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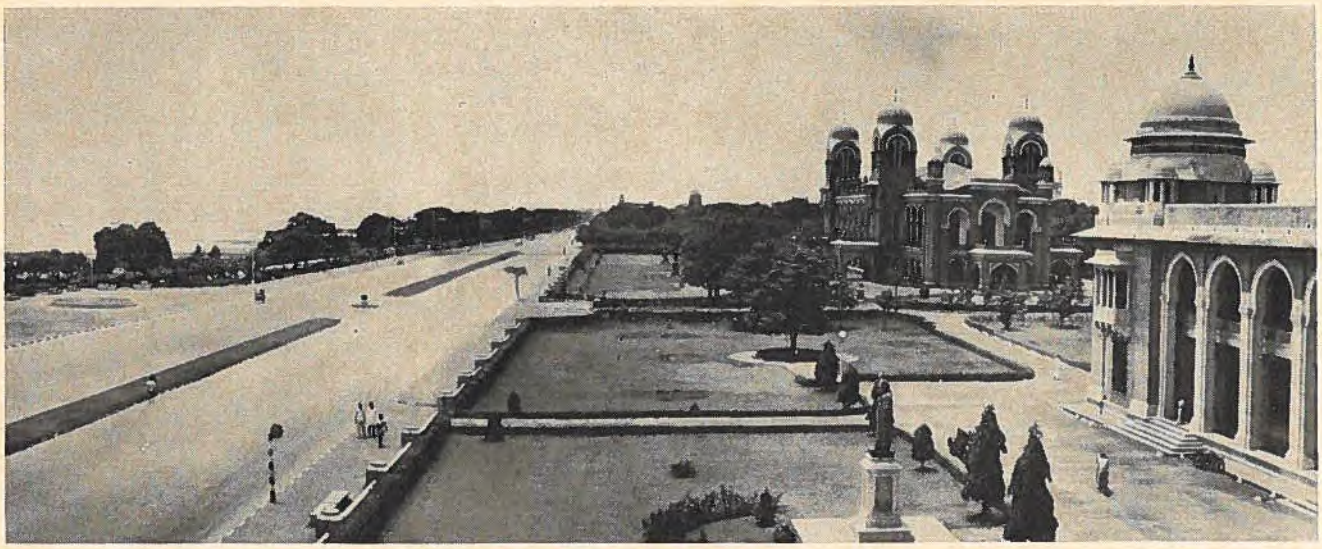

Among the graduates of Madras University, with its buildings facing the beautiful beaches that sweep the whole length of the city, is the President of India, Dr. Radhakrishnan. This picture shows Marine Road, university buildings and the Senate Hall.

The Trade Commissioner Tours South India

. . . and carries away with him impressions of carefully planned new industries, of workers eagerly using new-found skills, and of the drama of India's progress. A modern industrial complex superimposed upon ancient cultures gives the South a peculiar fascination.

WILLIAM BRETT, *Trade Commissioner, Bombay.*

SOUTH INDIA is one of the most fascinating places in the world. It is here, under the pressure of centuries and successive layers of peoples, that the old Hindu religion and culture have reached their highest distillation. There is an agelessness about it and a feeling of a perfectly integrated, stable culture that can hardly fail to impress the visitor.

For thousands of years, this land of many races has engaged in agriculture, applying methods which in most parts have not changed much through the centuries. The South is still the land of bullock and human power, where peasants wring a hard living from dry plains that cover a good deal of the interior. Near the west coast, the Western Ghats rim the plain and farther south the Nilgiri Hills soar surprisingly from the jungle of Mysore. In each area the agriculture differs, but invariably it is precarious and caprices of climate can be disastrous for the peasants, who must be the most tenacious and conservative in the world.

Against such a background, any change is surprising, but progress in the industries that the visitor finds clustering around some of the main cities is astonishing.

Bangalore—Integrated Industry

This spacious upland city, the administrative capital of Mysore, was a pleasant surprise. I had left a Bombay sodden from weeks of monsoon rain, and the clear high air of Bangalore was like a miraculous sudden spring. The feeling of space was oddly exhilarating. I did not realize that I had felt the crowding in Bombay so acutely.

Bangalore has had a long and turbulent history. At one point, some 13 square miles were apportioned as a British cantonment area. To this day the city has a military flavour which, with its location in the heartland of India, has influenced industrial development in the environs. There is a distinct and interdependent industrial complex with a decided military cast. The main elements are Hindustan Machine Tools, Hindustan Aircraft Limited, Indian Telephone Industries and Bharat Electronics Limited. Each of these is by any standards a considerable undertaking. They are backed by scores of auxiliary

bodies concerned with research, inspection, education, administration, etc. I do not intend to treat each of these companies separately; the names are self-explanatory and the relevance of one to the other evident.

Rather I would like to convey some impressions that most of these undertakings made on me. A striking feature is the physical fact of the plants themselves—the solid, carefully-planned construction, the expansive layout, the provision of employee amenities, even the gardens. All are quite remarkable and a match for anything that I have seen anywhere.

Skill and Enthusiasm

All of these industries are in the public sector and there is little private participation. This makes another impression all the more remarkable — the bright-eyed enthusiasm one sees in each plant among workers and management. Everyone behaves as if it were 100 per cent private proprietorship—his own. I think this must result from the thrill and novelty of participating in India's recent progress. There is contagious excitement at being able to tackle the country's industrial problems with new-found skills and knowledge. At last centuries of frustration are receding and the country is moving forward.

Perhaps the most poignant and portentous thing I saw was line after line, hundreds of yards long, of workers with incredibly deft fingers doing varied tasks of the greatest delicacy. The atmosphere was one of quiet diligence and composure which was somehow moving. The employees in one plant are about 90 per cent women and everywhere they are in the majority. I was told that all were middle-class young women, many with physics degrees, and a good sprinkling of M.Sc.'s. An arresting fact is that the average wage in one plant is about $20.00 a month. We hear much these days about getting nations to the "take-off" stage; there will be quite a zoom when India arrives. For most of the products from this complex there is an almost bottomless internal demand, but already there have been isolated exports which reportedly have been well received. Indian Telephone Industries, for instance, has sold to markets in the Near and Far East.

Hyderabad, with excellent rail services, ample power, and mineral and other resources, has become an active industrial centre. Here two Indian women are at work in the Regional Research Laboratory set up in that city to help development in the Andhra region by studying how best to exploit its many natural resources.

Why This Progress?

These are some of the more interesting aspects of industry in Mysore. Several reasons are given for the accelerated growth of industry in this state. One of them is the long history of marvellously delicate handicraft in ivory and wood. I think this is certainly a contributing factor, as is the make-up of the people. They are an honest, decent folk with pride in their work and actions. The climate also counts because it is not nearly as enervating as elsewhere in India. I was told that it is unusual for a Mysorean to move from his native state; he is said to refuse a better salary just to stay in Mysore. One widely recognized contribution is the enlightenment of the ruling family. The Maharajah of Mysore is the only one of the old ruling princes who is now Governor of his state. For years back, he and his family have been concerned with promoting technical education and encouraging industry. He can be well content.

Madras—History and Commerce

Madras is a graceful city located on the southeast coast of India, the fabled Coromandel coast. It must be very like Miami was at the turn of the century, with dazzling beaches sweeping the whole length of the city, uncrowded and free from the glassy ramparts of resort hotels.

Actually, Madras is not a spontaneous growth. It came into being in 1693 as the first toehold of the original East India Company, when the area was ceded by the local ruler. And it seems to have a composure stemming from a history of well-ordered commerce and dependable prosperity, a faint imprint from the comfortable old monopoly period. The Chamber of Commerce was established in 1836 when Madras achieved new importance as a vital distribution centre. It is the headquarters of the Southern

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Railway whose branches extend as far as the Western Ghats; these will soon be pierced by a line into Mangalore on the west coast.

With its origins in history and its location unrelated to basic industrial needs, the area subsisted for decades on commerce rather than manufacturing. As an adjunct, a fine academic tradition grew up. Madras University is perhaps the best in India, and has produced such figures as Dr. Radhakrishnan, the President of India. Another renowned teaching centre is the Madras Institute of Technology. These institutions flourish with the human material drawn from one of the richest cultural basins in India —Madras is the focal point of the ancient Dravidian tradition. The local people, Tamil-speaking, are distinctive and remarkably energetic.

Industry Is Growing

Madras has been engaged in considerable industrial activity for some time, if not to the same degree as Bangalore. Motors, cycles and railway coaches are assembled here and there is considerable processing of chemicals, foodstuffs and leather. Madras textiles are of course famous.

One of India's basic needs is power; there are shortages all over the country but the situation in Eastern Madras State is particularly acute. No less than 14 hydro projects are being undertaken elsewhere in the state, yet the authorities see no prospect of catching up with demand until 1975.

The long and unique commercial tradition of Madras has given rise to some highly developed administrative and operating forms. One of these is the "management agency", a sort of administrative holding company which orchestrates the finances and operations of up to ten financially allied sub-agencies, whose activities may range from manufacturing to publishing. It is a supple device and one which appears to have developed naturally from original commercial conditions, particularly the early lack of administrative skill and closely held capital.

I Visited These Cities . . .

Bangalore—capital of the State of Mysore and its largest city, with a population of 908,000. Situated 2,952 feet above sea level, it has a pleasant climate. It has a long-established textile industry, turning out cotton, silk and woollen fabrics. The newer industries include aviation, electronic equipment, telephones, and machine tools. The visitor should see the palace of the Maharajah and some of the temples and mosques.

Hyderabad—capital of the State of Andhra Pradesh, has a population of 1.3 million and is an important commercial centre. Formerly ruled by the Nizam, the Nizam's palace and museum attracts many visitors; so do the numerous temples and gardens. The city now has a cotton and a paper industry and a steelworks.

Madras—capital of the State of Madras, has a population of 1.7 million and is one of the principal Indian ports on the Bay of Bengal. It handles approximately 2¾ million tons of cargo a year—about 70 per cent incoming and 30 per cent outgoing.

The main industries include the manufacture of cotton and silk textiles, jute, matches, and leather tanning. Its exports include skins and hides, coffee, raw cotton, indigo, cereals, and mica.

Places of interest include Fort St. George, the Government Museum and Art Gallery, the High Court, Light House, Marina Beach, People's Park, San Thome Cathedral, and the Zoological Gardens. Madras has a fine academic tradition: both Madras University and the Madras Institute of Technology are well known throughout India.

I arrived in Madras in Upasi week. UPASI stands for United Planters' Association of Southern India. Once a year the planters have a week of conferences, usually at Coonoor in the Nilgiri Hills. So pervasive is their rôle in the economy of the South that half the business community trails along after them, and this includes bankers and airline men from as far away as Bombay, teamen from Calcutta, and most people of management level in Madras City. It is a bad time to try to get anything done in Madras.

Madras State has prohibition laws which are rigorously enforced and it may take some time to get permits, which are granted only to foreigners. Usually the hotel people will help.

Hyderabad Is Different

Hyderabad has many distinctive aspects. The first thing that I think of when I hear the word Hyderabad is the Nizam. I used to read about him years ago as the richest man in the world, a distinction which I believe has since gone to a Texan. No one can expect to emulate the Nizam but there are many attractions for the modern entrepreneur in this area. The first is the obvious one of location. Hyderabad is the centre of gravity for South India, equidistant from Bombay, Bangalore, Madras and Mangalore, with excellent rail connections to all. There is for the moment ample power and further resources are being developed. There are interesting mineral resources, such as manganese, iron, coal, barytes and limestone. This combination of advantages has led a number of foreign interests to locate here. The most telling advantage is the location, particularly for light industries for which distribution is a major consideration. An active and enlightened local authority extends every facility to the prospective investor.

The Hyderabad area seems somehow to be foreign from South Indian culture. There is a certain austerity, a whiff of the desert, as if part of the Punjab or Sind had fragmented and flown off to alight in the ornate south. Doubtless this is because Hyderabad was for centuries a centre of Muslim influence in south central India.

One thing not to be overlooked in Hyderabad is the extraordinary

museum, where a bewildering richness of exhibits gives an insight into old India. Incidentally, there is no prohibition here.

Some Places Missed

I have taken you for an erratic leap-frog through South India. We have hopped over whole societies and cultures. Except that the differences are much more obvious, I could compare it to shepherding a stranger from Toronto to Quebec City to Frobisher Bay without ever touching the Montreals, Hamiltons and St. Johns'.

Although the visitor to South India may not come away with a full order-book, he will at least have an indelible impression of the potential of India. This is bound to lengthen his vision and induce a close and enduring interest in the drama of India's progress. •

There's a New Way to Sell in Britain

. . . and it may be just what you are looking for. This article explains how the new marketing services offered to exporters to Britain often make it unnecessary to set up a subsidiary and leave the exporter free to concentrate on sales promotion.

L. D. BURKE, *Commercial Secretary, London.*

HOW to hold stocks and control sales in Britain without setting up a subsidiary organization—this is a problem that a number of Canadian companies have encountered either early in their attempts to break into the British market or after they have sold here for a while. Previously this problem may have been difficult to resolve, but now there are firms in this country able to offer services that will permit Canadian companies to operate on exactly this basis.

These firms started out as forwarding or shipping agents. Over a period of time, as conditions in this market changed, they gradually extended their activities. Today, although they still provide shipping, forwarding and customs clearance services, they will also on behalf of overseas manufacturers warehouse goods, price them for the local market, deliver anywhere in Britain, and do factoring—that is, the guaranteeing of manufacturers' invoices. Developing sales is the exporter's responsibility.

How Does It Work?

For the purpose of this article I shall call these organizations importers/factors. An arrangement between a Canadian exporter and an importer/factor operates approximately like this. The Canadian provides the importer/factor with c. & f. prices and an indication of the approximate number and type of customers to be covered. Supplied with these details the importer/factor then provides the following services:

• **Costing** — The importer/factor calculates the duty, purchase tax, insurance, warehousing and distribution costs, and adds these with his profit to the c. & f. quotation to arrive at a delivered price per unit in Britain. Determining the duty, purchase tax and perhaps even the warehousing costs is not too difficult, but distribution costs are another matter. Here the importer/factor not only has to calculate an average delivery charge for the whole of Britain, but he also must estimate what proportion of a shipment arriving in bulk is likely to be sold in the London area, in the Midlands, in Scotland, and so on.

• **Warehousing and Distribution**— The importer/factor clears goods through Customs, warehouses them, and arranges delivery against specific orders in any quantity and to any part of Britain.

• **Factoring** — Probably the first shipment sent to the importer/factor must go forward on a consignment basis since initially no one can tell how well the product will move. As sales are made, the local company reorders so that it always has at least a month's supply of goods on hand. On subsequent orders, the Canadian exporter invoices the importer/factor directly and normally is expected to grant him some credit terms. Billing the British customers and collecting from them becomes the responsibility of the importer/factor.

• **Other Services**—If the Canadian exporter is prepared to include a margin for advertising in the selling price, the importer/factor will calculate this into the quotation for the goods delivered in Britain, and will advise on and arrange for the placing of advertising here. If necessary, the firm will also provide in its own premises office accommodation, telephones, secretarial

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services, etc., for the Canadian company's sales personnel.

