OCTOBER 1. 66

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

India Faces Difficult Problems

FOREIGN TRADE

OCTOBER 1, 1966 Vol. 126 No. 7

COVER: This young Indian woman operating a core-winding machine at an Indian Telephone Industries plant typifies the progress that her country is making, despite complex and persistent problems. Both the problems and the progress are outlined in articles in this issue.
—Government of India Photo

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

The Hon. ROBERT H. WINTERS, Minister.

J. H. WARREN, Deputy Minister.

O. MARY HILL, Editor.

Subscription: $5.00 a year in Canada $7.00 abroad.

Single copies: 25 cents each.

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

COMING—SELLING THE MIDWEST OEM MARKET, OCTOBER 15 ISSUE

92931—1

India Faces Difficult Problems

Devaluation of the rupee, followed by a 16-point program to cope with economic ills, is India's answer to the problems that beset it. The author explains how this program is expected to work and discusses its probable effects on both trade and industry.

ROGER R. PARLOUR, *Commercial Counsellor, New Delhi.*

THE CANADIAN OBSERVER finds India a land of heroic dimensions—a population nearing 500 million, or one-sixth of the human race; a country nearly a third the size of Canada, with widely varied landscapes and climate suggesting a subcontinent; a people with a score of different racial origins, fourteen different languages, and seven major religions; a land accustomed to a time scale that measures history in millenia rather than centuries or decades. In this setting it is not surprising that India's problems of poverty, hunger, disease, over-population and economic under-development are massive ones that cannot be solved quickly or easily.

In the past year, the Indian economy has faced a rising sea of troubles, many of them interrelated: a war with Pakistan, the worst drought of the century, a foreign exchange crisis, an industrial slowdown caused by lack of imported raw materials, an unfavourable balance of trade, an inflationary rise in prices, a temporary slowdown in foreign aid, a shortage of electricity, and a drop in per capita national income of over 7 per cent, according to unofficial estimates. The Third Five Year Plan ended last March 31st on a note of gloom; some targets had been reached but many important ones remained unattained.

Since then, steps have been taken to cope with the problems and the hope is that the economy will start moving forward again. Foreign aid has resumed, with the emphasis on non-project assistance to give the economy a quick boost. The Fourth Plan is being revised to give top priority to population control and agricultural "inputs" such as improved seed, fertilizer, irrigation. The rupee has been devalued; a program of import liberalization has been announced for essential raw materials and components for industry; new export incentives have been announced; special import licences have been made available for export industries; a campaign to hold the price line is under way; and both the Central and State Governments are paring their expenditures to help prevent inflation.

A 16-point program as a follow-up to devaluation, under study by the ruling Congress Party, calls for avoidance of deficit financing, a 10 per cent cut in government spending, use of the army to distribute seed and fertilizer, ample credit for farmers and export industries, fiscal incentives to industry, fuller use of industrial capacity, better employment of foreign aid to produce economic self-reliance, and a one-year wage and salary freeze.

Rupee Devalued

On June 6th the Government of India changed the par value of the Indian rupee from 4.67 to 7.5 rupees to the U.S. dollar. This represented a decline in the external value of the rupee of 36.5 per cent and as a corollary, the price of foreign exchange in terms of the Indian rupee went up by 57.5 per cent. Concurrently with devaluation, export duties at varying rates were applied to the principal traditional exports; in each case, however, a fair margin was left to the exporters as an export incentive. This step was designed to mop up windfall profits of Indian exporters, maintain the export prices of Indian commodities, and lessen the chance of competitive devaluation by other exporting countries. A second measure taken was the reduction of import duties on a number of essential raw materials so that the cost to Indian manufacturers would not increase suddenly. Finally, most of the former export assistance schemes were dropped.

The decision to devalue the rupee amounted to a formal recognition that its real value abroad had already declined, as evidenced by the unofficial exchange rates both inside and outside the country. Over the past few years, many of India's export industries had come to rely heavily on government assistance schemes, including the Export Incentive Scheme, National Defence Remittance Scheme, concessions on railway freight, income tax rebates, and export subsidies. Thus well over 70 per cent of exports were moving only with government assistance and for some newer manufactured goods this aid had to be substantial.

Ultimately the success of devaluation will depend on the cumulative effect of business decisions taken by individuals who find that imports are more expensive and exports are more competitive in world markets. The Government has refuted critics who claim that India's capacity to increase exports is in doubt. It feels that over a long period neither supply nor demand is inelastic over the whole range of the country's products and devaluation will enable the full export potential of the Indian economy to be realized eventually.

Effect of Devaluation

Shortly after devaluation a transitional problem arose over unfulfilled export contracts expressed in rupees. Following discussion with its trading partners, India announced that in contracts with the Soviet Union the prices would be revised upwards by 47.5 per cent. For export contracts with Eastern European countries and with Western countries, prices would be revised upwards by the full 57.5 per cent. This meant that for foreign importers the cost of Indian goods expressed in foreign currencies remained unchanged. For the future, of course, the price of Indian goods will depend on market conditions.

Even though there seems to be plenty of food at this open-air vegetable market in New Delhi (left), feeding India's many mouths remains an acute problem. It threatens to slow down industrial progress and the development of firms dealing in sophisticated products such as Bharat Electronics Ltd. where a technician (right) is busy testing electronic crystals.

92931—1½

Another transitional problem affected many Indian industries which claimed that devaluation brought a sharp increase in the cost of imported raw materials. They asserted that this fact, together with the dropping of government assistance schemes, meant that on balance their products were less competitive than before in world markets.

New Incentives Announced

In August the Indian Government announced new export incentives to replace the incentive schemes which were dropped at the time of devaluation. The new scheme provides for cash assistance ranging from 10 to 20 per cent of the f.o.b. value of all eligible exports made after June 6. Exports covered by the incentives include a wide range of engineering goods and metal manufactures, woollen carpets and sugar. The Government is studying further lists of export products which may also become eligible for incentives.

In addition, a program has been put into effect whereby registered exporters may receive special import licences, valid for all countries, for the import of raw materials, intermediates, components and spares. The value of these licences will be equal to the import content (including wastage in manufacturing processes) of exported goods. Exported goods having no import content will not qualify. The licences will not be transferable and the imported materials must be consumed in the exporter's factory.

The Government has also made a special allotment of foreign exchange for the import of capital goods to be used for the maintenance, replacement, modernization or expansion of plant in export industries and has announced an allotment scheme to ensure that exporting industries have just call on certain indigenous raw materials such as steel, textiles, chemicals and sugar.

Liberalization Measures

The Government realizes that devaluation of itself will not cure the economy's ills. A recent official report says: "In short, none of the real problems of the economy are altered by the decision to devalue. The decision only highlights the urgency of attacking all our continuing problems with renewed vigor. Basically, the problem is that of achieving higher productivity and higher savings and to live within our means."

In one of the first steps taken after devaluation, the Government announced a liberalized import policy. This comprises several steps:

- Fifty-nine priority industries are to receive all their requirements of imported raw materials, components and spares, initially for a six-month period. The list includes firms engaged in making machinery, textiles, sugar, electronic components, fertilizers, base metals, electrical equipment, pulp and paper, synthetic rubber, tires and tubes, drugs, commercial vehicles, matches and other industrial equipment or export commodities.

- Established importers are to be given higher import quotas for a wide range of essential commodities, including textile, mining, steel, and hydroelectric machinery; engine spare parts; X-ray films; rubber contraceptives; refrigeration parts; tractor parts; scientific instruments; surgical equipment; drugs and medicines, and books.

- Small-scale firms in priority industries will receive special "actual user" import licences on a liberal basis for essential raw materials, components and spares.

- Cashew nuts, raw jute, wattle extract, wattle bark, other tanning bark, raw or salted hides and skins, and dyeing and tanning substances were put under Open General Licence for import from all countries except South Africa, South West Africa and Rhodesia.

The foreign exchange to finance this substantial flow of imports will come from the current World Bank (IDA) loan, the non-project assistance being provided by Canada and other members of the Indian consortium or, if no other sources are available, from India's own resources of free foreign exchange. (Where an import is financed by Canadian grant aid, procurement is tied to Canada.) Under financing by a World Bank loan or India's free foreign exchange, exporters from all countries, including Canada, may compete for the business. However, imports to be financed out of United States or other third-country aid programs will generally be tied to procurement in those countries. The Commercial Counsellor for Canada, Post Office Box 11, New Delhi, India, will be pleased to advise any Canadian exporters of industrial raw materials, supplies and components about current prospects for sales of particular products in India.

Recently the International Development Association, a World Bank affiliate, approved a credit of $150 million for India as part of the program to support the recent steps taken by the Indian Government to ease import controls and accelerate economic growth. The credit will provide foreign exchange to pay for imports of components, materials, spare parts and other goods needed to expand output from already established industries. The industries benefitting from this credit will include those producing commercial vehicles and automotive components, machine and cutting tools, electrical equipment including cable and wire, agricultural tractors, ball and roller bearings, industrial and mining machinery, fertilizers and pesticides, and basic non-ferrous metals. The IDA credit will be used for imports under licence and the firms needing these will have wide freedom to purchase in the way that best suits their needs.

Effect in Industry

Another step towards liberalization of the economy was recently announced by the Minister of Finance. He has said the Government proposes to license more freely the expansion of productive capacity in export industries and in industries which compete with imports. During recent weeks it has been announced that such industries will no longer require licences for expansion. The list comprises manufacture of iron and steel castings and forgings, iron and steel structurals, electric motors up to 10 hp., pulp, power alcohol, solvent-extracted oils, glue and gelatine, glass (other than hollowware) ceramics, firebricks, cement, plywood, hand tools, paper and newsprint.

Some Indian business leaders feel that the liberalization so far announced does not go far enough to use all of the approximately $900 million in non-project assistance expected this year from the World Bank and donor countries. So far, delays in issuing the necessary import licences indicate it may be late in the year before the badly needed materials begin to arrive in quantity. Industrial demand may be inhibited also by shortages of electric power, transport difficulties, and scarcity of rupee finance. Businessmen point out that industry and commerce generally remain enmeshed in a web of government controls over imports, formation of new industries, capital issues, prices, and distribution. They would welcome more sweeping moves towards liberalization.

Food Supply Vital

The Government freely admits that all efforts towards economic reform will be of no avail unless food production recovers from the disastrously low levels of last year. Assistance from abroad, the strenuous efforts of the Government of India, and favourable monsoon rains will all be required to tide the country over the food crisis.

A recent study published by the Food Ministry confirms that India experienced in 1965 one of the worst droughts in recent history. Production of foodgrains in 1965/66 dropped to 72.3 million tons compared with 89 million tons in the previous year, leaving a shortfall in production of about 16.7 million tons. Meantime population increase brought each month a million more mouths to feed. As a result, a serious scarcity developed in at least seven different states, affecting a population of 47 million. The heavy shortfall in domestic production has necessitated massive imports to maintain the supply line. Already agreements have been completed to bring in more than 11 million tons of cereals during 1966 and imports of a further two million tons of wheat are being negotiated.

Canada, through its Food Aid Program, has played an important role in this emergency. A $10 million grant for wheat during 1965/66 was supplemented by a further $15 million emergency food aid grant last winter to provide wheat, bakers' flour, whole wheat flour, dried peas, and powdered milk. For 1966/67 Canadian food aid has been increased to a record $56 million, which will be devoted to the supply of wheat. For their part, the Indian Government authorities have carried out a crash program to increase the grain-handling facilities at Indian ports so that by May of this year the ports were handling over 1¼ million tons per month of food and fertilizer imports.

Government authorities are making strong efforts to maintain stability of food prices in India and about one-fifth of the population now comes under statutory or informal rationing schemes. State governments have drawn up programs of relief operations to provide some work and income for the unemployed farm workers. Much of the imported food is being sold through government "fair-price" shops but some foods are being distributed by the States free to needy citizens. Children and nursing and expectant mothers have received special consideration.

Fertilizer Is Key

Against the background of an acute shortage of agricultural products, a continuing increase in population, and diminishing surpluses in exporting countries, agricultural development has become an essential prerequisite to India's economic growth. With little prospect of any significant expansion of the area under cultivation (which is already 52 per cent of the total land area) a major breakthrough is possible only through intensive cultivation. Great importance is being attached to expansion of irrigation facilities, use of high-yielding seed varieties, intensive application of fertilizers and plant protection chemicals, improved farm technology, greater use of modern agricultural implements, incentives to the farmers through better credit facilities, and more remunerative pricing of farm produce. Up to now increased use of chemical fertilizers has been held back by the inadequacy of domestic production plus difficulties in import arising out of the foreign exchange shortage. The Indian use of fertilizers today is less than one-quarter of the global average.

Production of fertilizers is at present limited to 240,000 tons of nitrogen and 120,000 tons of phosphatic types. Consumption targets for 1970/71 are 2.4 million tons of nitrogen, one million tons of phosphatic, and 700,000 tons of potassic fertilizers. A vast network of fertilizer factories therefore must be organized for production on a priority basis in selected areas. The Government has selected at least nine sites in various parts of India as suitable for new fertilizer industries.

Although a number of government-owned fertilizer factories are being established, India welcomes private capital, both domestic and foreign, in this field. A mission of senior government officials recently visited North America hoping to attract investment by private enterprise. Where foreign investors join with private Indian parties in setting up fertilizer industries, it is accepted that the foreign interests may hold a majority of the shares and if necessary the Indian authorities are willing to assist in arranging any necessary rupee financing. The Government has also announced that fertilizer projects set up with foreign collaboration or by Indian entrepreneurs on their own will have freedom of distribution without control on prices for a period of seven years from the date of commencement of commercial operations. However, the Government will have the option of purchasing up to 30 per cent of the products at a negotiated price for distribution in market areas remote from the scene of production.

In order to cut through the red tape which any new industry in India encounters, the Government has set up a special high-level committee of senior officials which will serve as a single focal point for dealing with all negotiations involving foreign collaboration, granting industrial licences, expediting necessary clearances and providing assistance in the removal of bottlenecks at various stages. The Government has also undertaken to facilitate arrangements for the import of raw materials needed by the new plants. (See also article on page 11—"The Role of Private Enterprise in Developing Indian Industry.")

In the short term, everything depends on the monsoon. An accurate assessment of this year's summer "kharif" crop cannot be made until later in the year, but so far the summer monsoon has begun satisfactorily and indications are that last year's disastrous drought will not be repeated. The Government recognizes that the summer and early fall months are usually the critical period for the food supply and of course this year presents especially urgent problems. So far, the food situation has been kept under control without undue distress or deaths from famine developing over large areas of the country. Given normal weather, the agricultural programs initiated this year could bring about a marked rise in output. The authorities realize however that over the next few years India must achieve a radical improvement in agriculture if similar crises are to be avoided.

Hunt for Non-Ferrous Metals

As a further measure to replace imports and save foreign exchange, India is embarking on a major campaign to locate and exploit deposits of copper, lead, zinc, gold, chromium, manganese, nickel, tungsten and bauxite, believed to exist in various parts of the country. This will be in addition to the work already proceeding in expanding exports of manganese, chromium, iron ore and coal. Government agencies and private companies will both have a role to play in this development.

