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COMING——THE UPSURGE IN MICHIGAN, IN THE AUGUST 22 ISSUE

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Setting Up an Export-Import Business

Part II

In Part II of this two-part article—Part I appeared in our July 25 issue—the author discusses several other sources of help for the novice and also for the importer. He also shows how export credits insurance helps a firm to take on more export business.

A. M. TEDFORD, *Director, Industrial Materials Branch.*

CANADIAN exporters, active or potential, should not overlook the assistance that the provincial governments can give them. The various provinces are keenly interested in the development and progress of industry within their boundaries and anxious to promote the sale abroad of the products these industries turn out. Firms should therefore get in touch with the appropriate department of the government of the province in which they operate. These departments are listed below.

NEWFOUNDLAND
Department of Economic Development
Confederation Bldg.
St. John's.

PRINCE EDWARD ISLAND
Department of Industry and Natural Resources and of Fisheries
Province Bldg.
Charlottetown.

NOVA SCOTIA
Department of Trade and Industry
Province House
Halifax.

NEW BRUNSWICK
Department of Finance and Industry
P.O. Box 1150
Fredericton.

QUEBEC
Department of Industry and Commerce
(Ministere de l'industrie et du commerce)
Parliament Bldgs. (Edifices du gouvernement)
Quebec City.

ONTARIO
Department of Economics and Development
454 University Ave.
Toronto 2.

MANITOBA
Department of Industry and Commerce
509 Norquay Bldg.
Winnipeg 1.

SASKATCHEWAN
Department of Industry and Information
1819 Cornwall St.
Regina.

ALBERTA
Department of Industry and Development
109th St. and 98th Ave.
Edmonton.

BRITISH COLUMBIA
Department of Industrial Development Trade and Commerce
Parliament Bldgs.
Victoria.

Other Associations

Apart from the federal and provincial governments, a number of business organizations stand ready to give information on export trade and to advise exporters. One of these is the Canadian Export Association, whose services include advice on credit, pricing and quotations, proper packing of export shipments, documentation, and so on. It issues frequent bulletins and other material and organizes industrial group meetings and regional meetings to keep its members in touch with developments in foreign trade policy and in export operations.

The Canadian Manufacturers' Association can also provide services for exporters through its export service department and its regional offices located throughout Canada. It also distributes a number of publications dealing with important aspects of foreign trade.

The exporter should also realize the assistance that his banker can give. Many of the chartered banks have foreign trade departments equipped to supply credit information and to help with financial transactions. Some of them issue economic surveys that include information on market conditions abroad. The world-wide correspondent relationships that the banks maintain are also of value to the Canadian trader.

Helpful Sources

Printed sources of information should not be forgotten. As a start, a new exporter might study some of the publications listed below. They will give him some guidance on initiating contacts, on transportation, packing, prices for export, foreign tariffs, terms of payment, agency arrangements, and other important aspects of foreign trade. Among the more useful are:

(1) *Practical Exporting and Importing in Canada,* by J. R. Arnold—published by the University of Toronto Press, University of Toronto, Front Campus, Toronto, Ontario.

(2) *Financing Foreign Trade*—published by the Royal Bank of Canada, Head Office, 1 Place Ville Marie, Montreal.

(3) *Export Methods and Services*—published by the Canadian Manufacturers' Association, 67 Yonge Street, Toronto.

(4) *Pricing for Export*—published by the Canadian Manufacturers' Association, 67 Yonge Street, Toronto.

(5) *Export Markets in Brief*—published by the Bank of Montreal, Head Office, Montreal, Quebec.

The Department of Trade and Commerce prepares a number of publications which should prove useful to the new exporter. Among these are:

(1) Trade and Commerce at Your Service

(2) Selling Abroad: How to Start

(3) How Canadian Trade Commissioners Can Help Businessmen

(4) Export Credits Insurance Corporation—What It Is and How It Operates

(5) Government Export Financing

(6) Canada Courier

(7) Foreign Trade

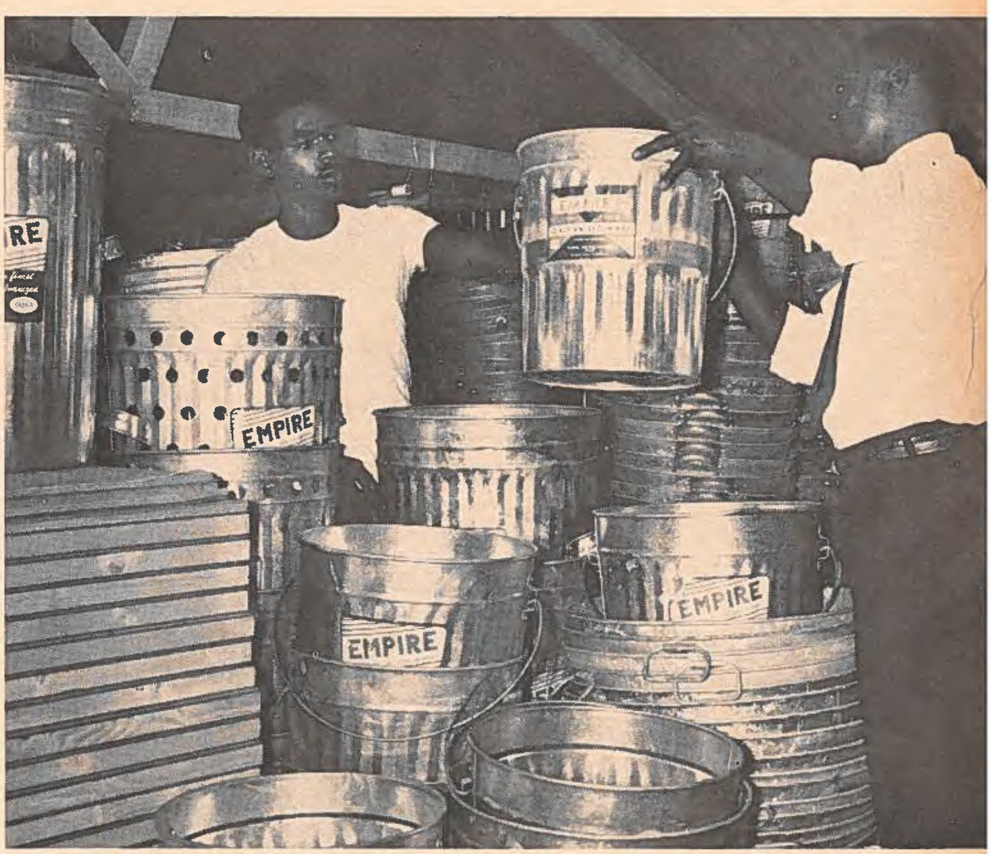
Requests for trade promotion literature should be made to the Director, Trade Publicity Branch, Department of Trade and Commerce in Ottawa. However, subscriptions to *Foreign Trade* are available only from the Queen's Printer, Publications Branch, Ottawa, at a cost of $5.00 a year.

For Importers

Firms interested in developing markets in Canada for imported goods might make good use of the assistance that the Canadian Importers and Traders Association, Inc., 134 King Street West, Toronto, can give them. If they wish to locate firms abroad anxious to export goods to this country, they should keep in touch with foreign Embassies here in Canada. Most of these have commercial officers and other staff who can provide information on products available from their countries and on manufacturers in a position to supply. As a first step, consult the publication entitled *Canadian Representatives Abroad and Representatives of Other Countries in Canada,* which can be obtained from the Queen's Printer, Ottawa, price 60 cents.

Getting Started

Once the decision to go into business is made, the new enterprise must conform with provincial and municipal regulations governing the establishment of a business. Full



Canadians who succeed in export markets don't necessarily sell the big-ticket items; our photograph shows the humble garbage can, made in Canada and on sale in British Honduras. Whatever the product, you need to know the export techniques.

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details of these regulations can be obtained from the Provincial Secretary and the Town or City Clerk. It is often advisable to seek legal counsel as well.

It is not necessary for a company to incorporate to engage in foreign trade unless it prefers to do this for tax or other reasons. A simple partnership or proprietorship can be the starting point. If a federal charter is required, however, the solicitor for the proposed company should get in touch with the Companies and Corporations Branch of the Department of the Secretary of State in Ottawa.

A new firm can also find much useful information in the publication *How to Run a Business,* put out by the Department of Industry in Ottawa and available from the Queen's Printer at 50 cents per copy.

Licences and Permits

Most commodities can be imported into Canada freely. A number of agricultural products, however, are listed in the Export and Import Permits Act and imports of these are prohibited except under licence issued by the Department of Trade and Commerce. Several other departments, such as Agriculture and National Health and Welfare, issue regulations governing the import and sale in Canada of various products, primarily in the agricultural, food and drug fields. The potential importer of any of these products would be well advised to consult the appropriate government department in Ottawa before arranging purchases.

The Export and Import Permits Act also lists a wide range of materials and equipment classified as strategic, the export of which is prohibited except under licence issued by the Department of Trade and Commerce. This Act also lists a number of countries as "area-controlled" countries and all exports to these require export licences. For copies of the Act and amendments to it and other information on export control, consult the Director, Trade Services Branch, Department of Trade and Commerce, Ottawa.

Tariffs and Duties

The administration of the Customs Act and the Customs, Tariff and Excise Act is under the jurisdiction of the Department of National Revenue. Information on duties governing imports into Canada, therefore, is available from the local Collector of Customs or from the Appraisers Branch, Customs and Excise Division, Department of National Revenue, Ottawa. The Appraisers Branch has for distribution literature on the procedures involved in import and clearance of goods through Customs at ports of entry. However, the publication *Canadian Customs Duties,* available from the Department of Industry, Ottawa, may be of interest. Complete details about the products or commodities to be imported should be submitted to the Department of National Revenue so that it can determine the proper import classification. Incomplete details or inaccurate information could result in the assessment of higher than necessary rates of duty.

Information on foreign duties and tariffs is available from the Office of Trade Relations and Trade Policy of the Department of Trade and Commerce in Ottawa. The Office also issues a series of leaflets covering "Shipping Documents and Customs Regulations" in a large number of countries. To obtain tariff information, it is imperative that the exporter give accurate and complete details on the product to be exported and the countries of destination.

Export Credits Insurance

The Export Credits Insurance Corporation insures Canadian firms against the risk of non-payment in the exporting of goods and services, although this insurance does not cover loss or damage to goods or depreciation on perishable goods. In general, this insurance covers consumer goods and miscellaneous general commodities sold on short credit terms or terms usual for the particular trade. Insurance is also available to cover capital goods sold on medium credit terms extending to a maximum of five years. Furthermore, provision is made for insurance on engineering, construction and technical and similar services.

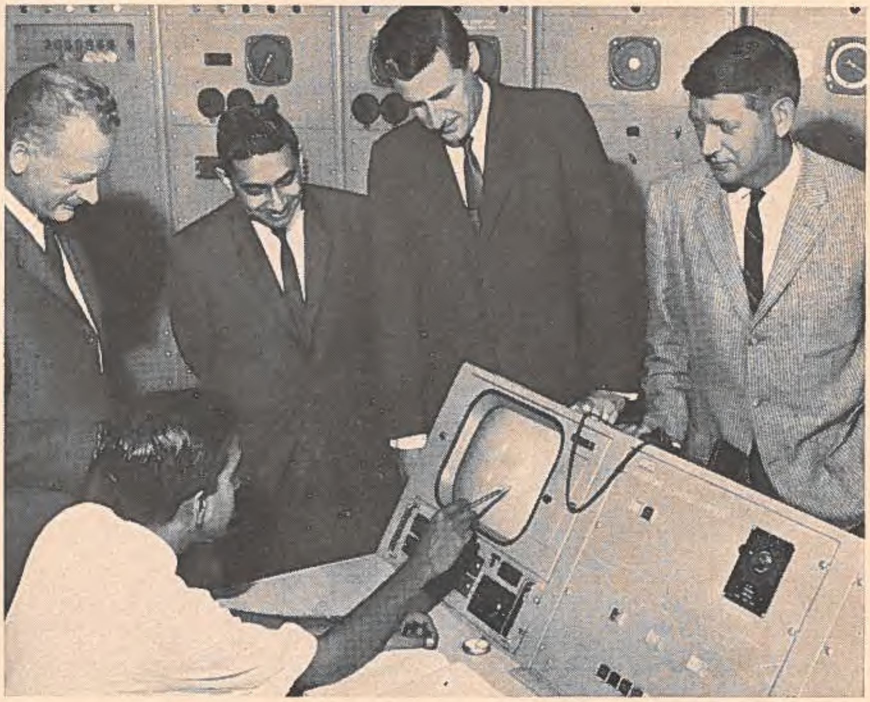
In this form of insurance the Corporation carries 85 per cent of the risk and the exporter the remainder. This enables the firm to take on more export business than would otherwise be possible. For instance, the exporter who can afford to have outstanding $10,000 in a particular market is in fact carrying a risk for this amount. With export credits insurance, this risk is cut to $1,500. Consequently, the exporter can afford to have as much as $65,000 in exports because a risk of 15 per cent of the amount is only $9,750. This is even less than the exporter had on risk when he was exporting only one-sixth as much.

Exporters must note that insurance protection against risks not covered by the Export Credits Insurance Corporation can only be obtained from non-government sources.

Exporters' Directory

No memorandum nor any set of publications can provide the answers to every question arising in international trade. Newly established firms in particular should therefore not overlook the many facilities and services available in the Department of Trade and Commerce in Ottawa to assist them. These firms should also take steps to be included in the Department's confidential *Exporters' Directory* set up for the purpose of acquainting officers of the Department at home and abroad with the interests and activities of Canadian exporters. Questionnaires to be filled out for a listing in the Directory can be obtained from the regional offices of the Department or from the Director, Trade Services Branch, Department of Trade and Commerce, Ottawa. ●

Beginning in the fall, Foreign Trade *expects to publish a series of more detailed articles on how to carry on export trade—Editor.*



The wind tunnel being built for India is similar to the one made for the N.R.C.'s National Aeronautical Establishment several years ago. Photographed on a visit to the Control Room of the NRC tunnel are (left to right): D. C. Taylor, manager, Export Finance Division of the Export Credits Insurance Corporation; A. K. Gupta, Acting High Commissioner for India in Canada; G. V. Meagher, of the Toronto engineering firm that designed the tunnel and is providing engineering supervision and technical advice during its construction; John Strang, of ECIC, and at the controls, M. Surendraiah of India's National Aeronautical Laboratory, on a nine-month training course in Ottawa.

