suppliers but some imports are restricted, about 70 items at present.

Canada's share of the Thai trade is not large, but our total sales in 1962 reached \$3.5 million, an increase of \$500,000 over the same period of 1961. Principal commodities shipped were wheat flour, zinc, aluminum, files and rasps, and asbestos. Opportunities may well increase, however, as more manufacturing facilities are developed and must be supplied with materials and equipment, and as the standard of living rises. Canadian companies should therefore keep in close touch with their local agents. With no policy against the investment of private capital in the import business, there will be room for the sale of new products and local agents can be found for promising lines. But it should be borne in mind that Thailand is a price rather than a quality market and finished merchandise must compete with locally made products and those from other Asian countries. ●

## Burma

Commission agents will no longer operate, as government intends to deal direct with foreign firms. Drop in exchange reserves, slow economic progress will limit imports to essentials, except those financed by Colombo Plan and other forms of foreign aid.

GEORGE HAZEN, *Assistant Trade Commissioner, Singapore.*

BURMA continues to be beset by problems, both economic and social, despite energetic measures taken by the new Revolutionary Government (see *Foreign Trade* April 21, 1962). Further industries and areas of business have been nationalized.

In October, the Minister for Trade and Industry attempted to allay businessmen's fears that further nationalization of private business was in the offing but in February he resigned because of differences with other members of the Council over the rate at which nationalization should take place. This means

that progress with the program of nationalization announced earlier will continue.

One of the most far-reaching moves to date has been the takeover of all banks by the Government, accompanied by a declaration that such a step was essential to implementation of the socialist program. Repayment of capital and head office funds and compensation for fixed assets have, however, been promised by the authorities.

This development followed closely on the heels of an announcement in mid-February that the Govern-

ment would assume responsibility for all exporting, importing, and internal wholesale distribution. Furthermore, the three Civil Stores Committees and certain other quasi-government bodies which are now responsible for purchases of goods from abroad have been instructed to deal direct with foreign firms and not through Burmese commission agents. It was made clear that the establishment of new private industries would not be allowed, thus concentrating major business still further in the hands of the Government.

With the elimination of private enterprise from the import, export and wholesale fields, there have been muted suggestions that funds thus freed be reinvested in industries not included in plans for nationalization. But paralleling this are hints that the 1959 Investment Act will be revamped in such a way as to permit Burmese firms to borrow abroad and at the same time discourage foreign firms from making investments. This atmosphere is not conducive to the attraction of foreign capital either as loans or as outright investments.

### **New Budget Promising**

During the last two years the gross domestic product, at 1947-48 prices, has risen very slowly and is still below the 1959-60 level. However, the projection for 1962/63 is somewhat brighter and, notwithstanding some flood damage to the rice crop, the vigorous policies of the new Government may result in a quickened economic tempo.

Although the 1962/63 budget forecasts a deficit, there will be less emphasis on administrative and social expenditure and more on agricultural and industrial development. Loans from the Chinese and Russians, reparations from Japan, and trade credits from the Soviet Union and Czechoslovakia will help balance the budget. As one report puts it: "As a statement of intention, in fact, the new budget is

promising; given favourable weather and trading conditions to boost revenue, it could be effective."

Even though the economic picture is a little better, improvement will be slow and problems difficult to solve. It should be noted that foreign exchange reserves at the end of January had dropped nearly Can.\$10 million in a month to about Can.\$180 million; the internal public debt rose by Can.\$15.9 million to Can.\$330.5 million. Consequently, export business with Burma will be limited to what the Government classifies as "essentials".

### **International Aid**

Burma receives considerable economic aid from abroad, including that given under the Colombo Plan. Under this plan, Canada has been the biggest contributor to Burmese development and has given since its inception aid valued at Can.\$2.7 million. Australia, Britain and New Zealand have brought the total to Can.\$5.5 million.

The Burmese also receive other international aid. In 1961 and 1962, the UN Technical Assistance Board contributed Can.\$1.7 million, UNICEF provided physical and material help in combatting disease and promoting social welfare, and the United States, Communist China and the Soviet Union contributed to various projects. The budget for 1962-63 includes an income of Can.\$6.3 million from foreign loans and credits.

Notwithstanding a certain degree of economic progress, opportunities in Burma for Canadian exporters remain few. All imported goods are purchased by Government Boards and are usually subject to tender. Except for companies already familiar with the market and able to investigate informally through existing connections, Canadian firms must rely on the Trade Commissioners in Singapore and the Department in Ottawa to bring suitable tenders to their notice. ●

### **Australia Promotes Exports**

AUSTRALIA has taken a number of steps recently to encourage greater interest in foreign markets, according to our Canberra office. For example, a series of radio broadcasts designed to stimulate interest in export trade is being prepared by the Australian Department of Trade. The Department has sought the co-operation of the Department of Primary Industry, commodity boards, food processing firms, banks, primary producers and agricultural equipment manufacturers and executives of these organizations will be heard on the programs. The series will emphasize the need for diversifying markets for primary products and processed foodstuffs, the search for new markets, promotion and marketing of primary products overseas, and the need for raising standards of quality of Australian foodstuffs. An Australian radio network has provided ten minutes each Sunday for these broadcasts.

Private enterprise is also showing initiative in this campaign. The Australian Associated Chambers of Commerce and the Associated Chambers of Manufacturers have formed a company solely to promote the sale of Australian goods in export markets. It will not take over the overseas trade-promotion activities of the Department of Trade, but rather intends to work closely with it. The company's special interests include trade missions, trade fairs, trade ships and specialized product displays. The two founding Chambers believe that the increased interest which Australian companies have displayed in participating in overseas ventures can be fostered through an organized approach. The Board of Directors is composed of four members from each Chamber, and the Minister for Trade has been invited to appoint two government representatives.

One of the problems in stepping up Australia's exports is the provision of shipping services, especially to more distant markets. The establishment of direct shipping service to South America has contributed to a sharp increase in Australian exports to the area. The small shipments during the fiscal year 1960-61 have been boosted to £1.9 million in 1961-62 and £2 million in the first six months of fiscal 1962-63. The establishment of two new Trade Commissioner posts at Lima and Caracas and the visit of a trade mission last year also helped to increase this trade. Principal Australian exports to South America are wheat, tallow, steel, agricultural machinery, wool tops, butter and zinc. In recent months, files, drills, automotive spare parts, tractor parts and general hardware lines have been added. ●

# Surinam Offers Open Market

New direct shipping service from Canada should stimulate interest in this relatively open market, where foreign visitors and foreign investment are welcomed.

C. J. ST. PIERRE, *Assistant Trade Commissioner, Port of Spain.*

BLUEPRINT for progress in Surinam (the former Netherlands Guiana) is the Ten Year Development Plan begun late in 1954. The estimated cost is 127 million guilders, two-thirds of which is borne by the Netherlands. Included in the plan is the promotion of new industries, the building of roads, various agricultural enterprises, the drainage and dyking of marshy areas, and the building of hospitals, etc. Among the larger private projects is the construction of a hydroelectric power station on the Surinam River at Affobakka, about 65 miles upstream from Paramaribo, the capital and chief port. This was begun in 1960 by the Aluminum Company of America and most of the power generated will be used to produce aluminum in a plant with an annual capacity of 50,000 tons to be established at Paranam.

When the Affobakka project is completed, the Surinam Government expects to avoid any slowdown in development by launching two new projects—a harbour scheme and the construction of another power dam on the Saracca River.

The Government is anxious to attract foreign capital for the setting up of new industries, particularly the processing of agricultural products. Among the attractions it holds out to the foreign investor are a stable government, no obstacles to the transfer of profits and capital, a good supply of skilled and adaptable labour, a ceiling of 30 per cent on corporate taxation, and special tax relief for new enterprises.

Surinam in September 1962 became an associated overseas territory of the European Economic

Community but retained its own tariff system. The Government feels that investors will be attracted by the prospect of gaining almost free entry to the Common Market countries and, at the same time, benefiting from protective duties on goods coming into Surinam.

## Entering the Market

The Surinam market is open to exporters from almost every country, but the importer there must apply for a licence before importing goods and must also deposit with his local banker a guarantee of 15 per cent of the value of the order. Over the past few years, imports have exceeded exports by increasing amounts and the Government is hopeful that these restrictions will help to reduce the deficit on the balance of trade. It has also issued a short list of goods for which licences will be granted on a quota basis and an equally short list of prohibited imports. Licences are usually granted freely for any

goods, regardless of origin, not included in these lists. For information about individual products, exporters should write to the International Trade Relations Branch of the Department in Ottawa.

Up to now, Canada's share of the Surinam market has been marginal—only 1.6 per cent in 1961. The accompanying table shows that our sales there, after increasing in 1961 over 1960, declined again last year and this decline, though spread over a number of items, affected foodstuffs most.

## Shipping Service Improved

One new development may give trade a fillip—the setting up of a new once-a-month direct shipping service between East Coast Canadian ports and Paramaribo. This is a joint venture by the Royal Netherlands Steamship Company and Saguenay Shipping Limited.

Exporters of food products and others who have hesitated to ship to Surinam because of pilferage during the transshipment of cargo may wish to take another look at opportunities there. A good way to do this is to visit the country. Although the official language is Dutch, most Surinam businessmen are able to carry on business in English. They are an hospitable, honest and hard-working people, and the Canadian will enjoy doing business with them.

The best way to become acquainted with them and with their needs is to visit Surinam. As a dividend, you can combine business with a sightseeing trip into the interior, arranged by the Surinam Tourist Development Board. The jungle lies close to the city of Paramaribo and you can enjoy its tropical splendor, fish, hunt, and observe the bush negro (descended from escaped slaves) and the Amerindian (the aborigine of the country) living in the same way as their ancestors did years ago. ●

### MAJOR CANADIAN EXPORTS TO SURINAM\*

	1960	1961	1962
	(Can.\$'000)		
<b>TOTAL EXPORTS</b>	883	1,224	866
Of which:			
Contractors' equipment and tools	45	285	173
Wheat flour, n.e.s.	168	210	167
Hake, dried salted	100	120	74
Sardines, canned	65	76	36
Industrial chemicals, specialties and explosives	93	98	31
Alwives, pickled	30	23	30
Canned salmon	25	15	28
Broad woven fabrics, cotton, n.e.s.	26	38	22
Pollock, dried, salted	12	22	20

\*DBS figures.