With the importer/factor assuming all these responsibilities, the exporter is free to concentrate on the promotion of his product. He can do this by setting up his own sales organization in Britain with Canadian or British personnel, or by appointing a British firm of sales agents. The Canadian Trade Commissioner can help to recruit local salesmen or select appropriate commission agents.

What Does It Cost?

What does the importer/factor charge for his services? It is impossible to generalize about this because warehouse charges, methods of distribution, length of terms, etc., can vary considerably with different products. However, as a rough guide, let's take consumer goods. To clear these through Customs, price them for the local market, warehouse them, deliver anywhere in Britain, and invoice the customers and collect, the importers/factors calculate a charge to the client of about 10 per cent of the c. & f. value of the goods. Naturally, if the product has a high value per unit or is moving into Britain in large quantities, the charges may be smaller. On the other hand, in some instances the cost may be rather more than 10 per cent. Whatever fee the importers/factors quote is usually for about a year, which means that they absorb any increases that occur during this period in warehousing, distribution and other charges.

Can This Service Help You?

There are a number of advantages for a Canadian exporter in working with an importer/factor on the basis we have described. For one thing, because he can invoice the importer/factor directly, the exporter is in fact selling to one outlet and thereby avoids the problems related to credit, collection of accounts, etc. Since the importer/factor has the necessary resources, he can if required hold a fairly large inventory, and this is something a sales agent or a manufacturers' representative cannot always do. Also, the importer/factor takes over most of the office and administrative work and frees the exporter's sales representative to spend most of his time out selling the goods, confident in the knowledge that the product can be delivered as quickly as or faster than that of his competitors.

Not all Canadian exporters will be interested; many will still consider it more convenient to sell through commission agents or direct to customers. On the other hand, the importers/factors are handling (on the basis I have outlined) products as varied as clothing, electrical appliances, footwear and foodstuffs—and many others could conveniently be sold through them. Certainly for Canadian companies which:

— require a wide coverage of the market

— wish to have control over the sales and prices of their products

— must have stocks in this country in order to compete but do not want to set up a complete subsidiary operation here (or at least not until the business volume warrants it)

the importer/factor can be the answer.

Because the relationship between the importer/factor and the exporter is more like a partnership than a simple contract for service, these organizations are only interested in dealing with Canadian firms prepared to make a realistic effort to enter the British market for the long term. Canadian firms which feel they can qualify in this respect and which would like to learn more about the possibility of selling through importers/factors are invited to write to the Commercial Division, Office of the High Commissioner for Canada, One Grosvenor Square, London, W.1. ●

Iran Buys Canvas

IRAN offers an expanding market for canvas of certain types. Domestic production is used mainly for sunshades, sun blinds for shops, and packing materials, because it is not "proofed". The main suppliers of imported canvas in order of importance are the Netherlands, West Germany, France and Pakistan. Price determines saleability and quality is not seriously considered; this works against Canadian suppliers.

Canada and the United States are, however, selling a canvas that is apparently not produced in any other country—a duck-proofed fabric 72 inches by 100 yards, graded under the number 6. This is the most expensive canvas seen here and the trade says that the Canadian product is superior to its U.S. counterpart but costs the same. Naturally there is a limited market for this special fabric but of total imports from North America, Canada enjoys a good share.

Except for large tenders, all canvas duck is imported into Iran by merchants and is then sold to the end users. Merchants usually carry approximately 20,000 meters of mixed goods, replenishing this as their stocks diminish. The largest buyer of canvas in Iran is the Imperial Iranian Army, which uses it to make tents. Second comes the Ministry of Customs, which wants canvas to cover goods being held in the Customs warehouses. Another large user of canvas is the transport companies, which use proofed ducking number 8, 70 per cent; number 10, 15 per cent, and number 12, 15 per cent.

The commercial laws of Iran require the Army or any government organization to purchase by sealed tender. If the requirements are small, the merchant will quote for goods he has in stock, but if they are large, he will request the manufacturer to let him have a bid in the name of the buyer plus a good-performance bank guarantee. (This is usually 5 per cent of the c. and f. cost, and guarantees quality and delivery to Khorramshahr on the date indicated in the offer.)

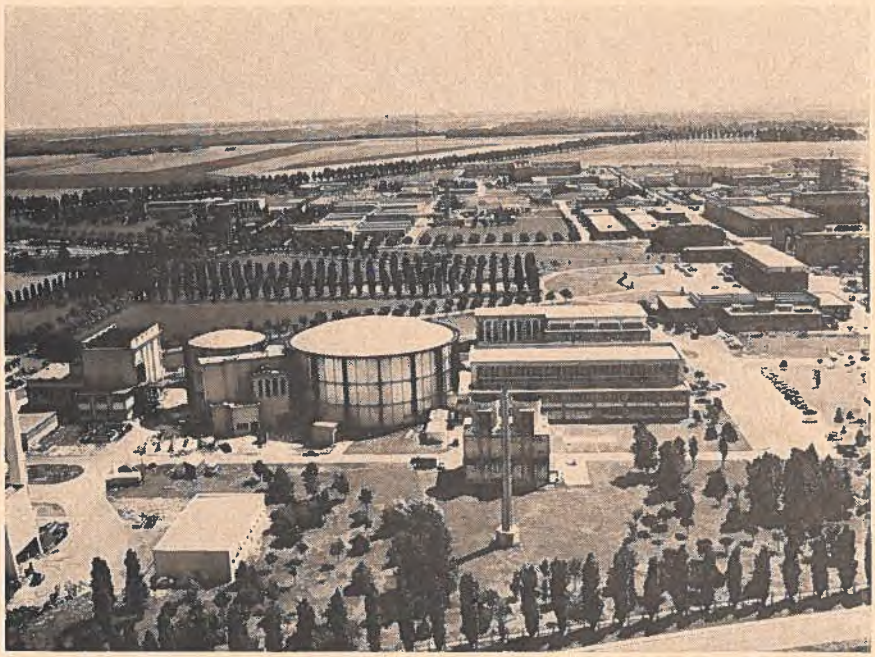
Despite the fact that he has to give six months' credit, the Iranian merchant is obliged by present commercial laws to buy from the manufacturer by letter of credit.

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

France Pushes Atomic Program

French atomic energy industry has strong and expanding base; as it grows, it may offer opportunities in the nuclear field that Canadian companies should investigate. Our Paris office can help.

D. H. M. BRANION, *Assistant Commercial Secretary, Paris.*



The EL 3 high neutron flux atomic pile forms part of the Centre for Nuclear Studies at Saclay. It is used mainly to investigate structural materials for electricity-generating reactors. Saclay also has EL 2, a reactor cooled by compressed gas.

THE Atomic Energy Commission of France was created in October 1945 and given the task of preparing the country for the use of atomic energy in the fields of science, industry and national defence.

In the years following the creation of the Commission, developments of various types came quickly. Large uranium deposits were discovered and exploited in continental France and quickly made the country independent of foreign suppliers. A plant was built at Le Bourchet south of Paris to produce metallic uranium and the first French pile, EL 1 (Zoé) went critical in 1948. The laboratory facilities in Chatillon proved too small and work was soon started on a large nuclear centre at Saclay. In 1952 EL 2, the first reactor in the world cooled by compressed gas, became critical. In 1952 the AEC budget was $10 million, but the First Five Year Plan put the budget at some $80 million and by 1958, $200 million had been invested.

The field of research has seen many advances: the EL 3 high neutron flux pile, intended mainly for the study of structural materials for electricity-generating reactors, the three billion volt 'Saturne' proton synchrotron, the setting up of a third research centre at Grenoble with a swimming-pool reactor, and the foundation in 1956 of the National Institute of Nuclear Science and Technology.

Fuel Production—In the fuel production field, extensive prospecting has taken place in Africa. Three ore plants have been equipped and two others are going into service. France has adopted a policy of encouraging plutonium production.

Commercial Power—In the power generating field, an industrial centre has been set up at Marcoule and three piles are operating there. These piles use prestressed concrete pressure vessels and can be loaded and unloaded while operating. The piles are able to supply 50,000 kw. to the French grid.

Current Developments—The Second Five Year Plan covered the period 1957-61 and the budget was over $200 million per year. In basic research, work on thermonuclear fusion is continuing, and extensive research in radioactive isotopes has been undertaken. Many new reactors are being worked on, including a gas-cooled heavy water pile. In production of fissionable materials, the program is moving forward on two fronts parallel with the course being followed in plutonium production, which will be enriched by the output of powerful French Electric Authority piles. The U-235 field is opening up, justified on the one hand by knowledge acquired

during research on isotopic separation by gaseous diffusion, and on the other hand by the production of natural uranium, which reached 1,000 tons in 1961. A plant that has an isotopic separator of U-235 has been started; its purpose is to produce U-235 required for certain types of reactors that do not use natural uranium or plutonium. Work is also well under way on nuclear-powered submarines and the first vessel should be in service by 1969.

Rôle of Private Industry

The Commission has been constantly guided by the desire to use to the greatest advantage the scientific and technological potential of private industry. Private industry has supplied the AEC with equipment and valuable technical assistance. A number of industrial groups have been created to assist the French nuclear programs. Industry has played an important part in the construction of several large nuclear units. The Société des Potasses et Engrais Chimiques participated in building the Bouchet uranothorianite plant and later, in collaboration with Compagnie Saint-Gobain, constructed the Malvesi uranium refining plant. At Marcoule, private industry undertook most of the work.

The AEC and the EDF (French Electricity Authority) have created a steady market for nuclear materials and equipment, particularly nuclear fuels, moderators, special metals and electronic equipment, thus justifying investment. Private industry has built a heavy water plant at Toulouse. Many electronic firms have created special departments to make equipment designed by the AEC.

AEC policy is to have industry take over a process or technique as soon as it is sufficiently developed. French manufacturers, for example, have built a uranium refinery in Portugal. In Europe the cost of nuclear-produced electricity is rapidly approaching the cost for traditional types of electricity. French industry is well established and in a most competitive position to meet future requirements.

Prospects for Canadians

The Canadian Government and the French Government have a bilateral agreement that provides for scientific intercourse between the two Atomic Energy Authorities. Because of this scientific interchange between the two countries in the atomic field, France is well disposed towards Canadian industry. This is important because, although the French advances in nuclear technology have been impressive, the capital cost of keeping abreast of changes in this ever-changing field is large and the French are therefore receptive to offers from outside sources. This could mean opportunities for Canadian industry. The Canadian Government Trade Office in Paris is in constant contact with the French atomic authorities and the French nuclear industries. Any Canadian company interested in this field would therefore be well advised to approach the French nuclear interests in the near future. The Paris office would be pleased to arrange appointments for Canadians. ●

Sweden Trades in Foodstuffs

SWEDISH imports of foodstuffs in 1962 increased to 1,880 million kronor from 1,724 million in 1961; exports rose to 647 million kronor from 544 million. Foodstuffs constituted 12 per cent of total imports and 4 per cent of exports; before the last war, food imports represented 16 per cent of the total and exports 8 per cent.

Leading suppliers of foodstuffs in 1962, in order of importance, were Brazil (230 million kronor), Denmark (212 million), the United States (192 million) and the Netherlands (119 million). The figure for Canada was 15 million kronor.

Brazil's importance lies in its exports of coffee, Sweden's largest single purchase in this field. Although a record amount of coffee was imported in 1962, prices were lower and consequently the value of trade with Brazil was unchanged from 1961. Denmark's sales of meat to Sweden fell by 30 million kronor but this was offset by a corresponding increase in Danish sales of potatoes and oil cakes. Imports from the United States increased by 30 per cent, with Sweden buying more feed grains, soya beans, apples and dried and canned fruit but less wheat. The Netherlands increased its sales of coconut oil, potatoes, tomatoes, lettuce and cucumbers.

Looking at imports by area, Central and South America in 1962 supplied 25.3 per cent of food imports, the EFTA countries 19 per cent, the EEC countries 16 per cent, and North America 11 per cent. The previous year these areas provided 25.5 per cent, 19.4, 15.3 and 9.3 per cent respectively.

Sweden's largest customers in 1962, accounting for 75 per cent of her food exports, were West Germany which bought 177 million kronor worth, Britain 119 million, Denmark 107 million, East Germany 50 million, and Italy 30 million. Germany's share fell from 34 per cent in 1961 to 27 per cent in 1962. Following the introduction of EEC import regulations on July 1, 1962, the traditional Swedish exports of swine to West Germany ceased and consequently totalled only 16 million kronors compared with 32 million the preceding year. West Germany also bought less wheat, fish and eggs but more barley, oils, butter, and cheese and this offset to some extent the sudden loss of the swine market. Exports to Britain increased over 1961 by 29 million kronor as a result of larger British purchases of butter and beef. The 32 million kronor increase in exports to Denmark resulted from bigger shipments of fish, and the doubling of exports to East Germany from more sales of pork and beef. The almost threefold increase in exports to Italy (from 11 million to 30 million kronor) was the result of more deliveries of butter and pork.

In 1961 the EEC was Sweden's best customer and took nearly 44 per cent of her food exports. In 1962 the EEC dropped to second place taking only 38.5 per cent, and EFTA countries bought 41.5 per cent, an increase of 5.6 per cent over 1961. Exports to Eastern Europe rose from 9.8 to 11 per cent of the total.

—E. A. DIXON, *Commercial Assistant, Stockholm.*

What's current in commodities?

Electronic Products

Midwest States—If your company makes electronic components, systems and equipment for industrial or military applications, electron tubes, or consumer electronic products, why not try for your share of the vast electronic market? Begin by choosing a manufacturers' representative experienced in this field.

MALCOLM ROWAN,
Vice Consul and Assistant Trade Commissioner, Chicago.

WE have just completed a survey* of 200 electronic manufacturers' representatives, asking them if they would be interested in representing Canadian producers. Their response was gratifying. They were keenly interested in electronic components of all types for consumer and military applications, and in electron tubes and consumer goods (hi-fi sets, etc.). If your firm does not have representation in our area, let us know what you have to offer and we will put you in touch with a suitable representative.

When you write, please tell us about your previous experience in the U.S. market and include a few brochures describing your products. If you already have U.S. agents indicate what areas they cover, and for which areas (by state) you would like to find new agents. As soon as possible, work out duty-paid prices in U.S. funds f.o.b. Chicago.

If your firm is a subsidiary of a United States company, it is possible that you are not getting adequate coverage of the U.S. market under your present arrangement. Look into it—perhaps your parent company or its distributor is not fully aware of your supply potential.

Our survey indicates that in most instances U.S. firms are not aware of Canada's electronics industry. You should therefore take advantage of the current interest and capitalize on market opportunities. Let us hear from you.

When you do start selling to the U.S., don't forget that competition is keen and delivery dates must be met. We were told recently that one Canadian company took nearly a year to fill a U.S. customer's order. The firm has been allowed to continue as a supplier only because the U.S. company's purchasing agent is a Canadian and has taken a special interest in the Canadian offer. On the other hand, another purchasing agent in the same firm became so fed up that he refuses to see the Canadian salesman when he calls. Don't let this happen to you.

The following paragraphs will give you a picture of the electronics market in the United States today, and of U.S. production, exports and imports in four main branches of the industry—consumer electronic products, military and industrial electronic systems and equipment, electron tubes, and electronic component parts.

