

**SEPTEMBER 5. 64**

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# **FOREIGN TRADE**

**DEPARTMENT OF TRADE AND COMMERCE, OTTAWA**

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**Hawaii: Untapped Market**

**Mexico Harnesses Water Resources**

**Markets for Air-Conditioning Equipment**



# FOREIGN TRADE

SEPTEMBER 5, 1964

Vol. 122 No. 5

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

The Hon. MITCHELL SHARP, Minister.

J. H. WARREN, Deputy Minister.

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

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

Single copies: 25 cents each.

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

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*There is much more to Hawaii than white, surf-fringed beaches and flowery leis for the visitor. There is business—for the Canadian who looks for it. That's the opinion of our Los Angeles office, which did some sleuthing in the islands.*

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*That's the way the British refer to an industrial giant that holds a large share of the wholesale and retail trade and even does exporting. More important, it buys foreign goods. Don't neglect the Co-op if you're looking for British buyers.*

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*From Belgium, Brazil and Japan come these reports on an industry of vital interest to Canadians. Japan has become a big market for our producers, Belgium too looks to us for future supplies, but sales to Brazil are now declining.*

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*Our "Businessman Abroad" series this time features Portugal—a charming country, mostly agricultural but gradually building up industry, and a market that may make it worth a few days as part of a longer European itinerary.*

## Mexico Harnesses Water Resources 18

*Efficient use of its water power will benefit the Mexican economy in several ways and many big projects are already moving forward. Here's an outline of them and of possible opportunities for Canadian equipment and engineering services.*

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# Hawaii: Untapped Market

The Hawaiian Islands were discovered by Captain Cook in 1778, were annexed by the United States in 1898, became a Territory in 1900 and a State in 1959. Canadian exporters have yet to discover them. When they do, this is what they will find.

— Hawaii is 2,100 nautical miles from San Francisco and about 3,000 from Vancouver—but only a few hours away by jet and about 4½ days by surface transportation.

— The combined area of the eight principal islands—Hawaii, Maui, Oahu, Kauai, Molokai, Lanai, Niihan and Kahoolowe—is 6,435 square miles; total acreage: 4,118,200.

— The 1962 civilian population of the State was 665,590 (including 59,702 military personnel). Hawaii has one of the youngest populations in the nation; the median age is 24.3 years.

— The gross product of the state was \$1.9 billion in 1962. The per capita personal income was \$2,409, compared with a national per capita figure of \$2,357.

— Hawaii earns a living by producing and exporting sugar and pineapples, by selling in Hawaii goods and services to the armed forces, to tourists, and to shipping and air lines, and by producing a wide range of goods for use by island residents.

G. F. OSBALDESTON, *Consul and Trade Commissioner, Los Angeles.*

SUGAR production in Hawaii is based on the output of 25 plantations on four islands which employ 13,000 workers and produce about 1.1 million tons of raw sugar a year, 95 per cent of which moves to the Continental United States. It produces more than half of the world's output of canned pineapple and nearly three-fourths of its canned pineapple juice. Pineapples are grown by six companies on five islands. The dollar value of pineapple production in 1963 reached approximately \$150 million.

### Manufacturing Will Expand

The dollar value of sales of manufactured goods reached \$240 million in 1962.

From a long-range point of view, however, six factors do indicate a continuing and reasonably substantial rise:

- A gradually expanding overseas market for specialty exports, (as,

for example, the export market for uniquely Hawaiian garments).

- Still undeveloped possibilities for processing imported raw materials into finished products to meet island needs (supplanting some of the half-billion dollars worth of finished goods of all kinds that are now imported).

- A growing tourist market in Hawaii (now approaching 400,000 visitors a year) for Hawaiian perfumes, jellies, curios and handicrafts.

- Prospective use of the waste products from sugar, pineapple, and oil-refining for making chemicals, plastics, or pharmaceuticals.

- Rapid advances in technical training and research in Hawaii.

- The underlying and supporting factor of an increasing population with rising incomes and living

standards and hence a rapidly growing local market for manufactured products.

Most of the economic activity of the islands is directly or indirectly geared to overseas relationships. For this reason, "Hawaii's Account with Mainland and Other Areas" is basic for an understanding of the character and growth of the economy. The accompanying table points up some significant postwar trends as indicated by changes in this annual account during the past decade.

As the table shows, Hawaii's balance of trade has become increasingly unfavourable. Exports of Hawaiian commodities rose only 23.0 per cent during the past decade, but imports of commodities rose 62.1 per cent. This huge deficit on the commodity account is counter-balanced by the sale in Hawaii of goods and services for mainland dollars.

### Opportunity for Canadian Goods

Hawaii's need to import \$548 million worth of mainland and overseas goods points up sharply the potential for Canadian exporters. Unfortunately, in 1962 Canadian exports to Hawaii only amounted to \$4.8 million. It can hardly be said that we are exploiting the opportunities there.

An examination of the Canadian export figures does little to improve the picture. Of the \$4.8 million, newsprint accounts for \$2.1 million, fertilizer for \$874,000, sawmill products for \$702,000, and grains and preparations for \$225,000. The remaining one million dollars' worth of exports are widely distributed through various categories of raw materials and semi-finished goods. There are only minor exports of finished goods to Hawaii.

One department store in Hawaii imports between 80 and 85 per cent of its merchandise and yet it does not handle a single Canadian product. On the other hand, every department store in Los Angeles handles a number of Canadian lines. To repeat, Hawaii has not yet

## Hawaii's Changing Relations with Overseas Areas (1952-1962)

### Expenditures of Overseas Funds in Hawaii

	1952	1962	Per cent Growth
	(\$'000,000)		
Commodity exports	\$239	\$ 294	23.0
Defence expenditures	245	376	53.5
Other federal expenditures	49	154	214.3
Tourist and crew expenditures	35	158	351.4
Return to Hawaiian investors on investments overseas	22	59	168.1
Other receipts	43	71	65.1
<b>Total Receipts</b>	<b>\$633</b>	<b>\$1,112</b>	<b>75.7</b>

### Expenditures of Hawaiian Funds in Overseas Areas

	1952	1962	Per cent Growth
	(\$'000,000)		
Commodity imports	\$338	\$ 548	62.1
Payments to Federal Government	152	314	106.6
Travel and freight	54	142	163.0
Return to overseas investors on investments in Hawaii	21	60	185.7
Other expenditures	34	52	52.9
<b>Total Expenditures</b>	<b>\$599</b>	<b>\$1,116</b>	<b>86.3</b>

been discovered by the Canadian exporter.

Shipping out of Vancouver to Hawaii is 10 to 20 per cent cheaper than from West Coast United States ports. In addition, the shipping company that handles the bulk of the Hawaii-United States trade is not able to provide the speed of

service that the line servicing Vancouver can offer because its facilities are unable to cope with the volume of trade that has developed. A number of Hawaiian exporters mentioned delays that they had experienced in securing space from West Coast United States ports. This works in our favour.

Hawaii offers an import market out of proportion to its population. Canadian exporters have an advantage in shipping rates and availability of cargo space. Canadian companies that are currently competing in California should study carefully the opportunity presented by this forty-ninth state. ●

## One Way to Sell in Hawaii

Canadians who want to try out the Hawaiian market should get in touch with the wholesale division of American Factors Ltd., one of the island's biggest and most diverse enterprises. Here's how—and why.

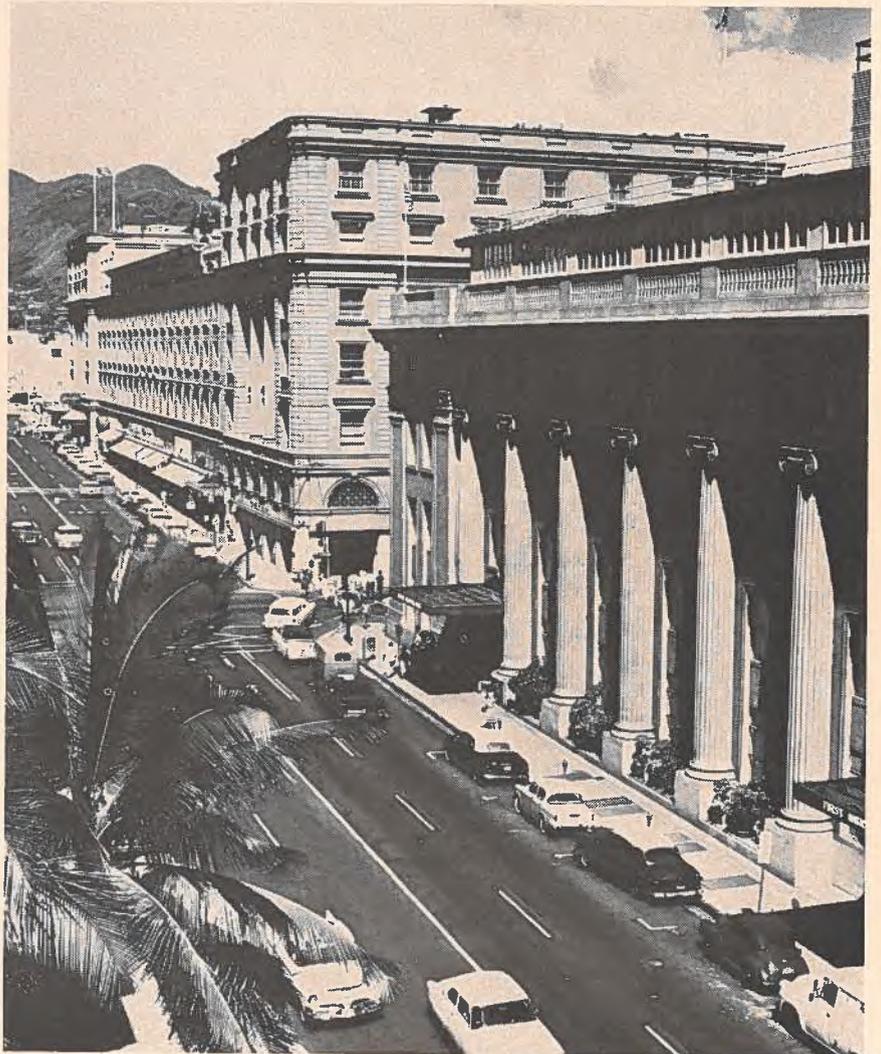
G. F. OSBALDESTON,  
*Consul and Trade Commissioner,  
Los Angeles.*

ONE of the largest and most diversified companies in Hawaii is American Factors Ltd., which has offices also in San Francisco, Seattle and New York. It started 113 years ago as a small store and now operates six sugar plantations, one pineapple company, two water companies, two landholding and leasing companies, one stevedore and terminal operation, and a steel fabrication company. It is a horizontal organization, divided into five large divisions—insurance, plantation, retail, wholesale, and finance and development—and into operating departments.

In 1963 its total income reached \$127 million, and its net income \$4.9 million.

### Retail Division

Of particular interest to the Canadian exporter are the Retail Divi-



—Hawaii Visitors Bureau Photo  
*Here is a different Hawaii—the one that interests those on business bent. In fact, it's Honolulu's Wall Street—known to the islanders as Bishop Street. Hawaiians are good business prospects; they imported goods worth about \$548 million in 1962.*

sion and the Wholesale Division of this company. Liberty House, a division of American Factors Ltd., is the oldest and one of the largest and most prosperous retail enterprises in the islands. Today it consists of four units. The main store, chief unit of the Retail Merchandising Division of American Factors Ltd., is located in the heart of Honolulu's downtown metropolitan area. It is a modern department store with the latest in decor and selling facilities. The store has three branches with a fourth under construction.

Its buyers visit the mainland regularly—as often as four times a year—to keep abreast of latest trends. It also uses the services of American Merchandising Corporation in its buying.

### **Selling to the Wholesale Division**

The wholesale division of American Factors Ltd. is the largest wholesaler in Hawaii and employs more than 700 people. In 1961 the wholesale business in Hawaii was estimated at about \$350 million, of which American Factors Ltd. did \$47 million, or a little over 13 per cent.

With headquarters in downtown Honolulu, the departments and warehouses of this division occupy locations throughout the city and on the neighbouring islands. It also maintains supplier contacts through offices in Seattle, San Francisco and New York.

This division is made up of six departments and is second only to the military establishments in volume of merchandise imported. It represents approximately 3,000 suppliers and handles more than 100,000 different items for distribution and sale to retail stores and industrial users. It is the 26th largest wholesaler in the United States and its warehouse facilities cover 35 acres. The departments are:

#### **1. Industrial Products Group**

- (a) Automotive and Construction Equipment

- (b) Arthur H. de Rocher Co. Ltd. (Industrial Supplies)
- (c) Sugar Machinery Department
- (d) Islands Welding and Supply Co. Ltd.
- (e) Comtel-Engineering Inc.

- 2. Machinery and Electrical Department
- 3. Hardware Department
- 4. Lumber Department
- 5. Appliances Department
- 6. Consumer Products Group

Each of these departments is a major organization—as a matter of fact, two or three major organizations can be found in one department.

The Canadian exporter should look into the possibility of selling to the Wholesale Division. To do this, he should approach the manager of the department which handles his type of merchandise. The Los Angeles office has a copy of the organization chart of the Wholesale Division and would be pleased to forward any Canadian offers to American Factors Ltd., or to provide any inquirer with the

name of the appropriate departmental manager.

The manufacturers' representative has proved to be one of the better means of introducing Canadian lines into the U.S. market. However, during a recent tour of Hawaii I found that the function of the manufacturers' representative was not as fully developed there as in other parts of the United States.

Hawaii has a limited market with a limited number of potential customers. It is therefore difficult for a manufacturers' representative to secure a wide enough range of representation to provide an adequate return from commission sales.

In addition, by securing the account of a company such as American Factors Ltd. the Canadian exporter can be fairly certain that his product will be exposed to a large percentage of the potential users. American Factors effectively blankets the market.

The officers of American Factors Ltd. with whom I spoke are most anxious to examine Canadian offers. With the advantage of the exchange rate, freight rates and availability of shipping space, Canadian exporters could probably be very competitive in the Hawaiian market. ●

## **New Role for Canadian Elm**

PILINGS made of Canadian Rock Elm which had been immersed in the Thames River at London, England, for 54 years have been given a new and glamorous lease on life.

Originally installed in 1882 as supports for the Waterloo Bridge, the timbers (ranging in length from nine to fifteen feet and measuring twelve inches square) were pulled from the river bed when the bridge was demolished in 1936. When the piles were inspected it was found that a sound core still remained beneath the outer layers of mud and soggy sapwood, and the cut timber revealed a beautiful, silver-grey sheen. This transformation was the result of the chemical reaction of the Thames mud in which the piles had been immersed. Because of its appearance the timber became known as Waterloo Elm, and some was cut for veneers.

The timber was specified and used in 1937 to build the annex doors at West-

minster Abbey for the coronation of King George VI. The same doors were used once again for the coronation of Queen Elizabeth II.

The Captain's Day Room in the liner *Queen Elizabeth* is lined with veneer cut from the piles and a plaque describing its origin hangs in the cabin.

The British Overseas Airways Corporation, looking for something different, specified Waterloo Elm for tables in its Canadian-built Argonauts.

This unusual Canadian wood was also used in the new library of Anglesey Abbey, built in 1938, and the London public house the "Green Man" can also boast of its Waterloo Elm panelling. The texture of the wood has been so popular that one of Britain's leading wallpaper manufacturers used it for the design of a new line.

—C. I. ROOKE,  
*Commercial Assistant (Timber), London.*

# Try Selling to the Co-op



*The Scottish Co-operative Wholesale Society, like its counterpart in England, serves hundreds of retail co-ops which operate their own stores and supermarkets. Pictured above is a modern retail outlet of the Glasgow South Co-operative Society.*

The Co-operative Wholesale and Retail Societies in Britain together do almost four billion dollars worth of business a year. They manufacture many of the products they sell, but they also buy imported goods. They may buy yours—if your approach is right.

N. L. WILLIAMS, *Assistant Trade Commissioner, Glasgow.*

CANADIAN manufacturers accustomed to supplying national retailers would do well to consider selling to one of Britain's largest organizations. It is an organization so all-embracing that it will feed you, clothe you, service your car, wash your clothes, provide your furniture, bank your money, and in the end even bury you. That organization is the Co-operative

Society, affectionately called the Co-op.