# What's current in commodities?

## Agricultural Products

**West Germany**—Over 45 per cent of our sales to this booming market consist of agricultural products. Further development of the European Economic Community should mean bigger over-all demand, especially for grains, furs and oilseeds, though sales opportunities for certain products may be affected.

W. F. HILLHOUSE, *Agricultural Counsellor, Bonn.*

WEST GERMANY provides one of the world's largest markets for agricultural commodities and this market is growing steadily. Imports rose by 14 per cent in 1962 to a total of approximately 16 billion marks (U.S.\$4 billion). Further increases are expected as population and living standards rise.

Much of Germany's food, feed and fibre import bill covers such products as cotton and wool, coffee, tea and cocoa, tropical fruit, etc. However, as Table I reveals, Germany also spends impressive sums each year on temperate-zone agricultural commodities that Canada produces and has or could have available for export. The following commodities or commodity groups in that category, with the 1962 import value in millions of marks in brackets, warrant particular attention: wheat (904), other grains (1,222), edible oilseeds (777), fresh fruit—non-tropical (1,071), tobacco (745), canned fruits and vegetables (491), edible pulses (81), seeds (73), dairy products (503), eggs and egg products (528), meat and meat products (1,128), fur skins (255), other hides and skins (303), fish and fish products (278).

Germany obtains large portions of its temperate-zone agricultural imports from its European neighbours, particularly Denmark and the Netherlands. Because one of the major aims of the Common Market

is to foster intra-Community trade, this pattern may be accentuated. Nevertheless, Canadian agricultural commodities have found an important market in Germany and will continue to do so.

### Sales of Plant Products

Agricultural commodities play a major rôle in Canada's exports to Germany. In the past six years they have averaged more than \$77 million a year and have accounted for 45 per cent of our total exports to this market. Details of the top twenty agricultural products or product groups exported from Canada to Germany last year, with comparable data for 1960 and 1961, are given in Table II. Wheat is the most important single item. Shipments in the past three calendar years have averaged more than \$70 million, of which almost 23 per cent consisted of durum wheat. Exports of other grains are often important but are more sporadic. During the past two years, rye shipments totalled more than \$8 million and in the previous three or four years, exports of barley and oats were significant.

Germany has been and remains a market for substantial quantities of Canadian oilseeds. In the past three years our exports of these products averaged just over \$3 million. Flaxseed and rapeseed vie for first place; soya beans and mustard seed are less important. Tobacco shipments vary considerably and reached a total

value of over \$3 million last year. Canned fruits and vegetables are becoming increasingly important in our trade with Germany, thanks partly to decreasing controls; last year shipments approached the million-dollar mark. Although Germans are not predominantly whisky drinkers, our sales have averaged over \$700,000 during the past three years. Led by alsike clover, our sales of forage crop seeds average close to \$400,000 a year.

### Sales of Animal Products

German imports of livestock and animal products account for less than one-third of total agricultural imports. This fact, plus strong competition from neighbouring countries such as the Netherlands and Denmark as well as other low-cost producers like Argentina, explains why Canadian exports to Germany of livestock and animal products are much lower than those of plant products. There are, however, a number of commodities shipped in substantial volume. Foremost are raw hides of cattle and calves, annual exports of which have averaged over \$2 million recently; fur skins, primarily mink and beaver, totalling more than \$900,000, and packinghouse byproducts, mainly sausage casings and fancy meats and edible offal, sold regularly in good volume. During 1962 an attractive trade in fresh and frozen poultry began to develop and reached a total

of \$150,000 during the year. Unfortunately shipments declined in the second half of the year mainly because of the high import levies established under Common Market regulations against imports from third countries. Consumption of poultry meat is expanding rapidly in Germany and to date German agriculture has not met the challenge of increasing demand. In 1950-51 domestic production supplied 88 per cent of requirements; this figure has declined steadily to 37 per cent in 1961/62. This trade, which has a large potential, is unfortunately seriously prejudiced by the common agricultural policy which is discussed below.

Germany, although far from self-sufficient in fisheries products, does not provide a large or varied market for Canadian fish processors. However, two items—canned lobster and frozen eel—are finding an increasing acceptance. Combined shipments in 1962 exceeded \$500,000, an almost fourfold increase in two years.

### Policy Influences Imports

The German market, though large, is not an easy one to enter or to predict from year to year. Commercial competition and government policy combine to make this true. Under both the German Basic Law and the articles of the Treaty of Rome, the Government is directed to endeavour to ensure for the farmer a standard of living comparable to his non-farm counterpart. The German Government is taking long-term measures to improve the efficiency and productivity of German agriculture, but the problem is a big one because of a badly fractionated agriculture inherited from the past. The immediate answer as supplied by the German Government is to provide the farmer with prices high enough to give him a reasonable income and to protect him from competition that might force those prices lower or prevent him from selling his production. Because output varies widely from year to year, it is extremely difficult

TABLE I

### GERMAN IMPORTS OF FOOD, FEED AND NATURAL FIBRE

	1960	1961	1962
	(DM'000,000)		
Wheat	561	788	904
Total grains	1,389	1,457	2,126
Edible pulses	73	65	81
Edible oilseeds	793	743	777
Vegetable fats and oils	275	255	223
Oilcake	291	278	405
Seeds (other than oil)	62	58	73
Vegetables and herbs	502	554	727
Tropical fruit	934	980	1,013
Other fresh fruit	767	954	1,071
Canned fruits and vegetables	286	344	491
Coffee, cocoa and tea	1,210	1,180	1,189
Raw tobacco	476	486	745
Spirits	40	47	66
Wine	217	203	281
Vegetable fibres	1,198	1,078	994
<b>Total Plant Products (incl. others)</b>	<b>9,368</b>	<b>9,559</b>	<b>11,377</b>
Livestock	600	557	416
Meat and meat products	794	927	1,128
Dairy products	419	437	503
Eggs and egg products	694	645	528
Fish and fish products	207	238	278
Fur skins	224	209	255
Other hides and skins	302	344	303
Wool and other animal fibres	676	648	679
<b>Total Animal Products (incl. others)</b>	<b>4,278</b>	<b>4,397</b>	<b>4,534</b>
<b>Total Agricultural Products</b>	<b>13,646</b>	<b>13,956</b>	<b>15,911</b>
<b>Total German imports</b>	<b>42,723</b>	<b>44,363</b>	<b>49,499</b>
<b>Agricultural imports as a percentage of total</b>	<b>32%</b>	<b>31%</b>	<b>32%</b>

Source—Federal Statistical Office.

to predict with any accuracy what German import requirements of individual products will be from one year to the next. Because of the size and importance of the market, commercial competition from foreign

TABLE II

### PRINCIPAL AGRICULTURAL EXPORTS FROM CANADA TO WEST GERMANY

	1960	1961	1962
	(Can.\$'000)		
Bread wheat	25,367	86,120	51,706
Durum wheat	14,358	16,126	17,047
Rye	.....	3,925	4,276
Flaxseed	2,285	888	1,836
Rapeseed	244	1,374	1,241
Soya beans	138	366	259
Mustard seed	232	55	129
Tobacco	678	333	3,236
Alsike clover seeds	322	205	251
Other forage crop seeds	147	153	113
Canned fruits and vegetables	211	367	912
Whisky	956	548	654
Raw cattle calf and kip hides	2,213	2,427	2,032
Mink furs	75	188	608
Beaver furs	107	192	303
Fancy meats and edible offal	28	275	181
Sausage casings	142	280	230
Poultry, fresh or frozen	.....	2	151
Lobster and products, canned	.....	207	307
Eel—frozen, whole or dressed	107	169	204
<b>Total</b>	<b>47,610</b>	<b>114,200</b>	<b>85,676</b>
<b>Total, all agricultural products</b>	<b>54,289</b>	<b>114,997</b>	<b>86,711</b>
<b>As a percentage of total Canadian exports to West Germany</b>	<b>32.8%</b>	<b>54.1%</b>	<b>48.8%</b>

Source—Dominion Bureau of Statistics.

suppliers for the import allotment is usually keen.

Pressure has been applied, particularly through the General Agreement on Tariffs and Trade, to have Germany remove the quantitative restrictions on agricultural products. Considerable progress has been made but controls remain on certain classes of products of interest to Canada, including seeds, dairy products, fruit, processed fruits and vegetables, etc.

Under the common agricultural policy of the European Economic Community, a single market within the Community for agricultural as

well as industrial products is envisaged. When that stage is reached (target 1970) German farmers will presumably face open competition from within the Community. Although they will not, other than in exceptional instances, have the benefit of quantitative controls over imports from third countries, the Community will be protected by various types of tariffs or levies expected to be substantial in most cases. Progress towards the common agricultural policy is slow, however, and exporters will be faced with national import policies in many commodities for some time to come.

### Will Our Sales Increase?

Despite massive doses of government assistance and substantial increases in production, German agriculture has been unable to close the gap between domestic production and total requirements of agricultural products. In 1950/51 domestic production of food products, including those made from imported feedstuffs, accounted for 76 per cent of requirements. The average figure for the last three years has also been 76

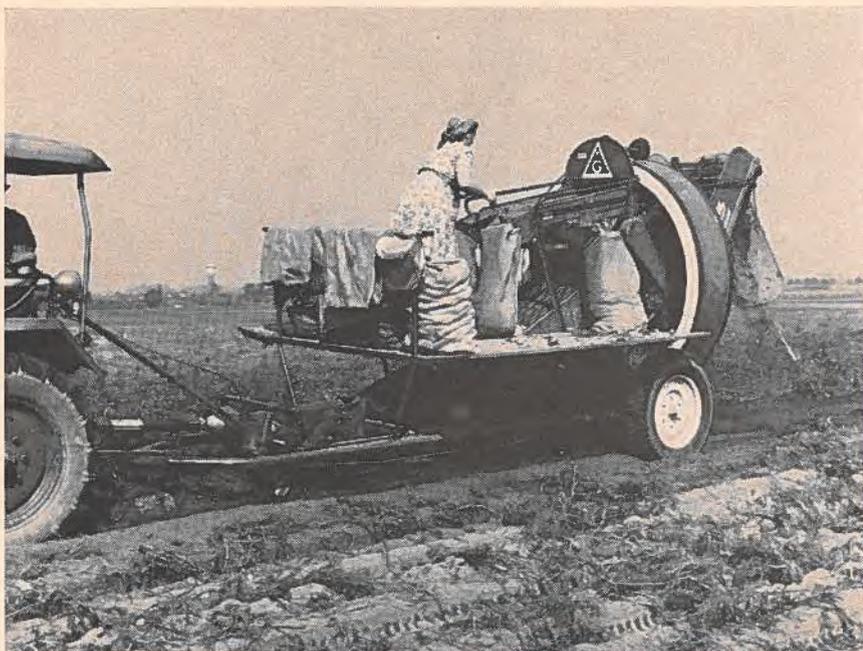
per cent. Within the over-all situation of relative stability there have been marked changes both up and down for individual commodities or commodity groups. This is illustrated by the following examples, where the percentage supplied by domestic production in 1961/62 is given first, followed by the figure for 1950/51—wheat 76-51, feed and industrial grains 61-78, vegetables 72-89, fresh fruit 63-92, poultry meat 37-88, cheese 59-77, fish 52-83. Germany can therefore be expected to continue importing large, and probably increasingly large, quantities of agricultural commodities.