U.S. Electronics Market

Factory shipments of all types of electronic equipment—military and space, commercial and industrial, and consumer products—should reach a total of $8.65 billion for 1963, about 12 per cent higher than the $7.7 billion of 1962. The value of military and space electronics research, development, test and evaluation work (RDT & E) is expected to rise more sharply—from $2.8 billion to $3.2 billion—making a total value for electronic systems and equipment production and RDT & E activities of $11.85 billion in 1963, nearly 13 per cent above the $10.5 billion of 1962.

Production of electronic components (electron tubes, semiconductors and other electronic parts) used in making or maintaining electronic equipment increased by about 10 per cent in 1963—from about $3.81 billion to $4.16 billion at factory prices.

In 1962, the United States obtained 53 per cent of its imports of electronic products from Japan, 16 per cent from Canada, 15 per cent from the European Economic Community, and 12 per cent from Britain; other countries supplied the remaining 4 per cent. Japan was the only country whose sales of electronic products to the U.S. exceeded its purchases from the U.S.

The percentage of total imports that each of the major electronic product groups represents can only be estimated roughly because of the broad product classes used in collecting U.S. import statistics. In 1962, consumer electronic products comprised more than 50 per cent of total imports, military and industrial electronic products about 25 per cent, and electron tubes and other electronic components the remainder. Imports of military and industrial electronic equipment have been increasing and made up a larger proportion of 1963 imports.

*The Chicago office's trade territory includes the states of Illinois, North and South Dakota, Wisconsin, Iowa, Minnesota, Indiana, Kansas, Kentucky, Missouri and Nebraska.

U.S. Manufacturers' Representatives Are Interested in . . .

- Amateur radio equipment
- Transformers
- Resistors
- Capacitors
- Diodes
- Switches
- Meters
- Controls
- Inverters
- Audio components
- Solder dispensers
- Terminals
- Ceramic microphones
- Relay racks
- Receiving tubes
- Power tubes
- Fuses
- Plugs
- Jacks
- Semiconductors
- Transistors
- Nuclear instrumentation
- Pulse transformers
- Delay lines
- Rheostats
- Vulcanized fibre, hardboard, insulating papers, tapes, etc., for electrical insulation
- Sophisticated servo and tach motors and commercial-type motors as used in record changers, tape recorders and any device which has need for shaded pole, hysteresis and synchronous motors; a.c. and d.c. motors
- Waxes for the coil, condenser and transformer industries
- Very high-speed electro-mechanical as well as electronic counters
- Copper magnet wire, plastic or cloth insulated hook-up wire
- Magnetic materials such as nickel alloy laminations, nickel alloy tape-wound cores, magnetic shielding material
- Inexpensive carbon resistors
- Rechargeable cadmium cell batteries
- Stereo consoles similar to Magnavox, Fisher, etc.
- Hi-fi and home entertainment items
- Special luminescent materials
- Electronic components in general

Under the Canada-United States Defence Production Sharing Agreement, Canadian manufacturers are in a good position to get a larger share of the military market.

Consumer Electronic Products

Estimated output of consumer electronic products for 1963 was $2.35 billion, or about 17 per cent above the 1962 figure of $2.10 billion, the previous all-time high.

Imports of consumer electronic products continued to rise last year and appeared to be reaching 8 per cent of total domestic factory output value towards the end of the year.

Portable transistor radios from Japan and Hong Kong comprised almost 60 per cent of the total value of U.S. imports of consumer electronic products in 1962. The remaining 40 per cent consisted of other types of radios, radio-phonographs, portable tape recorders and hi-fi components imported from Japan and Western Europe. Although U.S. manufacturers are selling more and more portable transistor radios, imports from Japan and Hong Kong continue to rise. The Japanese are also beginning to penetrate the large U.S. television market with low-cost, small-screen television receivers and with increasing quantities of miniature tape recorders and other consumer electronic products.

Military and Industrial Electronic Systems, Equipment

Output, employment and foreign trade in military, space, industrial and commercial electronic equipment was expected to achieve another record in 1963 (Table I).

The projected 12 per cent growth in output of military and space electronics assumes that the present international situation will remain relatively unchanged and, since more than half of the total value of output by the electronics industries is for national defence, even relatively small changes in defence spending have a marked effect on U.S. production and imports.

The National Aeronautics and Space Administration's (NASA) space programs are becoming a major stimulus to activity in the electronics industries. So far, the electronics research and development branches have been mainly affected, but NASA is increasing its purchases of electronic "hardware". Imports of military, industrial and commercial electronic equipment rose from $18 million in 1961 to $50 million in 1962 and to an estimated $60 million in 1963. The major products imported in 1962 were radar equipment and analyzing and controlling apparatus; 52 per cent came from Canada, 24 per cent from Japan, 12 per cent from the EEC, 10 per cent from Britain and 2 per cent from others.

Electron Tubes

Factory shipments of all types of electron tubes in 1963 were expected to reach $960 million, about 5 per cent above the 1962 figure of $910 million (Table II). Shipments in 1962 consisted of about

$320 million of receiving tubes, $260 million of television tubes of all types, and $330 million of power and special-purpose tubes.

Electron tube sales depend greatly on rates of production of electronic equipment because replacement sales comprise less than one-third of total annual sales. The replacement market is much larger for receiving tubes than for television picture tubes, power, and special-purpose tubes.

Production of receiving tubes in 1963 was estimated at 365 million, compared with 370 million in 1962 and 380 million in 1961. Production and employment in this branch of the industry have been declining since 1957 because of technological advances, which are increasingly replacing tubes with semiconductors, declining military requirements, more efficient production techniques, and larger imports. This trend is expected to continue in 1963, and to affect the replacement market as the proportion of transistorized equipment increases. There is still excess capacity in the receiving tube industry, even though some firms have discontinued making them.

The United States still has a large favourable balance of trade in electron tubes (in 1962, exports $60 million, imports $28 million), but foreign competition is increasing. Imports were expected to show a sharp increase to $40 million in 1963, but the export total will probably be only 10 per cent higher —at about the 1961 figure of $66 million. Imports are mostly low-priced receiving tubes for entertainment equipment from Japan and Western Europe. Exports are predominantly power and special-purpose tubes, television picture tubes, and military and industrial receiving tubes.

Imports in 1962 of 50 million receiving tubes valued at $20 million came from Japan (46 per cent), European Economic Community (33 per cent), Britain (17 per cent) and other countries (4 per cent). The final total for 1963 imports will probably be substantially greater. The average unit price of imported tubes in 1962 was only 42 cents, compared with the average U.S. manufacturers' price of 84 cents.

The United States exported about 17 million receiving tubes valued at $14 million in 1962, almost one-third of which went to Canada.

TABLE I

MILITARY AND INDUSTRIAL ELECTRONIC PRODUCTS PRODUCTION, IMPORTS, EXPORTS

	1961	1962	1963 estimated	Per cent change 1961/62	Per cent change 1962/63
	(millions of dollars)				
Value of U.S. factory shipments	3,533	3,950	4,550	+11.8	+12.7
Imports	16.7	31.7	40.0	+83.8	+30.2
Exports	281.5	400.0	550.0	+42.1	+37.5

Source: Estimates by BDSA (Business and Defense Services Administration).

TABLE II

ELECTRON TUBES—PRODUCTION, IMPORTS, EXPORTS

	1961	1962	1963 estimated	Per cent change 1961/62	Per cent change 1962/63
	(millions of dollars)				
Value of factory shipments	860	910	960	+ 5.8	+ 5.5
Shipments:	(millions of units)				
Receiving tubes	379.2	370.0	365.0	— 2.4	— 1.4
Television picture tubes (black and white)	12.2	12.3	12.8	+ 0.8	+ 4.1
	(millions of dollars)				
Value of imports	17.8	27.0	40.0	+51.6	+48.2
Value of exports	66.0	60.0	65.0	— 9.1	+ 8.3

Source: Estimates by Business and Defense Services Administration.

TABLE III

ELECTRONIC COMPONENTS, N.E.C.—PRODUCTION, IMPORTS, EXPORTS

	1961	1962	1963 estimated	Per cent change 1961/62	Per cent change 1962/63
	(millions of dollars)				
Value of shipments	2,685	2,900	3,200	+ 8.8	+10.2
Value of imports	27.5	41.0	50.0	+49.0	+22.0
Value of exports	47.8	57.0	68.0	+19.2	+19.3

Source: Estimates by Business and Defense Services Administration.

Electronic Component Parts

The electronic components and accessories industry includes firms engaged in manufacturing electronic parts (except electron tubes) that are used in the manufacture or maintenance of all types of electronic equipment. The principal products are semiconductor devices, capacitors, resistors, transformers, reactors, coils, antennas and accessories, connectors, relays, microwave components, and specialized electronic hardware.

Production of all types of electronic components (except electron tubes) was expected to total $3.2 billion in 1963, an increase of about 10 per cent compared with a 9 per cent increase in 1962 (Table III). Much of the rise in production resulted from a greater demand for military and industrial electronic equipment rather than for more components for consumer equipment.

Foreign trade in electronic components is small but still significant in relation to domestic output. In 1962, U.S. exports totalled slightly

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less than $48 million; imports reached $40 million. Components for entertainment equipment led the imports. Military and industrial components were the principal exports; semiconductor devices contributed about 45 per cent of the total value of 1962 exports. As in receiving tubes, lower-priced imports from Japan and Western Europe have had a significant effect on domestic prices. The 1963 figures will probably show a continuing increase in exports of electronic components at the 1962 rate of 20 per cent. Import figures should also be higher but the rate of increase probably lower. ●

Pulp and Paper Mill Machinery

Mexico—**Expansion in pulp and paper industry here offers excellent opportunities for Canadian equipment and engineering services. Canadian firms are highly regarded, but competition from the United States and Europe is keen.**

F. B. CLARK, *Commercial Counsellor, Mexico City.*

EXPANSION is the keynote in the Mexican pulp and paper industry and Canadian suppliers have already received orders for machinery, equipment and engineering services from companies with projects under way. There is still substantial business to be placed because the improved demand for all types of paper warrants increased production of both pulp and paper. Demand for Mexican pulp, it is forecast, will reach 735,000 tons in 1965 and double this amount again by 1975, compared with present consumption of 584,000 tons. The raw materials for making it are there—some good timber stands, a plentiful supply of bagasse, and cotton wadding and straw.

Imports Declining

With pulp and paper imports severely restricted, the Mexican industry is encouraged to modernize its facilities and extend capacity. Applications for import licences for sulphate pulp are usually rejected because local production is increasing steadily to keep pace with demand. It is not easy to obtain permission for imports of sulphite pulp but some orders are placed in Canada, the United States and Sweden to bolster the small domestic supply—purchases totalled 5,840 metric tons in 1962, down from 7,500 in 1961. Just about every grade of paper needed can be made from the types of chemical and mechanical pulp now produced in Mexico.

With a high rate of population growth, plus improved educational and living standards, paper consumption has gone up steadily. Production of white papers, kraft, paperboard and newsprint reached 459,121 metric tons in 1962 compared with 300,000 five years before. Newsprint is the only important type of paper where imports far exceed local production. One mill supplies about 15 per cent of the growing demand (117,858 metric tons in 1962). Other imports of consequence include sensitized papers, cigarette papers (soon to be made in Mexico), some coated varieties and a limited range of fine writing papers.

Domestic Production

Mexico has 17 pulp producers; eight of them sell to paper manufacturers and the rest use the output in their own integrated operations. Two companies, one in Chihuahua and the other near Guadalajara in the west, account for 61 per cent of the sulphate pulp production. Both are expanding capacity and some of the machinery has been ordered from Canada, together with the engineering services.

A company on the outskirts of Mexico City which is associated with Scott Paper Co. of the United States produces 65 per cent of the pulp made from bagasse. It uses this for making hygenic papers in its own mill and any surplus is easily sold to other producers. The demand for this quality pulp has the management thinking in terms of additional production. The only sulphite pulp producer, San Rafael & Co., is located in the Mexico City area. Daily output is 45 tons compared with groundwood output of 75 tons, sulphate 75 tons and chemical 10 tons. Most of the other mills have small production runs turned out on old secondhand machinery.

Competition Is Keen

With the exception of a mill in Monterrey and another near Guadalajara, most of the 37 paper mills are situated close to the principal market, Mexico City. Eight of them together produce 62 per cent of the total production. The majority of these companies are Mexican-owned, others are associated with U.S. companies, and some have royalty and licensing agreements with foreign firms. Competition from imports is no problem because of the restrictions, but local trade names compete strenuously for a bigger share of the market and quality has thereby improved. The smaller mills have found it more economical to use a substantial portion of waste paper, mostly imported, as a raw material. With good pulp more readily available and the consumer more concerned over quality, waste paper is not

used as much and imports have declined 57 per cent.

Compared with Canadian mills, even the biggest producer is small and plant facilities are not as modern nor operations as efficient. Some of the paper machines originally purchased in Europe are still in use after 75 years. Beside these old reliables are new machines recently purchased from the U.S. and Germany, capable of high-speed production runs. Young Mexican technicians with local training and experience are becoming specialists in the pulp and paper industry and with this assistance, more efficient production techniques are introduced and plant improvements undertaken.

Canadian Competence Known

For plant extensions or new enterprises, consulting engineers from other countries are usually engaged. Canadian firms are highly regarded for their professional skill, experience and integrity. They are also called on to appraise timber stands and advise on logging operations when wood is the material to be used. Canadian consulting engineers have been hired in Mexico for specific projects and their satisfactory performance is a help in securing additional business.

Although rapid industrial development is stressed in the program to improve the Mexican economy, most of the machinery and equipment required for pulp and paper mills is still imported. Requests for licences to import equipment which is made here—such as boilers, pumps, valves and digesters for pulp operations—are usually rejected. The bigger, more intricate machinery, however, can be imported without restrictions at low rates of duty. Canadian suppliers of washers and drying machines, refiners, recovery units, grinders and chippers for pulp mills should be investigating the opportunities; so should manufacturers of paper machines and other equipment for paper mills.

Management prefers a package proposal, whether it is a new venture or a plant expansion. Ideally the quotation should include the engineering services needed, all local and imported equipment, and installation costs and financing. It is recommended that Canadian suppliers provide a modified package, presented by one of them or the consulting engineer; this is, of course, limited to the foreign requirements only. Local labor and material charges are too difficult to calculate.

In financing, a new enterprise is interested in eight, ten, and twelve-year terms and preferably without a down payment. If the Mexican investors are financially reliable and particularly if a government guarantee can be obtained through Nacional Financiera (the Federal Industrial Development Bank) machinery suppliers in the United States and Europe have been known to comply with these terms. An additional concession has recently appeared: in order to obtain the business, an outright loan amounting to 20 per cent and up to 50 per cent in value of the machinery and engineering order is provided for local costs. This generous treatment has not been too common for purchases by the pulp and paper industry but the practice is being followed for other capital goods and news of this type travels fast.

For well-established companies with adequate working capital, credit required for modernization and expansion projects is usually a medium-term obligation—four, five or six years. As long as Canadian companies can meet the terms required, their reputation for price, quality and good delivery of pulp and paper machinery places them in a favourable position to capitalize on the promising sales prospects here. ●

Australia Plans for Decimal Currency

AUSTRALIA now plans to introduce decimal currency in February 1966. The basic coinage will be the dollar and fractions thereof—50 cents, 20 cents, 10 cents, 5 cents, 2 cents and 1 cent.