India Orders a Wind Tunnel

Canadian knowhow in the aeronautical field was recognized when the Indian Government recently ordered a $4 million wind tunnel, designed by a Toronto firm of consulting engineers, and to be built by a Montreal prime contractor for use in Bangalore, Mysore.

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

A firm of Canadian consulting engineers and a major Canadian manufacturer today are hard at work on a four-million-dollar contract for a supersonic wind tunnel for testing aircraft under simulated flight conditions. Ordered by the Indian Government's Council of Scientific and Industrial Research, the tunnel will be installed in Bangalore when it is completed in 1966. In capturing this contract, the two companies proved that Canada can compete successfully in the field of highly automated and sophisticated equipment.

The wind tunnel is being designed by Dilworth, Secord, Meagher and Associates Ltd., of Toronto, which since its establishment eleven years ago has specialized in engineering projects involving the design of special types of equipment and related work in mathematics and engineering physics. Canadian Vickers of Montreal is the prime contractor and over 80 per cent of the equipment for the tunnel will be built either in its own shops or in those of its suppliers.

Dilworth, Secord acquired the skills necessary to carry out this contract by designing other wind tunnels, especially the largest one in Canada, commissioned in 1961 for the National Research Council's National Aeronautical Establishment in Ottawa. Canadian Vickers Limited was a major contractor on this project. The Indian scientists, who studied wind tunnels in use in a number of countries, were impressed by the Canadian model because of its sophistication, high degree of automation, and more precise aerodynamic characteristics.

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The Toronto engineers first became aware of the Indian interest in wind tunnels when its government was shopping for a small pilot tunnel with a one-foot-by-one-foot test section. Later, when a larger tunnel was being discussed, the Indians, knowing Canadian work in this field and especially the NRC tunnel, asked Dilworth, Secord to submit a proposal. A preliminary one was forwarded to India in the fall of 1962 and shortly after two members of the firm flew out to discuss with the Council of Scientific and Industrial Research its exact requirements. On their return they submitted a more precise proposal jointly with Canadian Vickers and later paid a second visit to India. As Dr. I. J. Billington, one of the two members of the firm who first went to India, points out, these talks with the Indian scientists were vital to the eventual securing of the contract for Canada. Communicating at a distance on highly complex engineering and scientific matters just doesn't work.

But the Canadians faced keen competition. The Indian Government received proposals also from Britain, Switzerland, and Germany, and three from the United States. Of these, three were invited to submit detailed proposals and eventually the Canadian submission won the contract. This was announced at the end of last year and in March 1964, Mr. G. V. Meagher of the consulting firm and Mr. P. W. Gooch of Canadian Vickers flew out to India again to sign the final contract.

"Blowdown" Type

The wind tunnel to be supplied is of the "blowdown" type, in which very large quantities of air are stored under high pressure and released to flow through the tunnel over intervals ranging from a few seconds to a minute. During this interval, the aircraft model is automatically manipulated in the airstream and the forces acting upon it can be measured and recorded with high-speed equipment. Energy can be released during the blowdown at rates of up to 240,000 horsepower and air speeds can be generated up to Mach 4.0—that is, four times the speed of sound.

The tunnel will be installed in the National Aeronautical Laboratory in Bangalore, South India, which is under the wing of the Council of Scientific and Industrial Research, the contracting agency. Because it is well adapted to both aircraft development work and to research, Hindustan Aircraft, located in Bangalore, will be able to use the tunnel to test its models. Dilworth, Secord will provide all of the design and technical supervision to Canadian Vickers Limited and supervise the testing and calibration of the equipment before turning it over to the Indian Government. Members of both firms will be stationed in Bangalore on this job for a year or more.

Indians Will Co-operate

Indian engineers will co-operate with their Canadian colleagues in every phase of the project. Some are now in Canada for training and participation in the design work with Dilworth, Secord, Meagher and Associates. Others will be in liaison with Canadian Vickers during manufacture. NAL staff will assist in all final test and commissioning programs.

Like many engineering firms doing work abroad, Dilworth, Secord has discovered the value of securing an active Indian associate. They have selected a firm there to act as sub-consultant in some design aspects and to help with problems of local supply, transportation, and similar matters. Import duties on tunnel components will be waived because this is a government contract.

Factors in Success

What were the important factors in Canada's obtaining this contract? One vital one, Dr. Billington reports, was our reputation in this highly specialized field. Another was the willingness of the engineers to go to India several times to talk over the proposal face to face. Communications posed special problems: it is not possible to talk by telephone with New Delhi or Bangalore effectively, there are no telex facilities, and it takes time to thrash out difficulties by mail and it is usually unsatisfactory. Important too in the securing of this business were the long-term financing facilities made available by the Canadian Government through the Export Credits Insurance Corporation.

Dilworth, Secord hopes that this, its first overseas contract, is only the first of several orders that will come its way, not only in India but in other countries too.

Coming Trade Fairs

In Communist China—Clothing will be featured at a trade fair to be held in Shanghai from August 15 to September 5, 1964. Chinese manufacturers will show a wide variety of garments in cotton, wool, silk, linen and synthetics that are available for export. Leather and fur garments and gloves and footwear will also be displayed. The China National Textiles Import and Export Corporation, sponsor of the trade fair, invites Canadian businessmen interested in these lines to attend. This Chinese Government Trade Corporation will have trade officers on hand to conduct business negotiations with foreign visitors.

To obtain a visa to attend the fair, cable as soon as possible to the China Travel Service (H.K.) Ltd., 6 Queen's Road Central, Hong Kong—cable address: TRAVELBANK Hong Kong.

In Ghana—The International Trade Fair to be held in Accra in February 1965 has so far attracted ten countries who have reserved a total of 136,500 square feet of space. The ten are Italy, Morocco, Nigeria, West Germany, Czechoslovakia, Israel, Australia, France, Britain and the United States.

What's current in commodities?

Tobacco

Canada—Exports of tobacco reached nearly 37 million pounds last year, with Britain by far the best customer. Strong effort is being made to develop other markets for our tobacco—among them, are the four described in the following reports.

F. G. BEAUDETTE, *Plant Products Division.*

AN annual average income of nearly $100 million in the last five years—this is what approximately 5,000 Canadian farmers earned from the cultivation of tobacco. In Ontario, which produces about 95 per cent of all Canadian tobaccos, the crop normally represents 20 per cent of the farm cash value of all field crops and 9 per cent of farm cash income.

Flue-cured Virginia-type tobacco is by far the most important: 106,000 acres yielded approximately 186 million pounds (farm weight) in 1963. Ontario accounted for 179 million, Quebec 6 million, and the Maritime Provinces, where tobacco cultivation is just developing, 700,000 pounds.

Other types of tobacco grown in Canada include burley (6 to 9 million pounds a year in Ontario), dark air-cured (600,000 to 1 million pounds in Ontario), cigar leaf (4 to 6 million pounds in Quebec) and pipe leaf tobacco (about 500,000 pounds in Quebec).

Annual burley tobacco exports range from 1.5 to 2 million pounds and go chiefly to Britain and Europe.

New Markets Found

The combined efforts of the Ontario Flue-Cured Tobacco Growers' Marketing Board, the tobacco processors, and the Department of Trade and Commerce have developed a number of new markets in the last three or four years. First sales of Canadian flue-cured tobacco were made to Norway and Sweden in 1962 and Hong Kong has been buying low-grade leaf since that year. DBS statistics for 1963 show Cyprus and Sierra Leone as customers for the first time.

As a direct result of two trade missions organized and sponsored by this Department in the fall of 1963, several new customers were added to the list. Following a five-man mission to Eastern Europe and the Middle East, Bulgaria purchased 3.7 million pounds of 1962 crop flue-cured tobacco for shipment to Czechoslovakia and to the Soviet Union. An Israeli cigarette manufacturer bought 95,000 pounds and there are distinct possibilities for further sales to Eastern Europe and the Middle East.

In November 1963, three representatives of the Japan Monopoly Corporation were brought to Canada by the Department of Trade and Commerce to visit Canadian tobacco growing, marketing and processing centres. Following that visit, the Japanese monopoly purchased some 800,000 pounds of 1962 crop flue-cured tobacco and later bought a similar quantity of the 1963 crop.

The last few years has seen a trend among our older but small customers, generally speaking, to increase their imports of Canadian tobacco. This is especially true for Ireland, Belgium, Denmark, the Netherlands, Portugal and Malaysia. On the other hand, increased competition by Rhodesia and to some extent by the United States has greatly reduced our flue-cured exports to the British West Indies and British Guiana.

Britain Best Customer

Britain continues to be the largest market for Canadian flue-cured tobacco, regularly taking from 75 to 85 per cent of our total exports. However in 1963, the United States increased its exports of flue-cured to Britain to 126 million pounds from 90 million in 1962, and our exports dropped to 28 million pounds from 34 million in 1962.

TABLE I

CANADIAN EXPORTS OF FLUE-CURED TOBACCO

(crop year October to September, redried weight)

	1960-61		1961-62		1962-63	
	'000 lb.	$C.'000	'000 lb.	$C.'000	'000 lb.	$C.'000
Total exports	**39,119**	**28,361**	**44,933**	**32,355**	**36,895**	**28,392**
To Britain	34,794	25,644	34,167	25,795	28,329	23,762
EEC countries	1,357	692	6,324	3,463	4,459	2,139
Other Europe	455	254	325	186	1,551	989
British West Indies	1,520	1,085	1,634	1,160	830	593
Other Commonwealth	647	552	1,264	1,061	1,062	773
All others (mostly U.S.)	345	132	1,220	690	663	367

Even though the number of countries importing Canadian flue-cured tobacco is steadily increasing, all those interested in the tobacco industry need to step up their promotion. It is expected that other exporting countries—especially the United States and the Philippines with huge stocks on hand and Rhodesia, with a record 1964 crop now being sold at lower-than-average prices—will also be increasing their promotion in a world market which appears to be well supplied.

The Ontario Flue-Cured Tobacco Growers' Marketing Board is actually setting up an export promotion program and the Department may come to assume a large part in these promotion activities. It has already launched an extensive world-wide survey of export market possibilities for Canadian flue-cured tobacco. It is hoped that this long-term survey will assist and give some guidance to the tobacco industry in the establishment of a useful sales campaign.

The reports that follow review possibilities in four countries and give some brief information about the tobacco industry in the Soviet Union. ●

France—Tobacco monopoly does buying; dark types preferred.

IF good wine, radically designed automobiles, renowned cuisine, or a versatile aircraft industry symbolize national pride in France, so do French smoking habits. The Frenchman's love for a dark, heavy, loosely packed cigarette, produced especially for him by his national tobacco monopoly, has helped brands like "Gauloise" and "Gitaine" to become recognized internationally as a French obsession. This may over-stress local smoking preferences, but it is true that the French prefer dark tobacco. Tobacco sales continue to increase, both in volume and per capita, but still lag behind consumption rates in most other European markets.

TABLE I

TOBACCO IMPORTS INTO FRANCE: 1963

	(metric tons)	('000 frs.)
Bulgaria	7,075	37,467
United States	2,491	17,934
Argentina	7,902	17,310
Brazil	4,936	13,892
Rhodesia	2,129	8,935
Colombia	2,531	7,314
Philippines	2,911	7,235
Paraguay	2,350	4,607
Turkey	828	4,553
India	2,088	3,904
Mexico	1,527	3,329
Yugoslavia	658	3,270
Greece	444	2,910
Cuba	816	2,628
Dominican Republic	777	2,137
Poland	1,031	2,052
Total imports including all others	**47,386**	**181,269**

The French market consumes roughly 90,000 metric tons of tobacco per year. Domestic growers supply about 45,000 tons of dark tobacco and another 5,000 to 6,000 tons are purchased from former French overseas territories. The remainder is imported from other tobacco exporting countries. (See Table I.)

Imports consist almost entirely of dark or oriental types, with the exception of approximately 1,000 metric tons of flue-cured and some burley purchased from the United States, Rhodesia and India. Imports of cigarettes, cigars, and smoking tobacco account for an additional 2,500 tons.

Tobacco Monopoly

The French tobacco industry is run by the "Société d'Exploitation Industrielle des Tabacs et Allumettes" (SEITA), a government monopoly originally instituted by Napoleon in 1810, which is responsible for the purchase, manufacture and marketing of tobacco and tobacco products in France. A second government commission closely associated with SEITA is responsible for regulating domestic production and fixing producer prices from year to year. This Commission exercises stringent control over producers in terms of acreage and marketing and all production must be sold only to SEITA. During recent years, tobacco-growing areas in France have been plagued with blue mold and research is continuing on the development of resistant varieties of tobacco. Already some new varieties have been introduced but these are more closely related to Virginia and burley types. If this trend in new resistant varieties continues, local production may be moving to the somewhat lighter types.

SEITA operates its own tobacco manufacturing facilities in various centres in France and is the only purchaser of imported tobaccos. It generally tries to buy cheaper and lower quality dark and oriental types, and also maintains substantial stocks.

Sources of Supply

SEITA also manufactures Virginia-type cigarettes such as "Week-End" and "Balto", which account for about 10 per cent of local cigarette consumption. However, sales of cigarettes of this type are not increasing to any extent, though for some time they received considerable support from the U.S. under PL 480 sales of flue-cured and burley tobacco to France. However, as more and more flue-cured purchasing was switched to Rhodesian sources because of price, the percentage of U.S. tobacco in these cigarettes fell so low that U.S. sales support of French Virginia-type cigarettes was discontinued about a year ago. Further, SEITA imports considerable quantities of Virginia and blended cigarettes directly from foreign manufacturers for resale on the French market, largely to cater to tourists and to meet local demand from consumers who prefer smoking imported cigarettes as a status symbol. (See Table II.) For these reasons, it is unlikely that SEITA purchases of flue-cured tobacco will expand much beyond current levels.

TABLE II

CIGARETTE IMPORTS INTO FRANCE: 1963

	(metric tons)	('000 frs.)
United States	1,252	29,958
Britain	550	11,423
Netherlands	206	2,700
Benelux	110	1,231
West Germany	62	1,025
Italy	54	506
Switzerland	18	297
Algeria	128	1,238
Morocco	8	152

The flue-cured tobacco that SEITA buys comes from Rhodesia, the United States and India. Imports from Rhodesia have been increasing at the expense of U.S. tobacco, particularly in the medium and lower grades, because of lower prices. Better grades are purchased from the United States, with a preference for slightly darker colours and greater capacity to absorb tobacco flavourings. Tobacco bought from India is of lower quality and is used for blending in the manufacture of ordinary dark tobacco cigarettes. SEITA buys from primarys to the tips, a cross-section of the plant, as well as tied tobacco or tipped and threshed tobacco. Purchases of tangled leaves are rare.