To understand better the present-day workings of this industrial giant, one must understand its historical development. The co-operative movement developed during the 19th century as a reaction against abuses by some of the existing retail outlets. The problem was particularly acute in Lancashire and York-

shire and on the initiative of the Rochdale Pioneers, the first co-operative outlet was opened in 1844. It quickly became apparent, however, that retail outlets alone would not stop the abuses and it was decided to form a co-operative wholesale trading society with the retail outlets as members. Legislation at that time prevented this move and it was not until an "enabling act" passed Parliament in 1862 that the first wholesale society was formed in 1863. From a humble beginning—serving retail societies that represented only 24,000 members and doing a business of \$360,000 in the first year—the Co-operative Wholesale Societies have become organizations that in 1962 did a business of over \$1½ billion, making them the eighth biggest business in Europe.

## The Wholesale Societies

The co-operative movement in Britain has two principal wholesale parts. Based in Manchester is the Co-operative Wholesale Society (CWS) which serves England and Wales, and based in Glasgow, the Scottish Co-operative Wholesale Society (SCWS), which naturally enough serves Scotland. These two together served 850 retail societies with a membership of 13 million in 1962, representing one half of all British families. These 850 retail societies operate over 30,000 stores and supermarkets and have a turnover in excess of \$3 billion—really big business!

In addition to supplying the retail societies, the wholesale societies operate factories in no less than 47 different industries. The Co-op found itself in the manufacturing business when private suppliers started to organize boycotts. In 1873 the Manchester group found it necessary to produce its own biscuits and candies in order to get supplies. Today the 200 fac-

tories produce goods worth \$432 million, ranging from biscuits to blankets and shoes to sausages, and the wholesale and manufacturing sections together employ 50,000 people.

It is interesting to note that the Co-op, faced with a boycott by radio manufacturers who considered the payment of a dividend a form of price-cutting, managed to produce its own line, aptly called "Defiant". In fact, the manufacturing side of the Co-op is so big that its export department does a business of over \$3 million a year and sells to markets as diverse as the United States and the U.S.S.R. The payment of the dividend is one of the most important aspects of the Co-op's operation and it is paid to all members based solely on their purchases at the Co-op. The provision of credit makes co-operative shopping attractive and, in conjunction with the payment of the annual dividend, is undoubtedly a big factor in the tremendous volume of business done by this organization.

### Selling to Wholesalers

But can Canadian manufacturers supply the Co-op? On the surface it looks as if the Retail Societies sell only goods produced or made available by the CWS and the SCWS. This is not necessarily so. Although the Retail Societies are the main owners of the Wholesale Societies, they are not obligated to trade with them. In practice, they draw on the average two thirds of their supplies from the Wholesale Societies. The remainder they obtain through usual trade channels. This means that Canadian manufacturers are faced with an alternative: they can either try to sell direct to the "Wholesale" in Manchester or Glasgow or direct to some of the larger of the 850 Retail Societies. The most important of these, of course, is the London Co-operative Society with some 1½ million members. But this course is obviously the more difficult because it would involve stocking in Britain.

The most effective method is to sell products direct to the Wholesale Societies, but in all likelihood this will require selling them under an established Co-op label. Bear in mind that the Co-op is a volume buyer, and should you be successful in obtaining that all-important trial order, it will then be necessary to gear up for real volume production.

What range of products is the Co-op likely to buy? Admittedly 70 per cent of the wholesale purchases are of food lines but that still leaves \$450 million spent on clothing, pharmaceuticals, footwear, furniture, bedding, dishes, hardware items, radios, television sets, and phonographs. Generally speaking, if you already sell to department stores in Canada you stand a good chance in Britain. Items that are distinctive, competitively priced, and represent good value for the money all stand a chance here.

The first steps are easy. Write to the Trade Commissioner offices in London, Liverpool and Glasgow, giving them an idea of the products you have available. Retail prices in Canadian dollars will be no use and you will need to sit down with your freight forwarder to compute c.i.f. prices for British ports. Our London office will provide you with duty and sales tax rulings and once you have received a market assessment from this side, you can then plan your trip. It is only six or seven hours to Britain and armed with detailed price information, samples, and introductions arranged by the Trade Commissioners it will be up to you to sell your product. The Co-op isn't the easiest organization from which to get orders, but once you've demonstrated the ability to service an overseas account effectively, you will be pleasantly surprised at the results. ●

### Greece Increases Its Merchant Fleet

THE Greek merchant marine has shown remarkable growth in the last five years. In December 1963 it consisted of 1,314 ships compared with 825 in 1959. In addition, there are 904 ships of 8,934,030 gross registered tons owned by Greeks but registered in other countries, mainly Liberia, Panama and Lebanon.

Thus at the close of 1963 the total tonnage controlled by Greeks was 15,872,000 g.r.t., making theirs the third largest mercantile fleet in the world. It is made up of 885 tramps and ore carriers (65.2 per cent of the total) 149 tankers (24.2), 76 cargo liners (5.5), and 79 passenger liners (4.2).

In 1962 Greeks bought secondhand ships to a value of \$4 million from Canada, several of them passenger vessels operated at one time by the CPR and the CNR on the Pacific Coast and now sailing in the Aegean Sea.

The *Empress of Britain* is reported to have been purchased from the CPR by a Greek shipping company, probably to

maintain a service between Piraeus and New York beginning early in 1965.

The large sales of Canadian, Australian and American grain to the U.S.S.R. had a tonic effect on the world chartering market, with the result that many Greek harbours were emptied of their idle cargo vessels almost overnight.

Numerous new vessels are known to be building for Greek account in Japanese and other shipyards. It was recently reported that one owner has just placed orders in Japan for three 75,000-ton bulk carriers.

Although Greek owners still have a genius for keeping old ships operating profitably, some changes have occurred since the prewar period and the Greek merchant fleet by now possesses a great many of the newest, largest and most modern cargo vessels afloat.

On the whole, there seems to be little doubt that the merchant fleet will continue to make a good contribution to the Greek economy.

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

# Non-Ferrous Metals

## Japan's Non-Ferrous Metals Industry

Canada sells about \$35 million worth of non-ferrous metal concentrates and scrap to Japan each year. This market will probably continue, according to this careful analysis of developments in the Japanese refining industry and forecasts of future output.

JOHN D. BLACKWOOD, *Commercial Secretary, Tokyo.*

JAPAN is rapidly becoming a more important outlet for Canadian metals and minerals. The main feature of its non-ferrous metals industry is the unprecedented jump in consumption. It rose from the 1955 level of 121,000 tons of copper, 44,500 tons of lead and 112,700 tons of zinc to 308,000, 133,500 and 239,000 tons respectively in 1962. The value of Canadian non-ferrous metal concentrates and scrap (copper, lead, zinc, aluminum and nickel) shipped to Japan has grown from under \$1 million in 1955 to \$34.8 million in 1962. Although Japan has a well developed domestic mining industry, its subsidiary refining industry will become increasingly dependent on imports of ores and concentrates—and Canada is well placed to provide a major part of Japanese requirements.

At the end of World War II, the mining and refining industries were left virtually devastated, both because of forced over-production and the ravages of war. Under the stimulus of the Korean boom and subsequent rapid economic growth,

however, they quickly regained their former production levels. In expectation of import liberalization, rationalization of operations (involving the closure of small mines and greater use of richer and larger ore bodies), has successfully raised

ore production to record levels. Recent trends are shown in Table I.

This substantial increase in domestic supply has not been nearly enough to meet the unprecedented demands and the Japanese have had to rely on imported ores and concentrates. This trend will continue. Japanese policy has encouraged the import of ores and concentrates needed to supplement protected domestic mine production, and imports of metals have been permitted primarily to supplement any shortfall in output.

The Japanese non-ferrous metals industry thus has a protected internal

TABLE I  
ANNUAL JAPANESE OUTPUT OF COPPER, LEAD AND ZINC

	No. of Mines	Grade of Ore (per cent)	Grade of Concentrate (per cent)	Content in Concentrate (metric tons)
<b>COPPER</b>				
1959	192	1.23	17.8	85,248
1960	141	1.20	17.1	89,183
1961	126	1.18	18.7	96,409
1962	102	1.20	19.0	103,482
<b>LEAD</b>				
1959	47*	1.24	65.1	36,146
1960	33*	1.19	66.1	39,532
1961	36*	1.60	66.5	46,280
1962	25*	1.71	66.3	53,455
<b>ZINC</b>				
1959	*	4.47	55.0	142,337
1960	*	4.47	54.6	156,734
1961	*	5.09	54.2	168,259
1962	*	5.38	54.3	192,481

Note: Grades of ore and concentrate show those of principal ores, not of incidental ones, and content in concentrate shows totals of those in principal ores and incidental ones.

\*This refers to lead-zinc mines combined.

**TABLE II**  
**COPPER PRODUCTION, IMPORTS,**  
**CONSUMPTION**

	1961	1962	8 mos. 1963
	(metric tons '000)		
<b>PRODUCTION</b>	<b>277.0</b>	<b>270.4</b>	<b>183.9</b>
From:			
domestic ore	92.6	89.1	
imported ore	107.6	119.9	
secondary materials	76.8	61.4	
<b>IMPORTS</b>			
<b>Primary Metal</b>	<b>104.3</b>	<b>36.7</b>	<b>19.6</b>
Of which:			
United States	62.4	15.0	
Australia	12.4	5.6	
Canada	11.4	2.2	
Peru	6.9	.....	
Rhodesia and Nyasaland	4.5	5.0	
Mozambique	3.7	.....	
Congo	.....	1.7	
<b>Ores and Concentrates</b>	<b>434.3</b>	<b>522.4</b>	<b>101.7*</b>
Of which:			
Philippines	170.7	181.2	
Australia	101.7	79.3	
Chile	46.7	32.0	
Peru	28.5	31.0	
South Africa	14.9	3.6	
Canada	14.8	128.8	52.6
Taiwan	12.4	15.7	
Rhodesia and Nyasaland	11.9	1.5	
S.W. Africa	.....	19.5	
<b>CONSUMPTION</b>	<b>374.3</b>	<b>307.8</b>	
electric wire	257.6	207.5	
brass mill products	99.5	85.0	
copper and copper alloys	11.3	8.4	
coins	.9	1.4	
others	3.7	3.7	
export	1.4	1.7	

\*In terms of metal content.

market designed to encourage domestic production while still allowing free access for foreign ores and concentrates. Despite the move of the Japanese authorities generally towards full import liberalization, it is conceivable that non-ferrous metal production will continue to receive some protection. Broadly speaking, Japan's non-ferrous metals industry, although it uses modern mining and refining techniques, is plagued by high costs because of small-scale operations at most mines and smelters. As quantitative restrictions on imports of metals have been dropped, in some instances higher

**TABLE III**  
**LEAD PRODUCTION, IMPORTS,**  
**CONSUMPTION**

	1961	1962	8 mos. 1963
	(metric tons '000)		
<b>PRODUCTION</b>	<b>83.3</b>	<b>92.2</b>	<b>65.3</b>
From:			
domestic ore	43.8	50.1	
imported ores	30.5	34.6	
secondary materials	9.0	7.5	
<b>IMPORTS</b>			
<b>Lead Metal</b>	<b>44.3</b>	<b>23.9</b>	<b>10.6</b>
Of which:			
Mexico	14.5	0.8	
Australia	14.0	18.5	
Canada	7.8	4.9	
Peru	3.9	.....	
U.S.S.R.	2.5	1.3	
<b>Lead Ore</b>	<b>69.2</b>	<b>38.6</b>	<b>32.9*</b>
Of which:			
Peru	30.4	25.0	
Australia	29.1	8.4	
United States	3.9	2.0	
Bolivia	2.7	.....	
Chile	1.0	.....	
<b>CONSUMPTION</b>	<b>125.7</b>	<b>133.5</b>	
electric wire	36.3	31.2	
pipe and sheet	21.9	20.5	
battery	35.7	41.5	
inorganic chemical	21.8	23.5	
solder	4.2	6.0	
others	5.9	10.8	
export	.....	.....	

\*In terms of metal content.

tariffs have been introduced; for example, tariff quotas on copper.

### Copper

In the face of rapidly increased demand for copper in 1961, Japanese refiners produced a record 277,000 tons. Only 103,000 tons were produced from domestic ores and 434,300 tons of concentrates were imported. In addition, large-scale imports of metal (104,300 tons) were required. The subsequent slowdown in the Japanese economy, plus expanded smelter capacity, reduced metal imports to 36,700 tons in 1962. The quota for the last fiscal year (April 1963 through March 1964) was 50,000 tons. As the economy picked up in late 1962 and in 1963 imports of concentrates increased, as Table II shows. Government estimates put electrolytic copper output at 300,000 tons for both fiscal 1963 and fiscal 1964.

**TABLE IV**  
**ZINC PRODUCTION, IMPORTS,**  
**CONSUMPTION**

	1961	1962	8 mos. 1963
	(metric tons '000)		
<b>PRODUCTION</b>	<b>218.9</b>	<b>254.3</b>	<b>186.6</b>
From:			
domestic ore	133.2	161.0	
imported ores, etc.	65.2	70.3	
secondary materials	20.5	23.0	
<b>IMPORTS</b>			
<b>Ingots and Slab</b>	<b>47.9</b>	<b>8.1</b>	<b>1.6</b>
Of which:			
Canada	15.9	.2	
United States	14.8	.....	
Australia	5.0	4.4	
Congo	4.6	.....	
Netherlands	3.1	0.6	
<b>Ores and Concentrates</b>	<b>188.4</b>	<b>144.7</b>	<b>48.8*</b>
Of which:			
Australia	84.8	77.5	
Peru	67.4	40.7	
India	11.1	11.0	
United States	9.9	3.2	
Communist China	4.5	.....	
North Korea	4.2	1.4	
Philippines	.....	6.7	
<b>CONSUMPTION</b>	<b>235.7</b>	<b>237.8</b>	
galvanizing—sheets	90.5	85.2	
wires	8.8	8.1	
others	36.3	37.0	
brass mill products	37.6	38.7	
zinc sheet	11.5	12.2	
copper alloy	3.4	3.1	
die casting	29.3	33.2	
zinc oxide	11.1	12.2	
others	6.0	7.7	
export	1.4	0.3	

\*In terms of metal content.

### Lead

As shown in Table III, the demand for lead also increased sharply in 1961 and ingot production reached 83,000 tons, including more than 30,500 tons made from imported ore. Imports of lead ingot totalled 44,300 tons. Unlike that of most other metals, lead consumption increased in 1962; production reached 92,200 tons, of which 34,600 tons were refined from imported ores. In the same year, 23,900 tons of metal were imported. Domestic ores supplied most of the increased demand as mine output rose from 43,800 to 50,100 tons. Output of lead ingot has been estimated by the Ministry of International Trade and Industry (MITI) at 103,000

tons in fiscal 1963 and 104,000 tons in fiscal 1964.

### Zinc

Because Japan is relatively rich in zinc resources, imports have not been large. They reached a record 37,600 tons in 1961 but increased output, largely from domestic ores, cut them to only 1,600 tons in 1962. Zinc is currently in tight supply, imports are increasing, and Japanese smelters are actively seeking additional foreign sources of concentrates to supplement their own production. The demand/supply situation is reviewed in Table IV. MITI has estimated fiscal 1963 production of zinc metal at 302,000 tons and fiscal 1964 at 310,000.

### Liberalization Continues

Imports of copper were liberalized last year but the effects were countered by the imposition of a flexible tariff quota system. A duty-free quota of 50,000 tons was set for fiscal 1963 and imports beyond the quota are subject to a duty of yen 30\* per kilo. In addition, through an industry cartel arrangement, refiners are paying a levy of yen 27 per kilo on duty-free imports under the quota. The tariff quota system was introduced as a temporary expedient.

As indicated in *Foreign Trade* of March 21, 1964, imports of lead and zinc into Japan were liberalized effective February 29, 1964. Advance information indicates that the customs duties are to be increased temporarily to yen 13 per kilogram on lead ingot and to yen 12 on zinc ingot.

