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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Brazil: the Outlook for Imports Brightens

Australia Harvests Record Wheat Crop

Let's Look at the Market in France

Selling to South West Africa

FOREIGN TRADE

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Brazil—the Outlook for Imports Brightens 2

The past three years have witnessed unspectacular but steady progress in putting Brazil's financial house in order. From Rio de Janeiro comes this report on what has been achieved and on the need for Canadians to reassess this market now.

Australia Harvests Record Wheat Crop 4

The rains finally came, and the first to benefit were Australian wheat farmers, currently handling a record wheat crop. Biggest customers so far are Communist China and India, with other good markets in Asia, Africa, and South America.

Let's Look at the Market in France 7

That's what we do in this issue. Pages 7 to 17 cover various aspects of our trade with this $80-million-a-year customer. The Canadian Economic Mission to France last spring built up goodwill, opened the way to exchanges between the two countries in other fields of interest in addition to merchandise trade.

How Pakistan Looks in 1967 25

Policy of building up industry has proved its value in year of disappointing agricultural production. Government is encouraging those with export potential and those which use local raw materials. Import policy will probably be revised this spring and it may be more restrictive than the one currently in force.

Selling to South West Africa 28

To most Canadians, this former German territory means diamonds from the sea, Persian lamb skins, and pilchards. But it is also a place where incomes are rising and demand increasing—demand that Canadian goods could perhaps satisfy.

Selling Jewellery in Britain? 6

Fish and Farm Products Sell in France 8

Selling Clothing to France 11

France Stages Big Air Show 12

Paris Offers a Showroom 15

International Trade Fairs in France 16

Assistant Trade Commissioners Posted Abroad 17

Morocco in 1967 21

Development Planning in Thailand 22

Changing Agents in Scandinavia 27

New Zealand Beach Sands Show Promise 30

Codfish for the Portuguese 31

Foreign Exchange Rates 32

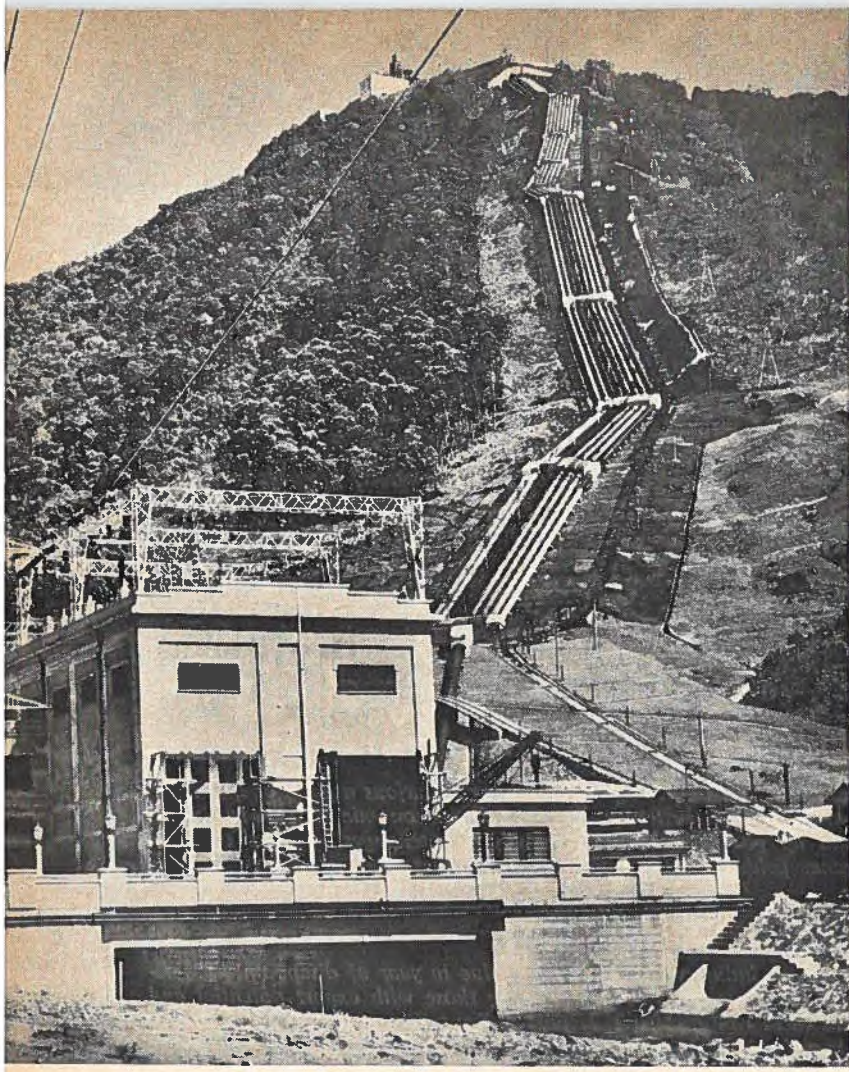
Foreign Tariffs and Trade Regulations 34

Marketing Data Sheet 36

Trade Lines 23

COMING—THE CHANGING EXPORT SCENE, APRIL 15 ISSUE

94284—1



This is the Cubatao station of Brazilian Traction's Rio de Janeiro power system. Power production is a main area of development.

BRAZIL:

the Outlook for Imports Brightens

Build-up of exchange reserves, elimination of arrears in commercial payments, easing of import restrictions mean that Brazil is again becoming a market with potential for certain types of exports.

C. M. FORSYTH-SMITH,
Commercial Counsellor,
Rio de Janeiro.

THE Brazilian Revolutionary Government, since it came to power at the end of March 1964, has concentrated on stabilizing the economy in order to establish a firm base for future development. The measures adopted have met with varying degrees of success but the areas in which the most solid progress has been made are foreign trade and international finance. The steps taken in these fields have been so successful that it appears Brazil is now ready for a major expansion in trade. In fact, the immediate prospects for Canadian suppliers are brighter than they have been for several years.

One of the first goals of the Government's economic policy was the restoration of foreign confidence through the elimination of arrears in commercial payments. In early 1964 these were, in some cases, as much as three years overdue. This problem was met during the first half of 1965 with the support of various international lending agencies, together with the cooperation of large foreign creditors who agreed to the rescheduling of substantial amounts of short-term debt, thus allowing the necessary time for an orderly program of debt repayment.

Exchange Reserves Up

During 1965 and continuing through 1966, Brazil was able to build up its foreign exchange reserves from virtu-

ally nothing in early 1964 to about $490 million at the end of 1966. This was achieved by large increases in exports in 1965 accompanied by a reduction of imports, partly through various government measures and partly because of a business recession. Exports in 1966 were even higher but imports also increased, with the result that the favourable trade balance in 1966 was somewhat smaller, though still substantial. Increased foreign investment and a large inflow of foreign aid and international financing have also contributed to the vastly improved foreign exchange position. Brazil's net debt is still very large and will prove a burden for many years but its ability to handle the problem and its growth prospects give grounds for considerable optimism.

Import Policy Less Rigid

During the greater part of 1965 the Government kept a tight rein on imports but late in the year and in 1966 the rapidly improving foreign exchange position, together with inflationary pressures arising from the accumulation of extensive exchange reserves, resulted in a progressive easing of restrictive import policies. A growing concern over the development of a high-cost industrial economy resulting from over-protective policies was also a factor that made some degree of import competition desirable.

A number of steps were taken that had the effect of encouraging imports. Among these was the progressive abolition of the system of compulsory deposits under which importers were required to deposit 100 per cent of the c.i.f. value of their imports with the Bank of Brazil at the time they closed their exchange contracts. This deposit was retained at the Bank of Brazil on an interest-free basis for 180 days. The importer was also required to put up 100 per cent of the value of his exchange contract at the time of closing it and, in addition, a 10 per cent tax was levied on the contract. This process added greatly to the final cost of imports, as prevailing interest rates were about 3 to 4 per cent per month.

The legal requirement that 100 per cent of the exchange contract be paid at the time of closing was abolished and normal commercial practices are now in effect. In practice, however, most small- and medium-scale importers are still required by their banks to provide a high degree of cover. During the year the 10 per cent tax on exchange contracts was eliminated and a number of other requirements for importers were scrapped.

Special Category Smaller

During 1966 there was a progressive whittling down of items listed in the Special Category of imports. The Special Category covered products already produced in Brazil in sufficient quantity to satisfy internal demand and goods not considered essential to the economy. Duties on items in this category tended to be high and they were subject to further treatment that made import virtually impossible. Importers of Special Category goods were required to purchase, at auction, a "Promise of Licence" equal to the c.i.f. value of the goods to be imported. The cost of this early in 1966 was over Cr$4,000 per U.S. dollar. After obtaining the promise of licence, the importer had to purchase his foreign exchange and the net result was a drastic increase in the total cost of his import. In May 1966 the limit on the weekly quotas of foreign exchange allowed to individual importers of Special Category items was removed and the rate dropped to Cr$2,200 to the U.S. dollar, or roughly equivalent to the official exchange rate.

During 1966 three lists of items totalling several hundred were transferred from the Special to the General Category and on November 18th Decree Law No. 63 removed the disadvantages of the Special Category effective March 1, 1967. It also provided, however, for revisions, both upward and downward, in tariff rates. A proposed new tariff has been published. Under it a number of rate increases are included but the average of all tariff rates will be about 20 per cent lower than under the old tariff. Final rates have not been established and the proposed rates were subject to appeal until February 28th.

Under Brazilian regulations, specific products may be exempted from import duties when this is considered to be in the national interest. Over the past year exemptions have been granted for some types of fertilizers, insecticides and pest control chemicals. In November 1966 the exemption from import and other taxes of machinery required for certain specified industries—including the chemical, foodstuffs, textile, electrical and construction industries—was announced. These exemptions apply only to machinery of a type not locally manufactured and are intended to stimulate investment in industries essential to a well-balanced industrial growth.

The net result of these developments will certainly be that a wide range of goods which previously could not be economically imported into Brazil will now be competitive. It is difficult to pinpoint the exact areas that warrant further investigation by Canadian companies but it is obvious that the major areas of development in Brazil over the next few years will be power production and transmission, transportation and telecommunications and industrial investment—all projects that will be financed by large loans from various international lending agencies. In fact, financing organizations like the World Bank and the Inter-American Development Bank are showing increased interest in Brazil.

Opportunities in other fields should not be overlooked, however, and the regulations that became effective on March 1, 1967, will certainly result in an inflow of many less dramatic items, including luxury and consumer goods. Even products bearing duties of up to 100 per cent should not necessarily be discounted because of the continued inflation in Brazil, which has resulted in extremely high local production costs. Devaluation of the cruzeiro, widely rumored, could of course alter this situation somewhat but nevertheless local importers are looking forward to a bumper year in 1967.

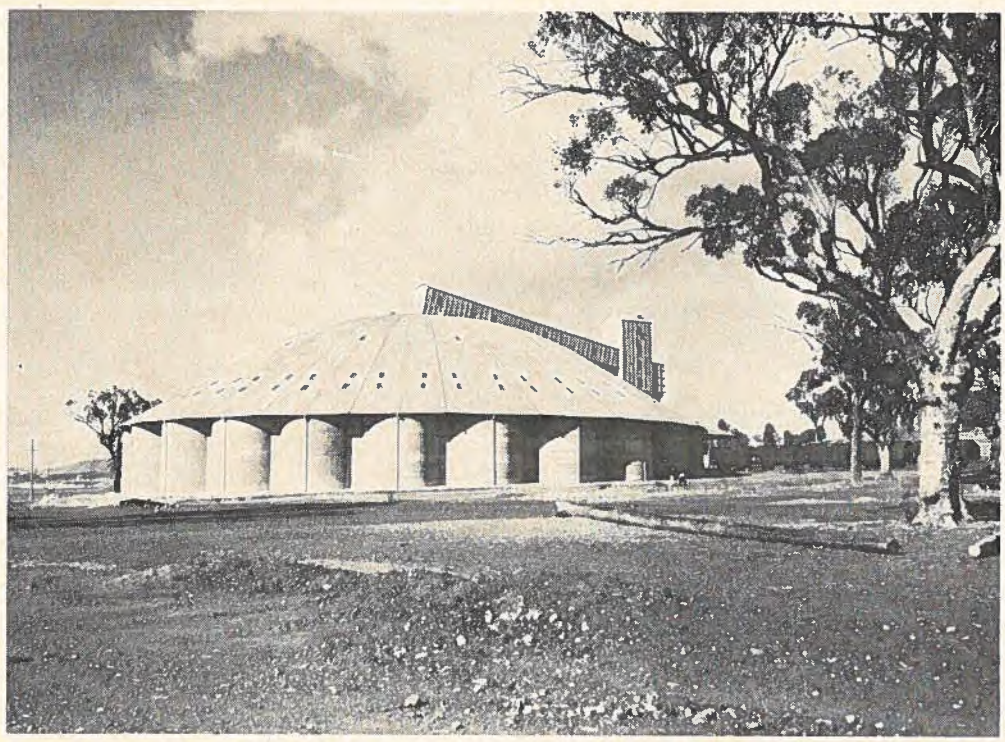
Canadian companies which have been discouraged from investigating Brazilian market opportunities during the past two or three years would now be well advised to assess their position in the light of recent developments. They are invited to commence their inquiries through the two offices of the Department of Trade and Commerce in Brazil:

Commercial Counsellor, Canadian Embassy, C. Postal 2164-ZC-00, Rio de Janeiro, GB, Brazil.

Canadian Consul and Trade Commissioner, Canadian Consulate, C. Postal 6034, Sao Paulo, S.P., Brazil. ●

Australia Harvests Record Wheat Crop

Prolonged drought that cut down agricultural production has ended and record wheat crop is being harvested from a larger acreage. Export sales are already off to a good start.



This type of mushroom-shaped silo can be seen in many rural areas on the western plains of New South Wales. With a capacity of 1,050,000 bushels, this one is classified as an "A" Depot. It is on the railway siding at Gunnedah.

—Aust. News and Information Bureau

J. E. G. GIBSON, *Assistant Commercial Secretary, Canberra.*

THE CURRENT Australian wheat harvest, more than 12 per cent larger than the previous record, is bound to make an impact on world markets and at the same time will contribute substantially to strengthening a severely damaged agricultural economy.

For two years most of Australia's agricultural areas experienced a severe drought. Suddenly, towards the end of 1966, it was all over. There was heavy rainfall for several weeks over almost all of eastern Australia, the hardest hit area. Since then reasonably balanced weather conditions have prevailed. Although it will be several months before the full extent of drought damage is known and probably a few years before complete recovery, some benefits are already apparent.

Foremost among these is Australia's wheat crop which is currently being harvested. It is already clear that this year's crop will reach an all-time record. The final total is estimated at 438 million bushels (see Table I) compared with the previous high of 368 million bushels in 1964-65. In addition, this year's crop will represent a 35 per cent increase over last year.

Record Average Seeded

The over-all acreage seeded to wheat for the crop year 1966-67 was a record 20.5 million acres. The State of New South Wales, one of the areas hardest hit by the drought, had a notable increase in acreage. Much of the land which in recent years had suffered failures of other types of crops or

which had not been used during the drought was converted to wheat growing in the hope of short-term profits. Good weather, combined with the fact that a large proportion of these lands had lain fallow for a year or more, has produced record crops and higher yields than in the past. Acreage also increased in the states of Western Australia and Queensland, where in recent years considerable new land development has been initiated using wheat.