A relatively new development is the growing of flue-cured tobacco in Madagascar. This is being actively sponsored by France and purchases of small quantities from this new source have begun. If this development succeeds, Madagascar may begin to replace Rhodesia within the next three or four years as a source of French requirements.

So far SEITA has not purchased any tobacco from Canada; prices and prospects for continuity of supply have been key factors in this situation.

—R. G. WOOLHAM,
Assistant Commercial Secretary, Paris.

U.S.S.R.—buys chiefly Oriental tobaccos.

ALL exports and imports of tobacco in the Soviet Union are handled by a state trading corporation, V/O Raznoexport, 5 Kalyaevskay, Moscow, K-6. In buying tobacco the corporation gives preference to buying it through clearing arrangements from foreign countries with which it has signed trade agreements. In 1962 Bulgaria, for example, was the leading supplier, followed by India and North Korea. (See Table I.) Last year the tobacco bought from Bulgaria included some imported from Canada.

million pounds of light tobacco in the first nine months of the year. India raised its sales to the Soviet from 14.9 million pounds in the first ten months of 1962 (13.6 million flue-cured) to 18.7 million pounds (15.1 million flue-cured in the same period of 1963. Brazil supplied 8.8 million pounds of flue-cured tobacco in the first three-quarters of the year, compared with 4.8 million in 1962.

Usually the Soviet buys and prefers Oriental tobaccos, although occasionally it purchases Virginia.

TABLE I

SOVIET IMPORTS OF RAW TOBACCO

	1961		1962	
	metric tons '000	roubles '000	metric tons '000	roubles '000
Bulgaria	30.6	21,897	27.5	24,135
Hungary	0.5	359	1.0	633
Greece	5.1	4,803	4.7	5,897
Rumania	3.0	1,820	....	11
India	6.6	1,425	18.0	7,126
China	4.9	3,317	....	....
North Korea	3.8	2,021	9.6	5,713
Lebanon	0.1	124	0.3	261
Turkey	1.1	990	1.0	776
Libya	0.2	134	....	....
Federation of Rhodesia and Nyasaland	....	....	1.5	494
Brazil	....	....	2.2	964
Other	....	....	....	....
Total*	**57.8**	**38,733**	**66.6**	**46,856**

*As given in the "Soviet Foreign Trade Statistics" for 1962.

This year, under the 1964 U.S.S.R.-North Viet Nam trade agreement, the Soviet will buy tobacco from that source. The trade agreement with Dahomey, signed in 1963 and to be renewed each year, lists tobacco as one of the products to be imported from that country and provides for exports of Soviet tobacco to Dahomey. The 1963-1965 U.S.S.R.-Japan trade agreement makes provision for imports of leaf tobacco from Japan and the 1962-1964 U.S.S.R.-Sweden agreement stipulates that 100 tons of Soviet tobacco shall be shipped to Sweden each year.

In 1963, Mexico was included in the list of suppliers, shipping 4.8

It does not import burley at present. There is no particular time for tobacco purchases.

The U.S.S.R. itself produces and exports substantial quantities of tobacco; in 1962, some 1,100 metric tons of raw tobacco went to West Germany, 334 tons to Switzerland, and 251 to the United Arab Republic. Exports totalled 1,800 tons.

At the present time, the possibilities for marketing Canadian flue-cured or burley tobacco in the U.S.S.R. are very limited.

—G. L. HEARN,
Office of the Commercial Counsellor, Moscow.

Egypt—all tobacco imported.

EGYPT does not grow any tobacco but imports all its requirements. The principal importer and tobacco manufacturer is the Eastern Company, S.A.E., 450 El Haram Street, Giza, Cairo, which produces some 82 per cent of the cigarettes in Egypt. Most of the remaining production is in the hands of El Nasr Company for Tobacco and Cigarettes, Alexandria, which also imports directly. Both these companies are nationalized.

In addition, two state trading companies are permitted to import tobacco. These are Misr Foreign Trade Company, 1 Kasr El Nil St., Cairo, and Arab Foreign Trade Company, 12 Youssef El-Guindi Street, Cairo.

There is no specific method of and time for foreign purchases, but beginning July 1, 1964, the factories were instructed to state their full requirements for the ensuing financial year to enable the exchange control authorities to allocate currency.

Imports of tobacco this year may amount to 13,000 tons, nearly half of which will come from the United States under PL 480 providing for payment in Egyptian currency. It is stipulated that the remainder must be obtained from "friendly countries".

Egypt's current sources of supply are as follows:

	Kilograms
United States	5,164,203
Yugoslavia	1,201,597
Greece	814,582
Bulgaria	797,803
Turkey	651,858
Communist China	886,666
India	650,952
South Africa	341,309
Cuba	305,472
Italy	221,901
U.S.S.R.	162,307
Japan	341,309
Others	561,834
Total imports	**11,768,207**

These figures are for 1962 and are the latest detailed ones available, although a figure of total imports of 12,410 metric tons in 1963 has been published, which shows that the market is increasing. Egyptians smoke both the Virginia and Oriental types of tobacco.

The Egyptian exchange authorities have been reluctant to permit imports of tobacco from Canada in view of their unfavourable balance of trade with us. There is some hope that the U.A.R., as a provisional member of GATT and a heavy borrower from the World Bank, may reduce reliance on this bilateral approach to trade in future.

—W. GIBSON-SMITH,
Commercial Counsellor, Cairo.

Poland—Efforts to sell Canadian tobacco continuing.

THE manufacture of cigarettes, cigars and pipe tobacco in Poland is under the direction and administration of the Central Board for the Tobacco Industry (Zjednoczenie Przemyslu Tytoniowego). There are five manufacturing plants in the country, located at Radom, Poznan, Wroclaw, Lodz, and Czyzyny near Kracow. Annual cigarette production for the past two years have averaged 52 billion pieces, double the 1955 output.

Cigarettes manufactured in Poland contain a high percentage of Oriental and Turkish tobaccos. The Polish smoker is thus conditioned to a strong taste, but he has shown some preference for milder tasting cigarettes with a higher content of Virginia or flue-cured tobacco. A cigarette brand recently introduced called "Carmen" features both a filter and a considerably milder tobacco mixture. In a short time it has become the favorite among smokers.

Poland produces a sizable tobacco crop estimated in 1963 at 59,000 metric tons, a substantial increase over the 1962 production of 37,000 tons. This is insufficient to satisfy domestic consumption and thus Poland imports annually up to 26 million pounds of unmanufactured tobacco. Because of the larger domestic crop in 1963, it is estimated (figures have not yet been published) that imports of tobacco fell in 1963 to 24.8 million pounds.

Major suppliers are other Communist Bloc countries, who have supplied up to 75 per cent of imports in a single year. Chief among these are Bulgaria and Yugoslavia. Other traditional suppliers have been Greece and Turkey and in the past two years India has also become a major supplier, particularly of flue-cured tobacco; imports in 1962 totalled 12.5 million pounds. The United States has also shipped for the last three years under the PL 480 program flue-cured and burley tobaccos. The import of U.S. and Indian flue-cured tobacco has met to date the demand for such tobaccos stimulated by the production of milder tasting cigarettes.

Imports of tobacco are all made through the Tobacco Department of the Polish Foreign Trade enterprise "ROLIMPEX". Its address is:

U1. Zurawia 32/34,
Warszawa
Poland.

Canada has not yet shipped unmanufactured tobacco to Poland, although sales efforts are continuing. Because the production of cigarettes is centrally controlled, it is not overly sensitive to the pressures of consumer demand. Sufficient quantities of flue-cured tobacco to meet current requirements are available from the U.S. under PL 480 and from India, and there has thus been little incentive to look for alternative sources. The fact that Canada already has a trade surplus with Poland as a result of Canadian wheat sales means that it is even more difficult for Canadian exporters to develop sales on regular commercial terms.

—K. O. HILLYER,
Assistant Commercial Secretary,
Copenhagen.

Israel—First Canadian tobacco sold this year.

APRIL 1964 saw the arrival in Israel of the first recorded commercial shipments of Canadian tobacco, a sale that was made in October 1963. Sponsored by the Department of Trade and Commerce, a Canadian Tobacco Trade Mission called on tobacco buyers in Tel Aviv and sold, in terms of Israeli consumption, substantial trial orders of flue-cured Ontario tobacco to a value of $47,633.

Tobacco buyers in Israel consist of the three big cigarette manufacturing companies: two locally owned (Dubek Ltd., and Lod Cigarette Co. Ltd.) and a third British-owned (the Israel Cigarette Company). Each company organizes its own purchases either through import agents or directly.

Types Purchased

Consumers in Israel prefer Turkish or Oriental tobacco to Virginia and all the tobacco grown in Israel is of the Oriental variety. It is produced largely in the northern regions. The crop usually averages about five million pounds but unfortunately in 1963 and again in 1964 the plants were attacked by blue mould disease. Efforts are being made, however, to salvage part of the crop. Oriental tobacco is also imported from Greece, Turkey, Bulgaria and Yugoslavia. Purchases are usually made in September or October and depend to some extent on allocations of hard currency by government authorities in Jerusalem.

The much smaller market for Virginia tobacco usually approximates $320,000 a year, of which two thirds is provided by the United States foreign aid program; the remainder, under agreement with the U.S., must be purchased from free market areas—in the past from the United States and Rhodesia. The cigarette companies find that their purchases of Virginia are not concentrated in any one time of the year but rather depend on stocks.

The Outlook

As mentioned, Turkish tobacco and Turkish blends dominate in the brands of cigarettes sold in Israel. None the less, a few very popular Virginia brands are produced. The largest manufacturer of cigarettes in Israel is now introducing blended burley and Virginia (U.S. type) cigarettes and the president of the company forecasts a continued growth in the popularity of Virginia-type tobacco. This, combined with early reports that Canadian tobacco is being well received by the blenders and the final arbiters, Israeli smokers, should mean a small but steady market for Canadian tobacco in the years ahead.

—B. C. STEERS,
Commercial Counsellor, Tel Aviv.

Margarine

Canada—Our margarine manufacturers have the facilities in their modern plants to produce more for export. Here is information on some possible markets that they may want to study.

JOHN G. KAFFEZAKIS, *Plant Products Division.*

THE Canadian margarine industry is only 15 years old but it has pushed its production to the 180-million-pound mark (1963). Canada is now tenth in the ranks of world margarine producers and second in the Commonwealth. Based on firm foundations, the industry has maintained stable prices; during the past year these averaged 24 cents a pound at the wholesale level in Eastern Canada. This compares favourably with the prices quoted by United States, British and French suppliers in world markets. Canadian per capita consumption of margarine, at 10 pounds, is considerably lower than that in some European countries. In Norway, for example, it is 52 pounds.

The type of oils and fats used in the manufacture of margarine is determined by technological advances, price considerations, the interchangeability of oils and fats, and national preferences. In Canada, manufacturers are required to use only pure vegetable oils or a combination of vegetable oils and marine oils or animal fats; the approved preservative is 0.1 per cent of sodium benzoate. The Canadian product is fortified with essential vitamins and may be coloured with suitable food colouring.

Markets to Investigate

Canadian exports of margarine have been rather insignificant: in 1963 we shipped 115,000 pounds, valued at $28,000, compared with the 40,000 tons exported annually by the leading world suppliers. However, the up-to-the-minute modern plants and refineries in this country can easily increase production to meet larger foreign demand and they are willing to put up special packs for export. Some markets that Canadian producers should look into are described below. Names of importers of margarine in these countries are available from the Plant Products Division, Agriculture and Fisheries Branch, Department of Trade and Commerce,

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Ottawa, or from the Canadian Trade Commissioners stationed in these areas.

Britain—Imports of margarine average 1,700 tons a year; per capita consumption in 1963 reached 13.4 pounds. Norway is the principal supplier. Competition is keen among the brand leaders, who advertise extensively in newspapers and on TV. Prices of the popular brands, such as Blue Band and Stork manufactured by Lever Bros., range from 28 to 38 cents a pound, packaged in one-pound and half-pound cartons.

Sweden—A substantial importer of margarine, Sweden bought about 3,500 tons in 1963. Norway and the Netherlands are among the suppliers. Swedes prefer one-pound and half-pound packages.

British Honduras—About 300 tons are imported every year from Britain and the Netherlands. A large commission agent in this country is interested in importing Canadian margarine in tins—the demand here is for canned margarine in one, five and 28 pound sizes. There is also a market in British Honduras for cooking oils and other oil foods.

Bahamas—The United States supplies most of the 100 tons of margarine imported annually. No edible oils or fats are manufactured locally. The principal fat imported is lard.

Hong Kong—In 1963, 2,500 tons of margarine were imported, mainly from the Netherlands. Margarine is not subject to import duties. Prices average about 29 cents a pound and the most popular packs are 40-pound tins for industrial use and half-pound packets for retail sale. Moisture content should not be more than 16 per cent and butter fat content not more than 10 per cent. The only preservative permitted is benzoic acid up to 1,500 ppm. There are a number of firms in Hong Kong and in neighbouring Cambodia and South Vietnam that Canadian producers should approach.

Burma—From time to time, the Food Procurement Branch of the People Stores Corporation in Rangoon invites quotations on margarine packed in one- and two-pound tins. The usual quantity tendered is 25 pounds. This is a price-conscious market and the lowest possible f.o.b. and c. and f. Rangoon prices should be quoted. ●

How to Label Upholstered Furniture

Exporters of upholstered furniture to the United States encounter varied state regulations on labeling, licensing, registration and sanitation. This article explains some of these regulations and how the Canadian manufacturer can comply with the various requirements.

M. R. M. DALE, *Consul and Senior Trade Commissioner, Boston.*

EXPORTERS of upholstered furniture to the United States should become familiar with labeling regulations in each state. Here is an outline of requirements.

Licences and Inspection Stamps

Thirty states and the District of Columbia require labeling of upholstered furniture; fourteen of these states require that inspection stamps be affixed to the manufacturer's tag. California, Louisiana, Massachusetts, New York, Oregon, Rhode Island, Utah, Virginia, Washington and West Virginia require the payment of an annual manufacturer's licence fee. Florida and Texas require both an annual licence fee and the purchase of inspection stamps.