Today developments in the Japanese mining industry are taking place in two separate directions. First, with the discovery of massive deposits in the black ore belt of northern Honshu, studies are being pushed to develop suitable ore-dressing and smelting techniques. Second, and more important, smelter expansion and modernization are planned to lower costs and to meet

foreign competition in the ever-rising domestic demand for refined metals. This expansion will largely depend on imported ores and concentrates. Relocation of refining capacity from some of the inland mine sites to the coast and consolidation into larger units are essential to reduce costs.

To promote domestic exploration in 1963, MITI established the Metal Resources Exploration Finance Corporation, with Y2 billion (\$6 million) to loan to major mining companies. The funds are to be used in prospecting for zinc, lead, copper and manganese. The terms include 7.5 per cent interest and a duration of between six and ten years. An annual subsidy of Y300 million (less than \$1 million) is available from MITI to assist medium- and small-sized (under 1,000 employees) mining companies to meet exploration costs in Japan.

Exploration in the black ore belt in northeastern Honshu has confirmed several interesting ore bodies. Three of these massive deposits together contain more than 12 million tons and other interesting finds are being investigated. This so-called black ore is a complex one, often containing copper, zinc, galena, pyrite, barytes, gypsum and chalcocopyrite. One deposit, for instance contains 2.5 per cent copper, 4.2 per cent zinc, 1.3 per cent lead and 17.5 per cent sulphur.

Several large companies, including Mitsui Mining and Smelting (in combination with Dowa) and Sumitomo, may apply to MITI and the Finance Ministry to import the imperial smelting process for the treatment of complex lead-zinc ores; this might depend partially on new domestic ore sources.

Mitsubishi Metal Mining (50 per cent) has announced a joint-venture copper smelter in partnership with Dowa Mining (25 per cent), Furukawa Electric (10 per cent) and minor participation by various other members of the Mitsubishi Group. This new company, Onahama Copper Refinery Co., Ltd., plans to build a copper refinery at Onahama on the coast north of Tokyo. Construc-

tion should start this spring, with the first phase scheduled for completion by the end of 1965. Initial production, using reverberatory smelting, has been set at 5,000 tons of electrolytic copper per month. Present plans envisage future expansion to 10,000 tons. Most of the required concentrates are expected to come from the Philippines, with smaller amounts from South American, Australian, Canadian and Japanese mines. The first phase is expected to cost approximately Y9 billion (\$30 million).

Nippon Mining Co., Ltd., after increasing the copper capacity of its Saganoseki refinery last year from 3,500 to 5,000 tons per month, intends to carry out a 3½-year expansion program beginning this year. In two stages, it will raise monthly output first to 7,000-7,500 tons and then to 10,000 tons by 1968. Saganoseki now uses blast furnace smelting but the new expansion will feature a flash-smelting process.

As part of the expansion program, Nippon Mining plans to enlarge its berthing facilities at Saganoseki to handle either two 10,000-ton vessels or one 20,000-ton ore carrier. The Marinduque Mine (a joint venture between Nippon Mining and Placer Development) in the Philippines will be the major concentrate source, with smaller quantities probably coming from Africa, Australia, other Philippine properties, and Canada.

### Rôle of Development Corporation

As an instrument of the Japanese authorities in co-ordinating efforts to develop stable overseas sources of non-ferrous metals, the Overseas Minerals Resources Development Corporation is expected to play a major rôle. This company was incorporated in 1962 to co-operate in the search for new material sources abroad. Half of the Y2 billion capitalization was supplied by the Government through the Overseas Economic Co-operation Fund and the rest was contributed by major mining companies. Its activities were intended to be restricted to South

\*\$1.00=Y334 approximately.

East Asia, Africa and South America.

OMRD's prime interest is the development and acquisition of supplies of copper, zinc and lead concentrates from underdeveloped areas. Operations are still in the initial stages and survey teams are being dispatched to evaluate prospects. If an economic deposit is found, OMRD will assist in bringing it into production by outright purchase, by joint venture, or by providing funds and technical assistance.

### Cartels

There is a possibility that cartels may be set up to import foreign lead-zinc and copper ores. The cartels would formalize efforts to reduce competition among domestic smelters in bidding for foreign materials. In addition, lead-zinc smelters are reportedly negotiating with galvanized iron-sheet manufacturers for the establishment of an import association for buying foreign zinc ingot. The intention is to secure imported zinc at lower prices.

Canadian mines and smelters will be interested in the goals suggested at the end of 1963 by Japan's Mining Industry Council in a report to the Minister of International Trade and Industry:

● **Copper**—It was proposed that production costs be reduced by 6 per cent by 1967. By then annual domestic output of ore should reach 100,000 tons in terms of metal content. Demand in 1967 has been estimated at 500,000 tons and the goal for refinery output based on 85 per cent utilization of capacity is 400,000 tons.

● **Lead**—Production costs of lead ingot are to be lowered by 11 per cent by 1967 from present levels. Demand in 1967 has been predicted at 170,000 tons, with 120,000 produced in Japan and 50,000 suggested as metal imports. The report predicted that 62,000 tons would come from domestic ores.

● **Zinc**—Production costs should be reduced by 9 per cent by 1967. Demand has been predicted at 370,000

tons in that year; 360,000 should be produced in Japan, with domestic ore supplying 220,000 tons.

These estimates are targets that may be met if corporate plans for new smelter capacity are realized.

### Canadian Sales Should Continue

Whatever the plans for Japan's mining and smelting industry, the future for sales of Canadian mine output, particularly from Western Canada, is bright. Although some expansion of Japanese production of ores may be expected, fundamentally the smelters must depend on imports of concentrates for much of their new requirements. To keep costs down, metal-using industries will probably increase their demands for imported refined metal. Thus there is scope for the development of trade in ores, concentrates and metals. In addition, the Japanese non-ferrous metals industry, to avoid possible interruption of supplies and higher prices, is always interested in receiving joint-venture proposals, which might even extend into the field of exploration. ●

## Brazil Imports Non-Ferrous Metals

... and these imports are increasing. But sources of supply are changing with the development of LAFTA.

SINCE the advent of the Latin American Free Trade Area, (LAFTA), sources of supply of copper, lead and zinc for Brazil have undergone a drastic change. Traditional suppliers have lost almost their entire market to those within the LAFTA group, principally Peru, Mexico and Chile. These metals when imported from LAFTA members enter Brazil duty free. Countries outside LAFTA are subject to a tariff of 10 per cent plus a prior deposit of 100 per cent for 180 days. Prior deposits make competition difficult for non-mem-

ber countries because high interest rates in Brazil (nearly 5 per cent per month) give the LAFTA members an additional protection of nearly 30 per cent. The following paragraphs outline the supply situation for copper, lead and zinc.

### COPPER

The newly formed Brazilian Copper Association recently announced that Brazil can now import most of its copper from LAFTA members instead of from the United States, Europe, and Africa. Table I illus-

trates the change in just two years. In 1961 the United States supplied over 50 per cent of the Brazilian market; in 1963, only 3 per cent. Canada supplied nearly 3 per cent of the market in 1961 but our 1963 sales were negligible.

Local production is still small and although there are known reserves in Brazil of over 500,000 metric tons, most of the ore is low grade and widely dispersed. Of interest is the fact that LAFTA concessions are not offered on semi-processed and processed copper. Brazil has adequately protected its

domestic manufacturers who fabricate finished products from raw material. There is little doubt that this protection will continue.

With Brazil's rapid industrialization, consumption of copper rose sharply in the last decade from 21,000 tons in 1953 to 50,300 in 1963. Future consumption has been estimated at 73,000 tons by 1967 and 97,000 tons by 1970.

Brazil's 700-gram per capita consumption is still far behind the 10-kilogram average consumption of industrial countries such as Sweden, Germany, Britain and Switzerland. Large increases in Brazil's use of copper should result from proposed expansion of electrical generation, transmission and communications, because these fields are relatively undeveloped in large areas of the country.

—J. P. RICHARDS,

*Assistant Commercial Secretary,  
Rio de Janeiro.*

## LEAD

In spite of an expanding market, higher local production and LAFTA preferences have erased a once attractive market for traditional North American and European suppliers. Table II illustrates the extent of the change. However, before LAFTA members can take advantage of the 10 per cent duty and prior deposit exemptions, the importer must present to the Customs Policy Council before the purchase proof that he has acquired an amount equivalent to 30 per cent of the value of local product. If this condition is not met, both LAFTA members and non-members alike are subject to a duty of 50 per cent. In addition all imports of lead are subject to a customs clearance tax of 5 per cent and a port improvement tax of 1 per cent.

Official reports reveal that domestic lead production meets nearly 50 per cent of the demand. Since 1950, annual production has risen from 2,470 to 14,000 tons in 1963, an

increase of 567 per cent. The recently discovered deposits of lead in Bahia, which now produce two-thirds of the total output, account for the rise.

Brazil's production of lead carbonate and lead acetate have recently increased and consequently basic lead carbonate imports have declined from 850 tons in 1961 to 500 in 1963. Lead acetate imports declined from 32 to 15 tons during

TABLE I

### BRAZIL'S COPPER IMPORTS

(in thousands of metric tons)

Country	1961		1963	
	Amount	Per cent	Amount	Per cent
Chile	.....	.....	32.2	63.5
Mexico	0.6	1.5	3.9	8.0
Peru	1.2	3.0	10.8	21.5
Canada	1.1	3.0	.2	.5
United States	19.3	53.5	1.8	3.5
West Germany	4.2	11.5	.8	1.5
Others	9.6	27.5	.6	1.5
<b>Total</b>	<b>36.0</b>	<b>100.0</b>	<b>50.3</b>	<b>100.0</b>

TABLE II

### BRAZIL'S LEAD IMPORTS

(in thousands of metric tons)

Country	1961		1963	
	Amount	Per cent	Amount	Per cent
Mexico	.....	.....	8.5	54.0
Peru	2.4	18.0	7.3	46.0
Canada	.7	5.0	negligible	.....
Denmark	5.7	42.0	"	.....
Spain	4.1	30.5	"	.....
United States	.4	3.0	"	.....
Others	.2	1.5	"	.....
<b>Total</b>	<b>13.5</b>	<b>100.0</b>	<b>15.8</b>	<b>100.0</b>

TABLE III

### BRAZIL'S ZINC IMPORTS

(in thousands of metric tons)

Country	1961		1963	
	Amount	Per cent	Amount	Per cent
Mexico	.9	3.0	6.3	16.0
Peru	2.4	7.5	16.2	42.0
Australia	.....	.....	3.9	10.0
Benelux	5.5	17.5	3.0	7.5
Canada	2.0	6.0	1.2	3.0
Denmark	5.5	17.5	1.4	3.5
Spain	4.1	13.0	.2	0.5
United States	7.6	24.0	.2	0.5
West Germany	1.3	4.0	.7	2.0
Others	2.4	7.5	5.8	15.0
<b>Total</b>	<b>31.7</b>	<b>100.0</b>	<b>38.9</b>	<b>100.0</b>

the same period. High tariffs for both LAFTA and non-LAFTA countries on goods manufactured from lead provide sufficient protection for national industry. The one exception is X-ray protective articles which are subject to a tariff of 20 per cent.

Lead consumption in Brazil between 1963 and 1967 should approximate 225,550 tons of primary metal and 78,940 of secondary

lead. This forecast was made by the Economic Department of the National Economic Development Bank in its report entitled "Brazilian Lead Market 1946-1967". Revised estimates indicate that the consumption of certain commodities (such as electric batteries, alloys and solder, munitions and tetraethyl lead) is expected to increase more rapidly than the industry's 3.2 per cent annual growth between 1946 and 1961.

—J. P. RICHARDS,  
*Assistant Commercial Secretary,  
Rio de Janeiro.*

## ZINC

Imports of zinc and its alloys have increased steadily as reflected in the fact that in 1957 only 15,600 tons were imported compared with 42,700 in 1962. Zinc is subject to the 10 per cent customs duty and the prior deposit for non-LAFTA

members; the customs clearance and the port tax apply to both groups. Table III reflects the change to LAFTA suppliers from former United States predominance.

The apparent switch to LAFTA members, however, may not be as drastic as indicated statistically because there are provisions in LAFTA regulations to import refined zinc from non-member countries when the lead concentrate is of LAFTA origin. Thus zinc which was formerly shown to be of United States origin but was produced from LAFTA concentrates may still have come from the United States but would now be listed as being from a LAFTA country.

Domestic production for 1963 was estimated to be about 7,000 tons but accurate figures are not available. Production is expected to increase over the next few years in spite of only one known reserve and several small occurrences. The one large deposit, discovered in 1954 in the state of Minas Gerais,

contains an estimated reserve of six million tons of ore. This deposit has not been developed to date because of metallurgical problems. However, a new process being investigated may provide a solution and improve future prospects for Brazil's domestic zinc production.

Given relative political stability and continued industrial growth, future consumption of zinc is estimated at 69,000 tons in 1967 increasing to 92,000 by 1970. The rapid acceleration in consumption indicated by the import figures probably reflects the surge in domestic automobile production during the same years. Considering its growth potential, Brazil may become within the next decade one of the world's ten largest zinc consumers and therefore should not be overlooked as a long-term market.

—I. W. GRAHAM,  
*Office of the Commercial Counsellor,  
Rio de Janeiro.*

# Belgium's Non-Ferrous Metals Industry

Production of non-ferrous metals has increased 23 per cent over the last 25 years, though the raw materials must be imported. Shipments of Canadian lead and zinc concentrates are rising.

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

BELGIUM depends entirely on imports of raw materials for its non-ferrous metals industry, yet this industry has made remarkable progress, though expansion has never been spectacular. Output of primary non-ferrous metals has increased by 23 per cent during the past quarter-century. Copper production has been the most important contributor, because production of most other metals has fallen off.

The industry now consists of 200 firms employing some 20,000

people. Because substantial capital investment is necessary, many of these firms are associated through one or another of the large holding companies.

Over 100 years of commercial development lie behind the industry and a few leading firms can trace their origin to the first half of the last century. Following the discovery in 1808 by a Belgian, J. J. D. Dony, of a satisfactory method of producing zinc, several enterprises began to exploit the modest mineral resources in the

eastern part of the country and for many years Belgium was one of the world's most important producers of zinc metal. Early recovery of lead and silver as byproducts led to further diversification, involving cadmium, antimony, bismuth, arsenic, etc., as well as a variety of chemical products, principally sulphuric acid.

A new era of development and prosperity began directly after the First World War. The exploitation of the rich mineral resources of what was then the Belgian Congo resulted in the establishment of refineries and foundries for a new

group of metals such as copper, tin, cobalt, radium, gold, tantalum, niobium, selenium, germanium and uranium.

### Nature of the Industry

On the basis of "first smelting", Belgian production covers practically the whole range of important non-ferrous metals with the exception of nickel and aluminum. The secondary or processing industry however, is centred primarily around zinc, lead and copper, but also includes aluminum from imported ingot.

Production of semi-finished products has increased by 95 per cent since 1938 (see Table I). Although the volume is still relatively small, aluminum has recorded the most spectacular increase.

Like the steel industry, producers of non-ferrous metals depend heavily not only on imported raw materials but on foreign markets for sales. For example, the production of raw copper equals 310 per cent of domestic requirements. The situation is the same for other primary products such as zinc (160 per cent), lead (180 per cent), and tin (270 per cent). For the whole primary industry, the over-all capacity is 230 per cent of domestic needs.

As a producer of non-ferrous metals (with the exception of aluminum), Belgium occupied second place among Common Market countries and fourth place in the world in 1962. In exporting two-thirds of its production, the industry accounted for about 7 per cent of Belgium's total exports in 1963. About 72 per cent is exported in the form of primary metal and 57 per cent as semi-finished products. The Belgian Four Year Plan calls for an increase of 37 per cent in production and 42 per cent in exports by 1965.