Foreign aid has been enlisted from Canada, the United States and the Soviet Union for carrying out the project. Canada will supply a $9.5 million development loan for provision of geological equipment including diamond drills, as well as teams of experienced drillers from Canada. Tender calls for supply of this Canadian equipment will be issued in Canada in coming months, with all Canadian producers eligible to bid.

The United States is commencing "Operation Hardrock" which entails an airborne geological survey in Rajasthan, Bihar and Andhra Pradesh with a view to finding deposits of non-ferrous metals. A proposal for Soviet aid entails assistance for airborne surveys in several areas of the country, ranging from Bangalore to the Himalayan foothills, and establishment of an airborne geophysical unit within the Geological Survey of India on a permanent basis.

For its part, the Indian Government is reorganizing the Geological Survey, which will now incorporate the exploration wing of the Indian Bureau of Mines. Its basic function will be changed from that of fundamental studies to active exploration. The Indian Bureau of Mines will still serve as a statistical unit offering mineral extension services for public or private groups which require technical assistance, and the National Mineral Development Corporation will continue as the central government agency responsible for exploitation of mines. Each state will be encouraged to set up a State Mineral Development Corporation, so that mineral exploration and exploitation in the public sector will be shared between the centre and the states.

Under established policies, the mining and processing of non-ferrous metals is the exclusive responsibility of the Government, subject to small-scale mining being permitted in the private sector. Under this exception, it has recently been announced that small areas bearing copper, lead, zinc and other non-ferrous metals are being thrown open to exploitation by private capital. And in some projects, Indian government and foreign firms may work together. For example, the Khetri Copper Mines in Rajasthan may be developed with assistance from a French collaborator and a U.S. firm may participate in a major copper development in Andhra Pradesh. Under this proposal, the U.S. firm would accept 49 per cent of the share capital but would have a contract assuring participation in the management. In each instance, the foreign firm would contribute technical knowhow which is not available in India. With this wide-ranging program, Indian officials are optimistic that important metal deposits will be found in India. The resultant saving in foreign exchange could give an important boost to the economy. ●

Heads of Hair Earn Foreign Exchange

WITH AN EYE to the growing market for wigs and hair pieces in North America and Europe, the State Trading Corporation of India is developing human hair as a foreign exchange earner. It is only in the past three or four years that the export of human hair from India has assumed sizable proportions, but last year exports were valued at just over three million rupees and this year the figure may treble. Present production in India is about 80 tons a year, but it is hoped to raise this to 150 or even 200 tons in the near future. Indian officials estimate total world demand at about 800 tons per year and rising.

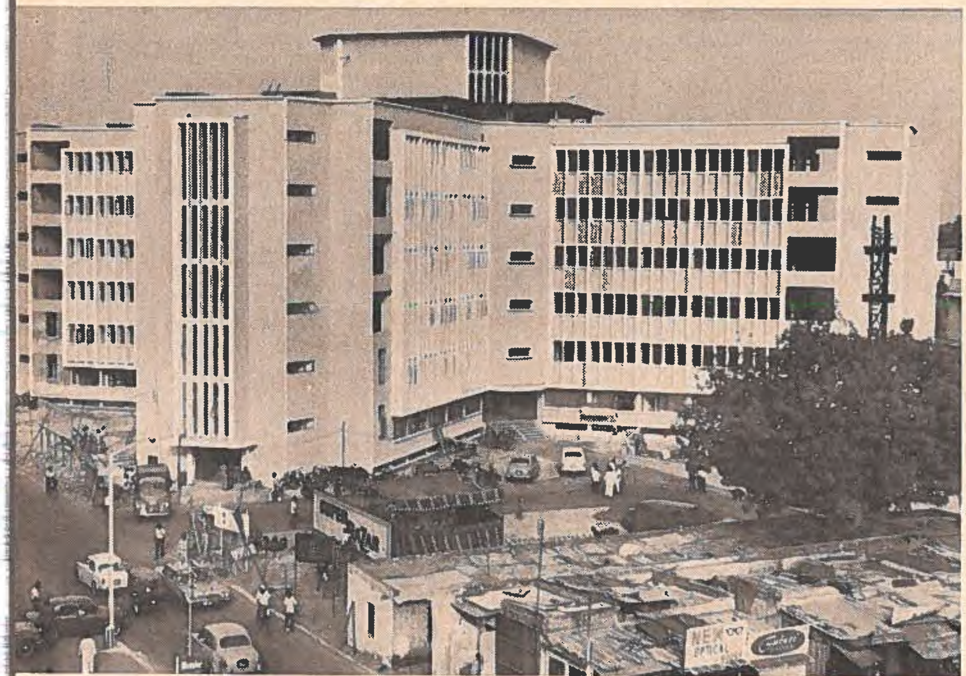
Most human hair supplies come from Korea, Communist China, Indonesia, Taiwan and India. However, State Trading Corporation officials claim that Indian hair is of the highest quality and most closely resembles European hair in softness, texture and fineness. Most of the Indian supply comes from South India, where religious devotees and pilgrims donate their hair to the temples. Contributions also come from Indian children having their first haircut or from older women. Generally the minimum commercial length is six inches. Officials are encouraging citizens to contribute their hair to help in the country's foreign exchange crisis.

Before the State Trading Corporation entered the human hair trade, Indian exports were largely in the form of raw or semi-processed hair. Little attempt was made to clean, grade or process the hair, and the selling price was relatively low. However, officials now hope to build up the export value through modern processing techniques.

The setting up of a wig factory in Madras has already made progress and a number of foreign technicians have arrived in the country to show Indian workers how to manufacture wigs and wiglets. Eventually as many as 500 persons may be employed. The human hair after it has been cleaned, scoured, processed and hackled will be dyed in the 64 shades that are in demand in the fashion centres of the world. For the type of wigs currently in vogue in Western countries, eight to twelve-inch long hair is in demand. Wiglets are made from hair as short as six inches.

—ROGER R. PARLOUR,
Commercial Counsellor, New Delhi.

New Delhi Gets a "Superbazaar"


This view of Superbazaar was taken just before its completion.

ROGER R. PARLOUR, *Commercial Counsellor, New Delhi.*

"It was all like a violent storm at sea; people came wave upon thick wave, swarming, tossing, jostling, elbowing their way through departments selling toilet goods, household appliances, drugs, groceries, fruit and vegetables, textiles and books. Policemen and volunteers looked on helplessly, so great was the rush."

This was how a New Delhi newsman described the recent opening of the city's first modern department store. Sponsored by the Ministry of Food and Agriculture and operated on co-operative lines, the new store handles a complete range of consumer goods. Prepackaging of foods is replacing the traditional Indian system of weighing each purchase on hand-held balances. The store boasts a cafeteria, bank and post office, a nursery where mothers may leave their children while shopping, and a laboratory for testing foodstuffs. Amateur theatrical groups will be allowed to use the roof garden for rehearsals.An escalator will serve the six-storey building but this may not be installed for another six months. Customers will be entitled to buy shares in the co-operative society, and participate in the profits.

The basic purpose of Superbazaar is to hold down prices following devaluation of the rupee and to act as "price leader" for the smaller shops in the city. Prices on opening day undercut those prevailing in the market from 3 per cent for drugs to as much as 20 per cent for vegetables. Superbazaar expects to average only 8 per cent gross profit on sales. It hopes to buy much of its merchandise directly from manufacturers to hold down costs and in addition, it is developing its own vegetable farm.

The management plans to have a chain of 50 satellite co-operative stores in the New Delhi area within the next two years and when all are in operation, annual turnover is expected to reach about 220 million rupees per year. Superbazaar will also serve as a wholesaler, supplying smaller retail co-operative stores and approved private retailers in the capital city. This business could add another 100 million rupees per year.

This development in Delhi is the forerunner of a countrywide expansion program being undertaken by the Department of Co-operation of the Ministry of Food and Agriculture. The existing co-operative distribution system of 222 wholesale stores and 7,649 branch stores will be augmented by 101 new stores, 2,000 new branches, and 43 large department stores. With this expansion, about 20 per cent of the distributive trade in urban areas will be on a co-operative basis. Government officials hope that this socializing of trade will help to keep prices down. The expressed intention is not to replace private trade altogether but to allow the Government to exert a stronger influence on prices in the marketplace.

State Governments have been asked to co-operate actively in the program. Rajasthan has responded with plans to open a department store at Jaipur in the near future and department stores for two other centres are on the drawing-board. In addition, the State has an active program for developing wholesale co-operative stores and eleven of these will open during the current fiscal year. Madras is planning ten consumer co-operative stores. Maharashtra is already operating mobile vegetable shops co-operatively and plans to open a Superbazaar in Bombay. Punjab will have a chain of consumer co-operative retail stores and three co-operative wholesalers. Certain other States have adopted a "wait and see" attitude and are depending on the voluntary co-operation of businessmen to hold back price rises.

Some businessmen have reservations about this program, which socializes an important portion of retail trade. It is generally recognized, however, that the retail trade in India is most inefficient and is, in fact, one of the most backward areas of the Indian economy. The innumerable tiny shops found in the bazaar areas of every Indian city often have only a few hundred rupees invested in stock. Their high prices stem more from inefficiency than from excessive markups. The trade badly needs to be modernized and brought under the discipline of modern techniques of marketing and business management. This rapid expansion of co-operative distribution will, however, require skilful management to avoid losses. ●

India Develops Its Communications

Rapid expansion of radio, television, telephone and telex facilities is going forward; additional developments are planned. Canadian companies in this field should be alert to resulting opportunities.

ROGER R. PARLOUR, *Commercial Counsellor, New Delhi.*

INDIA will spend over 16 billion rupees on the purchase of electronic equipment during the next decade, according to the report of the Government of India Electronics Committee released earlier this year. The Committee feels that India should strive for self-sufficiency in electronics and this means increasing domestic production tenfold during the decade to reach an annual output of over three billion rupees by the end of the period. Table I shows the amount of equipment which will be needed and compares this with domestic production in India during the decade at current rates of output.

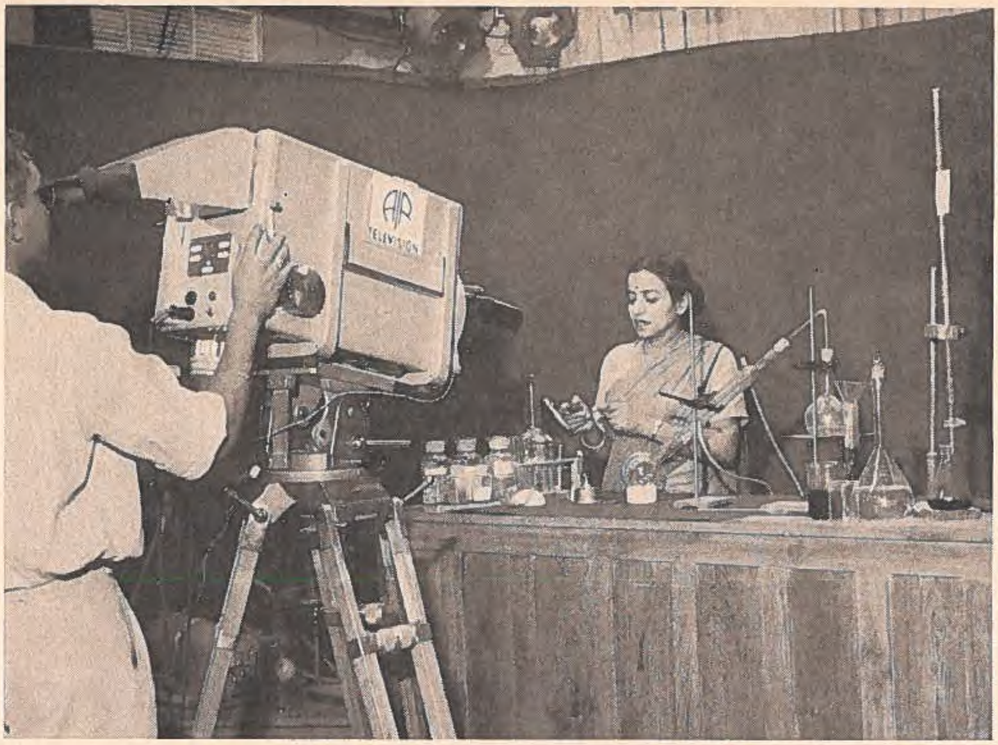
At present the electronic equipment industry in India is relatively small. The principal producers are Bharat Electronics Ltd., Indian Telephone Industries Ltd., and the Electronic Division of Hindustan Aeronautics Ltd.—all in the public sector. In addition, there are more than 250 small-scale private companies manufacturing electronic components, commercial radio receivers, and some professional electronic equipment and instruments. The Government is now launching a scheme for massive production of electronic components as the first stage in the planned expansion of the electronics industry. Both private and public firms will take part in this growth. Much of the expansion will be carried out using India's own resources, although in some instances collaboration or licensing agreements with foreign firms will be arranged. Some imported electronic equipment will be particularly needed during the next few years, before the domestic industry has developed fully.

Earth Satellite Communication

India does not intend to be left behind in space-age electronics. Two years ago financial help was forth-

INDIA—ELECTRONIC EQUIPMENT—1966-1976

Item	Estimated Requirements	Domestic production at current rates
	(billions of rupees)	
Radio receivers and other consumer products	4.50	1.70
Low-power radio communication equipment	3.10	.37
Microwave systems and associated equipment, including radar and radio navigation aids	2.90	.17
High-power radio transmitters, industrial heating equipment, railway signalling and process control installations, other major industrial equipment	2.50	.03
Electronic equipment for line communication systems	1.50	.34
Computing data processing and nuclear, medical and industrial equipment	1.65	.04
Test instruments	.35	—
Total	**16.50**	**2.65**



India is rapidly expanding its television facilities, especially in such areas as educational programs. Here a teacher gives a practical science demonstration at the New Delhi television station.

coming from the United Nations Special Fund for establishment of an experimental communication satellite ground station. The International Telecommunications Union is the executing agency and the project is under the wing of the Atomic Energy Department of the Government of India. This station is now under construction at Ahmedabad, the capital of Gujarat State, about 300 miles north of Bombay. The funds are being used to finance the imported equipment and technical assistance and to defray the cost of technical services during the first four years of operation. On the basis of global tenders, the Nippon Electric Co. of Tokyo was selected to supply and install the equipment and this work is now progressing. Some additional equipment is being obtained from Japan and the Netherlands under aid programs of these countries. It is expected that the station will be in operation by early 1967.

The Ahmedabad project is purely an experimental and training one. The Indian Department of Communications is also proceeding with plans for erection of a commercial earth station at Poona, 200 miles southwest of Bombay. This project will cost about $4.5 million in foreign exchange, plus about eight million rupees for local costs. Many of the Indian engineers, technicians and scientists who will be working on the project will first receive their training at the experimental station at Ahmedabad. India has applied for an International Development Association loan to cover the foreign exchange costs and officials are optimistic that this will be forthcoming shortly. Tender documents are already prepared and the tender calls will be made on a global basis as soon as the project receives the go-ahead signal from IDA. Canadian firms will of course have the opportunity to bid on this project. Indian authorities hope it will get under way during 1967 and possibly be completed by 1968.