Maryland, Ohio and Pennsylvania permit the use of either an annual licence or inspection stamps. The licences cost from $25 to $50 a year. If the manufacturer prefers to purchase inspection stamps, he must report quarterly the number of pieces of upholstered furniture shipped to dealers within the state and pay one cent for each article sold in Maryland, two cents for each one sold in Ohio, and one and one-half cents for each one sold in Pennsylvania. A single tag is usually sufficient for an article, regardless of kind. Connecticut, Kentucky and Virginia insist on separate tags for each cushion or pillow forming part of upholstered furniture, in addition to a tag on the body of the furniture. In other states where one tag is used on articles with loose cushions, it should have separate descriptions for the cushion and for the body of the furniture.

Attachment of Tags

Usually tags are sewn into the seam of an article such as a mattress or pillow. Upholstered furniture which has detachable cushions should have the tag attached to the front of the platform which supports the cushion. In upholstered furniture that does not have detachable cushions, the tag should be attached to the front of the bottom of the furniture in such a manner that it hangs down and is easily seen from a normal position. On furniture that can be readily lifted for inspection, the tag may be attached to the bottom of the seat.

Composition of Tag

State laws usually require the tag or label to be made of a durable linen or other closely woven material. Paper-faced cloth and material easily destroyed by use are not acceptable in most states and should be avoided. The Commonwealth of Massachusetts requires that labels be made of a fabric or other approved material of good quality which will not tear easily or flake when abraded.

Several states—including California, Louisiana, Maryland, Massachusetts, New Hampshire, Vermont and Washington—permit labeling of slip seat chairs with screwed wood bottoms by means of a rubber stamp, provided it duplicates the dimensions, descriptions, number, etc., of an approved tag. The stamp should be black and the imprinting should be completed carefully so that it is completely legible.

Uniform Registration Number

Thirty states require that the manufacturer's registration number be shown on the tag. Each of these states will register the manufacturer under the number that his home state issues—or another state if he is not located in a state or province issuing registration numbers. Manufacturers must register in each state that requires it by law but should request the same number in each. The registration number on the tag must be preceded by an abbreviation of the state issuing a number and must be followed by the abbreviation of the state or province where the manufacturer is located if this is not the issuing state. For example, a manufacturer in Nova Scotia who uses his Massachusetts number as his uniform number should show his number as follows: Massachusetts 141 (Nova Scotia). Manufacturers who have several registration numbers assigned by several states should determine which state will be their issuing state and write to the others in which they expect to market their furniture requesting approval of the issued number. In any event, only the number of the issuing state need be marked on the tag regardless of how many different numbers the manufacturer has from different states.

The law of some states requires that tags be printed but it is common practice and usually acceptable to complete the description and percentages of filling materials with a rubber stamp. The imprinting should be made with black ink and should be completely legible.

Filling Materials Used

The tag should have a complete description of the filling materials. It is difficult to generalize about what is required on the tags for marketing in various states as the law has little uniformity. Discussions are now being carried on by the Departments of Health of the various states to obtain a uniform description which will be acceptable to all states. Generally, it is agreed that a tag conforming to the laws of the Commonwealth of Massachusetts or the State of New York will be accepted in all of the states. Massachusetts requires an accurate description of the filling material used and an accurate statement of the percentage of each component in it, as prescribed by the Department of Health regulations. For feathers, down and mixtures thereof, or articles containing such mixtures, the label should specify the kind of fowl from which feathers and down were obtained and also the physical condition of the feathers and down. In upholstered furniture containing hair, the label should specify the animal source. In all regulations requiring percentages to be specified on the label, the department may include generally accepted tolerances.

Avoid trade names and place on the tag the actual generic terms such as cotton, wool, hair, or feathers and down. Manufacturers should contact the specific state in which they expect to market their products to ascertain the regulations for marking the filling used in upholstered furniture.

Sterilization

Hair, feathers, down and wool used as filling material in upholstered furniture must be sterilized by an approved process even if the materials are entirely new. Suppliers of these materials must obtain a sterilization permit and number from the state in which the manufacturer expects to market his product. This permit is obtained in the same manner as a uniform tag number. A sterilization number issued by the Commonwealth of Massachusetts or the State of New York is generally accepted throughout the United States. The supplier need not obtain a permit in each state, because one will suffice.

In New England, the following agencies are responsible for licensing of upholstered furniture manufacturers and suppliers:

1. Chief Inspector
   Food and Drug Division
   Commonwealth of Massachusetts
   524 State House Building
   Boston, Massachusetts.

2. Bedding and Upholstery Division
   Department of Labour and Industry,
   State of Maine
   Augusta, Maine.

3. Division of Food Chemistry
   State of New Hampshire
   State Department of Health
   Concord, New Hampshire.

4. Upholstery Bureau
   Department of Business Regulation
   State of Rhode Island
   49 Westminster Street
   Providence, Rhode Island. •

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Rotterdam, now running neck-and-neck with New York as the world's biggest port, represents the Dutch mercantile genius. Badly bombed during the war, it now has new functional buildings like these in one of the rebuilt downtown shopping areas.

The Netherlands Welcomes Canadians

Business relations with the Dutch are easy and pleasant—and they like doing business with well-informed Canadians. But don't come expecting to see spring bulbs in the fall, or confine your leisure-time sightseeing to the merely picturesque; Holland offers much more.

J. E. MONTGOMERY, *Assistant Commercial Secretary, The Hague.*

FEW countries in Europe give as warm a welcome to the Canadian commercial visitor as the "Low Countries" do. The combination of three factors—the home given to Her Majesty Queen Juliana in Ottawa during the war, the contribution of Canadian troops to the liberation of Holland in 1944, and the large number of Dutchmen who have settled in Canada—assures the Canadian of a cordial reception in the Netherlands. Every conversation between Canadians and Netherlanders following an introduction brings up these three. In fact, the Dutch carry it to the point where the Canadian visitor is almost convinced that Canadians saved the Netherlands single-handed!

The Netherlands market has much to offer the Canadian businessman. For centuries the Dutch have lived on trade. Even today, with a population of approximately 12 million (over 900 to the square mile) its exports and imports combined amount to 75 per cent of the GNP. There are basically three markets: imports of goods for direct consumption, imports for direct re-export, and imports for processing and re-export. For both sea and air transportation, Holland is a major gateway to Europe.

Canadian businessmen have much to gain from a trip here. Since the inception of the Common Market the Dutch economy has grown at a rapid but carefully controlled pace. Because the Government followed a strict anti-inflationary policy until the autumn of 1963, prices and wages were among the lowest in Europe. But now, because of an acute shortage of labour, the Government has been forced to relax wage and price controls and embark on a period of "controlled inflation".

Canadian Sales Rising

Canadian exports to Holland have risen by 20 per cent a year over the past two years and are likely to reach a record in 1964.

The Low Countries are made up of eleven provinces and even though they cover a small land area (15,450 square miles) it is difficult to generalize on the traits of the people. They vary from province to province, in spite of the effects of modern national and international transportation and communication systems. A case in point is the southern Netherlands. Here the people are more gay and fun-loving than their northern cousins. Business visitors accustomed to the northern cities of Amsterdam, Rotterdam, Utrecht and Groningen should not overlook the southern centres of Nijmegen, 's-Hertogenbosch, Eindhoven, Breda and Maastricht. The south has a rich past, a prosperous present and a promising future.

The Canadian visitor to the Netherlands is bound to be impressed by the amount of water. Even when the tulips are not in bloom, miles and miles of canals are lined with green pasture and black and white Friesian cows. There are still windmills to be seen, but more striking today are the blocks of modern apartment buildings.

Local Character

Dutch life, past and present, has been a struggle against the sea and this has influenced the local character more than everything else. By hard work, over 40 per cent of the land has been won from the sea. This fight for existence has left the Dutchman (like the Scot) rather dour and serious by nature, hard-working but hospitable. He is devoted to tradition and is purposefully neat and clean. He has a sense of order, believes in organizing everything, and is noted for his community spirit.

The centre of Dutch life is the home. The head of the house invariably spends his evenings reading the newspaper, listening to the radio, watching television or making repairs. Both the weather and inclination keep him in; he is easily satisfied and has little craving for excitement.

The visitor must be careful of the Dutch sense of orderliness and strict rules of social etiquette. They are tolerant of foreigners' mistakes but never quite forgive lack of punctuality or the breaking of appointments, which are virtually sacrosanct.

Foreign ideas are always welcome, but are frowned on if they are put forward with too much enthusiasm. On social occasions your hosts will undoubtedly inform you of the country's faults—but you should never agree!

Holland encourages tourists and is tolerant of most of their blunders but Dutch good manners do break down when visitors ask to be shown tulips blooming in September. Nor does everyone wear wooden shoes, live in windmills or eat only cheese. And the black and white cows in the fields are Friesians, not Holsteins.

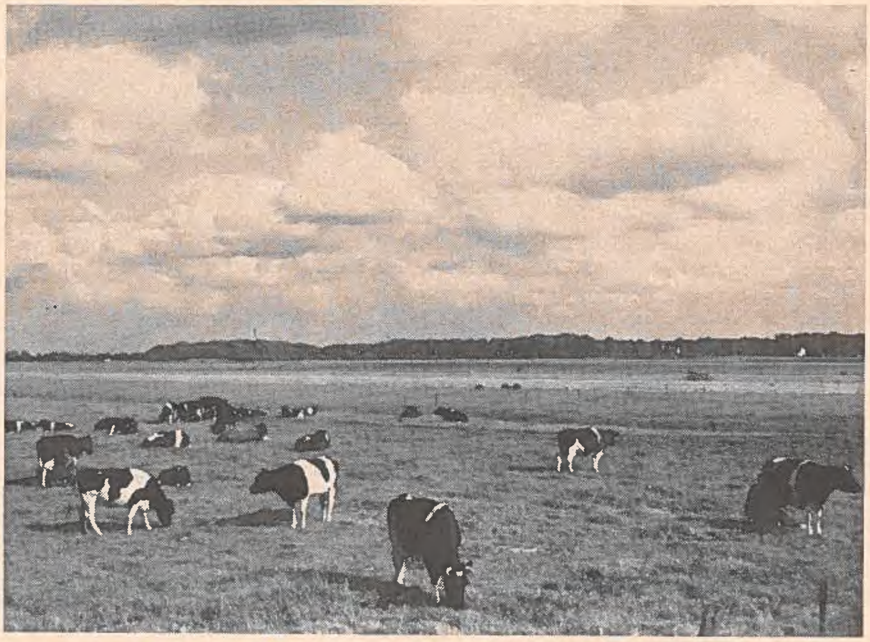
The basic principle of not correcting the people you meet when travelling applies here as it does everywhere else. This is hard to resist when you are first introduced to a Dutchman and he says goodbye instead of hello. This is only a peculiarity of the language which you soon come to accept; the equivalent Dutch word covers both.

On a first visit the Canadian businessman will be impressed by the casualness with which his Dutch hosts speak at least four languages—Dutch, English, French and German. For the Canadian, a large majority of Dutch will launch into French or English without hesitation. They will first apologize for their lack of command of the language and then proceed to speak as if they were native Canadians with only the most minor faults cropping up.

As a businessman you will find your contacts here to be confident and informative, but also sensitive and resentful of criticism. It is up to you to gain their confidence. As hosts, you will find them gracious and ready to establish a lasting friendship based on mutual trust.

Planning an Itinerary

Holland is an easy market to reach. There are air and sea connections from practically every point on the globe. Within the country, a few hours by train or car will bring you to any centre which has its name on the map.



This is one of the two Hollands that the businessman sees: the quiet fields, separated from each other by streams or canals, where black-and-white cows graze. They are Friesians, not Holsteins; be careful to call them by the proper name.

First class hotels are available in most centres. Prices are about the same as in Canada and service is excellent, but in older hotels may tend to be slow. Canadians in a hurry are well advised to order their breakfast delivered to their room at a specific time in the morning if they wish to make an early start.

It is always difficult to advise a Canadian businessman about the time he should spend in the Netherlands. The length of stay varies with the specific Dutch trade which he wishes to approach. In most cases two to four days proves to be sufficient. Prior consultation with the Commercial Counsellor's Office, Canadian Embassy, The Hague, is advisable. The Dutch businessman expects appointments to be made well in advance and frowns on spur-of-the-moment arrangements.

Normal office hours in the Netherlands are nine to five. A Canadian businessman can usually carry out four appointments per day—five or six if lunches and dinners are offered. Entertaining normally consists of a luncheon and sometimes dinner. The Dutch rarely reciprocate by inviting Canadians to their homes unless the friendship is of long standing.

The Dutch consumer is price conscious and the importer invariably complains that Canadian prices are too high. This prejudice is slowly breaking down and when the Canadian exporter can offer a product of a different style and promise quick delivery, a slight price premium will be absorbed and sales made.

Looking Around

The business visitor has many opportunities to combine sightseeing with commercial activity. In a country of canals the obvious attraction is a boat trip. A tour by water through Amsterdam with its carefully preserved 16th and 17th century buildings, or through the busy commercial harbour of Rotterdam will always be remembered. A major attraction for anyone stimulated by fine art is the Dutch museums. Although these are scattered throughout the country, the most famous are in Amsterdam, The Hague and Haarlem. These are year-round points of call. For colour and possibly good weather, April and May are the months for a visit when the bulb fields are in full bloom. The Dutch grow flowers on even the smallest patch of land around their houses but the commercial bulb area lies south and west of Amsterdam in the area surrounding Lisse, where the Kuekenhof Gardens attract thousands of visitors every year.

For after-hours there is every type of entertainment: theatres, concerts and cinema. There are night clubs but not in large numbers—possibly the climate and the serious character of the people kept them from acquiring a taste for wandering from bistro to bistro. Good restaurants with dinner music are much more common.

The visitor will find a ready welcome—not least in the shops. After all, the Dutch are both craftsmen and traders. For both souvenirs and important purchases the Netherlands has much to offer at prices, on the average, much lower than in most other West European countries. The best known items are crystal, china and silver with characteristic national designs. For the connoisseur there are antiques of all kinds and diamonds.

