CANADA

foreign trade

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cover Last spring, the Canadian Showroom in Rockefeller Centre, New York, featured displays of Canadian-made sporting goods. Buyers visiting the show paid special attention to equipment for winter sports, seen in our cover picture. Canada's $15 million sporting goods industry finds in the U.S. its largest export market, with ice skates and fishing tackle the best sellers. For a review of this expanding market and its possibilities, see our special feature on pages two to eighteen.

Sports Equipment

Made in Canada

Production of sports equipment is rising as population grows, and more and more people turn to sports for healthy recreation. Exports too are expanding, especially in the winter sports field, with the United States the leading customer.

P. GRANT JONES, *Commodities Branch.*

CANADA'S MANUFACTURERS OF SPORTS AND ATHLETIC GOODS believe that 1957 will see production and sales rise in their industry. Whether they are talking of golf, fishing, trap shooting, curling, hockey, skiing, archery or other sports—the story told by key officials of the associations governing such sports is the same: more and more participants in these activities. And more participation keeps the wheels of the industry moving and cash registers tinkling.

Amateur Participation Grows

In curling, for example, this year will see over 225 thousand men, women and youth—an impressive increase over 1956—indulging in the "roaring game" and sending sales of curling equipment up. Golf too is growing spectacularly. It is estimated that 300 thousand Canadians played the fairways in 1956, and the expectation is that within twelve years our golf players will double in number. Last year the golfing fraternity spent about $50 million on green fees, memberships, equipment, balls, sports clothing, footwear, transportation, caddies, and food and refreshments. Skiing in Canada currently claims 300 thousand devotees; during the past five years the ski-patrol system, initiated by the Canadian Amateur Ski Association, has tripled and the Canadian Ski Instructors Alliance, which sets standards of ski instruction throughout the Dominion, has more than doubled in size. As for fishing, conservative estimates place the number of anglers in Canada at 2½ million and that number moves up each year.

In the 1955-56 season, 76,730 hockey players were registered with the Canadian Amateur Hockey Association, compared with only 21,229 in 1935-36. This includes players taking part in clubs associated with the C.A.H.A. in midget, bantam, juvenile, intermediate and senior series. And the average player spends anywhere from a few dollars up to probably $150 for his hockey outfit.

Industry Growing Rapidly

These notes on a few major sports merely illustrate the point that growth in the number of participants in any form of sport is reflected in manufacturers' shipments of sporting goods from Canadian plants. Between the years 1945 and 1955 official figures show that our output of sports equipment by volume almost tripled. The second table on page four supplied by the Dominion Bureau of Statistics illustrates this growth.

Discussions with leading manufacturers revealed a consensus that, although production figures have moved up during these years, the surface of sales possibilities has scarcely been scratched. Several prominent executives have declared that instead of turning out sports goods to the tune of about $15 million annually, the objective should be at least $100 million.

This is a goal which, they argue, should not be too difficult to attain if all types of promotion are fully explored and if salesmanship within the industry at all three levels—manufacturer, wholesaler, and retailer —goes into high gear in both the domestic and export field. Furthermore, in shooting for this production goal of $100 million, they point out that it represents an annual expenditure on sports equipment of only slightly over $6.00 per person, now that Canada's population has risen to over 16 million. But the first essential is to recognize that there is still a large undeveloped market and to resolve to capture it.

Some idea of the size of our sports industry can be gained from the fact that in 1954—the last year for which figures are available—it employed 1,664 persons compared with only 496 back in 1928. In 1954 salaries and wages totalling $4,131,191 were paid out as against $466,139 in 1928. Approximately 90 manufacturers are engaged in the production of sports equipment, most of them in the provinces of Ontario and Quebec, with a few others in British Columbia, Manitoba and Saskatchewan.

Fishing Tackle Leads Imports

Although Canadian manufacturers produce almost every type of sports equipment used in this country, foreign-made sports goods still find a market here. The two major countries from which we purchase are the United States and the United Kingdom, and the largest single import is fishing tackle. In the odd instance, such as curling stones, imports are essential because the United Kingdom is our only source of supply. During the first nine months of 1936, Canada imported 2,175 pairs of curling stones from Britain valued at $87,000. During the same period we also imported 69,000 pairs of ice skates, valued at $115 thousand, also from the United Kingdom. The table on page four gives the quantities and value of sports goods imported during 1953-1955.

Export Market Growing

In the postwar years, the Canadian sporting goods industry has been cultivating export markets and the figures for foreign sales give evidence of their success. In 1953, exports of sporting goods reached $1.03 million; for the first ten months of 1956 they totalled $2.0 million. The main markets, in order of importance, were the United States, West Germany, Sweden, Switzerland, Peru, Netherlands, Mexico, South Africa, the United Kingdom, Chile and Italy.

United States Chief Buyer

The United States, of course, takes by far the largest share of exports and is the area that offers greatest opportunities to Canadian manufacturers, particularly of winter sports equipment and fishing tackle. During the first ten months of 1956, Canada exported ice skates to the United States to the tune of 666,649 pairs, valued at $1,074,590. These figures were more than double those of the previous year. In the same period, we also exported to the U.S. several million clay pigeons, used in trap and skeet shooting.

EXPORTS OF SPORTING GOODS

Articles exported	*1953* *Value $*	*1954* *Value $*	*1955* *Value $*	*First ten months 1956* *Value $*
Fishing tackle	628,188	151,736	320,725	438,064
Ice skates	164,685	261,051	544,968	1,074,590
Sporting goods, n.o.p.	236,527	244,161	404,070	487,549

Imports of Sporting Goods, 1953, 1954 and 1955

Articles imported		1953		1954		1955	
		Quantity	Value	Quantity	Value	Quantity	Value
			$		$		$
Badminton shuttlecocks	Gross	1,914	49,981	1,854	47,691	2,338	54,885
Bagatelle and other game tables or boards	—	—	1,712,902	—	1,637,730	—	807,588
Balls, cues, cue racks and cue tips for bagatelle and billiards	—	—	55,197	—	42,178	—	42,622
Billiard tables	No.	60	9,301	27	8,009	—	2,197
Balls, tennis	Doz.	23,970	60,739	25,587	66,029	22,213	60,883
Balls, all kinds, for use in sports, games etc., n.o.p	—	—	372,914	—	349,152	—	355,253
Cricket bats, balls, gloves and leg guards	—	—	6,519	—	9,073	—	8,484
Golf clubs and finished parts	—	—	155,545	—	182,356	—	244,563
Golf balls	Doz.	31,630	106,909	73,803	225,861	65,273	239,458
Fishing rods	—	—	540,041	—	465,382	—	545,455
Trawls, fly hooks, sinkers, fishing reel and tackle, n.o.p	—	—	2,589,261	—	2,615,670	—	3,044,209
Skis, racquets and racquet frames, and baseball bats	—	—	272,690	—	280,728	—	424,727

Shipments of Sporting Goods by Canadian Industries[1]

Products		1949[4]		1950[4]		1953		1955[2]	
		Quantity	Value	Quantity	Value	Quantity	Selling value at the factory	Quantity	Selling value at the factory
			$		$		$		$
Archery tackle	—	—	—	—	—	—	115,907	—	136,031
Balls, golf, complete	Doz.	120,473	505,840	104,483	519,237	113,327	725,431	[3]	[3]
Baseballs	"	42,866	492,090	53,172	616,906	21,496	317,954	21,893	294,050
Softballs	"					23,050	301,370	23,303	299,118
Balls, other, including bladders, centres, etc.	—	—	757,032	—	662,178	—	871,553	—	740,949
Bats, baseball and softball	No.	171,978	127,182	290,730	217,727	207,511	164,802	136,637	92,752
Billiard and bowling supplies	—	—	1,563,643	—	1,417,914	—	1,913,987	—	1,826,674
Fishing tackle	—	—	2,062,663	—	1,917,384	—	2,730,291	—	2,171,550
Gloves and mittens, baseball, hockey, etc	—	—	398,591	—	781,325	—	1,046,444	—	1,113,843
Golf clubs, complete	No.	211,493	909,957	231,295	994,199	194,301	1,232,496	225,016	1,430,885
Golf equipment, other	—	—	111,983	—	100,347	—	155,750	—	182,600
Gymnasium equipment and supplies	—	—	73,592	—	102,829	—	147,155	—	297,285
Hockey pucks	Doz.	23,423	18,840	28,377	26,629	31,352	39,047	35,968	48,323
Hockey sticks	"	101,126	1,060,647	120,435	1,045,378	120,407	998,323	—	1,424,730
Playground, track and field equipment	—	—	—	—	—	—	90,618	—	120,476
Racquets, tennis	No.	58,699	238,191	53,094	219,342	21,170	109,289	12,518	62,313
Racquets, badminton and squash	"					17,925	92,637	15,675	67,367
Skates, ice	Prs.	777,279	1,358,619	—	1,277,009	355,662	727,839	1,029,407	1,866,018
Skates, roller	"					59,621	171,332	54,787	145,366
Skis	"	104,948	374,902	75,071	244,311	96,971	375,082	57,712	349,558
Ski poles and fittings	—	—	352,522	—	287,142	—	169,718	—	46,270
Snowshoes	Prs.	—	—	—	—	—	41,478	—	[3]
Toboggans	No.	—	—	—	—	110,468	367,642	73,222	246,381
Sporting goods, other	—	—	1,150,912	—	1,431,219	—	953,800	—	1,890,259
TOTAL	—	—	11,557,206[4]	—	11,923,518[4]	—	13,859,945	—	14,852,798

[1] Does not include ammunition, bicycles and firearms

[2]. Figures for 1955 are preliminary and subject to revision.

[3] Confidential—included with "sporting goods, other".

[4] Commencing with 1952, value of factory shipments have been collected instead of gross value of production.

Canadian manufacturers are now realizing that in certain fields, such as winter sports clothing, hockey sticks, ice skates, toboggans, skis, leather hockey equipment, lacrosse sticks, fishing tackle, clay pigeons, etc., they are keenly competitive with other exporting countries. It is thus not surprising that they are placing considerable emphasis on the development of export trade and are endeavouring to capitalize on their world reputation in these lines.

Promoting Export Sales

To help promote sales of Canadian-made sporting equipment abroad, the Canadian Government in recent years has sponsored trade exhibits in various countries, with sporting goods included. Last fall, Canadian-made sports gear was displayed in the Canadian pavilion at the Comptoir Suisse in Lausanne, Switzerland, and as a result Canadian manufacturers made some worthwhile contacts.

Exhibits Prove Useful

More than 25 prominent Canadian producers of winter sports clothing and equipment have been privileged to show their lines in the Canadian Government Showroom in Rockefeller Center, New York City, from time to time. This Showroom is used as a testing place for Canadian goods, for ideas of salesmanship, and for techniques of sales promotion; in fact, it has been called a "sales laboratory". Such exhibits bring worthwhile publicity and have been the means of attracting some of the largest buyers of sports equipment in the New York area. As a result of the last showing, a United States hockey boot manufacturer was placed in touch with a Canadian producer of ice skates and substantial orders resulted.

Other Canadian exporters too have benefited through participation in these government promotion schemes. A special display of sports goods and sports clothing lines by Canadian manufacturers will be a feature of the National Winter Sports Show to take place at the Hotel Sheraton-McAlpin, New York City, from May 12-15, 1957. Several hundred American buyers are expected to attend this show and will visit the Canadian display rooms.

How to Sell Abroad

Manufacturers of sporting goods who would like to sell abroad but lack export experience might keep in mind the following points:

- In writing to the Trade Commissioners abroad for advice on how to approach a given market, supply complete particulars about your product. Quote the best export prices (preferably c.i.f. nearest port of destination) and include copies of your catalogues, folders and other sales literature.

- Give the Trade Commissioner other background information, such as:

  (*a*) When your company began production.

  (*b*) Your present supply position.

  (*c*) Quantities available for export and percentage of your production that can be allocated to export.

  (*d*) Technical information on the use of products, where applicable.

  (*e*) Whether you propose setting up your own individual export department and will take care of your own documentation and shipping.

  (*f*) The marketing methods which you have found most successful, at home or in foreign markets, and the type of distributor or agent believed desirable.

- It is inadvisable to send samples abroad unless the Trade Commissioner or the foreign importer requests them. In such cases, instructions on the method of despatch will be given.

- The exporter must be prepared to meet stiff competition from, and competent salesmanship on the part of, other suppliers.

- There is no hope of successful export sales unless there is a reasonable continuity of supply. A leading sports goods executive put this warning in a little different way recently when he said, "Canada's reputation can be enhanced by expanding our export activities, but it can also be seriously prejudiced if there is any suggestion of an in-and-out approach on the part of new entrants—an attempt to skim a little of the cream off the top."

Trade Association Active

No review of the sporting goods trade would be complete without a reference to its active trade organization, known as the Canadian Sporting Goods and Cycle Association, with head office in Toronto. This organization is responsible to its members for, among other things, the promotion and supervision of its Annual Exhibition and Trade Show (which this year was held in conjunction with the Canadian Hardware Show in the Industry Building, CNE, Toronto, Feb. 11-14) and the dissemination of information of interest to manufacturers. Moreover, it promotes and encourages the increased use and sale of sporting goods.

At this year's Trade Show, some 60 prominent firms exhibited their latest lines. The business written justifies the statement that 1957 should again see new records set in the production and sale of sports goods. ●

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Sports Equipment

The United States Market

Growing population with rising incomes and more leisure has boosted sales of sporting goods in the United States to new heights. Continuing emphasis on sport should mean expanding market; Canadians may capture larger share of this business if they can meet domestic and foreign competition.

R. F. RENWICK,
Consul and Trade Commissioner, Chicago.

A FEW DOZEN CANADIANS, plus approximately 10,000 sports-minded American businessmen, joined forces in Chicago during the first week of February. Their purpose was to attend the National Sporting Goods Association convention and trade fair. The Canadians were there mainly as buyers but a handful were exhibiting their Canadian lines. Although similar exhibits are held in such centres as New York, Atlanta, Omaha, Cincinnati and Dallas, the Chicago show is by far the most important, attracting 540 exhibitors—or about one-half of all the sporting goods manufacturers in the United States. Past experience had shown that, among other things, Americans like Canadian ice skates, hockey sticks and outdoor camping equipment, and a few of our manufacturers' representatives were there to take advantage of a booming market.

Market and Industry Expand

The United States sporting goods market has grown tremendously over the past twenty years and this expansion is expected to continue. Basically responsible is the growing and prosperous population, which is expected to reach about 190 million by 1965. A million new families a year, with an average of $5,500 to spend and the leisure time to spend it, provide the solid foundation for a continuing rise in sales. A shorter work week, longer vacations, more children at school and college, and prosperous communities willing and able to spend money on organized sports or recreation lead those in the industry to forecast that they will achieve another record sales volume during 1957.

To arrive at any definite figure to show the extent of the sporting goods industry is difficult. The 1954 *Census of Industry* in the United States gives the value of shipments of athletic goods manufactured as $294 million. However, the useful 1955 National Fishing and Hunting Survey made by the U.S. Fish and Wildlife Service reveals that 25 million fishermen and hunters spent $3 billion during the year on hunting and fishing alone. Those millions of fishermen and hunters are reported to have spent $595 million on specific equipment, $688 million on general equipment, $145 million on food, $89 million on lodging, $366 million on transportation, and the large amount of $84 million on licences, leases, privileges and game stamps or tags. Here is a market without exchange controls, import licences or any practical limitations. A new well-designed acceptable casting bait would fast push the famed mousetrap into the shade.

Keenly Competitive

Severe competition is the greatest obstacle faced by Canadian exporters, for (with the exception of Scotch curling stones) there is hardly an item or an acceptable substitute that cannot be obtained from domestic sources. The table on page seven shows the more important sports goods that U.S. dealers are importing.

United States *Imports for Consumption* statistics list a total of $26,591,332 for imports of "athletic and sporting goods, dolls and toys" for an inclusive number of class items. Eliminating imports of dolls and toys where possible, but including sports goods made from rubber, wood and metal and not included in the main subsection total, as well as small shipments and parts, provides a total of about $15,250,000 for imports in 1955, or 5.2 per cent of 1954 domestic shipments. United States import statistics are more detailed than the corresponding Canadian export figures, which give the following totals:

MAIN EXPORTS OF CANADIAN SPORTING GOODS TO UNITED STATES

	1948	1952	1955	1956 (9 months only)
Ice skates	$367,242	$271,287	$ 451,523	$ 739,813
Fishing tackle	19,862	153,578	314,584	400,260
Sporting goods, n.o.p.	200,973	118,543	321,034	334,191
Totals	$588,077	$543,408	$1,087,141	$1,474,264

Source: DBS Trade of Canada—Exports.

In Canada, "sports goods" is vaguely defined and therefore some items cannot be identified because they are included in "leather manufactures, n.o.p." or in "manufactures of wood, n.o.p.", which alone accounted for export sales to the value of $2,200,754 in 1955. Chicago retailers, for example, carry Canadian-made sleighs, toboggans, skis and hockey sticks in this classification; sleeping bags, hockey equipment, and ski boots also find favour.