### Current Problems

In spite of a rise in world prices for lead and zinc since the autumn of 1962, Belgian output has remained relatively stationary. The

TABLE I  
BELGIAN PRODUCTION OF  
NON-FERROUS METALS

	1938	1963	Increase or decrease
	(metric tons)		(per cent)
<b>Primary Metals</b>			
Copper	131,000	271,000	+ 107
Zinc	229,000	206,000	- 10
Lead	102,000	98,000	- 4
Tin	9,400	8,400	- 11
Other*	11,200	7,900	- 29
<b>Semi-Finished Metals and Alloys</b>			
Copper	54,000	124,000	+ 130
Lead	30,000	27,000	- 10
Aluminum	4,300	96,000	+2,133
Other†	62,000	45,000	- 27

\*Antimony, cadmium, cobalt, etc.

†Zinc, tin, antimony, etc.

TABLE II

### 1963 CANADIAN EXPORTS OF NON-FERROUS METALS TO BELGIUM

Fabrications and Semi-Fabrications	Can.\$
Lead (pigs, blocks and scrap)	39,396
Zinc (blocks, alloys and scrap)	256,792
Nickel (anodes, cathodes, ingots and alloys)	16,321
Copper (shapes, pipe and tubings and alloys)	1,504,881
Aluminum (pigs, ingots, slabs, bars, rods, plates, scrap, etc.)	1,659,514
<b>Ores and Concentrates (including matte and oxide)</b>	
	Can.\$
Lead	1,596,011
Zinc	1,296,013
Nickel	800,105
Silver	434,346
Copper	238,421

small increase in over-all production was accounted for mainly by copper and aluminum. Since the last war, lead and zinc production have lagged behind the general economic expansion.

The competition for supplies of ores and concentrates has been one factor holding back expansion—an expansion that is apparently justified by the long-term investment in research made by the industry in recent years. The replacement of certain traditional metals by materials of more recent origin, such as plastics or other metals and alloys, has also had its effect. However,

non-ferrous metals are now finding new uses in the expansion of the motor, electronics, nuclear-energy and space industries.

### Canadian Exports to Belgium

Canada supplies Belgium with both raw materials and finished products in this field. The Dominion Bureau of Statistics figures in Table II give the value of our exports to Belgium and Luxemburg in 1963.

Belgian interest in Canadian supplies of lead and zinc concentrates was shown by the agreement reached between Belgian representatives and an important Eastern Canadian producer early in 1962. Under this agreement, Belgian producers are assured access to substantial quantities of Canadian concentrates over the next twelve years. Beginning in July of this year, when the first ore carrier arrived at Antwerp, shipments from Canada have begun to account for a considerably larger proportion of the raw material supplies of Belgian lead and zinc producers. ●

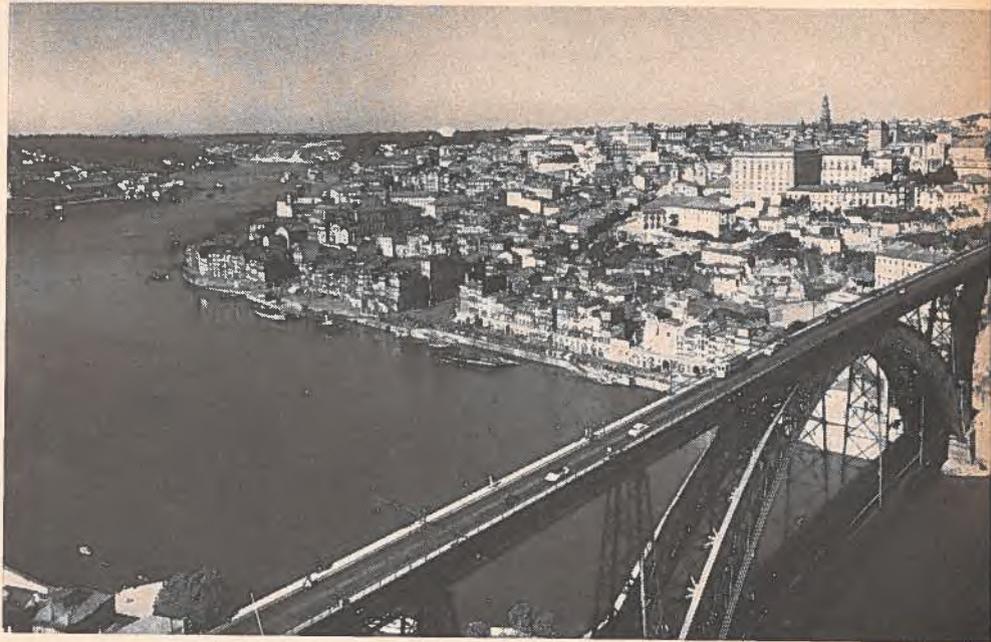
### They're Selling in Italy. . .

"We have succeeded in selling the Italian Armed Forces an injection device to be used by their military and air personnel. There are very few manufacturers of this type of device throughout the world and we are the only manufacturer in Canada. "The chief problems we encountered are the problems of getting to contact the right people and then having to wait until they complete the multiple tests that they have to do on any product being bought by the military. This turned out to be a long-drawn-out procedure.

"It is rather difficult for a Canadian pharmaceutical manufacturer to sell in the European market unless he has something unique and different that cannot be supplied in the country buying the product. Since Italy has a very advanced pharmaceutical industry and a large proportion of its products are sold in foreign markets, it is necessary to have something that is unique and different."

—Bell-Craig Pharmaceuticals,  
Toronto.

*The businessman coming to Portugal may only have Lisbon in mind. Often it is worth his while to visit Oporto, the country's second city, also. Built at the mouth of the Douro River, it is the centre of the port wine and other industries and a busy port.*



## Plan for Portugal Too

Going to Europe? Fly direct to Lisbon and stop off for a few days in Portugal. Whether you want to call on prospective customers, select an agent, or merely study the market, this article will help you make the most profitable use of your time.

P. A. THEBERGE, *Assistant Commercial Secretary, Lisbon.*

THE Canadian businessman planning a tour of Western Europe should consider including Portugal on his itinerary. Lisbon is barely six hours from Montreal via Canadian Pacific Air Lines, with flights twice a week during the summer and three times a week during the winter. And two or three well-planned days spent in the country could mean new or increased export sales to the Portuguese.

The most westerly country in continental Europe, Portugal has a population of 9½ million, and in 1963 the gross national product reached \$2.6 billion. It continues to be basically agricultural, although

the percentage of its people engaged in farming fell from 46 in 1950 to slightly over 40 in 1960. Industrialization is still in the early stages despite the great progress made in the last 15 years; employment in industry rose 2 per cent in the decade 1950-1960.

Lisbon is the main business and cultural centre and also the seat of government. It is a clean city with great charm, with both its wide avenues and narrow back alleys lined with mosaic-like sidewalks, and with a number of monuments commemorating the exploits of the early Portuguese explorers and other public figures. The mastery of

the seas was for a long time in the hands of Portuguese navigators who brought Portugal fame and fortune. Many business trips can be confined to Lisbon only, but the exporter should leave two or three days clear and avoid arriving on a Friday because Saturday interviews are difficult to arrange. If the itinerary includes Oporto, Portugal's second city, two to three days should be added.

The ideal time to make a business trip here is between October and June. In July, August and September many of the members of the business community are on holiday outside of Lisbon, and business hours are normally shorter. Between November and March the weather is often rainy and humid and temperatures are variable. The visitor should wear medium-weight suits and be sure to bring with him a sweater and a raincoat. From May on, lightweight suits are the

thing, but even then, a waistcoat and a sweater should be packed.

The most successful trip is the one that is planned well in advance, with the help of the Trade Commissioner. He will arrange appointments for you—about two to three a day, on the average, because the pace of business is slower than in Canada and the lunch break is long. On entering Portugal, the visitor is automatically given a permit covering a stay of up to 60 days; the immigration authorities do not normally ask for any proof of immunization against various diseases. Hotel accommodation is excellent and prices reasonable. Travel within the country is relatively easy, although air services are limited. However, distances are short, the train service is good, taxis are cheap, and automobiles can be hired with or without a driver.

### Bring Full Information

The businessman coming here for the first time will want to concentrate on calling on prospective customers and perhaps interviewing suitable agents before selecting one. Before calling on customers, he should be equipped with full information about his product, including c.i.f. quotations in dollars, if possible, and weights and measures expressed in the metric system. He should bring samples with him whenever possible. Samples of up to 500 grams (1.102 lb.) gross weight of no commercial value and that can only be used to give an idea of the goods they represent can be brought in free of duty.

So can samples the duty on which does not exceed two escudos under the minimum tariff, except samples of tobacco in all forms and matches, which are not entitled to this exemption. When samples imported in quantities of more than one are goods liable to a minimum duty of more than 50 escudos, they are not eligible for exemption from duty. If the samples are of commercial value, (with the exception of jewelry of precious metals or stones, which is covered by special legisla-

tion) they are subject to a deposit of the duty or bond. This will be returned or cancelled when they are exported within six months through any Portuguese port. This period may be extended.

### Hours and Habits

As a general rule, offices are open from 9.30 a.m. to 12.30 p.m. and from 2 to 6 p.m. Office hours on Saturdays vary, with some businesses open from 9 a.m. to noon and others remaining closed all day. The banks are open from 10 a.m. to noon and from 2 to 4 p.m., and on Saturdays from 10 a.m. to noon. Store hours are from 9 a.m. to 1 p.m. and from 3 to 7 p.m.

The Western visitor may find Portuguese businessmen rather formal in manner, as they are in their dress; they wear dark suits practically the year round. A large proportion of them and of the government officials speak French; English is less widely used, but many Portuguese speak it, and language is certainly not a problem. The Portuguese are by temperament conservative and calm, conscious of their glorious past when they held the mastery of the seas, and equally conscious of their present difficulties. But the storms that they have weathered since they lost Brazil have forged a distinctive character and have given them faith in their ability to survive.

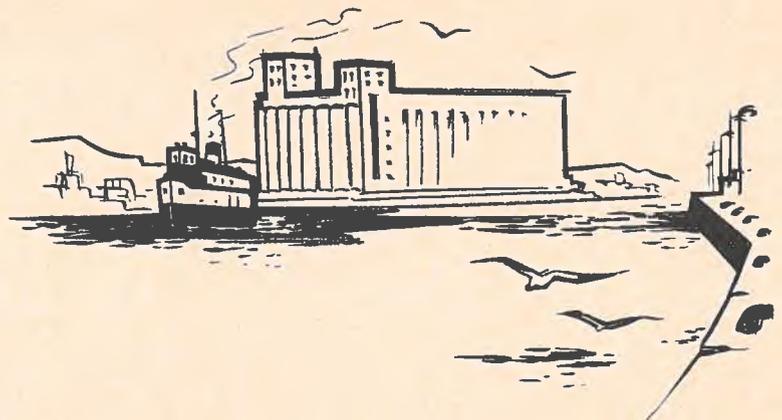
Generally speaking, Portuguese businessmen are shrewd, meticulous

about detail, and do not make decisions hastily. The word to remember in dealing with them is "paciência", and eventually most difficulties can be overcome. Similarly, in looking for agents the Canadian should be prepared for lengthy negotiations. The Lisbon office will be glad to arrange interviews with potential representatives.

### Don't Miss Fado

Inevitably, the visiting businessman will take some of his meals in the numerous small restaurants. (Portuguese food, particularly the seafood, is excellent.) Many of these are designed to appeal to tourists and some of them offer attractions such as the "fado". This is the melancholy song of past and present misery and suffering, personal and national, and interesting to hear. Often the fado is sung by black-veiled women and sometimes by dark-clad men accompanied by two or three stringed instruments. In genuine fado houses, the patrons often write their own lyrics on the spur of the moment and then perform them. The fado, in which suffering is sometimes presented as a pleasure, is said to reflect the Moorish influence in Portugal.

Plan your next trip to Continental Europe to include Portugal, where you can carry on business in a relaxed atmosphere and at the same time enjoy the historic and other attractions of this unique country. ●



# Pakistan's New Import Policy

Budget approved recently, plus changes in licensing policy and some decreases and increases in rates of duty, will affect some exports to Pakistan. Export bonus voucher system also modified.

R. DOUGLAS SIRRS, *Commercial Secretary, Karachi.*

TWO important and inter-related government measures—the 1964-65 National Budget and a new import policy—came into being in Pakistan as of July 1, 1964. They are perhaps of particular concern and interest to Canadian firms because both of them are concerned with giving impetus to Pakistan's economic and industrial development. Accordingly, they take into account the country's many import requirements (essentially of capital and industrial goods) as well as its current need for foreign technical skills and equipment, such as engineering services. For example, the new budget now allows a foreign technician to enjoy a three-year tax exemption instead of the former two.

In considering both the budget and the import policy, it should be borne in mind that the Pakistan Government is continually striving to achieve a measure of parity in the economic development of both sectors of the country—East and West Pakistan. Thus the Eastern Sector, which has a relatively lower per capita income and which has not enjoyed the same economic progress as West Pakistan, will receive a higher portion (Can.\$463 million) of the Government's budgeted outlay. West Pakistan's share will be

Can.\$440 million. Many development projects—including at the present time a large proportion of Canadian ventures, such as transmission lines, "isolated" power generating units, land-use survey, etc.—are being pursued in the Eastern Sector. Similarly, some products such as cement and coal are being placed on the Free List for import into East Pakistan only.

## Budget Changes

As one of the basic steps in placing industry on a firm footing, the Government has asked for a greater proportion of aid in the form of commodities—approximately \$200 million out of approximately \$430 million pledged by the Aid-to-Pakistan consortium (which includes Canada)—during 1964-65. The Pakistan Government will add this amount to the value of imports on the "Free List" which will now include practically all industrial raw materials, such as non-ferrous metals, dyes, chemicals, rubber, machinery, drugs, scientific instruments and even useful books. These are admissible without a licence. A more detailed list is given below.

Some relief is also being provided for specified imports of some items not manufactured locally. Sporting equipment not made locally (tennis

and squash balls) will not now be subject to duty, nor will food for infants and fountain-pen nibs. The import of toys will benefit from a duty reduction to 25 per cent from 50 per cent. Almost all other products will, however, be subject to higher duty rates. The duty on wood and timber will rise from 25 and 30 per cent to 35 and 40 per cent, pigments from 20 to 35 per cent, tires from 40 and 50 per cent, hardware from 40 to 50 per cent to 75 per cent, batteries from 40 to 50 per cent, cycles from 40 to 50 per cent, and so on.

The export bonus voucher system which in a practical sense affords Canadians one of the only means of selling many items which are excluded from the import list has also undergone some changes. The former seven bonus rates (ranging up to 40 per cent) have been narrowed down to two, entitling the local exporter to 20 or 30 per cent of his total foreign earnings, depending on the category of his product. Export bonus vouchers are granted to specified local manufacturers as a means of encouraging exports. They entitle the exporter to a portion of his foreign exchange earnings and this he can use to purchase from abroad luxury goods or goods otherwise non-admissible. The vouchers are also freely transferable and their high value is reflected in current stock market quotations of approximately 150 per cent of face value.