Although the drought-relieving rainfall was a blessing to Australian wheat-growers generally, extra heavy rains in some areas caused an unusual amount of crop damage. Excess rains damaged some crops before harvest and in other areas delayed the harvesting of ripe wheat and reduced grain quality. In addition, the surprisingly large harvest has created a severe shortage of proper wheat storage areas and some harvested wheat has suffered rain damage while being stored in the open. Figures are not yet available on the extent of rain damage but it is unlikely to exceed 5 or 6 per cent of the total harvest.

Another feature of this year's harvest is the surprisingly high production of premium (high protein) wheat. Receipts are expected to total 15 million bushels—a sixfold increase over last year's total. Domestic demand from millers has been small because of the relatively high protein content of F.A.Q. wheat. Thus there will be a large exportable surplus of premium wheat this year which is likely to compete in a minor way with Canadian wheat.

Once the harvest is completed, it is expected that between 405 and 410 million bushels of wheat will be available for sale off farm. Because wheat distribution is a responsibility of the Australian Wheat Board, it might be useful to examine briefly the activities of this agency.

Wheat Board Activities

The Australian Wheat Board was created early in World War II as the Commonwealth Government's wheat marketing agency. After the war the Commonwealth Government, with growers and state governments, agreed to its becoming the sole autonomous authority for wheat marketing within Australia and for both wheat and flour sales in export markets. The Board is controlled by growers.

Growers are obliged to deliver their crops, less seed and feed requirements, to the Board. In return they receive a substantial initial payment. Usually this is followed by an interim payment before the season's pool is disposed of and the final payment distributed. The growers share in the net proceeds of the pool according to the quantity and quality of wheat which they delivered. These proceeds include payments from the Wheat Prices Stabilization Fund, which guarantees a minimum price for 150 million bushels of wheat exported from each season's deliveries.

The level of guaranteed price in any year is equal to the official cost of production for the season as established by a committee composed of growers and government officials. This amount, plus a small surcharge of about one cent per bushel, represents the price at which fair average quality wheat may be sold within Australia.

Export prices, on the other hand, are established by the Australian Wheat Board. Whereas Canadian wheat prices are public knowledge, Australian prices are not published and vary with the degree of competition from other major suppliers as well as other factors.

Complementing the Australian Wheat Board are Grain Elevator Boards established in each state and licensed by the Wheat Board as sole licensed receivers for bulk wheat. These State Boards are responsible for the construction and operation of storage and loading facilities. With this year's unexpectedly large harvest, storage facilities have been badly overtaxed and so has the Australian rail transportation system. There can be no doubt that the next few years will see a considerable increase in the construction and acquisition of additional facilities for storage and handling of bulk wheat.

Export Prospects

This year promises to be one of the most active in the history of the Australian Wheat Board. With a record exportable surplus of some 360 million bushels, Australia is faced with the challenge of ferreting out new markets. The task will not be easy, particularly in the light of Canada's 1966 bumper harvest and the reported im-

TABLE I

Estimated Australian Wheat Production and Yields by States (1966-67)

State	Quantity (bushels)	Yield (bushels/acre)
New South Wales	185,000,000	24.3
Western Australia	104,000,000	15.8
Victoria	66,000,000	20.5
South Australia	51,000,000	19.4
Queensland	32,000,000	22.3
Total harvest	438,000,000	

TABLE II

AUSTRALIAN WHEAT BOARD OVERSEAS SHIPMENTS OF WHEAT

(December 1—November 30)

	1965–66	1964–65
	(long tons)	
Europe		
East Germany	11,745	—
Ireland	98,299	54,075
Malta	28,150	22,822
Norway	34,880	72,843
Britain	517,368	575,624
West Germany	—	9,390
U.S.S.R.	160,796	1,192,951
Middle East		
Aden	68,163	48,157
Egypt	—	56,303
Iran	199,138	183,856
Iraq	29,461	49,056
Kuwait	37,219	19,303
Lebanon	50,690	73,558
Saudi Arabia	41,854	18,710
Others	5,150	3,009
Africa		
Kenya	—	1,100
Portuguese East Africa	38,726	—
Rhodesia	52,962	86,805
South Africa	65,979	—
Zambia	23,142	—
Others	1,301	322
Asia		
Ceylon	193	444
China, Communist	1,394,927	2,759,000
D.P.R. North Korea	29,902	128,587
Hong Kong	70,048	59,288
India	290,305	319,095
Japan	361,312	419,999
Malaysia	146,887	12,844
Pakistan	91,560	54,114
Philippines	26	28
Singapore	174,089	116,517
Taiwan	45,380	25,886
Thailand	24,547	12,499
Pacific Area, etc.		
Chile	11,000	—
New Zealand	128,541	151,430
Pacific Islands	1,776	1,567
Total	**4,235,516**	**6,529,187**

provement in Soviet production. Nonetheless, exports from this year's crop are off to a satisfactory start. By early February sales had exceeded 130 million bushels and Wheat Board representatives go overseas regularly to seek new outlets.

The largest single sale to date was 61.6 million bushels to Communist China. This sale was negotiated in November 1966 with deliveries from the new crop due to run from December 1966 through June 1967. In recent years China has taken up to 40 per cent of Australia's wheat exports. Purchases have usually been made in two semi-annual lots and it is therefore expected that another substantial sale to that country will be announced by the middle of this year. Terms of recent sales to Communist China have called for 10 per cent payment on shipment, 20 per cent in six months, 20 per cent in nine months, and the balance of 50 per cent in twelve months with an interest charge on deferred payments. These instalment payments have come to be known popularly as "China terms" and are the most favourable terms offered to date by the Australian Wheat Board. Although initially offered to China, these terms have recently been extended in sales to a number of other nations.

Another important customer for Australian wheat this year will be India, whose import requirements have risen sharply because of domestic crop failures. To date 5.6 million bushels have been sold on "China terms" and this amount was matched by an Australian Government gift of wheat to that country. It is possible that another 20 million bushels from this year's harvest will be taken up by India.

Other substantial sales from the current crop have been made to Pakistan, South Africa and North Korea. In addition the Chairman of the Wheat Board recently announced the sale of 200,000 tons of flour for delivery in 1967 and 1968 to Ceylon, in recent years Australia's prime customer for that product.

Table II gives Australian wheat and flour shipments during the past two years. It shows that East Germany, Portuguese East Africa, South Africa, Zambia and Chile were new wheat customers. Sales to Ireland, Aden, Kuwait, Saudi Arabia, Malaysia, Pakistan, Singapore, Taiwan and Thailand increased substantially.

A pattern of Australian wheat exports is gradually emerging. It appears that main areas of selling concentration will be South East Asia, Japan, Communist China, East Africa, the Middle East and South America. At the time of writing, a Wheat Board mission is visiting Peru, Chile, Bolivia and Brazil where there seem to be excellent sales prospects because of short-falls in Argentine output.

This year's bumper wheat harvest has given a big boost to Australian agriculture in general. The realization that wheat disposal in the short run will not present any great difficulties, plus the hope that world wheat prices will soon increase, have brought unmistakable signs that Australian farmers will maintain their current level of wheat cultivation. Acreage sown to the 1967-68 wheat crop could remain at the present 20.5 million acres and this factor, combined with favourable weather, should establish Australia firmly as a much more important competitor in world markets. ●

Selling Jewellery in Britain?

CANADIAN jewellery manufacturers are undoubtedly familiar with Britain's hallmark regulations for gold articles. These are part of a long-established tradition in Britain and are strictly enforced by the Joint Committee of Assay Offices. Lately, however, some 9 carat bracelets have been sold outside of the regulations without reaction, under the descriptions:

1. "9 ct. gold tube with solid bronze core"

2. "9 ct. bronze core"

3. "9 ct. gold metal cored"

It has now been announced that these bracelets are, in fact, "manufactures of gold" within the meaning of the Assay Laws and that they are therefore liable to compulsory hallmarking. In view of the base metal cores, however, the bracelets would assay below standard and accordingly could not be hallmarked.

There is no intention of taking action on past sales of these bracelets but manufacturers are advised to avoid the use of any of the descriptions mentioned above in the future.

This new ruling does not affect the marketing of articles sold as "rolled gold", "gold plate", or "gilt" and the British Assay Offices do not intend to prevent these being sold under these descriptions so long as the articles can properly be so described. The following descriptions of base metal articles covered with gold are regarded by the British Jewellers' Association as appropriate and follow the recommendations of the Stone Report:

1. The description "rolled gold" may be applied to articles covered with gold by a process of lamination. The gold must have been mechanically applied or sweated on, the whole being drawn if required. Such articles should assay as a whole and in every part at not less than one part in 1,000 and as a whole at not more than 125 parts in 1,000 fine gold. The gold used for covering the articles should assay at not less than 375 parts in 1,000 fine gold (9 ct.).

2. The description "gold-plated" may be applied to articles that have been covered with a deposit of gold or gold alloy by electrolytic or chemical means, the coating having:

either (a) a minimum average thickness of 0.5 micron and a purity of not less than 90 per cent.

or (b) a minimum local thickness of 2 micron and a purity of not less than 65 per cent.

provided that such articles do not assay as a whole at more than 125 parts in 1,000 fine gold.

3. The description "gilt" may be applied to articles that are covered with fine or alloyed gold but do not come up to the standards laid down in paragraphs 1 and 2 above.

—M. R. BELL,
Assistant Commercial Secretary, London.

R. CAMPBELL SMITH,
Minister-Counsellor, (Economic/Commercial), Paris.

Let's Look at the Market in France

Canadians should be studying opportunities in France more closely, capitalizing on goodwill aroused by the Canadian Economic Mission to France in 1966. Potential for North American products: about $1.8 billion a year.

THE FRENCH MARKET is a big one and it is becoming bigger. The Fifth Plan predicts that by 1970 France will be importing 20 per cent more agricultural products, 35 per cent more industrial materials, 70 per cent more chemical products, and 80 per cent more machinery and other manufactured goods. Calculations based on current imports from North America suggest that in these sectors the market for North American products will approach $1.8 billion in value, an increase of $450 million over 1966. In the next three years, economic expansion is expected to increase and to reach 25 per cent by 1970.

Canadians could capture a larger share of this market than the 1.1 per cent achieved in 1966—compared with 10 per cent for the United States (sales worth $1.2 billion) and 41 per cent for the other Common Market countries.

Economic Mission Visits France

Canada's reputation is high in France, and Canadian businessmen are invariably well received. This was confirmed by the 22-man Canadian Economic Mission that visited France in June of last year. Led by the Hon. Charles M. Drury, Minister of Industry, it resulted from discussions between the Prime Minister of Canada and General de Gaulle in 1964, when the two leaders jointly proposed that steps be taken to intensify efforts to expand trade between the two countries.

Members of the Mission included leading Canadians in the fields of banking, investment, agriculture, construction, electric power, mining, forest industries, electronics, chemicals, textiles, and publishing. Their program consisted of 70 meetings or interviews with 500 representatives of the French Government, business and industry, with the following objectives:

- To work for closer co-operation between French and Canadian companies.
- To promote the exchange of know-how.
- To develop cross-investment.
- To establish links between like-minded associations and organizations.

On February 6, 1967, the French Minister of Foreign Trade, M. Charles de Chambrun, formally received the report of this mission, thus marking another stage in the development of closer ties between the business communities in the two countries. Among the recommendations in the report were steps to increase technological exchanges at the industry level, closer collaboration between industrial associations, the development of cross-investment, including joint ventures, and promotion of trade seminars and links between trade associations. In pursuit of these objectives, over 50 major French business groups have registered with the Business Development Bureau at Expo 67, and some of them will participate in a series of major industrial conferences being organized at the French Pavilion.

The Federation of French Industry and the France-Canada Chamber of Commerce have set up an organization in Paris to implement the Mission's recommendations. This should give a new impetus to our business, financial and trading relationships with France.

More Promotion Needed

Business in France has levelled off in recent months but it is expected to pick up this spring, possibly with the help of reflationary measures taken by the Government. Imports are forecast to rise by at least 12.3 per cent this year, slightly more than in 1966. Canadian sales should reach $100 million, or double the 1959 figure. For the first eleven months of 1966, they totalled $77 million.

To reach this $100 million export target, Canadian exporters will have to become more active in this market. Since 1965, export inquiries received by the Paris office have fallen off. But the French are looking for a large number of products that Canada could supply. Among them are lumber, decorative plywood, shingles and shakes; timber frame houses and chalets; kraft liner board; freshwater fish and salmon; beef and offals; wear-

ing apparel; sporting goods; furniture; factory machinery and equipment; off-road vehicles; organic chemicals, and electronic and avionic products, including aircraft. Some of these products have begun to find buyers here.

Some of the promotion methods open to Canadians, such as use of the showroom at the Paris office and displays in trade fairs which the Department of Trade and Commerce is sponsoring, are described in the articles that follow. So is the market for a number of products, including agricultural commodities, fish, and clothing. The Paris office stands ready to help Canadians who want to sell these and other products in France. ●

Fish and Farm Products Sell in France

Wheat, oilseeds, frozen meat, fisheries products—all these sell well in France. There are other opportunities too, and the Paris office can help Canadian processors take advantage of them.

Chef Werner Ledermann from Hull, Quebec, offers Canadian whitefish to a group of French buyers at the recent Salon International de l'Alimentation in Paris. Canada's Commercial Secretary, J. E. Montgomery (standing), wishes them "bon appetit."

J. E. MONTGOMERY,
Commercial Secretary (Agriculture), Paris.

FRANCE'S rising standard of living means a growing market for the kinds of agricultural and fisheries products which Canada sells. Between 1964 and 1965, according to French statistics, Canada's trade with France in agricultural and fisheries products rose by 10 per cent. Preliminary figures for the first nine months of 1966 indicate (see Table I) that these imports from Canada have now levelled off, with figures only slightly above those for 1965.

Table II gives details on agricultural and fisheries imports from Canada during that period. These

TABLE I

IMPORTS INTO FRANCE FROM CANADA

	1965 (9 mos.)	1966 (9 mos.)
	(Can.$ million)	
Agricultural and fisheries products	24.2	24.3
Total imports	91.0	97.4

Source: Ministry of Economy and Finance, Paris.

figures are based on c.i.f. values and may include imports through third countries. They are therefore not directly comparable with DBS figures, which are f.o.b. and based on port of entry rather than final destination.

Prospects for Agricultural Products

Wheat—Canadian wheat sales to France, which have always been subject to wide annual variations, have declined during the last three years. The main demand has always been for durum for the French semolina industry. Canadian durum sales have been affected by a combination of factors: French price control on semolina, the EEC variable levies, and competition from the United States and Argentina. In spite of their need for higher quality wheat, semolina millers could not afford to pay premium prices for Canadian durum. The situation could change in the latter part of 1967, when the EEC cereals policy may oblige France to lift its price control on semolina. Sales of Manitobas may rise because the 1966 French wheat crop was smaller in quantity and lower in quality. The French are now experimenting with packaged sliced bread and will need more high-protein wheats for mixing.

Feed Grains—French requirements for oats and rye are declining, the country produces more barley than it needs, and U.S. corn and soybeans dominate the feed grain market.

Oilseeds—Canada is the main supplier of flaxseed. France is now a net exporter of rapeseed but there may be opportunities for spot sales to cover shortfalls or over-commitments by French exporters.

