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foreign trade

ANADA

RESIDENT BUYERS—A LUCRATIVE NEW YORK MARKET

Established in 1904

foreign trade

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cover The crowd lined up outside Gimbel's, eager to get first choice at a widely advertised sale, illustrates the enormous market for merchandise in the New York area. As our leading article points out, the metropolis has become the headquarters for buyers who purchase domestic and imported goods for department and specialty stores throughout the United States.

CANADA

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What rôle do resident buyers play in merchandising in the U.S.?

Who are they?

How should the Canadian exporter approach them?

For the answers, read this timely article.

Resident Buyers

—a Lucrative New York Market

H. E. LEMIEUX,
Consul and Trade Commissioner, New York.

RESIDENT BUYERS in the United States are better known to Canadian businessmen as suppliers of department-store merchandise and consumer goods than they are to Canadian manufacturers eager to find outlets in the United States for their products. This article is intended to acquaint Canadian exporters with the functions and methods of operation of these buying organizations that cater to the needs of department and retail stores across the United States and even overseas.

Resident buyers act as agents for stores or groups of stores. They are not to be mistaken for merchandise brokers; they are paid for their services (about 1 per cent of the stores' annual net sales) by the stores they represent and not by manufacturers. Canadian exporters selling through resident buyers can expect the same terms as if they sold directly to retail outlets.

Resident buyers operate in the principal buying centres — New York, Chicago, San Francisco, Los Angeles, St. Louis and Dallas. In New York, for instance, the more important ones are grouped into an Association of Buying Offices which is affiliated with the National Association of Retail Merchants. Forty New York resident buying offices belong to the Association, which claims that its members are responsible for purchasing 95 per cent of the requirements of the leading United States department and retail stores. The total value of sales made by customers of these buyers, whether department or retail stores, is estimated at roughly $15 billion by the Association: $10 billion goes for "specialty goods" and the other $5 billion is spent on the general category of "department-store merchandise". The scope of operations of New York resident buyers is evidenced by the fact that their customers include over 1,700 department stores and about as many retail outlets, located in every state of the Union, in addition to some 300 retailers in Canada and as many again in overseas countries.

Making the Approach

If you choose to contact resident buyers, it is important that you make the initial approach directly to the officer most likely to be concerned with, or interested in, your offer. It may therefore be useful to know that a resident buyer's staff organization is much the same as that of the stores it represents. This is usually as follows:

President: sometimes called the director or manager. In any case, he is the chief of the buying office.

General Merchandise Manager: in charge of co-ordinating the activities and policies of the various divisions.

Divisional Merchandise Manager: in charge of a department—e.g., toys and sporting goods.

Buyer: in charge of a particular line of merchandise—e.g., women's sportswear.

Assistant Buyer: assists the buyer in general, interviews salesmen, scouts the market, keeps in touch with retail-store buyers.

It should be emphasized that the resident buyer's principal function is to assist department and retail store buyers and to advise those holding such positions in the stores.

Retail stores served by resident buying offices generally specialize in women's, children's and men's ready-to-wear, millinery, costume jewellery, accessories and sometimes furs. Department stores, of course, carry the above lines plus furniture, home furnishings, housewares, etc.

Dealing with Resident Buyers

The resident buyer has expert knowledge of market conditions, of fashion, and of trends in consumer preferences. Prices quoted to him should be as attractive as possible, keeping in mind that the buying power of a resident buying group enables the development of "special buys" because of quantity purchases and resulting economies in production costs.

It is part of a resident buyer's routine to organize "conventions" or "meetings" with representatives of member stores, at which samples of merchandise are available for examination and price comparison. These meetings enable him to establish his customers' requirements, both in quality and quantity.

If and when the buying office asks the Canadian manufacturer to submit samples, prices and other particulars, it is important to follow its instructions to the letter. For instance, if the buyer asks you to send one pair of shoes as a sample, do not send more. Do not send a whole range of sizes unless this has been specifically requested. Resident buyers do not have storage or warehousing facilities. We know of several cases where exporters have not followed the buyer's instructions and the result was only ill will. Because most buyers will not be bothered with customs matters, a special effort should be made to develop duty-paid, c.i.f., point-of-delivery prices. Care should be taken to comply with United States labelling and marking regulations.

A special list of New York resident buyers has been prepared for the convenience of Canadian exporters. These buyers are classified in the following table. The approximate number of member stores is shown in the second column.

1. Department Store Merchandise Buyers

Allied Purchasing Corporation 401 Fifth Avenue New York 18	86
Arkwright Inc. 128 West 31st Street New York 1	130
Associated Dry Goods 417 Fifth Avenue New York 16	10
Associated Merchandising Corporation 1440 Broadway New York 18	40
Frederick Atkins Inc. 11 West 42nd Street New York 36	47
City Stores Mercantile Company 119 West 40th Street, New York 18	73
Gimbel's Central Buying Office 116 West 32nd Street New York 1	Buys for their stores in Philadelphia, Milwaukee, Pittsburgh and New York.
Jack Hartblay Inc. 505 Eighth Avenue New York 18	160
Independent Retailers Syndicate 33 West 34th Street New York 1	120
Kirby Block & Co. 128 West 31st Street New York 1	160
Irving C. Krewson Corporation 500 Seventh Avenue New York 18	185
Felix Lilienthal & Co. Inc. 116 West 32nd Street New York 1	155
Macy's Corp. Buying Division 1314 Broadway New York 1	30 of their own and associated department stores
May Department Stores 1440 Broadway New York 18	43 department stores and branches
McGreevey, Werring & Howell 225 West 34th Street New York 1	150
Meier & Frank Co. 71 West 35th Street New York 1	3
Mutual Buying Syndicate 11 West 42nd Street New York 36	75
O'Shaughnessy, Dewes & Klein 128 West 31st Street New York 1	145
Charles Weill Inc. 101 West 31st Street New York 1	115

2. Millinery Syndicates

The following buyers lease and actively operate millinery departments of department stores and buy for their own account.

Harry Camp Millinery Co.
48 West 38th Street
New York 18

Consolidated Millinery Corporation
119 West 40th Street
New York 18

Emporium World Millinery Co.
9 East 37th Street
New York 16
(operates some 150 retail millinery departments)

Goldstein Millinery Co.
6 East 39th Street
New York 16
(Five leased millinery departments in Chicago)

3. Specialty Store Merchandise Buyers

(Principally women's and children's ready-to-wear and accessories)

American Retailers Service Inc. 225 West 34th Street New York 1	115
Jack Anstendig & Son 450 Seventh Avenue New York 18	130
Jack Braunstein Inc. 225 West 34th Street, New York 1	150
Certified Buying Service 119 West 40th Street New York 18	100
Cohn-Sobel 225 West 34th Street New York 1	76
Lillian Feuer Inc. 225 West 34th Street New York 1	80
Hofman & Weinberg 225 West 34th Street New York 1	150
S. Irene Johns Inc. 225 West 34th Street New York 1	100

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Laserhorn-Donegar Corporation 225 West 34th Street New York 1	160
Mary Sherwell Office 1441 Broadway New York 18	160
Specialty Stores Association 1441 Broadway New York 18	15
Steinberg-Kass Inc. 225 West 34th Street New York 1	160
John S. Subow Inc. 101 West 37th Street New York 18	90
Wm. Van Buren Inc. 500 Seventh Avenue New York 18	35

Arthur Holman Inc., 401 Fifth Avenue, New York 18, are millinery specialist buyers for some 30 retail outlets, although they do not operate millinery departments on lease. The Youth Fashion Guild, 353 Fifth Avenue, are specialist buyers of children's and teen-age wear, catering to about 150 specialty stores.

If the reaction to initial correspondence warrants it, a Canadian exporter should make personal calls on potential buyers as soon as possible. The Commercial Division of the Canadian Consulate General in New York City will help in arranging appointments whenever necessary.

Delivery Terms

Resident buyers obviously offer an enormous market potential and therefore Canadian manufacturers, to compete successfully in the United States market, should be prepared to quote on large quantities of goods and offer suitable delivery terms. Some Canadian manufacturers are known to have accepted large orders when they were unable to produce the goods on time to meet delivery dates. Because the resident buyers usually feel that they are operating in a buyer's market, they tend to be independent. The supplier who fails to meet their requirements is simply jeopardizing his chances of success in this important sales market. ●

Vancouver Visits the Orient

EACH YEAR the Vancouver Board of Trade organizes an Offshore Trade and Goodwill Mission. In 1959 a group of members visited Czechoslovakia; this spring the Far East was the objective and the three-week itinerary covered Japan, Taiwan, and Hong Kong.

Highlight of the time spent in Japan was a conference with Tokyo's business leaders. According to R. G. Miller, president of the Vancouver Board, "it was agreed by both sides of the conference that it was in the interests of both countries that the development of trade should be conducted on an orderly basis, instead of trying to expand it too rapidly." It was also agreed that "better self-discipline by Japanese exporters and the establishment of voluntary export quotas . . . were desirable in the interests not only of the stability of the Canadian market, but of the Japanese manufacturers themselves."

The Mission's Japanese visit also included a trip to the Japan International Trade Fair at Osaka, where the Canadians were impressed by the high-quality, well-finished Japanese products displayed by over 4,000 exhibitors. Mr. Miller reported on his return to Canada that "the large Japanese manufacturers are spending a relatively enormous amount on research to improve and to develop new products and new techniques. One cannot but be impressed by the devotion of Japanese industry and workers to creating in their country one of the greatest workshops in the world in order that they can continue to buy the necessary imports to feed their ever-expanding population."

From Japan the group moved on to Taiwan and saw for themselves the definite economic progress that has been made in recent years. They did not visit many of the industrial plants, which are mainly in the south of the island, but observed something of the advance in cultivation of sugar, pineapples, tea, bananas and rice. "A great program of reforestation is under way," said Mr. Miller, "and some interest was expressed in our tree seeds."

The third area on the itinerary was Hong Kong. Here the Canadians witnessed the tremendous industrial expansion and the attempts made to cope with the great flow of refugees from Communist China. "Hong Kong," Mr. Miller informed the Board in his report on the Mission, "aspires to become the biggest and cheapest supermarket in the world and is doing everything it can to encourage its rapidly growing tourist trade." Three modern hotels of major size are being planned to accommodate the ever-increasing number of visitors from nearby countries and also from the western world.

To Hong Kong businessmen, the Mission suggested that orderly regulation of exports might in the long run be beneficial to the development of Hong Kong industry.

Originally the Mission planned to visit Communist China before flying home, but its application for visas was not granted. Despite this, all the members felt that the journey to the East had been worthwhile and would aid in the building of an orderly and expanding Canadian trade with this area. In addition, individual members did some actual business and made a number of useful contacts.

Dates for Canadian Tables

Dates rank second only to raisins among dried fruits imported into Canada; in 1959, 24 million pounds, valued at nearly two million dollars, came into the country. Only once in recent years have imports been larger; in 1955, they reached a record 36 million pounds.

The stately date palm flourishes in the dry, hot climate of North Africa and the Middle East; it has also been successfully transplanted to southern California. Each mature tree produces 100 to 200 pounds of dates in great clusters.

More than two-thirds of the dates used in Canada come from two Middle Eastern countries—Iraq (whose 20 million trees bear the world's largest crop) and Iran. These two sold us 17 million pounds last year. From the United States came another 4.7 million pounds, a sizable increase of 2.5 million pounds for the Californian exporters over the 1958 figure.

Though Iraq dominates the world date trade—supplying 80 per cent of all dates moving into export markets—Canada buys almost as large a quantity from Iran, which sells abroad only an eighth as much. (From Iraq, we purchased 8.9 million pounds and from Iran 8.5 million in 1959.) And, despite our relatively small population, Canadians ranked seventh among the world's date importers in 1958.

The three reports below cover production and production problems, exports and export methods in the three countries which supply almost all the dates used in Canada.

Iraq—largest date producer and exporter

W. B. WALTON, *Assistant Commercial Secretary, Beirut.*

IRAQ, the world's principal supplier of dates, produces many different varieties of this fruit but only the following are commercially important:

Khadrawi—a dark medium-sized date, purchased mainly by the United Kingdom and Australia.

Hallawi—large and golden, mainly exported to the United States.

Sayer—a small dark date, popular in the United Kingdom, the United States and Canada.

Zahdi—a large, light-coloured date, shipped mostly to Eastern countries requiring cheap food.

The first three varieties are grown in Basra in southern Iraq and the Zahdi type mainly in the central area.

The date, the staple food of desert Arabs over many centuries, is one of nature's most nutritive products, rich in protein, fats, carbohydrates, salts and vitamins. Dates have become Iraq's third most important export, following petroleum products and cereals.

The date palm is not normally allowed to bear fruit until it is four years old. In its tenth year, small amounts of dates are picked. Early in April, the blossoms of the female palm—the fruit-bearing tree—are fertilized by hand. In August, some of the half-ripe fruit is picked for local sale but dates for export are picked in September when they are fully ripe.

Supervising the Industry

The Iraq Date Association, a government-sponsored body, is responsible for the general development of the date industry. Before July 14, 1958, it owned 45 per cent of the capital of the Iraq Date Trading Company, which was formed in 1951 to be the sole exporter of dates from southern Iraq. Under the monopoly granted by the Government, the company is obliged to buy at fixed prices all dates presented by growers during certain periods.

Last year both the Date Association and the Date Trading Company were nationalized. The Date Association, now a part of the Ministry of Commerce, has created two cooperative societies in the southern and central districts of Iraq. They are responsible for the supervision of production and the construction of storage, pressing, packing and fumigating facilities, etc. Packing is carried out under the close supervision of the Date Association and the civil health authorities. Each packing station must be licensed and is inspected at regular intervals. Employees must undergo medical examinations and receive preventive inoculations against disease.

Two modern government packing stations are located in Baghdad and Basra; here the dates are washed,

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dehydrated, graded, sterilized by electric washers and twice treated against infestation. Basra dates are usually pitted and packed in 50-pound and 70-pound wooden boxes. Some are wrapped in cellophane packages, one-half, three-quarters and one pound in weight, and shipped in wooden boxes. Small quantities of Basra dates may be stuffed with almonds and nuts, wrapped in cellophane, and shipped in cardboard or wooden boxes. Lower quality dates are usually pressed, unpitted, in baskets of 35 kilograms (77 pounds) or tins of 20 kilograms (44 pounds).

The central-area dates, the Zahdi type, are pressed, unpitted, in baskets and bags of 50 kilograms (110 pounds) or tins of 20 kilograms.

Production and Exports

Yearly date production in Iraq averages about 400,000 tons. The production figures for the last five date seasons are given below.

1954	433,800 tons
1955	480,400 "
1956	260,000 "
1957	300,000 "
1958	480,000 "

The 1959 crop is expected to be 35-50 per cent smaller than average, because of unfavourable growing conditions.

Iraq, which grows almost half the world's dates, exports about 70 per cent of its crop. The principal customers are shown in the accompanying table.

Off-grade dates and those remaining from previous seasons are exported for use as animal fodder and in industry. In 1957, 57,100 tons were shipped abroad for these purposes and in 1958, 5,887 tons. Some of the crop is used in Iraq to make date-juice concentrate (dibis), which is in demand in the domestic market and is exported to other Middle Eastern countries and Europe. A pure alcohol obtained from dates is employed in Iraq in making arak, the local drink. Vinegar and sugar are also extracted from dates; the sugar is said to be sweeter than the conventional type.

Canadian date imports from Iraq in 1957 were valued at $429,000, in 1958 at $936,000, and in 1959 at $601,000. Canadians buy mainly Sayer dates packed in cases.

Prices and Marketing

Because Iraqi date exports represent over three-quarters of the world's date trade, fluctuations in the Iraqi date crop and in world demand strongly influence prices. The Iraqi Government recently raised by 25 per cent the price at which growers may sell their 1959 crop to the Iraqi Date Trading Corporation, the sole exporting agency. This has, of course, been reflected in world prices. The accompanying table gives approximate prices of Iraqi dates.

The type of packaging material used and the time of year at which dates are offered also affect the price.

Basra dates packed in boxes and fancy paper are sold mainly to the United States, Canada, Britain, Europe, U.S.S.R., South Africa, Australia and New Zealand. Zahdi and Basra dates in baskets, bags and tins are sold to the Middle and Far East for human consumption. The lower grades go to Europe for industrial use and animal feed.

