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If Los Angeles means only Hollywood glamour to you, read this report. It could start you thinking about selling your products in one of the biggest regional markets across the U.S. border.

Los Angeles: Second Retail Market

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

THE growth of Los Angeles has been so spectacular that relatively few people really appreciate it. Canadians tend to think of New York, Chicago, Detroit, Philadelphia, Boston, Pittsburgh and Cleveland as the centres of United States consumption. They pay little attention to California as a market and probably even less to Los Angeles. They are thus missing out on an excellent opportunity to expand their sales.

Among the Canadian products displayed in many Los Angeles food markets are McIntosh apples imported from British Columbia. Note the large signs.

A few hard facts and figures may help to change this pattern of thought.

The 1960 census officially established the Los Angeles-Long Beach metropolitan area as second in population among the metropolitan areas of the United States. Between 1950 and 1960 the number of persons living in it increased by 2,300,000.

• *Industrial Growth*—According to the United States Bureau of the Census, the Los Angeles-Long Beach metropolitan area moved up from fifth largest metropolitan area in 1947 to third largest in 1958, on the basis of value added by manufacture. Value added by manufacture in this area reached $6.9 billion in 1958, up from $2.1 billion in 1947. Only Chicago and New York now surpass it.

• *Buying Income*—According to one reliable estimate, the Los Angeles-Long Beach metropolitan area now ranks third in net effective buying income among all United States metropolitan areas, surpassed only by New York and Chicago.

• *Wholesale Trade*—Wholesale sales in the Los Angeles-Long Beach metropolitan area totalled $9.2 billion in 1954 and reached an estimated $13.0 billion in 1958. On the basis of the 1954 figures, it was the third largest wholesale centre in the United States.

• *Retail Trade*—According to the 1958 figures, the Los Angeles-Long Beach metropolitan area is the second largest United States metropolitan area on the basis of retail sales —some $8.9 billion sales that year. It passed Chicago in 1959 and now is only exceeded by New York. The estimate for 1960 retail sales is that they will top $10.0 billion.

• *Construction*—In number of new dwelling units and in value of building permits, the Los Angeles-Long Beach area ranks second among United States metropolitan areas, according to 1958 figures released by the U.S. Department of Labour. In that year 80,600 new dwelling units were built and the value of building permits issued reached $1.5 billion.

• *Imports*—As an import centre, the Los Angeles Customs District ranks third in the nation, with duties of over $58 million collected in the fiscal year 1958. Only the New York and Michigan Customs Districts exceed this figure.

• *Finance*—In total bank deposits, the Los Angeles-Long Beach metropolitan area ranks third with deposits of $8.3 billion, according to 1958 figures of the Federal Reserve System.

These facts and figures are but a few of the many that can be put forward to substantiate the claim that Los Angeles is the fastest growing area in the United States. Having made this clear, there is one other aspect of the California market that deserves clarification—the relative importance of San Francisco and Los Angeles.

San Francisco is a colourful and important West Coast centre. Its name conjures up visions of cable cars, the Fisherman's Wharf, earthquakes, and (in the opinion of some) one of the most beautiful harbours in the world. In addition, San Francisco is an important centre of finance and insurance and a major port.

Los Angeles, on the other hand, is a recently conceived giant with little public image other than aircraft, oranges and Hollywood stars. These are certainly a part of the Los Angeles background but they do not give a true image of its importance to the economy of California. Perhaps some figures comparing Los Angeles and San Francisco may clarify this point.

Canadian companies that maintain representation in San Francisco but not in Los Angeles should find these figures interesting. There was a time when importers in San Francisco served Los Angeles but this situation has changed radically in the past few years for reasons which these statistics make plain.

This report is perhaps too much weighted on the statistical side. The reason, as stated earlier, is that too few people really grasp the size and importance of this giant metropolis which has so recently assumed such prominence.

Canadian Sales

The Canadian exporter may well say that Los Angeles is too far away and he cannot compete. Let us look at a few facts. During one visit to a supermarket I saw eight Canadian products on the shelves: peat moss; cheese; canned, frozen and salted fish; a chemical for treating septic tanks; maple syrup; canned hams, and apples. More important, I could think of other Canadian products that should be on the shelves—jams, jellies and preserves and specialty biscuits among others. The fact that they are not there is not wholly a matter of transportation costs or competition. The other products on the shelves faced these problems and successfully overcame them. The necessary factor in getting more Canadian products on the shelves in Los Angeles may be aggressive salesmanship.