Purebred Livestock—France first permitted the import of Canadian Holstein-Friesian cattle in 1965. Canadian participation in French agricultural fairs and missions of French cattle breeders to Canada have helped to build up sales, which reached an estimated $400,000 in 1966. The French Ministry of Agriculture is concentrating in 1967 on modernizing livestock production and will study the possibility of increasing the productivity of dairy herds by using Canadian dairy cattle.

Frozen Beef and Edible Offal—Although sales to France do not bulk large in the total Canadian meat trade, performance between 1963 and 1965 was highly gratifying, in spite of strong competition from traditional suppliers. The United States continues to outstrip Canada by far in sales of edible offal, but Canadian exporters sold more frozen boneless beef to France in 1964-66 than their U.S. competitors. The demand for offal (livers, tongues, sweetbreads) is expected to continue in 1967, but Canadian sales of frozen boneless beef are likely to be affected by the Common Market variable levies which came into effect in October 1966.

France hopes eventually to regain its leading role in the EEC as a beef producer, but the Common Market's predicted deficit of 700,000 metric tons of meat products in 1970 cannot be met by increased production and imports are likely to continue at close to their present level.

Forage Crop Seeds—France now requires that all seeds imported be of certified grade and varieties registered in the French national list and it takes five years for new varieties to be tested and registered. This will call for patience in pushing sales. Exceptions are made to cover deficits in local production.

Processed Foods—Canadian sales of processed foods in France have been small, because production in France and the EEC countries of the kind of products which Canada might export is large. France also imposes import controls on many processed foods from countries outside the EEC with which it does not have bilateral trade treaties. Canadian cheese and honey, however, still sold as luxury products, are attracting widespread interest because of their high quality.

Hides and Skins—There is still a good market for hides and skins, furs, leather and casings.

TABLE II

CANADIAN AGRICULTURAL AND FISHERIES PRODUCTS IMPORTED BY FRANCE

	Jan.-Sept. 1966 (Can.$'000)
Wheat	9,240
Oilseeds	7,698
Fish, fresh and frozen	4,173
Meat, fresh and frozen	826
Furs	610
Seeds	450
Hides and skins	448
Buckwheat	147
Canned fish	115
Leather	115
Natural casings	99
Fur garments	66
Animal feed	65
Processed food	45
Dried vegetables	40
Fruit and nuts	32
Wool and hair	31
Alcoholic beverages	18
Honey and sugar syrups	16
Cheese	12

Source: Ministry of Economy and Finance, Paris.

The French Love Fish

Sales of Canadian fish and fish products to France have been one of the outstanding features of our trade in the past two years. France consumes large quantities of fish and almost any species can be sold, provided that it meets current market prices and French preferences.

The French housewife still buys fresh fish from the local fish merchant or in the open markets. She has little taste for canned fish and is only slowly taking to frozen varieties. But the growing demand for convenience foods and the insufficient supplies of fresh fish are forcing the trade to look at sources of supply of frozen fish. These appear to be the main reasons for the growth of Canadian sales.

Apart from our traditional sales of frozen and canned salmon and live lobsters, the last two years have seen increasing sales of frozen freshwater fish, scallops and sole fillets.

There is a steady demand for frozen pike. Whitefish could be successfully introduced; other freshwater species could be sold, but a concerted promotion effort by Canadian exporters would be needed because they are virtually unknown in the French market. Import control of fresh and frozen trout protects local commercial production but a limited market might be developed for smoked trout —provided it is smoked to the European taste. The first successful sales of Canadian smoked salmon were made in 1966.

France now imports scallops from the four corners of the earth because its own supplies for making the well-known "coquilles St. Jacques" are insufficient. This dish requires scallops with the roe in but there are reports that the French trade has successfully blended roe from other sources with Canadian scallops.

Canadian canned salmon has retained a share of the French market, in spite of keen Japanese competition.

Multiplicity of Sales Channels

The Canadian exporter to France is usually baffled by the multiplicity of agents, importers, distributors and retailers; the distribution system in France is not nearly as direct as in North America. The exporter must look for the best channel if he wants to penetrate the market and enjoy sustained sales. There is no universal rule; which is best will depend on the particular products.

The agency system plays an important but declining role. Many retail outlets have merged into large chains which buy in bulk and the growth of these chains has begun to revolutionize French merchandising. The development of supermarkets and shopping centres is making progress but not yet on a large scale.

Faced with this situation, French agents for imported foodstuffs either concentrate on selling goods which can be marketed in large volume to the chains or they specialize in luxury foods. The chains are looking for direct connections for products like canned salmon, which have high volume potential. Canadian exporters should concentrate where possible on direct sales to the chains.

How to Begin

To firms wishing to enter the French food market, the Paris office of the Department of Trade and Commerce offers this advice:

- Correspond always by airmail.
- Quote prices ci.f. French seaport or airport, include copies of labels or photographs, and offer to send samples and to consider label changes. French buyers are busy people and like to see at a glance what the prospects are. (Your local shipping agent or forwarder can easily do the calculations for you.)
- Reply promptly to correspondence, cables and telex messages. This is particularly important with fast-moving lines.
- In assessing the relative importance and creditworthiness of French buyers, do not place too much emphasis on the paid-up capital of French firms. The key figure in France is sales volume — paid-up capital is usually kept low for tax and other reasons.
- Follow the successful introduction of a line with a personal visit. Canadian exporters who have maintained or expanded their sales here visit agents and customers as often as they can.
- Paris is still France's main commercial centre. Leave ample time for both business and pleasure in Paris. Traffic is more and more dense and gastronomic luncheons may take up a good deal of the day.
- Samples can be shipped either direct to your potential customers or via the Commercial Counsellor's office. It pays to air freight them.

The Paris office of the Department of Trade and Commerce is at your disposal and has had many years of experience in assisting Canadian exporters of agricultural and fisheries products to enter the French market. Use it to contact buyers, arrange appointments and get general sales advice. Correspondence should be addressed to: Commercial Counsellor, Canadian Embassy, 35 Avenue Montaigne, Paris 8, France—telephone: BAL 99.55—cable address: Canadian Paris 086—telex: 022/20600 or 20601 (Domcan à Paris). ●

French Business Visitors to Expo 67

POTENTIAL FRENCH BUSINESS VISITORS to Expo 67 and Canada have been quick to take advantage of the services offered by Expo's Business Development Bureau. These services consist of planning detailed itineraries for technical and industrial visits, meetings with government officials, contacts with associations and appointments with Canadian businessmen.

At the end of 1966 by far the largest number of business groups registered with the Business Development Bureau were French.

Most French businessmen are now well briefed on the services available to them at Expo's International Trade Centre—with its Expo Club and on-the-spot representatives of Provincial Governments and chartered banks.

The line-up of the French business groups shows that industry is widely represented. The groups, ranging from paper, textiles, engineering, electrical, food and hardware to transportation, have completed plans to visit Expo 67 and Canada this summer. An interesting example is a group of alumni of France's foremost business school, l'École des Hautes Études Commerciales. The party includes some 300 executives from professional, industrial, and business life in France. They will be visiting Quebec and Montreal from May 9th to 12th.

The itineraries of most French groups include Montreal, Quebec City, Toronto, Niagara Falls and New York. All of them have been encouraged to travel in other parts of Canada as well and some groups will be doing so.

The lowering of transatlantic air fares will certainly have an influence on the final number of groups visiting Canada this year, and demand should continue right up to opening day. The French "homme d'affaires" is keen to visit "le Canada". French interest in Canada and things Canadian has never been greater than at the present time.

Many French business visitors will be on the look-out for openings for French exports to Canada. But others will be looking for new products to buy. Whether it be at the Expo Club or elsewhere, Canadian executives should bear in mind that France is a rich market. Expo 67 is a golden opportunity to talk business with top French executives.

—F. M. WANKLYN, *Assistant Commercial Secretary, Paris.*

Selling Clothing to France

Parisian customers throng around the blouse and sweater counter at a large department store.

Imports of clothing into France in 1965 totalled $66 million; Canada's share was only $80,000. It could be increased.

PAUL E. LABBÉ, *Assistant Commercial Secretary, Paris.*

MORE THAN 50 PER CENT of clothing sales in France are still made through independent retail shops. The system of distribution required to service these shops is both complicated and obsolete. Side by side with this outdated system, however, there is a rapidly growing modern distribution system which supplies the larger and more important department stores and the popular chain stores.

You can enter the more modern distribution channel through central buying organizations known as "Centrales d'Achats". There are less than a dozen of these in France and all but two or three have their headquarters in Paris. Canadian businessmen wishing to sell their lines of clothing to France will find it much easier to deal with these large and efficient buying organizations.

The French ready-to-wear clothing market is very large: in 1965 alone imports reached $66 million. Our share of this was an inadequate $80,000, compared with the $4.4 million worth of clothing imported into France from the United States. Canadian manufacturers have by and large overlooked this expanding French market. It has no real secrets and if a Canadian businessman examines the procedures followed by the "Centrales d'Achats", his task will be much easier.

Each Centrale has several division managers responsible for particular classes of goods. Under each manager come four or five buyers who are responsible for specific products within that class. If an important manufacturer of clothing has a collection which includes many different articles —and within each class of article styles for both women and children— he will have to contact, either himself or through his agent, 25 to 30 different buyers in order to cover the most important buying organizations.

Generally, there are two periods during which buyers view collections, one for summer merchandise and one for winter.

Summer Collections—Goods which are to be sold during the summer are examined by the buyers between early July and late September of the pre-

ceding year. Orders are placed by the Centrales during October and November, depending on the items. Deliveries are expected during the following March and April. Remember, though, that the month of August is very quiet in France. Many businesses close down completely for the month.

Winter Collections—Buyers examine winter articles in January and February for the following season. As a general rule, they view the goods presented to them and make an initial selection. This is usually done by purchasing a sample outright. Towards the end of February or early March, the director, in consultation with the buyers, will decide on the final collection to be carried by the Centrale for the following season. This selection is made from the samples previously purchased. Because winter goods are ordered during March and April with deliveries required for early September, there may be a lapse of two to three months between the time when the goods are first viewed and the time when an order is placed.

A manufacturer who is fortunate enough to have his goods included in the final collection may receive orders ranging from several thousand to several hundred thousand dollars.

Styling

Although clothing made in Canada has much in common with French clothing, the styling, colours and sizes popular in one country often do not meet with the same success in the other. We strongly recommend that Canadian businessmen wishing to enter this market should first visit Paris to find out whether he can sell his goods here. Often just changing the lining of a garment or perhaps simplifying the style will greatly enhance its appeal in this market. These are considerations which can be best assessed on the spot.

In order to help Canadian manufacturers present their collections to buyers of the central buying organizations, the Paris office now has a showroom available on a first-come, first-served basis. (See article on page 15.) If you want to break into the French market, just drop us a note. We will do our best to help get you started. ●

France Stages Big Air Show

FRANÇOIS BODÉNÈS, *Commercial Assistant, Paris.*

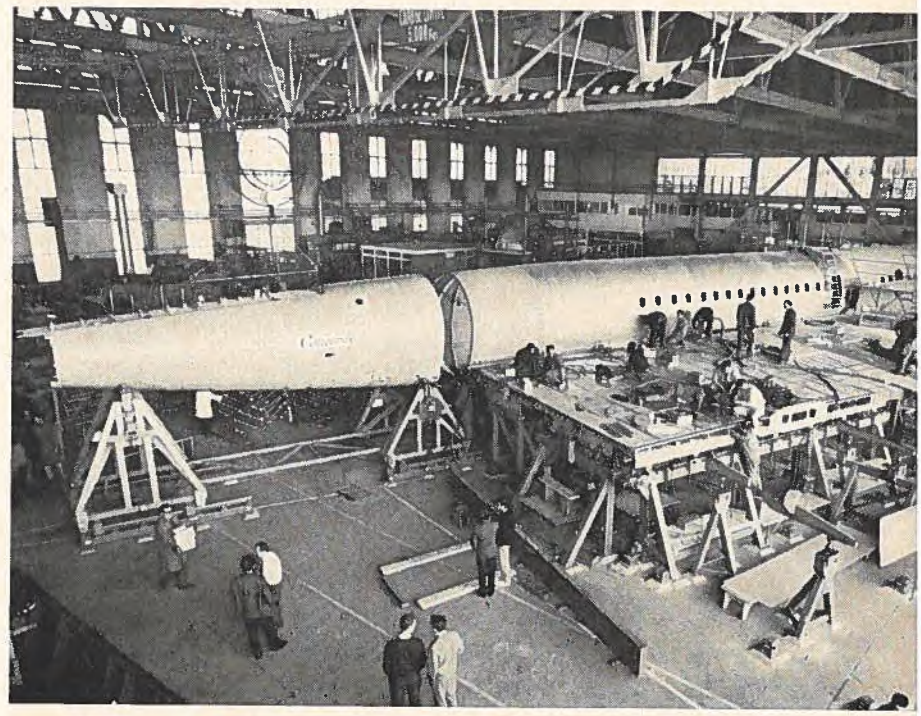
THE PARIS AIR SHOW, the most important exhibition of aircraft and space equipment in the world, will open its doors at Le Bourget airport on May 26. It will continue until June 4, 1967.

The 27th Salon International de l'Aéronautique et de l'Espace, to give its full name, will again attract substantial foreign participation. At least twelve countries and 400 companies will be represented.

The United States will be the biggest exhibitor, followed by Britain and the Soviet Union. Canada will have an important display (6,000 square feet). West Germany, Sweden, Italy, the Netherlands, Belgium, Czechoslovakia and ELDO (the European Organization for Co-operation in the Space Field) will also be there.

Canada's participation is being sponsored and organized by the Department of Trade and Commerce.

So far, the Air Show authorities are not expecting any revolutionary aircraft to be exhibited. The Franco-British supersonic airliner *Concorde* is not expected to fly before February 1968. However, visitors to the 1967 show will be able to examine a full-size model of the *Concorde* which will be built on the spot for this occasion.



A prototype of the British-French super jet CONCORDE is shown under construction at the Sud Aviation aircraft works but it will not fly before (early) 1968. Co-operative projects such as this one are a feature of the French aerospace industry.

The stress will be on the new equipment and systems required for tomorrow's higher-performance aircraft. The large static display will cover electronics, radio-communications, instruments, engines, and special alloys required for supersonic space vehicles.

Meetings and Contacts

In addition to the exhibition stands which will cover 385,000 square feet (282,000 square feet in 1965), 133 "chalets" will be set up for exhibitors to entertain their business visitors. Three of these chalets will be operated by the Air Industries Association of Canada for the Canadian industry.

The Air Show organizers are arranging special sessions on specific subjects. On May 29, 30 and 31 the Congress of the Association des Techniciens et Ingénieurs de l'Aéronautique will focus on the development of aids, both ground and airborne, for take-offs and landings. Experts are invited to give papers at this Congress either in English or in French, provided they are on technical subjects and not previously published. June 1 will be devoted to studies of special types of light, heat-resistant alloys required in supersonic aircraft. A third meeting will be devoted to light aircraft problems.

All these meetings may interest Canadian specialists. They are invited to get in touch as soon as possible with the Union des Industries Aéronautiques et Spatiales, 6 rue Galilée, 75-PARIS (16) or with the Commercial Division of the Canadian Embassy in Paris, 35 Avenue Montaigne, 75-PARIS (8).