Will the sources of these imports be changed drastically by the impact of the Common Market? The answer to this is of primary concern to Canada. One of the aims of the Common Market is to foster intra-Community trade and there are countries within it with a large potential for agricultural expansion. Furthermore, many of the levies against imports from third countries that have already been established under EEC regulations have been substantially higher than duties pre-

viously in effect. The one on poultry is a case in point: imports from third countries, including Canada, have been adversely affected. The reaction against this levy, particularly by the United States, has been strong and there are some indications that the EEC Commission is reconsidering it.

The results of the higher grain levies are not so readily apparent. Before the end of July 1962 when the levies came into force, German importers had built up exceptionally large stocks of imported grains. This was followed by a large domestic crop, with the result that imports have not yet been needed in normal volume since the new regulations came into effect. Hence no real import pattern has yet been established. German millers recognize the high quality of Canadian wheat and now that they are no longer forced to use a fixed quantity of domestic wheat in their grist, there are indications that some of them have increased and will continue to increase the percentage of Canadian wheat used—as long as our prices are competitive with other high-quality wheat. Canadian durum wheat continues to supply a large proportion of German requirements. Imports of durum have not been influenced by the new regulations to the same extent as bread wheat because a form of subsidy neutralizes their effect in order to prevent an increase in the price of the end-product. World supplies of durum are heavy at present but the quality of the Canadian product is appreciated by German durum millers, as is the prospect of regular supply.

The outlook for future oilseeds exports to Germany is bright. Domestic production of vegetable fats and oils accounts for only 5 per cent of demand and is not expected to rise very much. Imports are not controlled and are not subject to duty. The Common Market tariff is also nil. Canada's exports of these products in future, as at present, will be determined by our ability to meet the competition from other suppliers. The major competition



*This harvesting machine, symbolic of the gradual and much needed modernizing of German agricultural techniques, picks up, cleans and then bags the potato crop.*

comes from United States soya beans, the price of which in the past has had an important bearing on Canadian oilseeds exports to this market.

The growth of fur exports is also encouraging. The standard of living is rising rapidly in Germany and the demand for luxuries is expanding. Repeated Canadian participation in the Frankfurt Fur Fair is undoubtedly bearing fruit and sales should continue to increase. For similar reasons, the market for processed foods of all kinds should also expand. Demand for canned and frozen fruits and vegetables, and to a lesser degree for canned soups, appears to be growing. At present

this demand cannot always be translated into sales opportunities because of government import control aimed at protecting the German food-processing industry. In due course, however, these controls are likely to disappear.

### Opportunities Will Continue

The trend of rising living standards and consequent demand for higher quality and greater variety in agricultural commodities is expected to be accentuated by the full development of the Common Market. Although much of this greater demand may be served by Common Market suppliers, it seems possible that the portion of the pie left for

outsiders will also increase. Recent examples of successful penetration of this market are canned wax beans, canned lobster, frozen eel, frozen herring, frozen poultry and mink furs. Canadian food and related products have been shown at nine trade fairs in Germany in the past three years and the Canadian name in such products is becoming known.

If you have a high quality agricultural product available for export, if it is well presented and competitively priced, and if you are prepared to promote it vigorously, investigate the German market. Our trade offices in Germany will be pleased to assist you. ●

## Christmas Trees and Holly

**California**—Suppliers here are already placing orders for Douglas fir and Scotch pine trees; sales in Los Angeles direct from freight cars are also being arranged. Local distributors to florists interested in sources of natural holly, which enters U.S. duty-free.

C. S. COLLINS, *Commercial Officer, Los Angeles.*

CALIFORNIAN tastes in Christmas trees are changing. Until recently, Douglas fir was the only popular species. Some three years ago, Scotch pine was introduced and its sales have been rising despite the higher price. The demand for it comes mainly from organizations such as the Kiwanis Club, the YMCA, and the Boy Scouts, which emphasize high quality rather than price.

According to a well-known local wholesaler who specializes in supplying service clubs, the wholesale price they paid last season for Scotch pine averaged \$3.50 to \$4.25 per tree, delivered to the Los Angeles area. These prices included freight charges of approximately \$1.25 per tree; the average carload consists of about 900 trees. By comparison, Douglas fir trees were much cheaper and averaged \$6.60 per bundle of four to five trees.

Douglas fir Christmas trees are usually shipped to this market in bundles as follows:

Height in Feet	No. of Trees in Bundle
12 and over	1
10 to 12	2
7 to 10	3
5 to 7	4
4 to 5	5 to 6
4 or less	10 to 12

The most popular sizes are five to seven feet.

### Orders Placed in Summer

Orders for Christmas trees are usually placed with suppliers in July or August for delivery in December. Shipments from Canada to Southern California are made by rail and truck. Canadian suppliers should note that the Southern Pacific Railway in Los Angeles leases space at its freight yards at 8th

Street and Alameda during the period December 1 to 25 for direct-from-the-freight-car wholesale sales. The spaces available are approximately 50 feet long and 10 to 12 feet wide and parallel the railway tracks. The amount of space and the location on the tracks are determined on the basis of seniority and the volume of traffic previously handled for the lessee.

The rent for space last year was \$35.00 and it is expected to be about the same next season. In addition, the railway requires a \$50 clean-up deposit. There is no charge for detention of cars other than the regular demurrage charges. In brief, two free days after the first 7 a.m. placement (exclusive of Saturdays and Sundays) are allowed for unloading. After the initial two days, a charge of \$4.00 per day is levied for the next four days, then \$8.00 per day thereafter. Saturdays, Sundays and holidays are chargeable after a car has been on demurrage for two days. About 90 spaces are normally available during the Christmas season. It should also be noted that tenant's liability insurance is required by the Southern

Pacific Railway. Applications for space or requests for further details should be directed to Mr. R. W. Givens, Perishable Freight Agent, Southern Pacific Railway, 508 Pacific Electric Building, Los Angeles 14, California. To get favourable consideration, applications should be received by the railway not later than August 15, and the applicant should indicate the point of origin of his Christmas trees and the number of freight cars to be handled at the track.

### **B.C. Holly Could Sell**

Although artificial holly has replaced the natural variety to some extent in local supermarkets during the Christmas season, there is still

a substantial demand for natural holly, particularly for the wholesale and retail florist trade. Large quantities of fresh holly are shipped to California, mainly by truck, from the Puget Sound area of Washington State and also from Oregon. Because holly is grown in several areas of British Columbia, particularly on Vancouver Island, Canadian suppliers in that area should be able to compete in California. Freight rates are approximately the same as from points in Oregon and Washington State, and natural holly enters the United States duty-free. It is important to remember that contacts with potential distributors of holly in this area must be established well in advance of the Christ-

mas season. One of the largest local distributors to the florist trade would be interested in hearing from British Columbia suppliers as early as June or July so that he can solicit orders in advance from retail and wholesale florists throughout California. The most popular type of packaging for holly in California is two-pound polyethylene bags, suitably printed in red and green, and packed 24 bags to a cardboard carton.

The Trade Commissioner's office in Los Angeles can provide names and addresses of wholesalers and distributors of Christmas trees and natural holly to Canadian suppliers interested in the California market. ●

## **GENERAL NOTES**

### **Australia**

**DEVELOPMENT PROJECTS**—A recent government review shows that Australia is spending \$2,017 million on 251 major development projects which are under construction. It outlines various works being carried out by Commonwealth and State Governments and their instruments and describes 404 projects which will cost over \$3,188 million when completed. The largest amount being spent on a single project is \$810 million on electricity generation. Water conservation, irrigation and drainage works will cost \$615 million—Melbourne.

### **Britain**

**NUCLEAR SUBMARINES**—The Admiralty has placed orders for four nuclear-powered submarines with shipyards in the north of England. Two will be built by Cammell Laird & Company of Birkenhead, on Merseyside, and the remaining two by Vickers Armstrong, Barrow. The announcement of the order was welcomed by the shipbuilding industry, which has had to lay off large numbers of workers in the past year because of a lack of orders—Liverpool.

### **Ceylon**

**CEYLONIZATION OF TRADE**—The Government of Ceylon has appointed a special committee to report on the Ceylonization of trade. The group, which has been appointed on the recommendation of the Minister of

Trade, Commerce, Food and Shipping, will study the problem of Ceylonese newcomers in the import trade in the context of government policy. It will also attempt to determine how effective this policy has been in achieving the Government's objectives—Colombo.

### **Chile**

**NEW REFRACTORY PRODUCER**—According to a recent issue of the *Diario Oficial* (Chilean Official Gazette) the Government has authorized the investment of U.S.\$1.2 million by the Kaiser Aluminum and Chemical Corporation for the construction, equipping and financing of a new plant to produce refractories. Chile already has two plants producing basic fire bricks and it is expected that this new plant will severely affect Chilean imports of refractories. Canada exported refractories worth \$446,000 to Chile in 1962—Santiago.

### **Cyprus**

**CENTRAL BANK ESTABLISHED**—The Cyprus House of Representatives has passed a Bill setting up a Central Bank. Through it, the Government of Cyprus will implement its monetary and fiscal policies. Functions of the Bank will include the fixing of the bank rate and the amount of reserves and currency control. It will carry out the decisions of the Council of Ministers and will consult with and be guided by the advice of the Minister of Finance. Its original capital of

£100,000 will come from the Government Consolidated Fund—Tel Aviv.