Here is a listing of Canadian items whose value exceeded $10,000 which arrived in the Los Angeles Customs District during 1959:

Commodity	Value
Newsprint	$28,089,436
Aluminum metal and alloys	7,142,075
Whisky	1,624,079
Aircraft parts	242,872
Ball bearings and parts	226,210
Wood pulp, sulphite (unbleached)	193,809
Red cedar shingles	113,666
Douglas fir lumber (rough)	111,634
Birch plywood	108,562
Aluminum scrap	68,234
Automobile parts	59,287
Electric machines and parts	57,924
Office dictating machines	38,783
Asbestos	38,014
Special lenses (unground)	33,056
Lathes and parts	31,846
Book paper (uncoated)	29,908
Brass rods, sheets and plates	28,354
Galvanized wire	22,982
X-Ray apparatus	17,680
Food-preparing machines	16,000
Motion picture film (undeveloped)	15,714
Steel wire (value over 6 cents lb.)	14,644
Veneer, birch or maple	11,387
Scientific instruments	11,243
Plywood, n.e.s.	11,093
Herring, pickled	10,763
Total	$38,147,641

These figures reveal another aspect of successful Canadian selling in Los Angeles—aggressive promotion. On a visit to a leading Los

TABLE I

1960 Rank	Metropolitan Area	April 1, 1960, Census	Per cent change
1	New York	10,545,300	plus 10.4
2	Los Angeles-Long Beach	6,683,563	" 53.0
3	Chicago	6,150,532	" 18.8
4	Philadelphia	4,289,194	" 16.8
5	Detroit	3,761,220	" 24.7

TABLE II—BUSINESS CENTRES

	Los Angeles	Per cent of State	San Francisco	Per cent of State
Population (1956)	5,666,200	42.5	2,613,000	19.6
Value added by manufacture (1954) ('000 dollars)	5,117,544	59.0	1,677,890	19.4
Industrial employment (1956)	706,900	61.1	187,900	16.2
Total employment (1956)	2,367,700	43.8	1,041,700	19.3
Wholesale trade (1954) ('000 dollars)	9,198,626	49.3	5,896,467	31.6
Retail trade (1955)	8,036,302	45.9	3,334,262	19.0
Bank deposits (1954) ('000 dollars)	5,710,415	41.1	4,407,331	31.7
Effective buying income (1955) ('000 dollars)	11,272,051	44.1	5,696,328	22.3
Value of farm products sold 1954 ('000 dollars)	250,681		91,470	
Mineral production and crude petroleum (1954) ('000 dollars)	444,008	31.2	29,768	2.1
Ship arrivals	Ports of Los Angeles and Long Beach		All ports in San Francisco and Oakland area	
Net registered tonnage:	22,468		21,563	

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Angeles department store I discovered Canadian sportswear on display. Knowing the enterprising sales policy of the Canadian exporter, it was not too surprising to find his merchandise on sale in a number of other Los Angeles outlets.

There is only one difference between selling your product in New York and Chicago as opposed to selling in Los Angeles—distance. But your U.S. competitor may be shipping from the eastern United States and the additional transportation costs as a competitive factor may thus cancel out. Nor should it be forgotten that price is not the sole determinant in the successful marketing of a product. Quality, originality and salesmanship are also important.

Los Angeles is the second largest retail market in the United States. It is the third largest metropolitan area by nearly any standard. It does offer a market for Canadian products and more Canadian firms should explore the opportunities it offers. •

German Agriculture

How Production Will Affect Imports

Agricultural products make up over half of Canada's exports to West Germany; Canadian farmers thus have a vital interest in changes in patterns of production and consumption there. This report reviews, sector by sector, West Germany's 1959/60 agricultural output and discusses import requirements in coming months.

W. J. O'CONNOR, *Assistant Commercial Secretary (Agriculture), Bonn.*

GERMAN farmers have harvested another bumper grain crop. In contrast to the situation in 1959 when unusually hot and sunny days marked the growing months, the 1960 season was even wetter than normal. The trend towards increased domestic grain production, however, seems to continue whether the summer is hot and dry or cool and wet. The 1960 harvest is estimated at 15.5 million metric tons —over one million tons larger than the 1959 record which, in turn, was one million larger than the previous record established in 1957. Comparative production data in recent years are shown in Table I.

Grain Production

In the last decade, grain production in the Federal Republic has increased from 10.5 million to 15.5 million metric tons, chiefly because of improved yields. It is noteworthy that in the same period commercial fertilizer consumption also increased by 50 per cent. In 1959/60 the average application of available nitrogen, phosphorus, and potassium per hectare exceeded 40, 45 and 70 kilograms respectively. The greater use of fertilizer results from the very high support prices for grain and from the direct subsidies which the Government grants to reduce fertilizer costs. These reached DM316 million in 1958 but have since decreased; only DM185 million is budgeted for this purpose in 1961. Although the area cultivated to grain has increased by 11 per cent in the ten years since 1950, it is now at a near maximum. In fact, preliminary figures indicate that the upward trend was reversed in the last year as acreage fell from 4.96 to 4.86 million hectares.