The Air Show offers an opportunity for Canadian businessmen to meet both French aeronautical firms and companies from third countries. The Paris office of Trade and Commerce will see that you make the contacts you need. Put Paris, May 26-June 4, on your program.●

Canada sponsors 21 exhibitors.

THE 21 Canadian exhibitors at the 27th Paris Air Show will be promoting a wide variety of aerospace products and engineering services. The Air Industries Association of Canada and the Department of Trade and Commerce have tried to make the exhibits as representative as possible of the many capabilities of Canadian manufacturers and engineers.

The exhibitors, their products and services are listed below.

National Research Council—The exhibit will feature the Council's VTOL propulsion tunnel as well as a special spray rig used for the study of icing hazards. The tunnel will be explained by a cutaway working model showing special features. The spray rig will be explained by a photo display.

Canadian Westinghouse Company Ltd.—The firm's Electronics Division will display its Totem system, an elevated television camera that can pick up and relay visual information to a monitor tube. The system has been designed primarily as a military device to gather intelligence without risk to personnel.

United Aircraft of Canada Ltd.—The PT6 turbine engine will highlight this exhibit. This engine is used in nearly 30 aircraft types, including five helicopters; the industrial version is being used to power marine craft, snow ploughs, an oil fracturing unit, and a wood chipping machine.

Genaire (1961) Ltd.—The world's largest supplier of aircraft landing skis, the firm will demonstrate its hydraulic wheel-ski combination landing gear. Genaire also produces ground support and test equipment for military and commercial aircraft operators.

Collins Radio Company of Canada Ltd.—Two versions of a compact UHF transceiver, standard equipment in Canada's new close-support jet, the CF-5, will be displayed by this company. Lightweight, manpack and pocket size UHF equipment will also be shown.

Timmins Aviation Ltd.—Already a supplier to 18 national and international air carriers and four major aircraft manufacturers, the firm will show models of one, two and eight cubic foot capacity thermoelectric refrigerators. Timmins will also display various developments in compact tray and bar furnishings.

Irvin Air Chute Ltd.—A safety system that blows a parachute open and upwards in emergency escapes at ground level will be featured by this company. A variety of personnel, cargo and braking parachutes as well as anti-G suits and pressure-breathing waistcoats will also be included.

UniRoyal (1966) Ltd.—This exhibit will include paper-thin fuel tanks designed to allow full use of internal space in an aircraft: they range from lightweight, flexible, bladder-type tanks to semi-rigid, self-sealing units. Several types of interconnects for the F-104 Starfighter fuel cell system as well as other fittings will be on the stand.

de Havilland Aircraft of Canada Ltd.—This company will give flying and static displays of two versions of its recently developed turbine-powered Twin Otter. It will also demonstrate its STEM antenna (Storable Tubular Extendible Member), a telescoping antenna that has played a vital part in most of the major space programs of the United States and Canada.

Airport Industries of Canada—This group of planners, builders and manufacturers will give a graphic display of its ability to create a complete airport anywhere in the world. It is comprised of more than 30 companies supplying everything from complete mechanical, electric and electronic systems to runway lighting and furnishings for terminal buildings. Also attending will be construction and air transportation and systems specialists.

Garrett Manufacturing Ltd.—This exhibitor is including a full range of temperature controls, flight instrument test sets, radio emergency beacons and static inverters. More than 70 per cent of high-performance aircraft in the Western world now use temperature control systems from this company.

Dominion Aluminum Fabricating Ltd.—A retractable shipboard helicopter hangar, said to pay for itself in two years in savings on helicopter maintenance and other costs, is this firm's offering. The company will have a working model of the telescopic structure on hand in Paris.

Defence Research Board—Canada's 10-year program of satellite probes into the ionosphere will be the subject of this group's exhibit which will include a dramatic representation of the orbits being flown by Canadian satellites.

Found Brothers Aviation Ltd.—The company will have on hand a model of its new utility aircraft, the Model 100 Centennial. There are three choices of engines available, and the craft is designed for wheels, skis or floats with fittings for all configurations as standard equipment.

Leigh Instruments Ltd.—This firm will exhibit a product designed to solve two of aviation's most vexing problems: locating a crashed aircraft and determining what caused the crash. The answer is an airfoil aerial delivery system which automatically ejects from a falling aircraft.

Canadair Ltd.—Three versions of the world's latest amphibious aircraft will be explained to the show's visitors. Displays will show the adaptibility of the CL-215 to such different roles as search and rescue, water bombing, and passenger delivery. The company is also showing a working model of its CL-84 Dynavert, a tilt-wing V/STOL twin-turbine aircraft. Other aero products will round out the display.

Litton Systems (Canada) Ltd.—Among the guidance systems shown by Litton will be a weapon release computer set, a low-cost navigation system designed for both military and commercial use, and a barometric altimeter of extremely high accuracy.

Late additions to the list of exhibitors are Northern Aero Industries Ltd., E.M.I Cossor Electronics Ltd., and the Canadian Institute of Aerospace Medicine. ●

French aerospace industry oriented to exports.

C. J. ST. PIERRE, *Assistant Commercial Secretary, Paris.*

THE SHEER SIZE of the Paris Air Show underlines the great importance of the French aeronautical industry. France now occupies fourth place among industrial nations in the production of aircraft and electronic equipment. Domestically, the aerospace industry ranks immediately after the electrical, automobile and metalworking conversion industries.

At the end of the Second World War, the aeronautical industry started from zero, because 80 per cent of the industry had been destroyed. Output, which up to then had been directed solely towards military use, had to be reoriented to meet both civil and defence needs.

The French aerospace industry is a well-balanced structure composed of two major state-owned corporations (representing 45 per cent of total capacity) and five major independent producers. Apart from civil and military aircraft, engines and equipment, the industry covers military and space-program missiles. It currently employs 100,000 persons.

The three outlets for production are the French Government, export markets, and French users other than the Government. Production in 1966 totalled about $1.5 billion of which 40 per cent went to export markets.

Exporting Industry

The aerospace industry is one of France's main sources of exports, providing 20 per cent of total industrial equipment exports. In 1966 exports increased by 32 per cent over 1965 to a total of $570 million, 70 per cent of which were military. The breakdown is as follows:

	($million)
aircraft	313
engines	90
helicopters	60
missiles and rockets	53
electronics for aircraft	30
equipment for aircraft	24

Among the most successful aircraft exported are the *Caravelle,* the *Mystère* 20 and the *Mirage* III fighter.

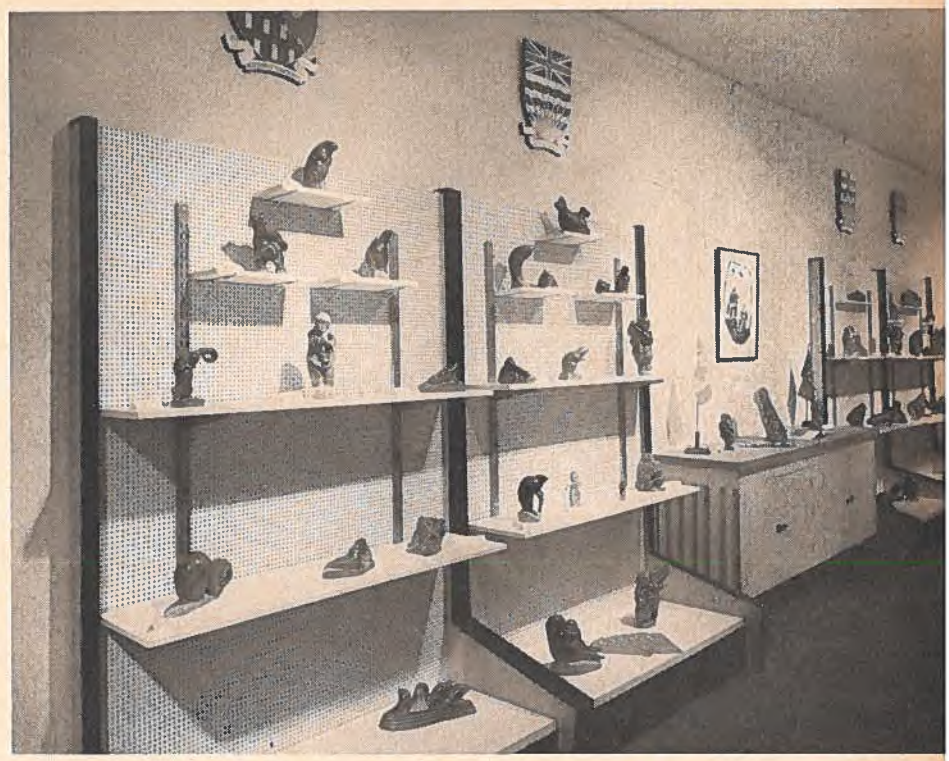
International Co-operation

The French aeronautical industry is oriented towards international co-operation. Because of the heavy investment involved in technological development, it is French policy to enter into international co-operation programs to develop large-scale projects. Co-operation programs include research and development projects such as vertical flight engines or tactical missiles, and production agreements. The military cargo aircraft *Transall,* which is the result of a Franco-German agreement, the *Atlantic* built by a European consortium, and the Franco-British *Concorde* project, to mention only the most important operations, illustrate various stages in an international co-operation that has already produced impressive results. Future Franco-British projects are now in an advanced planning stage. These are the military aircraft *Jaguar* and the variable-geometry *Mirage F.*

Future Outlook

Recently, there has been a reorganization of the nationalized segment of the aeronautical industry. There are also reports of further mergers in the private industry. These developments reflect the French industry's aim of improving its competitiveness among the industrialized countries of the world. ●

Paris Offers a Showroom



This display of Eskimo art occupied the Paris Showroom this winter.

PAUL E. LABBÉ,
Assistant Commercial Secretary, Paris.

IF YOU were a clothing manufacturer, would you order a six-month supply of cloth from suppliers whom you did not know, without first seeing the goods? If you were an appliance manufacturer, would you order components for your products without examining and trying them first? The answer to these questions is obviously "No". You stand behind the product you manufacture and you expect and demand that the materials you use in it meet your exacting requirements.

French store owners and managers feel the same way about the goods they sell and they will not buy products without first seeing and examining them. This applies whether the merchandise is clothing, sporting goods, hardware, appliances or anything else. You cannot sell any merchandise here simply by sending a folder and prices.

To assist Canadian businessmen who are interested in selling in France, the Paris office has set up a sample showroom where they can display their goods. Since the showroom was opened last spring, we have had three displays: wooden tableware, Eskimo art, and women's handbags.

For the last display (which was just as successful as the first two), the Canadian manufacturer sent us a sample collection of 50 different handbags. Over 60 French buyers were contacted and invited to come and see the display. Appointments were made for the 23 buyers who accepted our invitation. On the date and time set, the buyers came, looked at the handbags, and discussed business with the manufacturer's local agent who was on hand to supply additional information. Following this display, the Canadian manufacturer received initial orders for several thousand bags.

If this method of doing business appeals to you, if you are interested in the large and growing French market and want to find out whether you can sell here, all you need do is write us. Let us know the nature of your product and your prices. We will do a preliminary market survey for you (if this has not been done already) and send you the results.

Should you decide to go ahead with a display, we will look after clearing your goods through Customs, send out invitations, and make appointments for interested buyers. After the display, we will prepare a report for you and arrange either to have your goods returned or perhaps sent on to another Trade Commissioner post. Listed below are some of the products which we can handle in our showroom and for which there is a market in France. (This list, however, should not be interpreted as being exhaustive.)

Products Suitable for Showroom Display

Hand tools
Builders' hardware
Kitchen gadgets
Household appliances
Household linen
Clothing and sportswear
Fur goods
Giftware
Handicrafts
Toys and games
Novelties
Greeting cards and fancy papers
Sporting equipment

We would like to hear from every Canadian manufacturer of consumer goods who has enough confidence in his product to believe that it can sell in France.●

International Trade Fairs in France

GONE ARE THE DAYS when most Canadian businessmen could expect to be successful in selling in France simply by dictating letters and sitting quietly in their offices. Domestic and international competition now makes it a must for exporters to show their products to as many would-be customers as possible.

Once initial contacts have been made with local firms by letter, personal visits or by using our sample showroom facilities, Canadian businessmen should study the possibility of participation in trade fairs. To facilitate this we are giving below a list of French vertical and general trade fairs for 1967 and 1968. This office will be pleased to provide Canadian companies with further information on any of these fairs and also to make arrangements for participation on their behalf.

Vertical Trade Fairs	Location	Frequency
Aeronautics		
* Aeronautical Exhibition May/June 1967	Paris	Biennial
Agriculture & Agricultural Machinery		
Agriculture Exhibition March 1967	Paris	Annual
Agricultural Machinery Exhibition March 1967	Paris	Annual
Boating		
Nautical Exhibition January 1967	Paris	Annual
Building, Public Works		
* Building Exhibition November/December 1967, held in alternate years with:	Paris	Biennial
Public Works & Building Exhibition May 1968	Paris	Biennial
Mechanical Handling Exhibition and Hydraulic & Pneumatic Exhibition May 1967	Paris	Annual
Chemicals		
Chemical Industries Exhibition May 1968	Paris	Triennial
Electronics		
Electronic Components Exhibition April 1967	Paris	Annual
Foodstuffs, Hotel & Catering & Food Machinery		
* Hotel & Catering Equipment Exhibition October 1967	Paris	Annual
Packing & Packaging Exhibition November 1968	Paris	Biennial
Food Exhibition November 1968	Paris	Biennial
Fur		
Fur Trade Exhibition April 1967	Paris	Annual
Furniture, Home, Household		
Furniture Exhibition January 1967	Paris	Biennial
Arts of Homemaking Exhibition March 1967	Paris	Annual
Hardware, Ironmongery		
Hardware and Hand Tool Exhibition March 1967	Lyons	Annual
Heating		
Heating & Air Conditioning Exhibition May 1967	Paris	Annual
Lighting		
Lighting Exhibition January 1967	Paris	Biennial
Motor Cars, Motor Cycles, Cycles, Equipment & Accessories		
Motor Car, Cycle & Motor Cycle Exhibition October 1967	Paris	Annual
Sports		
Professional Open Air Equipment and Fishing Exhibition September 1967	Paris	Annual
Winter Sports Exhibition February 1967	Grenoble	Annual
Textiles		
Children's Fashion Exhibition November 1967	Paris	Annual
Toys		
Toy Fair February 1967	Paris	Annual

General Trade Fairs	Frequency	Date
Paris International Trade Fair	Annual	May
Bordeaux International Trade Fair	Annual	June
Lille International Trade Fair	Annual	April/May
Lyons International Trade Fair	Annual	March
Marseilles International Trade Fair	Annual	September/October
Metz International Trade Fair	Annual	September/October

*Trade Fairs in which the Canadian Government plans to participate in 1967.

—GILLES MORIN, *Commercial Secretary, Paris.*

Assistant Trade Commissioners Posted Abroad

Twenty-six new Trade Commissioners, class of '66-'67, have completed their training in Ottawa and have received their first postings. A number of them will arrive at their posts in March; the others will leave Canada during the spring and summer. This class of Assistant Trade Commissioners expanded to a final 32; postings for the other six will be announced later in the year. Like previous classes, the 1966-67 group made a valuable coast-to-coast tour last autumn and early this spring to familiarize themselves with Canadian industry and business and the products they offer for export.