Wide Scope for Promotion

Sales of sporting goods in the United States have been stimulated by practically every type of merchandise promotion. Television and radio are used extensively in the larger centres. Rarely a day passes without a major sporting event being broadcast or at least reviewed. High-pressure advertising is combined with the more

Main U.S. Imports of Sports and Athletic Goods, 1955*

Showing Total Value by Item and Principal Countries of Origin

	$
Golf balls	243,384
United Kingdom	187,716
Malaya	14,071
Japan	41,597
Golf clubs	19,615
United Kingdom	19,258
Lawn tennis balls	188,897
United Kingdom	180,391
Rubber balls, athletic	126,478
Sweden	16,558
West Germany	25,425
Japan	77,704
Baseballs	14,630
Japan	14,630
Footballs	39,864
United Kingdom	14,262
Table tennis balls	151,690
United Kingdom	123,101
Japan	19,695
Badminton racquet frames	39,142
Belgium	17,457
Japan	12,744
Badminton racquets	1,010,345
Belgium	144,675
Pakistan	194,495
Japan	665,720
Badminton nets	171,548
Japan	161,760
Tennis racquet frames	222,171
Belgium	127,657
United Kingdom	63,283
Australia	16,758
Tennis racquets	151,756
Netherlands	10,990
Belgium	18,583
Pakistan	81,538
Japan	37,966
Ice hockey sticks	119,354
CANADA	117,240
Toboggans, wood	35,411
CANADA	35,411
Lacrosse sticks	21,206
CANADA	19,836
Field hockey sticks, polo mallets, tennis nets	99,156
CANADA	13,641
United Kingdom	67,629
Pakistan	10,622
Athletic goods, wood	255,517
CANADA	24,314
Norway	56,122
France	48,873
West Germany	10,532
Austria	78,050
Japan	20,441
Ice skates	772,743
CANADA	445,980
Sweden	27,446
United Kingdom	290,790
Skating outfits	44,152
CANADA	44,152
Ski wax and wax manufactures	32,794
CANADA	13,579
Sweden	10,693
Roller skates and parts	12,389
United Kingdom	12,389
Fishing rods	156,856
Japan	156,055
Fishing reels	2,324,745
Sweden	45,946
France	1,692,298
West Germany	170,246
Switzerland	114,110
Italy	120,201
Japan	170,834
Fishhooks	906,127
Norway	693,984
United Kingdom	98,657
France	48,216
Switzerland	15,681
Japan	46,524
Fish baskets or creels	116,802
Hong Kong	46,669
Japan	69,393
Fishing tackle (exc. lines, nets, seines)	681,243
Sweden	159,536
France	82,803
Japan	401,491
Hunting knives	613,655
West Germany	412,917
Firearms and parts	9,253,065
Belgium	5,167,696
Spain	445,682
Italy	369,514

* Imports omitted where less than $10,000.
Estimated total imports $15,250,000.

Source: United States Imports of Merchandise for Consumption Commodity by Country of Origin—1955.

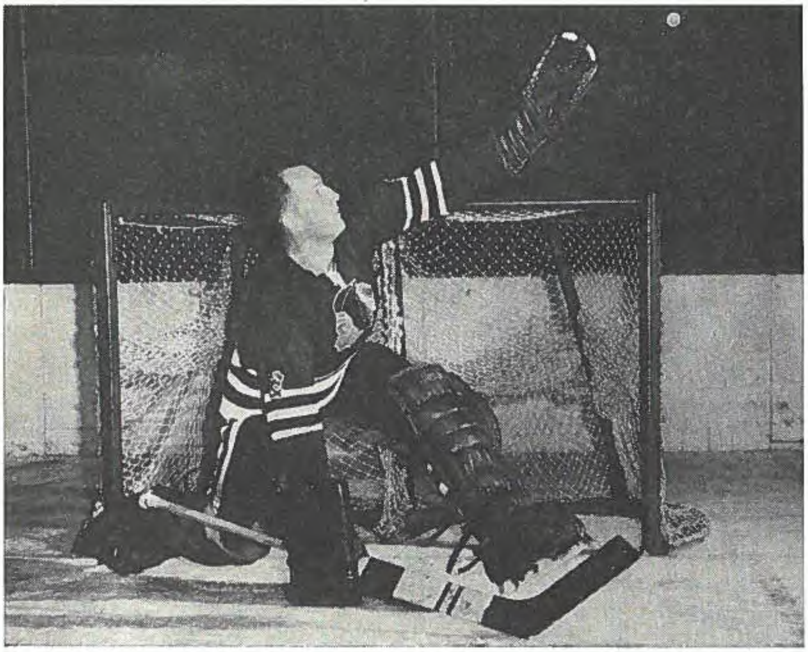
subtle approach of interviewing athletic personalities in a discussion of the relative merits of various types of equipment. Sports clinics and sports schools, local, state and national competitions are encouraged, and at times financially supported, by manufacturers. Of particular interest to Canadian exporters of winter sports goods are studio ice rinks, which are becoming popular in the Midwest. Home outdoor plastic ice-rink kits hold future promise because a father is more likely to permit a neighbourhood play rink on his lawn when he knows that with the spring his expensive landscaping will not suffer. More rinks mean bigger sales of skates.

Once the younger set reaches grade school or college, they are exposed to the postwar trend of bigger and broader sports programs. American authorities have urged colleges to institute sports programs where there were none, and others to make sure of wider participation to cut down on the number of overweight, short-winded collegians showing up at draft boards. Such sports as bait-casting, squash, golf, bowling, table tennis, polo, sailing, handball, archery, fencing and lacrosse—to name a few—have been added to campus activities with a carryover into civic life of inestimable value to the trade. In the process, team sales are often a volume business essential to a profitable dealership. The majority of smaller stores with annual sales of less than $50,000 rely on team business for nearly a quarter of their volume. Half of the larger stores, although not as dependent on team sales, find they do up to 25 per cent of their total with schools, colleges and other organizations sponsoring team sports.

With the exception of fringe areas, the greatest emphasis is on summer sports which begin in the spring and carry over into the fall. Unquestionably, fishing tackle is and will continue to be the most popular and important line in the sporting goods field. It rates as the leader among the top 24 lines handled by retailers, jobbers and manufacturers, and representatives. Nearly 55 per cent of all sporting goods manufacturers are involved in the sports fishing trade. Only about 12 per cent of sales representatives carry tackle, almost twice the number that handle the next most popular line, which is hunting equipment. Baseball, football, boating and golf equipment are also counted among the leaders. Unfortunately for Canadian winter sports manufacturers—who are most active in the market and whose goods are judged to hold the most promise for expanded sales—winter sports equipment is well down the list, ranking eighteenth in popularity. However, numerous retailers expect their sales of skis and equipment to expand and join fishing and baseball goods as major-volume lines.

Cultivating the Market

The Canadian manufacturer of sporting goods who wishes to sell south of the border can make his approach in several ways. One is to attend or exhibit at the National Sporting Goods Association Fair mentioned in the first paragraph of this article, or similar fairs held in other parts of the United States. Another is to make a business trip to the areas that seem to promise best and, with the help perhaps of the Trade Commissioner, investigate the market personally. The reports that follow may help the Canadian manufacturer to determine whether the sporting goods which he makes have a good chance of success in the U.S. and where he should concentrate his efforts. ●



Al Rollins, goaler for the Chicago Black Hawks, makes a dramatic save. Rollins is wearing Canadian-made hockey equipment, one of the lines in which Canadian manufacturers compete strongly in the U.S. sporting goods field. Team sales play a big part in this business. Chicago retailers stock hockey sticks and equipment, skis and ski boots, ski wax, toboggans and sleighs.

NEW ENGLAND—*This is an ideal region in which to introduce new lines of winter sporting equipment or gain experience in the United States market. New England offers a compact, densely populated area with a keen interest in sports and good purchasing power.*

NEW ENGLAND provides a year-round playground, with its high hills and low winter temperatures for the snow and ice-sports enthusiast, and an abundance of lakes and long stretches of ocean beaches and an agreeable climate which the summer vacationer appreciates. A high proportion of the 7.5 million inhabitants of these states enjoy these facilities, which they share with numerous visitors from the densely populated adjoining regions.

Professional teams in various sports in Boston have won the support of the entire region and their fame and skill encourage children to take part in sports. The Boston Red Sox baseball team is the pride and joy of local sandlot players and in the winter the Boston Bruins hockey stars inspire the boys to take greater interest in skating. Added to this form of promotion are the fine facilities for sports and the natural advantages of the region. Obviously a person with the inclination for exercise in New England is not forced to be inactive at any time of the year.

Winter Sports

• *Skiing*—The train or car traveller in search of ski slopes within New England can select from a wide variety of resorts. Boston newspapers list daily ski conditions at seven ski slopes which adjoin the metropolitan area and another seven ski areas in western Massachusetts.

All of New Hampshire's eleven ski resorts have lifts or tows and professional instructors. For family recreation, some of them also provide skating rinks, toboggan runs and ice fishing.

Vermont is reached less easily from Metropolitan Boston, but because of its ideal ski areas and reliable snow conditions attracts regular visitors to 14 excellent resorts. In fact, this state is considered to be the winter sports mecca of the eastern United States.

Enthusiasm in Maine has resulted in a ski council comprised of delegates from the state government, educational institutions, ski clubs and commercial interests. Three completely modern, mechanized ski areas are now in operation.

There are no figures to show the rising popularity of this winter sport in New England, but the continuous development of new areas indicates an interest in skiing that is growing each year.

• *Other Winter Sports*—Lakes, ponds and rivers throughout New England offer good outdoor skating for children and their parents in a normal winter when there is not too much snow before the New Year and temperatures range in the 20's. Hockey and skating are enjoyed on community outdoor rinks in city suburbs and rural areas.

Sleighs, coasting discs and an occasional toboggan cover the hills of the Boston metropolitan area after each snowfall. People who do not seek a tropical winter vacation and who are not addicted to skiing can find healthy exercise near home with a snow shovel, skates or some kind of sleigh.

Summer Activities

• *Vacations*—New England summers are warm and holiday travellers head for the lakes and seashore. Good highways lead from the big cities to the miles of sandy ocean beaches north and south of Boston.

Starting from the south, Rhode Island offers 400 miles of coast with surf bathing, sandy beaches and protected waters for pleasure boats. Proceeding north you pass Martha's Vineyard and Cape Cod in Massachusetts, where numerous summer resorts are located. Just above Boston several fine beaches are within easy reach of the city for Sunday swimmers. Farther north several recreation sites dot the 18-mile coastline of New Hampshire. The beautiful white beaches of Maine include such famous ones as Kittery, Kennebunk and Old Orchard. Many Canadian summer vacationers are familiar with the New England coast.

• *Stay-at-Home*—Suburban living, with its accent on outdoor recreation, has boosted sales of equipment for lawn games; croquet and badminton, for instance, have become popular suburban pastimes. Retail sports stores and the sporting goods departments of the big variety stores feature home-entertainment goods in attractive window displays from spring to autumn.

Competition Is Keen

At one time the skilful participant in winter sports, especially skiing, would consider only imported winter sports equipment suitable. Canada was then one of the principal foreign suppliers. When winter sports became more popular, equipment manufacturers throughout New England improved their designs and concentrated on sales promotion through the sports instructors. Local production has now risen to meet the new demand. Imports still account for a significant share of the market but Canadian companies no longer dominate the trade. Retail sports stores feature watercraft, skates, hockey sticks, etc., from Canada, but carry skis from Germany, Austria, and Scandinavia. Buyers accept Japanese sports equipment as satisfactory in quality and style for beginners and parents find their prices attractive. The quantity and range of purchases from Japan in this category expand each year. The market for junior sports equipment is growing, with 67 per cent more children in the one to five age group in the United States now than in 1940.

Prospects for Canadian Firms

Customers buy sporting goods over the counter from a variety of outlets other than sports shops; the resort operators, hardware merchants, department stores and even drug stores all carry them. The exporter should appoint a jobber who specializes in sports equipment and apparel and who operates out of Boston, Springfield, Manchester, Burlington, or Portland. The Boston firms cover the entire New England area; those in the other cities restrict their sales areas. Representatives call on retail customers regularly and attend to sales promotion. They expect an adequate commission and a contract for exclusive sales rights in their territory.

New England offers a compact, densely populated division of the national market which is particularly attractive for sports equipment sales and an ideal region in which to introduce new lines or gain experience. The annual New England Sportsmen's and Boat Show is held for nine days in Boston every February. Exporters should consider an exhibit at the show or at least a visit to this assembly of merchants and customers.

These youngsters find that there's nothing like a good toboggan and a snowy slope for an afternoon's fun. In 1955, Canadians sold nearly $36,000 worth of toboggans to American customers.

Compared with imports from Europe, our sales are but a small fraction of the total. New England representatives have indicated their willingness to negotiate sales agreements for skiis, skates (separate or attached to boots), sleighs and coasting discs, or other seasonal sports equipment that has a good sales record in Canada. The Canadian Trade Commissioner in Boston would like to receive offers from Canadian firms in these lines.

—F. B. CLARK,
Consul and Trade Commissioner, Boston.

NEW YORK—*Retailing of sports equipment in this area centering more and more around specialty store, which has particular interest in imported goods. Ice skates, hockey equipment, lacrosse sticks, and snowshoes among best Canadian opportunities.*

THE IMPORTANCE OF THIS AREA in the United States sports-equipment market is highlighted by figures taken from the 1954 *Census of Business* made by the U.S. Department of Commerce. In that year wholesalers of sporting goods rang up sales of over $234 million. New York and Pennsylvania were included in the four states that led the way with sales of $10 million or more each. Altogether the four states accounted for some 56 per cent of the total sales volume.

Unfortunately sales statistics are not available for this area to show the relative importance of equipment sales for the various sports. However, a survey of some of the leading retailers produced the following pattern: fishing tackle and hunting equipment (including camping equipment); equipment for the following sports—golf, skating and skiing, water sports, lawn games, baseball, tennis, basketball, and football. It would be more reasonable to classify many of the sports listed above as coming within the first dozen sports in popularity rather than attempt to assign a specific position to them.

In the past few years, some relatively minor sports have grown remarkably—sports such as skin-diving, skating, skiing and archery. For example, the winter sports generally are increasing in importance, thanks to the application of engineering skill to the development of ski slopes using a minimum snowfall, the increased use of artificial snow, and the improvement of roads, as well as the opening of new ones to give access to additional winter resorts. As for archery, New York is now the second state in number of bow hunters licensed—23,000. New Jersey and Pennsylvania are the next in importance with 20,000 licensed hunters each.

Imports Play Minor Role

In the over-all sports-equipment picture imports are a minor factor. In fact, in this—probably the leading region for imports—it is doubtful whether they average as much as 10 per cent of all sports equipment sold.

There are, of course, exceptions and lines in which imports play a prominent role include fishing reels and hooks, ice skates, badminton racquets and shotguns. The pattern of imports for this area follows that for the country as a whole, although they bulk larger in the market here than in other parts of the United States. The main items imported and principal suppliers are:

Fishing equipment from—France, Japan, Norway, West Germany, Switzerland, Italy, United Kingdom, Sweden.
Guns and parts from—Belgium, Spain, Italy, Sweden, Finland, Canada.
Badminton equipment from—Japan, Pakistan, Belgium.
Ice skates and hockey equipment from—Canada and the United Kingdom.
with a variety of items for the other sports including golf, tennis, baseball, etc., mainly from Britain, France, West Germany and Japan.

Imports are increasing and this trend should continue. The basic reason seems to be the prominence of the specialty store in this field and the advantage of special imports to a retailer in building a character for his store. He has difficulty doing this on domestic merchandise alone because the manufacture of sports equipment in this country is concentrated in a very few hands, but he can do it through selective imports. With imports, he can get away from standard items and can also hope to get keener, more competitive service. Retailing in this field is centering more and more around the specialty store and in the New York area it extends to specializing only in certain sports. The department stores are losing interest in retailing sports equipment; because of the expense of maintaining a department, many stores have dropped it entirely and others are neglecting it.

Opportunities Exist

The buyers' problem here is one of selection rather than search. For everything they want there are several sources of supply and it becomes a matter of picking the most competitive and suitable offerings. Canada now supplies mainly ice skates and hockey equipment and interested manufacturers could expand sales further. There are also possibilities for top-quality leather accessories for archery equipment; for good quality salmon-fishing gear such as flies, lines, leaders, tackle cases, etc.; lacrosse sticks; a good-quality snowshoe at a competitive price; a skate sail; a small bobsled styled to the requirements here, and tentage and other camping equipment. Buyers are, of course, always willing to look at offers and they are usually interested in those that are competitive. The items suggested as possibilities are those in which quality is the prime consideration and price is secondary; nevertheless, the price needs to be competitive on a laid-down, duty-paid basis.