• *Wheat*—The 1960 wheat harvest is estimated at 4.96 million metric tons—10 per cent more than in 1959 and 90 per cent more than at the beginning of the decade. Both yields and acreage are rising.

Quantity is, however, only part of the story. Whereas the quality of the 1959 crop was very good, the quality of the wheat harvested this year is worse than the very poor 1954 crop. In that year, however, the mandatory level of domestic wheat which millers were required to use in the grist was 24 per cent, compared with the present 75 per cent. The reduction of this figure is not being considered, but to assist millers in their efforts to maintain the quality of their flour the Government has made some price adjustments that enable the trade to purchase "higher quality" domestic wheat from government stocks. On the other hand, the permissible percentage of sprouted wheat that can be delivered to the Government Import and Storage Agency has been increased from 15 to 20 per cent.

• *Rye*—Production, at 3.79 million metric tons, is down slightly from the previous year, but is still well above domestic requirements. Although rye prices are still supported at over DM370 per metric ton ($2.20 per bushel), there has been an encouraging decline in acreage since 1958, when steps were taken to remove the production premium of DM20 per metric ton. Acreage declined 8 per cent this year but (as in the previous year) this decline was partially countered by higher yields.

• *Feed and Industrial Grains*—The area sown to industrial and feed grains also declined slightly to 2,103,400 hectares, but production went up 11 per cent to 6.52 million metric tons. In addition, a large part of the rye and wheat crops are unsuitable for milling and therefore must be used for feed. A recent report indicates that 55 per cent of the rye and 21 per cent of the wheat sampled contained over 5 per cent sprouted kernels. In view of this and the good hay harvest, Germany's degree of self-sufficiency in feedingstuffs is much higher than normal this year.

TABLE I—WEST GERMAN AGRICULTURAL PRODUCTION

	Average 1954-59	1959	1960	Percentage change 1960/1954-59
	(in million metric tons)			
Wheat	3.64	4.52	4.96	+36.0
Oats	2.32	2.04	2.18	− 6.0
Barley	2.35	2.85	3.22	+39.0
Rye	3.81	3.89	3.79	− 0.5
Mixed summer grains	0.92	0.90	1.10	+20.0
Mixed winter grains	0.18	0.20	0.25	+39.0
Feed corn maize	0.02	0.01	0.02	± 0
Total	13.24	14.41	15.53	+17.0

Oilseeds

The 1960 oilseed harvest of 71,400 metric tons is 21 per cent greater than last year. Yields were up slightly but the increase resulted mainly from a 19 per cent rise in acreage. This more than offsets the decline last year, when the support price for rapeseed, Germany's only important oilseed crop, was cut from DM750 to the present DM660 per metric ton.

Livestock

According to the 1960 September census, the West German hog population has reached a record 15.82 million, slightly more than the September 1959 figure of 15.3 million. A further increase is forecast because the number of sows in pig in September was 7 per cent above the year-earlier figure. It is estimated that 21 million hogs will be marketed in the 12 months ending August 31, 1961. Since this will be an increase of one million over hog marketings in the previous similar period, imports will probably be further restricted to prevent a drop in prices.

Cattle in the Federal Republic in June 1960 totalled 13.06 million head, an increase of 2.3 per cent over the June 1959 census and 7.2 per cent more than the 1954/59 average.

Meat

Commercial slaughterings in 1959/60 yielded 2.45 million tons of meat, including 1.48 million tons of pork and 0.9 million tons of beef. Increased beef production was mainly responsible for the 90,000 ton increase over the 1958/59 figure of 2.36 million tons. The contribution of imported animals to the total declined by 6 per cent to 165,000 tons. To this, however, should be added a net meat import surplus of 127,000 metric tons. During the year the Government

West German farmers experienced one of the wettest summers on record in 1960 and the quality of grains suffered badly. The rain continued well into harvest time.

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In 1961, German Market Will Import . . .

- *Bread wheat, about one million metric tons, 15 per cent less than in the previous year.*
- *Durum wheat, 325,000 tons, a slight increase.*
- *Feed barley, oats and corn, 900,000 tons, less than half imports in previous year.*
- *Malt and malting barley, equivalent to 480,000 metric tons of barley.*
- *Other industrial grains, 490,000 tons.*
- *Canned fruits and vegetables—possibility of increased import quotas slight. Small quantities only will be brought in.*
- *Fresh apples—no business foreseen.*
- *Frozen foods—all restrictions on frozen vegetables and fruit to be removed by July 1961.*
- *Oilseeds, some types of forage seeds, hides and skins, tobacco, whisky, fur skins, in greater quantities.*

maintained its system of influencing domestic market conditions and prices through the use of import controls. Most of the imported meat and animals for slaughtering entered Germany as a result of bilateral trade agreements.