Marc A. Brault

Born: Montreal, Quebec.

Educated: Laval University, B.A. 1963; LL.L 1966.

Posting: Tel Aviv, Israel, as Assistant Commercial Secretary.

J. Robert Brocklebank

Born: Hanover, Ontario.

Educated: University of Toronto, B.A. (Hons.) 1966.

Posting: Lisbon, Portugal, as Assistant Commercial Secretary.

Peter C. W. Caskey

Born: Weston, Ontario.

Educated: University of Toronto, B.A. (Hons.) 1964.

Posting: Santiago, Chile, as Assistant Commercial Secretary.

William L. Clarke

Born: Rosetown, Saskatchewan.

Educated: University of Saskatchewan, B.A., 1966; Osgoode Hall (postgraduate).

Posting: The Hague, Netherlands, as Assistant Commercial Secretary.

Alfred C. W. Davis

Born: Toronto, Ontario.

Educated: University of Toronto, B.A., 1963; University of Western Ontario, M.B.A., 1965.

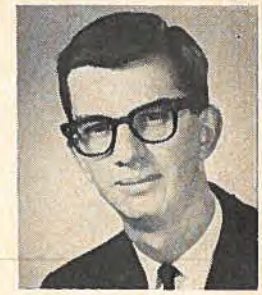
Posting: Johannesburg, South Africa, as Assistant Commercial Secretary.

Gerald M. Deyell

Born: Vancouver, British Columbia.

Educated: University of British Columbia, B. Comm. 1963; LL.B. 1966.

Posting: London, England, as Assistant Commercial Secretary.



John N. Grantham

Born: Saskatoon, Saskatchewan.

Educated: University of Saskatchewan, B. Comm. 1963.

Posting: Philadelphia, as Vice Consul and Assistant Trade Commissioner.

John M. Hill

Born: Toronto, Ontario.

Educated: University of Toronto, B.A. 1961; University of Western Ontario, M.B.A. 1966.

Posting: Copenhagen, Denmark, as Assistant Commercial Secretary.

C. Robert D. Kelly

Born: Russell, Manitoba.

Educated: Carleton University, B.A. (Hons.) 1965.

Posting: Vienna, Austria, as Assistant Commercial Secretary.

John H. Lang

Born: Edmonton, Alberta.

Educated: University of British Columbia, B.A. 1966.

Posting: Duesseldorf, Germany, as Assistant Commercial Secretary.

E. Paul Rigby

Born: Coboconk, Ontario.

Educated: McMaster University, B. Comm. 1963; London School of Economics, (cert.) 1963/64.

Posting: Athens, Greece, as Assistant Commercial Secretary.

Robert G. Sandor

Born: Chatham, Ontario.

Educated: Windsor University, B.A. (Hons.) 1966.

Posting: Rio de Janeiro, Brazil, as Assistant Commercial Secretary.

J. N. Roger Ferland

Born: Quebec City, Quebec.

Educated: Laval University, B.Sc.C. 1965; M.Sc.C. 1966.

Posting: Boston, as Vice Consul and Assistant Trade Commissioner.

Pierre J. Gosselin

Born: Ottawa, Ontario.

Educated: University of Ottawa, B. Comm. 1964; M.A. 1967.

Posting: Nairobi, Kenya, as Assistant Commercial Secretary.

David T. Johnston

Born: Winnipeg, Manitoba.

Educated: McGill University, B.Sc. 1962; University of Western Ontario, M.B.A. 1965.

Posting: Berne, Switzerland, as Assistant Commercial Secretary.

David Keddie

Born: Toronto, Ontario.

Educated: University of British Columbia, B.A.Sc. 1961; University of Western Ontario, M.B.A. 1966.

Posting: New York City, as Vice Consul and Assistant Trade Commissioner.

John A. Langley

Born: Regina, Saskatchewan.

Educated: University of Toronto, B.A.Sc. 1964; University of Western Ontario, M.B.A. 1966.

Posting: Dallas, as Vice Consul and Assistant Trade Commissioner.

Samuel F. Pattee

Born: Washington, D.C.

Educated: Laval University, B.A. 1962; LL.L 1966.

Posting: Bogota, Colombia, as Assistant Commercial Secretary.

Edward C. H. Shelly

Born: Vancouver, British Columbia.

Educated: University of British Columbia, B.Sc. 1966.

Posting: Dublin, Ireland, as Assistant Commercial Secretary.

James S. A. Sotvedt

Born: Vancouver, British Columbia.

Educated: University of British Columbia, B.A. 1966.

Posting: Guatemala City, Guatemala, as Assistant Commercial Secretary.

Thomas Gillan Tait

Born: Red Deer, Alberta.

Educated: University of Alberta, B.A. 1963; University of Ottawa (postgraduate).

Posting: Paris, France, as Assistant Commercial Secretary.

Duane D. Van Beselaere

Born: Estevan, Saskatchewan.

Educated: University of Saskatchewan, B. Comm. 1966.

Posting: Sydney, Australia, as Assistant Commercial Secretary.

Normand Villeneuve

Born: Desbiens, Quebec.

Educated: Laval University, B. Comm. 1962; M. Comm. 1963; Institut d'Etudes Politiques (postgraduate).

Posting: Melbourne, Australia, as Assistant Commercial Secretary.

G. Marshall Wansbrough

Born: Windsor, Ontario.

Educated: University of Western Ontario, B.A. 1962; Toronto University, M.B.A. 1966.

Posting: Tokyo, Japan, as Assistant Commercial Secretary.

Bernard M. White

Born: Ashton, Ontario.

Educated: University of Ottawa, B.A. 1961.

Posting: Milan, Italy, as Assistant Commercial Secretary.

Donald T. Wismer

Born: Edmonton, Alberta.

Educated: University of Alberta, B.A. 1965.

Posting: Rome, Italy, as Assistant Commercial Secretary.

Morocco

- **Produces one-fifth of the world's phosphate.**
- **Still has strong trading ties with France.**
- **Is modernizing agriculture and tourism.**

G. F. MINTENKO,
Commercial Counsellor, Paris.

MOROCCO'S 14 MILLION people occupy an area of 180,000 square miles in the northwest corner of the African continent. Most of them make their living in agriculture but productivity is so low that, although it gives employment to 70 per cent of the working population, it produces only 30 to 35 per cent of the GNP. The Moroccan Government is keenly aware of the need to improve agriculture and has given it top priority in the three-year Economic Development Plan which began in 1965. There is a sharp contrast between modern and traditional agriculture in Morocco, but some new methods are already being adopted by traditional farmers.

Emphasis on Citrus Fruit

The principal crops are grapes for wine, cereals, citrus fruit, olives, figs and dates. Cereal production varies greatly from year to year because of variations in the annual rainfall. The export of citrus fruits is already making a substantial contribution to Morocco's foreign exchange earnings; this will improve further as the area under citrus expands and as methods of cultivation improve. The development of the citrus industry is, however, hampered by Morocco's limited access to the wealthy markets of Western Europe: its relationship with the European Economic Community has not yet been defined and this is becoming a major preoccupation.

Moroccan manufacturing industry consists largely of processing for export local produce such as fruit and fish, and small-scale consumer goods industries making textiles, shoes and plastic products for the home market. Coal, iron ore, manganese, lead, zinc, and cobalt are mined and small quantities of petroleum produced. Phosphate is Morocco's most important mineral and accounts for 20 per cent of total world production.

Varied Tourist Attractions

The tourist industry ranks second in importance in the Plan and certainly Morocco has many interesting sights for the visitor. Throughout the country there are monuments recalling the country's long and colourful history. The cities provide up-to-date comforts and amenities, as well as the traditional markets (souks) where trading methods and even many of the articles offered for sale have scarcely changed in centuries. The country's Mediterranean and Atlantic coastlines include many miles of excellent sandy beaches. Not too far away from the beaches there are fine skiing facilities in the Atlas Mountains.

More tourist income is needed to offset Morocco's deficit on visible trade in recent years which amounted to 115 million dirhams* in 1965, although this was a substantial improvement over the 431 million dirhams deficit in 1962.

Total exports have increased steadily from 1,764 million dirhams f.o.b. in 1962 to 2,176 million in 1965. Imports during the same period were fairly stable, rising only from 2,195 million dirhams to 2,291 million.

The principal imports are industrial equipment, consumer goods, sugar (consumed in large quantities in "thé à la menthe"), petroleum products and wheat. The country's predominant export is phosphate but fresh fruit and vegetables, wine, canned fish, and lead ore are also important.

Morocco's Trading Partners

As one would expect after the long political and commercial association, (for 44 years Morocco was a protectorate of France and Spain and regained its independence in 1956) France is still by far Morocco's most important trading partner; in 1965, it supplied 38 per cent of Morocco's imports and took 44 per cent of its exports. Morocco's other main trading partners are West Germany, the United States, and the Benelux countries. Eastern European countries have recently begun to figure in Morocco's international trade.

Trade with Canada has been small, and neither exports nor imports exceed a few hundred thousand dollars a year. The obstacles to developing trade between the two countries are formidable, but a market does exist in Morocco for many products Canada makes, if only the difficulties, which are essentially financial, could be overcome. It may interest Canadian exporters that Morocco imports significant quantities of breeding cattle, seed potatoes and synthetic textiles. ●

*1 dirham = Can.$0.21.

Development Planning in Thailand

F. M. MULKERN,
Assistant Commercial Secretary, Singapore.

Planning Procedure

Programs prepared by government departments and organizations are co-ordinated by the National Economic Development Board in consultation with the Ministry of Finance, the Bank of Thailand, and the Bureau of the Budget. The final plan is discussed with the World Bank (IBRD). The decision to seek or accept long-term financing is made by the Cabinet Committee. The National Economic Development Board is responsible for implementing the Plan.

Planning Agency

National Economic Development Board, Office of the Prime Minister. The Secretary-General is Nai Prayad Buranasiri, 962 Krung Kasen Road, Bangkok.

Duration

This Five Year Plan covers the period 1967-1971. The first Plan covered 1961-1966 and was divided into two phases, 1961-1963 and 1963-1966.

Sectors Emphasized

Agriculture, irrigation dams, highways and railways, education, public health, water and sewage systems, power generation, telecommunications, expansion of port facilities.

Specific Development Projects*

(1) Pasom (Sirakit Dam) combined flood control, irrigation and hydro projects will cost U.S.$71.5 million, of which U.S.$26 million will come from foreign sources. After the Yanhee project, this will be the second largest project of its kind in Thailand.

(2) Pattani River (Yala) project will provide power for the three border provinces in the south of Thailand. It will cost U.S.$18 million, of which U.S.$8.5 million is estimated to be the foreign content. A further U.S.$6.3 million will be spent on irrigation works. The power will supplement that from the Krabi thermal project.

(3) Modernization of the State Railways will require the expenditure of U.S.$36.1 million on foreign equipment, including 80 diesel locomotives, 28 diesel rail-cars for short distance passenger service, 12 air-conditioned passenger cars, and plant for assembling other passenger and freight rolling stock.

(4) For Bangkok-Thonburi area, 79,100 additional telephone lines are proposed but the cost is not known. An additional 18,330 telephone lines in the provinces will cost U.S.$6.7 million, of which U.S.$3 million will be from foreign sources.

Plan Available

The plan is available from the National Economic Development Board.

Estimated Total Cost

Approximately Baht 38 billion (U.S.$1.8 billion).

Internal Financing Planned

Public—The surplus available for investment from central government and local government revenue during the period, together with the sale of bonds and extra budgetary receipts will produce an estimated Baht 30 billion (U.S. $1.4 billion).

Private—Baht 3 to 4 billion (U.S.$140 to $190 million) will be raised through domestic borrowing from banks, private institutions and individuals.

External Financing

For the public sector, capital is being sought from the World Bank, the IFC, the Asian Development Bank and bilateral sources including U.S. AID, Special Yen Fund, U.S. Export-Import Bank and the Colombo Plan. The contribution each source will make is not known at present.

For the private sector, capital is available in the New York and European money markets, mostly as medium-term credit for five to seven years at interest rates of 5 to 7½ per cent. Thai banks will issue 1 per cent guarantees to cover foreign loans.

Local Development Banks

The Industrial Finance Corporation of Thailand was established in 1959 and was partly sponsored by the World Bank. The authorized capital is U.S.$5 million. It has approximately U.S.$11 million available for long- or

* A detailed list of the major projects requiring external financing can be obtained from the Manufacturing Industries and Engineering Branch, Department of Trade and Commerce, Ottawa.

medium-term loans to assist in the establishment, expansion and modernization of industry.

Consultative Group

A World Bank Consultative Group has been formed to co-ordinate foreign aid and Canada has participated in its meetings.

Canadian Aid

Under its bilateral aid program, Canada is prepared to consider particularly attractive high priority projects of a modest nature. In addition to the $500,000 road survey currently being carried out, Canada is advancing a development loan of $1,000,000 to finance school equipment and supplies for a program to establish twenty comprehensive schools in Thailand between 1966-70.

Medium and Long-Term Financing

The Export Credits Insurance Corporation is prepared to consider Section 21A long-term financing for suitable projects meeting normal ECIC criteria and submitted to the corporation by Canadian exporters. The Corporation is also prepared to consider short- and medium-term insurance in support of business obtained by Canadian exporters. ●

trade lines

Angola grows more coffee

Coffee production in Angola in 1965/66 reached 150,700 metric tons, worth Can.$114.5 million. Figures for the previous year were 139,000 tons and Can. $87 million. Angola's production is mainly of the Robusta variety—Lisbon.

Spain's shipyards busy

Spain sold 38 per cent more ships in 1966 and prospects for 1967 look promising. Foreign buyers, mainly in Colombia, Cuba and Argentina, purchased 41 ships from Spanish yards in 1966 and paid $63 million for them. Orders for 1967 include ships for Panama, Egypt, Morocco and Paraguay and there are reports of inquiries from the Republic of China (Taiwan). The Spanish shipbuilding industry now ranks sixth in the world—Madrid.

Rotterdam still world's largest port

Rotterdam handled more ocean-going ships in 1966 and retained its position as the world's largest port. A total of 28,352 ocean-going vessels arrived (28,103 in 1965) with an aggregate tonnage of 79.7 million net registered tons (73.6 million in 1965)—The Hague.

Thailand's trade hits record

According to an article in the Thai press, exports in 1966 were worth U.S.$750 million and imports U.S. $1.15 billion which, after excluding non-commercial imports of approximately U.S.$300 million from the United States, left a trade deficit of U.S.$100 million. The over-all balance of payments showed a surplus of U.S.$170 million. Gold and foreign exchange reserves at the year-end were U.S.$900 million—Singapore.

Bahamas builds more

The Bahamas Government granted building permits to the value of U.S.$49 million in 1966. In December alone, 130 new applications, totalling U.S.$2.6 million, were submitted. In the same month, starts were made on 107 projects, valued at U.S.$1.9 million. The biggest building projects in 1966 were offices (U.S. $311,500) and a power station (U.S.$250,000)—Kingston.

Rumania shops for nuclear plants

Rumania has already sent invitations to Western nations to tender for two nuclear power plants. These will each have an installed capacity of between 500 and 600 mw. and an annual capacity of 5 billion kwh. Construction of the first plant is to begin by 1970—Vienna.