I have already drawn attention to the retailing of sports equipment by specialists rather than general merchants. It follows that the more closely the retailer can tie in his sales staff and store activities with the sport being promoted, the more successful his efforts are likely to be. If a member of the sales staff is an expert in the field or actively engages in the sport, so much the better. For example, skiing stores in the snow belt organize schools, present style shows, set up transportation to slopes, offer rental equipment, and have at least one member of the sales staff who is an active skier. In up-state New York, for instance, one Buffalo store with branches in other centres publishes a magazine for skiers to keep them up-to-date on all events. A Rochester store is well known for its skiing instruction service. However, in New York City schools either for golf or skiing are seldom used as an integral part of a store operation. The principal method of promotion is window display and the majority of retailers key their displays to the season and the sport. Opening days for baseball, hunting, fishing, etc., are popular lead-offs. National or international sporting events are also used and a regular program of promotion themes is available from the national association and through leading trade publications.

Future Has Promise

The prospect for the future seems bright indeed. The physical fitness program sponsored by the President provides general encouragement and within this area there are promising developments for individual sports. Artificial ice rinks are on the increase, but probably the biggest shot in the arm for skating will come from the portable ice rink that is designed for family skating in the backyard. It gained popularity this year and is expected to make rapid strides next year. Archery ranges are flourishing.

Fishing too comes in for its share of promotion as public funds are used to create new facilities, improve existing ones, and provide access to others. For example, Connecticut is providing access to the Willimatic, Blackledge and Jeremy's Rivers, New Jersey is planning a development along the Pequest River in the northern part of the state, and Pennsylvania has several big lake projects, one in the Poconos region and another near Pittsburgh. About the only sports that seem to be having problems here are golf and tennis, particularly in New York City and the surrounding suburbs, where land for courses and courts is at a premium.

Television is also playing a part in popularizing many sports. An outstanding example is the interest in bowling stimulated recently by the televising of championship series.

—C. R. GALLOW,
Consul and Trade Commissioner, New York.

SOUTHERN STATES—*Equipment for water-skiing and fishing and for golf offers best sales possibilities. Few Canadian exporters have sold in this area, but dealers offer suggestions for those who wish to experiment.*

SPORTS OF EVERY SORT, except the winter sports of the North, are possible in the South because of the mild to sub-tropical climate and the diversity of topography. Fishing and water sports are particularly popular and the southern region is probably moving faster in these two sports than any other part of the United States. Golf is also very popular—in fact, 25 per cent of all the golf courses in the United States are located in the eleven Southern States covered by this report. Tennis and badminton have as many devotees in this region as anywhere else except California, and football and baseball have always had an appeal.

Water Sports Booming

Water sports are favoured because of the numerous sea, gulf and lake resorts. Florida has the longest coastline of any state in the Union and also has numerous lakes and rivers. Cypress Gardens of Winter Haven, Florida, is considered the water skiing centre of the nation.

All the sporting goods dealers whom I approached in the course of this market survey reported a high tide in "water sales", in which they include water skis, swimming aids and underwater equipment. It is estimated that the water sports business in the past five years has shown the fastest growth and that sales in 1957 will far exceed those for 1956. Face masks and fins are the equipment most in demand for underwater sports but several dealers also sell more expensive products such as lungs and tanks.

European countries such as Italy and France, which are considered the pioneers in underwater sports, have been able to sell appreciable quantities of equipment of this type in the South but some dealers mentioned that the high price of the European equipment was the limiting factor in sales.

Water skiing has developed with the growth of the boating industry. Television programs and films have also largely contributed to the popularity of this thrilling sport. Canadian manufacturers of skis have succeeded in obtaining a small share of this market and dealers have the following suggestions for increasing sales:

- Manufacturers should stress in their publicity the "safety factor" and the durability of the ski itself.
- Skis retailing for $30.00 a pair are the most popular.
- The exporter should co-operate with dealers in educational programs and in the promotion of competitive events.
- Ski sizes should be standardized.

Fishing Has Devotees

Fishing seems to be the most popular outdoor sport in Tennessee, Alabama, Louisiana, Arkansas and Georgia. As an example, Alabama has 26 river systems, thousands of miles of clear creeks and mountain streams, and ten artificial lakes. For the fresh-water angler, bass and bream are the favourites, followed by crappie, perch and catfish. Southern game fishermen head for the Gulf of Mexico for the summer runs of tarpon, kingfish, pompano and mackerel.

Most of the equipment used is made in the United States but French, German, British and Belgian tackle is sold here. Fishhooks are imported from Norway, France and Japan.

It would be worthwhile for Canadian manufacturers of fishing tackle to investigate the possibility of appointing representatives in the Southeast and Southwest to find out whether their products are competitive in this important market.

Golf Ranks High

Golf is played all year round in most of the Southern States and good courses abound—in fact, they are increasing year by year. Texas, for example, has 268 (including private, semi-private and municipal), North Carolina has 139, Florida 135, Oklahoma 104, and Georgia 102. The smallest number are in Mississippi and Arkansas, with 44 each.

Golf equipment leads the field in the sporting goods industry as far as sales are concerned; the estimate is $12 million a year, on the average. In club sales the average cost of irons is $5.68 and for woods it is $8.72. The most popular golf balls are the most expensive, at $6.50 per dozen or over.

Foreign manufacturers of golf clubs have captured a very small percentage of this market, with most of the imports coming from the United Kingdom. British balls are also imported; so are balls from Japan. Canadian manufacturers have not yet tried to sell in this market. They might have some success here but only if they can offer equipment of high quality with a special appeal.

—A. A. CARON,
Consul and Trade Commissioner, New Orleans.

OHIO and MICHIGAN—*Winter sports equipment from Canada already selling well in this area. Sales could be stepped up, if import formalities well handled and prices kept competitive with those of domestic producers.*

OHIO AND MICHIGAN, close to Canada geographically and comparable in climate, terrain and population, appear to offer one of the best markets in the United States for Canadian sporting goods. High personal income and the widespread adoption of the five-day week have helped the popularity of a wide variety of sports. Unfortunately, few statistics are available to measure this trend towards sports but the evidence is everywhere apparent.

Sports Popular in Area

Before attempting to pin-point which of these many types of sport are potentially most significant to Canadian manufacturers, it is necessary to assess the factors which contribute to their importance. Arbitrarily and with a certain amount of overlapping, most sports practised in the area can be divided into two general classifications: cold weather sports (roughly November to April), and warm weather sports (May to October).

Obviously, there are many omissions in a list which attempts to include only sports of fairly general popularity, but the following is offered as a guide to sports in this territory:

Warm Weather Sports	*Cold Weather Sports*
Fishing	Bowling
Hunting	Basketball
Camping	Skating
Golf	Coasting
Baseball	Hockey
Water sports	Skiing
Football	Ice fishing
Tennis	Badminton
Archery	Table tennis
Lacrosse	

It is difficult to assess the importance of any given sport because a sport which makes few headlines may have a large number of devotees—for example, it is estimated that more money is spent each year on billiards than on baseball. For equipment sales, however, a sport with a large number of participants is more important than one attracting an equal number of spectators. Further, the quantity, value and nature of equipment and gear required to participate in the sport is significant, particularly to Canadian manufacturers; thus, while basketball is more popular in this area than ice hockey, the higher value of equipment enhances its importance in Canadian eyes.

Warm Weather Sports Predominate

• *Hunting and Fishing*—In general, the warm weather sports predominate in this area, and hunting and fishing are the most popular of all sports. About two million hunting and fishing licences are sold each year in Michigan, and about 1.5 million in Ohio. If these sportsmen adhere to the U.S. national average by spending about $24 each on hunting and fishing gear, their forays are worth almost $85 million to manufacturers and suppliers. This amount is in addition to the average of $28 spent on other equipment such as *tents, sleeping bags, cooking utensils and boats.* Canadian manufacturers, large and small, of these lines should be well situated to participate in this lucrative business. Certainly, many of these firms can check the sales appeal of their products on the American market by keeping a watch on sales to the thousands of U.S. sportsmen who travel to Canada for their fish and game.

• *Outdoor Camping*—Closely allied to hunting and fishing is a growing interest in outdoor camping, family style. Americans by the thousands are discovering anew the mixed pleasures of a holiday spent close to nature and they constitute a vast market for camping equipment, ranging from the bare necessities to the sylvan luxury of "a home away from home". Included are *tents, sleeping bags, camp stoves and cooking equipment, folding cots and chairs, and camp tools.* Stores offer domestic or imported goods in all of these lines, but there are opportunities for new products offering price advantages or some new feature in portability, compactness or efficiency. For the sake of portability, many of these products use parts of wood or aluminum,

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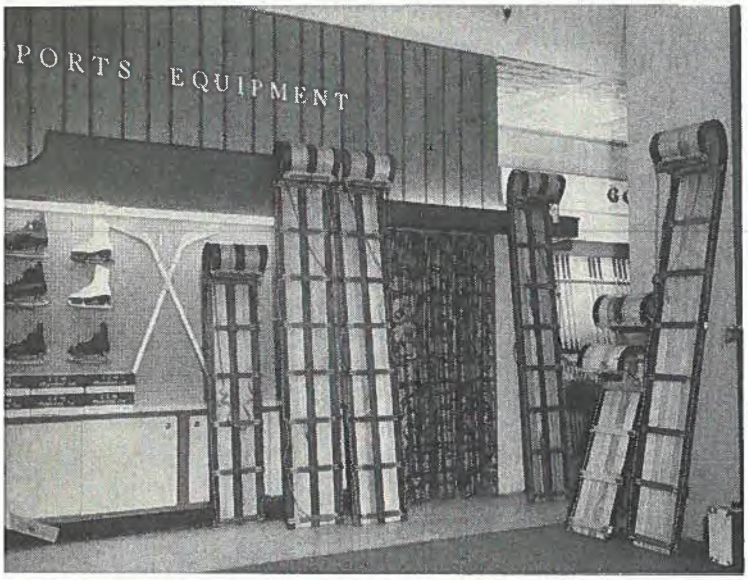

This display of winter sporting goods made in Canada was photographed in a leading Detroit department store a short time ago; it includes ice skates, toboggans and hockey sticks.

materials with which Canadian manufacturers are very familiar.

• *Golfing*—In dollar expenditures, golfers in this area rank next to hunters and fishermen. At present, a few golf clubs are being imported from the United Kingdom and a much smaller number are being purchased from Canada. With increasing use of metal-shafted clubs, however, it is expected that even these limited imports will be gradually replaced by domestic manufactures. *Included among golfers' equipment is one article of possible interest to Canadian suppliers—the golf cart* which is finding increasing use for transporting golf bags, clubs and other supplies around the course.

• *Baseball*—Baseball, whether of the sandlot or major league variety, has a large following in these two states. The organized operation of national juvenile leagues is having an important effect in raising both the quality and quantity of equipment sold. It does not seem likely, however, that Canadian manufacturers could displace domestic producers in baseball's national home unless their products are unique in price or quality. It is reported that Japanese baseball gloves are finding a ready market in the lower-price range.

• *Water Sports*—Water sports, primarily swimming, are extremely popular, particularly in Michigan which bills itself as the "Water Wonderland". Since swimming requires probably the least equipment of any sport, its possibilities for Canadian suppliers are limited. Football, at the other end of the scale, calls for untold quantities of gear per player. Once again, though, many domestic manufacturers appear to have the situation well in hand and chances for imports seem small.

• *Tennis, Archery, Lacrosse*—Other warm weather sports worth mention include tennis, archery and lacrosse. A large proportion of the tennis racquets sold in this area are imported, generally from Europe and Japan. *Wooden racquet presses, however, which are often sold separately from the racquets, might logically come from Canada.*

Archery is growing in popularity in these states and Michigan now reserves a five-week period of the hunting season exclusively for bow and arrow hunters. During the 1956 season, more than 30,000 of these marksmen tried their skill in the woods and while results were rather doubtful, their efforts represent many thousands of dollars worth of archery equipment. Although *import statistics reveal that more than 5,000 lacrosse sticks were imported from Canada in 1954,* in this region the game is played only at a small number of colleges and universities.

Growth of Winter Sports

Coupled with a general growth in sporting activity in the area there has been a very great upsurge in the popularity of winter sports. There are now 66 winter sports areas in Michigan alone in various stages of development and the number is increasing each year. Technological advances—from better roads and automobiles to snow-making machines and ski-lifts—have had much to do with this growth.

• *Bowling*—Despite these new outdoor facilities, however, heading the popularity list for cold weather sports are two indoor activities, bowling and basketball, neither of which appears to offer much scope for Canadian manufacturers. Nevertheless, it is interesting to note that some Canadian firms enjoy a once-removed relationship with bowling through the supply of *maple blocks for the manufacture of bowling pins.*

• *Skating*—Best sales possibilities at the present time are in skating, hockey and coasting. *A number of Canadian firms are currently selling ice skates in this area and their products are in steady demand.* An even better future seems assured, according to local sports authorities. Ice skating and hockey are growing in popularity throughout the Midwest, and in Michigan new open-air rinks with either natural or artificial ice are being developed in many communities. Detroit has opened eight of these city-operated artificial ice rinks since 1953 and local sports goods dealers report steadily rising sales of skates and hockey equipment as a result. Detroit has pioneered in one important phase of this community rink development through a program of experiment with and use of portable plastic freezing-unit pipes. Seven of these new rinks are now in operation in the city, set up on tennis courts, ball diamonds and lawns, and recreation authorities feel that the problem of uncertain freezing temperatures has been at least partially solved. Attendance figures appear to support their enthusiasm, showing an average of 26,000 skaters per week.

• *Hockey*—The new rinks have also done much to stimulate interest in hockey. During the 1955-56 season there were about 150 amateur hockey teams registered in Ohio and Michigan. This year, it is expected the number will almost double. In Detroit alone there are more than 150 teams this season. Throughout the area, most of these teams are sponsored or promoted by local community recreation groups, and about 80 per cent are reported to be junior class or below. Industry-sponsored teams and leagues are being developed and, as in Canada, there are large numbers of youthful players who belong to no team or league but who represent, as a bare minimum, a potential sale for a pair of skates and a hockey stick. Last year, some 2,700 boys played hockey on Detroit's city-run rinks and in addition more than 400 thousand skaters used these facilities.

Although winter throughout much of this territory is shorter and milder than in many parts of Canada, large numbers of sleighs, toboggans and skis are sold and used. There is a large winter sports goods industry in the Midwest and New England, but many of these articles are imported from Canada. *Import statistics show, for example, that in 1954 toboggans worth $22,000 and hockey sticks valued at $46,000 were purchased from Canadian suppliers.* One local sporting goods dealer recently reported that, while his stocks of toboggans this season were double last year's, all were sold a week before Christmas. Most of these, he noted, were made in Canada.

• *Ice Fishing*—Inclement weather cannot daunt the ardent fisherman—and there are an estimated 100 thousand ice fishermen in Michigan alone; throughout the winter their fishing shacks dot the frozen waters of this State. In fact, some enterprising dealers have placed on the market prefabricated or portable fishing shacks made of plywood or canvas over a wood or aluminum frame.

Two other cold weather sports deserving mention are table tennis and badminton, the latter because, like tennis, its racquets require a wooden press. *An aspect of table tennis that may have appeal for some Canadian firms is a trend, noted in many hardware and lumber outlets, to offer for sale a complete, knocked-down table consisting of a properly marked and painted plywood top and wooden legs, together with braces and supports.*

The outdoor winter sports probably present the major opportunities for Canadian manufacturers who can reap the advantage of a large domestic market and of an excellent reputation in the United States.

Close in time, distance and interests to their principal Canadian markets, Ohio and Michigan represent a foreign market with an absolute minimum of the usual problems of export sales. Inevitably, of course, there is the problem of tariffs but much is being done to simplify this for the Canadian exporter. Nevertheless, it must be borne in mind that an American buyer can probably obtain any item of sports equipment in the U.S. and a Canadian manufacturer must be prepared to offer his products in the face of this domestic competition in a way that involves the least possible difficulty for the purchaser. Elimination of these difficulties begins with initial quotations, which should show delivered prices and, if possible, arrangements should be made to relieve the customer of the problem of clearing merchandise through customs.

Apart from import formalities, the major problem of selling Canadian sports equipment in this area is a familiar one—competition. Canadian firms must compete in terms of price, in quality and range of products, in advertising, and in service to dealers and buyers. That this can be done is proved by the substantial sales of some Canadian sporting goods in Ohio and Michigan.

—A. A. LOMAS,
Vice-Consul and Assistant Trade Commissioner, Detroit.

PACIFIC NORTHWEST—*Some opportunities in this region for Canadian fishing gear and skiing equipment, though most sporting goods sold here originate in the United States. Imports at present come mainly from Europe.*

FISHING AND HUNTING have gained tremendous popularity in this region since World War II and have a greater number of participants than any of the other outdoor sports. Residents of Washington, Oregon, and Alaska can enjoy salt-water fishing the year round. These three areas, and Montana and Idaho, provide excellent fishing in their well-stocked streams and lakes for nine months of the year. Hunters have good opportunities to stalk big game and hunt birds. Other outdoor sports, in order of popularity, include golfing, skiing, tennis, skin-diving, lawn-bowling, baseball and football, archery, skating and curling. Most popular indoor sports are bowling and badminton.