The new import policy (July/December 1964), although announced separately from the Budget, is of course directly related to it. In fact, most of its objectives are reflected in the Budget and in a partial and practical sense it serves as a worksheet, listing the breakdowns of various items and their corresponding import categories. Three import lists have been set up as follows:

(1) **Free List**—51 items, no import licence required. It includes the following products of possible inter-

# Mexico Harnesses

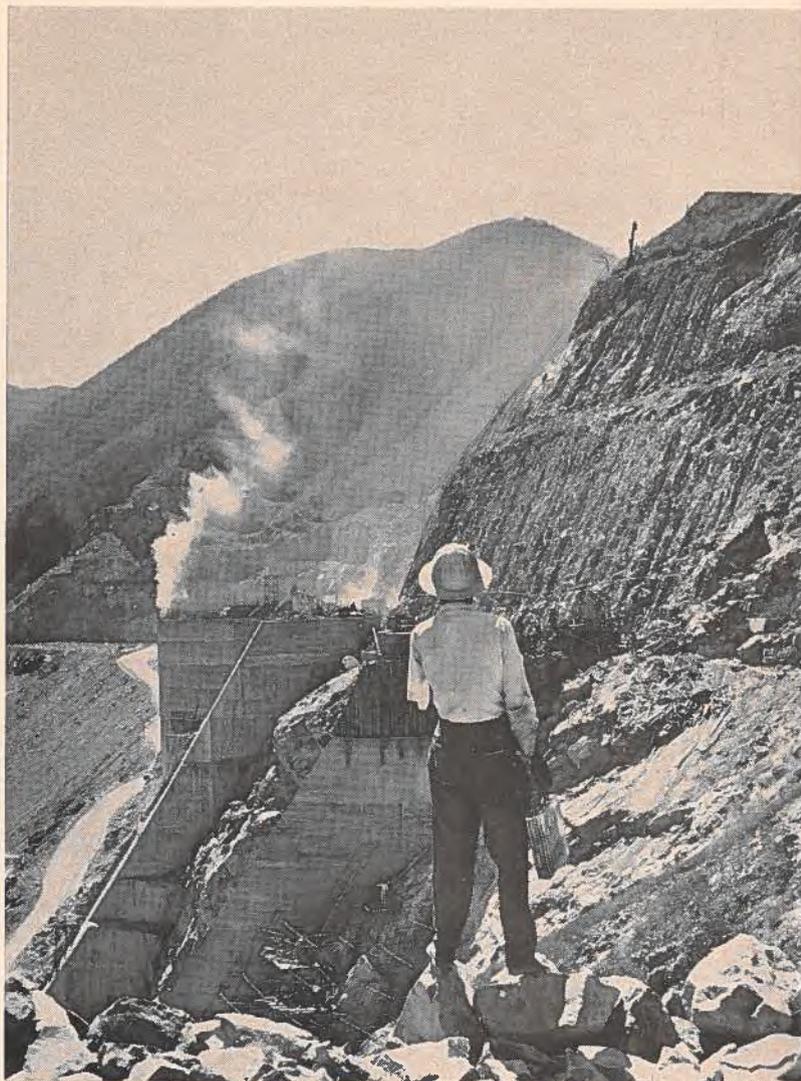
est to Canadian firms: non-ferrous metals, useful books (professional and technical), chemicals (all sorts n.o.s.), life-saving drugs and medicines, carbon black, electric insulating material, coal, medical appliances, scientific and surgical instruments, pigments, barytes, plumbago and graphite, milk (condensed, dry and sweetened), tires and tubes for tractors, nylon twine and raw rubber (including synthetic rubber).

**(2) Open General Licence (33 items)**—This allows for repeat licensing in established importers. The following items of possible interest to Canadian exporters are included: biological medicines, outboard engines, tools, books, drugs and medicines, cables, valves for iron and steel pipes, typewriters and parts, office machines, tractors, and tires for individual users.

**(3) Items other than those in (1) or (2)**—This class applies solely to categorized importers and imports are restricted to local buyers with established performance on a 1950-52 basis. It includes such products as tools, explosives, asbestos manufactures, wireless reception instruments, electric instruments, batteries, cast iron pipes over 4" diameter, hardware ironmongery, lacquer, metal valves for cycles, certain iron and steel bolts, nuts, and screws, gramophones, alcoholic drinks, sewing machines, packing for engines and boilers, paper, nibs, brake fluid, ball and taper bearings, celluloid, sporting equipment, wood and timber, airplanes, and motor cars.

General reaction to the above measures has been favourable. The feeling is that the facilities afforded by these liberalized measures and the favourable investment climate will help Pakistan maintain or even surpass the significant GNP increase of approximately 5 per cent registered last year.

This office will be glad to supply further details on the budget and local import policy. ●



*Among the six most important projects for making maximum use of the country's water resources is the Rio Balsas Basin scheme. A huge dam is being built at a cost of U.S.\$100 million at El Infiernillo (Little Hell) on the Balsas River. A worker surveys the spillway from the top of the 475-foot dam; the canyon behind will be flooded for 100 miles.*

# Water Resources

Bold plans have been made for Mexico's rivers—their waters will be dammed for hydroelectric power, controlled to prevent floods and provide irrigation. Ports and navigation will be improved. Hundreds of millions of dollars will be spent on equipment and engineering and technical services. Canadians could win some of this business which is supported by international financing.

H. S. HAY, *Assistant Commercial Secretary, Mexico City.*

THE PROBLEM is not too little water—it's the way it is distributed and used. Large areas of Mexico are parched and dry for most of the year, then suddenly drenched and eroded. Others are perpetually sodden. Crops to feed many more millions could be grown and some day will be as Mexico's nation-wide program to control rivers, irrigate deserts and drain swamps goes into effect.

At least two dozen major schemes are planned or under way. Programs are being integrated to combine flood control, irrigation, power generation, navigation and marine works, land reclamation, agricultural improvements, and new industrialization. The responsible authority in the first instance is usually the federal Department of Hydraulic Resources, but several other departments and agencies are participating. Some of the financing is international, providing opportunities for foreign contractors to bid. Much of the equipment will come from abroad.

## Six Major Projects

Among the most interesting of the projects are three on the eastern side of the continental divide and three on the west:

**1. The Grijalva-Usumacinta Basin**—From the Guatemalan highlands through great canyons and past lost Mayan cities wind Mexico's two largest rivers, the Grijalva and the

Usumacinta. Their 54,000-square-mile basin contains one third of the country's water resources which when harnessed will spark the development of an area rich in agricultural, forest and mineral resources.

At Malpaso on the Grijalva, a rock-fill dam 400 feet high will be ready this year to contain a 72,000-acre lake. A power plant is being built beneath it to generate 900,000 kilowatts, about one third of the basin's potential. The first four turbines and generators, financed by the World Bank, are on order from Japan and Sweden. Tenders for two more, plus transformers and a 500-mile heavy-duty transmission line with accompanying hardware, should be open to Canada. Other dams and powerhouses will follow.

Below Malpaso, pilot work has begun on a gigantic scheme to reclaim for agriculture 850,000 acres of rich tropical land, now subject to cyclonic and seasonal flooding.

Up to 25,000 new families are expected to settle in this area, some under colonization schemes. Swamps will be drained, canals cut, rivers diked, roads laid and new towns built. River navigation will be improved, a new ocean port constructed and perhaps an intra-coastal canal dredged.

Work valued at U.S.\$25.5 million financed by the Inter-American Development Bank was tendered for internationally last year—but no Canadians bid. During the next

decade several hundred million dollars will probably be spent on development of this basin.

**2. The Papaloapan Basin**—Three hundred miles southeast of Mexico City is Mexico's third largest river, the Papaloapan, fed by nine major tributaries with water from three states. Annual production potential of the basin, almost all in agriculture and forestry, is estimated at U.S.\$1.5 billion and planners predict this potential can be achieved with expenditure of U.S.\$500 million. The 30,000-square-mile area includes Mexico's highest peak, 18,320-foot Orizaba, and a lush 12,500-square-mile lower valley almost at sea level. Most of the region's 1.5 million people are supported by rich yields of sugar, bananas, corn, pineapple, citrus and other tropical fruit grown in this high rainfall area.

The broad meandering Papaloapan system, navigable for 500 miles, once carried important river barge traffic. Now it is noted more for the severity of its floods. Under the development program, dams, dikes and drainage ditches will control the rampant waters and tap several million acres of rich bottom lands, higher grazing lands and forests. The hydropower potential of 660,000 kw. is being exploited and already one major station generating 230,000 kw. is in operation. To come is another 175,000 kw. station and several smaller ones. Also planned is an integrated program of irrigation and land use.

**3. The Pánuco Basin**—Silting is a problem at the Pánuco river port of Tampico and work is to begin this year on a dam at El Pujal above the city to control the river's flow. Power will be generated and a small area of rich citrus and coffee-growing piedmont will be irrigated. Although this is the newest and smallest of the integrated basin pro-

jects, it will nevertheless involve five major dams plus agricultural and livestock improvements that will eventually cost U.S.\$80 million. Credits of U.S.\$8 million have already been obtained from the IADB.

**4. The Lerma-Chapala-Santiago Basin**—U.S.\$150 million is earmarked to be spent over the next five years to spur agriculture and industry in the area between Mexico City and Guadalajara, one of the most populous stretches of the Mexican altiplano. Some 500 small irrigation works are planned in the 80,000-square-mile basin of the Lerma, together with roads and agricultural and industrial development programs. To date U.S.\$4 million has been received from the IADB.

**5. The El Humaya Basin**—On the northwest coast where rice and grains are important, \$112 million is being spent on construction of a dam and canal system to exploit the waters of the Humaya, Culiacan and Tamayula rivers. A 40,000 kw. power plant is to be built at the foot of one dam. Some 180,000 new acres will be irrigated and another 75,000 assured of a constant moisture supply. An IADB credit of U.S.\$20 million was recently authorized to finance works open to international tender.

**6. The Rio Balsas Basin**—In Western Michoacan where lonely Indian pueblos five years ago were almost cut off from civilization, a 475-foot, U.S.\$100 million dam is soon to be completed at El Infiernillo (Little Hell) on the lower canyon of the Balsas River. By the end of 1964 power will be flowing from a 936,000 kw. power station built half a mile underground and housing the largest turbines in the Western Hemisphere. Behind the dam the canyon will be flooded for 100 miles. Financing for Infiernillo has come in large part from a long-term French credit.

The rugged topographical configuration of the Balsas basin makes

it a natural for hydroelectric power development. Mexico City will take most of the power over a 218-mile, 380,000-volt line. Eventually the line will be tapped en route for development of the rich mineral deposits nearby.

Construction of a second dam called La Villita will be started shortly a few miles below Infiernillo. It will cost U.S.\$18 million and ultimately will generate 300,000 kw. and irrigate 60,000 acres on the coast. Farther down in the Balsas' estuary a new port with bulk-loading facilities is projected.

### Trade Opportunities

These projects, under way or planned, will cost many hundreds of millions of dollars. They will involve heavy construction and engineering and technical services, and will call for a wide variety of equipment and also agricultural breeding stock. The sizable proportion financed by international agencies such as the Inter-American Development Bank and the World Bank will be open to foreign contractors. Mexican contractors and engineers can quite capably undertake the rest of the work, although in some cases there is interest in

joint ventures with foreign contractors who can supply private financing, equipment, or special skills. It is predictable that a wide range of machinery will be imported.

As well as the opportunities they offer themselves, the basic schemes dovetail with other major projects such as the expensive conversion of Mexico City to 60-cycle power and the development of improved and integrated transportation facilities throughout the country. We would like to hear from suppliers of the following products and services so that we can assess how they might tie in with Mexico's river basin schemes:

- turbines
- generators
- switchgear
- conductors
- poleline hardware
- light aircraft
- off-road vehicles
- specialized construction equipment
- specialist hydraulic engineers
- port and marine construction specialists
- forage seed growers
- cattle breeders
- poultry breeders
- importers of tropical produce

Drop in the next time you come through Mexico City, or write to us and include brochures. ●

## Nuclear-Electric Power Study

THE POTENTIAL of nuclear energy for generating electric energy will be studied by a non-profit corporation organized by private industry in Detroit. Called the Power Reactor Development Company, the corporation has constructed a fast-neutron breeder reactor which comprises a portion of the Enrico Fermi Atomic Energy Plant near Monroe, Michigan. A program of low-power nuclear testing, under one megawatt (thermal), was begun in 1963.

After an Atomic Energy Commission licence is obtained, (probably later this year) the reactor is expected to be brought up to its specified power output of 200 megawatts (thermal). The heat produced will then be sold to the Detroit

Edison Company for use in generating steam and electricity at a nearby plant. However, in order to use the reactor as a research facility to advance technology as well as a source of heat, Detroit Edison is currently constructing an oil-fired boiler at the Enrico Fermi plant. The boiler will make full use of the plant's steam turbine-generator capacity during the period the reactor is being used as a research facility.

Although the reactor is almost completed, there are some items that Canadian exporters still may be able to supply. Interested companies should contact Mr. W. C. Arnold, Power Reactor Development Co., Box 725, Monroe, Michigan.

# de Havilland's Flying Salesmen

One *Caribou* aircraft and its crew landed in Toronto early in July, after a 38,000-mile tour covering 28 countries. The objective: to demonstrate the *Caribou's* unique talents and push export sales.

JAMES E. GRIMSHAW, *Toronto.*

THE old adage about the better mousetrap is not the whole story: after you build the mousetrap the world has to be convinced that it is really better. The builder can advertise, distribute brochures and present proposals, but in the last analysis the most effective way to influence a potential buyer is to demonstrate the product to him. This has been the philosophy at de Havilland Canada for many years and it has paid off.

In the context of this philosophy, a de Havilland Canada *Caribou* transport aircraft recently concluded a successful 98-day globe-circling sales tour. It left Toronto on March 29 and returned on July 3, visited 28 countries, and staged 100 demonstrations of its flying performance and potential for application to a wide range of military and civil air transport needs. The demonstrations were staged in the following places:

Tokyo, Japan  
Taipei, Formosa  
Hong Kong  
Kuala Lumpur, Malaya  
Colombo, Ceylon  
Katmandu, Nepal  
Rawalpindi, Pakistan  
Karachi, Pakistan  
Kuwait, Kuwait  
Baghdad, Iraq  
Jedda—Riyadh, Saudi Arabia  
Addis Ababa, Ethiopia  
Nairobi, Kenya  
Dar es Salaam, Tanganyika  
Salisbury, Southern Rhodesia  
Lusaka, Northern Rhodesia  
Entebbe, Uganda  
Tripoli, Libya  
Rabat, Morocco  
Madrid, Spain  
Brussels, Belgium

The aircraft left Toronto and flew westward via the North Pacific for



The *Caribou* sales team staged one of its initial demonstrations on its world tour for the Japanese Self-Defence Forces near Tokyo during the first week in April.

its first engagement at Tokyo. It carried its own spares, maintenance and cargo-handling equipment. A significant over-all feature of the odyssey was the aircraft's total self-sufficiency, which illustrates its worldwide deployment capabilities. The North Pacific stage of the journey was the only flight requiring an auxiliary fuel tank and at no point en route on the rest of the journey did the crew require outside facilities to carry out maintenance. All flights were made on schedule and no demonstration was cancelled or even delayed.

## Spadework First

The success of the tour was largely due to the presence of the aircraft, its performance, and the ability, enthusiasm and teamwork of the crew. However, the preliminary

spadework was of prime importance to the success of the operation. Planning started months before the departure date. de Havilland Canada field representatives went out in advance to analyze the air-transport needs of countries on the tour routes; Hawker de Havilland representatives and agents along the way were alerted to make the physical arrangements, and the Canadian Trade Commissioners in the various regions visited gave invaluable assistance by publicizing the demonstration, providing liaison services, and being helpful in many other ways.

## Staging Demonstrations

The demonstrations, where possible, were staged where the terrain and other conditions were the most likely to stress the *Caribou's* unique

ruggedness and capabilities for rough, short-field performance and adaptability to environment. Parachutes of supplies in mountainous regions of Pakistan (8,000-foot drops to the floor of a valley) and a flight out of a 1,400-foot airstrip in Nepal at 9,300 feet with 16 passengers aboard are but two examples. On the African phase of the tour, makeshift jungle strips posed no problems for the *Caribou*. In North Africa, take-offs and landings were made in soft-sand areas with blowing sand reducing visibility to very poor.

In addition to the demonstration and courtesy flights, de Havilland Canada representatives gave briefings on the aircraft's characteristics and potentialities for application to the air-transport requirements peculiar to each region. Films showing the aircraft operating in contrasting situations (a field ploughed to a

depth of 14 inches and then soaked with water and a *Caribou* operating from a snow-packed, gravel-surface, short narrow strip in Canada's Arctic) effectively illustrated the worldwide applications of the aircraft's unique features. The briefings and film showings were well attended by government, military and commercial aviation representatives.