Sweden develops fish protein concentrate

A Swedish pharmaceuticals manufacturer has developed a low-cost process for making a fish protein con-

centrate which is suitable for human consumption. Astra Nutrition AB's plant at Bua, Sweden, cost $1 million to build and has a capacity of 10,000 tons of concentrate a year, using fish flour as the raw material. Plant to process fish into fish flour would cost another $400,000. Astra has spent $3 million over a ten-year period in developing the process and hopes that factories will eventually be built on the coasts of South America, India, West Africa and Japan. Production at Bua, currently running at about 6,000 tons a year, is sold for cattle feed and other non-food uses. The company believes that a plant of the same size could provide supplementary protein for two and a half million children—Stockholm.

Liverpool speeds frozen meat

A new facility for handling frozen meat cargoes has been built by the Mersey Docks and Harbour Board at a cost of $750,000. It will sort and handle 3,000 frozen carcasses or 100 tons of dairy products an hour. Conveyors will deliver to road or rail containers or to nearby cold storage—Liverpool.

Hungary could double honey crop

Hungary produced 6,500 metric tons of honey in 1966 and exported more than 4,100 tons. Most of it comes from acacia forests. Experts believe present production could be doubled if these were more fully utilized. Hungarian beeswax exports totalled over 100 tons in 1966 and will treble by 1970—Vienna.

Czechs assemble for Vienna firm

Smolka and Co., manufacturers of ski bindings, have expanded production by having part of their assembly work done in Czechoslovakia by the Bratislava municipality's works, thus taking the load off their Vienna plant. The agreement covers the current year but may be extended—Vienna.

More sailings to Australia

The Federal Commonwealth Line will increase the frequency of sailings to Australia to every three weeks when navigation on the Great Lakes and St. Lawrence River opens. Alternate sailings will call at New Zealand.

The general agent in Canada is Federal Commerce and Navigation Limited, 451 St. John Street, Montreal, P.Q. The line is represented in Ontario by Shipping Company Limited, 170 Bay Street, Toronto. This was not quite clear in the notice published in *Foreign Trade* of March 4, 1967.

Yugoslavia will make tinplate

Hot-rolled tinplate from the Skopje combine will replace most imported tinplate from mid-1967. The first of three mills, each with an annual capacity of 100,000 tons, has gone into operation at the combine and when the whole project is completed in the 1970's, the total capacity will reach 940,000 tons of steel from Macedonian iron ore—Vienna.

Germans demand less leather

Consumer resistance to the high prices of German leather goods has compelled manufacturers to use more synthetics and has encouraged the import of foreign shoes—Hamburg.

Illinois to get atom smasher

The Atomic Energy Commission's 200 BEV (billion electron volt) acceleration site has finally been slated for suburban Weston. The giant project will cost $375 million to build and will require an operating staff of 4,000. Total associated employment is expected to reach 20,000 including service industries, and $250 million in salaries should be generated—Chicago.

Containerization comes to Liverpool

The Mersey Docks and Harbour Board has announced that one of its Liverpool docks will be converted at a cost of approximately $3 million to a container berth to be ready before the end of this year. When specialized cranes are installed in about 18 months, the dock will be able to handle 1,200 containers each way per week. This project is an interim measure until the plans for a completely new container terminal are approved and the facilities constructed at an expected cost of $100 million. It will not be ready before 1967—Liverpool.

Chilean firm gets Eximbank credit

Productos de Acero S.A. (COMPAC) is reported to have received a credit of U.S.$2.5 million from the Eximbank under the *Alliance for Progress* program. The credit will be used to finance the import of U.S. machinery for the manufacture of steel tubing at the company's plant now building near Concepcion in the south of Chile. It will use steel produced by the Cia. de Acero del Pacifico, and will mean an eventual saving of U.S.$1.7 million per year in foreign exchange. Total cost of the expansion program is about U.S.$3.7 million. Apart from the Eximbank loan, funds will come from ADELA, private banks and the Cia. de Acero del Pacifico—Santiago.

Germans use more garden tools

The market for garden tools in Germany expanded by about 6 per cent in 1966, despite rising prices. Many models of lawn mowers are manufactured under licence. German producers dominate the market—Hamburg.

How Pakistan Looks in 1967

Pakistan is building up its industry and reducing its reliance on agriculture. At this stage, Canadian exporters will probably find their best opportunities in projects receiving grant aid or loans.

K. D. TAYLOR, *Commercial Secretary, Karachi.*

FOR PAKISTAN, 1967 will be a challenging year. Imports to offset shortages of homegrown foodgrains are straining foreign exchange reserves and causing congestion throughout the transportation network. Because of Indo-Pakistan tensions, the budget gives priority to defence. Despite this, Government planners still expect to achieve the targets of the Third Five Year Plan (1965-70) but, to do so, expenditure on development will have to be accelerated by about 14 per cent a year. A similar acceleration was made during the previous plan.

The Government's optimism is in part due to the resilience of the industrial sector which, from 1960 to 1965, maintained an increase of 15 per cent a year and expanded its share of GNP from 9.3 to 11.5 per cent.

The jute industry is the pace-setter for Pakistan's industrial output. In the fiscal year 1965-66 exports of jute goods reached $133 million and this year they will probably be slightly higher. As India is the major competitor, it was very fortunate for Pakistan that, when the Indian rupee was devalued, India put a high export duty on jute goods and lessened the advantage it would otherwise have had. The record Indian jute crop this year, however, plus a government subsidy for imports of raw jute (India has to import certain grades from Pakistan), will place India in a strong competitive position. To counter this, efforts are being made in East Pakistan to stabilize raw jute prices and improve collection, grading and marketing. Raw jute is shipped to mills in many countries as well as being used for manufacturing on the subcontinent.

THIRD FIVE YEAR PLAN (1965-70) ALLOCATIONS

	(Can.$ million)	Per cent
Agriculture	1,967	15
Water and power	2,080	15
Industry	2,935	24
Fuels and minerals	331	2
Transport and communications	2,381	18
Physical planning and housing	1,614	13
Education	696	5
Health	314	2
Social welfare	37	1
Manpower	27	—
Works program	574	5
Total of above	12,956	
Less expected shortfall	1,034	
Total	**11,922**	**100**

The growth of secondary industry is limited by the availability of industrial raw materials. The revised 1966-67 import policy did not bring relief as soon as anticipated. Inventories built up during 1965 were exhausted in the months following the war. Tied procurement sources, the high cost of imports and the State Bank's reluctance to release foreign exchange made it impossible to reach economic inventory levels. The resumption of foreign aid will soon bring fuller employment of industrial capacity, and the $25 million IDA loan will enable Pakistan's industries to purchase raw materials, semi-finished products and components on a worldwide basis and this should be reflected in greater industrial output. The Government will give incentives to new industries which have export potential and to those which use mainly indigenous raw materials, produce goods which replace imports, or are labour-intensive.

Agriculture's Prospects

Although industry is expected to provide about 25 per cent of the growth in the GNP during the next four years, agriculture is still the basis of Pakistan's economy. The disruption

of agricultural production during the past year has had far-reaching consequences. The situation is the result of three main causes—floods in June and July aggravated East Pakistan's perennial food shortage; West Pakistan's spring wheat crop was only 145 million bushels compared with 168 million the previous year; and surplus grain from the United States was not so readily available.

East Pakistan will not produce enough food for its own use for at least the next five years. Small uneconomic farm units and a population density of 1,050 per square mile are the main reasons but cyclonic storms and the flooding of the Ganges and Brahmaputra Rivers also contribute to the problem.

The situation in West Pakistan is more hopeful. There, the yields from "Mexipak", a short, stiff-strawed variety which doubled yields to 56 bushels per acre in a test area, are likely to bring self-sufficiency in wheat. Meanwhile, wheat is arriving from the United States (31.7 million bushels), Canada (6.5 million bushels), Australia (9.3 million bushels) and Communist China (3.7 million bushels). Pakistan's port and storage facilities, inland transport and milling capacity are not geared to shipments of such size and there are many problems.

Cash crops earn about 70 per cent of Pakistan's foreign exchange and most are grown in East Pakistan. Fortunately, production has been large.

Raw jute accounted for 35 per cent of exports in 1965-66. The acreage sown in 1966-67 was about 25 per cent more than in 1965-66 but, because of bad weather, the crop is expected to be unchanged at 6.5 million bales. Competition from Thailand, credit restrictions in Britain and the inroads of artificial fibres will affect the market this year.

Raw cotton is another key export. Both yield per acre and the quantity grown have increased since 1950 and this year's crop is estimated at 2.6 million bales. The export market for cotton is unsettled at present, but the industry has set an export target of 900,000 bales.

The Government's broad program of export promotion stresses the influence of industrial products in supplementing traditional agricultural exports. The Commerce Minister has asked industry to increase exports by 40 per cent this year, even though the 1965-66 fiscal year was a banner period—exports increased by 12.9 per cent and imports decreased by 21.7 per cent, resulting in a current account deficit of $313 million.

Exporting to Pakistan

Imports are regulated by the Government. The 1966-67 policy, released in July 1966, listed 66 items which could be imported without an import licence. A further 96 items not on the Free List can be imported on a specific basis by licensed commercial importers and industries. There is also a scheme which permits imports under a higher exchange rate, with the use of a bonus voucher. Generally, products for industrial use enter on the Free List or under licence. Uncertainty over the level of the current aid allotment and the shortage of foreign exchange may prompt a revision of the import policy this spring. Some importers are having difficulty in obtaining authority from the State Bank to open letters of credit for products on the Free List.

PAKISTAN'S MAJOR IMPORTS

July 1964—June 1965

	(Can.$ million)
Chemicals	24.7
Drugs and medicines	26.6
Dye and colours	27.0
Electrical goods	75.6
Machinery	215.0
Paper and stationery	10.6
Rubber manufactures	16.0
Transport equipment	123.4
Iron and steel	201.7
Non-ferrous metals and manufactures	24.4
Mineral oils	28.8
Vegetable oil	47.0
Foodgrains	156.3
Other imports	242.2
Total	**1,219.3**

Canadian firms wishing to sell products permitted entry under the import policy should appoint local agents. Most sales are made through tenders and an alert local representative can help with the proper submission of bids.

For consulting engineering assignments, our office is pleased to introduce firms to appropriate government bodies in Pakistan. Association with a local firm of consultants has merit for, in some instances, bids must be placed jointly with a local firm.

WHAT PAKISTAN BUYS FROM CANADA

	1964	1965
	($000's)	
Wheat except seed n.e.s.	2,787	3,403
Rapeseed	—	2,585
Asbestos milled fibres, groups 4 and 5	171	146
Lumber, Douglas fir	—	89
Wood pulp, bleached sulphite paper grades	980	426
Line and cord for commercial fishing	—	456
Ammonium sulphate	689	330
Structural shapes and sheet piling	234	315
Aluminum pigs, ingots, shot, slabs	79	1,949
Copper bars, rods and shapes n.e.s.	2,340	2,036
Copper wire and cable except insulated	8	833
Valves, iron or steel	20	121
Insulated wire and cable	65	118
Asbestos, asbestos cement building materials	49	131
High-tension insulators and fittings	44	135
Power boilers, equipment and parts	65	247
Engines, turbines and parts n.e.s.	622	818
Generators and parts	733	418
Pumps, pumping systems and parts	46	256
Pulp and paper industry machinery and parts	1,448	244
Motor vehicles, motorcycles and parts	239	202
Parts and accessories for motor vehicles n.e.s.	77	113
Transformers and parts	9	126
Files and rasps	435	595
Military weapons, ordnance and parts n.e.s.		470
Prefabricated buildings, structures and parts	837	885

Pakistan Calls For Tenders

Much of what Pakistan purchases overseas is bought by government agencies after tenders have been called. Canadian businessmen will find this list of addresses is very useful. They can also get help from the Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 3703, Hotel Metropole, Victoria Road, Karachi, West Pakistan.

West Pakistan

1. West Pakistan Industrial Development Corporation, PIDC House, Kutchery Road, Karachi, West Pakistan.
2. Government of West Pakistan, Railway Department, Railway Board, Lahore, West Pakistan.
3. Chief Controller of Purchases, Pakistan Western Railway, PWR Quarters, Lahore, West Pakistan.
4. Director General, Telegraph and Telephone Department, Government of Pakistan, Karachi, West Pakistan.
5. Karachi Electric Supply Corporation, Aimai House, Victoria Road, Karachi, West Pakistan.
6. West Pakistan Water and Power Development Authority, Purchase Directorate, Munshi Chambers, Lake Road, Lahore, West Pakistan.
7. Director General Defence Purchases, Ministry of Defence, Government of Pakistan, Karachi, West Pakistan.
8. Karachi Port Trust, Port Trust Building, Karachi, West Pakistan.
9. Government Ordnance Factory, Wah Cantonment, West Pakistan.
10. Director General, Department of Investment Promotion and Supplies, Government of Pakistan, Karachi, West Pakistan.
11. Karachi Shipyard, West Wharf, Karachi, West Pakistan.
12. West Pakistan Agricultural Development Corporation, 4 Lytton Road, Lahore, West Pakistan.

East Pakistan

1. Government of East Pakistan, Directorate of Supply, 48 Motijheel, Dacca, East Pakistan.
2. East Pakistan Water and Power Development Authority, Purchase Directorate, WAPDA Building, 3rd Floor, Motijheel, Dacca, East Pakistan.
3. East Pakistan Railway Board, Railway Building, Chittagong, East Pakistan.
4. East Pakistan Industrial Development Corporation, EPIDC House, Motijheel, Dacca, East Pakistan.
5. Chief Controller of Purchase, East Pakistan Railway, Chittagong, East Pakistan.
6. Chittagong Port Trust, Chittagong, East Pakistan.

Take a second look at Pakistan. The country is at a crucial stage of development and has many projects under way. Even if there are no opportunities for your firm at the moment, now is the time to make contacts so that you will get your share of opportunities in the future. ●

Changing Agents in Scandinavia

ARE YOU PLANNING to change your Swedish agent? Remember that compensation may be demanded for goodwill that the agent has built up—a sum representing up to his average annual commission over the previous five years.

Changing agents is not necessarily the solution to the problem. A face-to-face discussion may reveal that a relatively small change in your product or marketing arrangements will enable your agent to achieve the results you seek. If, however, an agent has disobeyed your instructions or sold competing articles, he has forfeited his rights. But if you have done so well that you want to establish your own sales office or subsidiary, or if you think that another agent can do better, the question of compensation then arises.

Goodwill compensation is not yet written into the law in Scandinavia, although it probably soon will be. However, it is an already established practice in all four Scandinavian countries, as it is in most of Europe. The basis of the claim is that the agent has created the existing goodwill for a product and it is regarded as part of his capital. It would therefore be considered unfair for you to transfer this capital to another party or to yourself without due payment to your agent. Your agent has created something that will continue to benefit you after the termination of the contract, and he is entitled to his share of this benefit.

Switzerland (in 1950), followed by West Germany, Austria, France, Italy, and Belgium, has already given legal recognition to this point. Britain and the Netherlands are preparing legislation. The International Union of Commercial Agents is to present members with a draft law at its 1967 Congress.

What is the legislative position in Scandinavia? The Nordic Council in 1961 recommended a revision of existing legislation on agency agreements following investigations made in Sweden, Denmark, and Norway. Finland has had a bill before parliament for one year that will give an agent clear rights to compensation on losing an agency. This will set the tone for new legislation in the other Nordic countries.