The dollar will be equivalent to the present 10 shilling note and the coins will be fractions of this:

50 cents will equal 5 shillings

20 cents will equal 2 shillings

10 cents will equal one shilling

5 cents will equal 6d. or half a shilling.

However, the new Australian cent will not equal the old penny but rather 1.2 pennies.

Details of the average weights and diameters approved for the new coins are now available. The diameter of the 50-cent piece will be halfway between that of the current Australian penny and the British half crown. The new coin will be significantly thinner than the present penny.

The 20-cent, 10-cent and 5-cent cupro-nickel coins will have the same weights as the present Australian silver florin, shilling and sixpence, respectively. For technical reasons, slight adjustments of one- or two-thousandths of an inch will be made in the diameters to bring them into line with comparable cupro-nickel coins.

Tests show that most counting and wrapping machines in Australia do not differentiate between the current Australian silver coins and the slightly thicker British coins. As a result, banks will be able to mix cupro-nickel decimal coins and existing silver coins in tills and catchels.

The problem of coin rejection in coin-operated machines is to be overcome by a slight change in the diameter of the coins and by making the bronze coins lighter in weight.

Dimensions of the new coins were released at this time to give manufacturers of coin-operated machines time to plan for the necessary adjustments.

The new Canberra mint will be able to produce the new coins to the approved dimensions within very close tolerances and in accordance with accepted standards in modern mints overseas.

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

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What German Farmers Produced

This review of West Germany's agricultural production last year has value for Canadians, because domestic output helps to determine the import program. The forecast for 1964: possibly larger purchases of Canadian wheat, strong demand for wax beans, improved prospects for marketing poultry and dairy products.

W. F. HILLHOUSE, *Commercial Counsellor (Agriculture), Bad Godesberg.*

THE winter of 1962-63, one of the most severe in recent German history, brought anxiety about heavy frost damage to grains and fruit trees and bushes. In the event, these fears proved unfounded. Excellent growing conditions in spring and early summer followed by a bright dry autumn resulted in heavier-than-average yields of most crops. A wet period during grain harvesting, however, adversely affected quality and induced heavy sprouting and high moisture content, particularly in northern areas. As a result, import requirements of temperate-zone plant products are likely to be below average, although in total they will likely exceed purchases abroad during 1963.

Grain Crops Larger

Germany's 1963 grain crop, at 15.4 million metric tons, was slightly larger than in 1962 and only fractionally lower than the record 15.5 million tons of 1960. The large harvest resulted from a slight increase in seeded area and excellent yields per acre. In spite of the severe winter, winter-killing was relatively small because of the exceptional snow cover. A rise of 7 per cent in bread grains over 1962 more than compensated for a 5 per cent decline in feed and industrial grain.

To assist farmers with poor-quality crops, the Ministry of Agriculture increased the percentage of sprouted grain allowed for milling for human consumption from 4 to 6 per cent for wheat and from 6 to 8 per cent for rye. For details of grain production in recent years, see Table I.

TABLE I

PRODUCTION OF GRAINS—WEST GERMANY 1957-1963

	Average 1957/62	1962	1963
	(in million metric tons)		
Wheat	4.28	4.59	4.86
Rye	3.46	2.96	3.23
Mixed winter grains	0.19	0.16	0.18
Total, bread grains	7.93	7.71	8.27
Barley	2.91	3.75	3.56
Oats	2.15	2.33	2.32
Mixed summer grains	1.04	1.39	1.23
Corn	0.02	0.05	0.05
Total, feed and industrial grains	6.12	7.52	7.16
Total grains	**14.05**	**15.23**	**15.43**

Rapeseed Production Down

Production of oilseeds, almost entirely rapeseed, dropped to 96,000 tons in 1963 from 1962's exceptional 116,000, but this was still almost 30 per cent above the 1957/62 average. The 1962 decline was caused by a 5 per cent reduction in the seeded area and a 12 per cent decline in yield.

The Government's policy of supporting rapeseed at DM660 per metric ton has undoubtedly encouraged production. Because of large stocks, it was necessary to increase from 6 to 10 per cent for the milling year (September 1963-August 1964) the compulsory percentage of domestic seed that mills must use in margarine production. This ordinance has also been extended to cover salad oil. However, as early as July 1963 the Ministry of Agriculture announced that farmers should not assume that next year's crop will be eligible for the same high support price.

Fruit Production

The 1963 crop of deciduous fruits and walnuts, at almost 3.5 million tons, was 22 per cent above last year and 30 per cent above the the 1957/62 average. All crops except peaches, pears and strawberries contributed to the increase.

The large apple crop of 1.94 million tons shattered the long-standing pattern of alternating large and small crops, since the 1962 crop of 1.69 million tons was also well above the 1957/62 average. Although the pear crop, at 415,000 tons, was 10 per cent less than in 1962, it remained 1 per cent above the 1957/62 average. Plum pickings, at 554,000 tons, were 147 per cent above last year and 47 per cent above the six-year average. Supplies were so plentiful that the market was flooded on several occasions. Production of both sweet and sour cherries rose by 17 per cent over 1962, and 27 per cent above the 1957/62 average.

The portion of the total crop entering commercial channels, at 51 per cent, was only slightly above 1962 and the six-year average. There were increases in apples, cherries, apricots, red currants, gooseberries and raspberries. Somewhat surprisingly, the strawberry crop is reported to be completely sold every year. Unfortunately there is nothing to indicate how much of the commercial crop is sold for immediate consumption and how much goes to processors.

A slight increase in acreage combined with a 37 per cent rise in yield produced the second highest output of wine "must" in German history. At 6.1 million hectolitres, it was almost 2.2 million hectolitres above last year and 1.7 million above the 1957/62 average.

Excellent autumn weather including a mild November improved the quality above earlier estimates, but the latest report (October) estimated that only 41 per cent of the must would rate "good" or "very good" compared with a 1957/62 average of 57 per cent. Because stocks are relatively small and consumption has been increasing, producers are said to be optimistic about sales prospects, despite increasing imports, reported in 1962/63 as 4.5 million hectolitres for direct consumption or further processing.

Peas, Beans, Cucumbers

Total vegetable production is provisionally estimated at a record of 1.42 million tons in 1963, an increase of 24 per cent over both 1962 and the 1957/62 average. The heavy production resulted from increased acreage and high yields. All major types of vegetables contributed to the rise, with the largest increases in cabbages, carrots and cucumbers. Production of green beans rose to 91,400 tons from the 1957/62 average of 64,700 tons. Outturn of peas, at 89,700 tons, also rose substantially over the six-year average.

It is estimated that canning of both peas and beans was substantially greater this year than ever before; the provisional figures for 1963 are 56 million kilos of peas and 85 million of green beans, compared with 48 million and 62 million respectively in 1962. Nevertheless the Government applied a temporary import embargo on green beans to help stabilize the market.

The bumper cucumber crop of approximately 75,000 tons (six-year average 50,400 tons) caused the Government serious trouble with its farmers and its Common Market partners, as ripening was hastened by high temperatures and humidity. Under pressure from farmers, who threatened marches of protest, the Government introduced an import embargo at the end of July which, although within EEC regulations, was most unpopular in the Netherlands where it was estimated that growers would lose about $30,000 a day in business. The situation improved with the very cool weather in August and the Government was soon able to remove the embargo.

Potatoes

A record yield of 27.9 tons per hectare brought a total potato crop of 25.8 million tons, the highest since 1957, in spite of a decline in seeded area of 4 per cent from 1962 and 11 per cent from the 1957/62 average. Supplies were so large that the Government made available DM32.5 million for measures to stabilize the market. A premium of DM10.00 per ton of fresh potatoes was paid to producers who stewed or dried potatoes between September 1 and December 31 in community-owned or commercial facilities for feeding on their own farms. DM50.00 per ton is to be paid to producers for preparing the potatoes in such a way that they are suitable for export; it is estimated that 50,000 tons will be exported. This will not give major relief to the domestic market but it is considerably higher than in recent years.

Sugar Beets

The sugar beet acreage, which dropped sharply in 1961 but which was back to normal in 1962, rose further last year to 300,000 hectares. Yields are expected to be very good (6 per cent above the 1957/62 average). At the provisional estimate of 11.4 million tons, the crop will exceed the six-year average by 14 per cent. The harvest is in full swing and it is estimated that the sugar content of the beets will range around 16.4-16.5 per cent, about the same as the 1957/62 average. Farmers have been receiving in recent years a minimum producer price of DM6.75 per 100 kilos of beets, calculated on the basis of beets with a sugar content of 15.5 per cent. A proposal worked out by Parliamentary Committees to increase this minimum price to DM 7.25 to compensate for rising production costs was turned down by the Government.

Outlook for Imports

Because official Import and Supply Programs are no longer published by the German Government, it has become much more difficult to assess import prospects. The situation is complicated by the fact that the agricultural policy of the European Economic Community is in a state of flux. However, assuming that German grain prices do not rise and that access to the market will not be further hindered, German grain imports from Canada during the crop year ending June 1964 may somewhat exceed the 895,000 metric tons imported last year. A reduction in imports of rye and probably oats is expected to be more than compensated by an increase in imports of Canadian wheat. During the first four months of the German crop year (July to October 1963) imports of wheat from Canada, at 265,000 tons, were 110,000 tons above the same period last year, although imports from all sources, at 459,000 tons, had risen only fractionally.

Canada cannot expect to retain this high percentage of the market for the full year. However, the fact that the greatest damage to the domestic crop occurred in areas adjacent to the major ports provides grounds for hope that the demand for high quality imported wheat will be greater than last year.

In spite of the larger production of domestic green beans there is a strong demand for Canadian wax beans, import of which was made easier in the past year. Unfortunately Canadian production declined in 1963 and our shippers cannot meet the full demand. Greater activity on the part of Canadian exporters of poultry and

dairy products should result in some increase in sales of these products over the insignificant figures of the past.

Basically, the German economy is on the move again after the slight hesitation of 1962. There is more than full employment, incomes and standards of living are rising, and the population is growing. The total market is therefore increasing. However, the degree to which Canada and other "third countries" will be able to participate in this expanding market will only become clear as negotiations in Brussels are brought to a successful conclusion. This is a process that may continue right up to the end of 1969, when the Rome Treaty is destined to be fully in force. •

BUSINESSMAN'S BOOKSHELF

Exporting to Latin America: Problems and Opportunities for U.S. Small Business

Small Business Management Research Reports. 215 pages. U.S.$4.00.

CANADIAN businessmen interested in exporting to Latin America can profit greatly from the advice offered in this book to the U.S. businessman. Practical, down-to-earth information is presented in the hope that small businesses can increase profits by exporting to the Latin American area.

Before exporting, the businessman should make a study of market practices and personal contacts for these must be adapted to Latin American values and customs. The book has several detailed paragraphs dealing with the Latin feudal world, including attitudes toward family, work, and government. As well, the problems of the rising middle class are described.

As soon as the businessman understands the customs of the area, the book will aid him in analyzing the market, selling there, shipping and documenting goods, and finally, collecting his money. A short description of financial services offered to Canadians by the Export Credits Insurance Corporation is included and the financial services offered by several countries are compared.

The appendices contain several tables of Latin American imports and an excellent bibliography.

Order from: Lehigh University, Bethlehem, Pennsylvania.

Quarterly Report on Sweden

The Swedish Sales Institute. 18 pages approx. U.S. $1.00 per year (four copies).

THIS interesting periodical is issued in English four times a year and contains concentrated information on developments in the economic and advertising fields in Sweden. It is based on official statistics, articles in Swedish newspapers and trade journals, and on other sources of information regularly filed in the research department of the Swedish Sales Institute.

Usually, each issue contains a feature article on some segment of the Swedish economy—often in the marketing field. A regular chart of "Key Indicators" which encompasses statistical data on Sweden's economic position is also presented. The chart includes quarterly data on prices, production, investment, labour market, consumption, foreign trade, and the capital markets.

Perhaps of greatest value are the news pages, which are divided into the following sections: incomes and consumer demand, industrial production and employment, domestic trade, foreign trade, commercial news and marketing questions, legal news affecting marketing, advertising campaigns, new domestic products, new foreign products and international fairs.

Canadian manufacturers or exporters interested in the Swedish market should find this a useful source of information.

Order from: Quarterly Report on Sweden, Saljinstitutet, Kungsgatan 72, Stockholm 1, Sweden.

Toward Economic Co-operation in Asia

By David Wightman. 400 pages. $7.50.

THIS book, subtitled "The United Nations Economic Commission for Asia and the Far East", is primarily an historical study of the operations of the Commission in its efforts to promote economic development in Asia and the Far East. The basic discussion centres around the struggle of developing nations "to translate their growing sense of political identity into practical economic co-operation".

The author, an economic historian, appears to be fully aware of the ramifications of the theory of contemporary economic development. In examining the operations of ECAFE during its first fifteen years of operation, he questions the applicability of some of these current concepts. Such principles as saving, employment and underdevelopment, resting on sociological and economic factors which approximate the development of Western society, do not necessarily apply to Eastern cultures and ways of life.

Co-operation, its growth and machinery, in this instance lies at the very root of development. Only through co-operation would such projects as the Mekong River development—involving Laos, Thailand, Cambodia, South Viet Nam—be accomplished. It was found that the same spirit is a prerequisite in developing international trade in the region, natural resources, and international transportation facilities. In this context the primary rôle of ECAFE became one of analysis and promotion through consultation and financial aid.

Even after fifteen years of experience, many questions of procedures and methods still remain unanswered. For example, the question of whether it is better to proceed from light to heavy industry or vice versa is unresolved. The author notes that during the period under discussion the role of government in economic activity has steadily increased because of its greater command of capital and entrepreneurship. In this light, the path followed and the success or failure of state enterprise could set the pace of economic development in the area.

Mr. Wightman concludes that if the experience of ECAFE is a guide, Asians, in devising and implementing joint policies in the fields of trade, industry and planning, should come together without pressures from outside powers. It is through this means that the Asian and Far East nations can maximize the strength of the weak and increase their bargaining power against the strong—a necessary condition in reducing inequalities between rich and poor.

Published by: McGill University Press, McGill University, Montreal, Quebec.

TRADE COMMISSIONERS ON TOUR

Australia—R. L. Richardson, Assistant Commercial Secretary in Sydney, will visit Brisbane and other Queensland centres for ten days beginning February 3.

Bahamas—R. W. Blake, Commercial Counsellor in Kingston, Jamaica, will visit Nassau March 8-14.

British Honduras—R. H. M. Cathcart, Assistant Commercial Secretary in Kingston, Jamaica, will visit British Honduras February 29 to March 8.

Chile—J. R. Midwinter, Commercial Secretary in Santiago, will visit Puntas Arenas and the Province of Magallanes March 2-7.

Colombia—J. H. Bailey, Commercial Secretary in Bogotá, will visit Barranquilla and Cartagena February 17-21.

Communist China—M. T. Thomas, Trade Commissioner, and D. Molgat, Assistant Trade Commissioner, in Hong Kong will visit Shanghai, Tientsin and Canton in March.