Outside of the traditional sights, the business traveller should not neglect the public works and industrial projects which are part of modern Holland. The Dutch were not content to rest on the laurels of postwar reconstruction, the enclosing of the Zuiderzee and land reclamation. Now the commercial tourist can look at the Delta Plan—a network of dams to control the sea at the mouth of the Rhine, the expansion of Rotterdam Harbour (now vying with New York for first place in world shipping), the construction of the Rotterdam subway, and the natural gas fields.

In natural gas, Holland is becoming another Texas. Reserves in the province of Groningen are officially estimated at 1,100 billion cubic metres. This is said to be close to the present reserves of the Texas Panhandle field, giving Holland the second largest gas bubble in the world. The direct benefits of this gas field to a country with limited energy sources will be substantial. Plans for an aluminum smelter using energy from the gas and expansion of chemical and fertilizer plants are under way. Retail sales of all gas appliances and heating equipment have received a shot in the arm.

House construction activity probably will catch the Canadian's eye sooner than anything else. Housing is Holland's number one problem. The Government is embarking on a crash program to build 90,000 units this year—mainly high-rise apartment buildings and rows of duplexes. Faced by a severe labour shortage, this program will probably only clear away some of the backlog of people waiting for homes and not keep pace with requirements, which grow from year to year.

The Canadian is assured of a ready welcome in Holland whether he comes as a tourist or on business—or both. It must be emphasized that a rational business attitude is always evident and goodwill can only be translated into sales if quality and price are attractive; both are important and products must live up to sample. The general level of imports will increase substantially during the next two years and the businessman can combine selling with pleasure.

The Commercial Counsellor's office in The Hague looks forward to hearing from prospective visitors and will be pleased to assist them with their plans.

The Post Office Says . . .

The rate for airmail from Canada to the United States, its territories and possessions, was raised on July 15 to eight cents for the first ounce and six cents for each additional ounce.

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Greece Improves Its Transportation Facilities

GREECE has improved its transportation facilities remarkably in the past few years. Main highways, ports and port facilities, railways, and airfields have been built or modernized, enlarged and extended to a degree which would have seemed unbelievable ten years ago. Internal air services have also increased.

All this work has been done by government ministries and government agencies such as the Public Power Corporation (PPC), the Hellenic Telecommunications Organization (OTE), and the Hellenic State Railways (SEK). The large funds needed came mostly from U.S. foreign aid grants. Olympic Airways (operated by Aristotle Onassis) is responsible for the extension of both internal and international air services.

A tremendous amount of work remains to be done. An important section (about one-third) of the new north-south highway between Athens and Salonica has still to be modernized. This highway is already serving a growing passenger car and truck traffic between Greece and Western Europe via the new highway through Yugoslavia.

Generally speaking, secondary roads are still bad and in places impossible for modern motor cars. The new government has announced that a start will be made soon on improving them.

The Hellenic State Railways (SEK) has a large program for track improvement and dieselization of its traction units. A Canadian company just missed securing the contract for 12 large diesel-electric locomotives early this year. The offer, backed by the Canadian Export Credits Insurance Corporation, was second only to that of the firm's U.S. associate company.

In addition to these developments, NATO-infrastructure projects from time to time offer opportunities. A number of Canadian firms have done NATO work.

Most of this business is done by international public tenders. Although a Greek agent is not essential to quoting, it is desirable to have one. Canadian manufacturers interested in Greece who do not yet have an agent should lose no time in finding one. In most cases the office of the Commercial Counsellor can suggest individuals or firms for consideration but it is advisable to have a qualified representative make the final selection on the spot.

—B. A. MACDONALD, *Commercial Counsellor, Athens.*

LAFTA Membership and Argentina's Trade

Argentina plays a major part in inter-LAFTA trade; its exports to and imports from the Area are increasing slowly. Delay in adopting tariff based on Brussels nomenclature makes it difficult to analyze the effects of LAFTA concessions on Canada's trade, but they appear to be of little significance.

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

ARGENTINA, which boasts one of the most advanced—if not one of the most highly developed—economies in Latin America, has been a staunch supporter of Latin American Free Trade Association principles since the original seven countries first met to draw up the Montevideo Treaty. This support has been forthcoming despite the fact that the bulk of the country's exports go to Western European countries and that Argentine industry—although advanced by Latin American standards—has for the most part been built up behind high protective barriers. As a result, some sectors are inefficient and will probably have as difficult a time in the new competitive atmosphere of LAFTA as industries of other member countries with smaller populations and more limited markets.

Inter-Area Trade

Despite Argentina's dependence on Europe as an export market (it takes about 60 per cent of total exports), and on both Europe and the United States for imports (about 44 and 25 per cent of the total, respectively), it plays an almost disproportionately important rôle in the exchange of goods within LAFTA. During 1962, for instance, with a population representing just 12 per cent of the total for LAFTA, Argentina's exports to LAFTA countries accounted for 47 per cent of the total value of exports by all LAFTA members to other countries of the area, and its imports for 25 per cent. Brazil accounted for 23 per cent of total LAFTA exports to member countries in 1962, followed by Chile and Peru, each accounting for approximately 10 per cent. On the import side Brazil was in the lead, accounting for 34 per cent of the imports of LAFTA countries from one another, followed by Argentina with 25 per cent, Chile 18 per cent, and Peru 10 per cent.

Negotiations at Third Conference

Negotiations were difficult at the Third LAFTA Conference from October 1 to December 31, 1963. Tariff concessions offered by all members on new products during these sessions totalled 728, compared with 7,593 at the previous two conferences. Although much of the discussion centered around trying to find ways of speeding up tariff reduction procedures by adopting an across-the-board rather than

TABLE I

ARGENTINE FOREIGN TRADE, 1961-1963

	Exports						Imports					
	1961		1962		1963		1961		1962		1963	
	U.S.$ million	Per cent of total	U.S.$ million	Per cent of total	U.S.$ million	Per cent of total	U.S.$ million	Per cent of total	U.S.$ million	Per cent of total	U.S.$ million	Per cent of total
LAFTA Area	99.9	10.4	139.5	11.5	185.4	13.6	125.9	8.6	101.0	7.5	101.9	10.4
Brazil	26.8	2.8	68.4	5.6	77.5	5.7	77.6	5.3	62.8	4.7	58.2	6.0
Colombia	0.3	....	2.3	0.2	8.2	0.6	0.1	....	0.8	....	0.6	....
Chile	43.0	4.5	30.7	2.6	41.5	3.0	24.1	1.6	14.4	1.1	17.2	1.9
Ecuador	....	....	....	....	0.3	....	....	....	....	....	1.3	....
Mexico	1.1	....	0.9	....	2.7	0.2	0.9	....	1.7	0.1	3.7	0.4
Paraguay	8.7	0.8	5.5	0.5	9.6	0.7	10.6	0.7	9.5	0.7	9.4	1.0
Peru	14.2	1.5	25.0	2.1	36.0	2.6	10.4	0.7	9.3	0.7	9.2	1.0
Uruguay	5.8	0.6	6.7	0.6	9.7	0.7	2.2	....	2.5	0.2	2.3	0.2
ECM area	400.0	41.5	546.4	45.1	569.8	41.7	445.0	30.5	412.4	30.5	295.9	30.2
EFTA area	226.6	23.5	235.0	19.3	235.7	17.3	126.1	8.6	188.2	14.0	134.8	13.7
United States	83.8	8.7	88.3	7.2	150.0	11.0	383.2	26.2	396.4	29.3	241.6	24.6
Canada	2.5	....	4.2	0.4	4.1	0.3	31.0	2.1	23.5	1.7	35.4	3.5
Others	142.9	14.9	202.6	16.5	220.8	16.0	348.6	23.8	235.0	17.0	171.3	17.6
Grand Total	**964.1**	**99.0**	**1,216.0**	**100.0**	**1,365.5**	**99.0**	**1,460.0**	**99.8**	**1,356.5**	**100.0**	**980.9**	**100.0**

item-by-item technique, little of a concrete nature appears to have been accomplished. There were a number of industrial sector meetings held both before and during the conference, but for the most part these have been more in the nature of preliminary contacts between manufacturers and LAFTA officials and delegates. But they will, it is hoped, lead eventually to the setting-up of procedures for "integrated development".

Effect on Trade

Table I gives details of the direction of Argentine foreign trade during the past three years; 1962 and 1963 were the first two years of the LAFTA program. In examining this table, the reader should remember that 1962 and 1963 were periods of recession that began with the deposing of the former government by the armed forces in March 1962. The country is only now showing signs of recovery, more than six months after the present elected government took office. During this time imports were severely restricted and as crops were generally good and export markets buoyant, the usual trading patterns were bound to be distorted. Nevertheless, as the table indicates, there seems to have been some orientation of Argentine foreign trade toward LAFTA during the first two full years of the program, because the percentage of total exports going to LAFTA countries rose from 10.4 in 1961 to 13.6 in 1963, and the percentage of total imports originating in the Area rose from 8.6 in 1961 to 10.4 in 1963.

Comparisons Are Difficult

It has been and still is an extremely difficult matter to analyze in any detail the possible effects on Canada's export trade with Argentina of the implementation of tariff and other trading concessions granted by Argentina to other LAFTA members. The basic problem is that Argentina is still employing an outdated customs tariff which has been in effect for more than half a century but LAFTA concessions have been made in accordance with the Brussels nomenclature. Comparisons are thus usually difficult and sometimes impossible.

Argentina was to have adopted the Brussels nomenclature at the inception of the LAFTA program but postponed this action several times and finally scheduled it for January 1, 1964. To complicate the matter further, in September 1963 a new "preliminary" tariff was issued, based on the Brussels nomenclature. This, though basically simple, totalled existing duty and surcharges on each tariff item and changed a considerable number of rates. Interested parties were given a specified deadline to present any complaints against the new preliminary tariff, and the intention was to publish a permanent tariff to come into effect on January 1, 1964. Toward the end of 1963 it was announced that the date for the coming into force of the new tariff had been postponed to May 1, 1964, and although no further announcement has been made, it is freely admitted that there will be a further postponement. The net result of these delays is that for non-LAFTA countries the outdated tariff is still in effect, though the Argentine national list of concessions to other LAFTA members is completely up to date; it was published in the *Official Gazette* of March 28, 1964, and made retroactive to January 1, 1964. This list, of course, incorporates all concessions granted by Argentina to date, including those negotiated at the Third LAFTA Conference: 243 on new products and 51 on products previously negotiated, compared with the 1,072 concessions granted at the two previous conferences. When the new Argentine general tariff comes into use, a detailed study of the present and future effect on Canadian trade of these concessions will be possible.

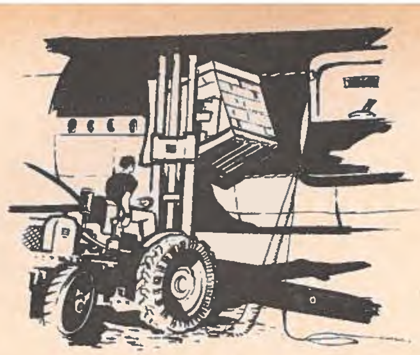
How Canada Affected

Speaking in general terms, Argentina has granted tariff and other concessions on a number of items of interest to Canada, but those granted so far do not appear to have affected our export trade adversely. One of the main reasons is that our exports to Argentina consist largely of raw and semi-processed materials and a few machinery items, most of which are either not obtainable within the LAFTA area or not yet available in sufficient quantities to satisfy requirements. Another reason why the nearly 1,400 concessions granted by Argentina do not appear to have affected our trade is that for many years Argentina has exempted many items from payment of import surcharges when they originated in neighbouring countries and Peru. (Neighbouring countries are Uruguay, Paraguay, Chile, Brazil and Bolivia.) In many instances, therefore, where Argentina has granted import surcharge concessions Canada's position has deteriorated only to the extent that Mexico, Colombia and Ecuador have been added to the list of countries enjoying preferential import surcharge treatment—and Argentine trade with these Latin American countries is very small.

In spite of the slow start, most countries of the Area seem determined to proceed with and even speed up implementation of the LAFTA program. Canadian exporters with interests in the Argentine market should keep in close touch with Area developments and are invited to send their inquiries to the Commercial Counsellor, Canadian Embassy, Bartolomé Mitre 478, Buenos Aires, Argentina.

New Hotel for Liverpool

GROSVENOR HOUSE LTD., (the big London hotel group) has taken the lease of the 162-bedroom hotel which is to form part of Liverpool's $30 million St. John's Precinct redevelopment. The project covers 6¼ acres in the centre of Liverpool, and will feature a 400-foot flue tower with a bar and a lounge on top, a traffic-free market and shopping area, and a new retail market.



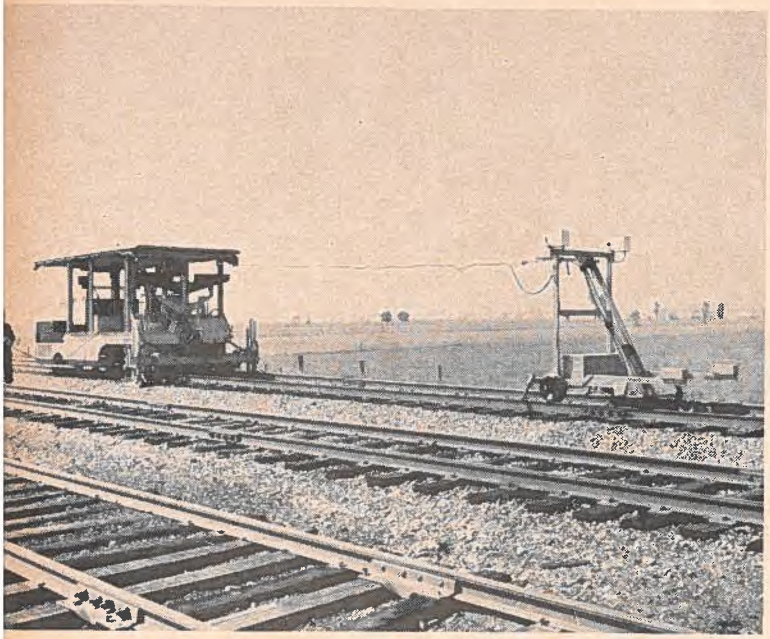
Enterprising Exporters

Ballast for British Rails

A MACHINE that automatically raises railway tracks and then presses ballast into place underneath with automatic tampers now figures among Canada's exports to Britain. It's made by the Tamper Division of Canada Iron Foundries Limited in Montreal, has been selling in the United States since 1958, and has been ordered also by customers in Mexico, Australia and South America.