### Denmark

**PACKING AND PAPER ADHESIVES**—A new Dano-U.S. company to manufacture packing and paper adhesives has been formed with a registered share capital of 250,000 D.Kr. The share capital will be divided equally between Danish and American sources. Production is expected to begin in the autumn—Copenhagen.

### Israel

**WATER DESALINATION**—A water desalination project using the electro-dialysis method will supply Israel with an additional five million cubic metres of fresh water a year. The electro-dialysis method devised at the Negev Research Institute desalinates water by means of electric currents and plastic membranes. The first field plant in the Negev will use brackish underground water. It will begin to supply about 500 cubic metres of water a day early in 1964. Authorities are hoping to complete a large plant by 1965 which will supply about 16,000 cubic meters of fresh water daily. The field plant and the running-in will cost approximately U.S.\$100,000. Costs of the larger plant will be about U.S.\$1 million—Tel Aviv.

### Italy

**PREFABRICATED STEEL STRUCTURES**—At a cost of approximately \$5 million, a factory to make prefabricated steel building structures is being erected at Sessa Aurunca, near Caserta in Southern Italy, by "Soprefin" (Società Prefabbricati Finsider) of the Iri-Finsider group (government-controlled holding company for steel industries). The plant's potential capacity will be approximately 20,000 tons of prefabricated steel structures a year. Operations are expected to start in October 1964—Rome.

### Trinidad

**CANADIAN GARMENT FIRM EXPANDS IN CARIBBEAN**—A branch of a Canadian firm which was established in Trinidad about six years ago to make men's and boy's neckwear has recently established a second company in Trinidad. It will manufacture children's dresses under a franchise with a United States garment company. An investment of about W.I.\$200,000 is involved in this project, which will turn out a maximum of 1,200 dozen garments a week.

The original company operated until a year ago under pioneer status. The new organization has not been granted this special concession, but it will be permitted duty-free imports of raw materials and machinery by the local government. The new firm began

manufacturing early in June and more than half of the children's dresses turned out are expected to be exported to the Caribbean area. As a consequence, Canadian exports of children's clothing to these markets may be affected—Port-of-Spain.

### Turkey

**TRADE WITH ISRAEL**—Under an increased trade quota, Israel will purchase sugar, barley, oilseeds and oil cake from Turkey this year, in exchange for electrical and transportation equipment, paper products, synthetic rubber and chemicals.

Turkey has more trade with Israel than with any other "clearing-account" country except Czechoslovakia. Last year, exports to Israel totalled approximately \$6.7 million. Imports totalled about \$8.3 million or 1½ per cent of all Turkish trade—Athens.

### Venezuela

**ALUMINUM PLANT**—Reynolds International has recently announced a new program for the construction of an aluminum plant in the Guayana zone of the country, under the name "ALCASA" (Aluminio del Caroni S.A.). Building will be started during July at a cost of Bs.120 million. The plant will produce initially 22 million pounds of aluminum, or 80 per cent of national consumption—Caracas.

**GURI DAM PROJECT**—Bids submitted by four international consortia for construction of the Guri dam have been opened. Although final selection of the contractor is not expected for some time, it is probable that United States firms will be selected for the \$80 million project financed by the World Bank.

Bids were submitted on the basis of two-turbine and three-turbine units and for four combinations of raw materials. The dam will be 106 metres in the first stage, later raised to 125 metres and finally to 150 metres. Initial capacity at the lower level when ten turbines are installed will be 1.75 million kw., later increased to 3 million and finally to 6 million. Average submissions for the two-turbine and three-turbine units were: Kaiser Engineering (representing Macco International, Tecon International, Merrit, Chapman & Scott, Christiani & Nielson, Técnica Constructora) Bs.331,500,817 and Bs.334,177,119; Asociados del Guri (representing Morrison Knudsen & Co. Inc., Utah Construction Company, Brown & Root, J. A. Jones, Zachary International, Constructora Raymond) Bs.354,541,772 and Bs.356,728,026; Impregilo (representing Impresit, Girola, Lodigiani) Bs.456,601,068 and Bs.460,186,909; and Consorcio Ingeniería Civil Guri (representing Philip Holzman A.G., Gruen & Bilfinger, Vellutini & Bergamin, Campenon Bernard, Cie. Francaise de Entreprises) Bs.543,432,254 and Bs.546,888,653—Caracas.

# LAFTA \*Membership and Colombia's Trade

What led Colombia to become a LAFTA member? How will this step affect trade and development there? Will preferences granted to LAFTA countries cut down major Canadian exports to Colombia? Bogotá answers these questions in this report.

ROGER BULL, *Assistant Commercial Secretary, Bogotá.*

COLOMBIA joined LAFTA on October 4, 1961, and became an effective member on April 1, 1962, when the first list of concessions made by Colombia came into effect. It is not surprising that this country was a latecomer to the organization. Colombian trade with the original six LAFTA countries—Argentina, Brazil, Peru, Chile, Mexico and Uruguay—was small. Remove trade with Peru and Ecuador, and figures for commerce with the LAFTA countries fall from minute to insignificant. In 1961, Colombia's exports to LAFTA totalled just over U.S.\$6 million, a little more than 1½ per cent of its total exports. With sales to Ecuador and Peru excepted, the figure is less than U.S.\$1 million. In the same year, imports from the LAFTA countries (c.i.f.) were valued at just over U.S.\$10 million and formed nearly 2 per cent of the Colombian total. Of this, Ecuador and Peru provided nearly U.S.\$7 million, leaving less than two thirds of 1 per cent to the other LAFTA countries. Venezuela, Colombia's second best South American customer, sold nearly U.S.\$2 million worth of goods to and bought U.S.\$1.3 million worth from Colombia in 1961. Figures for trade with Panama, distorted by the position of Panama as a free port where imports wait for licences and

large companies keep stocks, were U.S.\$11 million from Panama and U.S.\$500,000 to Panama.

It is clear from the above figures that, in the short term, the market for Colombian exports and the major sources of Colombian imports are in the neighbouring countries of Venezuela, Panama, Ecuador and Peru. Should LAFTA membership tend to threaten Colombian trade with these neighbours, it might not be in the country's interests to continue as a member.

## Greater Diversity the Problem

Colombia's exports consist mainly of green coffee and the majority of its imports of manufactured or semi-manufactured goods. Great efforts have been made to change this situation but it will be years before it can bring the percentage of its exports contributed by coffee down from the present 72 per cent to a more healthy 50 per cent or less. Many under-developed countries with a one-crop economy believe the solution lies in exports of manufactured goods but experience in other parts of the world has shown this is not necessarily true. More helpful is the development of substitute raw material production by growing new crops, exploiting new minerals, or applying new techniques to previously under-developed resources—for example, the Peruvian fishing industry. Colombia has made considerable progress in finding alterna-

tive raw material exports and in substituting local industrial production for imports. Exports of cotton, sugar, tobacco, bananas, petroleum, timber and manufactured goods are growing from year to year.

If Colombia did not participate in LAFTA, its interests would not be considered by the Association and its gradually emerging position as the major industrial nation in the northwest corner of South America might be endangered. At present, the economies of Ecuador and Venezuela are still based on the export of high-value raw materials—bananas in the former and oil in the latter. Both countries have until recently enjoyed a favourable balance of trade and neither country was forced to industrialize.

## Trade with LAFTA

In the meantime, finding itself in foreign exchange difficulties in the middle 1950's, Colombia began in 1959 a campaign to encourage industrial development. This has progressed at a good pace in the last four years and has given the country a head start on Venezuela and Ecuador. The Venezuelan import substitution program will probably close the gap gradually because long-term financing resources there are greater than in Colombia. On the other hand Ecuador, in following Colombia into LAFTA, in signing the new border trade agreements in July 1962, in the plan to sign a new treaty of Friendship, Commerce and

\*For a general article on LAFTA, see "A Canadian Looks at LAFTA" in our June 29, 1963, issue.

Navigation, and in the explicit agreement to work towards complementary economic development with Colombia, seems prepared to acknowledge its close economic ties with that country.

Actual exchange of goods produced in Colombia and Panama is relatively small, probably less than \$1 million a year, and in Colombia's favour. Peru has interesting trade possibilities for Colombia and these seem to be fully appreciated. It is our impression that the presence of Peru in LAFTA was one of the main influences leading Colombia to join the Association. Because its thriving trade is based on well-developed raw material exports, Peru has built up a limited manufacturing industry and probably will not expand quickly enough to overtake Colombia, unless given the special privileges that would result if the one country were within LAFTA and the other outside. Colombia is already exporting things like refrigerators to Peru and while possibilities may be exaggerated, they excite Colombians with the prospect of a developing market for their industrial goods, the prices of which make them uncompetitive in many markets.

### Development Prospects

In addition to a head start in industrialization, Colombia has a population of over 14 million and a better balanced social structure than Ecuador and Peru, with few Indians and a large and growing middle class. Colombia also appears to enjoy a stable political structure, and its people are displaying both commendable energy and a good deal of resourcefulness in tackling their present foreign exchange and internal financing problems. In some ways LAFTA represents for Colombia a bandwagon upon which other major Latin American countries are riding and Colombia cannot stay off.

Colombia would be happy to see its sales to the LAFTA countries increase but so far the effect of tariff concessions on its imports and exports is small. It is the development

prospects that LAFTA holds out that are the most attractive. As the Minister of Development told the Canadian Organic Chemicals Trade Mission, what Colombia wants is "complementation instead of just liberalization". The industrial development program is the key. Colombia hopes that by agreement the LAFTA countries can avoid the establishment of competitive industries. For example, let Mexico make synthetic rubber while Colombia makes synthetic resins. Then let each give a preference to the other.

### Effect on Trade

LAFTA products are exempt from the previous deposit requirements on entry into Colombia. Importers of these goods do not have to place large amounts of working capital with the Bank of the Republic for several months, and thus obtain an actual cash advantage, equivalent to the interest that could have been earned by (or not paid on) this money at a rate of 10 per cent a year and up. Credit is tight in Colombia and sometimes unobtainable except at prohibitive rates.

Colombia prohibits the import of most processed foods, textiles, clothing, footwear and many other manufactured products. It is nearly self-sufficient in petroleum, cement, fertilizers, cotton, tobacco and several grades of steel. It might well import copper and fish meal from Peru, pulp, newsprint and copper from Chile, wool from Uruguay and oats and tallow from Argentina. Fortunately for Canadian exporters, few of the sophisticated semi-processed industrial exports we sell to Colombia can yet be produced for export in other South American countries.