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Interviews with buyers of sports goods in four of the largest stores in this area revealed that they import large amounts of this equipment from Europe but little from Canada. These businessmen informed us that practically all the bowling, lawn-bowling, and golfing equipment they sell is made in the United States; so is nearly everything needed for skin-diving, baseball, football, and archery. European and Japanese manufacturers supply all the imported bicycles and hunting knives and there is little opportunity for Canadian exporters in any of these fields.

The demand for fishing gear, curling and skiing equipment presents the main opportunity for Canadian exporters; possibilities are more limited for sporting goods for hunting, tennis, and skating.

- *Fishing*—Buyers in this area import about 50 per cent of their reels from France, Switzerland, Italy, the United Kingdom, and Japan. Fishing poles come chiefly from United States companies except for about 5 per cent from Japan.

- *Hunting*—Most guns sold in the area are made in the United States, although stores buy special guns from the United Kingdom, Belgium and Italy.

- *Skiing*—Fifty per cent of the skis and ski poles which the stores stock originate in Norway, Sweden, France, Italy, Finland and Switzerland. French and Italian ski boots undersell the United States product and it is not likely that Canadian makers could compete effectively.

- *Tennis*—Stores in this region buy tennis and badminton racquets from Australia, Belgium, and Japan.

- *Skating*—United States firms supply most of the skating equipment used in this area, although stores sell some skates from Canada.

- *Curling*—Buyers report that curling rocks come from Canada but we in turn buy most of them from Scotland and England.

If Canadian manufacturers hope to compete in this market they have to offer quality goods at prices that compare favourably with those of European exporters. They must also undertake an active promotion campaign and compete with European goods to win consumer support.

Sports Are Promoted

Nevertheless, interest in sports, and especially winter sports, is growing so fast that the Canadian exporter should keep his eye on this market. Seattle newspapers sponsor skiing schools and contests in baseball, football and basketball. Yakima and Spokane, and Portland, Oregon, also have ski schools and various communities and organizations support junior league teams in the major sports.

Seattle has announced plans to build a civic recreation centre within the next few years and it may also include an artificial-ice rink. New ski facilities are being built in the Snoqualmie Pass, Stephens Pass, Chinook Pass, White's Pass, Mount Baker and Mount Hood areas.

—J. D. FOOTE,
Consul of Canada, Seattle.

NORTHERN CALIFORNIA

—Interest in sports high; popularity of skiing increasing rapidly. Imported equipment sells if possesses special advantages in price, quality, or novel design. Canadian exporters might undertake promotion in this area.

THE POPULATION of the San Francisco Bay area—the main market in Northern California—was about 3¼ million on January 1, 1956. It is increasing by almost 100 thousand a year and is expected to reach 3.6 million by 1960. This area accounts for 24 per cent of the population and retail trade of California, 27 per cent of the effective buying income, and 34 per cent of the wholesale sales. Among the larger metropolitan areas of the United States, the San Francisco metropolitan area ranks third in per capita income, fourth in per capita retail sales, and sixth in total income.

Not only does a large percentage of the population of Northern California have the income needed to participate in sports but in most regions the climate is mild enough to permit the carrying on of a number of sports throughout the year. This part of California also has a sea coast on its western flank, a large warm central valley with many rivers and streams, and an eastern mountain region where there is skiing from December to April, and fishing, camping and hiking throughout the long summer season.

Principal Sports

Although there are no figures on the relative popularity of various sports in Northern California, the following —apart from boating—are the more popular: hunting (deer, duck and other birds); fishing (salmon, bass and many other salt-water fish and trout in inland waters); snow-skiing; camping and hiking; pool swimming; golf; tennis, and water skiing.

There are over 100 golf courses in Northern California (about 50 in the Bay area), with 20,000 handicap golfers registered; ten to twelve new golf courses will be built in the next year or two, each accommodating 200-300 golfers a day. There are approximately 400 thousand skiers in California (48 per cent of them in Northern California) making more than 1.5 million individual trips a year to skiing areas in the State. There are about 400 tennis courts in the Bay area, and four ice-skating rinks and five roller-skating rinks in the San Francisco metropolitan area.

In 1955, over 160 thousand hunting licences were issued in Northern California (licensees also obtained 117,973 deer tags and 62,447 pheasant tags) and over 355 thousand angling licences—and licence sales are increasing steadily. At present about 1.3 million people buy fishing licences in California, approximately 600 thousand of whom are trout fishermen.

Skiing Enthusiasm High

Skiing is expanding at a tremendous pace in California as far as both retail trade and services are concerned; some forecast that about $50 million a year will be spent on winter sports goods and related services within a few years. The annual value of winter sports equipment (not including wearing apparel) sold in Northern California is over $500 thousand. Winter sports wearing apparel, equipment and accessories are on sale not only in the larger cities but also in sports goods and hardware stores in many smaller towns. Many people going to the snow areas for the first time rent their equipment until they decide whether or not they want to invest in an outfit. Estimates of such rentals run to nearly $200 thousand per year in the State. The trade is of the opinion that possibilities for further expansion are limited only by lack of sufficient mountain accommodation, parking facilities in the snow areas, and maintenance of roads to make the highest elevations accessible in a mild winter. These problems are being studied and overcome by both government and private interests.

With the decision to hold the Winter Olympic Games at Squaw Valley (near Lake Tahoe) in 1960, the State authorities are turning the Valley into a permanent year-round State Park; already they have authorization to spend $5 million to improve the site and erect Olympic-type buildings and facilities. Much larger sums are likely to be spent on access roads, including conversion of the present highway from the Bay area into a major route.

With the increased popularity of skiing, many employees are now requesting all or part of their vacations during the winter months. Furthermore, the plans for the 1960 Winter Olympic Games have already given a new emphasis to competition. A large number of ski meets are taking place and are receiving plenty of publicity. In many mountain localities ski-lifts of various types have been added to the existing rope tows and there are now ski schools at most of the mountain resorts and in some cities.

This father and his small son are making an important purchase —fishing tackle. In the first nine months of 1956, Canadian-made fishing tackle worth over $400 thousand was sold south of the border—and these sales could be expanded.

Where Imports Originate

No statistics are available on per capita expenditure on sports equipment in Northern California and the only information obtainable on the value and sources of imported equipment is that collected by the San Francisco Customs District, which relates almost exclusively to imports brought direct to the area by sea. Although this information is far from complete (a sizable amount of items are cleared through customs in the Eastern and Northwestern States) the San Francisco Customs District figures are of interest, because local merchants consider them fairly representative, especially of the sources of imports.

According to the 1955 figures, sporting equipment (not including apparel) imported through the San Francisco Customs District was valued at some $500 thousand. Fishing rods, reels, tackle and parts accounted for over

$200 thousand and came mostly from Japan. The next largest single item was lawn tennis balls, valued at $55,201, from the United Kingdom. Other items include skis, ice skates, equipment for exercise, fish hooks, fish baskets, badminton and tennis rackets, etc. The principal exporting countries were Japan, the United Kingdom, Norway, Switzerland, West Germany and France.

Most of the sports equipment sold in this area is made in the United States. Clearly, however, other countries are able to obtain a market here for sporting equipment which they can make at a lower cost. In addition, some items sell because of their superior quality or novel features or simply because they come from a foreign country particularly connected with a certain sport. But this does not appear to have influenced sales of Canadian products because Americans generally do not regard Canada as a foreign country.

Promoting Canadian Products

There may be limited amounts of Canadian sports equipment coming to this area through Northwestern and Eastern ports. However, the San Francisco Customs District has no record of any such imports and inquiries at local sports shops suggest that little if any equipment made in Canada is available here. The main problem seems to be that Canadian manufacturers of goods with price, quality or novelty advantages to offer have done comparatively little to bring their products to the attention of the trade in this area.

Sports equipment promotion in this area is done in the usual ways, through the news media, travel agencies, clubs, stores, etc. Good promotion is also achieved at the Annual National Sports & Boat Show, which is one of the largest U.S. sports and marine exhibitions. This March it will be held in the large San Francisco Cow Palace (the site of the 1956 National Republican Convention). As usual, boating equipment will be the main feature but fishing tackle, guns and other camping and sports equipment also will be exhibited. It is probably too late for Canadian manufacturers to arrange to participate this year, but they might keep this show in mind for future years.

—G. H. BLOUIN,
Consul of Canada, San Francisco.

Readers who would like to have data on the value and sources of imports of various types of sporting equipment through the San Francisco Customs District should write to the Consumer Goods Division, Commodities Branch, Department of Trade and Commerce. The Branch can also provide a list of sports apparel and equipment stores in Northern California, and of San Francisco importers of sporting goods, plus literature about the National Sports & Boat Show—Editor.

Japan Sells Cultured Pearls

JAPAN'S UNIQUE CULTURED PEARL INDUSTRY set a new record for exports in 1956. Although final figures are not available, it is expected that sales abroad will reach $13 million, up 30 per cent from 1955, partly because of the larger volume of better-quality gems marketed. This is remarkable because overcrowding on the oyster beds, storms and floods reduced production last year by about 20 per cent. The difficulties facing cultivators in Japan have led some of them to spread out and establish themselves in Australia, Indonesia, and the Philippines. A recent announcement stated that Burma plans to begin production within the next few months.

Both the industry and the Government are making efforts to improve the quality of exported pearls. One trade association, for instance, is attempting to control the export of low-quality pearls, hoping to secure an eventual ban on their export. The industry is also producing a set of standards covering several classifications of pearls. To the same end, the Government has established a National Pearl Research Institute to improve the quality of production and help the industry to achieve exports of $20 million a year, working on a long-range export program carefully mapped out.

In the cultured pearl industry, quality control and price stability are closely related. However, the endeavours of the trade associations to maintain stable prices are being hampered because, although cultivation is in the hands of Japanese firms, foreign companies largely control the marketing of the product.

The United States is by far the best market and in 1955 took 60 per cent of all exports, partly because New York acts as an entrepôt for the Latin American trade. Switzerland, which took 8·6 per cent, and France, which took 5·7 per cent of exports, were the next largest customers. They were followed by West Germany, India, Italy, Brazil and Canada, in that order. Canada represented only 1·8 per cent of the total market, but was an important outlet for higher-quality pearls. Canadian imports of unmounted precious stones from Japan in the first eight months of 1956 were valued at $275 thousand, a 65 per cent increase over the same period in 1955, according to Canadian statistics.

—J. E. LANCASTER,
Trade Commissioner, Kobe.

Commodity Notes

Chile

SULPHURIC ACID—The Braden Copper Company, a subsidiary of the Kennecott interests of the United States, has applied to the Chilean Government for authority to invest US$3·3 million in a new sulphuric acid plant to be located near its "El Teniente" mine, in the southern part of Chile. The production of acid would thereby be increased from 50 to 75 metric tons a day as part of the company's plans to raise the output of copper—Santiago, Jan. 15.

Cuba

MINERALS—Exports of minerals in the first six months of 1956 totalled 263 thousand metric tons valued at $18·3 million, compared with 200 thousand tons ($15·0 million) in the same period last year. A breakdown of value increases by groups shows copper with a gain of 34·13 per cent; iron, 9·02 per cent; nickel, 3·01 per cent, and manganese, 33·72 per cent—Havana, Jan. 18.

Denmark

FURNITURE—Danish exports of furniture during the first seven months of 1956 reached a record 24 million Danish kroner compared with 23·4 million Danish kroner during twelve months of 1955.

Of total exports, the United States took 10 million kroner worth, Sweden 2·8 million, Canada 1·8 million, West Germany 1·6 million, and the United Kingdom 1·1 million kroner worth—Copenhagen, Jan. 21.

Federation of Rhodesia and Nyasaland

TANNIN—The Rhodesia Wattle Company has begun the production of tannin in the first of its extract factories near the town of Melsetter. Two other factories are under construction and when completed, value of the extract produced, (at current prices) will total $2½ million a year. Raw material is obtained from 40,000 wattle trees planted on some 68,000 acres in the southeastern part of the Federation. The factories will each produce 8,000 tons of extract per year which will use 48,000 tons of green bark derived from the stripping of 6,000 to 7,000 acres a year. Reforestation is carried out immediately after stripping and the growth cycle is ten years. To date $7 million has been invested in the project—Salisbury, Jan. 15.

MOTOR CARS—The first car to be produced in the Federation is expected to roll off the production line at the end of January from a factory that will produce 1,000 cars this year worth about £325 each. The car is the German Dulda Minicar. Most of the components are made in Germany, but the chassis will be welded in the Federation and the body and wood work will be completed here. The car will be assembled at a factory on Salisbury's industrial site —Salisbury, Jan. 15.

India

DYESTUFFS—The Government of India will soon make the "intermediates" required for the production of dyestuffs, drugs, plastics and explosives. The project, estimated to cost Rs.180 million, is part of the development program of the basic chemicals and drug industries. Imports of dyestuffs during the past five years have averaged Rs.150 million a year, and demand is expected to increase 30 per cent by March 31, 1961, the end of the Second Five Year Plan. There are at present eleven industrial units in India manufacturing various types of dyestuffs, but production is based mainly on the use of imported semi-manufactured materials and only in a few cases do they start from "intermediates", which are also imported—New Delhi, Jan. 10.

Italy

STEEL—During the first six months of 1956, Italy produced 2,852,296 tons of raw steel, compared with 2,641,328 tons during the same period in 1955. Included in this figure are 585,204 tons of special steels.

Pig iron production in the comparative periods was 880,423 tons and 786,570 tons. Broken down, these figures included steelworks pig iron 792,742 tons (692,199) and foundry pig iron 96,681 tons (94,371). Production of steel rolling mills, and of most semi-finished products, also increased—Rome, Jan. 22.

Japan

RICE—The final estimate by the Ministry of Agriculture puts Japan's 1956 rice crop at 349 million bushels. Although the crop did not reach the 1955 record of 390 million bushels, it was well above Japan's average crop of 330 million bushels—Tokyo, Jan. 8.

Mainland China

FOOD—Peking sources claim that in 1956 output of all the country's major food items, except salt, was greater than in 1955. The largest increase was in canned goods where the 44,000-ton production exceeded the 1955 total by nearly 50 per cent. Increases were also reported in the production of sugar, cigarettes and factory oils. Salt production fell by one-third, mainly because of excessive rains —Hong Kong, Jan. 10.

New Zealand

FOAM PLASTIC—Polyurethane products in foam and sponge form will soon be produced in New Zealand. The products will be manufactured under licence from a German firm. Plant and equipment ordered from Germany is now being installed. It is expected that the new plant will concentrate on meeting the foam plastic requirements of the automobile, furniture, bedding and refrigeration trades —Wellington, Jan. 20.

Northern Ireland

SYNTHETIC RUBBER—A factory to make neoprene (synthetic rubber) will be erected by an American company on a 381-acre site four miles northeast of Londonderry. Construction will begin early this year and production is expected to start towards the end of 1959. Materials will be shipped to and from the site, which lies between the Rivers Foyle and Faughan, and for this purpose a new jetty will be built in Lough Foyle. It will also serve the Northern Ireland Electricity Board's proposed new power station at Lisahally. Capital investment in the factory, the power station and the jetty will reach some $45 million—Belfast, Jan. 21.

Sweden

AUTOMOBILES—Swedish exports of private automobiles have shown a considerable increase this year mainly due to the success of the Volvo Company in the U.S. market. Last year Volvo and the other leading Swedish automobile company, AB Saab, exported 2,631 private cars to various foreign markets. With Volvo's present export of over 500 cars per month to the U.S. west coast and over 200 per month to the east coast, final figures are estimated to be higher this year. Despite the fact that exports are only a small percentage of total Swedish production of private cars, sales abroad have increased substantially during recent years—from 789 in 1950 to 1,294 in 1953 and about 2,600 in 1955. The other Scandinavian countries are still the leading market—Stockholm, Jan. 17.

United States

RUTABAGAS—Chicago offers one of the best rutabaga markets in the United States and because the Canadian product is considered to be superior in shape, appearance and storage qualities, it finds great favour here in the winter season from September to April. During the rest of the year Chicago produce buyers obtain supplies from United States growers. The dealers like to keep substantial stocks on hand, and towards the end of the Canadian shipping season will sometimes put a considerable amount into cold storage.

Chicago produce traders are distributors for rutabagas over most of the Midwest and only a few shipments pass through Chicago destined for other cities in the area. Shipments of rutabagas from Canada are usually unloaded and sold on the South Water Market; mixed trailers of produce are made up in Chicago and shipped out to the other main centres. Waxed roots from Ontario supply most of the Chicago demand for Canadian rutabagas—Chicago, Feb. 4.

West Germany

OIL—According to preliminary figures, West Germany's oil production reached a total of 3,506,000 metric tons in 1956. This represents an increase of nearly 400 thousand metric tons, or 11 per cent, over 1955. The richest oilfields were those between the Rivers Elbe and Weser, 1,214,000 metric tons; west of the River Ems, 1,170,000 metric tons, and between the Rivers Ems and Weser, 597 thousand metric tons —Bonn, Jan. 29.