Poultry and Eggs

Both production and imports of poultry products in 1959/60 rose well above the previous year. Poultry meat production reached 95,000 tons and imports 120,000 tons; egg production increased from 6.8 to 7.1 billion and imports from 4.7 to 5.5 billion. Domestic poultry and egg producers have great difficulty in meeting competition from foreign producers, who benefit from lower feed costs. In recent months, the removal of import restrictions on eggs and on all poultry except chicken has aggravated this problem.

However, despite the competition from imports, poultry production has continued to expand. At the last census taken almost a year ago 60 million chickens were counted, 3.5 per cent more than a year earlier. There is a trend towards larger flocks and fewer poultrymen. The Government encourages egg output with a production premium of DM0.027 per egg, and Parliament this session is expected to pass a new poultry law designed to assist poultry and egg producers further.

Dairy Production

Although milk production, because of a shortage of feed, was below normal in the first half of the agricultural year, it increased in the second half and total output reached 18.9 million tons, 2.5 per cent over 1958/59. Production per cow went up from 3,290 to 3,354 kilograms. In recent months production has declined seasonally but because feed supplies are ample, no decrease comparable to last year's is expected. Farmers receive a milk production premium of DM0.03 per kilogram for quality milk from TB-free cows.

In 1959/60 production of processed cheese, at 59,000 tons, was slightly higher than in the previous year and production of other cheese increased by 8 per cent to 160,000 tons. Butter production increased 3 per cent over the previous 12 months to reach 388,000 tons.

Fruits and Vegetables

Record production of practically all berries and fruits is forecast. Total fruit output is placed at 4.1 million tons, more than twice as large as last year, when yields were low because of drought. The following table shows production of principal fruits in recent years:

	Average 1954-59	1959	Estimate 1960
	(in 1,000 tons)		
Apples	1,277	851	2,485
Pears	354	236	634
Plums	295	299	499

The apple crop, which is of only fair quality, is being marketed at depressed prices.

The acreage devoted to commercial vegetable production increased this year from 61,000 to 69,000 hectares, thus reversing the long-term downward trend. Production is estimated at 1.2 million tons, 40 per cent larger than the 1959 crop and 8 per cent above average. Pea production is estimated at 65,000 tons against 51,500 last year and 58,100 in 1958; production of canned peas is thought to be normal at 31 million kilograms. Bean production is estimated at 63,000 tons, about average; last year it was only 40,000 tons and substantial imports of canned beans were permitted. However, domestic canned bean production this year is said to be double the 31 million kilograms produced last year and the outlook for imports is thus not encouraging.

As a result of good yields, the potato crop of 24.5 million tons is almost equal in size to the 1954/59 average, despite an 8 per cent decrease in acreage. Although potatoes play an important role in the German diet, half of the crop is normally used for livestock feed.

A record sugar beet crop of 11.7 million tons with an estimated sugar content of 16 per cent is expected to yield up to 1.7 million tons of refined sugar. This compares with last year's production of 1.3 million tons; annual sugar consumption approximates 1.6 million tons. Sugar prices, like grain prices, are supported at a high level and the quantity and price of imported sugar are strictly controlled.

Tobacco production estimates are not yet available. The crop was, however, seriously affected by disease and is known to be much smaller than the previous one of 14,000 tons.

Outlook for Imports

Table II indicates that Canadian exports of agricultural products to Germany in the first nine months of 1960 fell below exports in the previous similar period.

Much of this decline is the result of a $12 million decrease in exports of quality wheat. Although it is true that the trend towards ever greater domestic wheat production in Germany and the continuous decline in per capita consumption of flour has adversely affected the market for Canadian wheat, part of the decrease is more apparent than real. It may be related to the uneven flow of imports which, in turn, is related to periodic changes in the German Government's import regulations. German statistics indicate that combined imports of durum and bread wheat from Canada dropped from 926,000 metric tons in the 1958/59 crop year to 750,000 tons in 1959/60. According to the recently published German Import and Supply Program, bread wheat imports of approximately one million metric tons are scheduled. This is 15 per cent less than in the previous year, but there is good reason to hope that Canadian exports will be maintained, because millers require a very strong wheat to mix with the low quality domestic crop. Imports of 325,000 tons of durum are also scheduled, slightly more than in the previous year. Canada as the major supplier should benefit from this increase.

Germany has a surplus of rye and no imports are anticipated; indeed, she will continue her program of subsidized rye and soft wheat flour exports. The outlook for feed grain imports from Canada in the coming months is also poor. Because of large domestic supplies, total imports of feed barley, oats and corn are scheduled at 900,000 tons—less than half of the quantity taken in the previous year. The long-term outlook, however, is somewhat better in view of the expected increase in livestock production and meat consumption.