### Canadian Interests

On a number of specific products Colombia gives LAFTA concessions. Among those of particular interest to Canadians are:

● **Wheat**—previous deposit 30 per cent. Duties for LAFTA countries 10 centavos per kilogram specific,

plus 10 centavos per kilogram for development quota. Duties to others: 10 centavos per kilo plus 20 per cent ad valorem, plus 10 centavos per kilo for development quota. (At U.S.\$80.00 a metric ton, duties work out to: LAFTA, \$10.00 + \$10.00 = \$20.00; non-LAFTA, \$10.00 + \$16.00 + \$10.00 = \$36.00. To this may be added the cost of financing the previous deposit: 30 per cent of \$80.00 for 45 days at 10 per cent = \$24.00 × 1 per cent = \$0.24; for a total of \$36.24.) However, Colombia needs hard wheat to mix with soft national wheat and because of the inability of any LAFTA country to produce hard wheat, we need have no fear of LAFTA competition in our wheat sales to Colombia. (Canadian wheat sales to Colombia in 1962, Can. \$276,496; 1961, \$779,000. Total Colombian wheat imports a year, about \$10 million.)

● **Oats**—previous deposit 30 per cent. Duties on LAFTA imports: 4 centavos per kilogram specific, plus 10 centavos per kilogram for development quota. Duties to others: 30 centavos per kilo, plus 10 per cent ad valorem, plus 10 centavos per kilo. (At a price f.a.s. of U.S. \$50.00 per metric ton, duties would work out to: LAFTA \$4.00 + \$10.00 = \$14.00; non-LAFTA \$30.00 + \$5.00 + \$10.00 = \$45.00, to which is added about \$0.15 to finance the previous deposit.) Thus the rate of duty applied to Canadian oats, increased in 1962 to encourage local production which has been slow to develop, is three times that applied to Argentine oats. We can keep this market if LAFTA growers cannot supply at competitive prices. In the long run local production may shut out all imports. (Canadian sales of oats to Colombia in 1962, \$400,250; in 1961, \$547,000. Total Colombian imports of oats, about \$1 million a year.)

● **Unbleached sulphate pulp**—Colombian facilities for the production of pulp from local hardwoods and bagasse are being developed. Local output should begin to cut into

imports by 1965. Previous deposit: 65 per cent. Duties on LAFTA imports: pulp from conifers free; other unbleached sulphate, 4 per cent ad valorem. Duties on other imports: 10 centavos per kilo, plus 15 per cent ad valorem. No chemical pulp has yet been imported from Chile. (Canadian sales of this type of pulp to Colombia, 1962, Can.\$1.15 million; 1961, \$1.9 million.)

● **Synthetic rubber**—no local production is in prospect. Previous deposit 120 per cent. Duties on LAFTA imports free; duties on other imports: 10 per cent. Because of special Colombian legislation, all materials for making tires and tubes enter duty-free. Only preference to LAFTA is cost of previous deposit finance which would be equivalent

to a duty of from 1 to 1½ per cent. (Canadian sales of plastics and synthetic rubber, not shaped, to Colombia in 1962, \$1.74 million. Total Colombian imports of synthetic rubber alone, U.S.\$2.4 million.)

● **Newsprint**—previous deposit 30 per cent. There is no duty on imports from either LAFTA or other countries. Increasing Chilean output may mean some competition but trade ties with Canadian mills are strong. Total imports into Colombia, about \$6.14 million a year. (Canadian sales 1962, \$4.1 million; 1961, \$3.9 million.)

Some other smaller-volume exports come under pressure from LAFTA suppliers.

Several other products are granted unrestricted import from

	LAFTA		OTHERS	
	pesos/ kilo	plus ad val.	pesos/ kilo	plus ad val.
Denaturalized tallow	\$ .10	10%	\$ .10	20%
Crude linseed oil (these are both available from Argentina)	\$ .50	20%	\$ 1.50	50%
Vitamins		free		pure, free combined, 10%

LAFTA countries but from others require an import licence.

In general, certain Canadian exports may be affected gradually by Colombian concessions to LAFTA. However, many instances of preference may not exclude Canadian trade, because LAFTA countries may be unable to supply these products at competitive prices and in the quality demanded. ●

## Ceylon Faces Trade Problems

Import restrictions imposed last year limit sales but exporters from many countries are finding opportunities and competition is keen. Stimulation of industrial development should create openings for Canadian raw materials and opportunities for engineering services.

A. W. ROBERTSON, *Second Secretary,*  
*Office of the High Commissioner for Canada, Colombo.*

THE YEAR 1962 began for Ceylon with an abortive coup d'état attempting the overthrow of the Government of Prime Minister Sirimavo Bandaranaike and ended with the difficult financial situation showing little or no improvement. During the year the Government introduced a comprehensive scheme of import control with a series of measures designed to (a) prevent the former large-scale abuses of trading facilities under the Open General Licence system, (b) conserve foreign exchange and promote industrial development, and (c) provide for the proper use of Ceylon's limited ex-

ternal resources in accordance with a planned scheme of priorities.

The immediate objective was to check the continuous drain on foreign exchange reserves by preventing wasteful spending on luxuries and non-essentials and on imports that bear no relation to genuine local needs. Ceylon's external assets, which had stood at some Rs. 2,751 million (Can.\$620 million)\* when the Sri Lanka Freedom Party Government came to power in 1956, were estimated at only Rs.

503.9 million (Can.\$114 million) at the close of 1962.

### Trade Patterns

As a result of these stringent import controls, Ceylon's external trade recorded a surplus of Rs.148.9 million during 1962 as against Rs.30 million the year before—the highest surplus in the last seven years, four of which showed an unfavourable balance of trade. Because of the rapid rate of population increase (estimated at between 2.6 and 3 per cent a year), the per capita national income rose only very slightly from the 1961 figure of Rs.597, and in addition both the cost of living and unemployment rose.

In 1962, Ceylon's exports earned Rs.1,808.5 million; imports (roughly 40 per cent foodstuffs) cost the country Rs.1,659.6 million. Larger shipments of tea and rubber were mainly responsible for the increase

\*Can.\$=Ceylon rupees 4.41.

in exports over 1961. Volume and value of tea sold went up by 26 million pounds and Rs.33.9 million, and rubber by Rs.30.2 million.

Britain is still Ceylon's best trading partner. Other countries which increased their sales to Ceylon last year despite the severe import restrictions are listed below:

	1961	1962
	(Rs. million)	
Burma	185.3	189.0
Japan	156.7	181.4
Australia	81.5	92.3
West Germany	61.4	63.6
Communist China	34.9	40.9
France	33.5	34.1
U.S.S.R.	9.4	34.1
Poland	24.1	27.3
Hong Kong	11.6	25.2
South Africa	14.8	17.1
Egypt	10.4	13.3
Czechoslovakia	11.9	12.1
Denmark	8.8	11.1
Rumania	1.1	7.8
Indonesia	3.8	6.2

Source: Ceylon Customs returns.

The Government continues to encourage and assist Ceylonese traders in every possible way, with the idea of eventually giving the monopoly of trade to its nationals. At present, temporary residence visas permitting non-nationals to work in Ceylon are being issued but only when there is satisfactory proof that the position to be filled is one for which a Ceylonese cannot be found.

### Trade with Canada

The recent import controls and increased tariffs have adversely affected Canadian sales here of automobiles, newsprint, refrigerators, synthetic textiles, clocks and other finished products. However, these same restrictions could eventually work in our favour because they should help local industry to progress and therefore raise the demand for raw materials we can supply.

At present, Colombo Plan shipments comprise the greater part of our exports to Ceylon, which has always enjoyed a favourable trade balance with Canada. Commercial imports from Canada were valued at only Rs.7.3 million in 1962, com-

pared with Rs.13.0 million in 1961. In each of these years Canada's shipments of wheat flour under the Colombo Plan amounted to Rs.4.9 million. The table below shows principal Canadian commercial exports to Ceylon in the last two years.

Canada is Ceylon's sixth best customer, buying principally tea, coconut oil, rubber and desiccated coconut, with imports worth Rs.77.6 million in 1962 and Rs.88.9 million in 1961.

### WHAT CANADA SELLS IN CEYLON\*

	1961	1962
	(rupees†)	
Asbestos fibre	1,349,590	2,653,458
Newsprint	941,607	631,569
Rasps and files	245,511	483,663
Outboard motors	255,203	680,826
Spares for motor vehicles	535,684	113,670
Malt	175,067	165,107
Chemicals	124,910	116,952
Cereals	79,425	148,129
Wood pulp	419,561	187,649
Clocks	130,522	113,354
Canned fish	178,086	74,497
Salted and dried fish	52,663	119,966
Medicinal and pharmaceutical products	75,264	103,897
Fountain and ballpoint pens	42,287	70,726
Machinery and appliances	4,791	94,227
Hand tools	391	165,071
Synthetic resin	8,452	89,595
Leather	33,284	12,217
Spectacle lenses	14,796	45,918

\*Ceylon Customs returns.

†Can.\$=Ceylon rupees 4.41.

The Government is encouraging domestic industry in an effort to cut down the loss of foreign exchange. Manufacturing is expanding more rapidly than total output but is still relatively unimportant, contributing only some 6 per cent to the gross national product. To attract foreign capital, the Ministry of Industries has given assurances that new overseas investors in Ceylon will be guaranteed the right to transfer dividends and repatriate capital without hindrance. Other incentives offered are tax concessions, tariff protection, loan funds and provision of an industrial estate. Nevertheless, the fields in which private investment is permitted are restricted: new investment in such industries as cement, textiles, iron and steel,

chemicals, leather footwear, tires and tubes, sugar, salt, ceramics, plywood, paper and roofing tiles is still confined to the public sector. Two of the largest public-sector projects now under way are a tire and tube factory and a steel mill, both of which are being financed by the U.S.S.R.

### Outlook for Canadian Sales

There is still considerable scope for selling to Ceylon—in fact, competition for its business is so keen that it has become a buyer's market. As industry develops and economic difficulties are resolved, (and provided exports are maintained), Ceylon's business climate will improve and its needs for additional raw materials and capital goods will expand. However, imports of non-essential consumer goods are unlikely to show much increase because of the severe import restrictions. Thus, prospects for Canadian sales depend on Ceylon's future import policies and also on the extent to which Canadian exporters are prepared to meet the growing competition from other suppliers, some of whom have been on the scene for decades. The competition is not only in price and quality but also in long-term credit, particularly for large projects.