As far back as 1959 the Danish courts upheld an agent's right to compensation. So did the Norwegian courts in 1963 (in Oslo) and in 1964 (in Bergen). The Swedish courts will probably do the same. Standard forms for agency agreements contain a clause under which the principal promises this compensation. ●

A modern and impressive city hall is one of the recent additions to the city of Windhoek, the capital of South West Africa, and a city with 36,000 people.

Selling to South West Africa

. . . calls for an agent based there, some understanding of this market, and the ability to meet German competition. What products stand a good chance of selling here? Read on.

DONALD H. LEAVITT, *Assistant Trade Commissioner, Cape Town.*

CANADIAN EXPORTERS should not overlook trade opportunities in South West Africa, whatever the final decision on its status. Situated on the west coast of southern Africa, it extends inland from the Atlantic eastward as far as Botswana. In the south, it borders on the Republic of South Africa and in the north on the Portuguese territory of Angola, with a section known as Eastern Caprivi adjoining Zambia. It is a vast and empty land of 318,000 square miles with only 570,000 inhabitants, of whom about 74,000 are white and the remainder indigenous Africans.

The territory has made impressive economic progress. Annual per capita income has risen from $42 in 1940 to some $380 in 1965 for all its population—a faster advance than in most of the rest of Africa. South West Africa is potentially very rich, with resources that have barely begun to be tapped. It has what can be described as a dual economy, with the predominantly modern sector in the south and the traditional subsistence economy in the north. The indigenous peoples, mainly concentrated in the north, are chiefly pastoral, with some groups among them tilling the soil where conditions are favourable.

Resources Are Varied

From South West Africa comes a quarter of the world's gem diamonds, most of the world's canned pilchards, about three million karakul pelts a year worth more than $16 million annually for the last ten years, and thousands of tons of copper, lead and zinc. It is also a rich source of guano and semi-precious stones. In addition, it has a rapidly growing tourist trade, of which both the Government and the private sector are moving to take advantage.

For cattle much of the countryside is unsurpassed, with a varying capacity of one beast to 15 to 20 acres. The marketable surplus of cattle reaches about 300,000 head a year and the country has three packing plants shipping corned beef and frozen cuts of meat overseas. They also supply a good deal of South Africa's meat requirements.

Timber and tropical fruit could be developed in the well-watered North. Agricultural production will increase as more dams are built to provide water. As in the rest of Africa, water is the corner-stone of prosperity.

Although mining, agriculture and fisheries together account for 60 per cent of the gross domestic product, it is to its mineral resources, particularly diamonds and copper, that South West Africa owes a large measure of its vigorous economic growth since the last war. Manufacturing contributes less than 9 per cent of the gross national product.

The great need of the territory seems to be improved road and railway facilities and more packing and refrigeration plants to enable its products to be exported via Walvis Bay to the rest of the world. The possibilities are there and are already being exploited. New buildings are going up everywhere, but there may never be much industry because the two prerequisites, ample labor and water, are missing. Thus the progress of South West Africa is bound to continue

along the primary lines already mentioned.

Development Programs Emphasized

Development is receiving an impetus from the programs now being implemented at an ever increasing rate. They include the normal activities of the administration of South West Africa and what is popularly known as the Odendaal Plan—officially called the "Accepted Recommendations of the Commission of Inquiry into South West African Affairs".

This Plan came about from the White Paper issued by the Government of South Africa in May 1964 on recommendations made by this Commission. The Government accepted this report in broad principle and also the major part of some 475 specific recommendations that the Commission made. The feeling was that certain projects were basic to further development of South West Africa and should be executed immediately and on a large scale as part of a five-year plan entailing an estimated direct expenditure of $210 million. The major feature of this development plan is the Kunene River project, which will provide hydroelectric power and water for large parts of the territory. It will also supply electricity to the northern and central areas of South West Africa and will cost an estimated $68.6 million. Power will also be used for pumping water needed in the northern regions, particularly Ovamboland, which is the most densely populated. In addition, a number of water-storage dams costing $22.5 million are to be built.

Communications are next on the list of major objectives in the development program. Some $45.5 million is provided for the construction of main roads right through the territory up to the border of Angola. In South West Africa, because the distances are so vast and the territory sparsely populated, internal air links play a vital role. The program for the construction and extension of airfields approved by the Government includes 16 principal airfields, 31 secondary airfields, and some 60 private airfields and emergency landing strips which will qualify for maintenance grants. The implementation of the Odendaal Plan must of necessity entail the investment during the next decade (and apart from the normal business evolution of South West Africa) of considerable amounts of money. This in turn will have a stimulating effect on the general population and on the business possibilities in the territory.

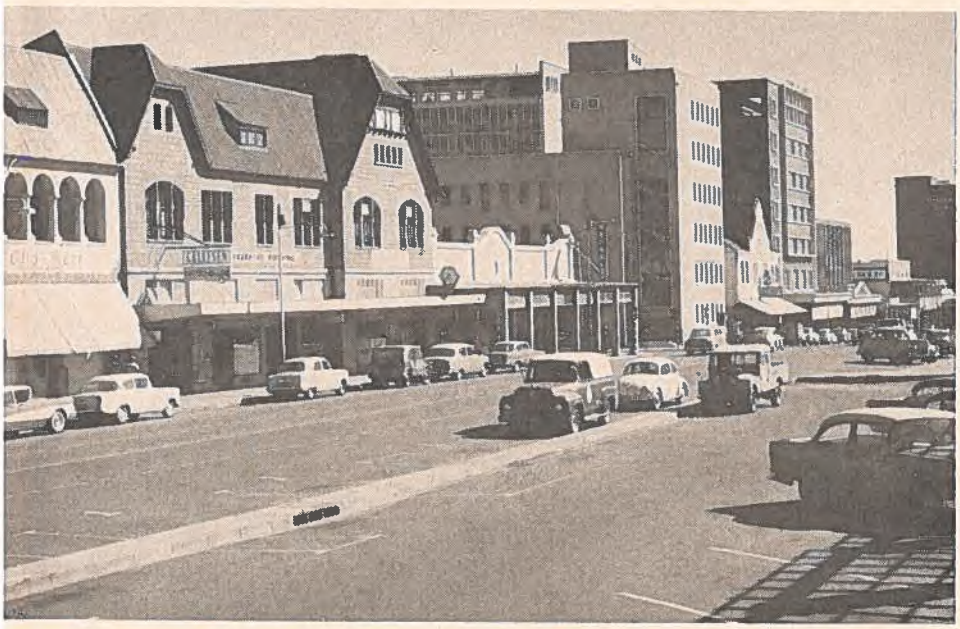
What Canada Can Sell

No separate figures are available on South West Africa's imports but Canada's exports to South West Africa range from lumber to aluminum, canned fish to motor cars, electric fences and lines hoists to washing machines. There are opportunities for selling a wide range of commodities, including consumer goods, mining equipment, heavy machinery and farm equipment.

Traditionally, South West Africa has been treated more favourably in import control than has South Africa. The two main reasons given are that South West Africa has always had a favourable balance of trade and that the high costs of the rail haul from the Republic would impose hardships on the territory if import control was rigidly applied. (South West is, however, being increasingly brought into line with the restrictions which exist in the Republic.) This leniency has worked to Canada's advantage, particularly for timber, where permit has been readily available for timber to be used in the territory and an important share of our total shipments to South Africa have been destined for South West.

Canadian firms planning to sell in South West Africa should appoint separate agents for this territory and not attempt to cover it from the Republic; Republic-based firms do not visit the territory frequently. In addition, importers prefer to deal with firms based in South West. Furthermore, there is a feeling that South African firms take too high a markup on their goods (one hears much talk of a fair or reasonable markup). Canadian exporters, however, must overcome the definite preference in the territory for German goods and the established trading connections with Germany and German firms operating in South West, which date from its days as a German Protectorate.

The Cape Town office is in regular contact with the leading firms in the territory. Interested exporters should write to the Canadian Trade Commissioner, P.O. Box 683, Cape Town, with details and preferably c.i.f. prices Walvis Bay. We will have reliable firms undertake initial market surveys on their behalf. ●



Kaiser Street is the main thoroughfare of Windhoek. Note the German influence in the architecture; it echoes the country's preference for German-made goods.

As new ways are found to extract metals

New Zealand's Beach Sands Show Promise

C. D. CALDWELL, *Assistant Commercial Secretary, Wellington.*

A SURVEY by the Department of Scientific and Industrial Research of New Zealand's beach sand deposits and their commercial potential shows that there is a long way to go before development on a large scale is possible. However, New Zealand may be on the point of making the technical advances necessary to achieve this.

The vast iron-bearing deposits along part of the North Island's west coast have claimed most of the attention so far because they provide raw material for New Zealand's new steel industry. Australians and New Zealanders are also interested in the sands on the west coast of the South Island. Development of these depends on finding suitable methods of extracting the minerals they contain; a strong world demand for the rarer metals would certainly help to speed up the search.

The first indication of the possibilities came in 1960 when the Government set up the New Zealand Steel Investigating Co. Ltd. and later acquired the land for a £17.5 million iron and steel industry, with a concentrating plant at Waikato Heads and a steel mill at Glenbrook. It was also realized that the profitability would be enhanced if iron production were accompanied by the recovery of other saleable minerals. The thousands of millions of tons of ore-bearing sands which New Zealand has contain a range of raw materials—ilmenite, magnetite, zircon, monazite, scheelite, rutile, gold—in proportions which vary with the locality.

The minerals most commonly used in iron and steel production are magnetite, hematite, limonite and siderite, but attention is now turning to low-grade ores such as the titaniferous ores found in New Zealand's beach and dune sands. Titaniferous ores have been developed in the United States and Canada primarily as a source of titanium pigments and secondarily of iron. Smelting them calls for better temperature control than is generally possible in conventional blast furnaces and electric smelting has offered better prospects for the recovery of both iron and titanium.

Source of Titanium

Ilmenite, with a high content of titanium, occurs in the beach sands and dune sands. Titanium metal is being increasingly used in the aircraft industry, and titanium dioxide as a pigment in paint and as a filler for plastics, rubber and paper. New Zealand's imports of titanium pigments have been rising steadily as world consumption has been increasing; prospects are improving for an industry to meet local demand and perhaps sell to export markets.

DSIR scientists have surveyed the extent of deposits, test assayed for likely yields, and investigated in detail both extraction and separation processes. Metallurgists have recently visited Australia to see at first hand the extensive beach sand industry there and garner useful information.

Surveys of the west coast of the North Island indicate some 750 million tons of sand containing titanomagnetite and some ilmenite; farther north are deposits containing ilmenite of probably higher grade. In the South Island, there is a significant ilmenite content in beach and dune sands and terrace deposits. The largest clear and easily accessible area is an estimated 20 square miles around Cape Foulwind, extending inland up to about five miles, with an average thickness of 30 feet—some 900 million tons of sand, probably containing about 45 million tons of ilmenite. Geologists of the DSIR are investigating the whole of the Westport sand area.

Economic Methods Sought

The DSIR has co-operated with private interests in studying the mineral sands of the west coast of the South Island. At the same time, it has pushed ahead with laboratory work on extraction, up-grading (beneficiation) and other techniques. A great deal of information has been obtained, not only on the range and value of materials but also on other problems that commercial firms will have to face. High-titanium slags were produced by electric-furnace smelting in the metallurgical laboratories of the Chemistry Division last year and work is continuing on converting them to titanium dioxide pigments. An Australian firm now has 700 tons of Westport sand in its plant for large-scale investigation into mineral separation, with a view to extracting ilmenite and other minerals for export.

Beaches near Newcastle, Australia, contain rutile, zircon, and monazite. DSIR officers who have watched companies working the deposits say that suction dredges operate in country similar to the coastal strip of the west coast of the South Island. DSIR metallurgists doing research on the extraction of minerals from New Zealand beach and dune sands consider that Australian techniques are generally applicable to New Zealand's west coast ilmenite sands.

Australian Knowhow

Rutile, zircon and gold are all of high specific gravity and amenable to wet-separation techniques; costs using sluices (a modern version of the old gold miners' methods), tables and spirals are low. These methods and wet tabling to remove large proportions of waste sand and leave a bulk of heavy concentrate have proved practicable on a laboratory scale. In Australia, the heavy concentrate remaining after removal of waste sand is dried and conducting minerals are removed from the non-conducting bulk by high-intensity magnetic separation. Laboratory inves-

See "New Zealand Plans Steel Mill" in the April 16, 1966, issue of *Foreign Trade*.

tigation of zircon and scheelite separation is being carried out. Gravity, flotation, or leaching methods seem practicable, but unfortunately repeated stages are required to achieve a high proportion of extraction.

For the recovery of zircon in New Zealand, further dry-gravity separation processing would probably be needed. Scientists see promise in the wet high-intensity magnetic separation techniques recently developed in Australia and the United States as a means of producing ilmenite concentrates relatively cheaply from New Zealand sands, and possibly helpful in the recovery of zircon, monazite and other ore minerals. Flotation methods are also being investigated because they might assist in the recovery of accessory minerals.

Canadian Techniques Used

The high content of titanium dioxide in South Island ilmenites is a disadvantage in processing for iron production, but makes them attractive for pigments; the low content of chromium, which tends to discolour pigments, is a further advantage. Laboratory work is directed to producing both high-titanium slags and iron so that together they will form an economic industry.

Canadian smelting methods for the extraction of high-titanium slag were investigated in the Chemistry Division laboratories last year, and enough was produced to send overseas for processing into pigment and for assessment by potential buyers of the slag. Experimental smelting included titaniferous sands from all deposits in the country extensive enough to warrant commercial working. It was possible to attain 80 per cent content of titanium dioxide in slag, which compares favourably with that of slags commercially processed overseas and demonstrates that a locally produced high-titanium slag is potentially exportable. The economics of smelting depend on cheap coal, coke, and electricity (all of which are likely to be available on the west coast of the the South Island) and on a market for byproduct iron in Auckland.

Kiln Reduction

A method being developed in Australia is rotary kiln reduction. It seems fairly certain that this method would be applicable in New Zealand, but the high silica content of South Island west coast sands would reduce the grade to about 80 per cent titanium dioxide. As a result, ilmenite reduction by tunnel kiln methods with coke is being investigated at the Chemistry Division. The product contains metallic iron, which is separated magnetically to leave a material with a content of 80 per cent of titanium dioxide. The iron is impure, so it is recycled to form cast iron shot which is easily separated and can be reprocessed to a larger product or converted to iron powder.

The long-term potential of titanium dioxide as a source of pigment for local use and export is attractive. Present imports of pigment total about 4,900 tons a year; it might be economic for a plant to reduce pigment locally when the demand reaches about 10,000 tons a year.

Work on New Zealand's ore minerals is going on at DSIR, the universities, private firms, and overseas. The two key factors are economic processing methods and firm markets. The possibilities are mining the beach sands to export raw ilmenite and other ore minerals, or (more useful from New Zealand's point of view) to export the byproducts of ilmenite recovery and high-titanium slags or to produce pigments locally in association with metallic byproducts for the iron and steel industry. ●

Codfish for the Portuguese

VISITORS to Portugal quickly note that dried salt codfish, "bacalhau" in Portuguese, is an all-important commodity in that country. Portugal has possibly the highest per capita consumption of dried codfish in the world—approximately 70,000 metric tons in 1965 or 16 pounds per capita. But it is constantly in short supply and there is little doubt that consumption could easily reach 100,000 metric tons if price controls were removed and import restrictions were relaxed. Until import licences are liberalized, there is little chance of greatly increasing Canadian sales of codfish to Portugal.