Consumption of industrial grains is also increasing. The 1960/61 Import and Supply Program envisages malt and malting barley imports equivalent to 480,000 metric tons of barley. Imports of 490,000 tons of other industrial grains are also forecast. In both cases, these figures represent a small increase over the previous plan.

In addition to the above grains, the German Government maintains import controls on a number of other agricultural products. Among these are canned fruits and vegetables and the possibility of increased import quotas is slight in view of the large domestic crop. Small quantities of these products will, however, continue to find a market during 1961. It is unlikely that any business in fresh apples will be permitted. The market for frozen foods is expanding and all import restrictions on frozen vegetables and fruit are to be removed by July 1961. The market prospects for many other agricultural products that Canada can supply are, however, unhampered by import controls. Canadian producers of oilseeds, some types of forage seeds, hides and skins, tobacco, whisky and fur skins can look to Germany for expanded markets. ●

TABLE II—PRINCIPAL AGRICULTURAL EXPORTS FROM CANADA TO WEST GERMANY

	9 mos. 1957	9 mos. 1958	9 mos. 1959	9 mos. 1960
	(in Can.$'000)			
Quality wheat	32,715	21,174	25,173	13,281
Durum	8,333	8,354	8,737	9,209
Barley	7,987	826	51	2,913
Rye	1,177	960	262	
Oats			1,111	1,599
Flaxseed	4,161	1,894	3,382	2,112
Rapeseed	1,976	1,887	306	32
Cattle hides	1,143	997	776	1,352
Calf skins and kips	109	407	368	261
Tobacco	903	611	851	358
Whisky	1,033	335	479	528
Clover seeds	168	239	158	133
Fur skins	441	346	390	200
Mustardseed	26	204	156	54
Fresh apples		432	27	176
Canned fruit	21	149	77	33
Canned vegetables	27	5	27	53
Total	60,220	38,820	42,331	32,270

Source: *Trade of Canada, Exports, DBS.*

Selling Processed Foods to Britain

A twelve-man Canadian Food Mission, sponsored by the Department of Trade and Commerce and representative of the Canadian processed foods industry and the fisheries, visited the United Kingdom last September.

Its assignment was a dual one: first, to explore thoroughly opportunities for increasing exports of Canadian processed foods to Britain, and second, to report back its findings to the various sectors of the food industry in Canada through the associations represented on the Mission.

During the time spent in Britain, the members of the Mission called on government and civic officials and on organizations representing all sectors of the food trade—importers, brokers, retailers, and co-operative societies. In all these visits, the Mission stressed that it was looking for facts, not compliments, and frank discussions resulted.

Some of the findings, culled from a report written by Roy W. Blake, Acting Director of the Agriculture and Fisheries Branch of the Department and secretary of the Mission, are presented below, in questions and answers.

ENTERING THE MARKET

How big is the market for processed foods in Britain?

The United Kingdom has nearly 17 million households, which spend about $12.00 a week on food or roughly $10.6 billion a year. Over 25 per cent of this food is imported. It is an expanding but highly competitive market for foodstuffs in which Canada's competitors have had a long start and are well established. A new generation of British consumers has grown up which has never tasted any variety of Canadian foods. They must be "sold".

What are the important factors in winning a share of it?

Garfield Weston answered part of this question for the Mission when he said: "Canadian exporters should look to the United Kingdom on a long-term basis and not use it as a market to dispose of surplus production." Continuity of supply must be linked with consistent quality, and the pack must be right—not too large, so as to suit all classes of trade. Private traders are more inclined to try to sell the product if the pack is small.

Is price the over-riding consideration?

The price must be competitive, but high-quality products distinctively packed and well presented will often command a premium and find a remunerative market. But, as one British source commented, "not that the public wants rubbish, but they prefer something good at 1/- rather than something very good at 1/6." Good Canadian products at comparable prices will find a ready market.

Has the distribution pattern for foods changed since prewar?

The principal change has been the development of large trading groups—mainly multiple stores, co-operative societies, and voluntary groups; these now handle 50 per cent of the U.K. food trade. It is estimated that by 1965 there will be about 30,000 independent grocers operating under group trading, about double the present figure. The number of large self-service stores is also increasing.

Should Canadian firms try selling directly to the large multiple stores and co-operative societies?

The multiple stores and the co-ops prefer buying directly from the supplier and this method of selling is good, provided that they will buy all of an exporter's production. The large self-service stores (our supermarkets) want pre-packed, high quality graded produce.

What is the best way of becoming established in this market?