The below-average 1959 crop, combined with recent growth in world demand, has left Iraq with no surplus dates. New customers include Communist China, which has contracted to purchase 30,000 tons. A number of Japanese firms wish to buy dates for industrial purposes. Iraq has signed a number of trade

APPROXIMATE PRICES OF IRAQI DATES

Variety and way of packing	Prices per metric ton f.o.b. Basra (ID1=U.S.$2.80)
Basra dates in 50 lb. boxes (selected)	ID 85/– to 100/–
Basra dates in 70 lb. boxes (G.A.Q.)	ID 49/– to 62/–
Basra dates in cellophane pieces	ID 75/– to 85/–
Basra dates stuffed with almonds and nuts	ID250/– to 300/–
Basra dates in 35-kilo baskets	ID 12/– to 20/–
Zahdi dates in cellophane packages, cartons and wooden boxes	ID 50/– to 90/–
Zahdi dates in baskets or bags, 50 kilos	ID 15/– to 22/–
Dates in tins of 20 kilos	ID 25/– to 35/–
Dates in baskets for industrial purposes	ID 10/– to 12/–

MAIN IMPORTERS OF DATES FROM IRAQ

Destination	1958	1957	1956	1955	1954
			(in tons)		
India	48,998	49,791	69,737	71,836	60,362
Syria	34,816	21,822	31,648	37,652	14,948
Egypt	20,891	17,411	13,182	23,495	17,809
Saudi Arabia	17,335	13,149	8,072	9,064	8,359
United States	15,298	19,218	16,644	12,430	16,512
United Kingdom	14,316	8,938	14,236	3,287	3,698
Aden	11,326	8,224	12,711	16,672	6,893
Jordan	8,531	3,573	6,999	6,206	6,351
West Germany	8,054	2,118	10,278	2,116	3,805
Australia	7,192	3,386	3,690	1,929	5,234
British Somaliland	6,779	2,217	9,578	513	1,962
Lebanon	6,523	5,923	6,459	8,211	13,686
Pakistan	6,324	4,776	6,053	10,930	7,104
Canada	6,306	4,999	2,989	3,677	6,373
Total (including all others)	239,285	238,085	263,968	248,969	217,887

agreements recently and dates have been among the principal products mentioned. The countries involved in these trade agreements are Yugoslavia, U.S.S.R., United Arab Republic, East Germany, Czechoslovakia, India, Romania, Poland, Communist China, Hungary and Bulgaria.

Plans to expand the date industry are under way. The Iraq Date Association expects to complete by 1961 ten modern packinghouses and storage depots. Later, a plant to produce liquid sugar and date syrup may be put up and one to make date meal for livestock feed is under study.

Early this summer, an Iraqi trading delegation began a tour of Europe and North America to conclude agreements for the sale of next season's dates. The delegation includes the managing director of the Basra Trading Company and a member of the board of directors of the Date Association. ●

Iran—Canada's second source of dates

E. CHILINGARIAN, *Office of the Commercial Counsellor, Tehran.*

EACH year Iran exports $20 million worth of fruit; dates account for almost $2 million of this. Production figures, though unreliable, set the total annual production during the past four years at between 100,000 and 115,000 tons. Exports, although they were off last year, average about 50,000 to 60,000 tons annually and make up some 2.2 per cent of Iran's total exports (excluding oil).

All production is carried on under irrigation. The major date-palm plantation area, from which most of the exports originate, is near the mouth of the Shatt-el-Arab River that divides Iraq and Iran and empties into the Persian Gulf at Khorramshahr and Abadan. Building development in these cities is encroaching on the plantation area. Last year, output in this area declined to under 40,000 tons, far less than production in recent years because of a further reduction in the number of palms and a particularly hot summer, dry winds, and an unusual number of insects.

There are approximately 19 million date palms in Iran: 27 per cent in the Khuzistan area (Khorramshahr, Abadan); 39 per cent in Fars Province (Lengeh, Barazjan, Kazeroun, Jahrom and Bushire); 25 per cent in Kerman Province (Minab, Haji'abad, Bam-o-Narmashir, Shahdad and Bandar Abbass); and 9 per cent in Baluchistan (Iranshahr, Seravan and Khash).

Numerous varieties of palms are cultivated, including Halawi, Berehi, Cantai, and Zahdi. The variety called Sayer provides the basis of the export industry at Khorramshahr.

Production Declining

During the past ten years, date production has fallen off, as the following estimates show (in thousands of tons):

1950	138	**1955**	100
1951	124	**1956**	130
1952	139	**1957**	105
1953	125	**1958**	125
1954	140	**1959**	115

Quality as well as production declined last year. The ideal condition for both is consistent low humidity—particularly when cutting the harvest—which was lacking in the important export-producing province of Khorramshahr.

Prices and Packs

The drop in volume of dates suitable for the various export markets and the fact that the same situation prevailed in neighbouring Iraq boosted prices in 1959 to 6.5 cents per pound (f.o.b. Khorramshahr) for the 70-pound boxes of general average quality, compared with 5.5 cents a year ago. Although there are certain variations in price, it is generally true that once a price for a specified pack has been agreed upon, the majority is sold at this rate.

Size and type of pack vary according to different markets. The principal packs of dates with stones removed for the Canadian and U.S. markets, together with this year's price (f.o.b. Khorramshahr), are as follows.

1. General average quality boxes containing 70 pounds net, arranged in rows and protected by wax paper. Price 6.5 cents per pound.
2. General loose pack—packed similar to general average quality but not arranged in rows, and protected by wax paper. Boxes contain 55 pounds. Price 7¼ cents a pound.
3. Selected loose pack—containing 50 to 55 pounds of dates larger than those listed above. Price 8 cents a pound.
4. Selected packs—arranged in rows containing 55 to 64 pounds of dates similar to the previous type. Price 8 cents per pound.
5. Cellophane packs—considered mediocre. Packs of one pound are exported to the U.S. and Canada and packs of 6 to 8 ounces to the European countries. One-pound packs are placed in boxes containing 100 to 108 packs. Price 9½ cents.
6. Eight-ounce packs—exported in boxes containing 100 to 108 packs. Price 8½ cents per pound.
7. Starched dates—these are processed as follows. The stones are removed, each date is cut into six pieces, and then mixed in starch three times until dates are no longer

Iranians are growing increasingly aware that high standards are important in boosting their date export business. New plants, such as the one at Khorramshahr which will begin operating this year, will replace more primitive packing methods.

sticky. Starched dates are packed in cases containing 50 pounds net. Before shipping, all dates are disinfected by HCN gas.

Because of transhipment, Iranian exports listed for Canada are smaller than Canadian imports which totalled $269,160 in 1956-57, $169,093 in 1957-58, and $172,107 in 1958-59. The 1959-60 imports will be larger than a year ago.

The U.S. and Canadian markets generally take the highest quality product, followed by European countries. The neighbouring Persian Gulf Sheikhdoms buy the lower quality comparable to the bulk of domestic consumption in Iran.

Total exports in recent years have remained consistently at between 50,000 and 60,000 tons, but this is apparently much less than the volume of ten years ago. A potential for increased production for export exists in areas other than the currently important export area, Khorramshahr. The first requirement, however, is the establishment of modern packing and processing plants compatible with the quality demands of major importing countries.

Because of the reduced supply, Iran will not have great difficulty this year in disposing of its date crop. However, Iranian dried fruit generally is facing stiff competition, particularly from Greece and Turkey which have made considerable progress in grading and packing.

Iranian producers are seeking help from the Government in keeping their markets in spite of increased competition. Freight-rate concessions on all dried fruits and nuts shipped for export have already been granted. All such products are shipped free of charge from any place in the country to Doroud (Upper Khuzistan). From there, shippers pay the regular rate. Discussions are also under way on further assistance by eliminating taxes on all transactions involved in the export of dates, as well as increased credit at lower interest rates and outright export subsidy.

Improved Quality Desired

Producers and distributors generally welcome the formation of the Iranian Government Standards Bureau, designed to regulate and establish standards and grades of Iranian export commodities. The date industry recognizes that higher quality and more uniformity is the basis for improving its position in export markets. As this organization has just been established, it may take a few years before the impact of new measures on production, processing and distribution is reflected in a higher average quality of dates for export. A first step contemplated for 1960 is the use of a modern packing plant built by the Government Plan Organization at Khorramshahr to handle most of the export packing now being done by some ten private plants. The construction of four processing plants in other producing areas is planned for the next year or two.

At present the Government does not supervise or direct the date industry. This places the onus for

EXPORTS OF DATES BY MAIN MARKETS

	1956-57	1957-58	1958-59
		(in thousands of rials)*	
U.S.S.R.	23,877,699	35,012,282	44,860,193
United States	11,635,167	34,330,297	40,185,857
Kuwait	7,211,349	4,770,353	4,403,228
Indonesia	6,175,948		
India	5,906,770	3,306,577	8,333,442
Canada	5,739,721		4,449,968
Germany	5,673,309	6,233,900	2,786,553
United Kingdom	4,058,475	11,846,153	9,640,683
Total exports	88,745,088	126,579,550	145,564,843

*75 rials=Can.$1.00.

quality and standardization on both the packer-exporter and the importer. This year one British and two U.S. buyers who supply a substantial share of the Canadian market were in Iran during the September to November packing season.

The Canadian Government Food and Drug Administration has occasionally rejected shipments of dates from Iran. As a protection against such quality problems, it is customary for Iranian packer-exporters to receive 85 per cent payment upon shipment and the remainder after the goods enter the country of distribution. ●

United States—production is concentrated in California

A. J. HICKS, *Consul of Canada, Los Angeles.*

THE date palm was originally brought to the New World by Spanish missionaries and was introduced into southeastern California about 50 years ago. This section of California, centered around the Coachella Valley and chiefly desert, contains 99 per cent of the date acreage in the State, which totalled over 5,000 acres in 1959 with about 4,100 acres bearing. The crop estimate, field-run before grading, was 38 million pounds; marketable production after grading was 33.4 million.

The federal marketing control allows a free percentage of 73 per cent and a restricted percentage storage carryover of 27 per cent. This meant that there were only enough dates in the 1959/60 crop year to meet the normal demand of approximately 24.5 million pounds.

Several varieties of dates are grown in California but the Deglet Noor is by far the most popular, as the table shows.

Types of dates	Variety acreage as a percentage of state total	How marketed
Khadramy	3.1	All varieties are marketed in a day or semi-day form
Zahdi	4.2	
Deglet Noor	82.6	
Saidy	1.2	
Others	8.9	

Harvest seasons vary somewhat with the variety:

Khadramy —mid-August to mid-October

Zahdi —beginning of September to mid-November

Deglet Noor —early September to the end of February, with the peak from October 1 to mid-December

Moisture in copious quantities is vital to the production of dates and each acre of bearing date palms uses from 10 to 20 acre-feet of irrigation water per year. There is an old saying that the date palm "must have its feet in water and its head in the fires of heaven".

As the fruit forms, spreader rings are placed inside the clusters on the palms to ensure maximum air circulation. Individual dates are picked by hand as they ripen and each palm is picked three to five times during the season. When the date palms are young, pickers sit on suspended platforms but as the palms get taller, long fire ladders are used or the picker sits in a special suspended saddle.

Preparation for Market

As the dates come to the packing sheds they are subjected to United States Government inspection for quality and grade. This is done on a random sampling basis. They are then placed in fumigating chambers for from eight to twelve hours to eliminate insect infestation.

Modern date-packing plants take every advantage of the latest electronic equipment as an aid to sorting, weighing and packaging the fruit. Specially designed equipment separates the fruit into four sizes; each size is carried on endless belts into and through the grading room. There expert graders select and grade the fruit for quality and moisture content. (No machine has yet been invented which can equal the judgment of these experts.) Batteries of automatic pitting machines then remove the pits at high speed, leaving the dates intact.

Bag filling and weighing equipment automatically weighs the dates, puts them in a bag, injects spoilage inhibitor and drops the filled bag on a conveyor. Packages, however, are hand-filled and individually weighed before they are machine-sealed. A spoilage inhibitor is sprayed into the package a fraction of a second before sealing; it acts as a sterilizing agent and as a preventive of mould and spoilage.

At this stage, government inspectors take continuous samples of the filled packages to determine whether or not they conform to the required standards.

High-speed machinery can wrap and seal up to 110 packages a minute. The fruit is then packed in specially lined shipping cases designed to preserve the condition of fruit and packages. Packages are then placed in refrigeration at a temperature of 32 degrees F. and a relative humidity of 75 to 80. Under these optimum conditions, dates will retain their proper moisture and flavour and will keep almost indefinitely.

Shipment is made in refrigerator cars and trucks where temperatures en route require this type of handling. Practically all dates shipped to Canada travel by rail. They are sold ex-car or ex-centrally located warehouses.

If care is taken, it is not difficult to preserve dates in prime condition. Ideally they should be stored in a temperature of between 30 and 40 degrees F. with a relative humidity of 75 to 80. The fruit should not be stored near flour, cereals or similar foodstuffs that might serve as a source of infestation. Because dates tend to absorb odours, they should also be kept away from onions, fish or other strong-smelling commodities. They should not be stored near steam pipes.

Normal sizes of bags and packages are:

Packages—	8 oz. pitted	1¾ lb. unpitted
	12 oz. pitted	2 lb. unpitted
Bags—	12 oz., 1 lb., 2 lb.	

Most dates for export are put up in packages of 8 or 12 ounces and are of top quality. The industry does not encounter any problems either in appearance, size of package or quality.

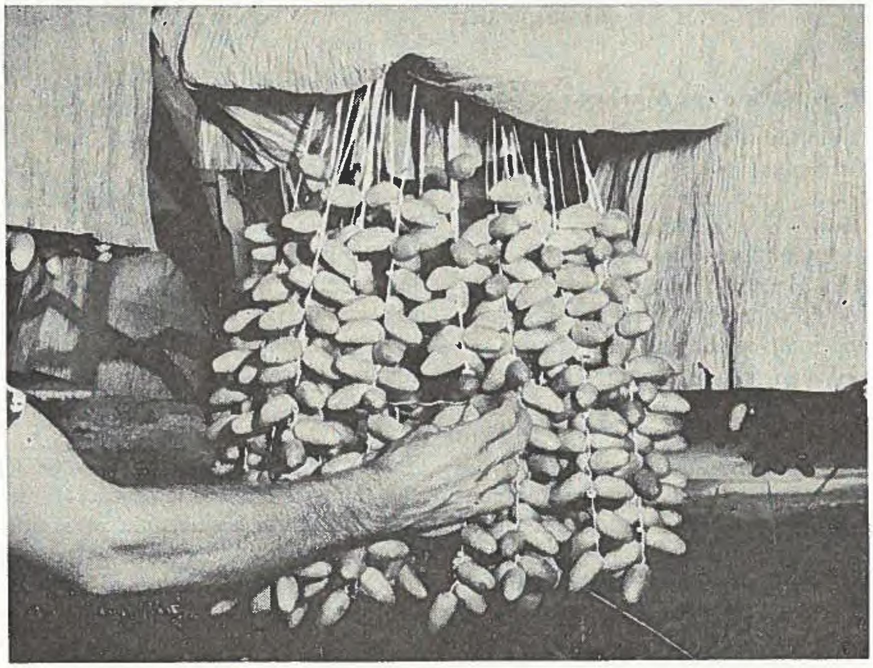
It is estimated that the 1960/61 crop of Deglet Noor dates will total between 33 and 35 million pounds, slightly below the average of the last five years. The reason is that the industry is following an alternate bearing crop to some extent and, as last year's crop was up, the coming year's will be down. The size of the 1959/60 crop was slightly above average both in quantity and quality, and so were exports. Market prices of dates during the last season were stable but with a shorter crop expected this year, prices may well increase.

Continued efforts are being made to expand foreign sales of United States-grown dates. In addition, the industry is endeavouring to furnish foreign countries with higher quality fruit and with packaging best fitted to their particular needs.

Canada imports more dates from California than does any other single country, largely in packages of 8 to 12 ounces and of top quality. ●

A prime date bunch, hanging below its protective paper umbrella, is ready for picking. The spreader ring, which can be seen just above the picker's thumb, is placed inside the bunch as the dates begin to form. This ensures that enough air will reach all parts of the cluster and that the fruit will form evenly. Growers harvest from 100 to 200 pounds from each tree.

—California Date Growers Assoc.



India Makes Tires

MANUFACTURE of rubber tires and tubes in India is currently passing through a phase of rapid growth. The two largest producers are completing enlargement of their production facilities and by 1962 four new firms will have joined the industry. The resulting production should double 1958 output (the last year before expansion began) by 1962.

In 1958, production totalled one million tires and 947,000 tubes for motor vehicles and 8.3 million tires and 7.9 million tubes for bicycles, plus a few thousands for other purposes. By 1962, the industry should be turning out motor vehicle tires and tubes at a rate of 2.54 million a year each.

Contributing to this development is the expansion of production facilities at the Calcutta factory of Dunlop Rubber Company, the Bombay plant of Firestone Tyre and Rubber Company, and the construction (finished in 1959) of a new Dunlop factory at Madras. In addition, four new firms are entering the field. They are: Ceat Tyres of India (an $8 million plant at Bombay, just in production); Goodyear Tyre and Rubber Company of India Private Limited (a $12 million plant near New Delhi to be completed early in 1961 with a capacity of 225,000 each of tires and tubes for motor vehicles) and National Rubber Manufacturers Ltd. of Calcutta, a long-time producer of bicycle tires and tubes. It plans to form a new company to produce motor vehicle tires and tubes at the rate of 180,000 each per year.