Ecuador—J. H. Bailey, Commercial Secretary in Bogotá, Colombia, will visit Quito and Guayaquil February 6-15.

Iraq—V. G. Lotto, Assistant Commercial Secretary in Beirut, Lebanon, will visit Baghdad February 4-19.

Italy—J. H. Stone, Commercial Counsellor in Rome, will visit Florence February 10-14.

Ivory Coast—R. A Kilpatrick, Assistant Commercial Secretary in Accra, Ghana, will visit the Ivory Coast March 8-12.

Jordan—C. E. Rufelds, Assistant Commercial Secretary in Beirut, Lebanon, will visit Amman, Jerusalem and Nablus February 20-24.

Liberia—M. S. Strong, Commercial Counsellor in Accra, Ghana, will visit Liberia February 24-28.

Mexico—H. S. Hay, Assistant Commercial Secretary in Mexico City, will visit Monterrey March 20, 21, 22.

Pakistan—R. D. Sirrs, Commercial Secretary in Karachi, will visit Dacca, Chittagong and Khulna in East Pakistan during the week of March 3.

Panama—J. H. Nelson, Commercial Secretary in Guatemala City, will visit Panama February 10-14.

Poland—K. Nyenhuis, Commercial Counsellor in Copenhagen, Denmark, will visit Poland March 3-11*. Mr. Nyenhuis asks that businessmen write to him during that time c/o the Canadian Embassy, Ulica Katowicka 31, Saska Kepa, Warsaw, Poland.

Puerto Rico—J. C. Leith, Assistant Commercial Secretary in Santo Domingo, Dominican Republic, will visit San Juan during the week of February 16-22.

Sudan—M. Karkegi, Commercial Assistant in Cairo, United Arab Republic, will visit Sudan February 19-24.

Syria—C. E. Rufelds, Assistant Commercial Secretary in Beirut, Lebanon, will visit Damascus February 17-19.

Tennessee—G. E. Blackstock, Consul and Assistant Trade Commissioner in New Orleans, will visit Memphis March 13-16 and Nashville March 17-18.

Texas—T. F. Harris, Consul and Trade Commissioner in New Orleans, will visit Houston April 6-8, Austin April 10-13, and San Antonio April 14-16.

U.S. Virgin Islands—J. C. Leith, Assistant Commercial Secretary in Santo Domingo, Dominican Republic, will visit the U.S. Virgin Islands during the week of February 16-22.

Virgin Islands—J. C. Leith, Assistant Commercial Secretary in Santo Domingo, Dominican Republic, will visit St. Thomas during the week of February 16-22.

West Germany—Claude Renaud, Assistant Commercial Secretary in Bad Godesberg, will visit Munich February 18-20.

Businessmen who would like these officers to undertake assignments for them should write to them at their posts as soon as possible.

*The dates for this tour have been advanced since publication in the previous issue.

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July-December 1963 Issues

(—continued)

Tours of Commodity Officers

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

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

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

GENERAL NOTES

Australia

FOREIGN TRADE—Preliminary figures show that for the first four months of the Australian 1963/64 fiscal year (July-October inclusive) exports exceeded imports by £52.9 million. At the end of October last year, imports exceeded exports by £54.3 million.

The value of exports has risen by £118.1 million—from £313.1 million on October 31, 1962, to £431.2 million on the same date in 1963. For the same period, imports increased by only £10.9 million—from £367.4 million to £378.3 million—Canberra.

Czechoslovakia

ADVERTISING—An advertising agency has been set up in Prague to arrange television, radio and newspaper advertising for foreign firms, including Western companies, reports Ceteka, the Czechoslovak news agency. The purpose of the new agency, Ceteka said, is the promotion of international trade. Name and address of the organization is: Foreign Trade Publicity Corporation, Dept. 23, PRAHA 1, Ulice 28. rijna 13, Czechoslovakia.

European Economic Community

STAFF—The nationality of the 1,711 employees of the European Economic Community roughly approximates the weight given to the votes of the six member countries when a qualified majority vote is recorded. The number of permanent employees of the EEC executive by nationality at June 30, 1963, was as follows: German 407 (voting weight 4), French 372 (4), Belgian 370 (2), Italian 323 (4), Dutch 162 (2), Luxemburg 60 (1), other 17. The number of Belgian employees is relatively high because the EEC headquarters is located in Brussels—Brussels.

Ghana

DECIMAL CURRENCY—Efforts are being made by the Ghana Government to determine the cost of converting and replacing office machines and accounting documents when Ghana changes from sterling to decimal currency in July 1965. The major new unit will be called a "Cedi" and will be worth 8/4 or 100 pence. The minor unit, to be known as a "Pesewa", will have the same value as the present penny—Accra.

FISHERIES—Ninety-two Ghanaians recently left Accra for the Soviet Union to train as officer cadets in fishing under scholarships offered by the Soviet Government. Thirty will take the officers' course in general engineering on fishing vessels, 27 marine engineering, and the others will study refrigeration, radio electronics and electrical engineering. All courses will last about three years.

The Ghanaian Government has placed orders for 24 trawlers from the Soviet Union, Norway and Japan, and a private company, Soli Fisheries Limited, has purchased four trawlers—two each from Japan and Yugoslavia—Accra.

OIL REFINING—An agreement between oil companies marketing in Ghana and the Ghanaian-Italian Petroleum Company has been announced. The oil companies Mobil, Shell, B.P., Texaco and Agip are to supply crude oil for processing in the Ghanaian-Italian company's refinery at Tema in proportion to their market requirements and to draw equivalent quantities of production from the refinery.

The £8.5 million refinery, which has just gone into operation, has a capacity of 1.25 million tons a year. It will manufacture a wide variety of petroleum products —Accra.

Spain

FISHING FLEET—The Spanish Government has authorized loans to fishing boat owners to install deep-freezing units. Only vessels that have been in service since 1955 are eligible for these loans, which will cover 70 per cent of the cost of the installation and are repayable in four years with an annual interest rate of 5.6 per cent—Madrid.

Sweden

ELECTRONIC HANDLING, ORE TRAINS—By autumn of 1965 an electronic data machine will handle all the ore trains on one level in LKAB's Kiruna mine. LKAB has commissioned Svenska AB Trådlös Telegrafi to install a CTC unit combined with an IBM data machine. When this is in operation, it will automatically control 18 trains with 12 trucks and a capacity of 300 tons each. This means an annual capacity of 20 million tons.

This new method is said to be the first of its kind in the world and one step towards the later introduction of driverless trains—Stockholm.

EXPORT CREDITS—The Exports Credits Board has asked the Government to increase to 400 million kronor the sum set aside to enable Swedish firms to offer favourable terms on exports of particular importance to the economic development of under-developed countries. The amount currently available to the Board for this purpose is 200 million kronor—Stockholm.

Coming to Sweden and Finland?

Why Don't You . . .

1. Write beforehand to me, George A. Browne, the Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Stockholm 14. Telephone: 67 92 15; cable CANADIAN. This office handles trade promotion in both countries. Send in advance literature, samples and newest price lists so that we can line up interested and useful contacts for you.

2. Make plane and hotel reservations through your travel agent.

Flights from Canada to Sweden and Finland
Via London

from Montreal by TCA, BOAC, SABENA

from Toronto by TCA, BOAC

from Winnipeg by TCA

from London by BEA, SAS to Gothenburg, Stockholm, Helsinki

Via Copenhagen

from Montreal by SAS twice weekly

from Copenhagen by shuttle flight to Gothenburg, Stockholm, Helsinki

Via Amsterdam (Polar Route)

from Vancouver by CPA once a week

from Amsterdam by BEA, FINNAIR, KLM, SAS to Sweden or Finland

Hotels

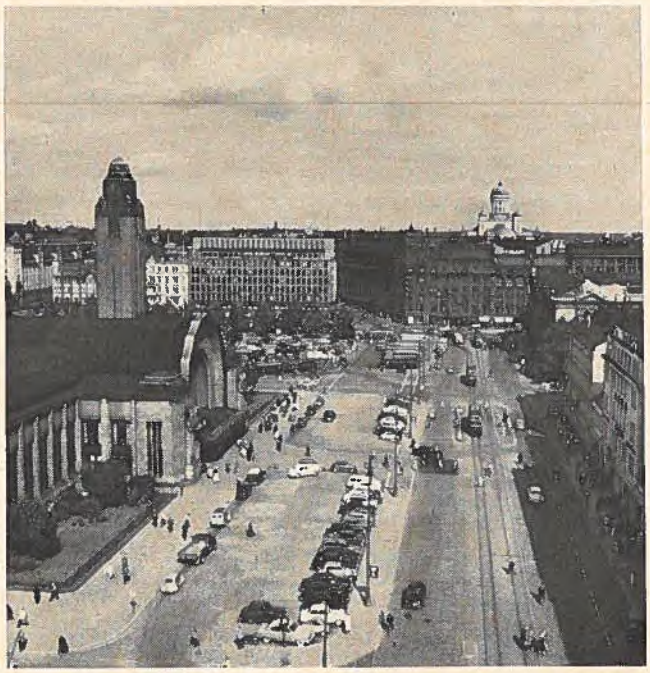
Gothenburg—Park Avenue, Eggers, Strand, Grand

Stockholm—Grand, Continental, Strand, Appollonia, Reisen, Palace, Gillet

Helsinki—Palace, Kämp, Vaakuna, Marski, Klaus Kurki, Societetshuset

REMEMBER—There is a shortage of hotel rooms in Stockholm, Gothenburg and Helsinki. Make your reservations early and if you have to cancel them, be sure to notify the hotel or you will be charged the full rate. Rates are about the same as in comparable Canadian hotels and a 12½ per cent service charge is included on the bill.

3. Come in the fall, winter or spring. Summer here is for holidays—most sun-seeking Scandinavians vacate their offices during the summer's long sunny days. The buying periods for seasonal goods are late August and early September for spring, and February-March for fall. Official Swedish and Finnish holidays are:



Here is one of the main squares in the Finnish capital of Helsinki, with the railway station on the left. Situated on the Gulf of Finland, the city has a population of about 437,000.

January 1—New Year's Day

January 6—Epiphany

March or April—Good Friday

May 1—Labour Day (not official holiday in Finland but still celebrated)

May—Ascension Day

May or June—Whit Monday

June—Midsummer Day, always a Saturday, around 20-24th

October or November—All Saints' Day, always a Saturday, end of October or beginning of November

December 25—Christmas Day

December 26—Boxing Day

Bring with You . . .

1. The same clothing you would wear in Ottawa or Montreal. The climate is similar although the days in Sweden and Finland are longer in summer and shorter in winter.

2. A valid passport. You will not need a visa or inoculation certificates for Sweden or Finland.

3. Canadian currency in travellers cheques or in another form. All Swedish banks and most hotels and travel agencies have exchange facilities. Present rate of exchange, one Canadian dollar=Sw. Crowns 4.78 or Finn.Marks 2.97.

4. Samples. If they have no commercial value, they enter duty-free. The duty on other samples is refundable if they are re-exported, but in Sweden the samples must be re-exported within 12 months. Your freight agent, working with his Swedish and Finnish correspondents, can help you here.

Stay Long Enough . . .

. . . at least four days in Sweden and three days in Finland.

You may want to visit Malmö and Gothenburg in Sweden and Turku and Tampere in Finland; the cities you visit will depend upon the products you wish to sell. For example, if you are in the textile trade you must certainly visit Borås, 45 miles east of Gothenburg, which is the heart of the garment manufacturing area.

Tie in visits to Norway and Denmark with your trip to Sweden and Finland. The addresses of the Trade Commissioners' offices in these two countries are:

Norway

Canadian Embassy
Fridtjof Nansens Plass 5
Oslo

Denmark

Canadian Embassy
Prinsesse Maries Allé 2
Copenhagen

Do Business . . .

1. Swedish and Finnish businessmen are courteous and eager to help you. They are inclined to be a bit more formal than their Canadian counterparts and they expect visitors to be on time for business appointments. This is easy because public transportation is good and taxis are plentiful in the main cities. Tip the taxi driver 10 per cent but do not be surprised if in Finland he refuses the tip.

2. You should not have communication problems because most of the people you meet will speak English quite well.

3. The type of distribution you choose will depend on your product. Although some Canadian firms sell direct to Swedish and Finnish accounts, this is the exception. Most buyers prefer to work with agents with whom they are in constant contact.

4. Terms of payment are usually cash against documents. In some instances where sales are made direct to centralized buying organizations, terms may be 60 or 90 days.

5. Entertainment usually takes the form of business lunches or dinners. Swedish and Finnish businessmen do not make a habit of inviting business contacts to their homes but when they do, it tends to be an all-out affair. The price of eating out in one of the many good restaurants in Sweden and Finland will be somewhat higher than at an equivalent Canadian restaurant. There are few "night clubs" in the North American sense although some restaurants provide excellent entertainment.

Free Time?

There are numerous sights of interest and many cultural attractions in both countries. Shopping for Swedish or Finnish crystal, ceramics and home textiles is also rewarding.

Follow Up!

We can keep in touch with your agent and customers to see how your product is moving and to discover whether there are any problems we can help to overcome.

See You Soon?

What Is She Worth?

PUTTING sentiment aside for the moment, how much do you think the housewife is worth? In Sweden they reckon about $200 (Kr.1,000) a month on the average. How do they arrive at this figure? They compare the housewife's tasks with those of a salaried woman working outside the home. This dangerous subject was covered in an article in a Swedish life insurance magazine. The reckless author got himself in deeper by valuing each task according to the number of hours a day he estimates the housewife spends performing it:

Preparing food (12.5 hours @ $1.46)—$18.10 per week

Cleaning ($1.04-$1.24 per hour)—$11.44 per week

Washing up (83 cents per hour)—$6.45 per week

Mending and sewing—$6.86 per week

Weekly wash—$6.86

The article concludes that the housewife and mother performs innumerable tasks that cannot be valued in cold cash—a wise reservation!

Ghana Plans Industrial Advance

Ghana's economy traditionally was based on agriculture and it still provides exports worth about £112 million each year. Cocoa leads all other exports but bananas, grown on some 1,500 acres chiefly in the Western Region, are also shipped abroad.

New budget increases import levies, and purchase, company, and income taxes, mainly to help pay for new Development Plan. Industrial expansion, present and future, is narrowing market for consumer products, but creating opportunities for capital goods, agricultural machinery and supplies, and equipment for forest industries.

R. A. KILPATRICK, *Assistant Commercial Secretary, Accra.*

GHANA'S Minister of Finance brought down a budget recently that reflected the need to find more revenue to finance the Government's new Seven-Year Development Plan. These revenues are to come partly from higher levies on imports and partly from increased direct and indirect taxes.

The budget provides that, at the time an import licence is issued, the importer must pay a levy of 1 per cent of the value of the licence; this has the effect of an across-the-board tariff increase of 1 per cent of the c.i.f. value of goods imported. In addition, all importers must register with the Ministry of Trade and pay a registration fee ranging from £50 to £200.

The rate of purchase tax on a variety of items was raised and some new items were made subject to it. Direct taxes have also been raised. Income taxes in the higher salary brackets went up sharply, company taxes were increased from 40 to 45 per cent and the withholding tax on dividends from 2.5 to 20 per cent. To alleviate the effect of these increases on foreign-owned companies operating in Ghana, the requirement that these companies reinvest 60 per cent of their profits in Ghana was removed.