PASSENGER CARS—According to preliminary statistics, the total production of the ten West German automobile works was 960 thousand cars in 1956, double the 460 thousand produced in 1953, and considerably more than the 649 thousand in 1954 and the 851,400 in 1955. The following 1956 production figures have been published: Volkswagen, 332,917; Opel, 163,143; Daimler-Benz, 70,000; Auto-Union, 51,063, and Porsche, 4,246—Bonn, Jan. 29.

How to Sell in Latin America

In the twenty-third article in our series on the techniques of export trade, a Canadian exporter with long experience in Latin America offers down-to-earth advice on how to enter this market and how to keep sales expanding there.

FRANK L. MARSHALL, *Executive Vice-President, Seagram Overseas Corporation Limited.*

LATIN AMERICAN MARKETS beckon strongly to Canadian producers—and they are richly worth our cultivation. These countries have a particularly warm regard for Canada and a great admiration for and a desire to duplicate our impressive, well-rounded progress of the last twenty years. They want more trade with us and, since the two economies are complementary, this two-way trade should continue to expand.

But sustained growth in exports of our primary products and manufactured goods to Latin America will not be either simple or easy to attain. What prize is?

The first step for a Canadian company interested in this area to take is to review the figures of Canadian sales of its type of product to the various Latin American countries over the last few years. These figures it can get from various sources, including the Dominion Bureau of Statistics, the Trade Commissioner Service of the Department of Trade and Commerce, the Canadian Manufacturers Association, and the head offices of the leading banks.

Next, a qualified sales executive or representative of the firm should pay a visit to a selected country or countries. This trip should be carefully planned in advance and the help of the Trade Commissioner in each area sought. It is also useful to carry letters of introduction to Canadian branch banks or to correspondents of the Canadian banks with which the firm does business. If for some reason a personal visit is not feasible at the outset, business can go forward by correspondence—first with the Trade Commissioner and with the banks and later with the firms recommended for handling your line.

Means to Sound Distribution

The basic approach to each market should be carefully thought out before you undertake to introduce your product. If a factory sales office is out of reach at first, a decision must be made on other ways of distributing and selling. Canadian manufacturers generally find that a branded product is by far the most likely to compete successfully with European, Far Eastern or locally made goods. And for branded products, an exclusive stock-carrying distributor is ordinarily the best selling approach in Latin America.

But how should these exclusive distributorships be set up? Should you (*a*), give your line to one single firm for an entire country, or (*b*), split it between two or more firms on a geographical basis? The right answer may well be (*a*) in some countries, and (*b*) in others. A well-qualified import firm in Havana, for example, with an adequate sales force that covers the whole interior, would usually qualify as exclusive distributor for all of Cuba for such things as branded electrical appliances, automotive batteries, tires, food or beverage products. This is because imports normally clear through Havana for all of Cuba and are distributed through Havana to the whole island. The same holds true in Argentina, Uruguay, Peru, Panama and Guatemala—a firm located in the capital city can look after distribution of branded products throughout each country. One firm for national distribution should also suffice for Chile, Bolivia, Ecuador and other Latin American countries, with the exception of the ones mentioned in the paragraph below.

Colombia, Brazil, Mexico, and (to some degree) Venezuela present a rather different situation. From the angle of internal transport, Colombia may be said to consist of three to four distinct marketing areas: the north coast, readily served from Barranquilla; the high plateau, from Bogotá; the somewhat isolated province of Antioquia, from its capital city of Medellin, and western Colombia out of Cali, with shipments to the latter entering through the Pacific port of Buenaventura. Four separate, exclusive stock-carrying distributors can best serve this market unless you can find one large nationally organized firm with full warehousing, selling and service facilities in each of these four areas.

Similarly, in Brazil stock-carrying distributors in Rio and São Paulo, in Para, and possibly in Rio Grande du Sul are ordinarily needed. In Venezuela a firm concentrated in Caracas alone will not be enough. Full facilities must be, and frequently are, available in Maracaibo through one firm—but this point must be carefully watched. The growing oil-producing area in eastern Venezuela and the Ciudad Bolivar iron centre should also be kept in mind when you are planning your distribution in this wealthy, rapidly growing market. In Mexico, a Mexico City buyer will scarcely wish to purchase from a distributor in Monterrey in northern Mexico nor from Mazatlan on the west coast, and vice versa.

Once a distribution system has been set up, the exporter has to consider such vital matters as price, quality, type of advertising, consumer preferences and buying power in each country. These may vary rather widely even within the different sections of one country.

Marketing and Development Policies

A careful analysis of the degree of industrial and economic advance in each area may serve as a sound guide to merchandising policy. Important too is the rate at which the urban population is growing and the degree to which a middle class is developing to supplement the once predominant, small and wealthy upper stratum and the vast and poor lower class of the World War I and pre-World War II periods. Generally speaking, the wealthy or middle class Latin American buyer will willingly pay an adequate price for an imported, trade-marked product of recognized fine quality. Thus in countries that have made good economic progress, you should concentrate on your top quality if your line includes A, B, and possibly even C grades. To reach the lower class of buyer in a major market and for market penetration in some of the smaller and poorer countries where price consciousness is widespread, you may introduce your B quality and possibly in some instances your C. Obviously, you should concentrate on those markets or segments of markets that will take your A quality and ensure an adequate and sustained profit and an enduring hold on the market. Some suppliers feel it is good policy to leave the lower-price field entirely to other purveyors.

Canadian exporters of capital goods to Latin America face severe competition from European, U.S. and other suppliers, but some companies meet it successfully. Diesel locomotives made in Canada, like this one, are going to Argentina this year.

Advertising and Display

The upper and middle class consumers in Latin America are usually people of culture and good taste who buy with care and discrimination. Nevertheless, the selling approach may well vary considerably from that made to consumers in the same income bracket in Britain, Scandinavia, Australia, or Germany. Understatement is conceded "power" in selling in those countries. But Spanish and Portuguese are inherently rich, graceful and flowery languages and over-statement and hyperbole come naturally. To refer to a commercial product as "noble" is by no means unusual. To term a given product "sound" or "satisfactory" may be adequate praise in Northern Europe but in Latin America this mild praise would depreciate it—or worse. Too flamboyant selling copy is not advised but a complimentary, graceful selling approach and beautiful, artistic illustrations are desirable and effective.

Similarly, sales aids for the Latin American market should be artistic in design and colourful for the middle and upper class trade, but must always be in good taste. For the indigenous populations in the interior of some of the countries, a rather elementary approach to selling a brand may be in order or even required. This type of consumer is inclined to be particularly suspicious in making his purchases because of his or his relatives' unsatisfactory buying experiences. A brand with visual illustration frequently proves invaluable with this type of trade.

In fact, some years back in Central America and the north coast of South America a certain type of kerosene showing a red rooster was widely popular. When some other brand was offered, it was often refused as not being kerosene. The same was true of Red Spool barbed wire and of Royal baking powder. This attitude

This shipment of rubber thread is on its way to Colombia and Mexico. The manufacturers have increased their export sales fivefold since 1953, with the biggest rise in Latin America.

is found most often in areas where there is still some illiteracy. Illiteracy is being reduced in Latin America but it is still common in certain countries or at least in certain areas.

Obviously, all advertising, sales aids, instruction booklets, etc., should be in Spanish for all Latin American countries except Brazil, whose 58 million people speak Portuguese, and Haiti, where the language is French. Sales communications, as distinct from letters on distributor contracts or policy matters, should ordinarily be written in Spanish, Portuguese or French, as the case may be. Even though one or more of the firm's principals may (and frequently do) read English, the rank and file probably do not and in many cases will not be able to read and act upon sales instruction letters written in English.

The Spanish, Portuguese and French used in your booklets, advertisements and so on should be grammatically correct. These sales aids should also be prepared by practical people familiar with the language as used in business in the area covered.

Problems to Overcome

In a market which is growing and broadening as Latin America is, competition naturally is strong. The United States, for example, puts forth continuous and sustained sales efforts there. In certain lines—such as hardware, machinery, optical equipment, cameras and drugs—Germany is a strong contender. Japan offers competition in textiles, ceramics, cameras, and certain specialties; the United Kingdom pushes woollens, large electrical machinery of hand assembly construction, ships, and aircraft. But many Canadian manufactured products can and do compete—and make profits for their companies.

Aside from Cuba's relatively small tariff preferences in favour of the U.S., duties are uniform on products imported into the Latin American republics, regardless of the country of origin. Puerto Rico gives strong duty preferences to products from the United States but is nevertheless expanding as a market for Canadian goods.

Some countries have dollar exchange restrictions, but these are gradually being relaxed. And there are many free dollar markets from which to choose—Mexico (though import permits are required), Guatemala, El Salvador, Panama, Venezuela, Peru, Cuba, Dominican Republic, Puerto Rico and Haiti.

Markets for the New Exporter

I would suggest to the new exporter that he make a start in some of the smaller, less competitive markets, such as the Dominican Republic, Guatemala, El Salvador, Panama or Haiti, and intermediate markets such as Peru. Venezuela is of course a free dollar and a prize market, but it is the scene of aggressive competition by suppliers from all over the world. Many Canadian products, however, can and do compete there and the prospective exporter may be making goods in such a category.

Credit Need Not Be Problem

In consumer goods, competition is not really serious, as they are sold against irrevocable letters of credit or through sight draft, shipping documents against payment, or 30 to 90 days' acceptance drafts, documents delivered by the exporter's bank against consignee's acceptance of the time draft.

The latter form of payment gives the importer an opportunity to clear the goods through customs and get them into his warehouse a few weeks before he has to pay the draft. This is a valuable facility because the exclusive national distributor, on his part, must extend credit to his customers, purchasers of the manufacturer's product—particularly if he sells to retailers (which is usually the case) or even direct to consumers, rather than to wholesalers.

Acceptance draft transactions at 30, 60, or 90 days, when an exporter is dealing with any one of the large number of soundly rated and reputable firms in Latin America, are not hazardous. This is even more true because the manufacturer who sells through exclusive distributors does not have to extend credit to more than one or two firms in a country. Loss ratios on these carefully extended credits over ten years or so run to a very small percentage of sales and are usually lower than the loss ratio in domestic credit. The Canadian exporter can normally discount these drafts at his bank, with recourse to himself in case of non-payment. And he can, of course, usually obtain full protection against non-payment through the Export Credits Insurance Corporation. Latin American importers do not generally expect open account terms payable against exporter's statement nor do North American exporters extend them.

Capital Goods Exports

Canadian exporters in the capital goods field face severe competition from European, British, Japanese and American exporters, especially on big projects such as dock installations, railway steel track and equipment, steel plants, glass and cement plants, etc. Inadequate credit facilities in Canada have meant the losing of some large-volume export sales in this field. In the United States, the Export-Import Bank finances this type of export and there are similar arrangements in many European countries.

For Established Exporters

Most of the recommendations made in this article have been addressed to new exporters to Latin America. But because they deal with fundamentals they apply to established exporters as well, although in a more specialized and selective way. These exporters should make sure that they steadily increase their personal contacts with their distributors through regular visits to their territories. It is also useful to have the distributors make occasional visits to the principal's plant in Canada.

Many companies with a promising business with a Latin American distributor are getting good results from close co-operation between qualified men from the factory and the distributor's own sales and promotion staff. Modern merchandising and marketing techniques are not too well established in many of the Latin American markets and, properly developed on the ground by well-versed men from the factory, they can be of great value.

Long-Term Cultivation

During the last 15 years or so, two combined government and business trade missions from Canada have toured Latin America. In addition, delegations from various Canadian business associations and business groups have visited this area. The resulting contacts are an invaluable approach and a stimulus to better two-way trade and mutual understanding and every effort should be made to expand them in number and in scope. With their help, and with the individual efforts of individual exporters, this Latin American market should become more and more important to Canada. ●

Greece Encourages Olive Oil Exports

GREECE RANKS THIRD among the world's olive-oil producing countries and accounts for approximately 15 per cent of total world production. In the postwar years, Greek production has averaged about 130 thousand metric tons of both edible and sulphur olive oil a year. Olive oil is an important ingredient of the Greek diet and its people consume an average of 110 thousand tons a year. In recent years, to boost foreign exchange earnings, the Government has encouraged and assisted exports of olive oil. Sales abroad reached a high of 20,000 tons in 1954. The principal markets for Greek olive oil are Italy, the United States, Brazil, Yugoslavia, Egypt and the United Kingdom. Smaller shipments have been made to many other markets, including Canada.

In 1955 the olive crop suffered from a disastrous attack by the daccus fly and, at 70,000 tons, was the lowest for a number of years. Exports were at first severely restricted and later prohibited. Large imports of other edible oils were necessary to meet domestic needs.

The 1956 olive crop was a good one and oil production has been estimated at about 146 thousand metric tons, although this figure is subject to revision. Exports up to 20,000 tons will again be encouraged, and any oil deficits for local consumption will be met through imports of less expensive seed oils.

To achieve its export target, the Greek Government has decided to take the following steps:

- Exports of kernel oil (sulphur) will be unrestricted.

- Export in cans of standardized oil of acidity below two degrees will be permitted up to 5,000 tons.

- The Government will buy up any amount of oil, of five degrees acidity, from production centres at a price of Drs. 20 per oke (Drs. 17 in 1955). (Drs. 30 equals US$1; one oke equals 2·8 lb.)

- The Government will endeavour when concluding trade agreements with other countries to ensure the export of as great a quantity as possible of edible olives and olive oil.

—A. B. BRODIE,
Commercial Secretary, Athens.

The Foreign Trade of the Soviet Union

The first article on this subject, published in our February 2 issue, covered the Soviet's trade with Eastern Europe and with Communist China. Here the author examines Russia's trade with the free world and with the under-developed countries.

M. KRUPKA, *Department of Trade and Commerce.*

COMPARED WITH THE FLOW OF TRADE between Soviet Russia and the "People's Democracies", the trade of the Soviet Union with the free world is a mere trickle, or one-fifth of the total Soviet foreign trade. In 1954 its value was only one twenty-fifth of United States foreign trade, although the gross national product of the U.S.S.R. was believed to be more than a third that of the United States. Expressed in other terms, trade with the U.S.S.R. constituted in 1954 less than 1.5 per cent of total free world trade.

In his eighth semi-annual report (1956) the Director of the International Cooperation Administration (ICA) put Soviet imports from the free world at $573.5 million in 1954 and at $570.7 million in 1955. The corresponding figures for Soviet exports were $500.5 million in 1954 and $643.8 million in 1955, leaving the Soviet with a substantial trade surplus in 1955.

Of this trade, however, by far the largest part was carried on between the Soviet Union and Western Europe. The *Economic Bulletin for Europe* (UN) pointed out in its August 1956 issue that in 1955 the West European countries accounted for exports to the Soviet worth $399.1 million; imports from the Soviet reached $536.1 million. Figures for the first three months of 1956 reveal a rising trend on both sides: $119.8 million for Russian exports compared with $110.1 million in the same period of 1955, and $102.5 million for Russian imports in 1956 against $69.8 million in 1955.

This trend in Soviet-West European trade seems to be the result primarily of Soviet Russia's internal policy, which after the death of Stalin swung to favouring the consumer and started the revival of trade with Western Europe. Almost overnight, Soviet Russia became in 1954 the world's third largest importer of meat and second largest buyer of butter. Since then, a change in the economic policy with emphasis again on heavy industry has brought a change in the structure of Soviet imports without, however, reducing their volume or value. This latest period has been marked by appeals for more trade with the West which must be discounted to some extent.

Western Europe and Soviet Russia

Statistics on Soviet trade with Western Europe published in the report of the International Cooperation Administration show the following picture:

	Exports to the Soviet Union (in millions of U.S. dollars)		*Imports from the Soviet Union*	
	1954	*1955*	*1954*	*1955*
United Kingdom	39.5	89.5	116.9	175.8
Finland	146.4	137.8	83.4	87.0
France	30.9	36.0	40.2	48.9
West Germany	12.6	26.7	22.2	35.8
Netherlands	32.8	15.6	23.0	30.2
Sweden	22.8	14.6	27.0	31.9
Belgium-Luxembourg	24.3	16.9	28.0	29.4
Italy and Trieste	25.3	16.0	23.7	23.1
Norway	24.3	14.6	13.3	17.6
Iceland	7.9	9.6	8.1	10.6
Denmark	18.3	9.9	15.7	8.4
Turkey	5.2	5.2	3.4	8.3
Switzerland	3.6	4.3	5.5	8.4
Austria	1.5	5.6	1.4	4.1
Portugal	4.8	3.2	0.05	0.1
Greece	3.7	2.2	1.5	1.9
Yugoslavia	1.5	17.9	1.1	14.4

It appears from this table that the trade turnover between Western Europe and Soviet Russia was considerably higher in 1955 than in 1954, with imports from the Soviet Union up substantially. Two countries —Austria and Yugoslavia—accounted for a large increase in both directions and for various reasons. Austria, freed from Russian occupation, assumed reparation obligations towards the Soviet and Yugoslavia resumed her former trade with Russia, solidly supported by credits from the U.S.S.R.