Despite rising output, India is still a net importer of tires and tubes but the Indian Government hopes that the country will shortly be exporting bicycle tires and tubes to neighbouring countries.

At the same time, rising production means that India will have to import more crude rubber. Total consumption—43,000 long tons in 1959 of which nearly 20,000 tons were imported—is expected to rise to 60,000 in fiscal 1961-62 and to 94,000 by 1965-66, the close of the Third Five Year Plan.

India's first synthetic rubber plant should get into production in 1962 and turn out 20,000 long tons per year. None the less, the country is certain to require substantial imports of natural or synthetic crude for some years to come.

—J. R. MIDWINTER,
Assistant Commercial Secretary,
New Delhi.

You Can Sell Foods to Switzerland

Canadian exporters should explore the expanding market for food products in Switzerland. Our Berne office gives practical advice on what products to sell and how to sell them.

Y. B. HEISSLER, *Office of the Commercial Counsellor, Berne.*

SWITZERLAND, the land-locked Alpine country of five million people in the heart of Western Europe, relies upon foreign sources for more than a quarter of its total food requirements. This is particularly true for a range of basic products such as wheat and cereals, fruits and vegetables and, at certain periods of the year, eggs and other foods. Most of the basic food products, both domestic and imported, are subject to a number of controls but imports of canned, preserved and packaged foods are almost entirely free from such controls. There are no foreign exchange problems and imports are admitted without discrimination. The Swiss food trade is thus in a position to import standard and specialty food products from any country.

Foreign food specialties of all kinds—from French pâté de foie gras to Russian caviar, from Italian ravioli to Canadian salmon, from Czech beer to Danish aquavit—are available in Switzerland's food stores and supermarkets. There is constant interest in new products and Swiss food importers always consider carefully a well-presented offer.

The interest in foreign foods was illustrated at the AIDA International Food Distribution Exhibition held in Lausanne in June 1959; Canada participated with a relatively small group exhibit. The number of inquiries from interested Swiss business firms seeking foreign food suppliers was surprisingly high. In spite of the competitiveness of the market, it is clear that there are still many opportunities for doing business.

This interest in foreign foods was further illustrated at an exhibition in November last, organized in Basel, Switzerland's second most important city, by the local ACV (Food Co-operative Society). This exhibition, under the slogan "Tasty Dishes from Foreign Countries", was entirely devoted to foreign foods, exhibited, tasted and sold in a number of ACV self-service stores. Two of these were exclusively devoted to Canadian foods and had a marked success. Public interest was aroused in these newly introduced Canadian products.

Organization of the Market

Switzerland has approximately 20,700 retail food shops. The great majority belong to purchasing or chain-store organizations. These distribution organizations are listed in the table on the right.

Another important organization in the foodstuffs group is Howeg of Grenchen, which centralizes purchases for approximately 4,000 members of the hotel and catering trade throughout the country.

Numerous products sold through the larger purchasing and chain-store organizations are packed under special agreement and brands by a number of Swiss and foreign manufacturers. Migros obtains its limited range of competitive products from its numerous wholly-owned or controlled factories or direct from foreign manufacturers, but the other organizations buy foreign foods both direct and through appointed agents in Switzerland. The latter method is the rule in cases of exclusive distributorship.

In general, Switzerland's food retail shops are modern, although relatively small by North American standards. Only 1,500 stores are entirely self-service; 3,100 shops have partial self-service. However, the number of self-service stores is steadily increasing. One-third of the retail food shops are now equipped to handle frozen products, but sales of frozen foods, with the exception of poultry and fish fillets, are still small in relation to living standards and self-service development.

Wholesale Trade—The wholesale trade is well organized and consists of approximately 250 firms, of which about 100 carry a complete range of food products; the remaining 150 specialize in certain lines. The majority of foreign processors of foods have appointed agents in Switzerland. Because Switzerland is

DISTRIBUTION ORGANIZATIONS

	Number of Stores 1959	1960
A. Purchasing Organizations for Independent Food Retailers		
Union Usego, Olten	4,314	4,310
Alro, Lausanne	4,200	4,200
Kolonial EG, Burgdorf	1,107	1,120
Liga, Basel	547	535
SHG, Dübendorf-Zurich	546	558
Sub-total	10,714	10,723
B. Chain-Store Organizations		
Swiss Consumer Co-op. Assoc., Basel	3,200	3,250
Migros, Zurich	354	366
Volg, Winterthur	589	600
Konsum Denner, Zurich	214	207
Konsumverein, Zurich	179	184
Merkur A. G., Berne	189	192
Others	294	295
Sub-total	5,019	5,094
C. Private Independent Food Retailers (estimate)	5,000	4,850
TOTAL	20,733	20,667

84963-8—3

If You Want to Sell Foods to the Swiss . . .

1. *Quote prices on export offers c.i.f. or c. and f. European port.*
2. *Submit samples to the prospective buyer whenever possible.*
3. *Supply brochures and catalogues in French and/or German if possible. (Literature in English is usually also examined.)*
4. *Answer all correspondence promptly. Most Swiss firms will correspond in English.*
5. *Remember that the introduction of new brands requires some financial sacrifice and that most Swiss agents expect their foreign principals to bear a substantial share of the cost of advertising.*
6. *Pay close attention to presentation and appearance; the Swiss public is extremely quality-minded.*
7. *Offer competitive prices; competition is stiffer here than in most European countries.*

a small country, one agent with a capable travelling sales force is usually sufficient to cover the market. Often the general agent appoints sub-agents in the principal Swiss cities. Wholesalers are always interested in new products and lines, but price, quality and advertising support are essential. The introduction of new brands is often difficult and many importing wholesalers are inclined to request substantial promotion assistance from the foreign manufacturer for the introductory campaign. This should not be over-emphasized, however, if a competitive product is offered and if the appointed agent is in a strong financial position.

The introductory program consists in general of a free supply of publicity material and of a number of cases of the product. The latter are normally distributed during the introductory period as a bonus to retailers placing orders for the new products or brands.

The profit margin of the Swiss food importer and distributor normally amounts to 8 to 15 per cent calculated on the import price. Retailers have a profit margin which under normal conditions varies between 20 and 30 per cent of the retail price. On exclusive and luxury goods, the margins may be substantially higher.

Duties and Import Restrictions

On January 1, 1960, Switzerland put into effect a new Customs Tariff based on the Brussels nomenclature. The new tariff is a specific one, like the old, and the duty rates are based on weight. In general, the new tariff brought little change in customs duties on foodstuffs and though a few rates were increased slightly, others were reduced. On the whole, Switzerland's tariff continues to be among the lower ones in Europe.

Some of the relatively few products subject to a duty of more than 20 per cent include honey (35 per cent), milk powder (20 to 40 per cent), biscuits and cakes (17 to 25 per cent), certain canned or bottled fruit and juice varieties (10 to 26 per cent), and preserved cherries (15 to 25 per cent). Import duties on frozen fish and poultry, canned salmon and eggs remain below 10 per cent of value.

Although payments and transfers in dollars or any other currency are entirely free, there are certain import restrictions on foods, and on various imported products a fee in addition to the customs duty (a so-called "price supplement") is levied. There is also a 5.4 per cent sales tax on the duty-paid value of the goods. This tax, however, does not affect the competitive price of imported articles because it applies also to Swiss products.

An import permit, which at certain times may be difficult to obtain—especially when domestic crops or production are large—is required for certain products of interest to Canadian exporters, such as all types of flour, meats, poultry, fresh and frozen vegetables, fresh fruit, edible fats, canned vegetables, eggs, honey, etc. For a number of products, import permits are freely available. Certain products such as butter and powdered milk may only be imported by specified public institutions. No import restrictions apply to canned fruit, fish and crustaceans, frozen salt-water fish, canned lobster, preserved tomatoes and tomato juice, etc. For various products, Swiss food regulations must be strictly observed. On the whole, the policy on imports of prepared foods is liberal.

What Is Imported

Among overseas suppliers of semi-prepared and prepared foodstuffs, the United States ranks first and U.S. preserved foods such as fruit, peanuts, tomato juice, ketchup, pickles and, to some extent, vegetables are on sale in almost any Swiss grocery shop and supermarket. Up to the present, Canada has exported only small amounts to this market. Provided prices are competitive, Canadian manufacturers may well be able to obtain a larger share of this trade.

The accompanying table lists a number of food products which, according to Swiss statistics, are imported into Switzerland from the United States and Canada.

Frozen Foods—In the frozen-food groups, Canada up to the present has only exported frozen salmon to Switzerland. In 1959, she sold

SWISS IMPORTS OF FOODSTUFFS FROM CANADA AND THE UNITED STATES

Commodity	1958 Canada Quantity (pounds)	1958 Canada Value (dollars)	1958 United States Quantity (pounds)	1958 United States Value (dollars)	1959 Canada Quantity (pounds)	1959 Canada Value (dollars)	1959 United States Quantity (pounds)	1959 United States Value (dollars)
Poultry, frozen	33	9	13,366,208	4,887,425	10,121	3,608	19,718,253	5,059,536
Fish, frozen	41,028	23,197	112	1,432	37,000	22,000	73	719
Tomatoes, canned and juice	1,911	220	1,134,756	119,113	2,870	335	1,224,836	134,814
Other vegetables, canned	1,686	480	183,432	41,749	2,692	590	264,746	50,322
Fruit, canned	1,973	514	8,510,140	1,350,257	8,692	1,917	14,904,189	2,258,615
Corned beef	6,801	2,228	18	10	800	360		
Other meats, canned	483,722	171,811	902,660	380,360	515,631	194,023	792,737	348,919
Fish, preserved	20,679	6,447	81,151	21,753	89,008	29,592	96,147	19,077
Lobster, canned	16,585	15,524			11,832	15,722		
Shrimps, preserved			110,096	79,315	3,336	4,375	222,583	129,069
Shell eggs	46,704	13,417	30,726	10,009			1,281,055	296,227
Egg yolk and spray, frozen	1,466,130	304,529	44,092	7,647	280,273	56,298	22,500	3,705
Egg yolk and spray, powdered	18,199	16,939	177,179	199,412	52,170	33,259	296,968	281,083
Confectionery, sweetmeats, etc.	342	107	666,854	267,395	2,480	759	647,171	261,701
Preserves and delicacies, n.o.p.	606	208	568,800	89,059	20,441	4,143	677,799	109,474
Whisky	62,604	45,082	30,068	24,852	73,752	51,048	27,747	24,718
	(28,397 kilos)		(13,639 kilos)		(33,454 kilos)		(12,586 kilos)	
Edible fats, other than butter	2,760	748	644,552	441,824			1,151,462	713,362

37,000 pounds valued at Can.$22,000. The volume of Canadian exports of frozen salmon largely depends upon Danish supplies from the Baltic; normally Danish salmon is offered at lower prices.

In recent years Swiss imports of frozen chicken, mainly broilers from the United States, have developed tremendously. The interest is still keen but prices must be competitive. Frozen cut-up poultry parts are not allowed into the country.

The largest seller with the greatest range of frozen foods is probably the Migros chain-store organization. In general, frozen prepared dishes are not yet well known in Switzerland. The lack of flavour and taste in some domestically produced frozen foods indicates that processors have not developed their technical skills to a sufficient degree.

Fresh Foods—Transportation costs and Swiss import restrictions make it difficult to sell most fresh foods in appreciable volume. There is, however, especially in times of poor domestic crops, interest in products such as apples, and at competitive prices Canada may obtain a small share of the market.

Preserved Foods—This is the field in which Canadian food processors and exporters stand the greatest chance. There are relatively few import restrictions and Swiss imports are fairly large.

Up to the present, Canadian firms have supplied mainly canned meats and canned fish. There is always interest in canned salmon, especially the chum and pink varieties, and although salmon is sometimes considered a luxury product in comparison with cheaper tuna, exports of this product could probably be increased without too much difficulty. There is similar interest in canned lobster and other competitive fish products, such as salmon eggs, shrimp, crabmeat, etc.

There are also possibilities of larger sales of canned fruit on the Swiss market, although the introduction of new brands requires a great deal of promotion and financial effort. Peach halves, Bartlett pears, red pitted cherries, fruit salad, fruit cocktail, maraschino cherries, tomato juice and ketchup are of special interest. Offers for other specialty preserved foods will also be seriously considered.

An interested Swiss buyer examines a can of Canadian peaches in a display of foreign foods set up in Basel last November by the Food Co-operative Society.

84963-8—3½

Other Foods—Seasonal imports of shell eggs from Canada are possible, if prices are competitive. Other Canadian lines which may succeed in the Swiss market and sell in larger quantities than in the past include whisky, dried egg yolk, dried fruits such as apricots, and certain delicacies and specialties such as maple products.

The interest shown by the Swiss public, both at the AIDA International Food Exhibition in Lausanne and at the ACV store exhibitions and demonstrations in Basel, has clearly demonstrated the opportunities for larger sales of Canadian foodstuffs to the Swiss market. Consequently, producers are invited to examine carefully the possibilities of placing their products, either standard or specialty, before the Swiss public. The Commercial Counsellor at the Canadian Embassy in Berne will be glad to supply further information on specific questions and to assist Canadian firms interested in exporting food products to Switzerland. ●

Advertising Abroad

In Switzerland, competition is keen, and advertising campaigns conducted with taste and restraint are essential to keep one's product before the public.

JOHN H. NELSON, *Assistant Commercial Secretary, Berne.*

WHAT are the problems that face a Canadian exporter who wishes to advertise in Switzerland?

The first one is language. Of the total Swiss population of five million, about 72 per cent speak German, 20 per cent French, 6 per cent Italian, and 1 per cent other languages. Many people speak more than one language, thus giving French and Italian, particularly the former, relatively more importance than the percentages indicate. It is essential therefore that the text of advertisements be in German or French depending on the locale and, where feasible, in Italian.

The second problem concerns the noticeable differences between one Swiss region and another. Switzerland is divided into 25 cantons (or provinces) whose inhabitants tend to have their own cantonal characteristics. Although this does not mean that successful advertising requires 25 different campaigns, care must be taken to ensure that advertising copy does not offend any language or cantonal group. Advertisers should therefore discuss Swiss advertising media and methods with qualified experts before beginning a campaign.

Problem number three is the Swiss attitude (different from ours) towards advertising. Swiss buyers and consumers attach great importance to quality, price, good service, finish and packaging. The advertiser should thus stress these points rather than use slogans, copy stressing the benefits of unexplained additives, or slick advertising techniques.

The advertising agency as we know it in Canada does not exist in Switzerland. There are instead two other types of firms, the first of which belongs to the Association of Swiss Advertising Agencies. These firms are, in the first instance, space-brokers for the press, and have control over all the advertising in many papers. The well known integrity of the agencies precludes bias in their placement of advertisements. Agencies plan and carry out advertising campaigns using all media. They either arrange to have creative work done by specialists or use their own facilities.

The second type of organization working in advertising is a member of the Association of Swiss Advertising Consultants. The major difference between these firms and the agencies is that the consultants do not have space to sell. They specialize in market research and the planning of advertising campaigns, and usually employ their own staffs.

Total expenditure on advertising in Switzerland is estimated at about 2 per cent of the gross national product. This is one of the highest relative rates of spending on advertising in Europe. The breakdown of expenditures (in per cent) is estimated as follows:

Advertisements	44
Printed matter	20
Direct mail	14
Window displays	8
Electric signs	5
Market research	4
Samples, demonstrations	2
Outdoor posters	1
Cinema advertising	1
Trade fairs	1
Total	100

Radio and TV—It will be noted in the preceding breakdown that there is no mention of radio or television. Advertising is not permitted at present on radio or TV, both of which are government-owned. Advertisers who wish to use these media often use German TV, or the radio in Germany, Luxembourg or Italy.

Newspapers—There are over 500 newspapers published in Switzerland, and all of them are solid, serious journals. Typical circulation varies from 2,000 to 5,000; only a few have a circulation of over 50,000. Newspapers are published in the three main languages and tend to appeal to local, regional or special interests, though a few with large circulations are more widely distributed. There is also a type of paper not found in Canada that is devoted exclusively to advertisements of products and services and to local announcements. These have little or no editorial content and are generally circulated free of charge. About 70 of these are published.

Periodicals and Magazines—Almost 200 periodicals and magazines with a total circulation of about five million are published in Switzerland. These are mainly of national or regional interest. About one-half are political, cultural or religious in character and the other half mostly popular picture magazines.

Trade and Technical Publications—The Swiss turn out some 700 to 800 trade and technical papers. Many of these are the official publications of numerous trade, manufacturers and other associations, and are useful to advertisers who wish to reach a selected audience.