Progress since Independence

Why were these tax changes necessary? To answer this, I must review briefly the development of Ghana since independence. I can then go on to examine future prospects and their significance for Canadian exporters.

From 1957, the year in which Ghana achieved independence, to 1962, the gross national product increased from £360 million to £530 million (see Table I). In the same period, current government expenditure on goods and services almost doubled as the Government endeavoured to raise living standards in the face of a growing population. It is estimated that the rate of population growth will reach about 2.5 per cent a year for the next few years. This in turn calls for an annual increase in the gross national product of about 3 per cent to maintain existing standards of living; the increase in 1962 was 3.6 per cent. Private spending in 1962 went up by 3 per cent, modest considering rising prices and population.

Cocoa Still Main Export

Ghana is still basically an agricultural country. In 1962 approximately 11 per cent of its workers were engaged in agriculture. Exports of cocoa and other agricultural products in 1962 accounted for approximately £70 million, out

of total exports of approximately £112 million. Canadians often express concern about the narrow base of Canada's exports, which until recently have consisted mainly of grain and industrial raw materials. Ghana has much more reason to worry because one commodity, cocoa, accounts for approximately 60 per cent of its total exports, and its ability to earn foreign exchange depends almost entirely on the world market for cocoa. In recent years cocoa prices have been depressed (see Table II) and Ghana has been forced to impose import restrictions to avoid a serious crisis in its balance-of-payments position. It is the aim of the Ghana Government to develop and diversify agriculture, partly because the country does not produce all its food requirements. In 1962, for example, two-thirds of the meat was imported. In that same year, however, food imports were cut by £1.3 million to £16.9 million.

TABLE I

GHANA EXPENDITURE ON GROSS NATIONAL PRODUCT 1957-1962

(at current market prices)

	1957	1958	1959	1960	1961	1962
			(G£ million)			
Private consumption expenditure	291	279	317	339	393	405
General government consumption expenditure	33	35	39	48	55	63
Gross domestic fixed capital formation	56	55	75	96	104	96
Increase in stocks	−6	−1	+10	+11	−14	−6
Domestic expenditure	374	368	441	494	538	558
Exports of goods and non-factor services	96	110	120	123	122	121
Imports of goods and non-factor services	−107	−95	−126	−148	−163	−144
Expenditure on gross domestic product	363	383	435	469	497	535
Net factor income from abroad	−3	−2	−3	−5	−7	−5
Expenditure on gross national product	360	381	432	464	490	530

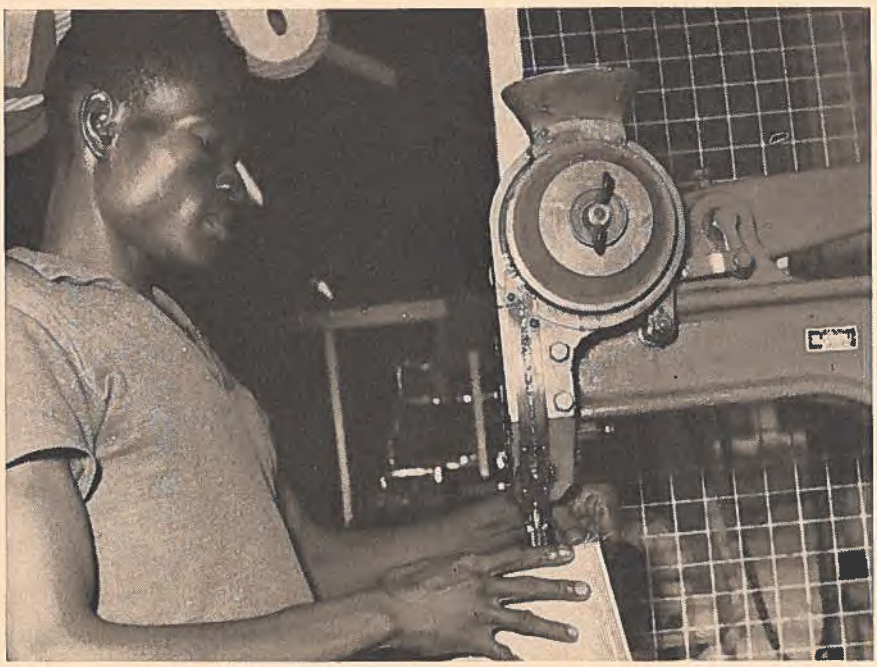
TABLE II

COCOA—WORLD STATISTICS

	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63
			(long tons '000)			
World production	767	906	1,039	1,164	1,120	1,104
World consumption (grinding)	837	866	424	1,024	1,092	1,167
Production in Ghana	207	255	317	432	408	396
Price (G£) per long ton	352	285	225	177	170	.....

Fishing and Mining

Other important segments of the economy are fishing and mining. The fisheries are expanding rapidly, with large investments in new equipment. Recently all of the fishing industry has been brought under direct state control and self-sufficiency in this field will probably be attained within the next year or two, despite the fact that fish consumption in 1962 increased 42 per cent over 1961. In fact, Ghana is likely to become a fish exporter.



This young Ghanaian, busy at his work in a jute bag factory opened two years ago that turns out 4½ million bags a year, symbolizes the emphasis given to setting up manufacturing industries. The jute bags are mainly used for packing cocoa beans.

The volume of mineral production has declined slightly since 1957, largely because production of manganese dropped. The richest deposits of manganese in oxide form have been almost mined out and the Ghana Government is currently trying to develop the mining and beneficiating of the huge manganese carbonate deposits. Production of gold and diamonds has remained almost constant, but bauxite output has increased.

Volta Project on Schedule

Ghana is making a considerable effort to expand its manufacturing industries and the new Seven Year Development Plan, due to be published soon, will give a better indication of projects in this field. Of great significance is the Volta River project, estimated to cost £70 million, although indications are that

TABLE III

IMPORTS BY END-USE 1961-62

	1961 £G	Percentage	1962 £G	Percentage
Non-durable consumer goods:				
Food, drink and tobacco	21,749,551	15.2	18,296,222	15.6
Textiles and clothing	23,719,021	16.6	19,325,093	16.4
Others	13,351,456	9.3	11,673,907	9.9
Total	58,820,028	41.2	49,295,222	41.9
Raw and semi-finished materials:				
Materials for food, drink, industry, tobacco	8,505,010	6.0	6,610,450	5.6
Materials for agriculture	3,089,379	2.2	2,995,708	2.5
Materials for mining and manufacturing services	9,416,962	6.6	8,616,217	7.3
Materials for construction	18,502,205	13.0	14,745,705	12.6
Total	39,513,556	27.7	32,968,080	28.0
Capital equipment	26,734,825	18.7	21,347,990	18.2
Fuel and lubricants	5,987,570	4.2	6,524,805	5.6
Total imports	**142,830,339**	**100.0**	**117,492,449**	**100.0**

TABLE IV

CANADA'S TRADE WITH GHANA

EXPORTS

	1962	1963 Jan.-Aug.
Flour	4,572,461	2,427,323
Aircraft and parts	3,606,527	1,536,888
Other	220,573	320,037
Total	**8,399,561**	**4,284,248**

IMPORTS

	1962	1963 Jan.-Aug.
Cocoa beans	2,698,793	1,218,800
Cocoa butter	2,016,131	1,215,347
Manganese ore	1,918,664	935,073
Tropical woods	298,140	97,123
Other	104,484	76,071
Total	**7,036,212**	**3,542,414**

the actual cost will be somewhat less. It will provide much needed electricity more cheaply. The Government of Ghana is to provide one-half of the cost of the Volta project and the remainder is to be supplied by four international lending agencies. The repayment schedule varies from 25 to 30 years, including a period of grace of six years. The site is at Akosombo, some 66 miles northeast of Accra, where the Volta River flows through a gorge offering an excellent and impressive site for a dam. The main powerhouse is to have four generators, each with a rated capacity of 128 megawatts. Each one will produce more electricity than the current total electric generating capacity in Ghana; in 1962 this was 123,000 kw. A Canadian company obtained the contract for the supply of four generators, transformers, and major electrical equipment. The first generator is scheduled to go into operation in September 1965 and indications are that this timetable will be met.

New Industries Established

In 1962 Ghana added to its growing list of locally manufactured goods with the opening of a jute bag factory. With a capacity of 4½ million bags a year, it will produce about one-third of Ghana's total requirement of bags, most of which are, of course, used for cocoa. The establishment of this factory has encouraged farmers in this country to produce jute. The soap factory built by Unilever is expected to supply about 90 per cent of domestic demand and has already resulted in exports of glycerine to France. The oil refinery at Tema is now processing crude oil (imported chiefly from Nigeria) and has already made some exports to Europe. Among products already manufactured in Ghana are aluminum sheet and utensils, textiles, shoes, cigarettes, plywood, paints, matches, plastic goods and canned foods.

During 1964 four major industrial companies, including two cocoa processing factories, a textile factory and a steel mill, are scheduled to begin operations. The steel mill will have an initial capacity of 30,000 tons and at the beginning will turn out reinforcing bars and angles.

Implications for Canadians

What does all this industrial development mean to Canada?

1. The chances of Canadian companies selling sophisticated consumer goods in Ghana are very limited. Prices to the consumer will rise as a result of the recent budget and thus decrease further the number of people able to afford luxury goods.

2. The Seven-Year Development Plan will outline an ambitious development program which should enable Canadian companies to sell capital equipment of various sorts. It is the aim of the Ghana Government to develop and diversify agricultural production in this country. It should therefore be possible for Canadian companies to market agricultural machinery, pesticides, and perhaps some breeding stock if it can be adapted to tropical climates.

The Government hopes to develop its forestry industries further and here again Canadian manufacturers of logging equipment, sawmill equipment, and related items should find a market for their products. The ambitious development of various types of factories will offer opportunities to sell capital machinery of various types.

Canada as a Commonwealth country is favourably regarded in Ghana and Canadian businessmen should find an increasing market for their products, but an aggressive sales policy is essential to secure business. The Commercial Section of the Canadian High Commission will be pleased to help any Canadian companies anxious to assess the sales appeal of their products in this country. ●

Chile Develops Its Fisheries

Expansion of fisheries, especially in the barren north, fostered by Government has increased catch, boosted fish meal production. As build-up continues, Canadians may find new sales opportunities for fishing gear and equipment and processing machinery to be used in fish reduction, canning and freezing plants.

G. N. M. CLARKE, *Commercial Assistant, Santiago.*

AFTER many years of neglect in this essentially maritime nation, the fishing industry has lately made sudden and spectacular progress. In fact, this development has become a leading topic among businessmen here.

This expansion has not affected Canadian fishermen adversely because Chile never was a significant market for our fisheries products. Exports in recent years have been running at under Can. $10,000 a year and have consisted chiefly of canned salmon shipped in through the ports of Arica and Punta Arenas, located at the two extreme ends of the territory, which enjoy special privileges. Fish imports into Chile proper, never important, have for some time been banned entirely to conserve foreign exchange.

Behind this growth in the Chilean fisheries industry lies the Corporación de Fomento de la Producción (CORFO for short) the Chilean Government Development Corporation, a state agency created in 1939. Concerned over the gradual stagnation of the barren northern reaches of the country, for many years depressed by the declining demand for nitrate, CORFO set about promoting the remaining untapped resources there. It is largely through its efforts that the industry has achieved such amazing results. Tax exemptions together with a number of other concessions ignited a blaze which thus far shows no signs of dying down. Certainly the achievements speak for themselves, as Tables I and II illustrate.

The figures in Table I do not include whales caught. Chile has a relatively modest but thriving whaling industry based on Iquique in the north and Quintay and San Vicente in the south central zone. Whaling production has reached an annual average of 2,500 units in recent years, mostly of the Cachelot species.

The 1962 catch consisted of 587,870 metric tons of fish and 52,130 tons of shellfish. Of this, 531,280 tons of fish were used to make fish meal and 108,720 tons of fish and shellfish (fresh, canned, frozen, etc.) were for human consumption.

The Fish Meal Boom

Following the example of Peru, CORFO based its plans on production for world markets of fish meal and fish oil. Basic to the fish meal industry is the lowly anchoveta, a member of the anchovy family rich in protein content but until the present boom got under way practically ignored. Scientists believe that this fish spawns in the waters off the mouth of the Rio Loa, just north of the old nitrate port of Tocopilla, and then swims northwards to Peru. Thus the raw material for the bulk of Chile's production is found only along a 300-mile stretch of coastline which takes in the ports of Iquique, Pisagua and Arica. To the south, acceptable substitutes have been found in other species and some processors are even turning out meal from the langostino, a small crustacean distantly related to the shrimp. Whales offer yet another source of supply. However, none of these alternatives can match the yield obtained from the anchoveta, which has the added advantages of being abundant normally throughout most of the year and being found relatively close to shore, even if the shoals are constantly on the move and at times hard to locate.

In addition to 67,400 metric tons of fish meal, some 11,000 tons of fish oil valued at U.S.$1,042,161 and 5,500 tons of whale oil valued at U.S.$1,057,758 were exported in 1962. The same ratio of oil to meal will presumably mean correspondingly higher exports of this commodity in succeeding years. CORFO officials are hopeful that by 1965 the industry will be bringing in about $40 million in foreign exchange annually, compared with current earnings of about $10 mil-

TABLE I

CHILE'S FISH CATCH

Year	Production ('000 metric tons)
1951	93
1952	118
1953	107
1954	144
1955	214
1956	188
1957	213
1958	226
1959	273
1960	340
1961	430
1962	640

TABLE II

CHILE'S FISH MEAL PRODUCTION

Year	Production (metric tons)	Exports (metric tons)
1951	5,786	1,595
1952	8,588	5,195
1953	7,457	3,332
1954	7,437	1,387
1955	15,609	8,654
1956	13,038	3,993
1957	16,606	4,506
1958	18,802	10,140
1959	29,924	16,463
1960	31,000	18,000
1961	60,000	48,000
1962	91,600	67,400

lion. This does not take into account exports of canned and frozen fish, both of which figure prominently in the Government's plans. Neither does it make allowance for the possible eventual development of fish flour fit for human consumption. A U.S. company has decided to install a pilot fish-flour plant at Iquique, a move being watched with great interest because it could conceivably introduce entirely new outlets.

Industry Trends

CORFO has become increasingly apprehensive in the past few months over the sheer magnitude of fish meal operations now in the planning stage. Indeed, hardly a day goes by without announcements in the Government *Gazette* of at least two or three new companies intending to go into the business. Official circles view the whole problem with a certain amount of uneasiness. They feel that an indiscriminate expansion in this phase of the industry could leave it wide open to fluctuations in the world market and place it on an unhealthy footing. CORFO has accordingly decreed that henceforth it will not encourage the erection of fish meal plants unless parallel facilities are set up for canning and/or freezing. Choice lots are becoming harder to find in the north and attention is therefore being focused on Tocopilla, hitherto a closed sector, which CORFO will open up at the end of the year—with the proviso that canning and freezing operations get first call.