An official of Communication Satellite Corporation on a recent visit to this country indicated that a satellite to be placed over the Indian Ocean by 1968 will be available to India for communication purposes. With a proposed location of 62° east longitude, the satellite would be in range not only of India but also of Australia, Japan and Britain.

TV and Radio Expansion

India is also on the threshold of important developments in radio and television. A committee appointed by the Government to investigate broadcasting and information media recommended recently that a country-wide television network should be established, using foreign collaboration as necessary, and that television and radio should each be operated by an autonomous corporation. The Indian Government planners have estimated that about a billion rupees may be required for development of television and radio during the next twenty years. During the Fourth Five Year Plan just starting, expenditures of about 47 million rupees may be allocated to television and radio development. For a country like India where the literacy rate is low, the feeling was that television could be a powerful medium for disseminating information, developing public opinion, and furthering education. The allowing of commercial advertising on both radio and television to assist in defraying the costs is receiving some study.

At the moment TV in India is still in its infancy. The country has one television broadcasting centre in New Delhi which is on the air for several hours a day. The station uses Dutch, U.S. and West German equipment, most of which was supplied under grant aid from these countries. Over the next few years the Indian Government will establish four more small telecasting centres in Madras, Calcutta, Bombay and Kanpur. Some imported equipment will be required for these projects and although financing sources have not yet been determined, it is expected that at least some of the equipment will be purchased by global tender. This means that Canadian exporters would have the opportunity to quote. It is expected that when all four centres are in operation the demand for television receiving sets will expand to about 100,000.

Supplying TV Sets

Some of the first TV receiving sets in India came from a Ford Foundation grant which provided about 600 units for educational purposes. In all, about 1,400 sets are now in use within a 23-mile radius of the New Delhi transmitter. Generally outdoor antennas are required and these are being produced locally. The State Trading Corporation has been made responsible for imports of TV receiving sets and it also offers after-sales service. Some 5,000 additional sets are on order from Hungary, Yugoslavia, Ireland and Japan. Delivery to the public by STC is now made ex-stock within a few weeks of receiving an order. Customers have experienced some difficulty because of the fluctuating voltage in Delhi, which in extreme cases has varied between 180 and 280 volts compared with the nominal current of 220 volts, 50 cycles. Indian television uses the 625-line system.

The import of TV sets is considered a stopgap measure because the Government plans to develop domestic production. Offers of technical assistance on a rupee payment basis have come from the Soviet Union and a number of countries in Eastern Europe. The Council of Scientific and Industrial Research recently announced, however, that two private firms have been given licences to manufacture television sets in India using Indian knowhow. The CSIR will provide the design and technical advice in return for a royalty fee. Many of the components will be produced in India, so that the imported content of the finished articles may be as low as 10 per cent. The two firms are expected to be in production within a year, with an annual output of 10,000 units each.

Telex System Grows Rapidly

India inaugurated a national telex service in 1963 to connect the four major cities of Bombay, Calcutta, Delhi and Madras. The service is operated by the Posts and Telegraphs Departments. All of the exchange and long-distance transmission equipment is being made in India by Indian Telephone Industries Ltd, a public-sector company specializing in telephone instruments and exchanges, high frequency transmission equipment, and railway control systems. The teleprinters are manufactured in India by a private company, using technical assistance provided by an Italian firm.

The telex service has expanded rapidly. The four original centres now have 200 lines each and these are to be increased to 400 or 500 lines. New 100-line exchanges have been opened in nine other centres and a further 14 centres will be added to the network shortly. By the end of the Fourth Plan there will be 16,000 lines serving 85 centres in India. International telex service reaches India through the exchanges at Delhi, Calcutta and Bombay.

Insatiable Demand for Telephones

Some 400,000 new telephones were installed in India during the Third Five Year Plan and during the Fourth Plan some 650,000 more will probably be added. In spite of this, the Posts and Telegraphs Department has been unable to catch up with the demand and at the present time 400,000 persons are on the waiting list for telephones. Installations for industry or essential services of course receive priority but among the general public some applicants may have to wait for as long as five years. In the capital city of Delhi there are 84,000 telephones in service, with 50,000 applicants on the waiting list. Direct distance dialing is now in operation between some centres.

India is also negotiating with the World Bank for a loan for the establishment of a factory to produce telephone cables and exchange equipment. Plans and the site of the proposed factory will be finalized shortly and the plant is expected to go into production during the Fourth Plan. The Posts and Telegraphs Department over the next four years expects to install 8,500 kilometres of coaxial cables, 25,000 kilometres of trunk telephone lines, 2,600 kilometres of railway electrification cables and 13,500 kilometres of lines for telex service.

Canadian companies interested in selling India communications equipment or services should watch developments here closely.

More Steel in India

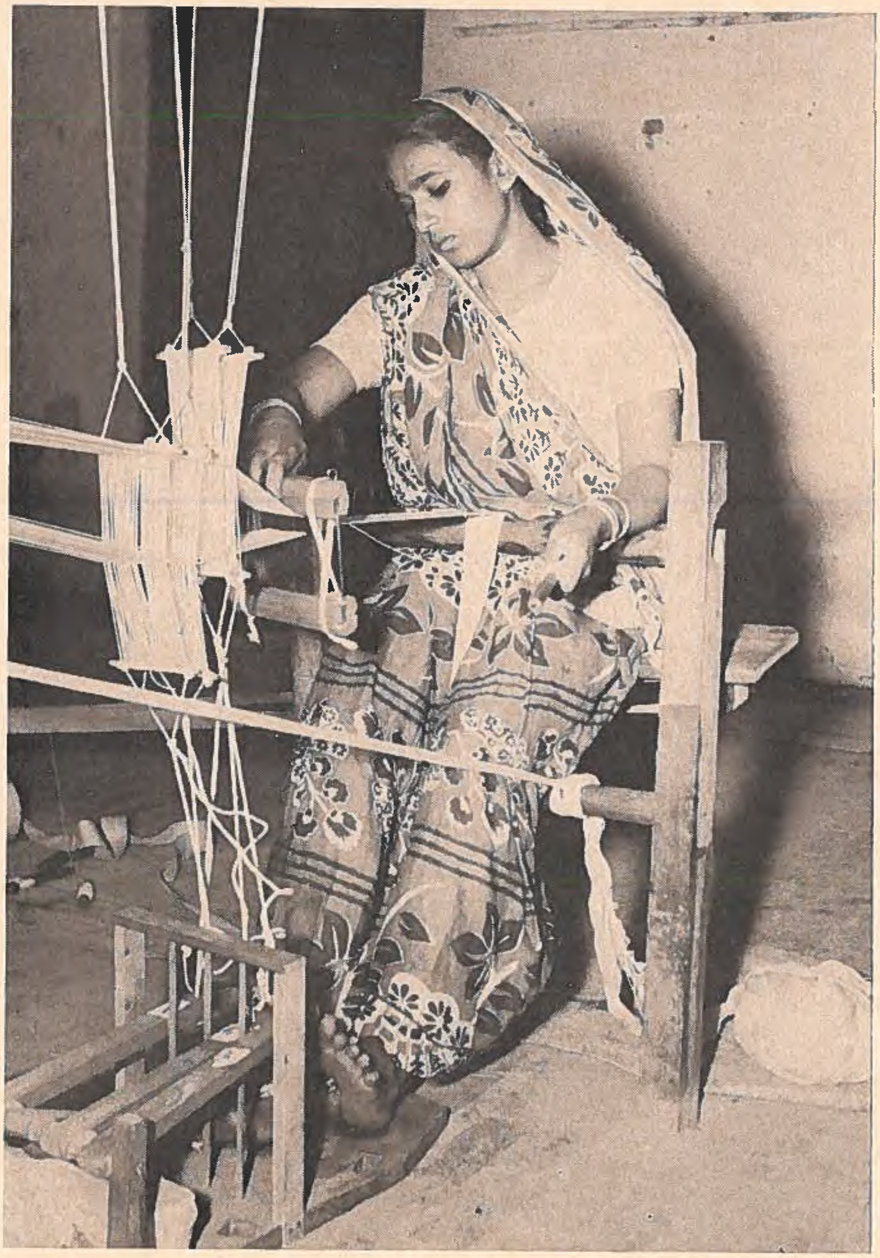
THE Indian Iron and Steel Company Limited (IISCO), a privately owned steel company, is planning to increase its output of saleable steel by about a third by 1970, to a total of 1.05 million tons. The World Bank is assisting in this program with a loan equivalent to $30 million.

IISCO operates an integrated steelworks in Burnpur, a foundry at nearby Kulti, and iron ore and coal mines in eastern India. The World Bank has been closely associated with IISCO for the past 14 years. Two loans totalling $51.5 million allowed the company to produce in 1962, 800,000 tons of saleable steel, compared with 317,000 tons in 1952. A loan of $19.5 million is presently assisting in the development of the company's coal mines and the building of a coal ropeway from mine to mill.

The project now being financed, known as the Balancing Scheme, will make it possible for IISCO to utilize its excess capacity by increasing the output of the primary production facilities. Iron production will be increased through improved raw materials and blast furnace practice and existing steelmaking facilities will be modified and expanded. These developments will permit the production of 300,000 additional tons of steel consisting mainly of billets, structurals, bars and sections. ●

The Role of Private Enterprise in Developing Indian Industry

Indian majority ownership is still the rule, but in certain fields the Indian Government is offering considerable inducements to foreign investors. One example is a U.S. firm which will invest $35 million in a fertilizer plant in Madras, to be completed in 1970.



THE role of private enterprise in industry is being actively debated in India and particularly its role in expanding the important fertilizer industry.

The established investment policy of the Indian Government has been the one outlined to Parliament by Nehru in 1949. It stresses that, as a general rule, the majority ownership and effective control of industry should be in Indian hands. However, the rule has not been inflexible. In special circumstances and when it was considered in the national interest, foreign control has been permitted.

Under this policy, a number of industries were established before 1960 with substantial majority ownership by foreign capital. For example, the IBM computer unit had 100 per cent foreign capital, Goodyear Tire Factory 80 per cent, Parke-Davis 83 per cent, and Wyeth International 95 per cent.

Policy Modified

The current food crisis and the resulting drive to produce more fertilizer has led the Indian Government to seek foreign investment in the fertilizer industry. This industry is among those which have for many years been open to both government and private investment, although the intention was that, in the national interest, government projects should predominate. (For a discussion of the priorities in industrial development, see the article "India Modifies Investment Policy", in *Foreign Trade,* May 29, 1965.)

Although large privately owned companies are currently on the rise in India, traditional handicraft and cottage industries are still important to the economy. Above, an attractive Indian student learns how to weave on a simple loom.

The Government has now accepted the principle of majority control by foreign investors in new fertilizer manufacturing projects. Prospective investors may be offered freedom from government controls over prices or distribution for seven years from the beginning of production, subject to:

1. the project being licensed before March 31, 1967, and 2. the Indian Government having the option to buy 30 per cent of production at a negotiated price.

Foreign Company Assisted

If, within three years of signing an agreement for a new fertilizer plant, an independent body finds that further productive capacity is needed within the plant's marketing area, the company will be given first refusal of the right to build the new capacity. The stipulation has remained, however, that the Government of India or other private producers may be free to ship indigenous or imported fertilizer into the marketing area of the new company. As an additional inducement, the Government of India has volunteered to ensure that adequate rupee investment is available to complete the financing, through the underwriting by the Industrial Development Bank of rupee stock issues.

Conditions of Foreign Control

General circumstances under which foreign capital might be given majority control have now been more precisely defined. These are:

1. When the main contribution of a project is in a field of rapidly developing technology, where India has made a little progress and where a great deal of additional development is considered vital.

2. When the amount of foreign exchange needed for a project is so great that unless foreign capital is allowed to have majority ownership, India would have to find a substantial amount of foreign exchange for the project, because no alternative methods of long-term finance are considered practicable.

When an agreement was signed in May with the American International Oil Co. (Amoco) for the construction of a fertilizer plant in Madras, majority control (51 per cent) remained with the Government of India. The plant, which will produce 200,000 tons of nitrogen annually, will employ the latest techniques of ammonia synthesis, urea and complex fertilizer manufacture. Expected to be completed in 1970, it will form part of a large complex, including a refinery and a lube oil plant. The fertilizer plant involves an investment of $35 million by the U.S. firm and it is partly this substantial foreign exchange investment outside the usual aid consortium pledges which has made the pact attractive to the Indian Government.

In the course of negotiations, it was brought out that the necessary dollar loan would require a United States AID Extended Risks Guarantee which would be raised through private banks in the United States. Such a guarantee specifies that it may be extended to cover U.S. private interests only if the insured parties have substantial equity holding and also certain management rights in the project.

Agreement with U.S. Firm

The managing director will thus be appointed by Amoco and will function under general control of the Board of Directors (four government appointees, four Amoco appointees, and a government-nominated chairman with voting powers). The management arrangements will last for ten years from the date of commencement of plant operations or until the foreign exchange loans are fully paid. Thereafter, the Government will appoint the managing dirictor and all decisions of the Board will be taken by a simple majority rather than the three-quarters majority which will be required initially on major questions.

If the Board cannot agree on a question, it will be settled by discussion between the Government and Amoco, and the decision will be binding. The agreement also provides for an executive committee to advise the managing director, comprising an equal number of representatives from the Government and from Amoco, plus the managing director.

Successful operation of the project will call for co-operation and goodwill on both sides, since an effective veto power is retained by both the Government and Amoco. Indian Petroleum and Chemicals Minister O. V. Alagesan has indicated that the two parties did not come together for creating deadlocks by insisting on their respective rights but to see the job through. He has stated that Indian personnel will be fully associated with all aspects of selection of plant, construction, start-up and operation. A Technical Assistance Agreement with Amoco will cover the training of sufficient Indian personnel to run the plant.

Future Policy

It remains to be seen whether other projects now under negotiation, including an oil refinery at Haldia and several fertilizer plants, will follow the same pattern as the Madras one. A recent agreement involving construction of a fertilizer plant at Kanpur will have 51 per cent ownership by the British firm, Imperial Chemical Industries.

The facilities being offered to foreign investors in the fertilizer industry, however, do not necessarily represent a liberalization of investment policy in all sectors of the economy. For the present, the ten-year management contract and general assurances about freedom from restrictions in marketing and pricing policy have proved adequate to attract private capital for the Madras operation. In fact, however, a hardening of the official attitude towards foreign capital in other fields is suggested by the current treatment of U.S. oil companies operating in India. Although the companies' original investment some years ago was based on assurances that India would not unduly hinder activities, there have been recent moves to increase the duties on their imports and to restrict their right to renew the leases on their retail outlets.

For the immediate future it may be said that, although the Government is keeping its policy towards foreign investment under continual review, Indian majority ownership is still the rule, with exceptions made if necessary. Meanwhile every case is being dealt with on its own merits.

Canada Aids and Trades with India

Crowds throng around the Kundah hydro-electric project, Madras, on the day the Canada Power House 4 opened in February of this year. A Vancouver company did the consulting engineering, and over 60 Canadian firms supplied equipment to be used in this five-station project.