Lively interest was shown in the *Caribou* at all demonstration points. Chiefs of State and top military and commercial aviation officials who were taken on courtesy flights were enthusiastic and they were equally complimentary about the demonstrations tailored to the environment and requirements.

de Havilland Canada has advocated the get-out-and-sell approach strongly for many years. Both the *Beaver* and the *Otter* were avante garde in the S.T.O.L. art, but they had to be demonstrated to be be-

lieved. Today these aircraft are flying in 65 countries from the tropics to the Arctic—and with several national scientific expeditions on the ice continent of Antarctica. The impetus behind these exports was primarily the winning by a *Beaver* of a joint USAF-US Army competition for the selection of a liaison aircraft back in 1951. But it was also due in large part to the indefatigable demonstrations of the *Beaver* in Latin America, Australia, Africa, and South Asia. Over the last decade and a half, some 85 per cent of the de Havilland Canada designed utility transport airplanes have rolled out of the production hangar tagged for export.

Although the success of the recently concluded tour will not be apparent immediately in order-books, the concensus is that some firm export orders will be in hand before the year is out. ●

## TRANSPORTATION NOTES

### Lisbon's Record-Breaking Bridge

WORK is well under way on the long-hoped-for bridge over the Tagus River at the entrance to the port of Lisbon. The main pillars are already in place, and the builders expect to open the bridge early in 1967.

The first engineering study to span the Tagus at Lisbon was made in 1876 and ever since there has been talk of building a bridge. Finally, the proposals of the U.S. Steel Export Company, made in 1934 and in 1939, were accepted in 1962 after world-wide competition. The bridge was started soon after.

The bridge is being built under the authority of the Ministry of Public Works through a special department ("Gabinete da Ponte sobre o Tejo"). The total cost is fixed at \$75 million. The whole project with its approaches will be possibly closer to the \$100 million mark. It is being financed with the assistance of the U.S. Export-Import Bank.

The bridge will be a cable-suspension structure, and will have a main span of three quarters of a mile, the longest in Europe. Its bridge towers (624 feet

above water) and a pier (260 feet below) will also set new records for Europe. The central span will have a clearance of 230 feet above water. It will be the longest bridge in the world designed for both highway and railway traffic.

—T. J. MONTY,  
*Commercial Counsellor, Lisbon.*

### The Moselle: a Staircase of Water

A NEW and important factor has been added to the European steel and coal market area. The Moselle Waterway, a 170-mile link between the steel producers of Lorraine and the Rhine, was officially opened last May 26.

The 14-lock water route will enable the French steelmakers to ship steel to prospective customers in Southern Germany more cheaply than before. They will also be able to bring coal by barge from the Ruhr area and the Dutch ports, and this means lower freight rates.

German competitors have been understandably unhappy about the development. The German Federal Railways, however, has taken up the challenge. It has reduced freight rates for certain commodities between the Saar and Ruhr areas and Southern Germany, and between the lower Rhine ports and Lorraine.

### Construction and Facilities

The construction of the waterway was an engineering feat of some note. During the seven years since France, West Germany and Luxemburg signed the treaty that brought the project into existence, 350 million cubic feet of gravel, soil and rock had to be dredged from the river or shifted by blasting. The amount of concrete poured is equally staggering—28 million cubic feet.

The locks guarantee sufficient water levels for ships up to 1,500 tons if they are self-propelled or drawn by tugs and up to 3,000 tons if they are pushed. A welcome byproduct of the canal was the erection of nine hydro-electric power stations on the German section of the river. Two more are under construction and when finished will bring the combined output of the 11 stations to 800 million kilowatts per year.

### Financial Figures

Original estimates of construction costs were in the neighbourhood of \$100 million. So far, however, more than \$210 million has been spent and the final figure may well reach \$400 million. Two-thirds of the cost is being borne by France, Luxemburg's share is about \$500,000, and West Germany has contributed the remainder.

Experts have agreed that the canal's revenue will not be sufficient to pay for its construction but will merely

cover normal operating costs. In 1955, the French estimated an annual turnover of 10 million tons for the new waterway, whereas German shipping experts said that the annual tonnage would not exceed three million. Today, however, it is believed that five to six million tons of goods per year will be carried on the river.

The many admirers of the Moselle who had been afraid that modern technology would mar its beauty have had to admit that their fears were groundless. Even the most conservative of the grape growers along the Moselle agree that there may be advantages to the new water levels.

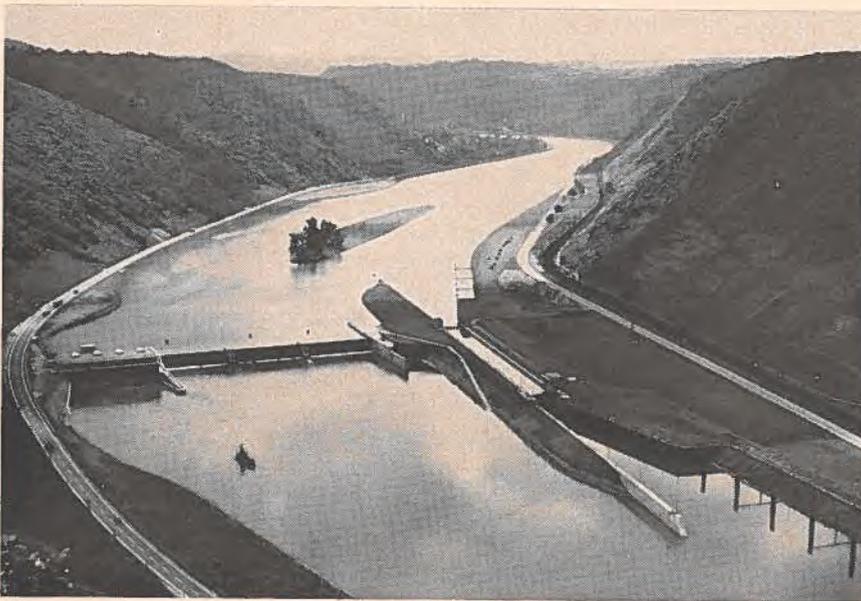
—O. SCHROEDER,  
*Commercial Assistant, Bad Godesberg.*

### Britain

**OFF-LOADING GEAR**—A new type of cargo-handling gear is being used to discharge cargo at the Canada Dock in Liverpool. The system, for example, enables boxes of apples to be kept in units of 44 on pallets direct from orchard or packing station to the importer. Importers say that with the new system of handling, apple cargoes are arriving in better condition. The gear is known as the Templewood crane fork—Liverpool.

### Canada

**NEW STEAMSHIP SERVICE**—Blue Star Line Ltd. has announced that service between Canada and Australia will start on September 25 with the departure of the motor vessel *Montreal Star*. All ships to be used on the run will have facilities for both general



*The Moselle Valley has long been noted for its beauty. This view of the Lehman lock, 13 miles upstream from Koblenz where the Moselle joins the Rhine, shows that the scenic charm of the river has not been destroyed by the navigation installations. Water levels in the system are controlled by dams such as the one pictured, stretching to the left bank.*

and refrigerated cargo as well as a limited number of first-class passengers. The Robert Reford Company Ltd., Montreal, is the Canadian agent—Montreal.

### Switzerland

**RAILWAY PROFITS**—The economic boom is putting a great strain on Switzerland's railways. The big increase in imports is overtaxing the capacity of the transportation system, while at the same time operating costs are rising. Consequently, in spite of greater income, the net profit in 1963 was only Sfr.313.5 million, 9.5 million less than in 1962. An increase in all fares and rates can no longer be avoided and it will take effect later this year. In line with the measures taken by the Swiss Federal Council to dampen the boom, the Federal Railway has agreed to limit its construction and modernization budget for 1964 to

Sfr.383.7 million. Of this amount, 40 per cent is earmarked for new rolling stock. The railways employ 42,764 people of whom 1,400 are foreign workers. The total outlay for personnel was Sfr.772 million, 5.5 per cent more than in 1962—Berne.

### United States

**NEWSPRINT LOADING**—The Luckenbach Steamship Company has developed a loading platform at its Tampa, Florida, terminal for loading rolls of newsprint into boxcars. It is said to reduce damage to the rolls considerably. The platform is a movable loading carriage about 12 feet long and 3 feet wide. It is about a foot high at one end and sloped so as to roll the newsprint to the other end. This end is slotted to accept the jaws of an ordinary "paper clamp" attached to the front of a lift truck—New Orleans.

## What's current in commodities?

### Air-Conditioning Equipment

**France**—Air conditioning is catching on in France, particularly in industries and offices. Imports are growing steadily and Canadian manufacturers could get some of this business.

Y. C. JAURON, *Assistant Commercial Secretary, Paris.*

TEN years ago, most Frenchmen considered the household refrigerator a luxury. Today, 65 per cent of French families own an electric refrigerator. A similar trend is now apparent in acceptance of air-conditioning equipment. Room air-conditioners are beginning to be used in apartments, French industrialists are realizing that air cooling provides greater comfort and higher employee efficiency, and hotel and restaurant owners are recognizing the value of air conditioning to attract customers.

In France, as in other countries undergoing rapid economic expansion and social changes, the growth in urban population and personal

income has led to a marked increase in the demand for goods that provide easier living and greater personal comfort. For example, sales of refrigerators and washing machines have doubled since 1960 and small domestic appliances, such as floor polishers and vacuum cleaners, have won a significantly larger market.

Just now, Frenchmen are concentrating on equipping their homes with the more basic appliances and room air-conditioners and humidifiers are likely to remain in the luxury class for some time. Only 15,000 units were sold to apartment owners or tenants in 1962. However, this market, small as it is now,

can be expected to grow with the boom in apartment construction; reports say that many landlords in the south of France offer room air-conditioners as an incentive to prospective tenants.

Best prospects for room air-conditioners in the immediate future are in the hotel, restaurant and office field. These sales reached 25,000 in 1962, an increase of 4,000 over 1961. As restaurant and hotel owners discover the benefits of cooling with window-type air-conditioners, they will begin to consider complete cooling systems.

#### Strong Demand from Industry

Industry offers considerable opportunities at the moment for sales of unit-package air-conditioners. The demand for this equipment has been expanding rapidly during the last five years and French production has not been able to satisfy it. Imports have made strong gains; in

1962, they reached \$1.5 million and they are expected to continue to grow in the years ahead. Behind this sudden growth is the effort being made to modernize French industry. Few industrialists have been prepared to assume the cost of air conditioning existing factories, but most recently built buildings have been equipped with cooling facilities. Commercial and industrial construction, which hit \$770 million in 1963 compared with \$740 million in 1962, augurs well for the air-

conditioning industry. The best prospect appears to be for the one-unit assembly that provides heating in winter and cooling in summer.

The textile and printing industries, where control of environment is important, began using dehumidifiers on an increased scale in 1962. This suggests a promising field for Canadian manufacturers.

The Paris Commercial Office believes there is a market for Canadian air-conditioning equipment in France. Despite increasing competi-

tion, Canadian firms should be able to obtain a share of this market, provided they are prepared to invest in carefully planned sales promotion and to offer an integrated sales and service program. Generally speaking, air conditioning has not yet become an accepted fact of life in France, but more and more people are associating controlled cooling (as well as heating) with modern comfort and rising standards. This augurs well for a growing demand. ●

**Spain**—Market has been small, but demand is growing, particularly for industrial use. Best way for Canadian manufacturers to assess their chances is to exhibit in Spanish trade fairs.

C. S. COLLINS, *Commercial Attaché, Madrid.*

INTEREST in air-conditioning equipment in Spain has developed only during the last few years. In the past, relatively high prices, low personal income, and unfamiliarity kept the use of air-conditioners to a minimum. As recently as 1962 (the last complete year for which import statistics are available), total Spanish imports of air-conditioning equipment were valued at only Can.\$166,824. The following table shows the suppliers and the value of their sales:

Italy	Can.\$84,528
Britain	54,520
United States	19,660
Sweden	3,578
Switzerland	3,495
West Germany	913
Mexico	130
<b>Total</b>	<b>166,824</b>

However, the market improved last year. Lack of statistical information makes it difficult to assess the extent of this rise, but one local distributor informed us that during 1963 he imported 3,000 window air-conditioners from the United States valued at over \$500,000. He expects to double his imports this year because the Spanish Government liberalized the import of air-

conditioners effective January 1, 1964.

Air-conditioning equipment imported into Spain is subject to an import duty of 36 per cent ad valorem, plus 8 per cent excise tax, under Tariff item 84.12.

#### Competition Is Keen

Competition is extremely keen. The larger U.S. manufacturers, including Westinghouse, Carrier, Worthington and York, manufacture in Spain under licensing arrangements. All these companies, with the exception of Carrier, have their units totally made in Spain. Carrier still imports condensers from the United States.

Westinghouse is undoubtedly the leader here in supplying air-conditioning equipment for industrial purposes, although there is growing competition from Worthington and Carrier. The demand for industrial types of air-conditioners is increasing far more rapidly than for window units for household use. The reasons are the great increase in the number of restaurants, apartment buildings, hotels, factories, cafeterias, etc., and the limited individual purchasing power. Spanish-

made window air-conditioners are more expensive than U.S. imports, even though labour costs are lower here, because there is no mass production.

#### Types Most in Demand

The most popular type of window air-conditioner in this country has a rating of 16,000 BTU, retails for 29,000 pesetas (Can.\$528), and is imported from the U.S. The industrial type most in demand is a five-ton model suitable for restaurants, hotels and hospitals which sells for 100,000 pesetas (Can.\$1,818), less a discount that depends on the quantity ordered. Installation charges are additional and may range from 6,000 up to 10,000 pesetas. All models are made to operate on 50 cycle, 220 volts.

Dehumidifiers are in demand in the coastal areas of Spain, and cities such as Barcelona, Valencia and Malaga are considered to be good markets for them. Small room dehumidifiers retail at 8,000 to 10,000 pesetas.

One of the best ways for a Canadian manufacturer of air-conditioners to determine the interest in his product is to exhibit his models at a Spanish trade show, such as the well-known Machinery and Equipment Show held annually in Bilbao, or the Barcelona Samples Fair. Participating in either of these constitutes a useful bit of market research. ●

# Why Not Sell in the Netherland Antilles?

These small islands send Canada substantial shipments of oil; in return, offer limited opportunities to sell food products, some manufactured goods, articles for the tourist trade. It's a virtually free market but the U.S., Europe and Japan offer stiff competition.

W. D. WALLACE,  
*Commercial Counsellor, Caracas.*

THE NETHERLANDS ANTILLES consists of six islands with a population of 196,000, chiefly concentrated in the islands of Curacao (127,000) and Aruba (57,000). It is a small but prosperous market with a high cost of living, because practically everything must be imported. For many years Canada has engaged in foreign trade with the Netherlands Antilles but our exports to are far exceeded by our imports from the islands because of large shipments of refined petroleum products. Nevertheless, Canadian sales to the Netherlands Antilles have risen from \$1.1 million in 1960 to \$2.4 million in 1963. We sell a wide range of goods but food products account for the largest proportion.

## Oil and Tourists

The islands depend for their livelihood mainly upon the refinery operations of the Shell Oil Company in Curacao and the Lago Oil and Transport Company in Aruba, which obtain their crude petroleum from Venezuela and Colombia and re-export refined products all over the world. During the past year the Standard Oil Company of New Jersey put into operation in Aruba a chemical complex producing ammonia, nitric acid, urea and fertilizers. There are some other small

industries on the islands, but with the exception of the production of phosphate rock in Curacao, their output is small and they employ few people. The modernization of the oil refineries has brought about a severe drop in employment in the past few years and as a consequence, unemployment is a critical problem.

The second largest industry is the tourist trade and it is estimated that close to 40,000 people visit the islands annually. The great majority arrive on cruise ships with visits confined to one day; nevertheless, they are a boon to the local retail shops. Lack of sufficient hotel accommodation has been a serious drawback for tourists who wish to spend more time there. However, an expansion in present accommodation and the building of new hotels are helping to overcome this. Outside these two industries, the economy depends upon financial assistance from the Government of the Netherlands. This assistance has enabled Curacao and Aruba to enlarge their waterworks and electrical generating stations, improve harbour and airport facilities, and extend social and education services.

## Foreign Trade

The foreign trade of the Netherlands Antilles is dominated almost entirely by the import of crude oil and the export of refined petroleum products. Over the past four years, imports have averaged \$727 million

a year and exports \$690 million. Consequently, there is usually a trade deficit and this tends to increase when petroleum and products are eliminated from the trade. Part of the deficit is offset by receipts for operating and service expenses of the oil companies and by financial aid from the Netherlands. In order of importance, the principal markets for the Netherlands Antilles are the United States, Britain, the Netherlands, Canada and Brazil. The chief sources of supply are Venezuela, the United States, the Netherlands, Britain, Japan and West Germany.