Direct Mail—Direct mail advertising is used extensively. The quality of production is exceptionally good, with high-gloss paper and four-colour printing employed almost exclusively. Circulation of this type of advertising to business firms and private homes is aided by the efficient Swiss postal system.

Window Displays—Window displays, which are usually arranged through a local agent, are invariably of high quality and usually original.

Market Research—Market research is closely related to advertising. There are a number of reliable firms in Switzerland which specialize in this work, and they are often a help in overcoming advertising problems.

Outdoor Publicity—The use of posters and billboards in Switzerland is almost the exclusive right of one company. All posters are of a standard size (90.5 x 128 centimetres = 35.63 x 50.39 inches) and are placed at locations owned and chosen by the company rather than the advertiser. Advertising in public vehicles is also done by the same firm. Another company has the exclusive right to advertising in railway stations.

Films and Slides—Advertising films are shown at the beginning of most movies in Swiss cinemas. They are restricted to 120 metres or about four minutes running time and it is common practice to project two or three of 60 or 40 metres. During intermission and intervals, most Swiss cinemas project advertising diapositive slides; each one is given a six-second exposure.

Advertising in Switzerland can best be described by saying that it is of exceedingly high quality, and though widespread, it is restrained and well organized. I have specifically mentioned the high quality of advertising in some media but this applies equally to all of them. The restrained nature of Swiss advertising shows up best in outdoor publicity. The Swiss know they have a beautiful country; they therefore do not permit indiscriminate placing of posters and signs on buildings or billboards along the highways. The close organization of the industry is illustrated in the strict control of standards and ethics maintained by the advertising companies and their associations.

What Canadians Can Do

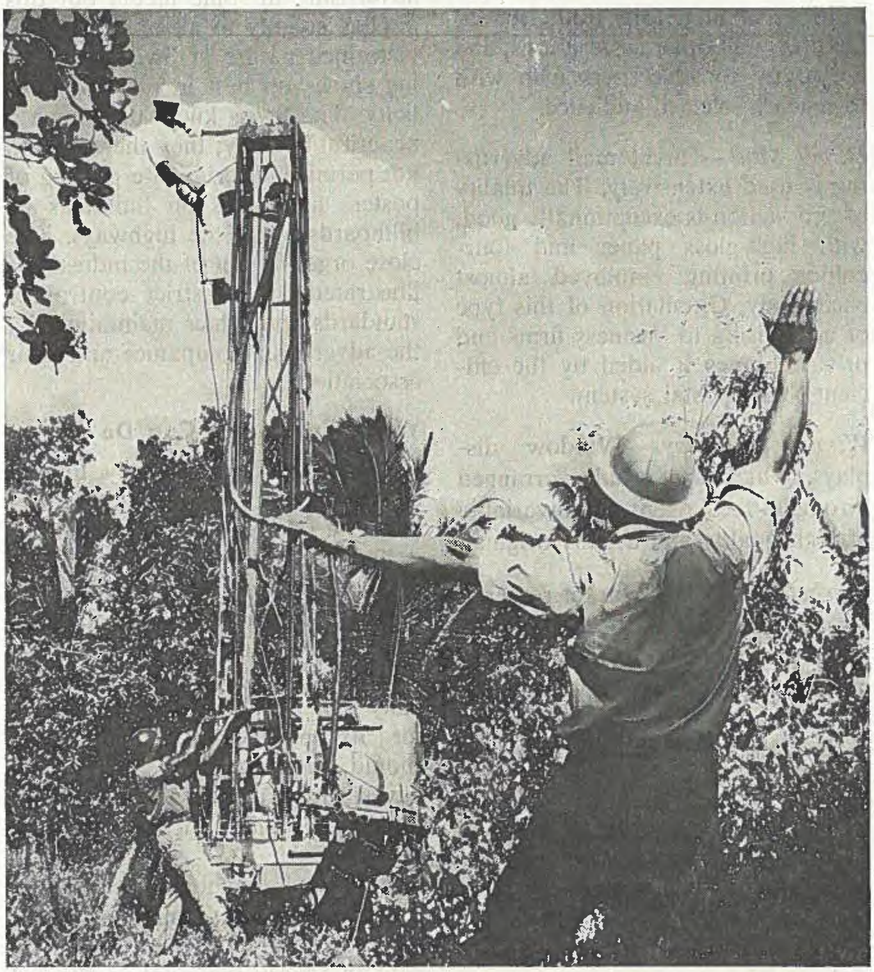
Canadian firms do only limited advertising here at present. Switzerland is a relatively small market but it has virtually no import or payment restrictions. As a result, Swiss firms receive offers of goods and services from almost every country in the world. The Canadian company that is able to win acceptance for its products in Switzerland should, in most cases, conduct an advertising campaign to ensure continued sales and to increase its share of the market.

It is advisable to discuss a projected advertising campaign with a local agent, who could either be paid an advertising grant or allowed an advertising discount. On the other hand, the Canadian businessman may wish to control the campaign from Canada. In this case he should consult a Canadian advertising agency with a Swiss correspondent qualified to advise on the particular problems of the Swiss market. If this method is not used, a suitable Swiss firm should be retained to work out a campaign in line with the Canadian firm's objectives.

Canadian businessmen who would like to receive further information on advertising in Switzerland should write to the Commercial Counsellor, Canadian Embassy, Berne. ●

PETROLEUM

Will it solve Brazil's financial problems?



If Brazil can reduce dependence on imported oil, its improved foreign exchange position should boost trading opportunities for Canadian exporters to this market.

C. M. KERR, *Assistant Commercial Secretary, Rio de Janeiro.*

BACK in 1948, Brazilians used about 25 million barrels of petroleum and its derivatives, valued at U.S.$116 million. Most of this had to be imported and this meant a heavy drain on Brazil's foreign exchange.

In 1959, about 82 million barrels of crude oil were consumed but some 23.6 million were produced locally, thanks to the Government's determination that Brazil should develop its oil resources. Although the proportion of net imports to national consumption is shrinking every year, imports of petroleum still contribute to a balance-of-payments deficit. Foreign purchases of petroleum products in 1959 reached $220.9 million, 16 per cent of total Brazilian imports.

To lessen this dependence on imported oil the Government swung into action and created two new bodies. The first was the National Petroleum Council, responsible primarily for regulating the supply of petroleum products in Brazil. It also controls prices of gasoline and some types of oil and grants concessions for the distribution of these products to private firms, most of which are internationally known.

The other body is Petroleo Brasileiro S.A., better known as Petrobras. Its duties are to locate and develop Brazil's resources of petroleum and natural gas, to refine domestic and imported petroleum, to furnish maritime transport for carrying petroleum products, and to build and maintain pipelines within the country. Petrobras was incorporated in October 1953 and the initial capital of Cr.$4,000 million was subscribed in 1954. Subsequent subscriptions have raised the paid-up capital to Cr.$26,000 million.

Production Climbs

Since starting operations in 1955, Petrobras has concentrated on the areas adjoining producing wells near Salvador in the State of Bahia. In 1954 these fields—which still account for virtually all of Brazil's domestic production—supplied one million barrels of oil and reserves were estimated at only 15 million. In 1955 production more than doubled. In 1957 it jumped to ten million barrels and in 1959, following stepped-up drilling operations, Petrobras announced that the Bahian oilfields produced 23.6 million barrels. Proven resources are now estimated at 617 million barrels. The 1961 production target is 120,000 barrels a day, or just over half the present total consumption of petroleum products in Brazil. In 1959 consumption of petroleum products, in terms of crude oil, totalled about 81.7 million barrels, or an average of 224,000 barrels a day. By 1961 it is expected to reach at least 100 million barrels, or 270,000 a day.

Since operations first got under way in Brazil in 1939, 986 wells have been drilled, mostly in the Bahian fields. Of these, 616 are producing wells—576 produce oil and 40 natural gas. Since the beginning of 1958 the pace of drilling has quickened considerably. In 1958 there were 136 completed wells drilled, totalling 209,170 metres. In 1959 the number rose to 227 and 286,620 metres. About 162 of the completed wells drilled were in Bahia, 36 in Amazonas, and 16 in the Alagoas-Sergipe area.

The 53 rigs in operation in Brazil are small by international oil-exploration standards. But the reader should remember that these operations are financed entirely by state resources out of income from domestic production and refining, plus purchase taxes levied on the consumer. Although the work is directed entirely by Petrobras, not all of the drilling is done by Petrobras crews. About 25 per cent is done under contract by international firms that specialize in drilling.

More Refineries Built

Petrobras's greatest accomplishments to date have been in refining. In 1954 domestic refinery output totalled less than 6,000 barrels a day—about two million barrels a year, or less than 4 per cent of Brazil's needs. Production came from several small private refineries, plus the Mataripe refinery near Bahia inaugurated by the National Petroleum Council in 1950.* In 1955, Petrobras took over the Mataripe plant and opened Brazil's first major refinery, the Presidente Bernardes at Cubatão, between Santos and São Paulo. It has an initial capacity of 45,000 barrels a day. In its first year of operation, imports of refined petroleum accounted for 58.2 per cent of market requirements compared with 96.8 per cent in 1954. In 1957 domestic refinery capacity totalled about 37,500 barrels a day or 60 per cent of domestic requirements. By the end of 1959, largely as a result of Petrobras's construction and expansion, domestic refineries were able to supply 160,600 barrels per day out of total daily requirements of 230,000. Of this amount, about 104,500 barrels were refined by the two Petrobras refineries, one at Mataripe with a 10,000 b.p.d. capacity, and the other at Cubatão. Brazil's six privately-owned refineries, with their 56,000 b.p.d. capacity, make a substantial contribution.

Petrobras refinery expansion and building plans for the next two years should just about double existing capacity. At Mataripe it is to be boosted to about 52,000 b.p.d. by 1961 and expansion will include a plant for making lubricating oils; capacity of the Cubatão plant will rise to 110,000 b.p.d. this year, and the Duque de Caxias refinery near Rio de Janeiro will come into operation in 1961 with a capacity of 90,000 b.p.d. Construction of a refinery at Belo Horizonte (population 500,000) with an initial capacity of 25,000 b.p.d. is also being considered.

One of the problems in Brazilian refineries is the use of domestic crude from the Bahian fields. The high pour-point of Bahian crude makes it difficult to refine without special equipment, though today both the Mataripe and Cubatão refineries are equipped to refine domestic oil. Petrobras reports that these refineries can handle 52,000 b.p.d. of Bahian crude. The rest of the domestically produced oil—about 23,000 b.p.d., according to official sources—is exported under export-import agreements with the principal international oil companies. According to Petrobras, it will no longer be necessary to export Brazilian crude after the new Duque de Caxias refinery comes into operation in 1961.

The Petrobras target for crude oil production for 1961 is 120,000 barrels a day. The 1961 refining target for domestic crude is 50,000 b.p.d. at Mataripe, with the remainder divided between the Duque de Caxias and Cubatão refineries. Private refineries will continue as at present to operate exclusively on imported crude.

Other Operations

In addition to the domestic refining and crude-oil targets Brazil has set for itself, the country is attempting through Petrobras to reduce foreign expenditure on byproducts of oil and on ocean transport.

A petrochemical industry has been established in conjunction with the Cubatão refinery and this helps meet in part Brazilian needs of ammonia, nitric acid and calcium nitrate. Small amounts of ethane and propane are also produced. An asphalt plant has been built nearby with a nominal capacity of 116,000 tons a year. A plant to supply 40,000 tons of synthetic rubber is also being built in conjunction with the Duque de Caxias refinery.

Brazil's tanker fleet, the Flota Nacional de Petroleiros, comes under Petrobras. At the end of 1959 the fleet consisted of 31 vessels totalling 370,000 deadweight tons. Six other vessels on order from foreign shipyards are expected to bring tonnage up to 530,000 by the end of 1961.

End of Trade Restrictions?

Although national control of Brazil's petroleum industry is now considered sacrosanct, Petrobras is not without its critics. They say that Brazil cannot afford to develop a petroleum industry out of its own resources and that private capital should be given at least some share in it to speed development. In

*Petrobras has exclusive rights to the construction and operation of new refineries in Brazil. Private refineries remain privately owned, capitalized and operated but are reportedly unlikely to expand because of lack of financial incentive.

answer to this criticism the authorities point to the reduction in imported petroleum products that Brazil has been able to achieve by state control. In 1959, according to Petrobras, this resulted in total net exchange savings of U.S.$143.5 million compared with some $124.9 million in 1958. Of the 1959 saving, U.S.$67 million is said to have come from the production of crude oil—a saving big enough to cover foreign exchange costs of equipment, materials, technical services, and foreign financing obtained during the year. As domestic crude output and refining facilities expand, says Petrobras, petroleum imports will drop and Brazil's balance-of-payments problem will be eased.

If Petrobras is correct in its estimate, this could be a distinct advantage to Canada and other traditional exporters to the Brazilian market. Brazil could then remove many of the temporary foreign exchange and import restrictions that have effectively barred important products from the Brazilian market in recent years.

Expansion of Brazil's petroleum industry also means opportunities for Canadian manufacturers, if they are able to offer special financing arrangements for capital equipment for refineries. Canadian suppliers should keep in mind that Petrobras plans to build a 25,000 b.p.d. refinery at Belo Horizonte and a 16-inch oil pipeline from near Rio de Janeiro to Belo Horizonte, a distance of about 300 miles. There is also a continuing market in Brazil for oilfield equipment, though competition is brisk and only firms that can offer products with advantages in design, economy of operation, or price can expect to compete with big international suppliers already well established in the market.

To encourage development of the petroleum industry, Brazil grants special advantages to Petrobras for buying equipment. Equipment not made in Brazil can be imported duty-free at the special rate of exchange (or "cambio de custo") of Cr.$100 for U.S.$1.00. Details about the type and value of these imports are not available but the amount budgeted for them in recent years is said to be between U.S.$50 million and U.S.$70 million a year. The budget for imports in 1960 is thought to be much higher, but about 50 per cent is reportedly earmarked for medium-term financing of Petrobras refinery expansion. ●

Commodity Notes

Automobiles

FRANCE—A new Citroën plant to be completed at Rennes in 1963 is expected to turn out about 1,000 vehicles a day; this will boost total Citroën output to 2,600. The new factory will employ 8,000 to 10,000 workers—Paris.

Bauxite

INDONESIA—A contract calling for the export of 800,000 tons of bauxite to Japan over the next two years has been concluded between the Indonesian Government and the Japan Light Metal Company and two other major Japanese aluminum firms. Annual exports in 1960 and 1961 will total 400,000 tons—Djakarta.

Blankets

JAMAICA—A large plant in the Kingston area is scheduled to begin producing woollen blankets this summer for export to Canada. An equipment maintenance crew is being trained and construction of the storage section will soon be completed—Kingston.

Canned Fruit, Vegetables

GHANA—A canning factory to process peppers, tomatoes and other vegetables and fruits will go into production in Ghana in September 1960. The factory, valued at an estimated £70,000, is near Nsawam, 24 miles from Accra, and is being put up by the Agricultural Development Corporation—Accra.

Cement

BRAZIL—National production of cement in 1959 totalled 4,346,000 tons, an increase of approximately 15 per cent over the 1958 figure of 3,769,158. Brazil is now the leading cement producer in Latin America and has nearly doubled production over the past six years—Rio de Janeiro.

Coal

AUSTRALIA—To develop large coal deposits at Kiangra (Queensland) and to facilitate transport to Gladstone, on Queensland's central coast, Japanese interests have offered to finance the construction of a

100-mile railway. The Mitsui interests are reported to be interested in importing a million tons of Kiangra coal into Japan in 1961 and increasing this to three million a year within two or three years. The financial outlay involved in the railway, with the rolling stock, is estimated at about A£7 million. The planned daily capacity of the line is to be 10,000 tons. The Government of the State of Queensland is reported to be considering the offer made by the Mitsui interests—Sydney.

Copper

ITALY—Italian foundries, with the support of foreign suppliers, have formed an organization called CISAR (Italian Centre for the Development of Copper Uses) in Milan which is expected to increase Italian copper consumption by 12 per cent a year by 1963.

The one active copper mine in Italy produces 5,000 tons a year. Raw and refined copper imports in 1959 totalled 112,433 tons compared with 103,596 tons in 1958. Approximately 40 per cent of Italy's copper requirements is obtained from reclaimed metal from alloys and scrap; 5,294 tons of scrap were imported in 1959 and 8,166 tons in 1958—Rome.

Gas

PAKISTAN—An extension to the purification plant at Sui should be completed by next fall. Pakistan will then have an assured capacity of more than 120 million cubic feet a day of purified gas for industrial, commercial and domestic use—Karachi.