Grant aid financed the greater part of Canadian exports to India last year, including wheat and raw materials, and projects financed by development loans offer our engineering consultants and capital goods manufacturers their best selling opportunities.

ROGER R. PARLOUR, *Commercial Counsellor, New Delhi.*

CANADIAN EXPORTS to India last year totalled $58 million and our imports from India reached $42 million. On the surface, it appears that Canada had a favourable balance of trade with India, but a major portion of Canadian exports represents shipments under the Canadian grant aid program or under special credits of the Export Credits Insurance Corporation. The principal exports were wheat, zinc, aluminum, electrical machinery, newsprint, lead, asbestos, nickel, sulphur, chemical fertilizers, wood pulp and synthetic rubber. (See Table I.) It should be noted that items such as wheat and electrical machinery represent transactions financed entirely by aid or special credits of the Export Credits Insurance Corporation. The other products moved partly under aid programs and partly under commercial arrangements. Three-fourths of the newsprint and all of the synthetic rubber were supplied on a commercial basis. For 1966, however, synthetic rubber has been added to the Canadian aid list.

It is interesting to note the extent to which industrial raw materials predominate among Canadian exports to India. This reflects not only our position as a major world supplier of these commodities, but also India's urgent need to import raw materials to supply its growing industrial base. Prospects for the export of Indian manufactured goods are limited by the shortage of foreign exchange and by the development of its own manufacturing capacity. For many manufactured goods, India is happy to consider collaboration of foreign firms in domestic manufacture but is unwilling to spend foreign exchange to import these products. However, some opportunities for the export of Canadian manufactures to India develop from time to time through calls for global tenders on projects financed by the World Bank or occasionally on those using India's own foreign exchange resources. For the foreseeable future, however, it seems evident that the pattern of Canadian exports to India will largely depend on the Canadian aid program. It should also be borne in mind that trade statistics do not show invisible exports and in this category several Canadian firms are active in India through consulting services, specialized technical assistance on manufacturing projects, or licensing arrangements.

Indian Sales to Canada

Indian exports to Canada in 1965 totalled $42 million. The principal items were jute textiles, tea, cotton textiles, raw sugar, cashew nuts, handwoven carpets and pepper. (See Table II.) Although India is striving to broaden the base of its export industries, it appears likely that over the short term at least this pattern will continue. India is anxious to increase its exports to Canada of raw sugar, which enjoys the British preferential tariff. Here the limiting factor may be availability, because with huge domestic markets, India is hard pressed in leaner years to find an exportable surplus. This year, however, substantial exports of sugar are expected.

State Trading Developing

One feature of trade with India is the gradual development of state trading. Recently the State Trading Corporation of India celebrated its tenth birthday. It has grown steadily in that time and now deals in 105 different commodities for both import and export. Last year the Corporation handled exports valued at 450 million rupees and the trade, both import and export, totalled close to a billion rupees, or 5 per cent of India's total trade. In 1963 the STC was split in order to create a separate Minerals and Metals Trading Corporation. The MMTC has expanded steadily and has become active in the import of base metals, including copper, lead, zinc and tin. Other government agencies also engage in foreign trade, with the Ministry of Food handling all imports of foodgrains and the Ministry of Supply importing fertilizer and other materials required for government use. Another prospective development is the formation of a consumer commodity corporation which would specialize in the export of consumer goods and possibly also play a role in developing new industries to produce consumer goods for export.

Officials have stated that the aim of STC is to supplement rather than to supplant private trade. It serves as the channel for much of India's trade with the Soviet Union and Eastern European countries, which is carried out on a rupee payment basis. Although the private trade, including agents and distributors, has expressed serious concern at the encroachments of the state trading organizations, it appears that state trading will become an increasingly important factor in exporting and will expand from year to year. The STC office opened recently in Montreal is the latest addition to a

TABLE I

WHAT INDIA BUYS FROM CANADA

	1960	1961	1962	1963	1964	1965
			(Can.	$'000)		
Wheat*	2,209	13,010	153	1,500	8,500	15,357
Asbestos*	967	819	2,200	4,185	2,939	2,229
Sulphur, raw*	....	....	85	583	102	1,389
Wood pulp (mostly dissolving)*	4,255	4,172	3,308	3,046	3,461	1,222
Newsprint*	311	1,283	2,744	3,907	3,727	3,731
Plastic and synthetic rubber not shaped n.e.s.	1,334	1,020	1,317	930	1,065	868
Iron and steel items*	516	1,602	1,841	646	1,274	527
Steel rails**	....	....	....	7,824	....	....
Aluminum*	8,101	7,436	4,184	3,673	4,698	6,144
Copper*	6,759	3,874	2,059	8,503	260	19
Lead*	123	801	932	769	1,941	3,258
Nickel*	849	570	715	1,834	1,021	1,510
Zinc spelter*	2,747	2,882	3,182	3,835	3,911	6,378
Locomotives and parts*	64	1,689	13	2	6,684	9
Electrical machinery and parts*	126	601	2,661	5,045	4,540	5,273
Railway ties**	1,912	....	....	....	....	....
Chemical fertilizers*	2,423	....	....	....	....	1,286
Aircraft and parts*	144	307	375	2,564	9,748	857
Prefabricated building structures	....	....	21	1,702	1,295	726
Total, these products	**32,837**	**40,006**	**25,790**	**50,548**	**55,166**	**50,783**
Total Imports	**36,814**	**43,330**	**29,633**	**53,900**	**64,042**	**58,453**

* Shipments wholly or in part under Canadian aid.
** Global tenders won by Canadian firms.
Source: DBS

TABLE II

WHAT INDIA SELLS TO CANADA

	1960	1961	1962	1963	1964	1965
			(Can.	$'000)		
Walnuts, mostly shelled	263	1,234	827	365	375	400
Peanuts	1,662	1,602	1,282	514	680	....
Cashews, shelled	1,454	1,677	1,450	1,758	2,122	2,374
Sugar (mostly raw)	....	....	8,069	16,655	....	3,493
Pepper, unground	872	697	848	....	709	1,172
Tea, all black	8,483	8,869	7,283	7,356	7,662	7,097
Cotton textiles	3,370	3,240	3,929	3,790	3,824	4,509
Jute textiles	9,880	11,942	15,650	16,581	15,078	18,144
Carpets, woollen (mostly of Oriental design)	1,180	1,176	1,370	1,440	1,425	1,737
Living animals (Rhesus monkeys for polio vaccine)	182	160	152	83	39	10
Total, these products	**27,346**	**30,597**	**40,862**	**48,542**	**31,914**	**38,936**
Total Exports	**29,352**	**33,465**	**43,479**	**52,664**	**36,121**	**42,424**

Source: DBS

chain of such posts at Rotterdam, Prague, Moscow and Budapest. An office is to be opened shortly in Nairobi.

Canadian Aid Program

Taken together, all forms of Canadian aid to India this year will top the $100 million mark. The largest single item will be $56 million worth of wheat under our food aid program, in addition to $15 million worth of emergency food aid provided in recent months. India will also be obtaining about $12 million worth of Canadian industrial raw materials under Colombo Plan grants. The list of commodities as drawn up by the Indian authorities includes fertilizer, newsprint, asbestos, copper, lead, zinc, nickel, aluminum, sulphur, wood pulp and synthetic rubber. Procurement of most of these commodities is already under way. In addition, a number of projects under the Canadian aid program are expected to reach the stage of tender calls in Canada in coming months and a wide range of equipment will be required. The list includes:

- **Idikki Power Project**—A Canadian development loan will finance over $20 million worth of construction, electrical and mechanical equipment for this major hydroelectric project in Kerala which will include a multiple-arch dam and an underground powerhouse.

- **Geological Survey Project**—This $9.5 million development loan project includes provision of exploration, drilling and mining, geophysical and photogrammetric, and heavy transportation equipment.

- **Oil and Natural Gas Commission**—A $1.2 million Canadian grant has been earmarked for trucks, cranes, drilling and production equipment for oilfields.

- **Construction Equipment**—With a $3.5 million grant, the Central Water and Power Commission is obtaining construction equipment from Canada, including mobile cranes, heavy truck/trailers and dump trucks.

- **Sohan Lal Paper Mill**—This is a plant in Maharashtra State making paper from bagasse. Capacity planned is 42,000 tons a year.

- **Mainline Diesel Locomotives**—Tenders are being issued by the Indian Railways for thirty diesel electric locomotives financed by a $7 million Canadian development loan.

- **Bakery Units**—A $600,000 Canadian grant is being used by the Department of Food to purchase three automatic bakery units, each with a capacity of 30,000 loaves per day.

Under Canadian aid procedures, procurement is carried out through public tenders and all Canadian suppliers are eligible to bid. The principal requirement is that the goods have at least 80 per cent Canadian content. Depending on the circumstances, procurement may be carried out by individual Indian companies, by one or other of the Indian state trading organizations, through a Canadian consulting firm acting on behalf of the Indian authorities, or by the Canadian Commercial Corporation in Ottawa. ●

Spain's Development Plan 1964-67

A REPORT on the first two years of Spain's 1964-67 Development Plan indicates that the broad goals are being achieved. In some areas, gaps have developed between the results so far attained and the projected targets. These shortfalls can be attributed in part to the lack of accurate statistics on which to base the plan and to Spain's inexperience in the field of long-range planning.

The successes achieved in industrial and consumer goods production are outlined below.

Consumption expenditures: (per cent increase) fish 198, sugar 11, eggs 10.

Industrial production: (per cent) steel 58, cement 38, petroleum 34, electricity 23, aluminum 15.

Durable goods production: (per cent) refrigerators 147, washing machines 98, television receivers 75, automobiles 52, telephones 22.

The rate of increase in Spain's Gross National Product is among the highest in the world; it averaged 8 per cent in 1964-65. This rapid rate of expansion has given rise to inflationary pressures and balance-of-payments difficulties. In 1965, Spain's trade deficit of U.S.$1,-758.7 million was partially balanced by tourist revenues and transfers by workers living abroad. The result was a balance-of-payments deficit of U.S.$177.5 million. In an effort to remedy these problems, the Development Plan calls for the stabilization of the growth of the GNP at 6 per cent per year, control of inflation, and the limitation of credit expansion.

Development plans in Spain have brought about structural changes in the employment pattern, with 35.6 per cent of the labour force employed in the industrial sector, 32.6 per cent in agriculture, and 31.8 per cent in services. The migration to urban centers of large numbers of farm workers has seriously reduced agricultural output. Because productivity and farm mechanization have not kept pace with the move of farm labour away from the land, foodstuffs have had to be imported to stabilize prices. These food imports have constituted a serious drain on Spain's foreign exchange reserves.

The services sector has made satisfactory progress. Tourist revenue increased appreciably to U.S.$1,157 million in 1965 from U.S.$425.6 million in 1964. The influx of tourists has created a strong demand for hotel accommodation. Transportation facilities have been expanded in accord with the Plan through the construction and repair of 676 kilometers of road and 1,177 kilometers of railway track and the investment of U.S.$73 million in seaports and U.S.$34 million in airports.

In education, important advances have been made. The number of classrooms has increased by 8.4 per cent in elementary schools, 24.4 per cent in secondary schools, and 23.0 per cent in universities. Notwithstanding these advances much remains to be done, particularly in elementary education where the construction of new classrooms has not kept up with the growing demand.

The results that the Plan has so far achieved are impressive and will serve as guidelines for the second Plan. The new one will focus on those sectors where progress has been slow, such as agriculture, education and export trade.

—I. W. CEBAS,
Office of the Commercial Counsellor, Madrid.

Markets in Brief

CAMEROUN

Area: 183,000 square miles.

Population: East Cameroun 4.7 million, West Cameroun 1.08 million*.

Climate: south is tropical with high humidity; coolest from July to September and hottest from December to March. Temperature in Douala ranges from 82°F. in February to 67°F. in July and September; in Yaounde it ranges from 75°F. in February to 63°F. from July to September.

Topography: there are several distinct zones: the West Cameroun is a small mountainous region, exclusively agricultural and pastoral, with half the area covered by forests; the southern region is nearly all forested. In the north, there are extensive plains and savannahs with a clearly defined rainy season. Between the tropical forest of the south and the savannahs to the north there is the central plateau with less rain and a low temperature.

Language: French and English are both official languages. French is the principal language of government and commerce. English is widely used only in West Cameroun.

Currency: CFA franc; 227 francs = 1 Canadian dollar.

Import licensing and exchange control: import licences are required for all goods coming from non-franc-area countries. When import licence granted, foreign exchange is automatically allocated.

Banks: Société Générale and Sub-Branch "B", Douala.
Banque de l'Afrique Occidentale (B.A.O.), Douala.
Bank of West Africa (British), Douala.
Banque Internationale pour le Commerce et l'Industrie du Cameroun, Yaounde.
Banque Camerounaise de Développement, Yaounde.
Société Camerounaise de Banque, Yaounde.
Barclays D.C.O. at Victoria, Tiko, Buea, Mamfe, Kumba & Bamenda.
Bank of West Africa, Victoria.
Cameroons Bank Ltd. at Victoria, Buea, Kumba, Muyuka and Bamenda.

Weights and measures: metric system.

Major cities: Douala (population) 150,000, Yaounde (capital) 105,000, N'Kongsamba 31,000.

Political status: a republic headed by a president elected by the people. Legislative power is vested in the National Federal Assembly which passes laws by simple majority. Legislative initiative is also granted to the President who appoints the Federal Ministers.

*Statistics for East Cameroun (former French colony) and West Cameroun (former British colony) are still recorded separately, although Cameroun is now one independent country. Canadian statistics list Cameroun only.

Economy: based almost entirely on agriculture with approximately 85 per cent of population dependent on it. Except for the highly capitalized and modern aluminum plant at Edea, industrialization has not progressed far.

Value of Canadian exports to Camerouns: 1965—$157,120, 1964—$38,660, 1963—$23,702, 1962—$92,200 (DBS figures).

Chief Canadian exports: 1965—wheat flour $88,253, shoemaking machinery $29,871, bright Virginia flue-cured tobacco $8,393, burley tobacco $6,600 (DBS figures).

Value of Canadian imports from Cameroun: 1965—$121,141, 1964—$43,014, 1963—$147,029, 1962—$14,567 (DBS figures).

Chief Canadian imports: 1965—mahogany lumber $72,818, green coffee $38,432, collections and collectors' items $9,891 (DBS figures).

East Cameroun imports: (U.S.$million) 1964—115.8, 1963—109.0, 1962—101.5, 1961—96.1.

Chief suppliers to E. Cameroun: 1964 (U.S.$million) France—68.5, West Germany—7.7, Guinea—6.3, United States—4.9, Japan—3.7.

East Cameroun imports by product classes: 1964 (U.S.$million) food, beverages and tobacco—15.4; primary products—1.8; energy materials—7.8; machinery and transportation equipment—25.8; other industrial products—64.8.

East Cameroun exports: (U.S.$million) 1964—121.7, 1963—118.3, 1962—103.3, 1961—98.0.