Probably by appointing a reliable broker who is prepared to do spadework and look after the exporter's interests. The Canadian exporter should then market his whole supply through the broker, who sells to the large multiple groups as well as to all other outlets, rather than try himself to sell to the large groups. The broker should be trusted with goods on consignment until a line becomes well known and accepted.

What terms of payment should be offered to brokers?

Brokers prefer to make payment 30 to 60 days after delivery. They do not like to have to put up letters of credit because they feel this indicates a lack of trust.

Can sales to the whole of Britain be handled from London?

Each area of the United Kingdom should be covered by an agent who is fully familiar with its particular tastes and requirements and with methods of doing business there. London firms, for example, are not too well regarded in Liverpool and Manchester unless they have strong branches in those areas. Scotland should be covered by Scottish agents only and quotations should be f.a.s., not c.i.f. as in England and Northern Ireland.

GRADING, LABELLING, SHIPPING

Does the British trade accept the Canadian Government food grades?

The trade does not want to be held to buying on the basis of Canadian Government grades. Importers maintain that although a pack may pass the Canadian minimum standards for a particular grade, there is often a great variety within these grades. They want to buy on an average sample for the year, as they do from other countries. Canadian exporters should make sure when they are drawing up a contract that the basis of sale as it touches grades is clearly stated.

What are the British regulations on weight?

The weight stated on the label must be the minimum guaranteed net weight; the actual weight may be more, *but not less,* than the weight stated. If goods are pre-packed, they must be in quantities by net weight of 2, 4, 8 or 12 ounces, 1 pound, 1½ pounds, or multiples of 1 pound, in a container marked with the net weight. The weight declaration must either be abbreviated according to a set form or spelled out completely—for example, 15 fl. oz., or 15 fluid ounces. For weights over one pound, the form is 1 lb. 4 oz., not 20 ounces. It is best to state on the label the number of servings per can; this influences the consumer when she is buying.

What types of labels should Canadian suppliers use?

The large multiple groups and co-operative societies have their house labels, well known to the consumer. Most of the importing firms in Britain also have their own labels that are familiar to the public. The multiples and the co-operatives, however, will also purchase under the packer's label. It was suggested to the Food Mission that the Canadian processor should be prepared to pack under two labels—one for use with the independent retail trade and one which the importer can sell to the multiples.

The use of any flavouring, colouring, or other foreign matter must be declared under "ingredients" on the label. Before he attempts to ship any canned foods, the exporter should submit sample labels to the Department of Trade and Commerce in Ottawa for approval. This will save him time and possible disappointment.

What type of cartons are best for shipping processed foods?

Shipment to the United Kingdom definitely calls for a heavier carton than the one in use in Canada. The latter does not stand up well to frequent handling in shipment and the resulting damage is often heavy. This leads to loss of goodwill. The Japanese and Australians both ship in 300-pound board cartons.

SPECIFIC OPPORTUNITIES

What are the opportunities for selling Canadian canned fruit to the British?

Any type of canned fruit can be sold in the United Kingdom, (the world's largest importer of canned fruit), though it takes a vigorous promotion effort to get a new brand established. Continuity of supply, comparable quality, competitive prices and a good agent are all needed to win a long-term market. Canned peaches, pears, apricots and fruit salad are the main types of canned fruit imported; peaches and pears account for two-thirds of the total. Canned cherries, canned apples and canned plums also stand a good chance, as do solid-pack apples and apple juice. Canadian shipments have a tariff advantage over those from non-Commonwealth countries.

Is it possible to sell Canadian canned vegetables in the United Kingdom?

Britain herself produces a large volume of canned vegetables and also imports large quantities, mainly from South Africa, Australia, New Zealand, the United States, Belgium, the Netherlands, and Italy. Canadian exporters still have ample scope, however, especially for canned peas, canned beans, canned corn on the cob, kernel corn, and perhaps creamed corn. The Mission also received inquiries for pickles, sauces and soups. Demand for some of these would not be large, but could be worthwhile if competition can be matched.

What about canned tomatoes and tomato juice?

Canadian tomato juice is already doing well because of its superior quality; to maintain this market, the label should state clearly that the can contains only the juice from fresh tomatoes. In canned tomatoes, the largest item in U.K. canned-vegetable imports, the nearer Canadian processors can come to providing a canned tomato that has the appearance, taste and aroma of a fresh one, the easier it will be to sell in the U.K. There is stiff competition from both Italy and Bulgaria.

Is there a demand for frozen vegetables and fruits?

Yes, and it is growing; 30.3 million pounds were imported in 1959, chiefly from Sweden, the Netherlands, New Zealand and Belgium. Frozen peas (80 per cent of imports) sell best. Frozen fruit imports totalled 1.7 million pounds in '59 and included mainly strawberries, apples and loganberries. Frozen foods from the Commonwealth enter Britain duty-free.

Can the market for Canadian honey be expanded?