Machinery

SWITZERLAND—In 1959, Swiss exports of machinery totalled a record Sw. Fr. 2.2 billion (172,500 metric tons) compared with Sw. Fr. 2.1 billion (163,000 metric tons) in 1958, and accounted for 31 per cent of Switzerland's total exports. Textile machinery led the capital-goods sales with a value of Sw. Fr. 410 million (18 per cent of total machinery exports), followed by electrical machinery (Sw. Fr. 384 million) and machine tools (Sw. Fr. 326 million). Exports to West Germany, Switzerland's principal machinery market, totalled Sw. Fr. 356 million. Other important markets were France, the United States, the United Kingdom, Italy and the Benelux countries. Exports to the Common Market countries accounted for 45 per cent of the total; EFTA countries took 16 per cent—Berne.

Manganese

ARGENTINA—Manganese from the Farallón Negro mine in Catamarca Province has been assayed by a West German firm which reports that it is of high quality and should be able to compete effectively in international markets. Economic production will, however, depend on finding a suitable method of extracting the silver and gold content of the manganese ore—Buenos Aires.

Natural Gas

FRANCE—Production of natural gas reached 2,600 million cubic meters in 1959 compared with 1,000 million in 1958, a 155 per cent increase. Refined gas delivered for consumption, at 1,300 million cubic meters, also more than doubled—Paris.

Oil

JAMAICA—Construction of a 26,000-barrel-a-day oil refinery in Jamaica will be started towards the end of the year by a United States oil company. During the 2½ years it will take to build the refinery, the project is expected to employ about 800 people—Kingston.

Processed Foods

SPAIN—During 1959, Spain exported 70 million kilos of canned and processed fruit and vegetables (double the amount for 1958), valued at about 500 million pesetas. Shipments consisted chiefly of fruit pulps, canned fruit and fruit juices; canned and processed vegetables represented only 10 per cent of the total.

About 50 countries buy processed foods from Spain; the United Kingdom is the leading customer, absorbing almost one-third of these exports, followed by West Germany and Norway. Markets outside Europe include Chile, the United States, Japan and Australia. A large part of Spain's fruit crop goes to the canning industry; in 1959, 50 million kilos of apricots were canned, and one million kilos of peaches were used in jam-making—Madrid.

Tuna

MALI—Société des Pêcheurs de France has opened in Dakar a $30 million fish packing factory that will can about 1,000 tons of tuna a month. Working with other packing firms, the company will implement a technical installation training program for local workers. Fishermen will also be taught the latest tuna-catching techniques—Paris.

Whale Oil

NORWAY—Despite a longer than usual season, Norwegian whalers failed to catch their legal limit this year. Because of unfavourable operating conditions, eight participating expeditions were able to return with a total of only 4,565 of the 5,800 blue whales allowed them for 1960.

Total whale-oil production reached 577,800 barrels compared with 712,900 barrels last year and 729,000 in 1958. Sperm-oil production totalled 62,700 barrels, compared with 84,000 in 1959—Oslo.

Canadian Honey Returns to Britain

Re-opening of British market offers our honey producers an opportunity of re-establishing themselves there. The author describes changes in the trade in the intervening years and touches on current consumer preferences.

B. M. FILLMORE, *Office of the Minister (Commercial), London.*

BRITAIN last year imported about 14 million pounds of honey of all varieties; Australia supplied 8 million and Argentina 2.8 million. The remainder came from New Zealand (900,000 pounds), the United States (700,000), and Canada (600,000), plus smaller amounts from the West Indies and Guatemala.

Before the war, Canadian honey dominated the British market; of total U.K. imports in 1938 of 11.4 million pounds, Canada supplied 3.4 million. But Canadian supplies were barred for some 17 years and the import pattern changed. Only in June 1959 were all restrictions on the import of honey from dollar countries removed. Canadian sales, only 61,000 pounds in 1958 under the small dollar-area quota, jumped to 600,000 and the outlook for increasing them further seems good.

Marketing Techniques

With the contraction in honey sales in wartime and during the postwar import restrictions, the trade became concentrated in a relatively few hands. This situation has continued into the new era of freedom just beginning. There are probably not more than six importers in the whole United Kingdom, two of which import honey in bulk and package it for retail themselves. The remaining firms that import in bulk usually have established outlets, mainly processing and blending firms.

A good proportion of honey sales to Britain are on consignment, possibly between one-quarter and one-third of the volume. Almost all New Zealand and Australian shipments are on consignment but the method differs not only with the country but also with British firms. The majority of imports from Canada are on consignment, usually to importers with established outlets. Some processors import direct but these are mainly outright purchases at a contract price.

In consignment sales, the exporter usually indicates a "guidance" price and his permission is sought before selling at a lower price. For contract sales, the preferred method of payment is cash against documents ten days before arrival of vessel.

The bulk packs of honey differ somewhat with the supplying country, but the 60-70 pound tins from Canada are well received in Britain, particularly by the processors and packers, who do a certain amount of manual handling. This pack also suits caterers and institutions. The New Zealand bulk tin resembles the Canadian but Australia and the Argentine ship most of their honey in 650-pound drums which require mechanical handling.

British consumers much prefer honey in glass jars with screw or snap top, in one-half or one-pound sizes. The trade has tried to market plastic packs—which it prefers and which are more easily handled—but without much success so far. Canada has made some shipments of plastic consumer packs but advertising is needed to popularize them. There is evidence that this pack may "catch on" in the future.

The Canadian stand at the Ideal Home Exhibition in London this spring displayed honey from Manitoba and Ontario. Sales (including some honey in plastic packs) far exceeded expectations, but this was probably due to the "buying" atmosphere. Undoubtedly Canadian honey made an impact on the buying public; after the show, inquiries about where to purchase it continued to arrive at Canada House.

Although only small quantities of Canadian honey are available in the British market, the trade looks on it as a standard of quality. The Canadian grading system, accepted as an almost infallible guarantee of quality, is similar to the New Zealand system. Some Canadian No. 1 White Clover is used for blending with other varieties but a good deal is sold under the label "Pure Canadian". It is nevertheless somewhat difficult to locate Canadian honey as such in the stores because of its relative scarcity.

Canadian Prices

A review of current prices indicates that, at retail, prices of Canadian honey are a few cents above those of honey from other countries sold in greater volume. English, French and Greek varieties cost considerably more, not because of quality but of individual taste. The French and Greek types are scarce and only very small quantities come into Britain. In the early months of 1960, Canadian No. 1 White Clover retailed at 42 cents for a pound jar; New Zealand, Hungarian and Spanish types cost about the same. Australian honey, the most plentiful variety, was 37 cents and a well-known blend of Australian/Argentine sold at the same price. The more unusual types of English, French and Greek honey sell at 55, 60 and 66 cents per pound jar.

During the past year the United Kingdom landed prices for Australian, Jamaican and Spanish honey have declined but those for New

Zealand and Hungarian honey have tended to rise. Canadian prices have remained fairly stable. With production in various countries acutely susceptible to the vagaries of weather, it is not practicable to predict price trends for 1960; however, a crop shortfall or failure in any particular supplying country does not have any far-reaching effects on the price structure in the British market.

Customs Requirements

Honey shipped in bulk containers for processing is considered to be "produce" by United Kingdom Customs authorities. As such, to qualify for duty-free entry under Commonwealth Preference the honey must be entirely of Commonwealth origin and must not be a blend of non-Commonwealth varieties. Certificate of Origin D, Form 119 (Sales), must accompany each shipment under Commonwealth Preference; the full or non-preferential customs duty is 5/- per 112 pounds (66 cents). Honey in small retail-size containers is considered "manufactured goods", for which Certificate of Origin E, Form 120 (Sales) is needed.

The outlook is good for sales of Canadian honey to Britain in the next few years. The demand is almost entirely for No. 1 White Clover and efforts to expand sales may well be concentrated on this quality and type. Because of its distinctive and consistent flavour a section of British consumers is developing a taste for it; this should lay the groundwork for a gradual rise in sales. If lower grades are shipped, however, the result will probably be a drop in sales, as there are a number of types on the market similar to lower grades of Canadian.

There is evidence that consumers will pay the few extra cents for Canadian No. 1 White Clover honey; Canadian shippers should thus concentrate on developing and maintaining a gradually rising output of honey of consistent quality, specifically for export to the United Kingdom. The establishment of a supply pattern along these lines in the next few years will give British importers the incentive to invest in market promotion. This will be an important factor in Canada's regaining the leading place she held in the British market twenty years ago. ●

Trade Commissioners on Tour


R. E. Gravel


K. Nyenhuis


H. L. E. Priestman


R. G. Woolham

The following officers of the Trade Commissioner Service are undertaking tours in Canada. Their itineraries are:

R. E. GRAVEL, Commercial Counsellor in Caracas, Venezuela:

Toronto—July 25-Aug. 5 — Montreal—Aug. 14-25
Ottawa—Aug. 7-12 — Quebec—Aug. 26-27

When he completes his tour and leave, Mr. Gravel will be transferred to Hamburg, West Germany, as Consul.

K. NYENHUIS, Trade Commissioner in Leopoldville, Belgian Congo:

Montreal—July 25-Aug. 5 — Quebec—Aug. 9
Granby—Aug. 8 — Saint John, N.B.—Aug. 11-12

When he completes his tour and leave, Mr. Nyenhuis will be transferred to Copenhagen, Denmark, as Commercial Counsellor.

H. L. E. PRIESTMAN, Consul General and Trade Commissioner in Manila, Philippines:

Montreal—Aug. 1-5 — Toronto—Aug. 8-12

R. G. WOOLHAM, Assistant Commercial Secretary in Tokyo, Japan:

Vancouver—Sept. 1-2 — Winnipeg—Sept. 7-9
Calgary—Sept. 6 — Ottawa—Sept. 12-23

When he completes his tour and leave, Mr. Woolham will be posted to Paris, France, as Assistant Commercial Secretary.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

Markets in Brief

PAKISTAN

Area: 364,737 square miles.

Population: 88 million—48 million in East Pakistan and 40 million in West Pakistan, according to recent estimates.

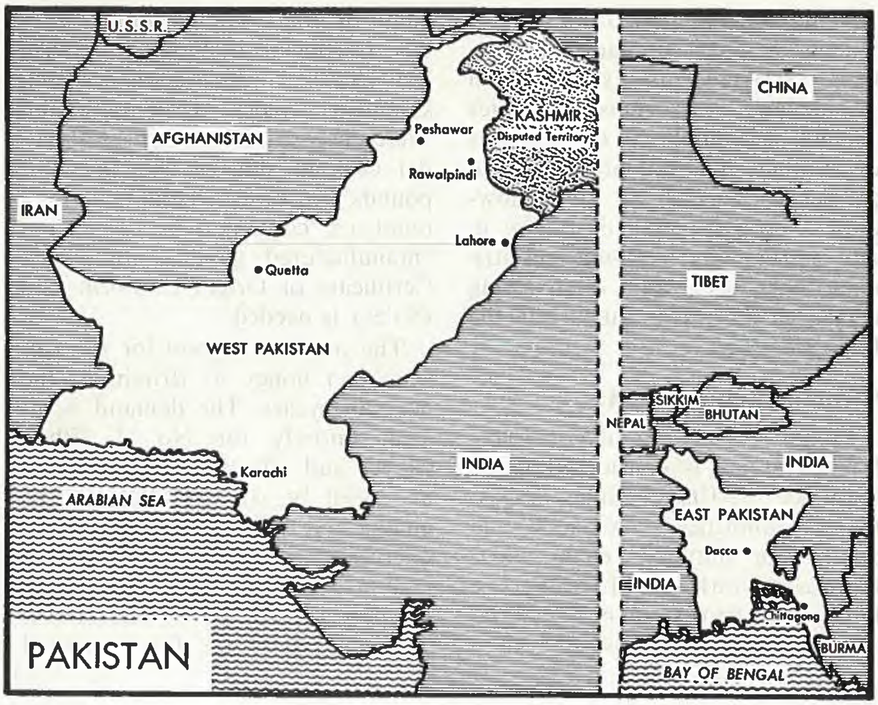
Climate: extremes of climate in West Pakistan. Tropical for most of the year in East Pakistan.

Language: Two main languages: Urdu, spoken widely in West Pakistan, and Bengali in East Pakistan. Virtually all correspondence is carried on in English.

Currency: rupee; one rupee equals Can.-$0.2064.

Weights and measures: avoirdupois and linear.

Capital: Rawalpindi (altitude 1,707 feet) provisionally, but new capital at Potwar to be built shortly.



Chief ports: on Arabian Sea, Karachi, West Pakistan; on Bay of Bengal, Chittagong, East Pakistan.

Marketing centres: Karachi, (population) 1,272,571; Lahore 945,276; Dacca 376,968; Chittagong 328,046.

Economy: mainly dependent on agricultural raw materials—jute, raw cotton, raw wool, hides and skins, and tea.

Total Pakistani imports: 1958—Can.$381.1 million; 1957—Can.$423.3 million. In 1958 imports were divided equally between private and government account; imports per capita totalled Can.$4.54.

Chief imports: 1958 (in per cent)—grain, pulse and flour 26.2; machinery of all kinds 16.7; iron and steel and manufactures thereof 12.5; vehicles 6.8; oils—vegetable, mineral and animal 5.4; chemicals, drugs and medicines 4.7.

Chief suppliers: 1958 (in per cent)—United States 27.3, United Kingdom 17.7, West Germany 8.9, Japan 5.6, India 4.7, Burma 4.3, Belgium-Luxembourg 3.7, Canada 3.7.

Value of imports from Canada: 1959—Can.$17,361,097; 1958—Can.$15,384,242.

Chief imports from Canada (in per cent) 1959—wheat 43.8, contractors' outfits and supplies 25.5, aluminum in primary forms 5.7, dynamos, generators and parts 3.2, semifabricated aluminum 3.1, sulphate kraft pulp 2.8.

Total Pakistani exports: 1958—Can.$286.1 million; 1957—Can. $323.8 million.

Chief exports: (in per cent) 1958—raw jute 59.2, raw and waste cotton 17.4, jute yarn and manufactures 7.6, raw and waste wool 3.4, hides and skins 3.8, tea 2.3.

Chief markets: 1958 (in per cent)—United Kingdom 19.7, United States 10.5, Japan 10.0, France 9.6, West Germany 8.9, Belgium-Luxembourg 5.5.

Value of Canadian purchases: 1959—Can.$1,105,137; 1958—Can.$476,697.

Chief Canadian purchases: 1959 (in per cent)—jute and jute butts 46.7, jute fabrics 17.5, raw cotton 11.4, sports goods 5.8, wool in the grease 2.9.

Dollar exchange: because of very strict licensing, dollar exchange is not freely available.

Prices: quote in U.S. dollars or pounds sterling. For government purchases, when asked for prices quote in Pakistan rupees.

Samples: bona fide samples of c.i.f. value below $50 permitted if provided free of charge and not more often than once a year to a registered importer.

Trade arrangements: imports from Canada do not receive preferential treatment; preferences limited to the United Kingdom and Burma.

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

Correspondence: airmail only; letters 25 cents per half-ounce.

For detailed information write to:

Commonwealth Division,
International Trade Relations Branch,
Department of Trade and Commerce,
Ottawa, Ont.

or

Commercial Secretary,
Office of the High Commissioner for Canada,
P.O. Box 1660,
Karachi, Pakistan.

Doing Business in Pakistan

Our Karachi office briefs the Canadian exporter on import procedures in Pakistan and on the selection of a representative there.

JOHN B. McLAREN, *Assistant Commercial Secretary, Karachi.*

THE two wings of Pakistan are separated by over 1,000 miles of Indian territory and differ racially, climatically and physically. West Pakistan has an area of roughly 310,000 square miles, with a population estimated at 40 million. It consists mainly of barren mountains and desert plains where the rainfall is slight. The principal crops—wheat, cotton and rice—are largely dependent on irrigation from the Indus River. Karachi and Lahore are the chief industrial centres. East Pakistan has an area of approximately 54,500 square miles and a population of about 48 million. Located largely in the delta of the Ganges and Brahmaputra Rivers, it suffers from excessive rainfall during certain seasons with the resultant flooding of a large portion of the arable land. The principal crops in East Pakistan are jute, rice and tea. Chittagong is the main port for seagoing traffic, although Chalna, close to the jute-growing area, is developing as a second port.

Pakistan is still primarily an agricultural country, with over 80 per cent of the population living in villages. Progress towards industrialization has been noteworthy, considering that at the time of partition in 1947 there was hardly any industry in either the east or the west wing.

Import Trade Controls

Import control in Pakistan is operated for balance-of-payments reasons. Licensing in the commercial sector is based on the category system, and categories for each commercial importer are fixed on the basis of imports during the Open General Licensing Period—July 1950 to December 1952. The average of the imports during these five shipping periods (each six months) was adopted as the basic category for each importer. His share is worked out at the beginning of each six-month period—subject, of course, to the availability of foreign exchange. Licences for industrial users are issued on an ad hoc basis and imports on government account are made through public tenders. Generally speaking, licences are granted on a worldwide basis, but periodically single-country licences are issued under bilateral trade agreements with a particular country or under an economic aid program. Canadian exporters should satisfy themselves before making shipment that consignees have secured import licences and that shipment can be made within the stipulated period. Otherwise, difficulties will arise when the goods arrive in Pakistan, such as heavy demurrage charges and possible penalties for breach of the Import Trade Control Regulations.