Chief buyers of E. Cameroun exports: 1964 (U.S.$million) France 72.9, West Germany 16.4, United States 8.9, Italy 2.4, Britain 2.3, Belgium-Luxembourg 2.2.

Chief E. Cameroun exports: 1964 (U.S.$million) coffee—33.6, cocoa products—31.6, aluminum—21.1, cotton—9.2, timber products—7.5.

West Cameroun 1964: (U.S.$million)
Total imports: 17.3
Total exports: 18.2
Chief suppliers of imports: Britain 5.0, Japan 2.4, France 1.8, United States 1.4, Nigeria 1.2.
Chief purchasers of exports: Britain 5.8, Italy 3.3, France 2.4, Netherlands 2.3.

Terms of payment: usually letter of credit against the ocean bill of lading (documents). Prices should be quoted c.i.f. Douala.

Samples: if not otherwise inadmissible, may be temporarily entered free of duty on posting a deposit or bond, refundable if samples re-exported within one year.

Correspondence: airmail only; letters 25 cents a half ounce.

Trade agreements: GATT effective January 1, 1960, governs the exchange of most-favoured-nation treatment. Preference is, however, accorded to members of the Equatorial Customs Union and the EEC countries.

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

For detailed information on this market write to:
European Division,
Office of Trade Relations,
Department of Trade and Commerce,
Ottawa.
or
Canadian Embassy,
P.O. Box 572,
Yaounde, Cameroun.

TOGO

Area: 22,000 square miles.

Population: 1,600,000.

Climate: warm, humid and tropical but with less rainfall than most countries on the Gulf of Guinea. Coastal strip is fairly dry, with two rainy seasons: the major one from April to July and a minor one in October-November. January to March is very dry and July and August are comparatively cool.

Topography: a chain of low mountains forms a watershed for the Volta River basin to the west and the Mono River basin to the east. There are four geographical regions: the sandy coastal plains and the Ouatchi plateau stretching 40 miles inland, the fertile Mono tableland, the Togo-Atakora mountains, and the sandstone Oti plateau in the north.

Language: French is the language of commerce and government. It is most important that correspondence be carried on in French.

Currency: CFA franc; 227 francs = one Canadian dollar. A member of the West African Monetary Union.

Import controls: import licences are required for all imports originating outside the French franc area and are issued by the Government of Togo, in co-operation with the French Caisse Centrale, within the limit of the foreign currency allocation and bearing in mind Togolese requirements.

Banks: there are three banks in Lome, all French:
Credit Lyonnais,
Avenue des Allies.
Banque de l'Afrique Occidentale,
14 Rue du Commerce.
Banque Nationale pour le Commerce, et l'industrie,
26 Rue Marechal Gallieni.

Weights and measures: metric system.

Major cities: Lome, the capital; population 100,000.

Political status: a republic with the Government headed by a president.

Economy: based principally on agriculture, with 80 per cent of the population employed in this field. There is a large artisan class in both the urban and rural areas, and also a fairly well-organized entrepreneurial class, with women traders playing an active role in local commerce.

Total Togo imports: (U.S.$million) 1965—45.0, 1964—41.7, 1963—29.0, 1962—27.2.

Imports by product classes: 1965 (U.S.$million) food, beverages & tobacco 7.8, primary products 0.9, energy products 1.6, machinery and transportation equipment 14.6, other industrial products 20.2.

Chief suppliers: 1965 (U.S.$million) France 14.1, West Germany 8.8, Japan 6.3, Britain 2.6.

Value of imports from Canada: 1965—Can.$317,224; 1964—Can.$443,031; 1963—Can.$349,509; 1962—Can.$104,882 (DBS figures).

Chief imports from Canada: 1965—wheat flour $309,087, antiques and collectors' items $3,700, excavating and dredging equipment $1,476 (DBS figures).

Total Togo exports: (U.S.$million) 1965—26.8, 1964—30.2, 1963—18.3, 1962—17.7.

Chief exports: 1965 (U.S.$million) calcium phosphates 8.7, cocoa 6.8, coffee 5.5, palm nuts 2.4, cotton 1.1.

Chief markets: 1965 (U.S.$million) France 11.5, Netherlands 3.3, West Germany 2.4, Italy 2.4, Belgium-Luxembourg 1.7, Japan 1.2.

Value of Canadian purchases: none reported during the past three years.

Terms of payment: usually letter of credit against the ocean bill of lading (documents). Prices should be quoted c.i.f. Lome.

Samples: must be marked "no commercial value" ("aucune valeur commerciale") and must be mutilated in some way so that they cannot be sold. Otherwise, samples will be subject to full customs duties.

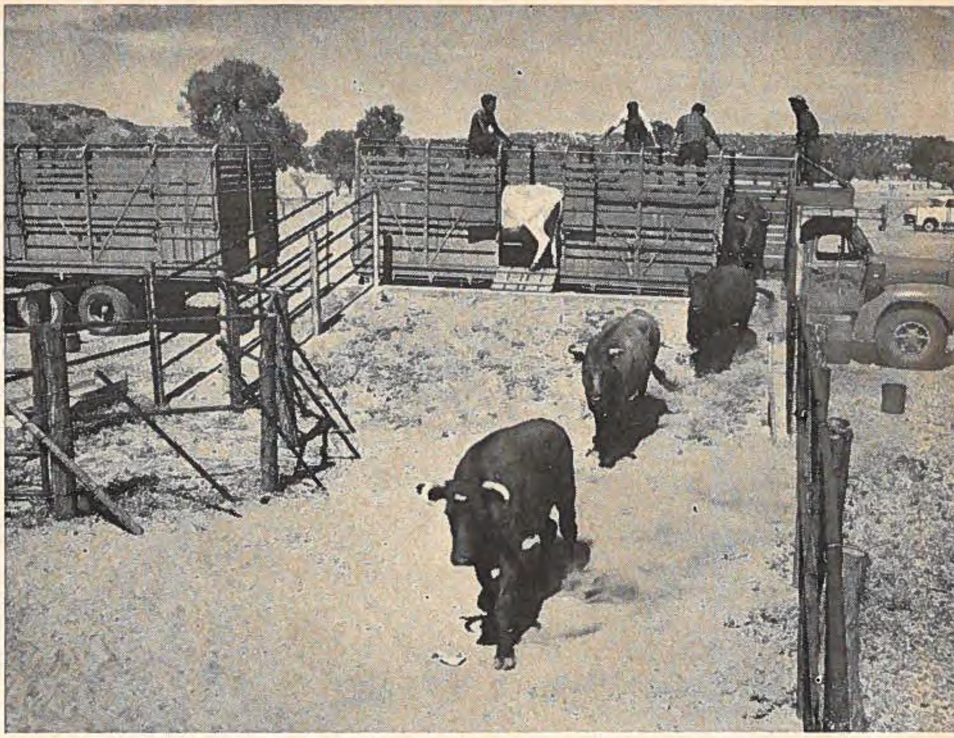
Correspondence: airmail only; letters 25 cents a half ounce.

Trade agreements: GATT effective April 7, 1960, governs exchange of most-favoured-nation treatment. Preference is, however, granted to the EEC countries by virtue of the Yaounde convention.

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

For detailed information on this market write to:
European Division,
Office of Trade Relations,
Department of Trade and Commerce,
Ottawa.
or
Commercial Division,
Office of the High Commissioner for Canada,
P.O. Box 1639,
Accra, Ghana.

A road-train delivers cattle at Alice Springs in the drought-free Northern Territory. These road-trains are rapidly replacing droving as the means of getting cattle to the railhead. Alice Springs is the major railhead in the Northern Territory for sending cattle to southern markets.



Australian Agriculture Survives Drought

The output of meat, wheat and wool has fallen noticeably because of last year's drought, but prospects are brighter for the 1966-67 season. Wheat harvest could achieve an all-time record if good weather continues throughout the rest of the season.

D. I. CAMPBELL, *Assistant Commercial Secretary, Canberra.*

DROUGHT in New South Wales and Queensland reduced Australia's total agricultural output for the fiscal year ended June 30, 1966. Wool, wheat and meat were most affected. The volume of rural production fell by about 12 per cent from the record level of the previous year, the first setback to the strong upward trend which has characterized rural production since 1960.

Prices for wool, meat and wheat were higher but not high enough to offset the fall in production. As a result, the gross value of rural production for 1965-66 is estimated at $3,192 million*, about $250 million below 1964-65.

With smaller exports of wool, meat, wheat and other cereals, the volume of agricultural exports also declined. However, the effect of the lower volume was mitigated to some extent by the stocks available at the beginning of the financial year. The total value of agricultural exports is expected to reach $1,780 million, about $148 million below the previous year and 17 per cent below the record of $2,147 million set in 1963-64. The largest declines this year were in wheat ($50 million), wool ($33 million), meat ($19 million), and sugar ($16 million).

Farm income was affected by the smaller output of a number of major commodities and by lower prices for sugar. The latest estimates put total net farm income at about $1,060 million, a drop of $313 million from 1964-65. This figure does not fully reflect the effect of the drought on farmers and graziers in the affected areas. It is a total for all of Australia and higher returns (as a result of favourable conditions in some regions) offset to some extent the smaller ones in the drought areas. In addition, some producers have lost breeding stock and incurred heavy indebtedness.

Output Reviewed

Wheat production in New South Wales was severely affected by the drought last year and totalled only 39

*All figures are in Australian dollars.

million bushels compared with the record crop of 151.5 million bushels in the previous year. This marked decline was offset to some degree by the record production of 103 million bushels in Western Australia and the result was a total Australian harvest of 258 million bushels. Production of barley and oats was also affected by seasonal conditions: barley fell to 40 million bushels compared with 49 million in 1964 and oats to 58 million bushels, 12 million below the previous year.

Some dairying areas were hurt by the drought early in the season but most recovered well as the year advanced. Production in New South Wales eventually exceeded that for 1964-65. Total Australian whole milk production in 1965-66 is estimated at a new record of 1,515 million gallons compared with 1,509 million in 1964-65. Butter production rose but cheese production fell slightly.

Results of the 1965 sugar crushing season were below early expectations because of dry conditions and frost. The 1.9 million tons produced was almost the same as in the 1964 season.

Between March 1965 and March 1966, the number of sheep fell from 72.4 to 60.6 million in New South Wales, and from 24.0 to 18.7 million in Queensland. Increases in other states, particularly Western Australia, offset these losses to some extent but the Australian sheep total, at 157 million in March of this year, was 13 million below the figure a year earlier. As a result of the smaller numbers and lower cut per head in some regions, wool production for 1965-66 fell to 1,628 million pounds (greasy equivalent), about 9 per cent below 1964-65.

Some beef-producing areas of Queensland and New South Wales suffered severe stock losses and production of beef and veal was below 900,000 tons, compared with the record of over one million tons in 1964-65. Mutton at 370,000 tons was up slightly, partly because the drought compelled slaughterings. Lambing results were poor and resulted in a sharp decline in lamb production to 195,000 tons compared with the level of about 225,000 tons in recent years. Pork, on the other hand, increased significantly. Total Australian meat production in 1965-66 was about 7.5 per cent below the record of the previous year.

Fruit crops were generally well maintained at the high levels of recent years, with canned fruit setting a record. Cotton again rose sharply and the tobacco industry had a satisfactory season. Rice output reached an all-time high as the result of increased acreage and a record average yield.

Prospects Are Improving

Australia's pastoral industries (meat and wool) will continue to suffer from drought-inflicted stock losses for some years to come, but prospects for 1966-67 have improved considerably. Wheat growers could in fact produce a record harvest if good weather prevails.

Australia's rural production could stage a considerable recovery in 1966-67, although a return to the high levels of 1963-64 and 1964-65 is not expected. Exports of agricultural products (which fell considerably in 1965-66) will rise correspondingly, with larger exports of wheat and wool offsetting a decline in meat exports. The outlook is much brighter than it was a few months ago and Australia has come through the experience of the past year far better than was expected.

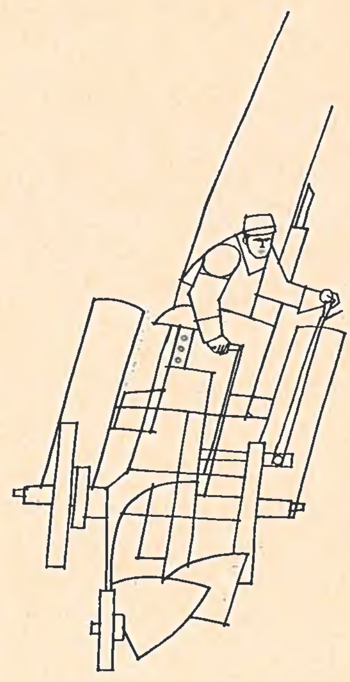
At present, crop prospects are generally good. About 20.5 million acres are expected to be sown to wheat, well above the previous record of 18.2 million acres in 1930 and about 2.5 million acres more than in the 1964 season, when a record crop of 369 million bushels was harvested. This season's crop is being sown in most areas under good conditions. In northwest New South Wales, where there was an almost complete failure last year, enough rain fell to make possible the sowing of a record acreage. On the basis of average yields, an Australian harvest of 350 million bushels can be forecast. With good spring rains and favourable conditions throughout the growing season, a record crop could be harvested.

Conditions in most dairying areas in all states are currently satisfactory and assure a good start to the 1966-67 season. This contrasts with conditions early last season, when producers in parts of New South Wales and Queensland were faced with a severe shortage of feed and water. Given normal conditions during the coming year, whole milk production should be somewhat higher than in 1965-66, some recovery in cheese output is likely, and butter should at least maintain last year's high level.

Pastoral conditions are generally above average except in parts of New South Wales and Queensland. The number of sheep shorn in these states is expected to fall as a result of stock losses and smaller lambings. Other states have had a satisfactory season and in general the cut per head is expected to be higher. As a result, wool production in 1966-67 should improve over the year just ended but it will still be significantly below the figure achieved in both 1963-64 and 1964-65.

Meat output is expected to be slightly smaller in 1965-66. A further fall in beef and veal will, in fact, bring output down to the lowest level since 1961-62. Smaller sheep numbers will mean a decline in mutton and lamb in 1966-67. Provided there is no recurrence of drought, however, the following year should see production on the rise again.

Although seasonal conditions in the sugar areas have been patchy, a record tonnage seems likely to be harvested. This industry, however, is faced with the problem of low prices on world markets. ●



British Warehouses at Your Service

Canadian exporters may not realize the wide variety of tasks the British warehouse keeper is prepared to perform. New developments in the warehousing industry can solve some exporting problems and ensure that your customer gets the goods fast.

A. LLOYD,
Commercial Assistant, Liverpool.

TODAY'S competitive business conditions more than ever demand a prompt and satisfactory delivery service for your overseas customer. If your agent already has storage facilities that are adequate for his own and your needs, well and good. But suppose he hasn't? There are three choices open to you:

- To fill individual orders from your factory in Canada, with the risk of losing future business because of inevitable delays.
- To establish your own depot in Britain, employing a manager, clerks, and other labour—an efficient but expensive way of tackling the problem.
- To make use of the services that many of the established warehouses can provide.