There is much to be said for broadening the base of the industry, particularly when it is remembered that more than five tons of fish are required to produce one ton of fish meal. In addition swordfish, tuna, bonito and other species live in these waters. Any canning or freezing operations, however, must aim essentially at overseas markets. Chileans by and large are not fish eaters and although great strides have been made in educating the public, there is still a long road ahead. One explanation is that the industry has until recent years been plagued by antiquated methods, an excessive number of marginal companies, and a poor distribution system.

In the southern region a significant move has been the acquisition by CORFO of a ship to serve as a floating cannery for the Chiloe Archipelago and adjacent mainland. Modernization should increase the capacity of fishermen to exploit the rich varieties of seafood which, it is generally agreed, exist in the area.

Prospects for Canadian Exporters

Although Chile offers a potentially interesting market for all types of fishing and marine equipment, Canadian suppliers have been slow to meet the challenge. The result is that fish meal producers have turned elsewhere for their requirements. But quite apart from the demand for plant installations, there should be good sales prospects appearing for equipment for recovering vitamins, proteins, etc., from the stick water, which is currently treated as waste material by most operators. Yet another field coming into its own is fish canning and freezing, which CORFO is endeavouring to stimulate and which thus far has been practically virgin territory. Over-all needs in this area could be considerable.

In its efforts to boost the industry as a whole, CORFO has not lost sight of the desirability of developing an adequate boat-building program. It has offered incentives to a dozen or so local yards which have begun to turn out anchovy boats in substantial quantities. Steel-hulled fishing craft of up to 170 tons are now being built within the country. There should be a market for tuna boats and other specialized vessels unobtainable from domestic sources but this demand is likely to be less appealing. Of more immediate importance is the possibility of providing all the necessary ancillary gear because little more than the hulls are being put together here. Such diverse units as echo sounders, ship-to-shore radio, winches, power blocks, nets and lines can form an impressive part of the total laid-down cost of each vessel. To be borne in mind are adequate financing and suitable after-sales servicing facilities. At the same time, the ability to put forward a package deal embracing any number of different products might be decisive in securing business.

It should be mentioned that fishing companies, to qualify for fiscal concessions, are required under Decree Law No. 266 to reinvest in the industry a minimum of 75 per cent of the profits over a period of ten years from date of their formation. This alone is a powerful stimulus to growth and development.

Long-Term Outlook

Although the industry is still in a state of flux, the improvement in fishing methods and equipment and the continued blessing of the Government should over the next few years result in a much larger fisheries catch. In fact, there seems little doubt that Chile is rapidly on its way to becoming a power to be reckoned with in world trade in at least some fisheries products.

This feeling is obviously shared by overseas interests which have lately been paying careful attention to developments in the northern sector of the country. Already U.S., European, South African and Canadian companies have joined local capital in various fish-reduction enterprises at Arica, Pisagua and Iquique.

In the final analysis, it is hard to predict the pattern which the industry will eventually follow. World market prices, oceanographic disturbances, competing substitutes, changing habits—all these can have an important bearing on future events. There may well be a gradual rationalization before this pattern emerges, with marginal operations weeded out in the process. In the meantime, Chileans look toward their new frontier with optimism, mindful of the dividends it is beginning to yield. ●

Milan Office Opened

To help our exporters expand their sales in northern Italy, a Consulate General has been opened in Milan, dynamic industrial and commercial centre. It is staffed by two officers.

In this building in the heart of Milan the new Canadian Consulate General there has found offices. The mail address is P.O. Box 3977 and the telephone numbers 652.484, 652.600, and 652.635. Cable address is CANTRACOM.

THE establishment of the new Canadian Consulate in Milan, which was first announced by James A. Roberts, Deputy Minister of Trade and Commerce, during a press conference in Milan last September 24, has now become a reality. The office, which is located at Via Pirelli 19, is in the heart of Milan's new business development centre, within easy reach of the central railway station and the air terminal and only a stone's throw from the magnificent 31-storey Pirelli building. This new Canadian Mission will be responsible for Canada's trade interests in the northern provinces of Italy and will also carry out the normal functions of a Consulate General in the same area.

Canada first opened a Commercial Office in Milan in 1917 on the recommendation of a special Trade Commission composed of six leading Canadian businessmen. Though the office was closed in 1940, the assistance it extended to Canadian firms introducing their products into the Italian market for the first time has resulted in close business ties between Canada and Italy today. The prewar pattern of trade between the two countries has changed somewhat since World War II, but the volume and importance of Canada's exports to Italy have increased steadily in recent years. Canadian sales to Italy in 1962 totalled $74.5 million, an increase of 9 per cent over 1961, making Italy our fifth largest export market and our second customer among the EEC countries. It is also significant that Italian exports to Canada during 1962 (composed primarily of traditional fruits, wines and agricultural products, plus manufactured goods with a high labour content) reached almost $52 million in 1962 ($32 million in 1959). Italian sales to all countries during 1962 totalled an impressive U.S.$5.4 billion and total imports into Italy for the same period equalled U.S.$6.3 billion.

Part of "Industrial Triangle"

The area served by the new office —that part of Italy north of Florence—has a growing population of some 25 million. Milan is the heart of industrial and commercial Italy and the most important financial centre in the country. The other cities which complete the "industrial triangle" of the northwest are Turin and Genoa. In this highly industrialized triangle there are steel, mechanical, electrical and textile industries. Italy's industrial expansion continues at an impressive rate, despite an acute shortage of skilled workers (some 17 per cent of Italy's five million industrial workers are skilled and about 40 per cent are classified as semi-skilled). Between 1957 and 1962, industrial growth across the country reached almost 65 per cent. A major movement toward urban centres and emigration from the south to the north of Italy have helped to provide workers for expanding industries.

Full employment coupled with increased wages and salaries in the northern part of Italy have brought rising standards of living and steadily growing domestic demand for goods and services and for a wide range of products. Because of the growing importance of Milan as one of the leading financial and industrial cities of Western Europe today, the city is being rebuilt along modern lines and much of the work is already in hand. As old buildings fall under the hammer, new sky-

A. B. BRODIE,
Consul General and Trade Commissioner, and

N. R. CUMMING,
Consul and Assistant Trade Commissioner

scrapers and office blocks spring up. The building activity in the area of the Canadian Consulate General office is little short of spectacular.

EEC Competition

Italy, a member of the European Economic Community, is in the process of eliminating its import duties on goods originating within the Community. Cuts to 60 per cent for most industrial products have already been realized in the Italian tariff structure, and these will continue until all internal duties on imported goods from other members of the Common Market are eliminated. This favourable tariff position has meant an upward swing in the trade between Italy and other members of the Common Market. In 1962 alone, Italy imported 31 per cent of its total requirements from the EEC countries—an increase in imports of almost 25 per cent over the previous year.

The new Canadian Consulate General in Milan has been established primarily to assist Canadian manufacturers and exporters in furthering their sales to the northern part of the country. The Consul General will be working very closely with the Commercial Counsellor at the Canadian Embassy in Rome and in this way the Canadian exporter should reap the full benefits of assistance from both offices. It is the sincere wish of the Consul General in Milan that Canadian business will use the services of the new Mission to the fullest. Bearing in mind the competition that Canadian firms must be prepared to meet from EEC countries in the future, the need for attractive laid-down prices cannot be emphasized too strongly. It would be wishful thinking to believe that the favourable export sales that Canadian firms have been enjoying will continue unless their export prices are kept under constant review. The Common Market offers a real challenge to Canadian manufacturers and they must in turn meet this challenge with courage and competitive prices or lose their sales opportunities to other suppliers of similar products from within the European Economic Community. ●

COMMODITY NOTES

Aluminum Paste

SOUTH AFRICA—Alcan Aluminum of South Africa has set up a plant that will produce 300 tons of aluminum paste a year and is expected to make the local paint industry independent of imports. Aluminum foil, also produced at the plant, will be shredded to a fine powder in ball mills and then blended with white spirit and stearic acid into a paste that will comply with the British Standard Specifications—Johannesburg.

Cashew Nuts

MOZAMBIQUE—Mozambique is the largest producer of cashew nuts in Africa, with an annual output of 100,000 tons or about $6.6 million worth of unshelled nuts. The cashew nut is a vital cash crop for the Africans, and in the north of Mozambique the trees flourish in marginal soil and grow with virtually no attention.

World consumption of shelled cashew nuts is 40,000 tons a year, of which the United States takes 30,000 tons, Canada 1,700 tons and South Africa 300 tons—Johannesburg.

Cranes

U.S.S.R.—The Novo-Kramatorsk plant has prepared blueprints for special cranes for the construction of hydroelectric power stations now under way in the U.S.S.R. Designed for the Saratov, Kiev and Krasnoyarsk sites respectively are: a double-cantilever gantry crane with two hoists each having a capacity of 180 tons; a special gantry crane with three synchronized hoists—two with a capacity of 140 tons each and one of 160 tons; two similar bridge cranes of 500 and 125 tons which when operating together can raise a 900-ton rotor by means of a traverse—Moscow.

Fertilizer

PAKISTAN—The Government of Pakistan, following a report by European consultants, plans to raise West Pakistan's annual production of 3,400 tons of fertilizer to 500,000 tons by 1967. The West Pakistan Industrial Development Corporation, which will implement the plan, is expected to spend about $6 million in foreign exchange. Decisions about the number, size and location of the plants will be taken after the consultants submit their final report. The plants will use natural gas from the fields at Sui and Mari—Karachi.

SOUTH AFRICA—The Federale Group, Fisons and IDC will be associated in the establishment of a phosphoric acid plant for fertilizer manufacture. The plant will be built at Phalaborwa in the Northern Transvaal at an estimated cost of $7 million. Construction of another plant by African Explosives & Chemical Industries at Modderfontein near Johannesburg is scheduled to begin early this year. Production by the conventional wet acid process should start in the first quarter of

1965. The phosphoric acid will be used to make concentrated fertilizers and industrial phosphates—Johannesburg.

Fish Product

DENMARK—A plant to produce food for human consumption from fish offal will open at Hirtshals in May 1964. Its production will be based on methods developed by a Swedish machinery company (following seven years of experiment) for the conversion of fish offal into a high-protein food for human consumption. The finished product is in cake form and is especially designed for export—Copenhagen.

Frozen Food

BRITAIN—Eskimo Foods, which commands about 14 per cent of Britain's frozen foods market, has equipped its factory at Cleethorpes (Lincolnshire) with one of the world's largest flo-freeze installations. These unique freezing units keep the freshly picked peas suspended in a stream of refrigerated air until they are individually frozen within 15 minutes. Unlike the batch freezing method, the peas can be handled in a pulsating stream, flowing through the refrigeration process directly into bulk storage crates. As well as freezing the peas individually without cluster formation, the flo-freeze process is said to be faster and cleaner and also saves space (three flo-freezers do the work of 18 batch freezers). It offers continuity of operation and the flexibility needed to handle a varied production load —Liverpool.

Iron Ore

ESCS—During the first eight months of 1963, the extraction of iron ore in the six countries of the European Coal and Steel Community dropped by 13.7 per cent to 53.2 million metric tons, compared with 61.6 million tons in the same period of 1962—21.1 per cent less in Germany, 14.0 per cent less in France, and 17.6 per cent less in Italy. Belgium increased output by 54 per cent and Luxemburg by 8.8 per cent.

A recent study by ECSC shows that since 1960 the iron ore deposits in the Community farthest away from the centres of production have been most affected. Two of the principal reasons for the cutback in production are the surplus of rich ore on the world market and the low maritime freight rates. As a result, the price of overseas ore is attractive to European consumers and the report estimates that the price per unit of iron of Community ore will have to be reduced by about 20 per cent to remain competitive over a period of time. The study suggests that a policy of readaptation and reconversion is necessary to offset further declines in demand and to increase productivity in the better deposits as much as possible. Among the measures considered, the process of enriching the ore was considered particularly interesting—Brussels.

Iron Ore Pellet

UNITED STATES—Annual production of high-grade iron ore pellet is expected to reach about 50 million tons within three years, more than half of it in the Lake Superior mining district. The steel industry is increasing its demand for iron pellets because their more concentrated iron content makes substantial reduction in costs possible.

The Lake Superior district, which includes portions of Minnesota, Michigan and Ontario, has a potential output of 23 million tons a year and an additional eight million tons of capacity is being developed. The St. Lawrence area in Canada has production facilities for seven million tons a year and a new five-million-ton plant is scheduled for completion in two years. Other sections of the U.S. will make up the remainder of the 50 million tons required—Detroit.

Porcelain

GREECE—Messrs. Langenthal of Switzerland will establish a porcelain tableware factory in Greece in co-operation with a local pottery works, the National Bank of Greece and a group of Greek industrialists. The Swiss firm will provide technical assistance to help improve the organization and output of the existing plant. It is hoped that increased production will satisfy local demand for a superior quality product and replace expensive imports estimated to cost U.S.$500,000 to $700,000 a year—Athens.

Poultry

UNITED STATES—The Southern States account for 65 per cent of U.S. chicken production. During the first six months of 1963 their production was up by 4½ per cent, and in 1962 it averaged ten chickens for every man, woman and child in the United States. Georgia, Arkansas, Alabama, North Carolina, Texas and Mississippi are the country's leading producers. Louisiana is the fastest growing, with 1963 production 23 per cent above 1962—New Orleans.

Railway Rolling Stock

POLAND—The Polish press reports that, following the recent decision to increase deliveries of railway rolling stock in the 1963-65 period, the Ministry of Heavy Industry has announced that four-axle coal cars will be produced, and that planned output of two-axle cars will be increased by 4,657 units; these will have a total capacity of 136,000 tons. Production of electric locomotives of British design has been started; plans are ready for 800 h.p. diesel locomotives of Polish design and one 1,700 h.p. locomotive—Copenhagen.

Steel

BRITAIN—The new $78-million English Steel Corporation works at Tinsley Park, Sheffield, is likely to change the price structure of the British alloy steel industry. The large-scale, low-cost production from Tinsley will be sufficient to change the British average of production costs—and this could lead to the elimination of some of the small production units that make up much of the alloy steel industry. It is believed that lower prices would place the English Steel Corporation in a better position to deal with the fierce competition in the continental export market. The increased production is expected to be absorbed by larger exports and domestic sales (principally to the motor vehicle and light engineering industries).

The Tinsley Park works puts special steel production on a flow basis. The two 100-ton capacity electric furnaces are charged with scrap by a wagon-tippling machine—the first time in the world that this method has been used for scrap handling. Another modern feature is the Dortmund Horder vacuum degassing plant, which was installed after 18 months of development and proving work at Openshaw—Liverpool.

SWEDEN—A new hot-rolling mill for turning out stainless steel plate has begun operation at the Torshälla works of Nyby Bruk. The mill cost 35 million kronor and will produce plate up to 2 metres wide, 6 metres long and between 2 and 15 millimetres thick.

It is expected that capacity will be 15,000 tons per year—three times the present figure—Stockholm.

TUNISIA—Tunisia plans to build a metallurgical center at Menzel-Bourguiba. Domestic iron ore will be used (output is about 900,000 tons a year), and the mills are expected to provide 45 per cent of the country's steel requirements, reducing dependence on imports. Consumption at present is 70,000 tons a year, and it will probably reach 160,000 tons by 1972. By that time, the Menzel-Bourguiba mills will be producing 60,000-70,000 tons of steel a year. Initially, the works will process 150,000 tons of iron ore a year, with a gradual increase to 300,000 tons. An estimated 1,000 trained workers and specialists will be employed —Berne.