The Government of Ceylon is the largest purchaser and many of its requirements are obtained through world-wide tender calls. Some Canadian firms have bid competitively against such tender calls in spite of the transport costs. There should also be opportunities for Canadian participation in hydroelectric, irrigation and other development projects. During 1962, for instance, a Vancouver engineering firm together with another Canadian company successfully negotiated with the Ceylon authorities for an ECIC credit of Canadian \$10.8 million. This will cover the costs of a hydroelectric scheme on the Maskeliya Oya River which should produce 60 to 75 megawatts of power when it comes into operation some time in 1967. ●

# Supplying Furniture for Dutch Schools

Modernizing of school buildings and equipment has created big market for an expanding local school-furniture industry. Canadian suppliers may be able to share in this business, if they can compete against EEC countries, offer good designs at competitive prices.

J. C. BRITTON, *Commercial Counsellor, The Hague.*

THE NETHERLANDS has in the last twenty years made rapid strides toward the modernization of education and educational facilities. New teaching methods have come into use and school buildings and equipment have been modernized. Holland has reached the stage where schools are no longer regarded merely as buildings where children receive lessons but as educational in themselves. Elementary schools now have play and work rooms for boys and girls and in high schools space is reserved for libraries, and for instruction in physics, biology, drawing and other subjects. There are now special rooms for cooking, washing and ironing in the domestic science schools. All these changes mean a larger market for both domestic and imported school furniture.

## Scientific School Furniture

Seating in schools has received scientific study in the Netherlands and the Central Standardization Committee in The Hague has laid down standards for school furniture. It has rejected the old school desk for medical reasons because of its static character, and adopted the table with a separate chair. In 1954 the authorities for the first time allowed tables and chairs to be used in schools and in 1959 the new furniture was recognized officially. All Dutch school furniture now conforms to the directions and

standards of the Standardization Committee.

Desks for elementary schools originally came in six sizes intended for pupils from 3'3" to 5'3" tall. The present generation, however, is taller and practically no pupils now fit desk size No. 1 and a large number have outgrown size 6.

There are now seven sizes for pupils between 3'5" and 5'11" tall and most manufacturers put a clear size number in a suitable place on their tables and chairs. Standards have also been developed for kindergartens, providing for three sizes in tables and chairs.

Although there is uniformity in dimensions, each manufacturer produces distinctive types and there have been important developments in recent years in Dutch designs. Not only the shape but also the choice of materials, colours and details have changed substantially as a result of technical research.

The tables are generally made of steel tubing and plate and come with or without foot rests. The hinged or fixed tops are of solid wood, plastic or other wear-resisting material and can be supplied complete with inkwells and pen trays. There is usually a compartment under the top for books. The legs have covers or strips to prevent damage to floors. One-legged and four-legged chairs are manufactured but preference is given for medical reasons to adjustable or fixed one-

legged chairs; children will often sit with their legs around the front legs, which can cause constriction of the blood vessels and nerves.

In addition to these sets, manufacturers produce classroom furniture for teachers, as well as desks, tables, cupboards, separate chairs, adjustable drawing tables, furniture for practical work, library and canteen furniture, shelves and cloakrooms. Various types of tables, chairs and stools are designed so that they can be stacked, which is an advantage if they must be transported or if a room must be used temporarily for other purposes.

## Other Equipment

Several types of blackboard are made in this country. The flannel board makes it possible to illustrate almost any subject in diagram form, chronologically, statistically and even spatially. Figures, letters and representations are put lightly onto the flannel and removed afterwards. In addition to a complete range of board equipment there is a large variety of other visual aids, such as pictures, maps and photographs. These have been supplemented in recent years by numerous new tools, including filmstrips, gramophone records and reporting tapes, also produced in the Netherlands.

Domestic manufacturers also supply all types of gymnasium apparatus and sports equipment. For kindergartens and playgrounds there is a wide range of equipment, such as seesaws, swings for one or more

children, swing cars, climbing framework, rocking horses, chain bridges and rolling barrels.

Twenty years ago, schools in the Netherlands had a total enrolment of 1.8 million pupils; now there are two million. Because the modernization of school furniture proceeded rapidly, the manufacturers had an extensive market and a number of companies developed simultaneously. The industry now comprises twenty firms, several of which also make chairs and/or tables for canteens, churches, cinemas and club buildings. Sales of steel school furniture rose from 10 million guilders\* in 1956 to 61 million guilders in 1960.

\*One guilder=approximately 30 cents.

This large domestic industry naturally limits the market for overseas suppliers of school furniture, playground and gymnasium equipment. However, Canadian suppliers who can offer good quality, well designed lines at competitive prices may be able to do some business in this country. They should bear in mind that duties on imports into the Netherlands from other EEC countries are substantially lower than those on shipments from other sources, as the figures below show:

	Metal furniture	Wooden furniture
	(per cent)	
EEC tariff	8	9
General tariff	16	17
Sales or turnover tax levied on duty-paid value of goods	8	7½

About 20 per cent of public revenue in the Netherlands at present goes into education and culture. Conditions are therefore favourable for suppliers of school furniture and allied lines. Because the population continues to increase, the market is gradually expanding and the current prosperity encourages replacement of furniture. Netherlands manufacturers have also built up an export trade and this is becoming steadily more important. With the gradual dismantling of the tariff walls within the Common Market, further development of the Netherlands school furniture industry may be expected. This too poses a problem for would-be Canadian suppliers. ●

## FOREIGN TARIFFS

## AND TRADE REGULATIONS

### Australia

**NEW DUTIES ANNOUNCED**—The Minister for Trade has announced that effective June 17, 1963, new duties will apply on carpenters' planes, narrow woven fabrics, screens and sieves for ore-processing machines, and pins. These tariff changes are the result of recent Tariff Board inquiries.

Duties on carpenters' planes have been increased to 25 per cent B.P.T. and 32½ per cent M.F.N. Imported moire ribbons, previously covered by Tariff Item 482(B)(1) are now dutiable at the same rates as other ribbons classified under Tariff Item 482(B). The new duties on pins of 20 per cent B.P.T. and 30 per cent M.F.N. apply to imports regardless of packaging. The M.F.N. rate on screens and sieves for ore-processing machines has been reduced to 15 from 30 per cent and the B.P.T. rate remains unchanged at 7½ per cent—Canberra.

**TEMPORARY PROTECTIVE DUTY, FIBER-GLASS YARN**—As a result of a recent Special Advisory Authority report, the Minister for Trade has announced that a temporary duty of 1s. per pound will be imposed on imported plastic-coated fibreglass yarn, effective June 18, 1963. The new duty will not apply

on yarns in direct transit to Australia on May 22. Provision has been made, however, for the admission of one pound by weight of these yarns under bylaw at the regular rate of 20 per cent British preferential tariff and 30 per cent most-favoured-nation tariff for each two pounds by weight of yarn purchased or placed on firm order with an Australian manufacturer after June 18, 1963.

A regular Tariff Board inquiry will now be held and the temporary duty will apply until the Government takes action on the report of the Board—Canberra.

**TEMPORARY PROTECTIVE DUTY, POLYAMIDE AND POLYESTER YARNS**—Following the release of a Special Advisory Authority report, the Minister for Trade has announced that an additional temporary duty of 25 per cent has been imposed on polyamide and polyester yarns, not including raw yarns. The new duty is effective from June 17, 1963, and will apply until the regular Tariff Board Inquiry report is made. The increased duty, however, will not apply on goods in direct transit to Australia on May 15—Canberra.

## Jamaica

TARIFF CHANGES—Increases on a number of items in the Jamaican tariff were announced in the Budget Speech by the Minister of Finance on May 28. The new rates are shown below, with former rates of duty given separately.

			New Rate		Old Rate	
			Preferential Tariff	General Tariff	Preferential Tariff	General Tariff
012-01.2	Ham	per 100 lb.	16s.8d.	£1.0.10d.	4s.2d.	8s.4d.
055-02	Vegetables preserved or prepared (except dehydrated) in airtight containers (including soups and vegetable juices)	ad val.	20%	30%	15%	20%
062-01.1	Sugar confectionery	ad val.	35%	50%	30%	40%
071-03	Coffee extracts, coffee essences and similar preparations containing coffee	ad val.	30%	40%	20%	30%
073-01	Chocolate and chocolate preparations (including chocolate confectionery but excluding chocolate biscuits)	ad val.	20%	30%	15%	20%
112-04.1	Brandy: imported in bottle of a strength not exceeding 80% proof spirit	per liquid gal.	£7.1s.	£8.9s.	£6.9s.	£7.17s.
112-04.2	Other	per proof gal.	£8.13s.3d.	£10.3s.3d.	£8.1s.3d.	£9.11s.3d.
112-04.5	Whisky: imported in bottle of a strength not exceeding 80% proof spirit	per liquid gal.	£7.1s.	£8.9s.	£6.9s.	£7.17s.
112-04.6	Other	per proof gal.	£8.13s.3d.	£10.3s.3d.	£8.1s.3d.	£9.11s.3d.
112-04.7	Gin: imported in bottle of a strength not exceeding 80% proof spirit	per liquid gal.	£7.1s.	£8.9s.	£6.9s.	£7.17s.
112-04.8	Other	per proof gal.	£8.13s.3d.	£10.3s.3d.	£8.1s.3d.	£9.11s.3d.
112-04.9	Unenumerated spirits including liquors, cordials, mixtures and other preparations containing spirit	per liquid gal.	£7.8s.6d.	£8.18s.6d.	£6.16s.6d.	£8.6s.6d.
122-02	Cigarettes	per lb.	£2.12s.6d.	£2.13s.6d.	£2.2s.6d.	£2.3s.6d.
552-01.5	Cosmetics: toilet preparations, n.e.s., including rouge, powder, lipstick, hair dyes, bath salts and deodorants	ad val.	35%	45%	30%	35%
716-12	Air conditioning and refrigerating equipment (excluding mechanical refrigerators item 899-08)	ad val.	5%	10%	Free	5%
851-01	Slippers and house footwear of all materials except rubber plus	ad val. per pair	15% 4s.	25% 7s.6d.	15% —	25% 3s.6d.
851-02	Footwear, wholly or mainly of leather (not including slippers and house footwear) plus	ad val. per pair	15% 4s.	25% 7s.6d.	15% —	25% 3s.6d.
	Footwear wholly or chiefly of textile materials (not including slippers and house footwear)					
851-03.1	With rubber soles plus	ad val. per pair	15% 1s.	25% 2s.	15% —	25% 1s.
851-03.9	Other plus	ad val. per pair	15% 4s.	25% 7s.6d.	15% —	25% 3s.6d.
851-04	Rubber footwear plus	ad val. per pair	15% 1s.	25% 2s.	15% —	25% 1s.
851-09	Footwear, n.e.s. (including gaiters, spats, leggings, puttees) plus	ad val. per pair	15% 4s.	25% 7s.6d.	15% —	25% 3s.6d.