Few people except those directly engaged in business at a seaport know exactly what a public warehouse is, although they recognize that warehousing has always been connected with ports. Its development came about as a result of the growth of water transport and the consequent need for facilities to store incoming and outgoing goods in transit.

This particular association of warehousing with the great ports has continued. But there have been interruptions and it was the destruction of so many warehouses in British ports during World War II that gave the first really powerful impetus to the development of the storage industry in all but the remotest areas of the country.

Since the war, two main factors have influenced the rapid growth of the public warehousing industry. First, the pressure of restricted space in the great urban and industrial areas made it increasingly uneconomic or even impossible to keep large quantities of raw materials or finished products on the premises of the manufacturer. The production lines had to be kept going the year round but selling might be irregular or seasonal. The public warehouse keeper was called on to help.

In addition, transport has been assisted by the use of public warehouses as depots in the required areas of distribution, resulting in shorter hauls and quicker deliveries to selling points.

As the pattern of distribution has changed, the public warehouse keeper has extended his services to meet new demands. He is able to work for a number of customers at the same time and thus keep down costs for all. And as a professional he is able to provide many services better and cheaper than the manufacturer or trader himself.

Many Services Provided

Many warehouse keepers in Britain undertake the following broad duties, depending upon the individual needs of the exporter or his agent:

1. Collect goods from the dockside and clear them through Customs.

2. Put them into their stores.

3. Break down the bulk consignment, repack into smaller units as required, and deliver to individual customers upon instructions.

These services entail a great deal of clerical work such as the processing of orders, stock recording, reconciliation of stock records with physical counts, and so on. Other functions that the exporter might require of the public warehouse include the special processing of rush orders and promotion orders, issuing invoices and so on. Because not every warehouse keeper is prepared to perform all these tasks, it is obviously wise to establish at the outset precisely what he will undertake in order to avoid any possible misunderstandings later.

By making use of these facilities it is not only possible to keep stocks on the doorstep in a relatively economical way, but the agent is left free to get on with his most important job—selling.

Public Storage Capacity

In addition to dry goods, storage can be provided for oils and various chemical products requiring tankage. There has been a parallel development of refrigerated and cold stores with present capacity amounting to some 75 million cubic feet to satisfy the immense demands of the new frozen food industry.

Public storage capacity is hard to estimate but the four million tons calculated capacity of the major ports in 1958 gives some indication. At least another five million tons capacity is available in inland areas. In addition to storage provided by the private sector of the warehousing industry, British Rail, British Waterways and British Road Services all have numerous warehouses with an unknown but obviously large capacity.

Bonded Warehouses

Certain classes of goods are, of course, subject to customs duty and some are also liable to purchase tax (the British equivalent of sales tax). Under normal circumstances, duty and tax must be paid on these when they enter the country, and for bulk deliveries, this can mean tying up a large amount of capital for some time. To delay this expenditure, bonded warehouses can be used to avoid paying duty and tax until the warehouse keeper receives instructions to deliver the individual consignments.

Bonded stores have naturally been mainly concentrated in the ports but the policy of developing inland customs clearance depots, recently announced by the British Board of Customs and Excise, will certainly encourage greater use of them. This policy will undoubtedly create new possibilities for and new demands on the public warehouse keeper.

Because of the tighter security arrangements that must be enforced, storage charges in bonded warehouses are somewhat higher. Whether it is advantageous to use them will, of course, depend on the amount of duty and tax and on the length of time the goods are expected to be in storage.

Delivery and Security Services

Most warehouses undertake to make deliveries by their own transport over a specific region only—say within a 60-mile radius of their premises. Where delivery is required to points beyond, carriers are employed. In certain circumstances it may be practical to use more than one warehouse, particularly where "next day" delivery is the vital factor.

The warehouse keeper pays the closest attention to security. The design of the buildings, the employment of watchmen, and the use of security services with guards and dogs enable him to keep goods with less risk of loss by burglary than the owner can achieve easily for himself.

Today all the services of public warehousing, main and ancillary, are carried out more efficiently and with greater economy by using modern mechanical handling equipment and the application of the latest materials handling methods. In an industry where labour represents as much as 65 per cent of operating costs, charges can be kept low only by skilful use of every possible scientific aid. Pallets are essential and universally employed in warehousing and greater use of them in the movement of goods is being encouraged.

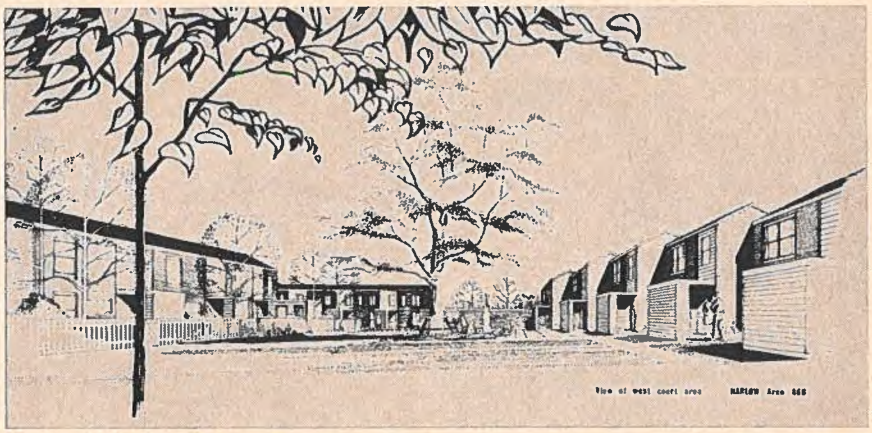
The amount of paperwork demanded of the warehouse keeper is constantly growing and the use of computers to look after this documentation is just around the corner.

Charges and Contacts

It is impossible to give any useful guide to the cost of these services because so many factors are involved. The usual method is to charge a percentage of the net value of merchandise in the warehouse, or of the net value of goods delivered to the customers. Quotations can be obtained by submitting precise details of the goods being shipped and the services required.

The Liverpool office has on file the names of a number of warehouse operators in various parts of the country who are in a position to provide some or all of the services described. Any exporter, potential exporter or agent who wishes to be put in touch with suitable firms should contact us. Where possible, he should indicate the particular region of the country to be covered. Write to: Canadian Government Trade Commissioner, Martins Bank Building, Water Street, Liverpool, England. ●

Canadians Build British Homes



This artist's drawing sketches out part of the 173-unit Harlow project near London.

CANADIAN MATERIALS and timber-frame construction methods have been specified for a 173-home housing project at Harlow, Essex, in Britain. The 15-acre site, situated 26 miles northeast of London, is designed to show that Canadian building methods are practical in Britain in terms of costs, speed of construction and housing values. The development will include two, three and four-bedroom units with prices (including garage and land) ranging from \$15,000-\$19,000. One of the homes will be furnished and used as a show house; it is expected to attract thousands of visitors, including representatives of local housing authorities throughout Britain.

The project is the result of three years' work by the Department of Trade and Commerce and the Canadian lumber and plywood industries in a joint program to promote increased sales of Canadian lumber, plywood and other building materials to Britain. It implements the recommendation made by a British housing mission which visited Canadian housing projects and industrial plants in 1963 at the invitation of the Department. This was that the British and Canadian Governments should co-operate in a medium-density housing project in Britain demonstrating our timber-frame methods and materials.

Since that time, the Department has co-ordinated the various stages of the project, working in collaboration with Central Mortgage and Housing Corporation (designers of the homes), the Canadian lumber industry and associations, the British Ministry of Housing, and the Harlow Development Corporation. The contract for the project was awarded by the Harlow Corporation to George Calverley and Sons (Contractors) Ltd. of Leicester, a British firm with more than 60 years' experience in building and civil engineering. Construction is scheduled to be completed within 18 months.

Besides designing the homes, Central Mortgage and Housing Corporation will also supervise construction. In all other respects, including financing, it is a British project. The houses will be sold to private buyers.●

businessman's bookshelf

Commerce & Travel and International Register 1966

Owen's Commerce & Travel Ltd. 1,191 pages. U.S.$18.00.

THE purpose of this book is to provide the businessman, export manager, travel executive and general reader with a succinct survey of many (72) countries of Africa, the Middle East, and the Far East. For each one, the information includes the capital, the area, the population, the currency, geography and climate, major cities, the ethnic groups in the population, hotels, national parks, tourist attractions, resources and industry. In addition, notes on special problems, such as language or customs, are often included. For the larger countries, a good general picture of exports and imports is given.

The sections on geography and climate are particularly useful and so is the customs and immigration section, with complete information on required injections, passports, visas, and so on.

Order from: Universal Media Co., P.O. Box 2, Glen Oaks, N.Y. 11004.

Trade Policies for Britain

S. Wells. 137 pages. $2.50.

THIS essay is a revised edition of the author's contribution to the Atlantic Trade Project, sponsored by the Council on Foreign Relations of New York and financed by the Ford Foundation. The project deals with various forms of trade liberalization among industrial countries. This particular contribution explores the implications for the British economy of certain trade liberalization proposals.

Without making detailed forecasts, the author provides a reasoned discussion. The study starts with broad considerations on the different alternatives, while the subsequent chapters deal with the effects of these alternatives on certain commodities (such as textiles and electrical equipment) and on the trade with certain countries, such as Canada and Japan.

In the next few years Britain will have to make a decision either to join a European Common Market or Free Trade Area, an Atlantic Trade Area, or go for general world-wide tariff reductions through the GATT. Fortunately, as the author points out, these alternatives (which he discusses at length) are not mutually exclusive.

The appendix carries several tables showing, for instance, the average of tariffs of Britain, the EEC and the United States, the Atlantic countries' tariffs compared, the trade consequences for Britain of tariff reductions, and the changing pattern of British external trade (1953-1963). These should help the reader to understand more easily the pros and cons of the various trade policies for Britain.

Published by: Oxford University Press, 70 Wynford Drive, Don Mills, Ontario.

Beerman's Financial Year Book of Europe (second edition).

R. Beerman Ltd. 1,200 *pages.* $35.00 *post free.*

THIS second edition of *Beerman's Financial Yearbook of Europe* has been expanded to meet the growing demand for concise information on industry in Western Europe. The appearance in January 1965 of the first edition marked the first time that the increasingly vital information on European securities had been published anywhere. Because almost every businessman has some dealings with European countries, this book is particularly valuable for its precise information on every major company in 14 European countries.

The Year Book includes general information and statistics on taxation in each country, government incentives to new industry, production figures of individual industries, and schedules of principal government stocks and company loans.

The main part of the book is divided into six sections: finance (utilities, banking, insurance, property); services (transport, selling, publishing); light industry (printing and paper, textiles, tobacco, drinks and watches, foodstuffs, glass and crockery, chemicals and photographic); heavy industry (steel and coal, metals, shipbuilding, motors, electrical, machinery); building (building materials, builders, roads); oil and mines (oil and gas, mining, plantations).

Under these headings, more than 800 leading companies are listed with some 10,000 subsidiaries, selected in consultation with Stock Exchanges and banks. For each company, the following facts are given: directorate, management, capital structure, investments, share price fluctuations, and condensed balance sheets over the last five years.

The comparison of companies in each industry throughout Europe enhances the value of this reference book.

Order from: R. Beerman (Publishers) Ltd., The Times Building, Printing House Square, London, E.C.4.

1966 Canadian Trade Index

The Canadian Manufacturers' Association. 1,354 pages. $24.00.

BIGGER than ever, the Canadian Trade Index continues to grow with the development of the Canadian economy. Over 12,600 companies are listed alphabetically and cross-indexed by product and geographic location. Addresses of plant and branch offices are provided, plus lists of each firm's principal products, brand names, executive officers, and foreign representatives. Parent companies and subsidiaries are given and information is provided for estimating the size of firms. An asterisk beside the company's name indicates an interest in export trade.

A French glossary allows the names of products to be rapidly translated and found in the section classifying firms by products. Spanish and Portuguese glossaries are available on request.

For companies just beginning in the export field there is general information on how to export, including a description of assistance available from government and from the Canadian Manufacturers' Association.

Order from: The Canadian Manufacturers' Association, 67 Yonge Street, Toronto 1, Ont.

A Textbook on Foreign Exchange

Editor, Paul Einzig. 248 pages. $4.25.

PAUL EINZIG DEFINES the foreign exchange system as that "by which currencies are exchanged against each other and by which payments are made in foreign countries, and also the economic process resulting from the operation of the system". He also speaks of foreign exchanges as "the actual means of payment in which business is transacted, and also the actual activity of transacting business in them".

These two aspects of the subject are discussed in terms of the roles of the central banker, the private banker, finance minister and the private arbitrateur. The author distinguishes between the technical and fundamental effects and influences on foreign exchange as the result of the implementation of government policy and private dealings.

Recent topics such as the Euro-Dollar market, markets in investment currencies and the interbank sterling market are precisely analyzed to give not only the specialist but also the student information in each of these areas. He proves that those involved in the foreign exchange market are not gamblers but colleagues, and furthermore that this environment must exist if businessmen are to have confidence in the fiscal and monetary policies of governments.

In addition, Einzig lists all the current terms used in the foreign exchange market by the dealers themselves. This supplement alone makes the book a valuable addition to many an office library.

Published by: Macmillan Company of Canada Ltd., Toronto, Ontario.

The Hard Sell: Britain and Her Overseas Markets

Stuart de la Mahotiere. 352 pages. Can.$5.35.

THE first part of this book presents a fairly comprehensive analysis of the political and economic factors which have contributed to Britain's continuing balance-of-payments problems. The author also presents his views as to how the problem should be dealt with.

The latter part of the book consists of a series of short surveys of the economic conditions which prevail in those countries with which Britain trades. These surveys examine import and export trends as well as any recent and significant development which might disturb established trade patterns or create new business opportunities.

Although this book is primarily directed to British exporters it does contain a great deal of useful statistical information which might be difficult to obtain elsewhere.

Order from: Musson Book Co., 103 Vanderhoof Avenue, Toronto 17, Ontario.

The Year Book and Guide to Southern Africa

A. Gordon-Brown, Editor. Union-Castle Mail S.S. Co. 704 pages. Price not available.

THIS yearbook and travel guide deals not only with the Republic of South Africa, but also with its neighbours in Southern Africa, as the title implies: Rhodesia, Zambia, Malawi, South West Africa, Basutoland, Bechuanaland, Swaziland and Southern Angola, some of which are new names on the map of Southern Africa. This current edition features a large coloured folding map of South Africa, as well as a folding Planning Map. The businessman will also be pleased to see that 20 small coloured maps precede each section and there are also 22 maps, town plans and diagrams in the text.

In the yearbook portion, there is a comprehensive political and economic review of each country. This includes information on agriculture, banking institutions, railway and harbour facilities, public holidays, decimal currency, cost of living, industrial and mining developments, imports and exports, import controls, and income and other taxes. Each section is followed by a list of further references.

The travel portion is in 21 sections, giving all the information the businessman needs, such as travelling time, costs and schedules for the various means of land, sea and air travel, visa and motor licence requirements, hotels, restaurants and recreational facilities, names of Chambers of Commerce and other business organizations and associations, industrial sites, and climate. It also gives estimated costs of travel within this area.