However, the United Kingdom and Finland remained by far the most important trade partners of Soviet Russia in Western Europe. The high level of Anglo-Soviet trade was due to some degree to the mutually advantageous relationship between British manufactures and Soviet raw materials. Soviet Russia's quest for sterling funds, which she needed for payment requirements in Europe and overseas, also had some influence.

Should half of the Soviet trade overtures made during 1956 turn into solid orders, Russia would become Britain's best customer outside the Commonwealth. In addition to industrial and consumer goods, Soviet Russia offered to buy copper, copper wire, iron and steel rolled products, galvanized plate, tinplate, chemicals and wool. Some of the goods the Soviet wished to buy were the same ones that she had agreed to sell to her other trading partners. In return Russia was willing to ship to Britain lumber, coarse grains, manganese, plywood, cellulose, cotton, flax, pig iron and furs.

Finland, under her reparation obligations, kept up a steady flow of goods to Soviet Russia. Forest products, prefabricated houses and ships made up the main part of her exports to the Soviet Union. The trade policy of the "People's Democracies" also made it possible for Finland to offset, in a tripartite arrangement, her import surplus with the Eastern European countries by an export surplus with the Soviet.

The following table of exports from Soviet Russia, by commodity groups, reveals the structure of Soviet shipments to Western Europe (*Economic Bulletin for Europe,* August 1956).

SOVIET EXPORTS TO WESTERN EUROPE

(in millions of current dollars c.i.f.)

	1954	*1955*
Wood and wood products	85.9	144.8
Vegetable fibres	43.6	54.5
Petroleum products	36.2	42.9
Coal and coke	22.3	38.2
Iron and steel	22.6	37.5
Wheat	50.4	32.7
Crude minerals	16.3	24.8
Fur skins	20.6	23.9
Precious metals (excluding gold)	15.5	22.3
Other cereals	9.3	12.1
Feedingstuffs	13.6	13.8
Sugar	10.8	9.1
Fish	6.4	11.2
Transport equipment	6.5	10.6
Crude petroleum	5.7	8.9
Fertilizers	6.0	8.0
Other chemicals	11.6	9.6
Barley	4.2	2.1
Maize	3.2	1.0
Wool and hair	4.4	1.2
Textiles (yarns, manufactures)	1.7	2.6
Cement and bricks	1.4	2.6

Except for a considerable drop in exports of wheat, barley, maize and wool, Soviet Russia increased her shipments to Western Europe considerably in 1955 over the previous year.

Particularly striking were Soviet exports of sawn softwood, which rose by more than 40 per cent in 1955; so did exports of roundwood. On the whole, a certain degree of stability was achieved in Soviet exports of basic foods and industrial materials to Finland, of wheat to Norway, of timber to the United Kingdom, Belgium and the Netherlands. Soviet exports of petroleum were again becoming more important. Conspicuous was the switch from the traditional Soviet exports of grain to shipments of pig iron, especially in trade with the U.K.

No figures by commodity groups are available on exports from Western Europe to Soviet Russia. However, a distinct trend was noticeable in comparison with 1954. Exports of consumer goods and raw materials for such goods reached their peak in 1954. But in 1955 the largest increase came in raw materials for capital goods—in particular timber, rolled steel, and copper wire. Capital goods exports also increased, with ships in the first place. In March 1955, 60 ships totalling 112 thousand gross tons were under construction in Western Europe for the Soviet Union; in 1956, the figures were 88 ships totalling 175,400 gross tons. Finland remained the chief ship supplier, but France and West Germany were also working on substantial orders for the Soviet Union. On the other hand, exports of consumer goods to Soviet Russia declined sharply, particularly shipments of butter (which stopped almost entirely) and textile manufactures.

Soviet Trade with Canada

Trade between Soviet Russia and Canada was erratic and unimportant from 1950 to 1956. Russian goods sold in Canada during the three-year period 1950-1953 were valued at $3,183,823. A slight improvement took place in 1954. Canadian shipments during the same period were worth $5,043,111.

The situation changed when a trade agreement valid for three years was signed in Ottawa on February 29, 1956. It put Canada's commercial relations with the Soviet Union on a basis comparable to her relations with most other countries. The main features of the agreement were exchange of most-favoured-nation treatment between the two governments and provision for Russian purchases of wheat totalling between 1.2 million and 1.5 million tons over three years. Escape clauses comparable with those contained in GATT were also included.

The new agreement caused a great upswing in Canadian exports to Soviet Russia. In the first six months of 1956 those advanced to $17,999,891 from $1,522,805 in the same period of 1955, because of shipments of wheat totalling $17,118,773. Soviet Russia also increased her exports to Canada from $78,469 in the first half of 1955 to $484,411 in the same period of 1956. A year earlier, Canadian exports dropped from a high of $4,854,311 in 1954 to $2,680,153 in 1955. At that time, Soviet Russia cut out entirely imports of Canadian canned meat and barley which in 1954 were worth some $2.5 million.

The tables below give the latest trade figures published by DBS for Canadian trade with Soviet Russia in the first half of 1955 and 1956.

Wheat is now the most important item in Canadian exports to the Soviet Union. Although future trade developments are difficult to assess, some continuing basis for Soviet purchases of wheat can be assumed. It is cheaper for Soviet Russia to ship Canadian wheat across the Pacific to her Far Eastern ports than to transport Russian wheat overland from Western Russia. Moreover, there are indications that Soviet Russia supplied the "People's Democracies" with grain that did not come entirely from Soviet sources and that foreign grain shipments were re-exported by the Soviet Union in fulfilment of her commitments to West European trade partners.

Reliable information on the latest harvest in Soviet Russia is not available, but Soviet sources speak of a successful year. However, events in Poland and Hungary, whose economies are integrated with the Soviet economic plans through their five-year programs, may upset the anticipated trade developments and make any speculation on Soviet wheat and trade policy even more difficult.

Canadian Exports to Soviet Russia

	Values ($) Six months ended June 1955	*Values ($) Six months ended June 1956*
Indian corn	....	108,900
Wheat, n.o.p.	....	17,118,773
Whisky	27	....
Pulp, sulphite b1. dissolving	1,508,321	709,680
Books bound or unbound	94	322
Newspapers and magazines	122	....
Reapers, threshers or combines	....	23,966
Cultivators	2,330	2,618
Drills and sowers	....	1,372
Ploughs and parts, n.o.p.	....	1,470
Planters	630	....
Tractors, farm	7,095	....
Farm implements, n.o.p.	....	4,718
Parts of farm implements	....	320
Tractors n.o.p. and parts	212	....
Settlers' effects	1,216	3,750
Donations and gifts	2,758	24,002
	1,522,805	17,999,891

Soviet Russia and Canada export, to a large extent, similar things. Yet, given a willingness on the part of Soviet Russia to trade more with this country, there would be scope for an expansion in various directions. One illustration is Soviet orders for a plant for frozen fish sticks in Toronto and for lumber machinery in the Vancouver area. Both orders were placed by delegations of Soviet experts visiting Canada. On the other hand, it should be possible for selected Soviet goods to find their way into the Canadian market, provided that appropriate efforts are made by Soviet Government trade organizations.

Soviet Trade with Under-Developed Countries

For several years Soviet Russia disregarded the United Nations program of economic and technical assistance to under-developed countries. But once she changed her mind and decided to contribute to UN technical assistance, help to these countries became one of her major economic drives among the uncommitted nations of Asia and the Near East.

The UN program of economic aid and technical assistance offered many advantages to Soviet Russia, both

Canadian Imports from Soviet Russia

	Values ($) Six months ended June 1955	*Values ($) Six months ended June 1956*
Fishery products, n.o.p.	623	....
Fur skins, fox, undressed	15,000	....
Fur skins, kolinsky, undressed	....	4,361
Fur skins, mink, undressed	....	22,220
Fur skins, muskrat, undressed	....	9,578
Fur skins, persian lamb, undressed	19,408	133,577
Fur skins, undressed, n.o.p.	9,559	54,945
Fur skins, dressed, n.o.p.	....	5,314
Advertising and printed matter	236	90
Printed matter, n.o.p.	180	....
Books, science, for libraries	70	....
Books, printed, periodicals, n.o.p.	1,166	922
Books, foreign language	1,704	1,603
Machinery 412A paperworking	7,437	200
Newspaper presses and parts	12,500	....
Platinum, palladium, iridium	....	240,073
Motors, electric, and parts n.o.p.	930	....
Sound equipment	996	....
Type-printing chases, quoins	....	378
Films, cinematograph, positives	4,245	6,736
Phonograph records	1,185	454
Collections of antiquities	547	....
Articles for consuls	1,285	2,043
Tourist purchases duty-free	102	299
Express parcels	63	....
Post office parcels	78	....
Settlers' effects	1,155	270
Shipments under 50 dollars	....	1,348
	78,469	484,411

economic and political. The nature of the Soviet economy often made it difficult for Soviet trade organizations to export successfully to the West, where the lack of facilities for servicing their products and supplying spare parts proved a handicap in a highly competitive market. Things were different in less developed countries, where "packaged" Soviet factories were more acceptable than individual machines for which locally trained technicians were scarce. Moreover, the replacement market for plant equipment was virtually assured, since the user would probably order from the original supplier.

Soviet offers to provide the Asian countries with power stations, transport equipment, installations for the textile industry and for light industries and agricultural machines, under favourable credit conditions, had a particular appeal because Soviet Russia promised in return to buy their raw materials for which there was not a ready market elsewhere. By making deals based on long-term trade and payment agreements, the Soviet Union secured a solid foothold in these countries. She was able to assure them of a steady market for their staple goods and protect them against sudden changes in prices. Conspicuous among such deals were Soviet purchases of rice in Burma and of cotton in Egypt. In both cases contracts were not concluded only between Soviet Russia and the two countries—several members of the Soviet bloc also took part in the deal. For that purpose, Burma signed similar trade agreements with the Soviet Union, Czechoslovakia, Hungary, Poland and East Germany. In a tripartite arrangement between Egypt on one side, and Soviet Russia and Czechoslovakia on the other, Czechoslovak arms and Russian petroleum were exchanged for Egyptian cotton. In a similar way Afghanistan concluded a multilateral trade agreement with Soviet Russia, Czechoslovakia, Poland, Hungary and East Germany for the purchase of arms and other articles. This technique revealed the degree of co-operation and co-ordination existing among the Eastern European countries.

The Soviet scheme of help to under-developed countries was supported also by important credits with a low rate of interest. Last October Indonesia received, at the conclusion of a trade agreement with Soviet Russia, a credit of $100 million at 2½ per cent, repayable in 12 years. Afghanistan was granted $25 million with payments spread over eight years. Altogether Soviet Russia offered credits in the amount of $400 million.

In her drive to win influence in the new regions, Soviet Russia advertised her considerable industrial capacity impressively by undertaking to build plants for which she supplied the bulky equipment and the necessary technicians. On February 2, 1955, India and the Soviet Union signed an agreement for the construction of a steel mill in India with an annual production of one million tons of steel. Russia contributed $95 million to the estimated cost of $200 million. The loan was to be repaid in 12 years at 2½ per cent per annum.

Soviet experts, designers and technicians were assigned to her foreign projects in increasing numbers and Soviet scholarships offered for the training of foreign technicians in Russian universities and specialized institutions. Russia also extended from year to year her participation in trade fairs and exhibitions held in the Near East and Asia.

In a somewhat different category was Soviet trade with under-developed countries of Latin America. There she made no direct offers of technical assistance. Instead, the network of her trade agreements with individual countries was expanded. The most important was that signed on August 5, 1953, with Argentina. It provided originally for $150 million in trade and a Soviet credit of $30 million for the purchase of capital equipment in the Soviet Union. However, under a later trade protocol of 1955 the original amount of credit was reduced to $4 million, and Argentina apparently did not use even that. It is probable that Soviet Russia relied in South America more on the economic drive of other "People's Democracies" such as Czechoslovakia and Poland, which before the war had a solid foothold on that continent.

Viewed as a whole, Soviet industrial and trade undertakings in the "People's Democracies", in Communist China, and in the under-developed countries are impressive. They are the measure of Soviet Russia's economic growth since the end of the war and of her manifold trading ability. The political implications are probably even more important but they are beyond the scope of the present study.

Kobe Office Closed

The office of the Canadian Government Trade Commissioner in Kobe, Japan, was closed on January 31, 1957. Supervision of Canadian trade interests in Japan will henceforth be concentrated in the office of the Commercial Counsellor, Canadian Embassy, Tokyo, where officers will make periodic business trips to Kobe, Osaka, and other commercial centres in southwestern Japan, in addition to the north-eastern parts of the country, as in the past.

Mr. J. E. Lancaster, who has been Canadian Government Trade Commissioner in Kobe for the past year, is being transferred to Djakarta, Indonesia, as Commercial Secretary in the Canadian Embassy there.

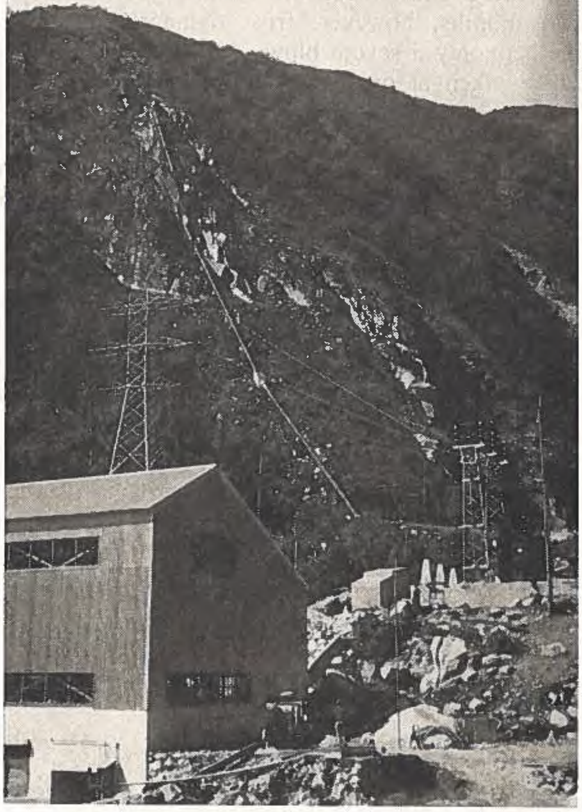
Canada in Foreign Markets

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

In Algeria—It is harvest time on this farm in the region of Oran, and the farmer is using a combine imported from Canada to help bring in his rich rice crop.

In Lebanon—This drugstore is one of a number in Beirut which are now selling a Canadian brand of baby food. The local agent is carrying on a publicity program to promote the Canadian product.

In Spain—These aluminum platters and ewers, with their clean modern lines, were designed and made by a Madrid firm. The aluminum ingot from which they were made was imported from Canada.



In Bolivia—The 54" penstock, the turbines, the generator and the steel core aluminum cables for this new hydro-electric station were all made by Canadian firms.

FRANCE and Its Trade Outlook

Exchange problems, aggravated by need to import wheat and buy dollar oil, may provoke cuts in imports in first half of 1957, but Canada's place in French market should not be seriously affected.

R. CAMPBELL SMITH, *Commercial Secretary, Paris.*

FRANCE ENTERED 1956 with a buoyant economy and with foreign exchange reserves at a postwar peak of $1,905 million. Although there were signs of slow inflation, it was with considerable hope and optimism that the country faced the coming year. In less than two months, however, frost damage to crops dealt the economy a severe blow. Emergency measures had to be taken at once to step up French food imports and to re-sow grain wherever possible. It is claimed that the immediate outlays in foreign exchange and the country's sudden switch from a wheat exporter to a wheat importer will lead to losses in foreign exchange reserves for the country.

Dollar Reserves Decline

Meanwhile, in an effort to check inflation, the French Government opened its doors to imports to reduce the pressure on internal prices. Imports of manufactured goods rose, as well as purchases of raw materials needed to build up domestic production. As a result, the trade balance rapidly changed from a surplus to a growing deficit. By the end of 1956, gold and dollar reserves had declined 60 per cent to less than $1,200 million, or below the 1954 level. The following table shows the position of foreign exchange reserves over the past six years:

FRENCH FOREIGN EXCHANGE RESERVES

1951	$ 578	million
1952	650	"
1953	705	"
1954	1,239	"
1955	1,905	"
1956	$1,100-1,200	"

Before the year was out, France suffered another setback—the Suez crisis. By early December there was an acute shortage of fuel oil and gasoline which led to a slowing down of transportation and dislocation of production in certain sectors. One of the victims of the gasoline shortage was the key automobile industry which last year produced 827 thousand units. Sales (which were also affected by the introduction of a new tax on cars) began dropping and since early December production has been cut back below seasonal levels. The cost of the Suez crisis to the country has been considerable, but on the whole the economy appears to be taking the strain surprisingly well.