Yes, because the trade recognizes that the Canadian system of grading honey is an almost infallible guarantee of quality and is willing to pay a premium for the Canadian product. The Canadian clover type is preferred to the bulk of the imported honeys. The British housewife is gradually being won over to the plastic packs.

What opportunities are there for selling confectionery and specialty food products?

Demand for Canadian confectionery is limited because of large domestic production and competition from Europe. However, it is possible to win customers for Canadian lines of high quality, distinctively packaged and sold in high class stores. Prospects for canned mushrooms are less favourable; pie fillers, cake mixes and other "convenience foods" could be promoted.

What Canadian fish products are selling in Britain?

Canned salmon and canned lobster are particularly well established in the U.K. market, but Russia and Japan are providing competition for our salmon packers and high prices for canned salmon seem to be turning the British housewife to other foodstuffs. Canadian sardines are also doing well but have to be marketed under the name of "sild". Only the Portuguese product can be labelled and sold as sardines.

What other fish products might be sold?

New interest is being shown in Canadian frozen fish products, especially frozen cod fillets, haddock fillets, fish and chips, and fish sticks, preferably packed in half-pound packets for the retail trade and in large packs for hotels, restaurants and institutions. Volume of the trade will depend on price and continuity of supply. The hotel and restaurant trade might purchase frozen groundfish fillets and blocks, frozen salmon and halibut, and fresh frozen lobster.

FOR FURTHER HELP

The report of the Mission was not addressed solely to the large companies in this field. It pointed out that a good many Canadian food processors do not produce enough to engage in export on a large scale but most of the time do have a modest surplus that they could market overseas. Some thought should be given to devising a scheme for marketing these small surpluses on a group basis.

Canadian suppliers at the moment have a tariff advantage over non-Commonwealth traders, though some of this advantage may be lost because of Britain's membership in the European Free Trade Association. Continuous supply of a uniformly graded product at the lowest possible price for the quality are the prerequisites for success.

Readers who would like more detailed information on the Mission's findings should write to one of the following trade associations:

The Canadian Food Processors Association, Ottawa

The Ontario Food Processors Association, Toronto

Canadian Beekeepers Council, Ottawa

The Nova Scotia Fish Packers Association, Halifax

The Newfoundland Fish Trades Association, St. John's

The Fisheries Association of B.C., Vancouver

The Confectionery Association of Canada, Toronto

Canadian Mushroom Association, Waterloo, Quebec.

The Department of Trade and Commerce in Ottawa will be glad to advise Canadian firms on labelling, packaging, appointing an agent, tariffs, etc. In addition, the following articles in *Foreign Trade* might be helpful:

"Britain Imports More Canned Fruit" April 23, 1960

"Canadian Foods Stage a Comeback" May 21, 1960

"Frozen Foods Catch on in Britain" July 16, 1960

"Canadian Honey Returns to Britain" July 30, 1960. ●

Venezuela's Foreign Exchange Control

Our Caracas office, in a report written late in December, discusses the exchange control program initiated on November 8.

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

THE Government of Venezuela, in an effort to halt the steady decline of foreign exchange reserves, issued a decree on November 8, 1960, placing controls on the sale of foreign exchange. The official value of the Bolivar remains unchanged at 3.35 for purchases of United States dollars.

The decree directs that all the foreign exchange originating from iron ore and other non-combustible minerals, as well as currency that comes from activities of the companies exporting these minerals, will be acquired exclusively by the Central Bank at Bs.3.33 per United States dollar. Foreign exchange from the oil industry will continue to be acquired at Bs.3.09 and the exchange from the export of cocoa will go to the Central Bank in accordance with previously established regulations. As a result, the Central Bank will receive *almost* the entire Venezuelan earnings of foreign exchange. Small amounts of other foreign exchange income will be available for sale in a free market provided for under the regulations.

Foreign Exchange Sales

The key to the control program is the amount of foreign exchange that the Central Bank of Venezuela will allocate or distribute to the local banks. In making the allocation, the Central Bank will take into account the position of foreign currency income, general marketing conditions, existing international reserves, payment necessities of the Venezuelan economy in general, and the requirements of each individual applicant.

The Central Bank will sell foreign exchange through the local banks to cover payments abroad by the Government and its institutes, and for normal business purposes. Although no indication has been given as to the amount of exchange that will be allowed for government requirements, the foreign exchange allocated to the banks for normal business purposes is to be distributed on the following basis: 72 per cent for imported merchandise, related freight and insurance costs; 3 per cent for non-related insurance, transportation, and technical services; 5 per cent for the support of students and families abroad; 7 per cent for dividends, interest, profits, and rentals to non-residents on funds invested before November 8, 1960; 13 per cent on debts to non-residents incurred before November 8, 1960, or conversion of assets from investments made before that date.