Order from: Rand McNally & Co., P.O. Box 7600, Chicago 80, Ill.

Bahamas Handbook and Businessman's Annual (Sixth Edition)

Etienne Dupuch Jr. and S. J. Perfetti. 550 pages. U.S.$6.85 (postpaid).

BUSINESSMEN generally learn through experience that to do business in a foreign market one must first have a basic knowledge of local social and business customs. This publication offers a pleasant, lucid presentation of almost everything Bahamian, from entertainment to import licensing. In addition, it gives reasonably thorough coverage of the Bahamian community, with insight into past and possible future influences.

Presumably, the business reader will be most interested in the views of such prominent businessmen as I. G. Davis Jr. and James Crosby of the Mary Carter Paint Co. and J. Louis Reynolds of Reynolds Aluminum Co. on the investment potential of these islands. There is ample statistical material to substantiate their optimistic forecasts.

Since the Bahamas are in a period of rapid expansion, the attitude of the Government is also vital. The Handbook presents a variety of articles giving good exposure to government attitudes and also offers professional counsel on the technicalities of doing business in this exciting tropical market.

Canadian businessmen will be interested in publicity given U.S. investment in the Bahamas. Even though a great deal of space is devoted to this topic and to mutual fund investments, there are also current statistics (1965) and a description of general import regulations that will prove useful to Canadian traders.

Order from: Bahamas Handbook, P.O. Box 958, Nassau, Bahamas.

Japan: Meeting The Challenge of Asia's Richest Market

Business International. 88 pages. U.S.$40.00.

THIS research report is directed primarily to the United States company interested in penetrating the Japanese market through direct investment, licensing agreements and joint ventures.

The various barriers that the Government has erected to prevent foreign business from gaining more than a small foothold in the market are examined with a view to providing some guidance on how entry should be attempted. This examination covers the legal and administrative practices used by the Government and gives case histories of firms which have succeeded in establishing themselves.

The report not only deals with how entry should be attempted but also with some of the many operating, financial and marketing problems which can arise at later stages of the venture. Individual chapters examine the Government's role in business, investing, licensing, joint ventures, capital sources, labour, taxes, imports and exports, distribution and the laws governing competition.

Order from: Business International, 757 Third Avenue, New York, N.Y. 10017.

Foreign Tariffs and Trade Regulations

South Africa

TARIFF CHANGES—The recent South African Budget provides for several increased tariff rates on imported luxury and consumer products. Among the goods affected are manufactured tobacco; household appliances including stoves, refrigerators and washing machines; lamps; motor vehicles; dolls, toys and selected sports equipment. Full details may be obtained from the Commonwealth Division, Office of Trade Relations.

Investigating the Italian Timber Market

A twelve-man trade mission sponsored by the Department of Trade and Commerce is studying at first hand the promising Italian market for timber products. Western Canadian producers have held their own in Italy, but sales by Eastern firms have slipped.

C. D. MILLER, *Assistant Commercial Secretary, Rome.*

CANADA'S EXPORTS of timber products to Italy have dropped by 25 per cent over the past three years. Sales of $2.7 million in 1963 slipped to $2.3 million the next year and in 1965 barely reached $2 million, a disappointing performance in a country that is otherwise a healthy market for Canada's exports.

A look at the trade in some detail shows that West Coast producers have not shared in this loss. They are well established in the Italian market and are familiar with local requirements. In 1963 our exports of Western softwood lumber (mainly Douglas fir and hemlock) totalled $1.2 million. In 1964 they rose to $1.3 million and to $1.9 million last year, accounting for almost all of Canada's timber exports to Italy. Douglas fir and hemlock are used mainly for window sashes and doors and demand remains buoyant.

The sad chapter in this story is the decline in sales of Eastern timber products. Shipments of Eastern softwood lumber (spruce and balsam) were worth $1.5 million three years ago, but last year totalled a meagre $100,000. Maple exports have dropped as well: from $27,000 to less than $3,000 over the same period.

These facts in themselves, although they give cause for concern, must be considered in the light of recent trends in the Italian market. Italy has recently gone through a mild recession and one of the hardest hit economic sectors was the construction industry, stagnant since 1963. When the volume of building dropped, so did much of the demand for our low-grade spruce used for concrete-forming. This partly explains why a trade worth $1.5 million has fallen to a fraction of its former value. Another equally important fact has been the unattractiveness of the Italian market to Eastern Canadian lumber producers. Generally speaking, our Eastern producers have not been willing to cut to Italian specifications nor to make firm offers on that basis.

For cement-forming, the market requires undressed low-grade spruce, preferably band-sawn, 4 metres in length, ⅞ of an inch thick and either 4, 5 or 6 inches wide. An acceptable price, c.i.f. western Italian port, for the 4-inch width is Canadian $105 to $110 per thousand board feet. Importers we interviewed recently would be pleased to receive offers from Canadian firms.

Italian statistics show that imports of sawn coniferous wood are down over the past three years, but certainly not as much as spruce and balsam. Our producers are neglecting this market at their peril, because more enterprising exporters have greatly improved their sales to Italy. A case in point is the U.S.S.R. whose shipments of sawn conifers have shot up by 35 per cent in the past three years, placing it in second position behind Austria. Because the major suppliers

ITALIAN IMPORT DUTIES ON WOOD PRODUCTS

(based on c.i.f. prices)

Imports from EEC Countries	**Duty (per cent)**	**Turnover Tax (per cent)**	**Compensatory Import Tax (per cent)**
Logs, rough	free	4-8.4	....
Logs, square	0.4-1.7	6.0-7.2	1.2
Sawn lumber	1.2-2.4	6.0	2.4
Dressed woods, flooring wood	3.2	4.0	2.4
Poles, untreated	4.5-5.4	6.0-8.4	....
Poles, treated	3.0-3.6	4.0	....
Railway ties (untreated or treated)	2.7-3.3	4.0	2.4
Veneers	3.2	4.0	2.4
Plywood	3.6	4.0	3.6
Prefabricated houses	3.2	4.0	3.0
Non-EEC Countries			
Logs, rough	free	4-8.4	....
Logs, square	0.8-3.4	6.0-7.2	1.2
Sawn lumber	10.2-11.4	6.0	2.4
Dressed woods, flooring wood	11.2	4.0	2.4
Poles, untreated	5.2-10.8	6.0-8.4	....
Poles, treated	6.0-7.2	4.0	....
Railways ties (untreated or treated)	6.0-10.0	4.0	2.4
Veneers	11.2	4.0	2.4
Plywood	15.0	4.0	3.6
Prefabricated houses	14.0	4.0	3.0

NOTE:

(1) In addition to the above duties, a 1 per cent Administrative Fee is applied to all imports, regardless of country of origin.

(2) The above duties applied as of July 1, 1966, and are subject to alteration without prior notice.

of timber products to Italy are outside the European Economic Community, Canada is on an equal tariff footing with the competition. (See Table I.)

This is a crucial year for exporters of low-grade spruce especially, because there are signs that the recent construction recession is coming to a close. When importers begin looking for larger quantities of lumber, they will find it easy to overlook former Canadian sources unless there is some continuity for supply.

A quick look at the sources of Italian timber imports last year may be useful.

Conifers—Imports of conifers in 1965 had a c.i.f. value of $130 million and a volume of almost 3 million cubic metres, 80 per cent of which was sawn lumber, with logs and squared timber making up the remainder. The sawn lumber market was dominated by Austria, which supplied 1.5 million of the total 2.4 million cubic metres imported. Canada placed seventh, with 36,000 cubic metres. Austria also supplied practically all the squared timber, and Czechoslovakia led in sales of logs, followed by France and Germany.

Deciduous Woods—Italian purchases of deciduous woods totalled 1.6 million cubic metres, valued at $88 million. In this commodity, in contrast to softwoods, logs and squared timber were predominant, accounting for three-quarters of the total. The majority of the logs and squared timber came from tropical African and Asian countries and were used in plywood veneers and the furniture industry. Sawn hardwood came mainly from Yugoslavia and Rumania.

Plywood, Poles and Ties—Italy, although a large exporter of plywood, has quadrupled its imports of this product in the past three years. In 1965, imports reached 11,000 cubic metres, worth slightly less than a million dollars, with Yugoslavia getting the bulk of the sales. Canada's share of this market was minimal indeed, at 40 cubic metres. Only four countries participated in the $2.7 million business of supplying Italy's demand for railway ties last year—Yugoslavia, France, West Germany and Austria. The total volume was 66,000 cubic metres. Canada fared somewhat better in poles for telecommunications networks, with almost 20 per cent of total purchases of 96,000 cubic metres worth $3 million.

Manufactured Housing

The Italian concept of a prefabricated house differs widely from the Canadian one. Local builders are familiar with the term but use it for houses prefabricated of cement or steel sections, not wood. In fact, of the 500 members of the "Associazione Italiana Prefabbricazione", there are only five who deal primarily with wooden structures. Thus the initial promotion task facing our manufactured housing firms is to ensure that Italian building authorities know that Canadians are turning out wooden homes.

For several reasons, Canadian prefab manufacturers have not yet penetrated the Italian market. The Italian, especially in the south, is accustomed to building with brick or stone. Although the finished product may take considerable time, it usually needs no exterior upkeep for the first 10 years. A wooden dwelling connotes impermanence to Italians and we must convince local builders of the strength and durability of our manufactured homes. The market for residential wooden housing, prefabs or otherwise, is almost non-existent because of restrictive building codes and fire regulations. Canadian firms must produce statistics to show that their products are not undesirable for these reasons.

Because of the prices, wooden prefabs will succeed here only if promoted as quality homes. There are some imported prefabricated wooden houses in the Rome area, but they are of poor quality and it is necessary to point out the distinction between the Canadian product and cheap, low-quality ones.

One other consideration is that the Italians are not happy with the idea of buying a prepackaged home and they insist on seeing the structure erected before placing an order. Furthermore, they will not accept the finished product until it has been built to their satisfaction. The most successful method of entering this market is probably to associate with a local prefab manufacturer, or with a building contractor who will erect the home. An even better idea is to erect sample homes to help in introducing what is a relatively unknown product. Selling wood sections to a prefab manufacturer for incorporation in his buildings is another possibility.

Housing for the Vacationer

The present acceptable price for a fully-completed single-family dwelling is 40,000 to 50,000 lire per square metre in southern Italy, and 60,000 to 65,000 lire in the north (about $7 to $11 per square foot). Our prefabricated houses, once transportation and duty have been paid, cost roughly twice this. Therefore, it is immediately evident that, at least to begin with, Canadian firms will have to concentrate on the market for vacation homes where price is not quite as important and building codes are not as rigorous.

The prospects for Canadian manufactured housing for vacation areas are good, but not in the immediate future. The figure of 25 million tourists a year is evidence enough that Italy is an ideal vacation country. Last year, 2,500 vacation homes were sold and as the rise in incomes becomes more broadly based, sales should increase.

These and many other topics will be discussed fully by our mission members and local importers and industry officials. We trust that this will result in more widespread knowledge of the demands of and opportunities in the Italian market. ●

CORRECTION

IN the article entitled "What the Colon Free Zone Offers" in the August 20 issue of *Foreign Trade,* the following statement was made:

"In addition, the Governments of Communist China and Italy have announced plans for building their own warehouses, offices and sales rooms in the Free Zone."

It has since been pointed out to us that it is the Republic of China (Taiwan) which has announced this step and not the Government of Communist China. In addition, in the table the figure for incoming merchandise in 1964 (in millions of U.S. dollars) should be 89,443 and not 39,443. ●

trade lines

Exploitation of the iron ore riches of the Peña Colorada region of Mexico begins this year. Annual production is planned eventually to reach 600,000 tons of iron ore, which is equal to about one third of Mexico's current output. The Mexican Government and the country's four leading steel companies will provide the initial investment of U.S. $24 million. According to UN studies, there are sufficient iron ore reserves in the area for 50 years' production at an annual extraction rate of 600,000 tons—Mexico City.

Labour costs in West Germany and Britain recently have risen more sharply than in other comparable industrial countries. The Bundesbank reports that from 1964-1965, labour costs in Germany and Britain rose 5½ per cent, in Japan 5 per cent, in Canada 1½ per cent and France 1 per cent. The United States kept labour costs at a standstill, and in Italy they decreased by 3½ per cent. This reverses an earlier trend in which West Germany was able until 1964 to keep labour costs more stable than France and Italy—Bad Godesberg.

Detailed plans for a harbour at Larnaca, Cyprus, are being prepared by a Greek engineer, who was personally commissioned by the President of the Republic—Tel Aviv.

Mexican production of finished steel rose to a record 1.94 million metric tons in 1965. There were sharp increases in the output of steel bars, wire, sheet steel and tinplate; the only major declines were in steel tubing and related products, steel bands and heavy steel structures. Output of ferro-alloys, not made in Mexico ten years ago, amounted to 43,436 metric tons last year—Mexico, D.F.

Brazil plans to increase its annual steel production from three million to six million tons within a few years. Cia. Siderurgica Nacional expects to expand its production from 1.4 million tons per year to 3.5. million per year within the next nine years. COSIPA, with an annual production of 500,000 tons, plans to increase this to 800,000 tons per year. USIMINAS, owned by Brazilian (60 per cent) and Japanese (40 per cent) interests, intends to double its production to one million tons and has plans soon to build a third converter and another cold strip mill with financial aid from Japan and a $78 million loan from the World Bank. In the State of Amazonas, SIDERAMA intends to start production of 25,000 tons of steel ingots yearly before 1968. Aços Anhanguera has inaugurated a new steel mill with an initial output of 70,000 tons of special steel destined for the production of capital equipment—São Paulo.

An iron ore development project has been inaugurated in Western Australia at Mount Goldsworthy. The developer of the deposits has concluded an agreement with Japanese steel mills for the sale of 16.5 million tons of iron ore between 1966 and 1973. Three shipments of the ore have already left Port Hedland for Japan—Melbourne.

Western Germany's pulp and paper industry was not satisfied with its low production increase in 1965. Total sales amounted to 3.85 billion DM, 4.9 per cent more than in 1964. Imports of paper and paperboard increased by 16 per cent in 1965 to 1.929 million metric tons. Main suppliers were Finland and Sweden. Exports increased by 7 per cent for a total of 0.177 million metric tons, mainly to EEC countries. Per capita consumption reached a new record of 101.5 kilograms (7.2 per cent more than in 1964)—Bad Godesberg.

Outerwear sales by the London (England) Fashion House Group increased by $1.3 million for a total of $6.7 million in the first six months of 1966. The group, composed of leading ready-to-wear houses, achieved this success by co-ordinated export drives and seasonal London Fashion Weeks. Plans for the establishment of an Export Trade Center in London are proceeding. The center, sponsored by the industry, will make it easy for foreign customers to buy there—London.

West Germany is the only EEC member exporting more to "third countries" than it imports from them. The first months of 1966 indicate that France, Belgium, Luxembourg, the Netherlands and Italy are increasing their import surpluses from non-EEC countries. By contrast, West Germany has maintained an almost unchanged export surplus. The EEC as a whole decreased its import surplus to third countries over exports from $2,677 million in 1964 to $1,483 million in 1965—Duesseldorf.