Trade figures for the whole of 1956 reflected a sharp increase in imports and a slight decrease in French exports largely because of smaller sales of agricultural products. The total apparent deficit was equivalent to $983 million as against a surplus of $166 million in 1955. Altogether, imports totalled 1,976 billion francs (or an increase of 24 per cent over 1955), and exports 1,622 billion francs, or a decrease of 6 per cent over the previous year.

Fuel Import Problems

In 1956 France imported 95 per cent of her oil and 26 per cent of her coal requirements. Barring a recession, she will again be importing at least 26 million tons of oil and 18 million tons of coal during 1957. Since the reduction of oil imports from the Middle East, the French have had to turn to the Western Hemisphere for more of their needs. Subject to the possibility of securing special credits, this means putting up dollars in payment. The necessity of paying dollars for oil would be more alarming if it were not for the fact that France has up to now bought Middle East oil for sterling. This, for French purposes, is almost equivalent to dollars because, under European Payments Union arrangements, France settles 75 per cent of her current deficits in the Union in gold or dollars. Shipments via the Cape and from the Western Hemisphere are nevertheless increasing the country's oil import bill and hence the charges against foreign exchange reserves.

As for coal, France will be importing approximately 10 per cent of her overseas requirements from the United States in the first quarter of 1957. Imports from the U.S. during this period are forecast at 2.5 million tons, or 75 per cent more than during the same period last year. One cause of the increase is the switch-over by certain segments of the French industry from fuel oil to coal, following the Suez crisis. The added tonnage will involve the expenditure of an extra $10.3 million.

Effect on Canadian Exports

Last year Canada enjoyed a substantial increase in the sale of most of the base materials traditionally exported to France and, in addition, found a market there for several new products.

Products	*First nine months 1955*	*First nine months 1956*
	(in thousands)	
Hides and calf skins	$ 126	$ 293
Animal products for medicines	2	6
Wool rags and waste	2	65
Lumber	110	352
Pulp and pulpwood	4,641	5,217
Copper ingots and bars	3,958	6,328
Zinc in ore	192	226
Selenium and salts	....	224
Asbestos	2,776	3,767
Sulphur in pyrites	....	195
Synthetic resins	439	1,570
Other chemicals	6,111	7,404

Synthetic rubber comprises an important part of Canada's "other chemicals" exports to France (see above table). Despite the present slackening of automobile and tire production, however, indications are that Canada's rubber sales to France will probably be greater than last year. The remainder of Canada's "other chemicals" sales to France are not expected to suffer and for 1957 as a whole should equal last year's—thanks to the more active promotion of Canadian chemicals and related products last year, especially at the Paris Chemical Show. Furthermore, to the extent to which the oil shortage may hinder domestic production of petrochemical products, France may find it necessary to admit temporarily additional foreign supplies.

In the agricultural sector, Canada's exports are, under normal conditions, expected to decline. French purchases of Canadian wheat in 1956, both durums and wheat for seeding, occurred last spring immediately after the winter crops were hit by frost. The total value was $4.5 million, covering 2.2 million bushels, and she will require further imports of foreign wheat to tide over domestic supplies until her new crop is ready. Assuming good growing conditions during the current year, France will again be in the export market. The outlook for France's overall requirements of flaxseed, of which Canada supplied $2.5 million worth up to September last year, remains the same as in 1956 and Canadian sales will depend on the customary market factors of price and supply.

The Trade Outlook

During the first half of 1957, France faces troublesome exchange problems. It is possible that import controls may be tightened. It is expected that cuts will be applied first to consumer goods currently admitted under special import schemes and second to capital goods. Imports of fuel and industrial base materials will continue to receive first priority and be maintained at, if not increased above, the 1956 level. Canadian exports to France were almost exclusively in the latter category. This means that Canadian exporters, although unable at least in the first half of the year to anticipate new opportunities in this market, can be reasonably sure of continuing business as usual with France.

Italy's Aluminum Industry

Aluminum railway cars and electric cables produced in Italian factories may be said to be 9 per cent Canadian. More precisely, our exports of primary aluminum and scrap to Italy during each of the past three years have averaged 4,500 tons, compared with Italian production of about 50,000 tons. Domestic output is divided among three organizations: Italian group (over 23,500 tons), Swiss group (23,000 tons), and Canadian group (4,000 tons).

More than 5,000 Italians are employed in the modern plants that comprise the Italian aluminum industry. Many more work in the 16 plants and 200 foundries which are fabricating aluminum and its alloys. Exports of aluminum and alloys during the first three months of 1956 were valued at $1.7 million, compared with $1.5 million during the same period of 1955. Indicative of the stature of the aluminum industry in Italy is the extremely modern and completely equipped research laboratory which it maintains. A special electrode developed by the Italian group is gaining wide approval abroad.

As Italian aluminum manufacturing industries continue to grow, Canadian exports of primary aluminum and scrap to that market should also rise. At present, an increase in our exports is limited only by the amount we can supply. In 1955 Canadian exports of primary aluminum to Italy were valued at $1.7 million and of scrap at $29,000. For the first ten months of 1956 the comparable figures were primary, $1.4 million and scrap, $270 thousand.

What the Congo Is Buying

Canadian exporters are finding the Belgian Congo offers a steady market for foodstuffs, various types of machinery and appliances. Imports are rising steadily as the economy develops. Competition is keen in this market—especially from Belgium, the United States, West Germany, and Britain.

K. NYENHUIS, *Trade Commissioner, Leopoldville.*

ONE POSITIVE SIGN of the steady economic development of the Belgian Congo is the constant rise in its imports. In June 1956 they reached almost B. frs. 1,800 million, bringing the total for the first six months of last year to B. frs. 10,227 million—some 11 per cent more than for the same period in 1955 (B. frs. 9,174 million).

Part of this increase resulted from a rise in prices but volume has also increased. The following figures show that the Belgian Congo has become an increasingly important buyer of foreign goods.

IMPORTS INTO THE BELGIAN CONGO

	First six months of:			
	1953	*1954*	*1955*	*1956*
	(in millions of Belgian francs)			
Live cattle, animal products	319	397	434	464
Vegetables	207	220	252	318
Foods, other	351	392	427	500
Minerals	648	949	911	894
Chemicals and products	356	388	485	601
Plastics and rubber products	159	249	278	354
Paper and cardboard	119	168	190	244
Textiles	841	1,123	1,018	1,015
Shoes, hats, etc.	77	92	78	113
Stones, plaster, and glass	163	169	175	185
Common metals	1,542	1,337	1,578	1,632
Machinery	2,150	1,604	1,637	1,901
Transportation material	1,514	1,588	1,164	1,418
Optical instruments	120	109	131	139
	8,947	9,140	9,174	10,227

Imports Examined

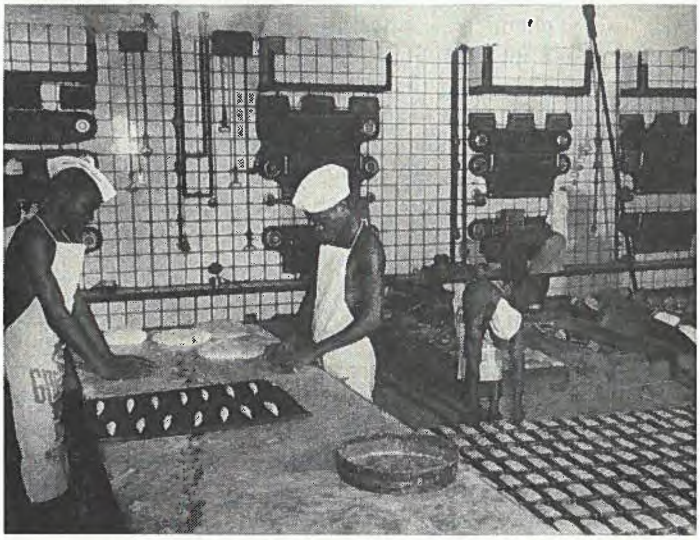
• *Minerals*—Imports of minerals have been fairly constant during the last three years. The first months of 1956 saw a decrease in imports of cement and coal; imports of fuel, gasoline, etc., increased. Cement imports in 1956 totalled 69,500 tons as against 94,300 tons during the same period in 1955, because of the rise in local production.

Purchases of foreign coal also decreased considerably —from 105,700 tons in the first six months of 1955 to 53,500 tons during the same period of 1956. This decrease resulted mainly from the improvement in the supply of hydro-electric power; a large part of the railway network was recently electrified.

Canada's sales of minerals to the Congo, mainly asbestos, totalled $151 thousand in value in 1955; in the first nine months of 1956 they reached $157 thousand.

• *Food*—The increase in food imports in 1956 over the same period of 1955 took place mainly in one item —beverages, which totalled B. frs. 151 million during the first half of 1956 as against B. frs. 85 million in 1955. Food exports from Canada to this market were valued at $1.8 million in 1955, with flour alone valued at $1.7 million; flour sales fell by 25 per cent, however, in the first nine months of 1956.

• *Chemicals*—The demand for certain chemicals is increasing rapidly—imports of fertilizer have doubled from one half-year to another. Amounts are still small but before long use of fertilizer in the Belgian Congo



This bakery in the Belgian Congo uses imported Canadian flour; in 1955 about $1.7 million worth went to the Congo.

will rise rapidly. Canadian shipments of chemicals were not large ($59 thousand) in 1955 and dwindled to only $20 thousand in the first nine months of 1956. Paints and synthetic resins were the main chemical products sold in 1955, accounting for 70 per cent of sales.

• *Metals and Metal Products*—From one year to another, imports of iron, cast iron and steel do not change much in volume; they average 240 thousand tons per year. Canadian sales in 1955 totalled $71,000 in 1955 and rose to $75,000 up to the end of September 1956.

• *Transport Material*—This category includes railway rolling stock and non-electric signalling equipment valued at B. frs. 125 million to the end of June 1956 as against B. frs. 158 million for the first six months of 1955; motor cars, tractors, bicycles and other means of transportation on land totalled B. frs. 1,214 million as against B. frs. 871 million; aircraft equipment, B. frs. 11.6 million as against B. frs. 32 million; sea and river transport, B. frs. 68 million as against B. frs. 103 million.

The increasing demand for cars, tractors, etc., is a good indication of the economic development of the Belgian Congo. In the first half of 1956, more than 4,400 motor cars were imported compared with 3,720 during the same period in 1955. Imports of motor trucks also are increasing.

More than half of Canadian sales in this category in 1955 (total $72 thousand) consisted of aircraft parts; total shipments of goods in this class reached $80.5 thousand in the first nine months of last year.

• *Machinery, Electric Appliances*—Prices for these goods rose more than for most others but purchases of machinery and appliances expanded steadily. However, this did not apply to purchases of these products from Canada. Our sales up to September of 1956, at $575 thousand, were nearly 35 per cent below the same period in 1955; the total reached one million dollars in that year.

• *Textiles*—Although imports of cotton textiles showed a small decrease (B. frs. 416 million in the first half of 1956 against B. frs. 469 million in the same period of 1955), sales of other types of textiles gained somewhat. Considering that local production is constantly increasing, imports of textiles continue to be large. Shipments of Canadian textiles in 1955 totalled $57 thousand but during the first three quarters of 1956 declined by 25 per cent.

Belgium Is Main Supplier

Belgium has managed to maintain her position as principal supplier to the Belgian Congo despite increased competition for her goods. The other main suppliers are the United States, West Germany and the United Kingdom. Each of these countries' share of the market may be seen from the following table comparing imports for the first half of 1955 and of 1956.

	First half 1956	*First half 1955*
	(in millions of francs)	
Belgium	3,514	3,199
United States	2,116	1,752
West Germany	784	622
United Kingdom	699	689

Trade between the Belgian Congo and other African territories did not alter much last year but changes can be expected in the near future; of note are efforts to promote trade between the eastern part of the Congo and Rhodesia and Nyasaland.

Canadian Sales to the Congo

Canada's exports to the Belgian Congo totalled $3.53 million in 1955, according to DBS statistics. In the first nine months of 1956 our sales reached $2.13 million, which represented a decline of nearly $730 thousand from the total for the same period of 1955. Main reasons for smaller sales in 1956 were a fall of $300 thousand in value of flour exports and of an equal amount in exports of machinery and appliances. It should be possible to boost sales again; there is practically no discrimination in the Congo against imports of dollar goods; in fact, the same tariff rates apply to imports from all countries, including Belgium.

Main commodities which Canada sold to the Belgian Congo in 1955 were flour ($1.69 million), industrial and business machines ($865 thousand), asbestos ($122 thousand), lamps and lanterns ($95,000), fish products ($77,000), newsprint and paper products ($64,000).

Tours of Territory

T. F. HARRIS, Trade Commissioner in Bombay, India, will visit Calcutta from February 12-20, Madras from February 26-March 2, and Bangalore from March 2-6.

C. J. VAN TIGHEM, Commercial Counsellor in Mexico City, Mexico, will visit Veracruz from March 17-23.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Harris can be reached through his office in Bombay, and Mr. Van Tighem at Mexico City.

General Notes

Australia

TRADE BALANCE FAVOURABLE—Australia's trading position has improved steadily since last September and import restrictions have resulted in lower import costs. Export earnings also are higher.

Figures released by the Acting Commonwealth Statistician show that July-December 1956 exports earned £459·5 million, £72·7 million more than in the same period in the last fiscal year. Imports were smaller by £53·5 million than in the previous year. During the six-month period ended December 31st, Australia had a trade surplus in every month except August; at December 31st the surplus totalled £99·7 million. This compares with a deficit of £39·2 million for the same period of the previous fiscal year. Trade trends suggest that Australia will have a substantial surplus in 1956-57—Sydney, Jan. 10.

Federation of Rhodesia and Nyasaland

WOOLWORTH TO BUILD STORE—One of the world's largest multiple stores, F. W. Woolworth & Co., has bought a £155 thousand corner lot of 9,000 square feet on Salisbury's main shopping street where it will erect a £500 thousand business. The multi-storey building, with 23 departments, will be started in early 1957. There will be a local staff of 300 plus key personnel from overseas. The policy of the firm will be to buy as much as possible from local industry and Federation sources—Salisbury, Jan. 4.

French Guinea

CANADIAN INVESTMENT IN BAUXITE—Agence France-Presse reports from Paris that the Canadian aluminum industry is investing 35 billion francs ($100 million) to develop the bauxite deposits at Boko, French Guinea, and to establish an aluminum factory producing 220 thousand tons a year. This development constitutes one of the most important foreign investments in this area. The project includes exploitation of new bauxite deposits in northwestern Guinea, construction of a 120 km. railway to the Atlantic Coast, establishment of a new port at the mouth of the Rio Nunez, and the building of several towns and housing developments.

It is officially stated that the project has been favourably received in Paris by the Minister of French Colonies, and in French Guinea by the members of the Territorial Assembly. The new industry will employ several thousand native workers. First production of bauxite is expected in 1960 and of alumina in 1951—Leopoldville, Jan. 19.

Hong Kong

EXPORTS HIGHER—The total value of locally-produced exports from Hong Kong during eleven months of 1956 exceeded that of 1955 by more than $48 million, according to trade reports in the Colony. Britain is the leading importer of Hong Kong products, followed by Indonesia and Malaya. Hong Kong's chief exports in 1956 were cotton piecegoods, cotton yarns, cotton singlets, enamelware, footwear, shirts and flashlights—Hong Kong, Jan. 20.

Lebanon

BANK SECRECY LAW—Lebanon's first Bank Secrecy Law came into effect on November 4, 1956. Under the law it is a legal offence for bank managers and other employees to divulge any information about accounts to individuals or civil, military or judicial authorities (except in bankruptcy cases) without written permission from the customer.

The fact that Lebanon has no exchange controls and that all kinds of currency may be brought into or taken out of the country makes it an attractive banking centre. The new secrecy measure will, it is hoped, bring even more international capital to Beirut, where many well-known United States, British, French, German and other banks have branches—Beirut, Jan. 14.

Mainland China

CREDIT GRANTED TO EGYPT—Reports from Peking indicate that the People's Republic of China has arranged a second credit to be used by Egypt, and some 20 million Swiss francs have been placed at Egypt's disposal in Switzerland. The first deposit, made in recent months, was arranged in expectation of Egyptian cotton deliveries. It is believed that the new amount has taken the form of an outright credit arrangement—Hong Kong, Jan. 7.

NEW INDUSTRIAL CENTRE—Mainland China news sources report that the city of Shek-ki near Macao is being transformed into an industrial centre. New enterprises which are being built include a paper mill, shipbuilding works and metal factories. The paper mill, for which the capital was supplied by Overseas Chinese, is expected to begin production in late 1957—Hong Kong, Jan. 7.