Last year the company arranged for British Railways to conduct a series of trials and to compare the performance of its Autojack Electromatic Tamper with that of the competitive machines from Austria and Switzerland that B.R. was already using. The result: the current order.

The machine can be operated either entirely automatically or semi-automatically, in both instances by a single operator who may, at will, decide to work it by remote control. Lifting and levelling the track can be accomplished without reducing the production speed of tamping.



This autojack electromatic tamper now being used by British Railways lifts and levels the track while tamping. The machine can be operated entirely automatically or semi-automatically. It uses high-frequency vibratory, drop-and-squeeze type of action with variable squeeze pressure, and variable squeeze speed. All of these controls are hydraulic.

The company is now beginning a drive to find markets in the Far East and reports that prospects are encouraging.

A Home on the Rolling Deep

FORTY men will soon be living comfortably eight miles off the Alaskan coast on a platform some 60 feet above the level of the ocean, thanks to a Calgary firm. Its twelve prefabricated living units, each ten by thirty feet, will first be set up on barges to house the construction crew setting up offshore oil-drilling operations. Later, when the drilling platform is in place with its four great tubular legs imbedded in concrete on the ocean floor, the units will be stacked two high on it and the drilling crew will move in.

Made by Atco Industries Ltd., the units include sleeping, dining, washroom and recreation facilities. There will be a fully electric kitchen, facilities (including a freezer) for storing a 30-day supply of food, bunks to sleep in, and even amenities like closets and easy chairs. All the units were completely prefabricated in Calgary, including plumbing, heating and wiring, and were sent overland to Seattle, where they will be put on barges for the trip to Alaska. At the site, the drilling platform will supply the needed electricity and steam heating.

Refrigeration Made Easy

ABOUT 18 months ago, a Canadian company began to look for export markets for a product that is used in commercial refrigerators and refrigeration rooms to control humidity and thus save on electricity. Known as Kem Air, it's a natural mineral that inhales excessive humidity when the door of the refrigerator is open and exhales it when the doors are shut for a long period, thus preventing the needed humidity being taken out of the goods stored and stopping dehydration. It also eliminates odors.

Kem Air of Canada reports that it has so far done all its selling through correspondence and through encouraging interested persons abroad to come to Canada and see for themselves how the product works. One German visitor, the company says, went back to open up a European Division for Kem Air and after overcoming a number of initial problems, has made installations in a number of countries. Early this year, a U.S.

businessman set up an independent importing company to handle Kem Air in the eastern United States and by the end of May had established representatives in four states. Initial shipments have also gone forward to Australia, New Zealand and Japan. The system followed is to require the exclusive representative in these countries to buy a minimum number of units with the signing of the contract and the same number each year thereafter. Or in certain cases the mineral only is exported and the aluminum parts made under a licensing agreement in the foreign country.

Hedy Heads Back

A VIENNESE maker of handicraft costume jewellery who started her own business in Toronto about twelve years ago spent two months last summer travelling in her native Europe. In those two months Mrs. Hedy Hill covered ten countries in her search for new markets. She made some headway too, even though her samples were badly damaged in transit and she had to rely on the pieces she herself was wearing in making her sales presentations.

European tastes in jewellery differ from the North American, she discovered. The European woman usually likes smaller pieces and less conspicuous designs, and does not care for primitive motifs. This means that Mrs. Hill has to modify her designs if she is to succeed in Europe. Already she has sold to Au Louvre, Paris department store, the pieces included in the display of Canadian goods there last fall. She also received an initial order from a French chain with about 40 stores in France itself and 45 in the newly independent French African countries. In Lisbon, Portugal, she got a sample order and she secured others in Vienna. France, Austria and Portugal seem to be the most promising markets. Following exhibits at certain trade fairs in the United States—including the solo Canadian Trade Fair in Philadelphia—she made some sales there but the U.S. duty of some 35 per cent is a limiting factor.

Recently Mrs. Hill obtained from the Department of Northern Affairs the franchise to make Ookpik costume jewellery and this may give her creations a new sales appeal, both in Europe and across the border.

Grain Separators for Cairo

CANADA had a hand in making the handling of the important Egyptian rice crop simpler and more efficient when Kipp Kelly of Winnipeg shipped $85,000 worth of equipment to the United Arab Republic a short time ago. The 16 stoners are being used to remove mud balls from rice grown along the banks of the Nile and the ten gravity separators to remove all other types of impurities. This represented the largest order that the 60-year-old Winnipeg firm has ever shipped abroad, though it now exports to more than sixty countries. Kipp Kelly machines have been used in tin mines in Ghana, have sorted diamond concentrates at diamond mines in Tanganyika, and have separated seed peas in Holland—to cite only three of the many jobs that they are doing.

Caribous Fly Down Under

BY the end of this year the Royal Australian Air Force will have in service 18 twin-engine *Caribou* Aircraft, purchased from de Havilland Aircraft of Canada Limited for some $15 million. The first of the eighteen, fitted with long-range auxiliary fuel tanks, winged its way to Australia late in February and the others will follow at intervals. Each plane is to be fitted with reverse pitch propellors, thus enhancing its short take-off and landing capabilities. De Havilland has already sold its *Caribou* to the United States Army, to the Air Forces of Ghana, India, Kuwait and Sweden, and to the civil air transport organization of Taiwan.

Luggage for London

THE locale was excellent: the Sir John A. MacDonald Building in London, which houses the offices of the High Commissioner for Canada. So was the timing: the week of the Leather Goods Fair, put on annually by British leather manufacturers. The result? About 100 persons, including 50 to 60 buyers, came to see the display of modern luggage made by Samsonite of Canada. Better still, they placed with distributors (46 of whom they acquired at the show) sample orders running into five figures. Since then, they have added 50 distributors, for a total of 100 all over Britain.

Earlier Samsonite had appointed a commission agent who was able to open up one or two new outlets for its line. The company's main objective in mounting the display in MacDonald House was to discover whether it would be worthwhile to make an all-out effort in the British market. With the help of the Canadian Trade Commissioners in London, a new salesman was selected during a visit of Samsonite representatives to London and an arrangement made with a firm of importer/factors. The latter handles documentation, warehousing of the goods, distribution, and collection of accounts, leaving the salesman free to concentrate on selling alone. As a start, he spent several weeks in Canada learning how the Samsonite line of luggage is made and how it is merchandised in the home market.

When the salesman returned to London, the company forwarded a bulk shipment to the importer/factors and the salesman arranged for the showing in MacDonald House with the help of the Trade Commissioners, who also drew up an invitation list. Its success convinced Samsonite that it could sell its high-quality line throughout Britain.

Colombia Pushes Development

Through careful planning and the use of long-term credits, the economic development of Colombia is steadily gaining momentum. As it progresses, demand for raw materials and equipment should rise.

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

COLOMBIA was the first country in Latin America to produce a detailed Ten Year Development Program in compliance with the terms of the *Alliance for Progress*. This program, after more than two years in operation, is beginning to show concrete results. An even greater rate of improvement should be achieved during the next five years and during this period there will be excellent opportunities for Canadians to do business in Colombia. Among these are the supply of capital equipment and services for major projects which are now in the planning stage; the supplying of raw materials and semi-manufactured products to ever-expanding industry, and finally, opportunities to sell knowhow to new and expanding local industries or make licensing arrangements with firms already established in the market.

To provide a background for the rôle which Canadians can play and to provide some idea of the financial aid already given to this country for capital investment since the *Alliance for Progress* began in August of 1961, the following figures may be of interest. Altogether, Colombia has received financial assistance of over U.S.$400 million. Of this amount, approximately U.S.$225 million has been provided through official channels by the United States alone (exclusive of U.S.$114 million for balance-of-payments assistance). Of the funds received from over 40 lending entities and governments, the largest share was used for the following projects:

Type of Project	Amount (millions of U.S. dollars)
Municipal water and sewerage work (six different loans)	31.8
Small industry loans (three separate loans)	63.1
Equipment for large industries, e.g. cement, soda, steel, etc., (seven different loans)	39.5
Engineering studies (four separate projects)	6.9
Housing (three loans)	34.7
Agricultural development (two loans)	18.0
Transportation equipment, aircraft and railway equipment (three loans)	50.7
Electric power plants (three projects)	80.8
Highway construction	39.0
Port construction (one loan)	10.0
Sundry credits made available by members of consultative group for minor capital equipment purchases, e.g. farm equipment, telephones, etc.	32.8
Grand total	**$407.3**

Opportunities in the Future

The World Bank, acting as coordinator, assisted in the establishment of a Consultative Group for Colombia in the latter part of 1962. This group of countries, which includes Canada, is expected to take up and finance projects in Colombia in accordance with a detailed program of priorities and repayment capabilities worked out by the Colombian Planning Board in conjunction with the World Bank officials in Washington and Bogotá. These organizations produce quarterly summaries of "Proposed Projects under the Consultative Group" and member countries are encouraged to indicate which projects they wish to investigate with a view to providing the necessary equipment and long-term financing. For example, Table I gives the projects shown in the first list in 1964 as being actively considered for external financing.

In addition to the above items under "active consideration", there are 19 other projects not yet under active consideration for external credits which amount to $181.2 million. These, which are given in Table II, fall into much the same classifications as those shown in Table I.

Opportunities in Private Sector

The figures shown in the above section are concerned with investments in the public or semi-public sectors. In addition, of course, there have been multi-million-dollar investments made by private companies from the United States, Europe and Canada during the past two years. The industrial output of the country is expanding at the rate of approximately 5 per cent a year (as against an over-all minimum economic expansion of 2½ per cent expected under the *Alliance for Progress*) because of the large investments being made in new plant and equipment by both Colombian and foreign firms. The former are mainly interested in the textile, food processing, and building material fields, but the foreign firms are investing in the automotive, household appliance, paper and drug industries.

Because the expanding industrial complex of the country requires machinery and raw materials, Canadian firms who can supply such materials competitively should see their sales to Colombia increase steadily.

TABLE I

PROPOSED PROJECTS UNDER THE CONSULTATIVE GROUP

Type	Name or Location	Estimated Value (U.S.$'000,000)	Entity Currently Interested
Thermal electric	Barrancabermeja	6.5	Eximbank—U.S.
Thermal electric	Barranquilla (second phase)	5.0	Eximbank—U.S.
Hydroelectric	Rio Nare	42.0	IBRD
Gas-powered generators	Chinu Station	2.7	Eximbank—U.S.
Hydroelectric	Rio Mayo (second phase)	1.6	Eximbank—U.S.
Electrical distribution	Rural Electrification Co-operatives	1.2	AID—U.S.
Telecommunications	TELECOM (first phase)	25.0	IBRD
Bridges	Ministry of Public Works	1.9	German and Japanese suppliers
Airport	Barranquilla	8.0	AID—U.S.
Livestock	Banco Ganadero	4.0	AID—U.S.
Agricultural diversification	Caldas Department	7.0	IADB
Agricultural co-operatives	Cauca Valley	0.5	AID—U.S.
African palms	Industrial Agraria La Palma	1.3	IADB
Education	Universities	1.1	IADB
Education	Scholarships	1.0	AID—U.S.
Health	Ministry of Health (first phase)	7.0	AID—U.S.
Small industries	Corporaciones Fiancieras	2.0	AID—U.S.
Housing	Housing co-operatives	10.0	AID—U.S.
Private investment Fund	Central Bank	1.4	Dutch Government
Grand total		**129.2**	

TABLE II

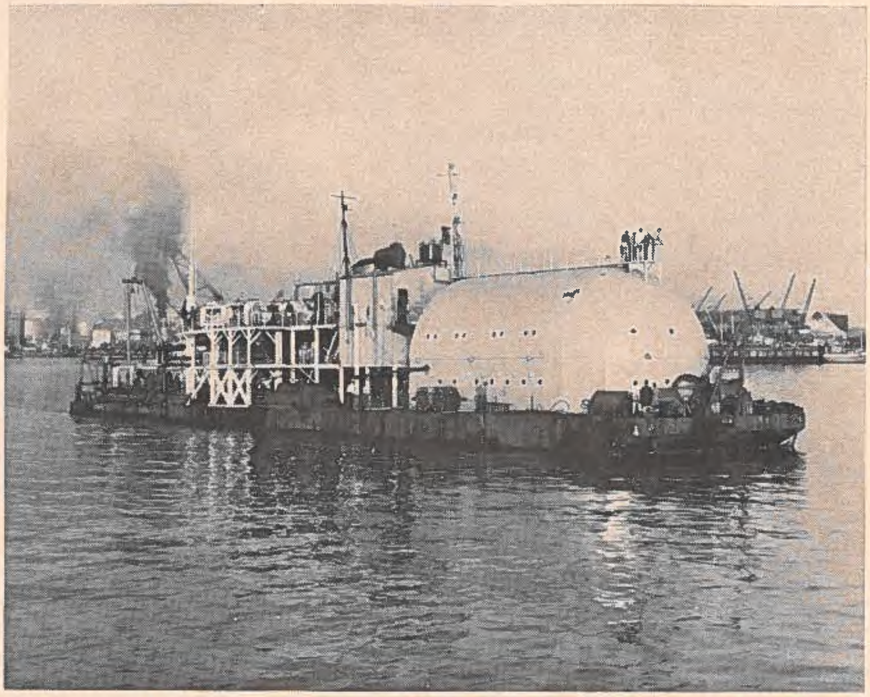
Entity	Project	Amount (U.S.$million)
ELECTROAGUS	Rio Prado hydroelectric power project (second phase)	8.0
Corporación del Valle del Cauca	Calima II hydroelectric power project (second phase)	22.0
Empresa Colombiana de Telecommunicaciones	Municipal telephone systems	1.4
Government of Colombia	Highway construction (tentative only)	17.0
Government of Colombia	Highway maintenance	12.0
Empresa Colombiana de Aerodromos	Cali airport	8.0
Agrarian Reform Institute	Reclamation projects—various	8.0
Corporación del Valle del Cauca	Reclamation projects in Valle	10.0
Empresa Colombiana de Puertos	Port improvement in three major Caribbean ports	10.5
Municipio de Barranquilla	Water project	2.5
Empresas Publicas de Medellin	Medellin sewerage extension	4.1
Empresas Municipales de Bogotá	Bogotá sewerage extension	7.0
Caja Agraria	Rural housing pilot project	1.0
Instituto de Crédito Territorial	Self-help housing	7.5
Ministerio de Educación	Primary education expansion	5.0
Ministerio de Educación	Secondary education expansion	8.0
Ministerio de Educación	University education expansion	6.9
Banco de la Republica	Private investment fund for industrial development	42.3
Total		**181.2**

In 1963, for example, Canadian exports to Colombia of over $23 million represented an increase of 14.5 per cent over 1962, with chemicals, metals, and machinery items, including electrical equipment, showing the largest gains. Although Colombia imports over U.S.$400 million worth of goods annually from all sources, it should be kept in mind when trying to sell in this market that many component parts, semi-manufactured goods and even some types of raw materials are consigned directly by parent companies to their subsidiaries in Colombia. This is particularly true in the appliance, electrical equipment, paints, some chemicals, drug and non-ferrous metals industries. Thus it is necessary in some instances to "sell" the parent organization before trying to sell the local subsidiary.