The Minister of Agriculture for Mexico has proposed a four year plan for the development of the national livestock industry. The first major step will be to assess livestock resources and both current and potential feed and water resources by regions. The plan as suggested and accepted by representatives of the Livestock Confederation will offer aid to breeders and the industry as a whole in raising the standard of animal breeds and livestock production both for domestic and export markets—Mexico, D.F.

The 1965-66 El Salvador coffee crop has been finally estimated at 2.1 million bags, approximately 5 per cent over the previous year. In 1965 exports of coffee declined to 1.64 million bags from 1.74 million in 1964—Guatemala City.

Handicraft and small workshops in West Germany are achieving more sales than ever. Their turnover last year was valued at $32.8 million, or 8.9 per cent more than in 1964. They are also employing more artisans and assistants: an average of 3,737,000 in 1965, a 1.3 per cent increase over 1964—Bad Godesberg.

West Germany employed 1.23 million foreign workers at the end of last March, or 16.2 per cent more than a year earlier. The sharpest rise is shown by Turks, with an increase of 32.8 per cent from March '65 to March '66 and by Italians (17.9 per cent). Greece and Spain are below the average increase with 11.3 per cent and 8.4 per cent respectively—Bad Godesberg.

Jamaica is studying the possible introduction of a decimal currency system. Preliminary results of the studies indicate that the conversion could be effective some time in 1968 if the Government initiates the program this year. The Jamaican authorities have emphasized, however, that they cannot fully examine all aspects of conversion before the end of the year. At that time the Government hopes to be able to announce its decision—Kingston.

Greece has begun to produce and export bleached straw pulp for the first time. Thessalian Pulp and Paper Industries Ltd., Athens, an affiliate of Parsons & Whittemore Inc., established a straw pulp mill in Thessaly last year with an estimated yearly output of 30,000 tons. Part of this production, suitable for blending to produce writing and printing papers, will supply the company's own requirements, with the balance going to other Greek paper mills and for export. The first one thousand tons of this bleached straw pulp have been exported to West Germany, Belgium, and Yugoslavia. In 1965 Greece imported 81,406 metric tons of all kinds of pulp, some from Canada—Athens.

West Germans are drinking more sparkling wines and champagne; in 1965, according to the Federal Office of Statistics, 141.7 million bottles of sparkling wines and champagne produced in Germany and 7.05 million bottles imported were taxed by the Government. This means that 26.5 million bottles (21.7 per cent) more than in 1964 were sold to German wine connoisseurs-—Bad Godesberg.

A Home Furnishings Fair is to be held at the National Design Center in Chicago from October 1 to November 12, 1966. The Fair is sponsored by the Chicago Retail Furniture Association in conjunction with the Center. The CRFA hopes to whet the consumer's appetite by the use of fifty room-settings of furnishings displays, a home furnishings clinic, a film festival, interior design days, special exhibitions, art shows, daily lectures and special newspaper supplements. It is hoped that this show will be a major stimulus to furniture sales—Chicago.

The consumption of meat and meat products continues to increase. The per capita consumption in Germany amounted to 67 kilograms in 1965. Of the total meat consumption, pork accounted for approximately 60 per cent, beef 30 per cent and poultry 9 pour cent. Veal consumption is continuing to decrease and that of mutton and horsemeat remains insignificant—Hamburg.

More than 40 per cent of new homes being built in West Germany include at least five rooms. Although homes built in 1965 totalled only 591,000—31,900 units less than in 1964—the number of five-room and larger homes grew by 4,900 to 231,700. The trend to larger homes is apparent in the following figures: in 1960, larger homes accounted for 26.9 per cent of the total new housing units built. By 1964, the proportion had grown to 36.4 per cent and it reached 39.1 per cent in 1965—Duesseldorf.

Pakistan plans to produce high-pressure steel pipes for the transmission and distribution of industrial gas. An agreement has been signed between West Pakistan Industrial Development Corporation, the Fuji group of Japanese companies, and Hussain Industries, a local company, whereby each of the participants will contribute one quarter of the required investment. The remaining quarter will be offered for public participation. Cost of the project is estimated at Rs. 15 million (approximately Can.$3.5 million); it is expected to be completed in about two years—Karachi.

The production of durable goods in Spain has shown an extraordinary increase in recent years. Over the 1963-1965 period, output of TV receivers increased from 315,000 to 550,000 (74.6 per cent), refrigerators from 243,000 to 600,000 (145.9 per cent) washing machines from 227,000 to 450,000 (98.2 per cent) and automobiles from 529,700 to 807,317 (52.4 per cent).

The proliferation of small factories accounting for a negligible proportion of the total output is hindering Spain's participation in export markets because their products cannot compete with their Italian or German counterparts. In automobiles, Spain holds ninth place in Europe in number of factories, yet accounts for only 4 per cent of total production—Madrid.

Final figures confirm that the West German chemical industry was one of the country's leaders last year in both growth and exports. West Germany also provided an increasingly good market for foreign suppliers of chemical products. Production was up 8.8 per cent from 31,160 million DM in 1964 to 33,800 million DM last year. Exports grew by 10 per cent to 9,870 million DM, and imports increased by 20 per cent to 4,840 million DM in the same period—Bad Godesberg.

A Brazilian aluminum company, Cia. Brasileira de Aluminio, announced plans to invest Cr$120 billion (approximately Can. $60 million) in the expansion of its present production facilities. This will increase output of aluminum ingots to 50,000 tons a year by 1970—Rio de Janeiro.

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, Edmonton and Vancouver, Department of Trade and Commerce; Fredericton, Department of Industry.

Mexico—M. B. Blackwood, Commercial Counsellor in Mexico City:

Toronto—October 3-7	Edmonton—October 20-21
Winnipeg—October 17-19	Vancouver—October 24-28

United States—A. W. Evans, Consul and Senior Trade Commissioner in Cleveland:

Winnipeg—October 4-5

Venezuela—J. D. Blackwood, Commercial Secretary in Caracas:

Montreal—October 5-7

Temporary Duty in Ottawa

The following officers are on temporary duty in Ottawa. Anyone who wishes to see them should contact the Trade Commissioner Service, phone: 992-9930.

R. D. Lee, Acting Commercial Secretary in Karachi, Pakistan, December 20-January 3. Mr. Lee will be posted to Philadelphia as Vice Consul and Assistant Trade Commissioner.

J. H. Nelson, Commercial Secretary in Guatemala City, November 28-December 9. Mr. Nelson will be posted to Liverpool, England, as Trade Commissioner.

In Territory

Costa Rica—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit San Jose October 19, 20 and 21.

El Salvador—D. J. Browne, Assistant Commercial Secretary in Guatemala City, will visit El Salvador October 10-12.

Honduras—D. J. Browne, Assistant Commercial Secretary in Guatemala City, will visit Honduras October 12-14.

Indo-Chinese States—A. Blum, Assistant Trade Commissioner in Hong Kong, will visit South Vietnam, Cambodia and Laos November 18 to December 2.

Iraq—I. V. Macdonald, Commercial Counsellor in Beirut, Lebanon, will visit Iraq September 30–October 10.

Jordan—P. W. Aubin, Assistant Commercial Secretary in Beirut, Lebanon, will visit Jordan September 30–October 10.

Nicaragua—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Managua October 17 and 18.

Panama—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Panama October 22 to 26.

Thailand—J. H. Bailey, Commercial Counsellor in Singapore, will visit Bangkok October 3-8.

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

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

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

Rates used exclusively in non-merchandise trading are *not* included in this table.

For conversion to United States dollar equivalent multiply by .93.

Country and Currency	Value of Foreign currency unit in Canadian dollars at Sept. 19	Value of Canadian dollar in foreign currency units at Sept. 19
Algeria		
Dinar	.2184	4.58
Argentina		
Peso (free)	.0049	200.00
Australia		
Dollar	1.20	.8333
Austria		
Schilling	.0417	23.98
Bahamas		
Dollar	1.051	.9523
Belgium and Luxembourg		
Franc	.0216	46.25
Bermuda		
Pound	3.003	.33
Bolivia		
Peso	.0908	11.01
Brazil		
Cruzeiro (official free)	.0005	2,053.39
Britain		
Pound	3.003	.33
British Honduras		
Dollar	.7508	1.33
Burma		
Kyat	.2260	4.43
Ceylon		
Rupee	.2252	4.44
Chile		
Escudo (bank rate)	.2584	3.86
(free)	.2247	4.45
Colombia		
Peso (free)	.0658	15.19
(certificate)	.1196	8.36
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1625	6.15
Cuba[2]		
Peso	....	....
Czechoslovakia		
Koruna	.1495	6.68
Denmark		
Krone	.1558	6.41
Dominican Republic		
Peso	1.076	.93
Ecuador		
Sucre (official)	.0598	16.72
(free)	.0549	18.21
El Salvador		
Colon	.4305	2.32
Fiji		
Pound	2.705	.37
Finland		
Markka	.3363	2.97
France, Monaco, etc.[3]		
Franc	.2184	4.58
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0120	82.64
Germany		
D Mark	.2698	3.71
Ghana		
Cedi	1.251	.80
Greece		
Drachma	.0359	27.86
Guatemala		
Quetzal	1.076	.95
Guyana		
Dollar	.6256	1.60
Haiti		
Gourde	.2153	4.65
Honduras		
Lempira	.5381	1.86
Hong Kong		
Dollar	.1877	5.33
Hungary		
Forint (official)	.0921	10.86
Iceland[1]		
Krona (official)	.0250	40.00
India		
Rupee	.1426	7.02
Indonesia[6]		
Rupiah	....	....

Country and Currency	Value of Foreign currency unit in Canadian dollars at Sept. 19	Value of Canadian dollar in foreign currency units at Sept. 19
Iran		
Rial	.0142	70.02
Iraq		
Dinar	3.014	.33
Ireland		
Pound	3.003	.33
Israel		
Pound	.3587	2.79
Italy		
Lira	.0017	581.86
Japan		
Yen	.0030	335.37
Lebanon		
Pound (free)	.3462	2.89
Malaysia		
Dollar	.3516	2.84
Mexico		
Peso	.0861	11.61
Morocco		
Dirham	.2153	4.64
Netherlands		
Florin	.2972	3.35
Netherlands Antilles		
Florin	.5707	1.75
New Zealand		
Pound	2.992	.33
Nicaragua		
Cordoba	.1537	6.50
Nigeria		
Pound	3.003	.33
Norway		
Krone	.1506	6.64
Pakistan		
Rupee	.2252	4.44
Panama		
Balboa	1.076	.93
Paraguay		
Guarani (free)	.0086	116.27
Peru		
Sol (free)	.0401	24.94
Philippines		
Peso (free)	.2769	4.41
Poland		
Zloty (fixed basic rate)	.2691	3.72
Portugal & Colonies[7]		
Escudo	.0374	26.66
Sierra Leone		
Leone	1.502	.66
South Africa		
Rand	1.502	.66
Spain & Dependencies		
Peseta	.0178	55.55
Sweden		
Krona	.2083	4.79
Switzerland		
Franc	.2486	4.02
Syria		
Pound (free)	.2817	3.55
Thailand[1]		
Baht (free)	.0520	19.25
Tunisia		
Dinar	2.061	.49
Turkey[1]		
Lira	.1196	8.35
United Arab Republic		
Pound (official)	2.475	.40
United States		
Dollar	1.076	.93
Uruguay		
Peso (free)	.0166	60.90
Venezuela		
Bolivar (official free)	.2396	4.19
West Indies		
Dollar[8]	.6256	1.60
Pound[9]	3.003	.33
Yugoslavia		
Dinar (official)	.0861	11.63

1. Additional rates are in effect.
2. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
3. Franc is also used in French Guiana, Guadeloupe and Martinique.
4. 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.
5. New Caledonia, New Hebrides, French Polynesia.
6. As Indonesia is no longer a member of the IMF, a realistic rate is not available.
7. Approximately same rate for Portuguese territories in Africa.
8. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
9. Jamaica.

Marketing Data Sheet

INDIA

Area

1.26 million square miles.

Climate

In the Delhi area, mean temperatures range from 104°F. (summer) to 45.2°F. (winter). Mean humidity ranges from 80 per cent (monsoons) to 5 per cent (summer). Centigrade scale is used.

Population

1961 Census, total population 439.2 million.

	Males	Females
	(in millions)	
35 and over	59.2	33.5
25 to 34	33.3	31.3
15 to 24	41.6	39.3

Principal Business Language

English.

Households

(1961 Census) 84.5 million households; 15.6 million urban, 68.9 million rural.

Income

National income, 1963/64 at current prices, $39.56 billion; per capita $85.26; monthly wage (industrial workers) $28.29.

Motor Vehicles

In 1965, registrations totalled 1,020,170; 429,960 passenger, 357,600 commercial, 232,970 motorcycles and scooters.

Telephones

1.7 telephones per 1,000 persons.

Radio and Television

5 million radios and 1,500 TV receivers. TV (625 lines per picture) and radio facilities are publicly owned.

Water Supply

Boiling recommended. Average pressure 15 to 20 psi. Mineral content in monsoons: chlorite 10 ppm, iron 0.1 ppm. Mineral content in summer: chlorite 30 ppm, iron 0.1 ppm. Hardness ranges from 80 ppm. in monsoons to 200 ppm. in summer.

Electric Power

50 cycle a.c. Voltages available: 230, 400, 3,300, 6,600, 11,000, 22,000, 33,000 (all plus or minus 10 per cent). Single- or three-phase systems available. Cost per kwh. is 1.4 cents for industrial and 4 cents for domestic use. National capacity in March 1966 was 10.3 million kw. The number of customers in 1963-64 was domestic 5.1 million, commercial 1.2 million, industrial 240,000. The distribution system has a ground wire. A grounding conductor is required for appliances but is not in vogue.

Coal

All types are available. Consumption (1964) 58.28 million metric tons. Production (1965) 68.68 million metric tons. Estimated reserves, 121 billion metric tons.

Gas

Types available: LPG: coal gas (Bombay and Calcutta only). LPG: chemical analysis (per cent by weight): propene 2.8, propylene 2.5, butylene 42.8, normal butane 27.2, iso-butane 24.7. Thermal content* is 30,600 Kcal/Nm^3. Vapour pressure at 100°F. is 56.5 psig. Production is estimated at 45,000 metric tons a year. Gas is distributed by a network of agents; in 1965 there were 140,000 domestic and 7,000 commercial consumers. Consumption trends show a rising demand. The retail cost is $3.22 per cylinder of 14.5 kg.

Petroleum Products

All grades are available. In 1965 consumption totalled 11.2 million metric tons. Production of crude oil was 3.00 million metric tons. Crude oil reserves are estimated at 46 million metric tons.

Weights and Measures

Metric.

Screw Thread

Metric and right hand.

Standards

Official approval is recommended. Approval organization:
Indian Standards Institution
Manak Bhawan
Bahadw Shaw Zafar Marg
New Delhi 1.

---

*Burmah-Shell's domestic cylinder supply, "Burshane".

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

CANADA
POSTAGE PAID
PORT PAYÉ