## Trade with Canada

The Netherlands Antilles provides Canada with a limited market for certain exports and Canada is a substantial customer for their refined petroleum products. As a result, the Netherlands Antilles maintains a substantial favourable balance of trade, as shown in Table I. In terms

TABLE I  
CANADA-NETHERLANDS ANTILLES  
TRADE  
(Can.\$'000)

Year	Exports	Imports	Balance in favour of Netherlands Antilles
1960	1,131	32,521	30,390
1961	1,239	31,137	29,898
1962	1,293	35,856	34,063
1963	2,406	35,999	33,593

FOREIGN TRADE

of total trade, Canada ranks fourth among the principal markets, taking about 1.6 per cent of exports by value (excluding petroleum) and about ninth as a source of supply, with about 1 per cent of imports by value.

A wide range of products is exported from Canada to the Netherlands Antilles. The items listed in Table II accounted for 62 per cent of total shipments in 1960, 79 per cent in 1961, 82 per cent in 1962, and 76 per cent in 1963. Food products constitute the main shipments from Canada but in the past few years a number of manufactured goods—such as pharmaceuticals, paper products, fabricated aluminum, iron and steel pipe, and appliances—have been improving their position. On the other hand, shipments of meat and meat products, food preparations, sardines, copper tubing and automobiles have declined.

### Trade Controls

Curacao and Aruba are virtually free markets with low tariffs and almost no trade controls. There is no prior import licensing system, but there is a form of foreign exchange

control. Invoices of goods have to be submitted to the Foreign Exchange Control Board before the goods are released. Permission is seldom refused and the procedure is really a method of keeping a check on dollars spent for imports. Customs tariffs are nominal. Articles for sale to tourists are assessed at 3.3 per cent ad valorem, and most other products are generally assessed at 4.5 per cent ad valorem. Automobiles, furniture, confectionery, alcoholic beverages and cigarettes and tobacco, however, are subject to much higher rates of duty. Commodities for the agricultural, commercial and industrial development of the islands and certain foodstuffs are on the duty-free list. There are no customs duties for the islands of St. Martin, St. Eustatius and Saba.

### Trading Techniques

In this limited market, which has to import almost 100 per cent of its needs, the competition from Britain, the Netherlands, the United States and Japan is intense. With the exception of luxury articles for the tourist trade, the market is more conscious of price than quality and as a result most high-priced items

lose out. The major portion of the import trade is conducted on sight draft and there are seldom delays in payment. Payments for imports may be made in United States or Canadian dollars. The rate of exchange for the Netherlands Antilles guilder (NAf) is NAf 1.87 to the United States dollar and NAf 1.74 to the Canadian dollar. The islands have excellent banking services that give prompt attention to business correspondence. Shipping services from Canada to Curacao and Aruba have improved and have enabled some Canadian exporters to be more competitive in this market. Although no certificate of origin is required, the country of origin should appear on the documents and the f.o.b. value port of shipment should appear separately from other amounts. All weights should be shown in the metric system.

Although Canadian exporters have done well in maintaining their volume of business in the Netherlands Antilles, there are ample opportunities for increasing trade, provided exporters are able to meet the severe competition for similar products from other sources of supply. In seeking representation in the Netherlands Antilles it is advisable for Canadian exporters to have separate agents in Curacao and Aruba. This is not essential for the smaller islands because in many instances the trade is covered by agents in Curacao. It is important to give prompt attention to correspondence and make certain deliveries are made as promised. Although Dutch is the official language, English and Spanish are spoken throughout the islands and business firms normally correspond in English. Canadian businessmen visiting the Caribbean area may find a stopover in Curacao and Aruba to survey the market interesting and profitable. The Commercial Counsellor, Canadian Embassy, Apartado del Este 11452, Caracas, Venezuela, makes periodic visits to the Netherlands Antilles and will be pleased to assist Canadian exporters in this market. ●

TABLE II  
CHIEF CANADIAN EXPORTS TO THE NETHERLANDS ANTILLES

	1960	1961	1962	1963
	(Can. dollars)			
Wheat flour	195,468	303,144	459,197	556,256
Sugar	.....	60	135,226	283,981
Pipes, tubes, iron and steel	.....	.....	111,195	136,898
Drugs and pharmaceuticals	78,518	96,494	110,508	123,036
Canned salmon	88,976	101,087	93,134	101,225
Industrial chemicals and explosives	.....	47,580	109,237	67,175
Aluminum metal and fabricated materials	521	.....	1,479	66,363
Washing machines	35,083	61,566	78,043	59,684
Toilet paper	23,137	38,999	42,504	56,939
Meat products	67,297	70,933	65,586	51,011
Whisky	46,550	48,529	41,626	50,111
Canned sardines	62,825	66,065	45,048	40,259
Paper bag containers	242	26,053	20,022	39,496
Newsprint	26,676	37,254	32,422	38,019
Food preparations n.e.s.	26,214	18,376	33,401	30,481
Tractors	.....	.....	.....	29,046
Automobiles	49,856	18,466	51,388	28,139
Jewellery	5,722	12,056	9,929	19,892
Copper pipe and tubing	3,680	33,949	35,459	7,393
<b>Total, including all others</b>	<b>1,131,000</b>	<b>1,239,000</b>	<b>1,293,000</b>	<b>2,406,000</b>

# COMMODITY NOTES

## Apples and Pears

AUSTRALIA—A gross return of \$25 million is expected from the apple and pear crop exported from Tasmania this season. European countries purchased 5.9 million cases of apples and over half a million cases of pears from Tasmania, more than two-thirds of the Australian record exports of nine million cases—Melbourne.

## Fruit Exports

SOUTH AFRICA—The Deciduous Fruit Board has stated that exports of deciduous fruit this season will establish an all-time record. This year 2.2 million cases of apples were exported as against 1.3 million last year, and 1.6 million cases of pears against last season's 1.5 million. So far, 4.4 million boxes of grapes have been exported this season, compared with 3.2 million for the same period last year. It is expected that South Africa's grape exports to the United States and Canada will almost treble last year's 300,000 boxes.

With the exception of apricots, exports of all deciduous fruits are well over those of last year. This year 520,000 single-layer trays of peaches were exported as against 470,000 last year and 364,000 double-layer trays of plums compared with 263,000 last season. During the 1962/63 season 20,000 double-layer trays of apricots were exported, 5,000 trays less than in the previous season—Cape Town.

## Iron Ore

AUSTRALIA—The Tasmanian State Government is confident that an industry based on the Savage River iron ore deposits will be established in the state. A firm decision was expected to be made shortly after the visit of a Japanese iron ore investigation mission, which arrived in Tasmania on June 22. The mission held conferences with the Tasmanian Premier and the Director of Mines and technical officers of his department arranged by Industrial and Mining Investigations Pty. Ltd., which holds an exploration licence for the iron ore deposits at Savage River.

In Western Australia, work began early in June on development of the Broken Hill Proprietary Co. Ltd.'s iron ore deposits at Koolyanobbing, the basis of a £45 million steel industry to be established at Kwinana, near Perth. The deposits are the economic justification for the £41 million standard gauge rail project now being built from Kalgoorlie to Kwinana. The first stages of the work at Koolyanobbing will comprise part of a £5 million program to develop mining and

railway facilities and a township. The B.H.P. Co.'s part of the work will cost £3 million and the Western Australian Government will install rail facilities at the new town at a cost of at least £1.5 million.

Open-pit mining of the ore will be done by six-cubic-yard electric shovels which will load 50-ton trucks. After treatment at a two-stage crushing plant, ore will be stored in 12,000-ton loading bins—Melbourne.

SWEDEN—LKAB, the state-owned iron ore mining company, forecast an output of 19.5 million tons this year. This is one million tons more than the original estimate—Stockholm.

VENEZUELA—The Orinoco Mining Company recently submitted plans to the Government for a semi-reduction plant to produce concentrates from iron ore. The new plant would raise the iron content of ore from 60 to 85 per cent and would increase its value from U.S.\$8 to U.S.\$20 a ton. It would be set up in Santo Tomé at a cost of about U.S.\$40 million and would have an annual capacity of one million tons initially and ten million tons eventually—Caracas.

## Mink Food

FINLAND—Because it has become more and more difficult lately to provide adequate food supplies for Finnish mink farms, AB Keppo Oy (the world's largest mink-raising firm) proposes to build a mink food depot and freezing plant in Ireland. The expanding Irish livestock industry is expected to ensure future supplies for Finland's mink farmers—Stockholm.

## Powdered Milk

NICARAGUA—A Swiss company has received government approval to establish a powdered milk factory in Matagalpa, Nicaragua. Estimated to cost about \$4.6 million, the project will involve building over 400 miles of roads in the northern region so that milk produced there can be transported to the factory. The planned rate of production will exceed domestic requirements, permitting exports to other Central American countries—Guatemala City.

## Shrimp

UNITED STATES—The total U.S. catch of shrimp (Atlantic, Gulf and Pacific Coast) in 1963 amounted to about 240 million pounds, compared with 191 million in 1962. The catch of 219 million pounds (heads-on weight) in the South Atlantic and Gulf States was

26 per cent greater than in 1962. Shrimp landings at Gulf ports were the largest since the collection of detailed records began in 1956, but landings at South Atlantic ports were the smallest in many years. Compared with the previous two years, 1963 Gulf landings showed a substantial increase in white and brown species and a smaller increase in the pink. The Alaska catch topped 14 million pounds, about 2.5 million pounds less than in the previous year. The domestic catch of shrimp (240 million pounds) and imports (about 266 million pounds, heads-on weight) provided a record supply of 507 million pounds, 75 million pounds more than in 1962. Despite an increase of over 13 million pounds in frozen stocks during 1963, consumption reached a new high. The larger supplies resulted in a significant reduction in prices—New Orleans.

## Synthetic Fibre

U.S.S.R.—The Moscow Textile Institute has developed a new synthetic fibre which they call ftorlon (fluorinelon). According to the Institute, the fibre has distinctive features: high chemical stability to the destroying influence of concentrated acids and oxidizers, does not rot or burn, is not affected by light, and does not absorb moisture. Material made of fluorinelon is said to be a good technical material which can be used for filtration of aggressive chemical liquids, as glands or gaskets when handling concentrated acids, and for sewing protective outer garments. It is also believed it may have wide application in medicine: the body accepts artificial vessels and mitral valves made of fluorinelon well and they are harmless—Moscow.

# 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, Montreal, 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.

St. John's—Sept. 8-11

**Peru**—K. G. Ramsay, Commercial Secretary in Lima, who will be returning to his post.

Acton—September 14	Saint John—October 2
Goderich, London— September 15	Quebec—October 5
St. Thomas—September 16	Montreal—October 6-16
Ingersoll, Woodstock— September 17	Toronto—October 19-23
Brantford—September 18	Hamilton—October 26-27
St. Catharines—September 21	Winnipeg—October 28
Welland—September 22	Regina—October 29
Halifax—September 28-29	Saskatoon—October 30
St. John's—September 30- October 1	Edmonton—November 2
	Calgary—November 3
	Vancouver—November 4-12
	Victoria—November 13

## Temporary Duty in Ottawa

**S. G. Harris**, Assistant Commercial Secretary in Washington, September 14-25. Contact United States Division, phone: 99-2-5176.

**E. H. Maguire**, Trade Commissioner, Singapore, September 30-October 6. Contact Commonwealth Division, phone: 99-2-2421.

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

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

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

## In Territory

**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.

**Mexico**—J. E. G. Gibson, Assistant Commercial Secretary, Mexico City, will visit Monterrey September 25-30.

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

**South Africa**—H. W. Richardson, Trade Commissioner in Cape Town, will visit Port Elizabeth and East London October 1-9.

**South West Africa**—R. G. Godson, Assistant Trade Commissioner, Cape Town, will visit South West Africa September 14-25.

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

# Foreign Commercial Representatives in Canada

## ARGENTINA

Ottawa—Economic Counsellor, Argentine Embassy, 211 Stewart Street.

## AUSTRALIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.

Montreal—Australian Government Trade Commissioner, Canadian Imperial Bank of Commerce Bldg., 1155 Dorchester Boulevard West.

Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

## AUSTRIA

Ottawa—Embassy of Austria, Suite 202, 85 Range Road.

Calgary—Consulate of Austria, 700 Lancaster Bldg., 300 8th Avenue S. W.

Halifax—Consulate of Austria, 6 Young Avenue.

Montreal—Austrian Trade Delegate, Suite 2275, 630 Dorchester Boulevard West.

Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.

Vancouver—Austrian Consulate, 525 Seymour Street.

Winnipeg—Consulate of Austria, 54 Harrow Street.

## BAHAMAS

Toronto—Trade Commissioner of the Bahamas, Room 707, Victory Bldg., 80 Richmond Street West.

## BELGIUM

Ottawa—First Secretary, Belgian Embassy, 168 Laurier Avenue East.

Montreal—Consul General of Belgium, 913 Royal Bank of Canada Bldg.

Toronto—Consul General of Belgium, Room 1901, 8 King Street East.

Vancouver—Consul General of Belgium, Room 1432, Marine Bldg.

## BOLIVIA

Montreal—Consul-in-Charge, Consulate General of Bolivia, 5559 Canterbury Avenue.

## BRAZIL

Ottawa—Brazilian Embassy, 305 Stewart Street.

Montreal—Brazilian Government Trade Bureau, Suite 960, 615 Dorchester Boulevard West.

## BRITAIN

Ottawa—The Senior British Trade Commissioner in Canada and Economic Adviser to the High Commissioner, British High Commission Bldg., 80 Elgin Street.

Edmonton—The British Trade Commissioner in Alberta, Suite 600, Bank of Montreal Bldg., 101st and Jasper Avenue.

Halifax—The British Trade Commissioner in the Atlantic Provinces, 5425 Spring Garden Road.

Montreal—The Principal British Trade Commissioner in the Province of Quebec, 635 Dorchester Boulevard West.

Regina—The Assistant British Trade Commissioner in Saskatchewan, Room 207, Derrick Bldg., 2431 11th Avenue.

Toronto—The Principal British Trade Commissioner in Ontario, 200 University Avenue.

Vancouver—The Principal British Trade Commissioner in British Columbia, Bank of Nova Scotia Bldg., 602 West Hastings Street.

Winnipeg—The British Trade Commissioner in Manitoba and Saskatchewan, 402 Monarch Lift Bldg., 333 Broadway Avenue.

## BURMA

Ottawa—Embassy of the Union of Burma, Royal Trust Bldg., 116 Albert Street.

## CEYLON

Ottawa—First Secretary, Ceylon High Commission, 448 Daly Avenue.

## CHILE

Ottawa—Embassy of Chile, 56 Sparks Street.

Montreal—Consulate of Chile, Suite 1100, 200 St. James Street.

Vancouver—Consul of Chile, 1575 West Sixth Avenue.

## CHINA

Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.

Vancouver—Consul General of China, 510 Hastings Street West.

## COLOMBIA

Ottawa—First Secretary and Consul, Embassy of Colombia, Suite 11, Roxborough Apts.

Montreal—Consul General of Colombia, 1500 Stanley Street.

Toronto—Consul of Colombia, 67 Yonge Street.

Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

## COSTA RICA

Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

**CUBA**

Montreal—Cuban Trade Commissioner, Suite 1150, 1435 Saint Alexandre Street.

**CZECHOSLOVAKIA**

Montreal—Commercial Section, Czechoslovak Consulate General, 640 Cathcart Street.

**DENMARK**

Ottawa—Royal Danish Embassy, 446 Daly Avenue.

Montreal—Royal Danish Consulate General, Suite 1525, 1245 Sherbrooke Street West.

Toronto—Royal Danish Consulate, Holland Life Insurance Bldg., 1130 Bay Street.

**DOMINICAN REPUBLIC**

Montreal—Consul General of the Dominican Republic, 3865 Lacombe Avenue.