Export Bonus Licensing Scheme

In January 1959, the new government of Pakistan introduced the Export Bonus Licensing Scheme. Exporters of certain manufactured goods receive bonus entitlement vouchers amounting to a proportion (10 to 40 per cent) of their foreign exchange earnings. These vouchers they may use to import products included in a list of 218 different commodities, most of which are also imported under the regular licensing system. A part of the bonus entitlement earned by nationals of Pakistan or firms in which they have more than 50 per cent interest may also be used for business visits abroad and for operating branch offices in foreign countries. The import vouchers earned are freely transferable and have been selling at a high premium. However, industrialists receiving licences under this scheme are expected to employ them to import spare parts and raw materials for their own use.

Channels of Trade

The present channels of trade date largely from independence because only a relatively few business houses were established in Pakistan before 1947. The rate at which new firms have set up in business has remained high and there are still many comparatively inexperienced traders. A number of the larger firms are based in Karachi, from which they cover West Pakistan, usually with the assistance of a branch office in Lahore. A few also have offices in Dacca or Chittagong to handle trade with East Pakistan. There are smaller firms established in most of the larger centres, with a distributing organization covering the territory in which they operate through sub-offices, agencies or travellers. The small bazaar firms often undertake direct trade with overseas manufacturers. Many of these firms, in addition to trading on their own account, do a certain amount of indenting and are often prepared to undertake agency work, although their organization is often inadequate to cover more than a limited area.

Representation

Canadian manufacturers who wish to do business in Pakistan must consider seriously the appointment of agents. Direct business is possible at times but successful cultivation of the market requires a good local agent. If at all possible, representation should not be carried out from India or from anywhere outside the country. The division of Pakistan into two parts presents further difficulties and it is often best to appoint separate agents for each wing. Most agents carry on a large proportion of their import business on commission because import licences are issued to commercial importers on a very limited scale. Many firms with small categories or no category at all rely almost entirely on indenting for industrial consumers or government departments. The commissions charged naturally vary with the commodity and the value of the contract but usually conform to world standards. West Pakistan has a few large firms in a position to purchase stocks outright but this is not a general practice. Such firms generally hold a large number of agencies and are reluctant to undertake fresh commitments. Canadian manufacturers entering the Pakistan market for the first time usually have to rely on firms with limited financial resources but with energy, initiative and good connections. Advice on agencies can be obtained from the Commercial Secretary, Office of the High Commissioner for Canada, Karachi.

Government Purchases

Purchases by departments of both the Central and the Provincial Governments, the railways, municipalities, district boards, etc., make up a large proportion (approximately 50 per cent) of Pakistan's imports. In the main, the Central Government buys all its requirements through the Director General of Supply & Development. The Provincial Governments of West and East Pakistan also make most of their major purchases through this organization. The normal practice in Pakistan is for tenders to be announced locally and an offer will not be considered unless an approved agent in Pakistan submits it. To be sure of receiving tender inquiries from official and semi-official organizations, it is necessary for local representatives to be on the approved list of suppliers for the products wanted. Canadian firms should confirm that their agents' names do in fact appear on the list against the goods they can supply.

Dealers in Foreign Exchange

The foreign banks (other than Indian banks) in Pakistan are commonly referred to as Exchange Banks and are primarily engaged in financing foreign trade. They, together with some of the larger local banks, are the authorized dealers in foreign exchange. The following are the principal banks and authorized dealers in foreign exchange, with head offices given. They can be contacted through a Canadian bank or by writing directly to their offices in Karachi, West Pakistan.

AUTHORIZED DEALERS IN FOREIGN EXCHANGE

American Express Co. Inc., New York, U.S.

Australasia Bank Ltd., Lahore, West Pakistan

Bank of China, Peking, China

Bank of India Ltd., Bombay, India

Bank of Tokyo Ltd., Tokyo, Japan

Central Bank of India Ltd., Bombay, India

Chartered Bank Ltd., London, England

Eastern Bank Ltd., London, England

Habib Bank Ltd., Karachi, West Pakistan

Lloyds Bank Ltd., London, England

Mercantile Bank Ltd., London, England

Muslim Commercial Bank Ltd., Karachi, West Pakistan

National Overseas & Grindlays Bank Ltd., London, England

National Bank of Pakistan, Karachi, West Pakistan

Netherlands Trading Society, Amsterdam, Netherlands

Credit Information

There are no credit inquiry or debt collection organizations established in Pakistan and legal proceedings are often protracted and expensive. Exporters are strongly recommended to make the most careful inquiries about status before undertaking new business. The required information is available through your Canadian bank's correspondent in Pakistan or by contacting the Commercial Secretary, Office of the High Commissioner for Canada, Karachi, Pakistan. In the absence of a convincing credit report or previous experience with the firm, it is wise to do business only on letter of credit.

Methods of Payment

The exchange control regulations do not normally permit advance remittances against goods that have not been shipped. In special cases, payment is made after presentation of documents to the Pakistan Embassy in Washington. Occasionally payment is made against 30 and sometimes even 60 day bills. A considerable volume of business is done against letter of credit and this is by far the most common method of payment. In Pakistan it is usual for bills to be drawn on D/P terms—documents deliverable on payment—rather than D/A—documents deliverable on acceptance. It is essential that shippers sending bills for collection arrange for the collecting bank in Canada to receive all the documents at the same time to avoid possible delays and heavy demurrage charges. The Canadian bank should then forward the originals of these bills by airmail—seamail takes from six to eight weeks. The documents required are:

1. A bill which must give the drawee's full address and, if presented through a Canadian bank, should be drawn or endorsed in favour of that bank to avoid delay.
2. Detailed and certified invoices showing the country of origin of the goods and stating whether the goods are sold c. and f. or f.o.b. (import licences are not issued on a c.i.f. basis and the importer must therefore purchase his insurance policy in Pakistan). When quoting f.o.b., a statement showing charges such as freight and dock dues should be attached for duty assessment. Otherwise the Customs authorities will add a percentage to cover them

and this may exceed the actual amount.

3. Bill of lading or air freight or parcel post receipts.

Currency Regulations

Travellers from Canada generally carry travellers cheques in U.S. dollars. The regulations of the State Bank of Pakistan allow visitors to bring into the country Pakistan currency totalling Rs.5,000, £10 in Bank of England notes, and any amount of foreign exchange in the form of travellers cheques. On arrival, holdings of foreign currency (including travellers cheques) must be declared on form F.M. All encashments must be entered on this form by the authorized dealer in foreign exchange making payment, because the form will be checked again on departure against the traveller's currency holdings. ●

Fairs and Exhibitions

Why Exhibit Abroad?

TRADE AND COMMERCE attempted to provide some positive answers to this question last month at the convention of the Canadian Manufacturers Association in Toronto. Department officials set up in the convention lobby of the Royal York Hotel a booth designed to "sell" the trade-fair technique and to show what the Department is doing in this field. Exhibition models and literature were on display; so were photographs and slides of actual exhibits. But perhaps the most useful gimmick, according to George Hazen of the Trade Fairs Abroad Division in Ottawa, who manned the booth, was a tape recording of interviews with enthusiastic Canadian exhibitors at the Ideal Home Show in London. Most of the CMA delegates who stopped at the booth were already proponents of the trade fair as a means of making sales abroad. But there were others, new to exporting, who were looking for ways to launch their product. These businessmen were given the names of Trade Commissioners and of Department officers in Ottawa who could help them get started. Most CMA inquirers were interested chiefly in the United Kingdom and other Commonwealth markets, said Mr. Hazen.

National Auto Show in Detroit

THE 43rd *National Automobile Show*—the only auto show sponsored by the United States automobile manufacturers—opens for the first time in Detroit on October 5 in the city's vast new Cobo Hall. Other "firsts" that day will be the unveiling of the 1961 model cars and trucks and the formal opening of Cobo Hall. Vehicles will be shown in the 300,000-square-foot main exhibition hall, said to be the biggest exhibition space under one roof in the world. On the river level of the exhibition arena, the organizers will stage an "Auto Wonderland"—an integrated display that will show what goes into the making of automobiles and trucks.

Because the U.S. automotive industry is a substantial market for Canadian raw materials and semi-finished goods, Canadian producers may be interested in visiting the show. U.S. car and truck manufacturers used in 1958 ten million tons of all forms of steel, 320,000 tons of malleable iron, 96,000 tons of copper, 417,700 tons of lead, 250,150 tons of zinc, 2.6 million pounds of nickel, and 26.7 million square feet of upholstery leather. Many of these are products that Canada can and does supply. In addition to raw materials, some Canadian suppliers have been successful in selling parts to U.S. car makers. In recent years, moulds, forgings, industrial rubber goods and other products have been exported to U.S. automobile and parts manufacturers.

Canadians may be interested in other vertical trade shows scheduled for Cobo Hall. These include the following:

Antiques Fair, September 21-25, 1960
Great Lakes Skiers Convention, November 4-6, 1960
Society of Automotive Engineers, January 9-13, 1961
National Concrete Masonry Association, January 30-February 2, 1961
Michigan Retail Hardware Association, February 12-14, 1961
Union Industries Show A.F.L.-C.I.O., April 7-12, 1961
National Office Furniture Association, April 21-24, 1961
National Association of Electrical Distributors, April 29-May 3, 1961
Ceramic National Exhibition and Workshop, May 4-7, 1961
American Water Works Association, June 4-9, 1961
National Association of Plumbing Contractors, June 18-22, 1961

Information about these trade shows and the possibilities of supplying the U.S. automotive industry may be obtained from the Canadian Consulate, 1139 Penobscot Building, Detroit, Michigan.

—ROBERT GORDON,
Consul and Trade Commissioner, Detroit.

Canadians Tops in Design Engineering

CANADIAN engineering companies have demonstrated once again that their products rank high when it comes to quality of material, up-to-date design, and workmanship. At the *Design Engineering Show* held in the New York Coliseum in May, 16 Canadian firms participated in a co-ordinated display of Canadian engineering goods sponsored by the Department of Trade and Commerce, Ottawa. Could the Canadian companies hold their own among over 10,000 exhibitors? Two New York newspapers, the *Times* and the *Herald-Tribune,* thought they could. These two papers featured Canadian products, a turboprop engine and an aluminum triodetic connector, on their pages—two of only three products in the entire show that caught the eye of the press.

We asked J. R. Johnson, Trade and Commerce Officer from Ottawa, who was one of the officials staffing the exhibit, about sales success at the show. "I can't be too specific," he said, "because firms naturally don't want to reveal trade secrets, but there are a number of good stories of contacts made, agents and distributors acquired, and orders filled." Mr. Johnson said that one firm was approached by an agent from Valparaiso, Chile, who wanted the distributorship for its product. Another landed a substantial contract because the prestige of appearing in the Canadian exhibit had dispelled the buyer's fears that the company was not big enough or really well established. Still another manufacturer at the show received 572 orders from every state in the union—and orders have poured into the home plant ever since the exhibition closed. Each of the 16 had similar experiences, and each looks forward to exhibiting next year.

Businessmen who may wish to consider entering the May 1961 show in Detroit should write for information to the Engineering and Equipment Division, Department of Trade and Commerce, Ottawa.

Trade Fairs in New Zealand

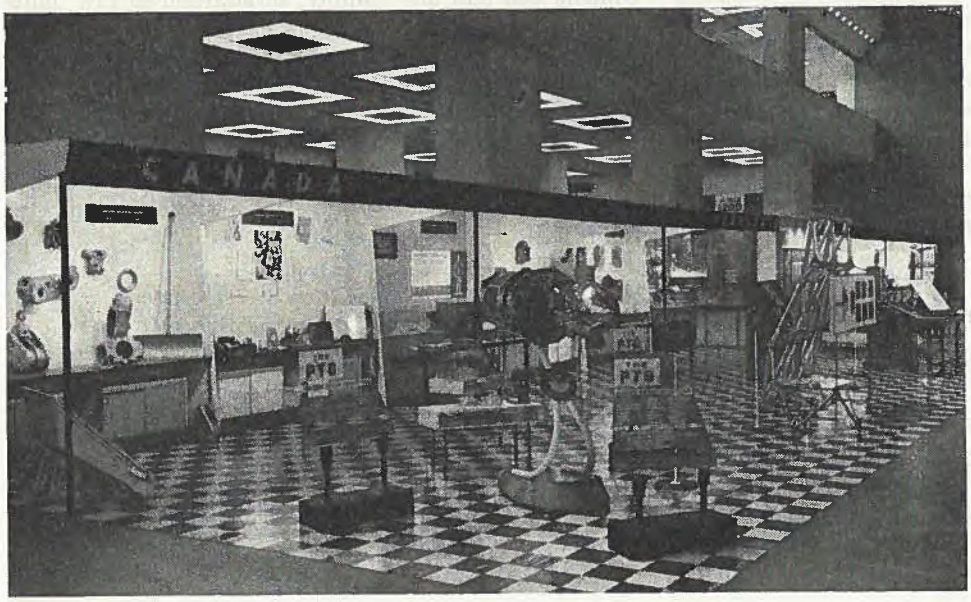
NEW ZEALAND'S recently revised import-control program that puts Canadian exporters on the same footing as suppliers from all other currency areas (except for motor vehicles) has widened sales opportunities in that country this year. Canadian businessmen wishing to use the trade-fair technique in promoting their products may be interested in the following exhibitions recommended by the New Zealand High Commissioner in Canada. Foreign exhibitors are welcome at all of them.

New Zealand Industries Fair, Christchurch, February 1961. Products include automotive parts, carpets, glassware, pottery, plastic goods, floor coverings, mattresses, church organs, furnishings, wire products, footwear, foodstuffs, concrete products. Apply: Organizer of the New Zealand Industries Fair, Box 381, Christchurch.

New Zealand Royal Show, Addington, November 9-11, 1960. Basically a livestock show, but accepts other goods such as agricultural, earthmoving and general engineering equipment, cars, wire, and concrete products. Apply: Canterbury Agricultural and Pastoral Association, Box 9002, Addington.

West Coast Industries Fair, Greymouth, March 1961. General. Apply: Secretary of the West Coast Industries Fair Association, Mackay Street, Greymouth.

Industries Fair, Palmerston North, May 1961. General industrial goods. Apply: Palmerston North Public Relations Organization, Box 474, Palmerston North.



The big Canadian display at the Design Engineering Show held in New York last May 23-26 covered a full 115 feet on the second floor of the Coliseum. Canadian engineering products, including the turboprop engine in the foreground and the aluminum triodetic connectors to the right, were singled out by New York press and TV reporters.

Norway Controls Agricultural Imports

Under an agreement with the farm associations, the Norwegian Government restricts imports of certain food products. The author examines these restrictions and makes clear how they affect Canadian shippers.

B. G. R. BARTON, *Office of the Commercial Counsellor, Oslo.*

NORWAY is traditionally an agricultural country and agriculture continues to play an important part in the economy. In 1958 farming accounted for 6.7 per cent of the total national income. This is surprisingly high when one realizes that only some 2 million acres (2.7 per cent of the total land area) is under cultivation. To this may be added another half-million acres of natural meadows. In 1930, some 304,000 people were employed in agriculture and livestock production but by 1950 this figure had fallen to about 250,000; it is expected that a census now under preparation will show a corresponding decrease for the last ten years. Yet the introduction of more modern methods, of greater efficiency, and of improved livestock and plant strains has resulted in little if any drop in production and, in fact, has meant over-production in certain sectors. As an illustration, in 1939 there were 850,000 milch cows in Norway. Today there are only 250,000 but these give approximately the same total yield of milk per year.

The immediate postwar years brought a desire to build up an agricultural industry for a nation that had suffered five years of hardship. By 1950 it was apparent that production had become large enough to cover local demand and the problem in the future would be marketing. To provide farmers with a standard of living comparable with that of workers in other industries, the Government entered into a series of agreements with the farm associations. The present Agricultural Agreement signed in 1958 will remain in force until June 1961. This agreement restricts imports of nearly all the dairy and meat products, fruit and vegetables that are domestically produced. The farmers, for their part, undertake to keep their prices under certain specified ceilings; the ceiling price for each product is worked out as an annual average plus a set percentage. Certain exceptions apply to fruit and vegetables, which are divided into four groups. These groups and the exceptions under each are:

1. Greenhouse vegetables—import of tomatoes restricted from May 15 to November 30.
2. Field vegetables—imports of carrots banned.
3. Fruit—import of apples restricted from August 1 to March 31.
4. Potatoes—imports prohibited.