Finally, Canadians should realize that the Colombian Government tries to encourage new capital investment in the country by offering certain incentives. These include protection through import licensing to firms willing to set up manufacturing plants here, by maintaining a free rate of exchange for repatriation of profits, and by giving foreign firms the same treatment as Colombians in applying tax and other laws. This policy has resulted in a tremendous expansion of foreign industry here and large investments have been made recently by such firms as General Electric, British Motors Corporation, American Celanese, Siemens, Philips, International Paper, and Grace & Co.

The Post Office Says . . .

Parcel containers should not be used a second time unless the original address, postage and other evidence of previous mailing are completely covered or removed. When this is not done, the confusion of old and new addresses and postage stamps or impressions can result in the parcel being mistreated (particularly if it is being sent c.o.d. or insured), and cause a great deal of inconvenience to both sender and addressee.



A diamond-mining barge is seen leaving the port of Cape Town to begin operations off the coast of South West Africa. Sucking up silt from the ocean floor, barges such as this one may recover up to 40,000 carats per month. A new development in underwater mining is the use of a converted war-surplus tank-landing ship.

Diamonds from the Sea

H. W. RICHARDSON,
Trade Commissioner, Cape Town.

FOR the second time in its history, South Africa appears to be in the grip of diamond fever. This time the locale is under the ocean—in contrast to the first mining of the gems in the valley of the Orange River. The first recorded find of diamonds in South Africa occurred in 1867, when the children of a farmer in the Hopetown district on the Orange River picked up a diamond. It was the "Star of South Africa" discovery two years later that touched off the first diamond rush in the country—similar in most respects except climate to the great gold rush to the Yukon a few years later.

Most diamonds that are commercially mined have been found scattered throughout narrow volcanic "pipes" going deep down into the earth's crust; out of 150 pipes discovered, 25 have been worth mining. At first these pipes were worked by individual diggers and later by companies; finally the different interests were amalgamated in 1888 into De Beers Consolidated Mines, which still dominates the world's diamond trade.

In 1927, alluvial diamond deposits were discovered on land near what was later known as the "diamond coast" of Namaqualand and South West Africa. Gems of particularly fine quality were recovered and some of De Beers' biggest operations are now located at the mouth of the Orange River. There are other alluvial deposits in the Western Transvaal area. In 1962 some 3,957,900 carats of mined and alluvial diamonds worth about $62 million were recovered.

Search under the Ocean

In 1956 the first concession was granted to a group of local residents to prospect for diamonds on the seabed between the mouth of the Orange River and Luderitz, situated north of the Orange in South West Africa. This concession resulted in the founding later of the Marine Diamond Corporation under the chairmanship of Sam Collins, a Texas oil promoter, who successfully convinced the concessionaires of the practicability of adapting underwater oil-exploration techniques to diamond recovery along this treacherous coastline. Since 1961 several companies have been granted concessions to prospect for diamonds on the seabed from the mouth of the Kunene River on the Angola border down the entire South West African coastline and part of the South African coast as far south as Cape Columbine near Cape Town. (One concession holder is the famous oil millionaire Paul Getty.) These concessions have now been extended beyond the three-mile territorial limit to the continental shelf.

A number of geological theories have been advanced to account for the presence of diamonds on the bed of the ocean from the shoreline out to a distance of five, and possibly more, miles from shore. One theory is that the diamonds were brought down to the sea by rivers like the Orange, Buffels and Olifants, or by other rivers that have now disappeared. They were then distributed along the coast by the action of the waves and strong parallel currents flowing north and south along that coast. These diamonds originated in known or unknown diamond-bearing pipes inland, such as those in the Kimberley area.

Some geologists believe that the diamonds were carried from inland to the ocean by glacier action during the ice age; others, that they come from pipes near the shoreline that are now hidden by sand dunes, and still others, that the diamonds originated in pipes along the continental shelf but now under the sea, and that they were (and possibly still are) distributed along the coast by the action of heavy waves and currents.

Exploitation Begins

At present the Marine Diamond Corporation—consisting of Mr. Collins and his four groups of financial backers—is the only company among the four concessionaires actively engaged in recovering diamonds from the seabed. One of the others is prospecting with a special research craft. The first of the Collins' mining craft was a self-contained mining camp on a barge that housed 53 men, produced its own fresh water, and was equipped with laundry and cold storage. It started operations in 1961. It was not self-propelled, was in direct communication with its home base in Cape Town, and was visited every week by supply boats. This pilot floating mining plant proved very successful, although it was wrecked during a severe storm in June 1963. A replacement was ordered immediately, was built and fitted at Cape Town in the record time of 80 days, and is said to be the largest craft launched in South Africa.

This new barge is now mining successfully not far from the wreck of the original craft. It was joined early this year by a much bigger floating mining plant that is self-propelled. Last year the Collins organization purchased a war surplus tank landing ship and after extensive refitting it was brought to South Africa, where it was fully converted for underwater diamond mining and named *Ontdekker*. It is said that this vessel may recover up to 90,000 carats of diamonds a month, compared with 30,000 to 40,000 carats a month for each barge.

Mining Method

Sea mining is done by suction, using several 20 to 26 inch-diameter tubular units simultaneously over the sides of the vessel. These stir up the sediment and everything that is loosened is drawn up the centres of the flexible tubes by powerful compressed air lifts. Special anchors are put out in four directions to keep the ship working steadily under controlled movement during all sea conditions. Sand, gravel, small boulders and occasionally diamonds are sucked up together with tons of salt water and delivered to a scalping screen, which eliminates the large bulk of material of lesser specific gravity in which no diamonds could be present. The water and fines are separated by a second vibrating screen that recovers the diamondiferous fraction and diverts it to the heavy media section. There the heavy minerals and diamonds are separated from the lighter material by a hydrocyclone operating with a heavy media slurry ferrosilicon. After further separating processes, the material is finally passed on to the closely guarded sorting room, where sorters pick out the diamonds by hand from the remaining material.

The average size of each stone recovered so far has often been a little over one-half carat, compared with the average on land which is usually closer to three-quarter carat. However, it is believed that all the diamonds recovered from the sea so far have been of fine gem quality, with no industrial diamonds included. Normally, all the diamonds will be marketed through the De Beers organization. The Central Selling Organization of De Beers has just agreed to purchase from Marine Diamond Corporation 30 per cent of the De Beers' total world sales of diamonds of less than one carat each. De Beers has also undertaken to buy all larger stones and any industrial diamonds. This agreement should be viewed within the context of rising prices for diamonds generally, with a 5 per cent price increase on uncut diamonds announced by De Beers in 1963, followed by another one of 10 per cent—the first increases for many years.

Two of the four groups financing Marine Diamond Corporation now have shares listed and transacted daily on the Johannesburg stock exchange—Sea Diamond Company (Mr. Collins and associates) and Diamond Royalties and Holdings Ltd. (mainly the original concessionaires). Sea Diamond Company is also being traded daily on the London stock exchange after being listed in May. Some thought had been given to listing one of these speculative shares on the Toronto exchange also, but apparently this is not being pursued.

Two other companies—the Getty group and Terra Marina Co.—are doing preliminary exploration and De Beers is co-operating with them in these efforts. A fishing trawler has been converted to a prospecting vessel and has just begun a systematic search in parts of these concessions, using mining equipment on a pilot-plant scale—similar to that which the Marine Diamond Corporation fitted on its vessel the *Ontdekker*.

A prominent American oceanographic prospecting company has been engaged by the De Beers organization to make a detailed survey of the coastline from the mouth of the Orange River north to Luderitz, with the probability that the survey will be extended later both southwards and northwards. The world's first vessel specially designed for undersea mineral and diamond prospecting, the *Rockeater,* is engaged in this systematic assessment of the sedimentation lying on the bedrock off the shore to a distance of one to one and a half miles. De Beers have an option to begin participating in the Marine Diamond Corporation capital structure, which will expire next March, and their decision will be based on the results of the *Rockeater* survey. Two other companies with concessions north and south of this are also beginning to plan preliminary explorations—the Getty group (Tidewater Oil Company) and Terra Marina Company (a South African group). De Beers is co-operating with all these efforts and holds a substantial interest in the Getty concession and an option in the Terra Marina concession. The Terra Marina Company is converting a fishing trawler to a prospecting vessel and is about to begin a detailed survey in its area with mining equipment on pilot plant scale, similar to that of the *Rockeater* and the Marine Diamond Corporation's *Diamanthus* and barges. ●

GENERAL NOTES

Australia

CONVERSION TO DECIMAL SYSTEM—The Federal Government is to foot a share of the cost of adapting cash registers, adding and accounting machines to decimal currency. The Treasurer said in an official statement that the Government's share in the cost of the conversions was expected to be more than £30 million. Machines would be converted on a zone basis so that all businesses in the same area would change to decimal accounting at the same time. The Government expects to convert about 84,000 cash registers, 132,000 adding machines, and 24,000 accounting machines at its own expense. It will also pay cash compensation to owners of 55,000 older machines (18,000 cash registers, 29,000 adding machines and 8,000 accounting machines). The form of government assistance would normally depend on the date the machine was new and installed and in some cases there would be other conditions. The Decimal Currency Board said it believed the cost of converting machines not eligible for government-sponsored conversion would not be justified in most instances and owners should consider the advisability of replacing them—Sydney.

LOCAL CONTENT IN CARS—Motor car manufacturers will be required to increase the Australian content of their vehicles to 95 per cent by 1970 under a plan announced on May 1 jointly by the Minister for Trade and the Minister for Customs.

From the beginning of 1965, automobile manufacturers will be able to import duty-free or at concessional rates only if they gradually increase the local content in accord with a program prescribed by the Government. This program will be modified for manufacturers of vehicles sold in relatively small numbers—Melbourne.

Finland

IRON & STEEL WORKS—Oy Vuoksenniska Ab is planning to expand its works at Imatra (steel) and Turku (iron) to increase its production of quality steels. New tempering furnaces and plant for the continuous hardening and tempering of quality steels will be built at Imatra and the production of the wire-rod rolling mills will also be expanded. These extensions are expected to be completed before the end of 1964 and will also include a continuous-casting machine. The Turku works will be equipped with a new blast furnace able to produce 120,000 tons of foundry pig iron a year—Stockholm.

Guatemala

NORTHERN REGION—The long-discussed plan to settle 100,000 families in the greatly underpopulated northern region of Guatemala known as the Peten has taken a further step forward. A program is being worked out by the Government of Guatemala together with the World Health Organization, the International Labour Organization, the UN Food and Agriculture Organization, the Inter-American Development Bank, and the Agency for International Development. As a preliminary step, the area will be mapped at a cost of about U.S.$10 million—Guatemala City.

Jamaica

LOANS RAISED—Jamaica has recently raised a loan of Can.$4.5 million on the Canadian market. Only a week before, a loan of $6.8 million was raised on the London market. These loans are to meet expected capital expenditure by the Government for the current fiscal year, especially for projects in agriculture, industry and communications.

In approaching the Canadian market, the Jamaican Government is seeking to diversify its external borrowing sources by building up contacts in capital markets other than in the traditional centres such as New York and London—Kingston.

Mexico

NEW DAM PROJECT—Over U.S.$8 million is to be spent on construction of the El Pajal Dam in the State of San Luis Potosi. The dam will be used for irrigation and power generation in the Tamuin, Ebano, Valles and Tanlajas areas of the state. Part of the cost of the new project will be furnished by the Inter-American Development Bank—Mexico City.

Portugal

DEVELOPMENT OF THE FISHING INDUSTRY—During the launching of two new ships, the Portuguese Minister of the Navy announced that it is expected that Can.$25 million will be invested from 1965 to 1967 inclusive in the fishing industry and related industries. This amount would be split up as follows: Can.$6.8 million for the codfish fleet; Can.$8.5 million for the coastal and deep sea trawling fleets; Can.$1.1 million for the sardine fishing fleet; Can.$1.7 million for the tunny fishing fleet; Can.$2.7 million for freezing chambers; Can.$1.1 million for the deep sea fishing fleet, and the remainder for sundry equipment, whale fishing and oyster beds—Lisbon.

South Africa

NEW STEEL PLANT—The Anglo-American Company is examining prospects for a steel plant at Witbank on the Rand which would cost about $150 million. The plant would be located near a 500-million-ton reserve of vanadium-bearing ore and would be large enough to produce about 500/600,000 tons of finished steel a year, and about 25 million pounds of vanadium pentoxide.

Anglo-American has put up a pilot plant and has produced pig iron and vanadium from magnetite, using electric smelting methods. Anglo-American, with government approval, is still working out with Iscor a basis for the project—Johannesburg.

Sweden

BREWERY VENTURE—Allied Breweries Ltd., London, AB Stockholms Bryggerier, Stockholm, and John Labatt Ltd., Canada, have jointly purchased Schwarz Laboratories Inc., New York. The resulting joint technical research will be made available to brewers throughout the world on a commercial basis—Stockholm.

West Germany

SECOND NUCLEAR POWER PLANT—Two large German companies, the Vereinigte Elektrizitaetswerke Westfalen A.G., Dortmund, and the Allgemeine Elektricitaets-Gesellschaft, Frankfurt/Main, are reported to have combined forces to erect a second big nuclear power plant in Germany. This plant is scheduled to supply 250 megawatts beginning in 1968 and will be built near Lingen in Northern Germany at an approximate cost of DM250 million.

The Allgemeine Elektricitaets-Gesellschaft will supply a specially developed boiling-water reactor. The West German Government will provide financial aid for the new power plant. It will be managed by the Kernkraftwerk Lingen GmbH. which will apply for the privileges granted to so-called "Mutual Undertakings" under the European Atomic Community Agreement—Bad Godesberg.