**EASTERN CARIBBEAN (Barbados, British Honduras, Leeward and Windward Islands)**

Montreal—Acting Commissioner, Eastern Caribbean Commission, Suite 351, 2100 Drummond Street.

**ECUADOR**

Montreal—Consul General of Ecuador, Room 708, 1410 Stanley Street.

Vancouver—Consul of Ecuador, Apt. 1, 1480 Arbustus Street.

**EL SALVADOR**

Montreal—Consul General, Room 215, 300 St. Sacrement Street.

**FINLAND**

Ottawa—Attaché, Embassy of Finland, 85 Range Road.

**FRANCE**

Ottawa—Commercial Counsellor to the French Embassy, 10 John Street.

Montreal—Commercial Counsellor of France, 2060 Mackay Street.

Toronto—Commercial Counsellor of France, 185 Bay Street.

Vancouver—French Trade Commissioner, Suite 1216, 736 Granville Street.

**GERMANY**

Ottawa—Commercial Counsellor, Embassy of the Federal Republic of Germany, 1 Waverley Street.

Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.

Toronto—Consulate General of the Federal Republic of Germany, 77 Admiral Road.

Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.

Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

**GHANA**

Ottawa—First Secretary, Office of the High Commissioner for Ghana, Suite 606, The Fuller Bldg., 75 Albert Street.

**GREECE**

Ottawa—Royal Greek Embassy, Suite 110, Chateau Laurier.

**GUATEMALA**

Montreal—Consul General of Guatemala, 4375 Coolbrook Avenue.

**HAITI**

Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.

Halifax—Honorary Consul of Haiti, 6070 Quinpool Road.

Montreal—Consul General of Haiti, Apt. 312, 3015 Sherbrooke Street West.

**HONDURAS**

Montreal—Consul General, Consulate General of the Republic of Honduras, Suite 101, 1225 St. Mark Street.

**INDIA**

Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

**INDONESIA**

Ottawa—Second Secretary (Economic Affairs), Indonesian Embassy, 275 MacLaren Street.

**IRAN**

Ottawa—Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

**IRAQ**

Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 1801 P. Street, N.W.

**IRELAND**

Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

**ISRAEL**

Montreal—Consul and Trade Commissioner of Israel, 1555 McGregor Street.  
Toronto—Consul of Israel for Economic Affairs, Suite 814, 159 Bay Street.

**ITALY**

Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.  
Montreal—Vice Consul and Trade Commissioner, 1595 McGregor Avenue.  
Toronto—Italian Trade Commissioner, Suite 510, 100 University Avenue.  
Vancouver—Italian Trade Commissioner, 640 Hastings Street West.

**JAMAICA**

Ottawa—Counsellor, Office of the High Commissioner for Jamaica, 90 Sparks Street.

**JAPAN**

Ottawa—Counsellor (Commercial), Embassy of Japan, 75 Albert Street.  
Montreal—Consulate General of Japan, Suite 2505, 1155 Dorchester Boulevard West.  
Toronto—Consulate of Japan, Imperial Life Tower, 4th Floor, 44 Victoria Street.  
Vancouver—Consulate General of Japan, Room 1401, Standard Bldg., 510 West Hastings Street.  
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

**LEBANON**

Ottawa—Embassy of Lebanon, Roxborough Apartments, Apt. 3, Laurier Avenue West.

**LUXEMBOURG**

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

**MEXICO**

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.  
Montreal—Consulate General of Mexico, Suite 1730, 1245 Sherbrooke Street West.  
Quebec—Consulate of Mexico ad honorem, 2040 Terrasse Stuart, Sillery.  
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.  
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.  
Winnipeg—Consulate of Mexico ad honorem, 906-908 Confederation Bldg.

**MONACO**

Montreal—Consul of Monaco, Suite 700, 60 St. James Street West.

**NETHERLANDS**

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.  
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.  
Montreal—Netherlands Consulate General, Room 1736, Place Ville Marie.  
Toronto—Netherlands Consulate General, 159 Bay Street.  
Vancouver—Netherlands Consulate General, 475 Howe Street.

**NEW ZEALAND**

Montreal—New Zealand Government Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.  
Vancouver—New Zealand Government Trade Commissioner, Suite 615, United Kingdom Bldg., 409 Granville Street.

**NICARAGUA**

Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

**NORWAY**

Ottawa—Secretary, Royal Norwegian Embassy, Suite 700, 140 Wellington Street.  
Montreal—Consul General of Norway, Royal Norwegian Consulate General, 2007 Imperial Bank of Commerce Bldg., 1155 Dorchester Boulevard West.  
Vancouver—Consul of Norway, Royal Norwegian Consulate, 837 West Hastings Street.

**PAKISTAN**

Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

**PANAMA**

Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

**PERU**

Ottawa—The Ambassador, Embassy of Peru, 539 Island Park Drive.

**PHILIPPINES**

Vancouver—Trade Commissioner, Philippines Consulate General, 525 Seymour Street.

**POLAND**

Ottawa—Commercial Counsellor to the Polish Embassy, Apt. 58, 255 Stewart Street.  
Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

**PORTUGAL**

Ottawa—Embassy of Portugal, 285 Harmer Avenue.  
Halifax—Consulate of Portugal, 428 Barrington Street.  
Montreal—Consulate of Portugal, 4920 Western Avenue.  
North Sydney—Consulate of Portugal, P.O. Box 769.  
Quebec—Consulate of Portugal, 155 Laurier Avenue.  
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2E.  
Toronto—Consulate of Portugal, Suite 712, 159 Bay Street.  
Vancouver—Consulate of Portugal, 7th Floor, 736 Granville Street.

**REPUBLIC OF SOUTH AFRICA**

Montreal—South African Trade Commissioner, 3725 Royal Bank Bldg., Place Ville Marie.

**SAN MARINO**

Montreal—Consul General of San Marino, 27 McNider Avenue.

**SPAIN**

Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

**SWEDEN**

Ottawa—Royal Embassy of Sweden, Suite 604, 140 Wellington Street.  
Montreal—Royal Consulate General of Sweden, Suite 800, 1155 Dorchester Boulevard West.  
Toronto—Trade Commissioner for Sweden, 1057 Bay Street.  
Vancouver—Trade Commissioner for Sweden, Dominion Bank Bldg., Suite 1105, 207 West Hastings Street.

**SWITZERLAND**

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.  
Montreal—Consul General of Switzerland, 1572 McGregor Street.  
Toronto—Consul of Switzerland, 100 University Avenue.  
Vancouver—Consul of Switzerland, 402 West Pender Street.  
Winnipeg—Consul of Switzerland, 200 Bradburn Bldg., 269 Kennedy Street.

**THAILAND**

Toronto—Consul of Thailand, Suite 405, 112 King Street West.  
Vancouver—Consul of Thailand, 1495 Marpole Street.

**TRINIDAD AND TOBAGO**

Montreal—Trade Commissioner, Suite 200, 1210 Sherbrooke Street West.

**TURKEY**

New York—Commercial Counsellor, Turkish Embassy, Empire State Bldg., 350 Fifth Avenue.

**UNION OF SOVIET SOCIALIST REPUBLICS**

Ottawa—Commercial Counsellor, Embassy of the U.S.S.R., 24 Blackburn Avenue.

**UNITED ARAB REPUBLIC**

Ottawa—Commercial Secretary, Commercial Office, 454 Laurier Avenue East, (P.O. Box 7065).

**UNITED STATES**

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.  
Calgary—Consul General of the United States, 805 8th Avenue S.W.  
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.  
Montreal—Consul General of the United States, 1558 McGregor Avenue.  
Quebec—Consul General of the United States, 1 Ste. Genevieve Avenue.  
Saint John—Consul of the United States, 206 Union Street.  
St. John's—Consul General of the United States, King's Bridge Road.  
Toronto—Consul General of the United States, 360 University Avenue.  
Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.  
Windsor—Consul of the United States, Canada Trust Bldg.  
Winnipeg—Consul General of the United States, 6 Donald Street.

**URUGUAY**

Uruguay—Chargé d'Affaires a.i., Apt. 59, Roxborough Apts.

**VENEZUELA**

Montreal—Consul General of Venezuela, Room 270, 1980 Sherbrooke Street West.  
Vancouver—Consul of Venezuela, 525 Seymour Street.

**YUGOSLAVIA**

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.  
Montreal—Trade Representative for Yugoslavia, Interprogress Company Ltd., 445 Jean Talon Street West.  
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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 .927536.

# Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent August 21	Units per Canadian dollar	Notes (see below)
Algeria .....	Dinar .....		.2200	4.55	
Argentina .....	Peso .....	Free .....	.007487	133.56	
Australia .....	Pound .....		2.4029	4162	
Austria .....	Schilling .....		.04178	23.93	
Bahamas .....	Pound .....		3.0036	3329	
Belgium and Luxemburg .....	Franc .....		.02156	46.38	
Bermuda .....	Pound .....		3.0036	3329	
Bolivia .....	Peso .....		.09086	11.01	
Brazil .....	Cruzetro .....	Official Free .....	.0008199	1,219.66	
Britain .....	Pound .....		3.0036	3329	
British Gulana .....	Dollar .....		.6257	1.60	
British Honduras .....	Dollar .....		.7509	1.33	
Burma .....	Kyat .....		.2264	4.42	
Ceylon .....	Rupee .....		.2253	4.44	
Chile .....	Escudo .....	Bank rate .....	.4586	2.18	
		Free .....	.3343	2.99	
Colombia .....	Peso .....	Free .....	.1080	9.26	
		Certificate .....	.1198	8.35	
Congo, Republic of .....	Franc .....		.007188	139.13	(1)
Costa Rica .....	Colon .....		.1627	6.15	
Cuba .....	Peso .....		‡	‡	
Czechoslovakia .....	Koruna .....		.1497	6.68	
Denmark .....	Krone .....		.1556	6.43	
Dominican Republic .....	Peso .....		1.07813	.92754	
Ecuador .....	Sucre .....	Official .....	.05990	16.69	
		Free .....	.05822	17.18	
El Salvador .....	Colon .....		.4313	2.32	
Fiji .....	Pound .....		2.7059	3696	
Finland .....	Markka .....		.3369	2.97	
France, Monaco, etc. ....	Franc .....		.2200	4.55	(2)
Franco-African Republics, etc. ..	Franc .....		.004400	227.27	(3)
French Pacific .....	Franc .....		.01210	82.60	(4)
Germany .....	D Mark .....		.2712	3.69	
Ghana .....	Pound .....		3.0036	3329	
Greece .....	Drachma .....		.03593	27.83	
Guatemala .....	Quetzal .....		1.07813	.92754	
Haiti .....	Gourde .....		.2156	4.64	
Honduras .....	Lempira .....		.5391	1.85	
Hong Kong .....	Dollar .....	Free .....	*	*	
		Official .....	.1887	5.30	

‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

\*No Recent Quotation Available.

Country	Unit	Type of Exchange	Can. dollar equivalent August 21	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02507	39.89	(1)
India	Rupee		.2253	4.44	
Indonesia	Rupiah		.004313	231.88	(1)
Iran	Rial		.01423	70.26	
Iraq	Dinar		3.0188	.3313	
Ireland	Pound		3.0036	.3329	
Israel	Pound		.3594	2.78	
Italy	Lira		.001726	579.37	
Japan	Yen		.002995	333.89	
Lebanon	Pound	Free	.3509	2.85	
Malaysia	Dollar		.3522	2.84	
Mexico	Peso		.08625	11.59	
Morocco	Dirham		.2156	4.64	
Netherlands	Florin		.2984	3.35	
Netherlands Antilles	Florin		.5717	1.75	
New Zealand	Pound		2.9831	.3352	
Nicaragua	Cordoba		.1540	6.49	
Nigeria	Pound		3.0036	.3329	
Norway	Krone		.1505	6.64	
Pakistan	Rupee		.2253	4.44	
Panama	Balboa		1.07813	.92754	
Paraguay	Guarani	Free	.009703	103.06	
Peru	Sol	Free	.04019	24.88	
Philippines	Peso	Free	.2767	3.61	
Portugal & Colonies	Escudo		.03750	26.67	(5)
South Africa	Rand		1.5018	.6659	
Spain and Dependencies	Peseta		.01797	55.65	
Sweden	Krona		.2099	4.76	
Switzerland	Franc		.2495	4.01	
Syria	Pound	Free	.2825	3.54	
Thailand	Baht	Free	.05107	19.58	(1)
Tunisia	Dinar		2.6091	.3833	
Turkey	Lira		.1198	8.35	(1)
United Arab Republic	Pound	Official	2.4797	4.03	
United States	Dollar		1.078125	.927536	
Uruguay	Peso	Free	.04890	20.45	
Venezuela	Bolivar	Official Free	.2400	4.17	
West Indies	Dollar		.6257	1.60	(6)
	Pound		3.0036	.3329	(7)
Yugoslavia	Dinar	Official	.001438	695.41	

## Notes

1. Additional rates are in effect.
2. Franc is also used in French Guiana, Guadeloupe and Martinique.
3. 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.
4. New Caledonia, New Hebrides, French Polynesia.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
7. Jamaica.

# FOREIGN TARIFFS AND TRADE REGULATIONS

## Dominican Republic

**IMPORT DUTIES INCREASED**—Our Trade Commissioner in Santo Domingo reports that, as an emergency measure, the import tax on most imports has been increased by 15 per cent of the f.o.b. value for a period of six months from August 10, 1964. Categories of imports previously exempted from import tax are not subject to this increase.

## Nigeria

**IMPORT DUTIES RAISED**—The Nigerian tariff has been revised extensively, resulting in increases in most rates of duty. The changes took effect August 3rd and are applicable to imports from all sources. The amendments are too numerous to reproduce in entirety, but a number of changes of interest to Canadian businessmen are summarized below:

1. The import duty is raised from 25 per cent ad valorem to 40 per cent ad valorem on office machinery including typewriters, bookkeeping and calculating machines, dictating machines and tape recorders, including parts therefor. Import duties are increased from 33½ per cent ad valorem to 50 per cent ad valorem on broadcast receivers, sound and television; carpets, carpeting, floor rugs, linoleum and mats; cutlery; cinematograph films, unexposed; metal office furniture and cabinets; shotguns and air guns, including air rifles. The duties on jewellery, including imitation jewellery and rolled gold, enamel or gilt jewellery, have been raised from 75 per cent ad valorem to 100 per cent ad valorem.

2. The alternative ad valorem rates on secondhand clothing are increased from 33½ to 40 per cent, on blankets and rugs from 33½ to 50 per cent, on mechanical and similar lighters from 33½ to 66½ per cent.

3. The various rates of duty on apparel and accessories have been revised. For example, (a) rate of duty on children's shoes is fixed at 33½ per cent ad valorem; (b) the duty on jackets, men's trousers and ladies' slacks is raised to 7 s. 6 d. each; shirts from 2 s. 6d. to 5 s. each; dressing gowns and skirts to 4 s. 6 d. each.

4. Import duties have been increased on the following goods: shoes, bicycles and tricycles, cement, clocks and watches, furniture, lubricating grease, tools, nails, oil, paint, enamel and lacquers, piecegoods, passenger cars, made-up textile articles, tobacco and fish. The

duty covering the basket item for unenumerated goods has been increased from 20 to 33½ per cent.

5. In amendments to the second schedule—exemptions from import duties—the exemption from payment of duty has been abolished for coal and coke; parts of machinery; apparatus and appliances for use for the generation, measurement, transformation, storage, transmission, distribution of or lighting by electric power; and parts and accessories of machinery for industrial, horticultural, agricultural, etc., purposes.

*Full details on these changes are available from the Commonwealth Division, Office of Trade Relations and Trade Policy, Department of Trade and Commerce, Ottawa, or the Canadian Government Trade Commissioner in Lagos, Nigeria.*

## Peru

**NEW CUSTOMS TARIFF**—A new Peruvian Customs tariff based on the Latin American modified Brussels Nomenclature became effective on August 20, 1964.

The Department of Trade and Commerce has one reference copy in Spanish. Inquiries may be addressed to the Latin American Division, Office of Trade Relations and Trade Policy, Department of Trade and Commerce, Ottawa.

## Tours of Commodity Officers

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

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

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



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