For other restricted products in these groups and for live plants and parts of plants, the period of restriction is established annually on the advice of an Import Committee, consisting of representatives from all the organizations concerned. If prices of domestically grown products exceed the established ceiling prices for two consecutive weeks, imports are permitted freely until the domestic prices again drop below their ceilings. Foreign products ordered during a period of free import must be cleared within one week of the re-imposition of the restrictions.

The following is a general list of those agricultural products affected by the above import restrictions:

1. Beef, veal, mutton and lamb—fresh, refrigerated, frozen, salted or in brine, dried or smoked.

2. Pork and bacon—fresh, refrigerated, frozen, salted or in brine, dried or smoked.

3. Slaughtered poultry—fresh, refrigerated or frozen.

4. Eggs—fresh or preserved.

5. Potatoes.

6. Vegetables:

Cucumbers: salad cucumbers, gherkins, cucumbers for sweet pickling.
Broccoli.
Cauliflower.
Beans: green beans, runner beans, broad beans, wax beans.
Peas: sugar peas, green peas, marrowfat peas.
Carrots.
Chives.
Cabbage: white cabbage, red cabbage, savoy cabbage, Yorkshire cabbage.
Jerusalem artichokes.
Onions: red onions, shallots.
Melons.
Turnips.
Horseradish.
Parsley: curled-leaf parsley, rooted parsley.
Leeks.
Radishes.
Lettuce: cabbage lettuce, chicory, endive.
Celery: celeriac, celery.
Mushrooms (champignons).
Spinach.
Tomatoes.

7. Fruits and berries:

Apples.
Pears.
Plums.
Cherries, including mazard cherries.
Peaches, including nectarines.
Black currants.

8. Preserves of the above mentioned vegetables, fruits and berries (with the exception of peaches), as well as preserves of blueberries, blackberries, raspberries, strawberries, cloudberries, red currants, gooseberries and cranberries.

9. Live plants and plant parts, with the exception of forestry plants.

In addition to the above list, import quotas have been established for the calendar year 1960 for each of the following products:

Product	Amount of quota in kroner
Live animals, not for human consumption	1,200
Cheese	1,250
Eggs	1,050
Uncleaned feathers and down	2,250
Other feathers and down	750
Flower bulbs	6,500
Live plants, tubers, rhizomes, etc.	5,000
Cut flowers	1,800
Other parts of plants	150
Grass meal	1,000
Agar-agar and other thickeners	650
Linseed oil, raw or refined	1,500
Other fatty vegetable oils	1,900
Stearine	500
Hardened animal and vegetable oils	400
Other animal and vegetable oils and fats	500
Glucose and grape sugar, etc.	500
Sugar and chocolate products (covers products under No. 18060)	1,400
Cocoa butter	2,500
Cornflakes, etc.	300
Cakes, biscuits and other fine bakers' wares	1,000
Fruit and vegetable juices	3,400
Sauces, etc.	300
Soups and broths	200
Various other prepared foods	1,500

It would probably be difficult for prospective Canadian exporters to compete in any of the products restricted under the Agricultural Agreement, with the exception of apples. It is seldom that price ceilings are exceeded for more than a short period and the long haul from Canada, coupled with the one-week extension for clearing, would make this impracticable. However, any of the commodities on the global quota list are open to competition and in addition there are a considerable number of products for which at present import licences are either granted liberally or are unnecessary. These include the following canned fruits: peaches, pineapple, apricots, mandarines, and fruit cocktail; dried apricots and prunes; the following canned vegetables: corn, asparagus, and artichokes; citrus juices; sugar and syrups; certain animal and vegetable fats; casings; hair and bristles; oilseeds; malting barley; dried and split peas and beans. Because some products are still officially subject to import licence control, Canadian exporters should seek the advice of the Commercial Counsellor in Oslo. ●

Cuba Expands Chemical Industry

CANADIAN exporters of chemicals to Cuba will be interested in plans to expand the Cuban chemical industry that will possibly influence their sales in that market. The Cuban state bank, National Bank for Economic and Social Development (BANDES), has announced plans for creation of an important industrial complex at Matanzas, some 60 miles east of Havana. State-owned industries producing rayon staple fiber and nitrogen fertilizer are already operating in this area and a dozen new plants are now being considered, calling for investment of some $15 million.

Among the chemical products to be manufactured are:

● *Calcium Carbide*—This plant, to cost $600,000, is now in the blueprint stage. The raw material, calcium carbonate, is available locally and initial capacity will total 9.9 million pounds per year. In 1957 Cuba imported 8.7 million pounds of calcium carbide valued at $395,000, with 80 per cent of this coming from Canada and 20 per cent from the United States. During 1959, Canada sold $299,868 worth of calcium compounds to Cuba.

● *Polyethylene film and bags*—This plant will have an annual capacity of 2.7 million pounds of polyethylene film and will employ 80 to 100 workers. A U.S. firm will supply machinery costing about $350,000 and will allow use of a patented process on a royalty basis. The royalties will be re-invested in Cuba. The basic raw material, polyethylene pellets or flakes, will be imported. This will be the second polyethylene bag plant in operation in Cuba. There is an assured market for polyethylene bags in packaging nitrogen fertilizer, grains, fruits and vegetables.

● *Spun Rayon*—This product will be added to the range of the rayon company already established. All Cuba's requirements of spun rayon are currently imported at a cost of $3.7 million per year. Production of spun rayon will be about three million pounds per year and about 150 workers will be employed. During 1959, Canada sold $208,100 worth of synthetic fibres and resins to Cuba.

● *Sulphuric Acid*—The rayon factory previously produced its sulphuric acid from imported sulphur but it will now be redesigned to produce sulphur directly from local Cuban pyrites, thus saving foreign exchange. New machinery costing about $350,000 will be installed and production of sulphuric acid expanded to between 60 and 100 tons per day. It is expected that the new plant will result in a saving of $4 per ton of sulphuric acid.

● *Sodium Sulphate*—This plant will use waste products from the rayon factory. The process will require an investment of $400,000 and will turn out about eight tons of sodium sulphate a day.

● *Vegetable Oils*—Private interests have announced plans to build six cold oil extraction plants in Cuba, based on a German process. A variety of oil-bearing seeds can be used to produce vegetable oils, margarine, mayonnaise and oil cake. Each plant will cost about $120,000 and will produce 700 pounds of oil per hour. The first plant will be established in Havana this year and shares will be sold to the public to finance it. Canadian sales of flaxseed to Cuba during 1959 amounted to nearly $70,000.

—R. R. PARLOUR,
Commercial Secretary, Havana.

The Market in Trinidad

Chances to boost paint sales to Trinidad uncertain, except for specialized varieties. Government grants concessions to foreign companies wishing to set up subsidiaries.

R. F. RENWICK, *Commercial Secretary, Port-of-Spain.*

CONSUMPTION of paints and estimates of future sales, including exports, are rising in Trinidad, though the growing market is likely to benefit plants already established in The West Indies rather than Canadian exporters. During the years of severe sterling-area import restrictions, United Kingdom paint manufacturers took full advantage of the situation to enhance their dominant sales position. The partial relaxation of trade restrictions has prompted a British paint firm to set up a subsidiary in Trinidad and two more are expected to follow. This plant, operating under favourable industrial development laws and given a measure of protection through quantitative import restrictions still in effect, stands to profit most in the months ahead.

Imports Are Controlled

Historically, imports into Trinidad have been controlled. For over 20 years, Canadian exporters who built up a respectable prewar pattern of sales to Trinidad have had to cope with restrictions of one type or another, whether of shipping, supply or import licences. After the postwar transition period, Canadian sales of paints to the British West Indies were governed by the British West Indies Trade Liberalization Plan, brought into operation in 1951. Under the plan, sales were limited to 40 per cent of average annual shipments for the years 1946-48. In 1959 the British West Indies Trade Plan ended. Trinidad kept paints under control, however, and importers were placed on a quota of 125 per cent of the amount of their restricted imports under the British West Indies voucher system.

A Negative Import Control Notice for Trinidad, issued on September 3, 1959, listed paints. This was succeeded by a new Open General Licence of May 7, 1960, which, however, still restricted the import of paints, enamels, varnishes and lacquers to merchants who could apply for a quota based on their 1958 imports.

If Trinidad had considered that the domestic industry possessed enough tariff protection, imports would probably have been permitted freely from all sources, including the United States and Canada, because the sterling area as a whole is not enforcing import controls for balance-of-payments reasons. Trinidad's British preferential tariff rate on paints, enamels, varnishes and lacquers is B.W.I.$1.25 per 100 pounds, compared with a general tariff rate of B.W.I.$2.50 per 100 pounds (Can.$1.00=B.W.I.$1.74). The much-discussed customs union of The West Indies envisages a common external tariff applicable to Trinidad, Jamaica and the smaller islands. Current discussions on individual tariff rates are based largely on The West Indies *Report of the Trade and Tariffs Commission, 1958,* commonly termed the Croft Report. This report recommends that paints, enamels, varnishes and lacquers be subject to a British preferential rate of duty of 15 per cent ad valorem. Whether or not this rate will actually become the common external tariff on paints within The West Indies customs union is uncertain, but few persons in the trade think the eventual permanent level of the tariff will be any lower.

In 1951, the first year the BWI Plan operated, sales of Canadian paints to Trinidad totalled 16,800 gallons; they increased to 23,570 gallons in 1955 and then declined until 1959, when partial liberalization of trade was introduced and sales reached 30,350 gallons. Imports of paint from the United Kingdom and Jamaica came in under Open General Licence, and Commonwealth sales to Trinidad kept pace with the over-all increasing demand for the commodity not only in Trinidad, but in all the Caribbean.

Jamaican factories first started to export in 1955, when they sold 200 gallons to Trinidad. By 1959 these sales had reached 25,630 gallons, or about the volume that Canadian and United States manufacturers now enjoy. With the increase in paint-manufacturing capacity in Trinidad, imports will probably not

TRINIDAD IMPORTS OF PAINTS, ENAMELS, VARNISHES AND LACQUERS*

		1951	1955	1957	1959
		(c.i.f. B.W.I.$, and liquid [imperial] gallons)			
Total	$	1,047,967	1,206,770	1,295,829	1,646,422
	gal.	162,876	195,608	188,907	230,251
United Kingdom	$	902,728	912,313	955,625	1,037,059
	gal.	142,777	146,337	138,635	141,061
Canada	$	119,451	186,082	122,613	229,809
	gal.	16,802	23,568	14,667	30,342
Jamaica	$		1,290	62,261	186,160
	gal.		200	9,804	25,630
United States	$	14,831	82,454	113,179	169,731
	gal.	2,005	20,723	15,684	28,740
Other countries**	$	10,957	24,631	42,151	23,663
	gal.	1,293	4,780	10,117	4,477

*Source: *Overseas Trade,* Central Statistical Office, Government of Trinidad and Tobago.

**Includes the Netherlands, Denmark, West Germany, Sweden, plus 11 other countries.

continue to expand in step with rising consumption. Already United Kingdom paint sales to the island have been reduced by deliveries from the Port-of-Spain subsidiary of a British paint factory. Imports of paints, enamels, varnishes and lacquers are shown in the accompanying table.

Aid to "Pioneers"

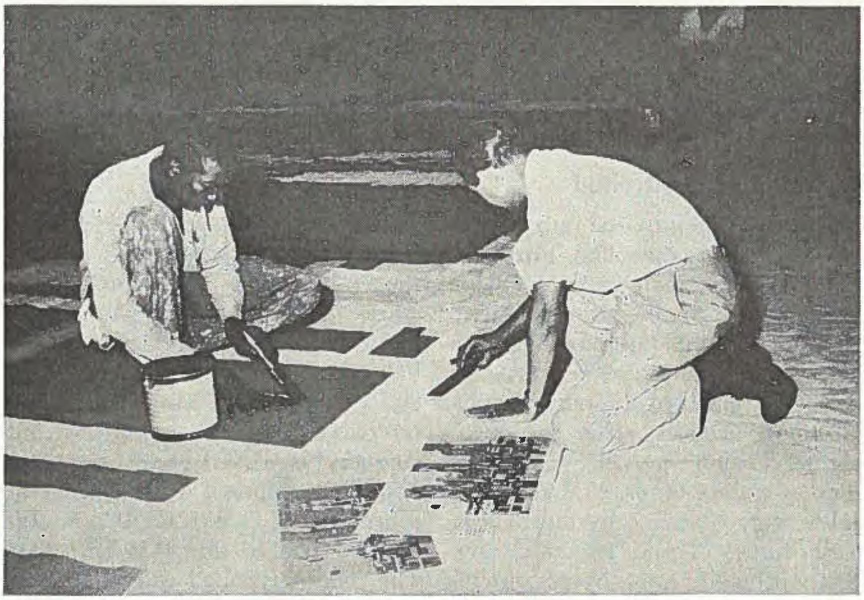
The growing market for paints in Trinidad and other Caribbean islands is attractive to United Kingdom manufacturers, especially those interested in overseas investments. Imperial Chemical Industries Paints (West Indies) Limited was declared a pioneer manufacturer in February 1960 by the Trinidad Government under its Aid to Pioneer Industries Ordinance. The ICI factory now under construction is expected to start making paints, oils, colours, varnishes, distempers and enamels in mid-September. Another British manufacturer, Messrs. Sissons Brothers Company Limited of Hull, United Kingdom, is also expected to establish a Trinidad base of operations in the near future.

On the recommendation of the Trinidad and Tobago Industrial Development Corporation, pioneer industries may obtain 30-year leases of crown lands at reasonable rents. Another fiscal incentive is import-duty concessions amounting in some instances to exemption from all duties on imports of raw materials, equipment or supplies used in manufacturing or for erection of a factory. Accelerated depreciation allowances for tax purposes and the setting-off of losses against subsequent profits, plus an income tax holiday for an initial five-year period from date of first production and renewable for a further five years, are additional incentives. Under certain conditions all of these advantages accrue to a "pioneer" factory, but they are not necessarily or automatically granted to additional plants making similar products.

Local Production, Exports

Late in 1953, British Paints (Caribbean) Limited established its Trinidad paint factory as a pioneer industry and since then it has made steady progress. Production is largely concentrated on the more popular oil-based house paints or emulsion-type latex paints. Alkyd flat paints and high-gloss enamels are also produced. Output figures are not published but it is commonly accepted by the trade that British Paints' sales account for about 40 per cent of the total Trinidad domestic and export market, and that about 40 per cent of its success is due to price and about 60 per cent to good quality finishes.

Special flameproof paints were used on the new asbestos proscenium curtain for Queen's Hall, Trinidad's principal theatre. The curtain, designed by Trinidad artist Carlisle Chang, is 40 feet long by 30 feet, and took about three weeks to complete.



For some years paints have been exported to nearby markets, mainly to British Guiana. In 1958 British Guiana absorbed 47,554 gallons of Trinidad paint valued at W.I.$342,-044. Grenada took a tenth of this amount and Barbados slightly more. Sales to other islands ranged from $1,218 to $12,680. When The West Indies customs union becomes effective, it is expected that sales from Trinidad will rise. Trinidad will have to contend, however, with competition from Jamaican manufacturers, who will also enjoy duty-free entry of their goods to the islands that will form the customs union.

Where Opportunities Lie

Prospective manufacturers' representatives, agents, stockists or distributors are well aware that paint manufacturers in Jamaica and Trinidad will eventually produce more than enough to fill their needs. They have little faith in the future of imports that have to bear ocean freight rates and a prospective West Indian tariff of 15 per cent ad valorem. For this reason, we have had only limited success in assisting the few Canadian exporters who wish to obtain new sales in the Caribbean.

However, there is a small market here for specialty paints that will likely continue to flourish. Marine paints, anti-corrosive finishes for metal, and specialty finishes for machinery and appliances are the best bet. Quotations should be c.i.f. and include an agent's commission. Terms of sale are the usual sight draft to 90 days. Consignment stocks are not necessary and actually are, at times, considered a poor way of selling in The West Indies. Containers can be either imperial or United States measure; the latter is preferred because it is smaller and cheaper retail prices can be offered.

The Canadian exporter of paints considering sales prospects in Trinidad faces an uncertain market. Quality specialized products hold the most promise—which emphasizes the old maxim that quality pays in export trade. ●

The Market in Jamaica

Canada supplies one-quarter of Jamaican demand but increasing local production may mean greater competition in future.

HOWARD CAMPBELL, *Trade Commissioner, Kingston.*

WHEN Jamaicans buy paint, they buy Canadian paint 25 per cent of the time; one-quarter of the island's paint requirements come from Canada. Last year Jamaica bought 100,-000 gallons of Canadian paint worth $314,000. Jamaica ranks as a major market for the Canadian paint exporter though, as in other countries, a domestic paint industry is being established and the market for imported paints may shrink.