Netherlands

SPECIAL FINANCING OF TANKER PURCHASE—The construction of ten 32,000-ton tankers costing about $6 million each has created interest in Netherlands banking and financial circles because of the unique arrangements that have been reported for financing the $60-million deal. The tankers, to be delivered between 1959 and 1962, will be added to the 70-tanker fleet of the Royal Dutch Shell Group and are to be built with funds supplied by the Government, life insurance companies and big pension funds. These funds will be loaned to a financial institution (a subsidiary of the Amsterdamsche Bank) which will place the orders with the shipyards and rent the tankers to the oil company as they are completed. The oil company will pay a bareboat charter rate plus 5½ per cent interest for 20 years, when the loan will have been repaid. The oil company will then become the full owner of the ships. Through this plan the oil company will be provided with urgently needed large tankers but will not be tying up its capital for a period of years. The investors will receive a return on their money that compares favourably with that on other investments.

This is only one example of loan operations of this kind during 1956. It is reported that the Netherlands capital market is currently short of funds and is expected to be tight for some time—The Hague, Jan. 22.

Norway

ARRESTING DECAY IN WHALES—Two Norwegian whaling companies have been collaborating with an international pharmaceutical firm to test an antibiotic designed to arrest decay in dead whales. The preparation (trade name, "Biostat") can be introduced into the body of the whale either with the harpoon shell or by injection into the animal's stomach after it has been shot. In a recent experiment, a whale treated with "Biostat" immediately after being killed was subjected to extensive analytical tests 48 hours later. The tests showed that the decaying process, usually well advanced in the animal's intestines after 36 hours, had not started; both meat and oil were in perfect condition. If future tests prove as successful as this first one, the new preparation will be of great value to the whaling industry—Oslo, Jan. 16.

South Africa

FOREIGN TRADE—Both imports and exports rose substantially in the first ten months of 1956, compared with the same period of 1955. Imports totalled £419.6 million (1955, £405.8 million) and exports £333.9 million (1955, £297.5 million)—Cape Town, Jan. 15.

FOREIGN EXCHANGE RESERVES—In spite of further relaxations in import control and substantially higher imports, South Africa's foreign exchange reserves totalled £131 million at December 31, 1956, compared with £129 million at the end of 1955. A substantial increase in exports and higher gold production helped to keep the reserves high—Cape Town, Jan. 15.

Spain

PAPER PULP FACTORY—It has been officially confirmed that a paper pulp factory will be set up in Pontevedra (Galicia), to be called Celulosa de Galicia, under the auspices of the National Institute of Industry. Construction will start at the beginning of 1957, and will cost 600 million pesetas. This factory is considered of major importance because, it is estimated, once it begins production some $4 million a year will be saved on imports of pulp—Madrid, Jan. 14.

United States

DRIVE-THRU GROCETERIA—A Houston concern has opened its first Drive-Thru Market where customers may shop for groceries without getting out of their automobiles. The market is a rectangular building with 16-foot canopied traffic lanes. At the entrance a basket is attached to the car door on the driver's side. As the car moves along past the 4,000 items stocked, an attendant walks along between the car and the grocery shelves and puts the purchases indicated by the customer in the car basket. The Drive-Thru Market requires more store attendants than a conventional drive-in grocery and the owners are looking for sufficient volume to defray the extra expense—Chicago, Feb. 4.

Trade and Tariff Regulations

New Zealand

CLOTHING MARKING REGULATIONS—Under the New Zealand Clothing Marking Order 1956, which will be effective from July 1, 1957, the classes of clothing listed in the schedule below, whether imported or made in New Zealand, must bear clear indication of origin.

MANNER OF SHOWING INDICATION OF ORIGIN

Gloves and mittens, knitted or made from knitted or woven fabrics	On one glove of each pair, or on a label attached to such glove.
Foundation garments, i.e., corsets, corselettes, brassieres, roll-ons, and the like, including surgical foundation garments and athletic supports	Either— (a) Woven into, or stamped or printed on, or applied by transfer to a tab of woven material securely sewn or attached to each article; or (b) Stamped or printed on each article, or applied thereto by transfer in contrasting colour.
Hosiery, i.e., socks and stockings of all kinds and fibres	Stamped or printed on, or applied by transfer to, one of each pair in a contrasting colour, or alternatively in the case of full length hosiery by seal firmly attached to one of each pair.
Neckties	On a label attached to the articles.
Swimwear, beachwear, and other sportswear	Either— (a) Woven into, or stamped or printed on, or applied by transfer to a tab of woven material securely sewn or otherwise securely attached to the inside of each article, preferably at the top thereof; or (b) Stamped or printed on, or applied by transfer to the inside of each article, preferably at the top thereof in a contrasting colour.
Outerwear of all other kinds, whether knitted or made from knitted, woven, rubberized, elasticized, or other materials, but excluding boots and shoes, hats, caps, and millinery	Either— (a) Woven into, or stamped or printed on, or applied by transfer to a tab of woven material securely attached to the inside of each article, preferably at the top thereof; or (b) Stamped or printed on, or applied by transfer to the inside of each article, preferably at the top thereof in a contrasting colour.
Underwear, nightwear, shirts, blouses, and the like, whether knitted or made from knitted, woven, or other materials	Either— (a) Woven into, or stamped or printed on, or applied by transfer to a tab of woven material securely sewn or attached to each article; or (b) Stamped or printed on each article, or applied thereto by transfer in contrasting colour.

Note—(i) In the case of composite garments such as suits, costumes and the like, only one article of the set need bear an indication of origin in the prescribed manner.

(ii) Any article of clothing in a sealed container which bears an indication of origin and which remains unbroken and intact until after delivery to the consumer shall not be required to bear an indication of origin.

(iii) Any manufacturer may, with the consent of the Secretary of Industries and Commerce, Wellington, New Zealand, be permitted for a period not exceeding one year from July 1, 1957, to show the indication of origin on a swing ticket or an adhesive seal, or in like manner.

Philippines

CLARIFICATION OF DISCOUNTS ON INVOICES REQUIRED—According to Tariff Decision Circular No. 30, the Philippines Customs requires that full information with respect to trade discounts be shown on consular invoices covering shipments of goods subject to percentage rates of duty.

Before January 15th, discounts shown on invoices were generally accepted without question. Henceforth, invoiced discounts will not be allowed for appraisal purposes by the Customs unless they represent the discounts granted to the least-favoured class of purchaser in the usual wholesale quantities for home consumption and for export to the Philippines.

SPECIAL IMPORT TAX—The 17 per cent Philippine Special Import Tax, which was instituted at the beginning of 1956, has been reduced to 15.3 per cent on goods arriving in the Philippines during 1957. All goods imported into the Philippines pay this special tax unless they are specifically exempted in the act (Republic Act 1394) that implemented the tax. Basically, the items exempted from this tax are raw materials for new and necessary industries, some essential foodstuffs, government purchases, and drugs and medicines—Manila, Jan. 14.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF —The South African Board of Trade and Industries has received the following representations respecting the tariff:

Bringing into operation of the suspended duty on:

Boards (cardboard, leatherboard, fibreboard, strawboard and mill board) to the extent of the whole suspended duty (25 per cent ad valorem).

Withdrawal of the rebate facilities on:

Pulpboard, for use in printing, lithographic, bookbinding, ink and roller composition manufacturing and cardboard and fibreboard box making industries, under item 356 (3).

Paper (plain) exceeding 30 lb. per 1,000 square feet, for use in the ceiling, wallboard and woodfibre board manufacturing industry under item 377. (At present, the rebates equal the rate of duty.)

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of doing so is for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally reviewed soon after the announcements are made, it is advisable to take action as soon as possible.

West Germany

DUTY-FREE IMPORTS OF ALUMINUM—Crude aluminum (in pigs, blocks, ingots, etc.) may be imported into West Germany duty-free up to a total of 40,000 metric tons during 1957. A similar quota for duty-free entry was in force in 1956. Moreover, the unused contingent from the last quarter of 1956 may be imported duty-free in the first quarter of 1957—Bonn, Jan. 29.

Spain Makes Industrial Progress

SPAIN'S INDUSTRIAL PROGRESS during the last twenty years results from increased production in the country's four basic industries: electricity, iron and steel, cement, and coal.

Output of electricity, which is vital to Spain's industrial and economic development, rose from 2,553 million kwh. in 1935 to 12,200 million kwh. last year. New installations and projects to produce electricity are under way and production should reach 20,000 million kwh. by 1960. The electrification program has had to surmount many handicaps, including lack of foreign currency to purchase equipment, delays in deliveries because suppliers were unable to keep up with postwar demand, and severe power restrictions during the drastic droughts of 1945 and 1949. Reservoir capacity has doubled in the last five years and water reserves have increased.

By 1960 Spain's steel production is expected to rise to two million tons when the new plant at Avilés begins operations. During the last 20 years existing plants have expanded output, trebling production of pig iron and doubling that of steel. Greater steel production has stimulated manufacturing of motor vehicles, sewing machines, typewriters, and electrical apparatus.

State-supported housing projects and public works programs have increased the demand for cement. Production reached 3·7 million tons in 1955, some 420 thousand tons more than in 1954, and 2½ times higher than 1953 output. This year, cement production is expected to reach 4·2 million tons. New cement plants have gone up and older plants have been enlarged; by 1960, Spain hopes to attain an annual production of 5·5 million tons.

Production of anthracite and lignite coal has also expanded greatly since 1935; output was six times higher in 1955 than it was two decades earlier. Spain continues to depend on large imports of coal to meet her needs.

The chemical industry has developed rapidly in recent years and now turns out a wide range of products—such as fertilizers, insecticides, artificial textile fibres, plastics, and antibiotics. New industries are increasing in number and in 1954 the total value of industrial production in Spain reached an estimated 218,000 million pesetas; last year it rose a further 10 per cent.

—M. T. STEWART,
Commercial Counsellor, Madrid.

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

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

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

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

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

For conversion to United States dollar equivalent multiply by 1.0430.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 1	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05326	18.78	(1)
		Free	.02553	39.17	
Austria	Schilling		.03687	27.12	
Australia	Pound		2.1470	.4658	
Belgium, Belgian Empire and Luxembourg	Franc		.01909	52.38	
Bolivia	Boliviano	Official	.01266	78.99	
British West Indies	Dollar		.5591	1.789	(2)
	Pound		2.6838	.3726	(3)
	Dollar	British Honduras	.6710	1.490	
Brazil	Cruzeiro	Effective selling*			
		*Category I	.01555	64.29	*Dec. 28
		Category II	.01216	82.26	(4)
		Category III	.00773	129.34	
		Official buying	.05222	19.15	(5)
Burma	Kyat		.2013	4.968	
Ceylon	Rupee		.2013	4.968	
Chile	Peso	Free	.001753	570.5	(15)
Colombia	Peso	Basic	.3835	2.608	(7)
		Free*	.1605	6.231	*Jan. 31
Costa Rica	Colon	Official	.1707	5.858	
		Controlled free	.1442	6.936	
Cuba	Peso		.9588	1.043	tax 2% (4)
Czechoslovakia	Koruna		.1332	7.508	
Denmark	Krone		.1388	7.205	
Dominican Republic	Peso		.9588	1.043	
Ecuador	Sucre	Official	.06392	15.64	
		Free	.04965	20.14	
Egypt	Pound	Official	2.7531	.3632	(6)
El Salvador	Colon		.3835	2.608	
Fiji	Pound		2.4178	.4136	
Finland	Markka		.004168	239.9	
France, Monaco and North Africa	Franc		.002740	365.0	(8)
French Colonies in Africa	Franc		.005480	182.5	(9)
French Pacific	Franc		.01507	66.36	(10)
Germany	D Mark		.2282	4.382	
Greece	Drachma		.03196	31.29	
Guatemala	Quetzal		.9588	1.043	
Haiti	Gourde		.1918	5.214	
Honduras	Lempira		.4794	2.086	
Hong Kong	Dollar	Free*	.1568	6.376	*Jan. 18
		Official	.1677	5.963	
Iceland	Krona	Official	.05887	16.99	
		Special selling	.03439	29.08	(11)
India	Rupee		.2013	4.968	
Indonesia	Rupiah	Basic	.08443	11.84	(12)
Iran	Rial	Certificate	.01266	79.01	
Iraq	Dinar		2.6845	.3725	
Ireland	Pound		2.6838	.3726	
Israel	Pound		.5326	1.878	
Italy	Lira		.001539	649.8	
Japan	Yen		.002663	375.5	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 1	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.2996	3.338	
Mexico	Peso		.07670	13.04	
Netherlands	Florin		.2504	3.994	
Netherlands Antilles	Florin		.5046	1.982	
New Zealand	Pound		2.6838	.3726	
Nicaragua	Cordoba	Effective buying	.1453	6.882	
		Official selling	.1360	7.353	
Norway	Krone		.1342	7.452	
Pakistan	Rupee		.2013	4.968	
Panama	Balboa		.9588	1.043	
Paraguay	Guarani	Official	.01598	62.58	(6) (13)
Peru	Sol	Certificate	.05046	19.82	
Philippines	Peso		.4794	2.086	
Portugal & Colonies	Escudo		.03346	29.89	(14)
Singapore & Malaya	Straits dollar		.3131	3.194	
Spain & Dependencies	Peseta	Basic buying	.04379	22.84	
		Basic commercial selling	.05838	17.13	(6)
		Free	.02461	40.63	
Sweden	Krona		.1853	5.397	
Switzerland	Franc		.2237	4.470	
Syria	Pound	Free	.2701	3.703	
Thailand	Baht	Free	.04686	21.34	(6)
Turkey	Lira		.3424	2.921	
Union of South Africa	Pound		2.6838	.3726	
United Kingdom	Pound		2.68375	.3726	
United States	Dollar		.95875	1.043	
Uruguay	Peso	Free	.2483	4.027	
		Basic buying	.6313	1.584	(6)
		Principal selling	.4566	2.190	(16)
Venezuela	Bolivar		.2862	3.494	
Yugoslavia	Dinar		.003196	312.9	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharge of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from Australia

P. PHILLIPS, representing Dominion Builders Pty. Ltd., 55/57 Latrobe Street, Melbourne, Australia, wishes to get in touch with manufacturers and/or patent holders who will grant franchises for manufacturing rights in Australia and sales rights for Australia, New Zealand, East Asia and South Africa for home building and light engineering materials, electrical appliances, toys and novelties.

Mr. Phillips intends to visit Canada in March or April. Firms interested in his proposition should get in touch with the Australian Government Trade Commissioner, 1255 Phillips Square, Montreal.

▶ from the Belgian Congo

EDOUARD-HENRI FISCHER, Director of Beltexco, Leopoldville, Belgian Congo, an export-import firm handling industrial and technical products, will visit Canada between March 15 and 30. Mr. Fischer's itinerary is as follows: Toronto (Royal York Hotel), March 19-21; Ottawa (Chateau Laurier Hotel), March 22-23; Montreal (Laurentien Hotel), March 24-26.

▶ from Ireland

ELLIS FREEDMAN of Messrs. Freedmans Ltd., 20-21 Merchant's Quay, Dublin, will arrive in Canada the latter part of February to establish buying connections for toys, jewellery, and fancy goods, including novelties. Mr. Freedman can be reached at the Sheraton-Mount Royal Hotel in Montreal from February 24 to 28 and at the Royal York Hotel in Toronto from February 28 to March 6.

▶ from Japan

Y. MITANI, a director of Mitsubishi Oil Company Ltd., No. 1 Shiba-Kotohiracho Minate-ku, Tokyo, will arrive in Toronto on March 7 from the United States. The purpose of his visit is to study the possibilities for Canada to supply crude oil to the Japanese market. Mr. Mitani will be in the Edmonton area for a brief period from March 12, in Calgary in mid-March, and in Vancouver towards the end of the month.

▶ from New Zealand

J. MANCHESTER, manager, Mercantile Branch, National Mortgage and Agency Company of New Zealand Ltd., 49 Water St., Dunedin C. 1, New Zealand, plans to visit Canada and the United States in May and June. His firm deals in various commodities associated with primary production, both as an importer and exporter. Main purpose of his visit is to promote sales of New Zealand seed in America. He will visit Toronto and Montreal and possibly the West as he returns to New Zealand. He hopes to get in touch with leading seed houses on his trip. Businessmen may contact him at the above address or through the office of the New Zealand Trade Commissioner, 609 Sun Life Bldg., Montreal, Que.

GERALD RHODES, Auckland manager and director of P & W Henderson Ltd., general importers with a special interest in textiles, will visit Toronto and Montreal towards the end of February and early in March. He would like to meet representatives of any firms interested in exporting to New Zealand. Direct inquiries to the New Zealand Trade Commissioner, 609 Sun Life Bldg., Montreal, Que.

▶ from the United Kingdom

ALLAN J. STUBBINGS, a director of Buckfast Potteries, Dart Mill, Buckfastleigh, Devon, will travel extensively in Canada and the United States during the next 12 months. His purpose is to make a thorough survey of the market in America for decorated souvenir pottery and to establish business connections with retailers of souvenirs and fancy goods at well-known tourist resorts. Buckfast potteries are decorators of good-quality earthenware and chinaware; they work to customer specifications with pictures, emblems, crests and other motifs.

Mr. Stubbings begins his tour in New York early in February. Anyone interested in meeting him should notify the United Kingdom Trade Commissioner in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Edmonton, or Vancouver.