Additional duties have also been increased or imposed on the following items, with the former rates shown separately. (These duties apply to imports from all countries.)

Jewellery, other than imitation jewellery	35% ad val.	25% ad val.
Fabrics of standard type (piecegoods) but excluding fents:		
of a value not exceeding 1/6d. per lineal yard	2d. per lineal yd.	(1d. per lineal yd.)
of a value exceeding 1/6d. but not exceeding 3/- per lineal yard	4d. per lineal yd.	(2d. per lineal yd.)

of a value exceeding 3/- but not exceeding 10/- per lineal yard	8d. per lineal yd.	(4d. per lineal yd.)
of a value exceeding 10/- per lineal yard	2s. per lineal yd.	(1s. per lineal yd.)
Wine sparkling	30% ad val.	(20% ad val.)
Wine still	10% ad val.	(No duty)
Rechargeable electric storage batteries	10s. each	(No duty)
Phonograph records to be played at 78 and 45 r.p.m.	6s. per doz.	(No duty)
Other	12s. per doz.	(No duty)
Mechanical (electric, gas, or other types) refrigerators, self-contained units	£1 each	(No duty)

## Kuwait

**ADMITTED TO THE GATT**—It was announced in May 1963 that the Government of Kuwait, in keeping with its independent status, has been admitted as a full Contracting Party to the General Agreement on Tariffs and Trade, with membership retroactive to June 18, 1961.

Kuwait has been participating in the work of the Contracting Parties to the GATT on a *de facto* basis since November 18, 1960. Accordingly, trade relations between Canada and Kuwait continue to be governed by the terms of the General Agreement.

This information brings up-to-date the situation reported on trade relations with Kuwait on page 20 of the June 29, 1963, issue of *Foreign Trade*.

## Pakistan

**CUSTOMS DUTIES**—The following is the complete list of customs duty changes incorporated in the Pakistan budget.

1. The concessional 7½ per cent duty rate on "machinery and spare parts", previously applicable only to East Pakistan, has been extended to certain undeveloped areas in West Pakistan. The rate for developed areas in West Pakistan remains 12½ per cent. This higher rate of duty becomes payable if the imported machinery is moved from an undeveloped to a developed area within ten years.
2. The duty on artificial silk yarn has been reduced from 200 per cent to 125 per cent. However, the duty on the staple fibre from which the yarn is made has been raised from 50 to 100 per cent ad valorem.
3. The duty on wool tops has been raised from 7½ per cent to 10 per cent.
4. The duties on high-speed diesel oil, light diesel oil and furnace oil have been increased in line with the excise increase (which was from 19 paisa per gallon to one rupee for high-speed diesel oil, from 6 paisa per gallon to 50 per gallon for light diesel oils, for furnace oil from three to 10 paisa per gallon).

5. The export duty on tea, currently 15 paisa per pound, has been abolished.

6. The sales tax, applicable to virtually all goods, domestic and foreign, has been raised from 12½ to 15 per cent. The only items exempt from this tax are foodstuffs, handloom cloth and readymade garments. Cotton fabrics are to be taxed at a concessional rate of 10 per cent—Karachi.

## Transportation Notes

### Australia

**RAILWAYS**—By 1967 Australia should have an unbroken 3,000-mile standard-gauge railway line linking Brisbane and Perth. Standardization of the last remaining link, between Broken Hill and Port Pirie, will begin soon. The link from Sydney to Broken Hill to Port Pirie will bypass Melbourne. The cost of converting the 253-mile section between Broken Hill and Port Pirie is estimated at about \$45 million. It will be completed to coincide with the \$100 million standardization of the 392-mile Kalgoorlie-Perth line in 1967. Trains will travel from Sydney to Perth along the new railroad in about three and a half days—Melbourne.

### Britain

**SCANDINAVIAN FERRY**—A Swedish shipping company has chosen the Port of Immingham in Lincolnshire on the Humber River as the British terminal for a daily North Sea vehicle ferry service to Sweden and Denmark. Immingham was chosen because of access to highly industrialized areas: the Midlands in England and the west coast of Sweden. Although the service is still in the planning stage, it is expected that a trailer loading system will be used to offer quick transport and reduce handling charges. The plans call for two ferries about 400 feet long and able to accommodate 25 long-distance highway transports—Liverpool.

# COMMODITY NOTES

## Asbestos Cement

CHILE—Pizarreño S.A., Chile's largest manufacturer of asbestos-cement products, is building a new plant in Concepcion, a centre of heavy industry. The new facilities, scheduled to open in August, will probably increase Canadian exports of asbestos to Chile. In 1962, Canada sold Chile \$850,000 worth of asbestos, the greater part of Chilean requirements—Santiago.

## Automobiles

ITALY—In 1962, Italy produced 877,860 automobiles, an increase of 26.55 per cent over the previous year. More than one-third were exported, 30.03 per cent more than in 1961. During the year, 96,854 foreign cars were imported into Italy compared with 33,815 in 1961—Rome.

## Calcium Carbide

PAKISTAN—The Government of Pakistan has given permission to a local firm to import a calcium carbide manufacturing plant from Japan under a Japanese yen credit. The plant is expected to go into production by the middle of 1964.

Pakistan's calcium carbide imports are estimated at 3,000 to 4,000 tons a year. By the end of the Second Five Year Plan (1965), consumption is expected to reach 5,000 tons, all supplied by the local plant, plus a small surplus for export. The plant may save Pakistan about \$700,000 in foreign exchange—Karachi.

## Coal

AUSTRALIA—The Queensland Government has announced that the Japanese firm of Mitsui and Co. Limited will join Thiess-Peabody Coal Pty. Ltd. in a partnership to develop the Moura-Kianga coalfields. Mitsui will pay A £400,000 for a 20 per cent interest in the company, which has a capital of A £2 million. The Japanese firm will also provide a A £623,000 loan for development of the field. The Queensland Coal Board has estimated the Moura-Kianga reserves at 1,000 million tons worth about A £4,500 million—Sydney.

## Construction Tools

UNITED STATES—At the Chicago Trade Show, members of the Construction Industry Manufacturers' Association predicted that sales of construction tools during the coming year will exceed \$2½ billion. A machinery manufacturer at the show reported that he had to postpone promised delivery dates up to nine

months as orders piled up. Another exhibitor employed 110 salesmen at his display to talk to prospective buyers—Chicago.

## Diamonds

ISRAEL—Experts have forecast that cut diamond exports from Israel will reach \$100 million this year, a more than sevenfold increase from only a decade ago. The Israel Ministry of Commerce and Industry reports that the diamond industry, centred around Tel Aviv, is the fastest growing one in the country. Israel imports rough diamonds from various areas in Africa—Tel Aviv.

## Ethylene

UNITED STATES—At a recent meeting of the American Institute of Chemical Engineers, it was predicted that 69 per cent of the ethylene capacity in the nation will be located on the Gulf Coast by 1970. Ethylene, the basic building block of the petrochemical industry, is obtained by processing natural gas, refinery gases or oil and is used to produce polyethylene. Ten years ago the petrochemical industry was concentrated primarily along the Texas Gulf Coast; however, at the rate that petrochemical activity is progressing on the Louisiana Gulf Coast, New Orleans will soon be the centre of it—New Orleans.

## Industrial Starch

COLOMBIA—A joint venture combining U.S. and Colombian capital totalling ten million pesos (U.S.\$1 million), will build an industrial starch plant this year in Medellin, the centre of the textile industry in Colombia. The plant should be able to meet the country's requirements and may have a surplus for export—Bogotá.

## Metal Furniture

TRINIDAD—A Canadian firm which has exported metal household furniture to Trinidad for some years has joined a Trinidad company to produce chrome and bronze dinette sets and other metal furniture there. It has been announced that the Canadian firm will invest \$180,000 to secure a minority interest in the new firm. The funds will be used to expand facilities. Seven Trinidadians are being sent to the Canadian factory for training before expanded operations start this fall.

Trinidad is Canada's prime market for metal household furniture with exports in 1962 valued at \$167,334. Also included in the Caribbean area is British Guiana,

Canada's third most important market for metal furniture (\$62,194 in 1962), and the Leeward and Windward Islands, our fourth (\$36,145 in 1962). These adjacent markets and the Netherlands Antilles (\$18,567) will be supplied from the Trinidad factory. Total exports of metal household furniture from Canada reached \$491,874 in 1962, of which 58 per cent was shipped to these Caribbean countries—Port-of-Spain.

### **Milk**

**GHANA**—The State Farms Corporation has embarked on a dairying project at Adidome in the Volta region. Soviet and Ghanaian officials are confident that a prosperous dairy industry can be established in Ghana. Fifteen cattle were recently received from the U.S.S.R. and arrangements are being made to send some of the Soviet bulls to various regions to cross-breed with local cows. The Director of the State Farms Corporation has noted that the Soviet cattle are responding favourably to the climate—Accra.

### **Motor Vehicles**

**VENEZUELA**—The Corporación Venezolana de Aluminio (COVENAL) will provide 70 per cent of the capital of a new company which is to install a plant in Mariara for the assembly of Rambler and Renault automobiles. COVENAL has also signed an agreement with Camiones White and Autocar de Venezuela for the assembly of trucks and bus chassis.

A new factory, Willis de Venezuela, is being built in Tejerias to assemble jeeps. Initial capital of 1.8 million bolivars was provided equally by Willis Overland Export Corporation and the Venezuelan firm ACO—Caracas.

### **Nuclear Power**

**ITALY**—The SIMEA nuclear plant near Latina has started producing Italy's first nuclear power. Two networks are distributing it to Latina and Rome. The Latina plant, with a capacity of 200,000 kw., has a graphite moderated reactor cooled by carbon dioxide and uses uranium bars as fuel. The plant was started in 1958 by AGIP Nucleare of the ENI group for SIMEA and the English company TNGP (the Nuclear Power Group)—Rome.