WEST GERMANY—The German Government has given an export guarantee of over $11 million towards an Indonesia blast furnace plant to be built at at Lampong in Sumatra. It will be a 100,000-ton operation using domestic ores and may also use ore imported from deposits in Malaya and the Philippines.

The project has been pending for over three years, with a German engineering firm doing the preliminary survey. During the negotiations, a French company secured a major part of the contract and Krupp Industries of Essen, Germany, was chosen to supply part of the installation, including one blast furnace.

The plant will be Indonesia's first and the iron will be sold to small privately owned steel plants on Sumatra—Duesseldorf.

WEST GERMANY—The well-known Krupp Industries of Essen, Germany, has received an order from Sanyo Special Steel Co. to build a modern steel plant in Japan. The plant will have two blast furnaces with a capacity of 60 tons of iron ore and will use the oxygen-blown method of production. This will be the first installation of this type in Japan and it is scheduled for completion by early 1965.

Most of the iron ore used in Japan is imported and in 1962 imports totalled more than 22 million tons. Over 1.7 million came from Canada—Duesseldorf.

WEST GERMANY—Expanding imports of steel into the European Economic Community are causing concern to German and French producers. Imports into West Germany rose from an average of 265,000 tons per month during the first quarter of 1963 to 322,000 tons in May. This latter represents 21.8 per cent of the total sales on the German steel market—Duesseldorf.

Textiles

TUNISIA—The Tunisian Government is negotiating with French, British, German, Italian and East European companies for the establishment of a one billion franc textile industry. Included in the plans are: a cotton factory with more than 1,000 power looms and workshops for finishing and dyeing; a wool complex containing spinning, weaving and finishing mills with a production of 1.5 million metres a year; production of 2.7 million metres of rayon a year. The complete industry is expected to be in operation by the end of 1964, employing 5,000 workers. Eventually production will be large enough to fill domestic requirements and provide a surplus for export to African countries—Berne.

Transistor Radios

U.S.S.R.—The Soviet Union is now producing a number of all-transistor radios. One of the most popular of the portable types is the Atmosphere-2 superheterodyne, flashlight-cell-operated receiver which has been constructed to give more powerful reproduction in the long and medium wave bands. The radio set is intended for operation mainly under field conditions and has a built-in magnetic aerial. Among the pocket portable radios produced in quantity are the Neva, Gauya, Kiev, Lastochka, Sokol and Kosmos which operate on m.w. and l.w. bands.

The Spidola, a sensitive ten-transistor, two-diode portable made in Latvia, operates on long, medium and short wave bands—Moscow.

FOREIGN TARIFFS AND TRADE REGULATIONS

Australia

PIGMENTS—Following the release of a Special Advisory Authority hearing on whether temporary protection should be granted to the Australian pigment industry, the Minister for Trade and Industry announced that additional temporary rates of duty would apply on imports of synthetic organic pigments and colour lakes classifiable under Tariff Items 231(A)(2)(a) and 231(A)(2)(b). The temporary duties, which became effective January 13, are as follows:

Tariff Item 231(A)(2)(a)—an additional duty of 12½ per cent ad valorem on imports from all sources.

Tariff Item 231(A)(2)(b)—an additional duty of 37½ per cent ad valorem b.p.t. and 42½ per cent ad valorem m.f.n.

These duties will not apply on goods in transit to Australia on December 11, 1963—Canberra.

Australia

TIMBER—On January 10 the Minister for Trade and Industry announced the release of the Tariff Board inquiry on timber and reported that, simultaneously with the removal of quantitative restrictions on timber, increased over-all tariff protection would be enacted. The new rates of duties became effective on January 13 and details can be obtained from the Office of Trade Relations and Trade Policy, Department of Trade and Commerce, Ottawa, or from the Commercial Counsellor for Canada, Canberra—Canberra.

European Coal and Steel Community

STEEL TARIFF INCREASE—The High Authority of the European Coal and Steel Community recommended that tariffs on certain steel imports be raised, as of February 15, 1964, to the Italian level which averages 9 per cent. This represents an increase of approximately 3 per cent for Germany, France and the Benelux countries.

The High Authority also recommended that a duty of $7.00 per metric ton be imposed on imports of foundry pig iron.

Both recommendations are legally binding on member governments of the ECSC, but each member country may appeal against the decision to the Community's Court of Justice—Brussels.

Finland

NEW LIBERALIZATION LIST—Effective January 1, 1964, the Government of Finland has freed from restrictions imports of a number of products, including the following:

Foodstuffs (malt extract, tomato puree, etc.)
Certain fuels (lignite, peat, pitch and pitch coke)
Hides and skins
Leather and articles thereof, including articles of artificial leather
Raw furskins
Footwear of wood
Hats and headgear
Terry fabrics
Wadding and articles thereof
Articles of asbestos cement
Cellulose fibrement or the like
Bricks
Roofing tiles, etc.
Sinks, wash basins and sanitary fittings
Blown, cast, drawn or rolled glass, including safety glass
Lifting and unloading machinery
Excavating machinery
Printing, welding and cutting machines and appliances
Various heating apparatus
Telephone apparatus, equipment and parts
Locomotives and rolling stock
Armoured motor vehicles
Cycles
Various types of gears
Buttons, studs, cufflinks, etc.

Detailed information may be obtained from the Office of Trade Relations and Trade Policy, Department of Trade and Commerce, Ottawa.

Ireland

IMPORTS OF RAW ONIONS—The Minister for Agriculture for the Republic of Ireland will, under the Onions (Regulations of Import) Order, 1948, allow the import of raw onions into the Republic of Ireland for the period February 15 to May 15, 1964.

The Minister pointed out that all shipments of such onions must be accompanied by the proper licence, under the Colorado Beetle Order, 1945, and the Foot and Mouth Disease (Importation of Plants) Order, 1952. Any Canadian exporter contemplating shipping to this market must pay particular attention to this regulation—Dublin.

IMPORTS OF RAW APPLES—The Minister of Agriculture in the Republic of Ireland will allow the import of raw apples, under licence, from all sources from February 1, 1964, to July 7, 1964—Dublin.

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 Office of Trade Relations and Trade Policy, 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 .92619.

Foreign Exchange Rates

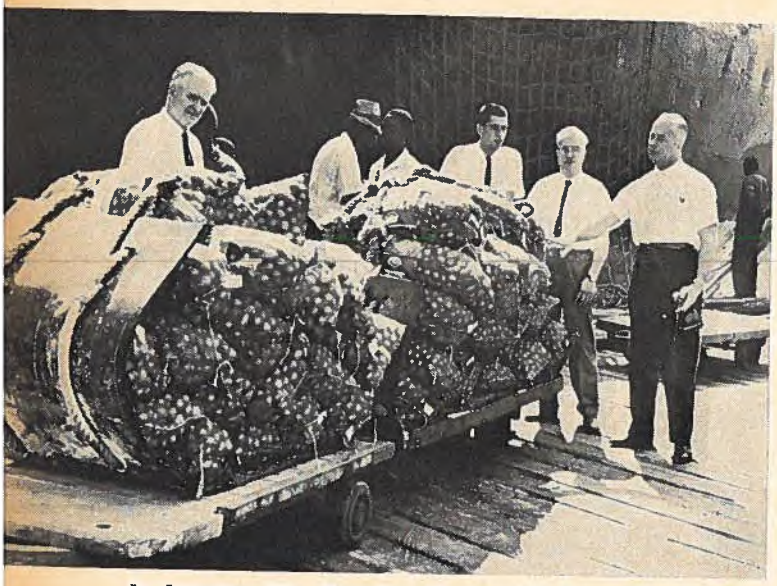
Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 27	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free	.007968	125.50	
Australia	Pound		2.4170	.4137	
Austria	Schilling		.04181	23.92	
Bahamas	Pound		3.0212	.3310	
Belgium and Luxemburg	Franc		.02168	46.12	
Bermuda	Pound		3.0212	.3310	
Bolivia	Peso		.09111	10.98	
Brazil	Cruzeiro	Official Free	.001770	564.97	
		Special Category	†	†	
Britain	Pound		3.0212	.3310	
British Guiana	Dollar		.6294	1.59	
British Honduras	Dollar		.7552	1.32	
Burma	Kyat		.2267	4.41	
Ceylon	Rupee		.2266	4.41	
Chile	Escudo	Bank rate	.4739	2.11	
		Free	.3581	2.79	
Colombia	Peso	Certificate	.1200	8.33	
Congo, Republic of	Franc		.007198	138.93	(4)
Costa Rica	Colon		.1630	6.13	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1499	6.67	
Denmark	Krone		.1562	6.40	
Dominican Republic	Peso		1.07969	.92619	
Ecuador	Sucre	Official	.05998	16.67	
		Free	.05830	17.15	
El Salvador	Colon		.4319	2.32	
Fiji	Pound		2.7218	.3674	
Finland	Markka		.3374	2.96	
France, Monaco, etc.	Franc		.2203	4.54	(1)
Franco-African Republics, etc.	Franc		.004406	226.96	(2)
French Pacific	Franc		.01212	82.51	(3)
Germany	D Mark		.2717	3.68	
Ghana	Pound		3.0212	.3310	
Greece	Drachma		.03599	27.78	
Guatemala	Quetzal		1.07969	.92619	
Haiti	Gourde		.2159	4.63	
Honduras	Lempira		.5398	1.85	
Hong Kong	Dollar	Free	.1887	5.30	*Jan. 10
		Official	.1888	5.30	

†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.

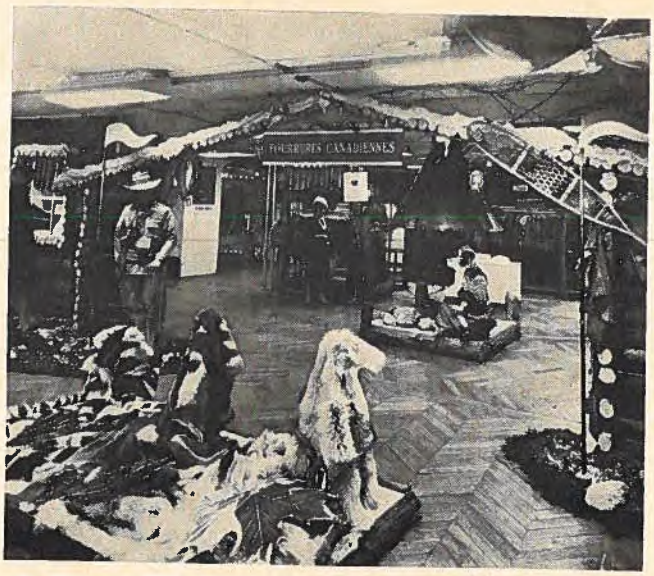
Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 27	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02511	39.82	(4)
India	Rupee		.2266	4.41	
Indonesia	Rupiah		.003427	291.75	(4)
Iran	Rial		.01425	70.16	
Iraq	Dinar		3.0231	.3308	
Ireland	Pound		3.0212	.3310	
Israel	Pound		.3599	2.78	
Italy	Lira		.001735	576.37	
Japan	Yen		.002999	333.44	
Lebanon	Pound	Free	.3468	2.88	
Malaysia	Straits dollar		.3527	2.84	
Mexico	Peso		.08638	11.58	
Morocco	Dirham		.2159	4.63	
Netherlands	Florin		.2995	3.34	
Netherlands Antilles	Florin		.5725	1.75	
New Zealand	Pound		3.0006	.3333	
Nicaragua	Cordoba		.1542	6.49	
Nigeria	Pound		3.0212	.3310	
Norway	Krone		.1508	6.63	
Pakistan	Rupee		.2266	4.41	
Panama	Balboa		1.07969	.92619	
Paraguay	Guarani	Free	.009717	102.91	
Peru	Sol	Free	.04025	24.84	
Philippines	Peso	Free	.2769	3.61	(5)
Portugal & Colonies	Escudo		.03755	26.63	
South Africa	Rand		1.5106	.6620	
Spain and Dependencies	Peseta		.01799	55.59	
Sweden	Krona		.2082	4.80	
Switzerland	Franc		.2500	4.00	
Syria	Pound	Free	.2825	3.54	
Thailand	Baht	Free	.05191	19.26	(4)
Tunisia	Dinar		2.6128	.3827	
Turkey	Lira		.1200	8.333	(4)
United Arab Republic	Pound	Official	2.4833	.4027	
United States	Dollar		1.0796875	.92619	
Uruguay	Peso	Free	.05743	17.41	
Venezuela	Bolivar	Controlled market rate	.3226	3.10	
		Official Free	.2402	4.16	
West Indies	Dollar		.6294	1.59	(6)
	Pound		3.0212	.3310	(7)
Yugoslavia	Dinar	Official	.001440	694.44	

Notes

1. Franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
7. Jamaica.



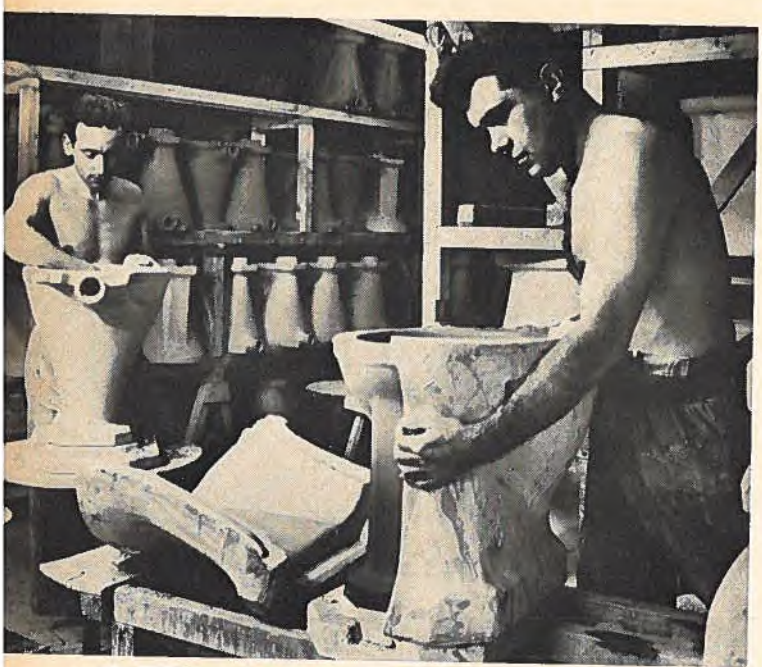
In Jamaica—The Canadian Commercial Counsellor in Kingston, R.W. Blake (left), inspects part of a shipment of certified Sebago seed potatoes that has just arrived from the Maritimes.



In France—This imaginative display of furs was part of a Canadian exhibit at the Au Louvre department store in Paris. Sportswear, handicrafts and specialty foods were also featured.

Canada in Foreign Markets

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



In Belgium—Nepheline syenite imported from Canada is used in this plant to produce sanitaryware. Here, employees remove the mould from some of the products before they are baked.

In Britain—W. R. Van (right) Trade Commissioner in Liverpool, discusses the quality, style and sales potential of Canadian windbreakers with a store buyer and merchandise manager.

Roger Duhamel
QUEEN'S PRINTER

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