The Portuguese fishing fleet produced some 58,000 metric tons of dried salt cod in 1965 and imports totalled approximately 17,000 tons. Canada's share of these imports was 3,000 tons in 1965, all from Newfoundland. Dried codfish is the most important single Canadian export to Portugal.

Sales totalled 68,000 cwt. in 1965, worth Can.$1.74 million, and 20,620 cwt., worth Can.$559,000 in the first nine months of 1966 (Can.$1.14 million in same period of 1965).

At the beginning of 1965, the Portuguese codfishing fleet consisted of 31 large trawlers and 36 line-fishing vessels, giving direct employment to 5,000 men. A significant development is the construction of modern stern trawlers, with a decrease in the number of line-fishing vessels.

This industry is supported by a co-operative ship supply organization and a network of fish drying plants. Refrigerated warehouses are maintained in Lisbon, Aveiro and Oporto. The fishing fleet also receives support from the "Gil Eanes", a modern hospital/supply ship which is staffed by competent personnel.

The present price control structure is as follows:

Types	Prices Paid by (Can.$) Wholesaler (per 60 kg.)	Retailer (per 60 kg.)	Consumer (per kg.)
Large	41.60	42.75	0.76
Current	30.21	31.35	0.57
Small	24.74	25.88	0.478
Assorted 2nds	21.55	22.69	0.428
Alecrim	15.39	16.53	0.323
Assorted 3rds	13.11	14.25	0.285

Undoubtedly, these prices are very low and subsidies are paid on imported codfish to maintain the price structure. The Portuguese codfishing shipowners find it difficult to produce fish at current prices, even though subsidies are granted for the construction of ships. There have been persistent rumours that price controls will be removed but there is no firm indication that such a decision is soon to be taken. However, if the codfish trade is liberalized, Canada could double or triple its sales to Portugal, given the right quality, sizes and price levels.

—PAUL A. THÉBÈRGE, *Commercial Secretary, Lisbon.*

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 of column one to the U.S. dollar equivalent, *multiply* **by .93 To convert column two,** *divide* **by .93.**

Country and Currency	Value of Foreign currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at March 17	
Algeria		
Dinar	.2186	4.58
Argentina		
Peso (free)	.0031	322.58
Australia		
Dollar	1.21	.8333
Austria		
Schilling	.0419	23.98
Bahamas		
Dollar	1.059	.9470
Belgium and Luxembourg		
Franc	.0218	46.25
Bermuda		
Pound	3.026	.33
Bolivia		
Peso	.0912	10.98
Brazil		
Cruzeiro (official free)	.4004	2.50
Britain		
Pound	3.026	.33
British Honduras		
Dollar	.7565	1.32
Burma		
Kyat	.2273	4.41
Ceylon		
Rupee	.2370	4.41
Chile		
Escudo (bank rate)	.2330	4.29
(free)	.2061	4.85
Colombia		
Peso (intermediate)	.080	12.50
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1633	6.14
Cuba[2]		
Peso	.....	.....
Czechoslovakia		
Koruna	.1503	6.67
Denmark		
Krone	.1566	6.39
Dominican Republic		
Peso	1.082	.93
Ecuador		
Sucre (official)	.0601	16.67
(free)	.0547	18.35
El Salvador		
Colon	.4328	2.31
Fiji		
Pound	2.726	.37
Finland		
Markka	.3382	2.96
France, Monaco, etc.[3]		
Franc	.2186	4.57
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0120	82.64
Germany		
D Mark	.2723	3.68
Ghana		
New Cedi	1.515	.60
Greece		
Drachma	.0361	27.86
Guatemala		
Quetzal	1.082	.93
Guyana		
Dollar	.6304	1.59
Haiti		
Gourde	.2164	4.63
Honduras		
Lempira	.5411	1.84
Hong Kong		
Dollar	.1891	5.30
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0252	40.00
India		
Rupee	.1436	7.00
Indonesia[6]		
Rupiah	.....	.....

Country and Currency	Value of Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at March 17	
Iran Rial	.0143	69.93
Iraq Dinar	3.030	.33
Ireland Pound	3.026	.33
Israel Pound	.3607	2.78
Italy Lira	.0017	581.86
Japan Yen	.0030	335.37
Kenya Shilling	.1402	7.13
Lebanon Pound (free)	.3506	2.85
Malaysia Dollar	.3536	2.83
Mexico Peso	.0866	11.61
Morocco Dirham	.2150	4.65
Netherlands Florin	.2995	3.33
Netherlands Antilles Florin	.5738	1.75
New Zealand Pound	3.015	.33
Nicaragua Cordoba	.1546	6.49
Nigeria Pound	3.023	.33
Norway Krone	.1514	6.63
Pakistan Rupee	.2270	4.41
Panama Balboa	1.082	.92
Paraguay Guarani (free)	.0087	116.27
Peru Sol (free)	.0403	24.94
Philippines Peso (free)	.2765	3.61
Poland Zloty (fixed basic rate)	.2705	3.69
Portugal & Colonies[7] Escudo	.0376	26.66
Saudi Arabia Ryal	.2066	4.84
Sierra Leone Leone	1.513	.66
South Africa Rand	1.513	.66
Spain & Dependencies Peseta	.0181	55.55
Sweden Krona	.2096	4.78
Switzerland Franc	.2498	4.00
Syria Pound (free)	.2832	3.52
Taiwan New Taiwan Dollar (official)	.0233	42.92
Thailand[1] Baht (free)	.0526	19.25
Tunisia Dinar	2.072	.48
Turkey Lira	.1202	8.35
United Arab Republic Pound (official)	2.489	.40
United States Dollar	1.082	.93
Uruguay Peso (free)	.0126	79.36
Venezuela Bolivar (official free)	.2410	4.16
West Indies Dollar[8]	.6304	1.59
Pound[9]	3.026	.33
Yugoslavia Dinar (official)	.0866	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. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.
7. Approximately same rate for Portuguese territories in Africa.
8. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
9. Jamaica.

foreign tariffs and trade regulations

Austria

IMPORT LIBERALIZATION EXTENDED—The Government of Austria has advised the GATT Secretariat that as from January 1, 1967, imports of the following goods have been liberalized:

Matches (excluding Bengal matches)
Articles of jute
Carpets, carpeting, rugs, mats and matting
Travelling rugs and blankets of wool or of fine animal hair
Worked monumental or building stone and articles thereof
Mirrors of plate glass, unframed, framed or backed
Electric accumulators and parts thereof
Furniture and parts thereof
Brooms and brushes

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

Finland

FURTHER LIBERALIZATION OF IMPORTS—The Government of Finland has notified the GATT Secretariat that the commodities listed below have been liberalized from import restrictions as from January 1, 1967:

Whale meat
Fish fillets
Corn flakes and communion wafers
Ships' biscuits, crumbs and rusks, other biscuits
Natural yeasts
Flours of meat and fish
Wine lees
Fish solubles
Gypsum and anhydrite
Lime and cement
Toluene and xylene
Methanol
Articles of leather or composition leather
Articles of apparel and clothing accessories of leather or composition leather
Articles of furskin
Carpets, mechanically made
Textile fabrics impregnated or coated with preparations of cellulose or other artificial plastic materials
Textile fabrics coated or impregnated with oil
Fire hoses and other textile hosepiping
Steam boilers
Internal combustion piston engines
Water turbines and regulators therefor
Pumps for liquids and liquid elevators
Fans, blowers and similar machines and appliances
Air-conditioning machines
Electrical generators and motors, transformers
Radio and television reception apparatus and assembled parts
Assembled parts for other radio apparatus
Other electrical goods and apparatus
Baby carriages and parts thereof
Vehicles not mechanically propelled

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

Turkey

FOREIGN TRADE REGIME JANUARY-JUNE 1967—In the *Official Gazette* of January 4 the Turkish Council of Ministers announced the foreign trade regime affecting imports for the period January 1—June 30, 1967. Although the new regulations and lists include some relaxation in the restrictions on certain imports, they are on the whole more restrictive than those in effect during the second half of 1966.

Some 25 products have been removed from the "United States only" import list and may now also be imported from Canada, generally under quota. These include:

Certain chemicals
Tinplate
Alloyed and high-carbon steel
Diesel engines
Gasoline and other internal combustion engines
Sprayers and dusters
Excavating machinery
Certain machine tools
Typewriters
Computers and statistical machines
Electric motors

In addition, although the composition of the free import lists remains virtually unchanged, over 22 items have now been added to those benefiting from a quota allocation, including:

Kraft and sand paper
Certain copper electrodes
Cables of electrolytic copper wire
Aluminum and copper wire
Chains
Synthetic latex
Plastic fittings for manufacture of tubing
Certain parts for scales and weighing machines
Special fabrics for manufacture of asbestos cement pipes
Lead concentrate
Rennet casein

There is, however, no longer any provision for import of some 16 items including:

Explosives and detonators
Ozalid paper
Cut timber
Steel sheets
Iron and steel pipes
Strips and wires
Glass fibres
Trailer tractors
Pitch parts
Wire solder and arc welding electrodes
Certain agricultural and horticultural machinery.

As in the past, imports may be made only against the free import lists and the list of goods subject to import quota. Industrial establishments exporting their manufactured products or selling these against foreign exchange to foreign organizations in Turkey are being allocated foreign exchange for raw, auxiliary and packing materials required for their production. Imports of goods for trade may be made only by real persons or legal entities holding an importer's certificate from a Chamber of Commerce and/or Industry. No certificate is required for imports made for their own needs by industrialists, exporters, mine owners, ship owners, building contractors, tourist establishments and manufacturers registered with a Chamber of Commerce and/or Industry. No combined or private barter transaction involving imports may be made. The import of old, used and reconditioned goods is prohibited, except in the case of rotary printing presses.

Import licences may be obtained from the Central Bank and are required for clearing the goods. They are effective for six months from the date of issue; goods must be imported within that period. If manufacturing requires it, supplementary time limits beyond this import period may be obtained upon application.

Licences are issued under the following conditions:

If the goods are to be paid for by letter of credit, the Turkish lira equivalent shall be deposited and application for transfer of foreign exchange shall be made within two months after date of letter of allocation of foreign exchange and within three months of date of certificate of need.

If the goods are to be paid for cash against documents or against goods, this must be declared within the same periods and an additional 50 per cent of the Turkish lira equivalent deposited with an authorized bank. Imports from Canada may be paid for only in U.S. dollars.

For certain goods which are subject also to the permission of a Ministry or the Union of Chambers of Commerce and/or Industry, a separate import permit is required. These permits are valid for three months. The guarantees regarding such goods (see below) must be deposited within ten days of the date of the permit.

For imports against the free import lists, a cash guarantee of 70 per cent of the Turkish lira equivalent for goods of List I, and 100 per cent for goods of List II must be deposited with the authorized bank when application for licence is made. The cash deposit for miscellaneous chemical fertilizers and composite fertilizers has been reduced from 70 to 20 per cent, and for breeding stock from 70 to 1 per cent. For parts for land vehicles it has been raised from 100 to 125 per cent.

For imports against the list of import quotas, a cash guarantee of 30 per cent for importers and 10 per cent for industrialists is required. The rate of guarantee is 1 per cent for the investment quota of the private and public sector included in the import quota list. Applications for import licences for goods under import quota must be made within one month from announcement of the quota. They should not exceed 20 per cent of the total quota, except in cases where the value of one unit is greater than this amount. In such cases, the application is accepted subject to proof by submission of pro forma invoices. When imports are made against quotas marked "miscellaneous goods", the goods need not be included in the import lists. However, articles included in the free import lists may not be imported aganst these quotas.

The guarantee deposits required under the AID-financed program (not applicable to Canada) are now equal to those required for imports on both the free lists and the quota list as indicated above. These deposit rates were formerly 30 and 20 per cent for importers and 20 and 10 per cent for manufacturers.

Detailed information concerning the current import trade control regulations affecting any particular commodity or product may be obtained from the Asia and Middle East Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa.

Zambia

IMPORTS THROUGH DAR-ES-SALAAM—The Zambian Ministry of Commerce, Industry and Foreign Trade recently announced new measures to ensure the increased use of the port of Dar-es-Salaam for Zambian imports. The new regulations provide that certain categories of goods will now be licensed only for import through Dar-es-Salaam, Tanzania. Goods so licensed will be mainly relatively high value consumer goods, easy to handle, comparatively resistant to damage, and suitable for transportation by road or air freight.

The initial list of commodities includes tobacco, tobacco products and smokers' requirements; most textile articles, including clothing and blankets; shoes; rubber tires and tubes; books; sporting goods; watches, silverware and jewellery; perfume and numerous other small volume and high value commodities.

Marketing Data Sheet

COLOMBIA

Area

440,000 square miles.

Climate

In lowland areas tropical, but temperate in upland areas where most of the population lives.

Population

In 1964, population was 17,500,000. The birth rate is 38 per thousand, the death rate 10 per thousand.

Income

National income in 1964 was U.S.$5.4 billion; per capita income was U.S.$308. In 1965, the average hourly wage was 3.65 pesos.

Motor Vehicles

In 1964, 137,700 passenger vehicles (3,900 in government service, 93,600 privately owned, 40,200 in public service) and 87,000 trucks (6,800 in government service, 56,000 privately owned, 24,200 in public service).

Telephones

23 per 1,000 persons.

Radio and Television

2,150,000 households have radios and 360,000 have TV receivers (525 lines per picture). Broadcasting facilities are both publicly and privately owned.

Electric Power

Most of the country has 60 cycle a.c., 110/220 volt power available. Exceptions are Bogota, which has 60 cycle a.c., 150/260 volts, three-phase, and Cartagena, which has 60 cycle and 50 cycle a.c., 220/380 volts, three-phase. There is considerable variation, particularly in Caribbean coastal areas. Domestic distribution systems do not have ground wires. No ground connection is required in the cord.

Production of electricity in 1964 was 4.27 billion kwh. Output is being increased and distribution improved with major cities' supply being interconnected.

Coal

About three million metric tons a year are mined for consumption within the country.

Gas

Production of natural gas in 1964 was 84.7 billion cubic feet (11.3 billion used by industry, 3.3 billion used in the production of propane, butane and gasoline, 23.1 billion used at the gas fields and 47 billion burned). LPG produced from oil was about half a million barrels in 1964 and is increasing rapidly. Domestic consumers in Bogota pay 34.70 pesos for a 45.5 kilo cylinder of LPG.

Petroleum Products

Total production of crude oil in 1964 was 62.5 million barrels, of which 31.2 million barrels were exported. Colombia is self-sufficient in most refinery products. Production in 1964 included:

	million barrels
Gasoline	11.0
Fuel oil	8.7
Diesel oil	4.1
Kerosene	1.8

Weights and Measures

Metric, but local measures are also used.

Screw Thread

North American SAE right hand and metric right hand.

Standards

No standards for appliances yet, but government standards for light bulbs, transformers, wire and cable and electric meters are to be established in 1967. Official approval organization: Seccion de Normas y Calidades, Ministerio de Fomento, Edificio Bochica, Carrerra 13 No. 27-00, Bogota, Colombia.

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