### **Refrigerators**

**CEYLON**—The policy of import control, which has completely banned the import of refrigerators, has prompted a Ceylonese firm to make them locally. Only the refrigerating units are imported (from Britain). The present rate of production is said to be eight

machines a day and demand is estimated at approximately 2,600 units a year. As with imported refrigerators, the unit is guaranteed for five years and the rest of the machine for one year. Prices are considerably lower than those of imported models—Colombo.

### **Sodium Carbonate**

**COLOMBIA**—The Inter-American Development Bank announced recently the granting of a loan of U.S.\$12 million to finance construction of a sodium carbonate and caustic soda plant near the Cartagena salt pans. Construction, which will begin this year, is part of the ten year development plan. Daily capacity will be 320 tons of sodium carbonate, of which 180 tons will be sold. The remainder will be used to make 102 tons of caustic soda a day. The plant is designed to permit a doubling of production when needed—Bogotá.

### **Sugar**

**RHODESIA**—Production of sugar in Southern Rhodesia is expected to reach at least 100,000 tons in 1963-64. The newly formed Rhodesian Sugar Association is attempting to find overseas buyers. One of the first foreign markets to be developed was Canada, which placed an order for 20,000 tons of raw sugar—Salisbury.

### **Wood Pulp**

**BRAZIL**—Brazil's 1962 wood pulp production from its 15 plants is estimated at 316,000 tons. About 44.5 per cent of the total represents the output of six factories in São Paulo, 9.5 per cent three factories in Rio Grande do Sul, 33.5 per cent two factories in Paraná, 6 per cent two factories in Santa Catarina, and 4.3 per cent one factory in Amazonas. Of the total, approximately 142,000 tons was for the paper industry and about 15,000 tons for rayon manufacture—São Paulo.

---

## **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.

**KENNETH G. RAMSAY**, Commercial Secretary, Lima, Peru, will visit the Iquitos area for a week beginning July 13.

*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 and Mr. Ramsay at Lima.*

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 .92807.

## Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 27	Units per Canadian dollar	Notes (See below)
Argentina .....	Peso .....	Free .....	.007836	127.62	
Australia .....	Pound .....	.....	2.4144	.4142	
Austria .....	Schilling .....	.....	.04175	23.95	
Bahamas .....	Pound .....	.....	3.0180	.3313	
Belgium and Luxembourg ....	Franc .....	.....	.02159	46.32	
Bermuda .....	Pound .....	.....	3.0180	.3313	
Bolivia .....	Peso .....	Free .....	.09188	10.88	
Brazil .....	Cruzeiro .....	Official Free .....	.001766	566.25	
		Special Category .....	†	†	
Britain .....	Pound .....	.....	3.0180	.3313	
British Guiana .....	Dollar .....	.....	.6287	1.59	
British Honduras ..	Dollar .....	.....	.7545	1.33	
Burma .....	Kyat .....	.....	.2263	4.42	
Ceylon .....	Rupee .....	.....	.2264	4.42	
Chile .....	Escudo .....	Bank rate .....	.5842	1.71	
		Free .....	.3574	2.80	
Colombia .....	Peso .....	Certificate .....	.1197	8.35	
Congo, Republic of ..	Franc .....	.....	.02159	46.32	
Costa Rica .....	Colon .....	.....	.1626	6.15	
Cuba .....	Peso .....	.....	†	†	
Czechoslovakia .....	Koruna .....	.....	.1496	6.68	
Denmark .....	Krone .....	.....	.1563	6.40	
Dominican Republic .....	Peso .....	.....	1.0775	.9281	
Ecuador .....	Sucre .....	Official .....	.05986	16.71	
		Free .....	.05064	19.75	
El Salvador .....	Colon .....	.....	.4310	2.32	
Fiji .....	Pound .....	.....	2.7187	.3595	
Finland .....	Markka .....	.....	.3367	2.97	
France, Monaco, etc. ....	Franc .....	.....	.2199	4.55	(1)
Franco-African Republics, etc. ..	Franc .....	.....	.004398	227.38	(2)
French Pacific .....	Franc .....	.....	.01209	82.71	(3)
Germany .....	D Mark .....	.....	.2706	3.70	
Ghana .....	Pound .....	.....	3.0180	.3313	
Greece .....	Drachma .....	.....	.03591	27.85	
Guatemala .....	Quetzal .....	.....	1.0775	.9281	
Haiti .....	Gourde .....	.....	.2155	4.64	
Honduras .....	Lempira .....	.....	.5388	1.85	
Hong Kong .....	Dollar .....	Free .....	.1869	5.35	*June 7
		Official .....	.1886	5.30	
Iceland .....	Krona .....	Official .....	.02506	39.90	(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 27	Units per Canadian dollar	Notes (See below)
India .....	Rupee .....	.....	.2264	4.42	
Indonesia .....	Rupiah .....	Official .....	.02395	41.76	(4)
Iran .....	Rial .....	.....	.01422	70.30	
Iraq .....	Dinar .....	.....	3.0170	.3315	
Ireland .....	Pound .....	.....	3.0180	.3313	
Israel .....	Pound .....	.....	.3592	2.78	
Italy .....	Lira .....	.....	.001732	577.37	
Japan .....	Yen .....	.....	.002993	334.11	
Lebanon .....	Pound .....	Free .....	.3586	2.79	
Mexico .....	Peso .....	.....	.08620	11.60	
Morocco .....	Dirham .....	.....	.2155	4.64	
Netherlands .....	Florin .....	.....	.2992	3.34	
Netherlands Antilles .....	Florin .....	.....	.5714	1.75	
New Zealand .....	Pound .....	.....	2.9974	.3336	
Nicaragua .....	Cordoba .....	.....	.1539	6.50	
Nigeria .....	Pound .....	.....	3.0180	.3313	
Norway .....	Krone .....	.....	.1508	6.63	
Pakistan .....	Rupee .....	.....	.2264	4.42	
Panama .....	Balboa .....	.....	1.0775	.9281	
Paraguay .....	Guarani .....	Free .....	.008734	114.50	
Peru .....	Sol .....	Free .....	.04017	24.89	
Philippines .....	Peso .....	Free .....	.2764	3.62	
Portugal & Colonies .....	Escudo .....	.....	.03748	26.68	(5)
Singapore and Malaya .....	Straits dollar .....	.....	.3520	2.84	
South Africa .....	Rand .....	.....	1.5090	.6627	
Spain and Dependencies .....	Peseta .....	.....	.01796	.5568	
Sweden .....	Krona .....	.....	.2079	4.81	
Switzerland .....	Franc .....	.....	.2489	4.01	
Syria .....	Pound .....	Free .....	.2825	3.54	
Thailand .....	Baht .....	Free .....	.05113	19.56	(4)
Tunisia .....	Dinar .....	.....	2.6076	.3835	
Turkey .....	Lira .....	.....	.1197	8.35	(4)
United Arab Republic .....	Pound .....	Official .....	2.4783	.4035	
United States .....	Dollar .....	.....	1.0775	.92807	
Uruguay .....	Peso .....	Free .....	.7093	14.10	
Venezuela .....	Bolivar .....	Controlled market rate .....	.3215	3.11	
.....	.....	Official Free .....	.2371	4.22	
West Indies .....	Dollar .....	.....	.6287	1.59	(6)
.....	Pound .....	.....	3.0180	.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.

## Markets in Brief

### IRAN

**Area:** 630,000 square miles.

**Population:** approximately 20.5 million.

**Climate:** temperatures about 10 degrees warmer than Southern Ontario, but humidity much lower. Short rainy season in spring and early winter.

**Topography:** arid tableland encircled, except on the east, by mountains.

**Language:** Persian (Farsi), Turkish, Arabic; English and French also spoken.

**Currency:** rial (100 dinars); one rial=Can.\$0.014.

**Weights and measures:** metric system.

**Capital:** Tehran.

**Chief ports:** Khorramshahr, Bushire, Bandar Shahpur, Abadan.

**Marketing centres:** Tehran (population) 1,700,000, Tabriz 350,000, Isfahan 250,000, Meshed 220,000, Resht 135,000.

**Economy:** essentially agricultural; oil is the principal export.

**Total Iranian imports:** 1960-61—43,291,919,000 rials; 1959-60—41,731,979,000 rials.

**Chief imports:** 1960-61—base metals and their products, textiles and raw materials for the textile trade, electrical machinery, paper and paper products, pharmaceuticals, chemicals, tires and tubes, agricultural implements, food-stuffs.

**Chief suppliers:** 1960-61—United States, West Germany, Britain.

**Value of imports from Canada:** 1962—Can.\$5,293,093; 1961—Can.\$4,456,588.

**Chief imports from Canada:** (Can.\$'000) 1962—radio and TV equipment and parts 1,134.6, sheet and strip steel 873.8, aluminum 674.4, transformers 450.9, industrial furnaces and ovens 421.6, synthetic fibres and waste 371.2, prefab buildings and structures 243.2, asbestos fibres 171.7, synthetic yarn and thread 147, special industrial machinery 104.6.

**Total Iranian exports:** 1960-61—7,881,104,000 rials; 1959-60—7,733,231,000 rials.

**Chief exports:** (per cent) 1960-61—oil 86.5, cotton 3.5, carpets 3.0.



**Chief markets:** West Germany, U.S.S.R., Britain, United States.

**Value of Canadian purchases:** 1962—Can.\$31,736,182; 1961—Can.\$21,621,507.

**Chief Canadian purchases:** (Can.\$'000) 1962—crude petroleum 31,189, dates 266.3, walnuts 137.9, oriental rugs 117.5.

**Dollar exchange:** foreign exchange freely allocated for goods which may be imported.

**Prices:** quote in U.S. dollars, c. & f. or c.i.f. Khorramshahr.

**Usual terms of payment:** sight to 180 days, sometimes longer.

**Samples:** dutiable only if of commercial value.

**Trade agreements:** Canada has accorded most-favoured-nation treatment to Iran since February 1, 1951, and Iran to Canada since September 5, 1956.

**Correspondence:** airmail only; letters 25 cents per half ounce.

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

**For detailed information on this market write to:**

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

or

Commercial Division  
Canadian Embassy  
P.O. Box 1610  
Tehran, Iran



*Roger Duhamel*  
QUEEN'S PRINTER

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