The Berger interests of Britain established a paint factory on the outskirts of Kingston, capital and commercial centre of the island, six years ago. Its capacity is reported to be 480,000 gallons a year but actual production has seldom reached more than half this amount. In September 1959 a second factory was built in Kingston by the Glidden Company, with a reported capacity of 100,000 gallons a year. This one is designed so that it can be expanded to five times its present size and capacity. Both factories are exporting to other islands in The West Indies, British Guiana and British Honduras.

Up until the end of 1959, paints were exported from Canada to Jamaica under the Canada/West Indies Trade Liberalization Plan. When the Plan was terminated in January 1960, the Jamaican authorities made all paints from all sources, including the United Kingdom, subject to import licensing. At the present time there is considerable speculation about the basis on which import licences will be granted. While a decision is being reached,

PAINT IMPORTS INTO JAMAICA

	1955	1957	1958	1959
	£	£	£	£
Distempers	19,488	37,798	46,629	
United Kingdom	14,046	32,557	41,474	
Canada	5,027	5,241	5,051	
Paints	195,899	274,769	263,876	
United Kingdom	138,175	168,190	161,294	153,894
Canada	40,775	82,442	80,509	98,474
Hong Kong		1,648	1,063	
United States	6,555	19,865	18,512	17,170
Trinidad and Tobago	9,090	1,325	388	554
West Germany	91	137	687	441
Netherlands	1,113	904	1,423	749
Enamels	21,406	27,578	32,615	
United Kingdom	10,972	12,555	14,990	19,378
Canada	8,322	11,491	12,468	14,504
United States	1,648	2,641	3,410	6,223
Netherlands	333	766	1,592	562
Varnishes	22,378	30,239	27,520	
United Kingdom	19,168	25,257	21,557	
Canada	2,259	2,905	3,436	
United States	263	668	1,179	
West Germany	114		57	
India		847	665	
Netherlands	500	497	556	

import licences are being granted only for paints of a type not manufactured locally. These include automotive finishes, shellacs, and polyester and epoxy paints.

It is estimated that Jamaica used 400,000 gallons of paint last year, of which 200,000 gallons were imported. The accompanying table shows the main sources of supply.

The emergence of a local paint industry has increased competition, and Canadian manufacturers who wish to obtain a share of the market must package their products as attractively and promote them as aggressively as they do in Canada. Jamaicans are extremely brand conscious and this makes it difficult to introduce a new line. Price is a major factor and to overcome the differential caused by the use of the imperial measure, most firms selling paints in Jamaica use cans of United States measure.

Imported paints are usually sold through commission agents who see that adequate distribution is obtained through wholesalers on the island. Factory representatives of some overseas suppliers reside in Jamaica and work with their agents to promote the sale of their brands. A large Canadian manufacturer of paint established a warehouse in Kingston two years ago to service its customers on the island. Terms of payment are usually 60 to 90 days, but some business is still being done on a cash basis.

The office of the Canadian Trade Commissioner, P.O. Box 225, Kingston, Jamaica, will be glad to assist Canadian manufacturers wishing to establish outlets in Jamaica. ●

Trade and Tariff Regulations

Aden

IMPORT CONTROLS RELAXED—The Controller of Civil Supplies, Aden, has announced that effective January 29, 1960, all goods except gold; silver bullion and coin; platinum, diamonds and any other precious stones and metals; technical white oil, and goods prohibited for reasons such as safety and health may be imported freely from dollar countries (including Canada) under Open General Licence. Individual import licences are required only for the products listed above.

Australia

TRADE AGREEMENT WITH CANADA—Instruments of ratification of the Canada-Australia Trade Agreement were exchanged on June 30 and the agreement came into effect in both countries from that date. The provisions of the agreement were reported in *Foreign Trade* of February 27, 1960.

Brazil

EXCHANGE RATE FOR EXPORTS INCREASED—The Superintendency of Currency and Credit (SUMOC) of the Bank of Brazil has issued a new Instruction, No. 196, increasing the export exchange rate for products classified in the First Category for exports from Cr.$76.00 to Cr.$90.00 to the U.S. dollar or its equivalent in other currencies. Products classified under this category are green coffee in beans; roasted coffee, ground or otherwise, and cocoa beans—Rio de Janeiro.

Iceland

NEW LIBERALIZATION PROGRAM—On June 1, 1960, a law on import trade and foreign exchange transactions came into effect, with the Regulation on Import and Foreign Exchange Licences and the Regulation Governing Imports and Foreign Exchange Transactions. The new regulations provide for liberalization of about 60 per cent of Iceland's total imports (basis 1958). Licences for restricted goods will be listed either under bilateral quotas for imports from countries with which Iceland has clearing agreements (mostly East European countries) or under global quotas for imports from other countries, including Canada. Because of numerous outstanding import licences issued before the entry into force of the new regulations, global quotas for the remainder of 1960 will be small.

The list of restricted commodities includes chiefly foods and consumer goods. Some paints and varnishes and certain articles of clothing will be subject to import licensing only until December 31, 1960. Details of restricted goods for which import licences are required are available from the International Trade Relations Branch of the Department of Trade and Commerce.

The law of June 1, 1960, is the central feature of the new Icelandic economic program which has been in preparation for a number of months, with the assistance of the IMF and the OEEC. (Iceland is a member of both organizations.) Within the framework of this program Iceland devalued its currency in March 1960 by approximately 34 per cent, setting the new parity at 38 Icelandic kronur to one U.S. dollar. At the same time the multiple exchange system, with its adverse effects on foreign trade, was abolished.

Canadian exporters will find it easier to trade with Iceland under the new regulations. The global import quotas that are to be established will be made known at the beginning of each year. Three Icelandic commercial banks—the National Bank, the Commercial Bank and the Fisheries Bank—will issue import and exchange licences (not less than 10 Icelandic kronur for each licence). It is expected that import taxes levied in addition to import duties will be reduced considerably. Until the new tariff system based on the Brussels nomenclature is introduced, import duties and import taxes on materials for shoemaking will also be lowered temporarily. The only tax increase will be the sales tax on imports, which goes up from 7 per cent to 15 per cent but will expire automatically at the end of 1960.

The liberalization measures are only part of Iceland's new economic program. More detailed regulations will be issued to implement the basic law of June 1 and legislation will be introduced in line with the anticipated reorganization of Iceland's economy.

South Africa

DOCUMENTATION OF PIECEGOODS—South African Government Notice R537 of April 14, 1960, provides that certain classes of printed cotton and rayon piecegoods must be spun, woven, and printed in the country of origin in order to qualify for minimum or intermediate rates of duty when these apply.

The Commissioner of Customs and Excise has instructed that invoices for future shipments must be certified to the effect that the printed goods in question have been spun, woven, and printed in a particular territory. In the absence of such certification the maximum rate of duty will be imposed.

Invoices for piecegoods on which the certificates of origin still indicate that the factory or works cost is at least 70 per cent or 75 per cent, and that are not endorsed to the effect that the goods have been spun, woven and printed in the country of origin, may be accepted in lieu of such endorsement for shipments made before August 1, 1960. It will be sufficient in future for certificates of origin on standardized invoices to indicate, where such is the case, that at least 25 per cent of the factory or works cost of the goods is represented by materials produced and labour performed in the country of origin. Invoices for goods that qualify for admission at minimum or intermediate rates, where applicable, by virtue of their having been spun, woven and printed in the country of origin, must bear a certificate by the supplier to that effect. (Cotton and rayon piecegoods imported into South Africa from Canada in accordance with these requirements are entitled to entry under the intermediate tariff.)

United Kingdom

CANNED FRUIT QUOTAS ANNOUNCED—The Board of Trade (United Kingdom Government Department) has announced an increase from £3.2 million to £4.2 million in the quota for canned deciduous fruit imported from dollar countries during the twelve months beginning September 1, 1960. This quota, which is on a c.i.f. basis, covers all types of canned fruits except apples, pineapples and citrus fruits.

The quota for canned or bottled apples imported from dollar and certain other (mainly Western European) countries has been continued at £800,000 c.i.f. for the twelve months beginning July 1, 1960.

IMPORT LICENSING OF ALCOHOLIC BEVERAGES—The Board of Trade announced on July 12 that applications to import wine, beer, and gin from dollar countries will in future be considered sympathetically, although formal quotas are not being established.

Venezuela

IMPORT RESTRICTIONS ON PLYWOOD—According to a resolution issued by the Ministry of Development, published in the *Official Gazette* of June 15, No. 26280, the import of plywood from all countries has been placed under compulsory import licensing as of June 18. The measure will be valid for three months to allow the Venezuelan authorities to study a more adequate way to protect local production—Caracas.

Yugoslavia

RESTRICTIONS RELAXED ON CERTAIN IMPORTS—The Yugoslav press has announced that import organizations in that country are now free to import manufactured consumer goods without first obtaining approval of their contracts from the Federal Secretariat for Trade. Previously, the Secretariat granted approval only after a thorough examination of the proposed purchases. This had the effect of a regular licensing procedure. However, there has not been any change in the requirement for importers of such goods to purchase the necessary foreign exchange at special meetings of foreign exchange compensation offices. It is possible that shortage of funds for these meetings may limit imports of consumer goods.

Yugoslav enterprises are now allowed to use their replacement funds without restriction to import equipment. This measure should lead to greater purchases of equipment from abroad. Yugoslav authorities hope that it will assist in increasing production in the country.

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 made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the 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 1.02073365.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 18	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01188	84.17	(1)
Austria	Schilling		.03772	26.51	
Australia	Pound		2.2021	.4541	
Bahamas	Pound		2.7526	.3633	
Belgium, Belgian Congo and Luxembourg	Franc		.01966	50.86	
Bermuda	Pound		2.7526	.3633	
Bolivia	Boliviano	Free	.00008575	11,661.81	
British Guiana	Dollar		.5735	1.74	
British Honduras	Dollar		.6881	1.45	
Brazil	Cruzeiro	General Category*	.004242	235.71	*July 5 (2)
		Special Category	.001996	501.10	
		Official selling	.05179	19.31	(3)
Burma	Kyat		.2057	4.86	
Ceylon	Rupee		.2064	4.84	
Chile	Escudo	Free	.9313	1.07438	(4)
Colombia	Peso	Certificate	.1462	6.84	
Costa Rica	Colon	Official	.1745	5.73	
		Controlled free	.1473	6.79	
Cuba	Peso		.9797	1.02072	tax 2%
Czechoslovakia	Koruna		.1361	7.35	
Denmark	Krone		.1422	7.03	
Dominican Republic	Peso		.9797	1.02072	
Ecuador	Sucre	Official	.06532	15.31	
		Free	.05729	17.45	
Egyptian Region, United Arab Rep.	Pound	Official	2.8132	.3555	
		Export account selling	2.5475	.3925	
El Salvador	Colon		.3919	2.55	
Fiji	Pound		2.4798	.4032	
Finland	Markka		.003062	326.58	
France, Monaco, etc.	New Franc		.1999	5.00	(5)
French colonies	Franc		.003998	250.12	(6)
French Pacific	Franc		.01099	90.99	(7)
Germany	D Mark		.2349	4.26	
Ghana	Pound		2.7526	.3633	
Greece	Drachma		.03265	30.63	
Guatemala	Quetzal		.9797	1.02072	
Haiti	Gourde		.1959	5.10	
Honduras	Lempira		.4898	2.04	
Hong Kong	Dollar	Free*	.1709	5.85	*July 8
		Official	.1720	5.81	
Iceland	Krona	Official	.02578	38.79	(8)
India	Rupee		.2064	4.84	
Indonesia	Rupiah	Official	.02177	45.93	(8)
Iran	Rial		.01293	77.32	
Iraq	Dinar		2.7431	.3645	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 18	Units per Canadian dollar	Notes (See below)
Ireland	Pound		2.7526	.3633	
Israel	Pound		.5443	1.84	
Italy	Lira		.001579	633.31	
Japan	Yen		.002722	367.38	
Lebanon	Pound	Free	.3077	3.25	
Mexico	Peso		.07838	12.76	
Netherlands	Florin		.2598	3.85	
Netherlands Antilles	Florin		.5235	1.91	
New Zealand	Pound		2.7526	.3633	
Nicaragua	Cordoba	Effective buying	.1484	6.74	
		Official selling	.1389	7.20	
Norway	Krone		.1373	7.28	
Pakistan	Rupee		.2064	4.84	
Panama	Balboa		.9797	1.02072	
Paraguay	Guarani	Official	.008030	124.53	
Peru	Sol		.03600	27.78	
Philippines	Peso		.4898	2.04	
Portugal & Colonies	Escudo		.03419	29.25	(9)
Singapore and Malaya	Straits Dollar		.3211	3.11	
Spain and Dependencies	Peseta		.01633	61.24	
Sweden	Krona		.1896	5.27	
Switzerland	Franc		.2271	4.40	
Syrian Region, United Arab Rep.	Pound	Free	.2740	3.65	
Thailand	Baht	Free	.04629	21.60	(8)
Turkey	Lira		.1089	9.18	(8)
Union of South Africa	Pound		2.7526	.3633	
United Kingdom	Pound		2.7526	.3633	
United States	Dollar		.9796875	1.02073365	
Uruguay	Peso	Free	.08598	11.63	(10)
Venezuela	Bolivar		.2924	3.42	
West Indies Fed.	Dollar		.5735	1.74	(11)
	Pound		2.7526	.3633	(12)
Yugoslavia	Dinar	Official	.003265	306.28	(8)
		Settlement rate	.001550	645.10	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$57.64 per U.S. dollar for coffee, cocoa beans and cake, and castor seeds, and (b) Cr.$81.64 per U.S. dollar for all other exports except sugar, cotton and cocoa butter, and a few other products, export returns from which may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning January 1, 1960, one escudo equals 1,000 pesos.
5. France: territory includes Algeria, Tunisia, Guiana, Guadeloupe, Martinique. The new heavy franc (worth 100 old francs) became effective on Jan. 1, 1960. In Tunisia the rate of the franc is reduced by 20 per cent on most foreign exchange transactions.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

Businessman's Bookshelf

The Europa Year Book 1960, Volume I

Europa Publications Limited. 1,194 pages. $25.00.

THIS volume is the first of two in which Europa plans to cover every year all the countries of the world. Volume I, which deals with Europe (including the Soviet Bloc and Turkey) came out last year for the first time. It proved to be an astonishing compendium not only of the statistics, constitution, legal system, press, and educational institutions of each country in Europe, but also a valuable guide to today's international organizations such as the Common Market, Euratom, NATO, GATT, FAO, ILO, etc. This year the information is revised to include EFTA and other new organizations, plus much additional data about Eastern European countries. Volume II, which is to make its first appearance in 1960, deals with Africa, the Americas, Asia and Australasia. We expect it will be as useful a reference as its mate.

Published by: Europa Publications Limited, 18 Bedford Square, London, W.C.1.

International Telephone Directory, 1960

International Telephone Directory, Inc. 2 volumes. 2,200 pages. $20.00.

HERE in a single reference work is an international index listing the names of manufacturers and associations in 125 countries, with their mail and cable addresses and telephone numbers. The directory includes information about how to make telephone calls abroad, world time zones, world currency exchange and international organizations, plus an index to its trade headings in four languages—English, French, Spanish and German.

To find the manufacturer of a product in a certain country, you simply turn to the alphabetical index of trades and associations and discover the code number for that product. Then under the country and code number headings you can quickly find all the firms manufacturing the product. Banks, shipping agents, notaries, hotels, etc., are coded in the same way. It is an easy system to become familiar with. If you are interested in electrical equipment, for instance, you can find all the 269's in a number of countries in a matter of minutes.

The directory is revised and re-issued every year. In addition to carrying listings, it accepts advertising.

Order from: International Telephone Directory, Inc., 190 East Avenue, Rochester 4, New York.

The Executive Abroad

By John Fayerweather. 195 pages. $4.00.

EVERY day, businessmen encounter problems in their relations with other members of the business community. These problems become more acute when the businessman is carrying on his work in another country, in a different social and cultural milieu.

Mr. Fayerweather has made an intensive study of the relationships between U.S. and foreign executives. He bases his findings on an opinion survey of administrative relationships in several countries and on keen observation of selected managerial groups in Mexico. He points out that the major problems in these contacts stem from differences in cultural attitudes. He then discusses at length the attitudes prevalent on the administrative level, such as the attitude of the executive toward other people and the approach of each individual to his work. He devotes a chapter to the possibility and difficulty of changing cultural attitudes when this change will result in greater efficiency.

To illustrate these problems, he uses case histories throughout the book. Even though the U.S. executive abroad forms the basis of this study, the motivations of his behaviour apply to the Canadian businessman also because Canadian working habits are similar.

The author's main field of research has been Mexico and as such his coverage tends to be limited. However, the behaviour of the Canadian or U.S. executive abroad is more or less the same, whether he is in Mexico or India.

As a sociological study, this volume should prove useful to any person working or about to work in a foreign country.

Order from: Syracuse University Press, Syracuse 10, N.Y.

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