Foreign Tariffs and Trade Regulations

New Zealand

IMPORT OF SAWN LUMBER AND WOOD PACKING CONTAINING BARK PROHIBITED—The New Zealand Government recently announced the prohibition of imports of sawn timber and wood packing materials with bark attached. This prohibition will be incorporated in amendments to the present regulations which will be published in the near future and will apply as from January 1, 1965. The prohibition on bark does not apply to peeler logs or marine piling to which special conditions of entry already apply.

Further information on this subject may be obtained from the Canadian Trade Commissioner in Wellington or the Commonwealth Division, Office of Trade Relations and Trade Policy, Ottawa.

TRADE COMMISSIONERS ON TOUR

In Canada

The following officers are undertaking tours of business centres throughout Canada as detailed below. Businessmen who wish to see them should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions: Toronto, Canadian Manufacturers Association; Windsor (Ontario), Greater Windsor Industrial Commission; St. John's, Halifax, Ottawa, Winnipeg and Vancouver, Department of Trade and Commerce; Fredericton, Department of Industry.

Britain—B. C. Butler, Minister (Commercial) in London, who will be returning to his post.

Fredericton—Sept. 1-2
Halifax—Sept. 3-4
St. John's—Sept. 8-11

L. D. Burke, Commercial Secretary in London, who is being posted to Kingston as Commercial Secretary.

Quebec—August 14
Montreal—August 17-19
St. John's—August 20-22
Halifax—August 24-26
Saint John—August 27
Fredericton—August 28
Toronto—August 31-September 4

Greece—B. A. Macdonald, Commercial Counsellor, Athens, who will be returning to his post.

Edmonton—September 2

Lebanon—L. A. Campeau, Commercial Counsellor in Beirut, who will be returning to his post.

Montreal—August 5-12
Quebec City—August 13-14

Mexico—F. B. Clark, Commercial Counsellor, Mexico City, who is being posted to Los Angeles as Consul and Trade Commissioner.

Winnipeg—August 10-11
Regina—August 13
Edmonton—August 17-18 a.m.
Calgary—August 19-20
Vancouver—August 24-28
Victoria—August 31

West Germany—R. F. Turcotte, Consul in Hamburg, who is being posted to Philadelphia as Consul and Assistant Trade Commissioner.

Vancouver—August 17-22
Montreal—August 25-26
Quebec—August 27-28

Temporary Duty in Ottawa

L. D. Burke, Commercial Secretary, London, England, August 5-14. Contact Commonwealth Division, phone: 99-2-2421.

L. D. R. Dyke, Consul and Trade Commissioner, Boston, August 22-September 2. Contact United States Division, phone: 99-2-5176.

H. A. Gilbert, Commercial Counsellor, Melbourne, Australia, August 13-26. Contact Commonwealth Division, phone: 99-2-2421.

G. L. Gagne, Consul and Assistant Trade Commissioner, São Paulo, Brazil, August 24-31. Contact Latin American Division, phone: 99-2-7641.

E. H. Maguire, Trade Commissioner, Singapore, September 30-October 6. Contact Commonwealth Division, phone: 9-92-2421.

D. S. McCracken, Assistant Trade Commissioner, Singapore, August 31-September 11. Contact Commonwealth Division, phone: 99-2-2421.

J. B. McLaren, Consul and Assistant Trade Commissioner, Philadelphia, Pennsylvania, August 4-13. Contact United States Division, phone: 99-2-5176.

C. M. Forsyth-Smith, Trade Commissioner, September. Contact Trade Commissioner Service, phone: 99-2-6800.

W. Gibson-Smith, Commercial Counsellor, Cairo, Egypt, August 10-14. Contact Asia and Middle East Division, phone: 99-2-5642.

B. C. Steers, Commercial Secretary, Tel Aviv, October 8-22. Contact Asia and Middle East Division, phone: 99-2-5642.

R. F. Turcotte, Consul, Hamburg, Germany, August 3-14. Contact European Division, phone: 99-2-8727.

E. J. Ward, Commercial Secretary (Timber), London, September 1-4. Contact Commonwealth Division, phone: 9-92-2421.

In Territory

Afghanistan—R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, will visit Kabul the last week in August.

Australia—R. D. Lucas, Acting Commercial Secretary in Melbourne, will visit Western Australia August 24-September 3.

Communist China—R. K. Thomson, Senior Trade Commissioner in Hong Kong, and P. M. Roberts, Trade Commissioner, will visit Shanghai, Peking and Wuhan, September 28-October 15.

Mozambique—C. R. Gallow, Trade Commissioner in Johannesburg, South Africa, will visit Lourenco Marques October 5 to 9.

Pakistan—R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, will visit Peshawar the last week in August.

Paraguay—M. B. Bursey, Commercial Counsellor in Buenos Aires, Argentina, will visit Asuncion August 13-20.

South Africa—C. R. Gallow, Trade Commissioner in Johannesburg, will visit Durban August 17-28.

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

Geographical Listing for Exporters

Need Information on Foreign Markets?

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

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

Country	TC Post	OTRTP Division
Dominican Republic	Santo Domingo	Latin America
Ecuador	Bogota	Latin America
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America
England	London and Liverpool	Commonwealth
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	Yaounde	Europe
Gambia	Lagos	Commonwealth
Germany	Bonn, Duesseldorf, Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Accra	Europe
Haiti	Port au Prince	Latin America
Hawaii	San Francisco	United States
Honduras	Guatemala City	Latin America
Honduras, British	Kingston	Commonwealth
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi and Bombay	Commonwealth
Indonesia	Djakarta	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Northern	Belfast	Commonwealth
Ireland, Republic of	Dublin	Commonwealth

Country	TC Post	OTRTP Division
Israel	Tel Aviv	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Accra	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East
Jordan	Beirut	Asia and Middle East
Kenya	Salisbury	Commonwealth
Korea	Tokyo	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonwealth
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxemburg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malawi	Salisbury	Commonwealth
Malaysia	Singapore	Commonwealth
Mali, Republic of	Accra	Europe
Malta	Rome	Commonwealth
Martinique	Port-of-Spain	Europe
Mauretania, Republic of	Accra	Europe
Mauritius	Johannesburg	Commonwealth
Mexico	Mexico City	Latin America
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	(see Surinam)	(see Surinam)
New Caledonia	Sydney	Europe
New Guinea (North-east) and Papua	Sydney	Commonwealth
New Hebrides	Sydney	Europe
New Zealand	Wellington	Commonwealth

Country	TC Post	OTRTP Division
Nicaragua	Guatemala City	Latin America
Niger, Republic of	Lagos	Europe
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese Guinea	Lisbon	Europe
Portuguese West Africa	(see Angola)	(see Angola)
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Northern Rhodesia	Salisbury	Commonwealth
Southern Rhodesia	Salisbury	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Rio Muni	Madrid	Europe
Rumania	Vienna	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Sabah	(see Malaysia)	(see Malaysia)
Sarawak	(see Malaysia)	(see Malaysia)
Saudi Arabia	Beirut	Asia and Middle East
Scotland	Glasgow	Commonwealth
Senegal, Republic of	Lagos	Europe
Seychelles Islands	Salisbury	Commonwealth
Sierra Leone	Lagos	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	(see Malaysia)	(see Malaysia)
Somalia	Cairo	Asia and Middle East
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Thailand	Singapore	Asia and Middle East
Togo	Accra	Europe
Tonga	Wellington	Commonwealth
Trinidad and Tobago	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Salisbury	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Accra	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Wales	London	Commonwealth
Western Samoa	Wellington	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zanzibar	Salisbury	Commonwealth

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

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

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the 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 .92539.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 24	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2205	4.54	
Argentina	Peso	Free	.007888	126.77	
Australia	Pound		2.4108	.4148	
Austria	Schilling		.04187	23.88	
Bahamas	Pound		3.0135	.3318	
Belgium and Luxemburg	Franc		.02172	46.04	
Bermuda	Pound		3.0135	.3318	
Bolivia	Peso	Free	.09108	10.98	
Brazil	Cruzeiro	Official Free	.009158	1,091.94	
Britain	Pound		3.0135	.3318	
British Guiana	Dollar		.6278	1.59	
British Honduras	Dollar		.7533	1.33	
Burma	Kyat		.2269	4.41	
Ceylon	Rupee		.2260	4.42	
Chile	Escudo	Bank rate	.4596	2.18	
		Free	.3351	2.98	
Colombia	Peso	Free	.1082	9.24	
		Certificate	.1201	8.33	
Congo, Republic of	Franc		.007204	138.81	(4)
Costa Rica	Colon		.1631	6.13	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1501	6.66	
Denmark	Krone		.1562	6.40	
Dominican Republic	Peso		1.08063	.9254	
Ecuador	Sucre	Official	.06003	16.66	
		Free	.05781	17.30	
El Salvador	Colon		.4323	2.31	
Fiji	Pound		2.7149	.3683	
Finland	Markka		.3377	2.96	
France, Monaco, etc.	Franc		.2205	4.54	(1)
Franco-African Republics, etc.	Franc		.004410	226.76	(2)
French Pacific	Franc		.01213	82.44	(3)
Germany	D Mark		.2719	3.68	
Ghana	Pound		3.0135	.3318	
Greece	Drachma		.03602	27.76	
Guatemala	Quetzal		1.08063	.9254	
Haiti	Gourde		.2161	4.63	
Honduras	Lempira		.5403	1.85	
Hong Kong	Dollar	Free	.1883	5.31	*July 10
		Official	.1883	5.31	

‡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 July 24	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02513	39.79	(4)
India	Rupee		.2260	4.42	
Indonesia	Rupiah		.004322	231.35	(4)
Iran	Rial		.01427	70.10	
Iraq	Dinar		3.0258	.3305	
Ireland	Pound		3.0135	.3318	
Israel	Pound		.3602	2.78	
Italy	Lira		.001729	578.37	
Japan	Yen		.003002	333.11	
Lebanon	Pound	Free	.3517	2.84	
Malaysia	Dollar		.3530	2.83	
Mexico	Peso		.08645	11.57	
Morocco	Dirham		.2161	4.63	
Netherlands	Florin		.2990	3.34	
Netherlands Antilles	Florin		.5730	1.75	
New Zealand	Pound		2.9929	.3341	
Nicaragua	Cordoba		.1544	6.48	
Nigeria	Pound		3.0135	.3318	
Norway	Krone		.1510	6.62	
Pakistan	Rupee		.2260	4.42	
Panama	Balboa		1.08063	.9254	
Paraguay	Guarani	Free	.009726	102.82	
Peru	Sol	Free	.04028	24.83	
Philippines	Peso	Free	.2772	3.61	
Portugal & Colonies	Escudo		.03759	26.60	(5)
South Africa	Rand		1.5068	.6637	
Spain and Dependencies	Peseta		.01801	55.52	
Sweden	Krona		.2104	4.75	
Switzerland	Franc		.2498	4.00	
Syria	Pound	Free	.2833	3.53	
Thailand	Baht	Free	.05119	19.54	(4)
Tunisia	Dinar		2.6151	.3824	
Turkey	Lira		.1201	8.33	(4)
United Arab Republic	Pound	Official	2.4854	.4023	
United States	Dollar		1.080625	.92539	
Uruguay	Peso	Free	.05097	19.62	
Venezuela	Bolivar	Official Free	.2403	4.16	
West Indies	Dollar		.6278	1.59	(6)
	Pound		3.0135	.3318	(7)
Yugoslavia	Dinar	Official	.001441	693.96	

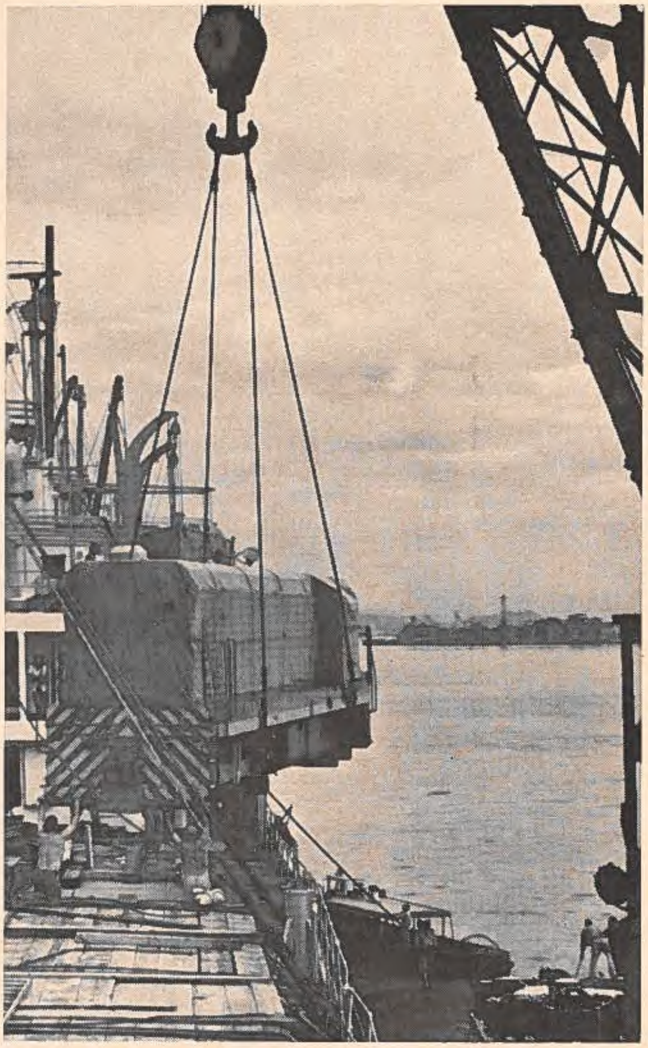
Notes

1. Franc is also used in 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.

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 the United States—Canadian cheese was treated to special promotion in one of the chain of Schwegman's Giant Supermarkets in New Orleans—shoppers' reaction was good. At the display are (left) Georges Pereira, Schwegman's cheese buyer, and Frank Harris, Consul and Trade Commissioner for Canada.



In Brazil (above)—Stevedores watch as the ship's crane slowly swings a Canadian diesel locomotive on to the docks at Rio de Janeiro. Soon it will go to work on a Brazilian rail line.

In Hong Kong (left)—Maldwyn Thomas (left), Canadian Trade Commissioner, and officials of a Hong Kong firm that manufactures shirting inspect a shipment of terylene from Canada.

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