Foreign Exchange for Imports

An applicant applying for foreign exchange for an open-account transaction is required to deposit up to 20 per cent of the value of the foreign exchange; for advanced drafts and letters of credit the deposit is up to 40 per cent. However, in

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open-account transactions, if all the documents required under the regulations are filed with the application for foreign currency, the 20 per cent deposit by the importer will not be necessary. The deposits are refunded after the goods have been cleared through customs and delivered to the customer.

The period for the import of goods will be 120 days for orders originating in the Western Hemisphere and 180 days for those originating in other countries. When the import involves machinery or spare parts or other products that will require a longer period of processing, the Central Bank, upon satisfactory proof, may extend the permit up to two years. It is suggested that Canadian exporters shipping on open account to Venezuela mark their drafts: "Settlement to be made in Canadian or United States dollars".

If it is determined that the time allowed for the import of goods is insufficient for causes beyond the control of the interested party, and if the interested party can prove before the expiration of the period that the goods will be shipped or have already been shipped, the period may be extended up to another 60 days. In cases of "force majeure", the period for the entrance of the goods can be extended for the time deemed necessary.

Exchange for Commitments, Loans and Investments

To obtain foreign exchange for foreign loans, investments, and obligations that require payments to foreign countries for interest, dividends, profits, and amortization and which entered the country before November 8, 1960, registration of the respective capital or pending balances is required within 60 days from the above date. The application must show the amount or balance of the credits or investments, the date on which they were placed, the period or expiration date, payment conditions, and all other data which may be necessary to determine the credit and amount of foreign currency required.

Persons introducing foreign capital for investment in Venezuela after November 8, 1960, may also apply for registration with the Central Bank. Should the application for registration be approved, it will be effected by previously selling the foreign currency to the Central Bank and the capital will be registered for the equivalent in Bolivars of the foreign exchange received. Non-registration, however, will not be an obstacle to the entry of foreign capital through the free exchange market nor to the obtaining in the free market of currencies necessary for the corresponding interest, dividends, profits and amortization of such capital.

Exchange for Outstanding Debts

Foreign exchange is to be made available for the payment of outstanding debts incurred before November 8, 1960. New regulations for the registration and the allocation of foreign exchange for these debts are now pending and are expected to be issued momentarily. Until such time as the regulations are issued, it is recommended that Canadian exporters with outstanding debts in Venezuela arrange with their agents, importers or collecting banks in Venezuela to have the debts registered with the Central Bank and to apply for the necessary foreign exchange for payment of them. If the applicants are unable to obtain official foreign exchange through the banks, they are at liberty to purchase foreign exchange on the free market.

Free Market Sales

There are no restrictions against the purchase and sale of foreign exchange on the free market, but the amount available from this source will be limited and it could be a costly operation for the would-be purchaser. The Central Bank of Venezuela has officially authorized the Caracas Stock Exchange to sell "free" dollars. Free foreign exchange transfers on the Caracas Stock Exchange on amounts of $1,000 or over have been ranging from Bs.4.20 to Bs.4.35 per United States dollar.

For Further Information

The foregoing is based on the interpretation of the initial decree and regulations, plus a few amendments that have been announced since November 8, 1960. It is anticipated that many more changes in the regulations will be necessary before the exchange control system will operate smoothly. In the meantime, Canadian exporters who wish further clarification or information should communicate with the Latin American Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or the Commercial Counsellor, Canadian Embassy, Apartado 11452 Este, Caracas, Venezuela, or with their bankers.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often Canadian businessmen fail to take advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.

Commodity Notes

Auto Exhaust Systems

VENEZUELA—An agreement to manufacture and distribute automotive exhaust systems in Venezuela has been concluded between a Venezuelan investment group, Industrias Integradas S.A. of Caracas, and Maremont Automotive Products, Inc., of Chicago. Both original equipment and replacement parts will be made at a new $4 million plant now under construction in Valencia—Caracas.

Automobiles

INDIA—The Government of India announced on October 21, 1960, that a six-member committee of experts had been set up to study and advise within four months on the manufacture of a low-cost car as a government project. The committee will examine all aspects of national investment, production costs, foreign exchange, terms for collaboration in production, location of plant, etc. They are asked to recommend to the Indian Government such model or models of a car which could be manufactured for the ex-factory price of about $1,050 on a production basis of 50,000 cars a year, and to retail at about $1,300. The intention is that the cars should be entirely of Indian content within three years of production—New Delhi.

Coal

AUSTRALIA—A Sydney company has announced that it will export 300,000 tons of coking coal to Japan during 1961. It is expected that by 1965/66 the Japanese steel industry will buy 2½ to 3 million tons of coal a year. The coal is mined in an open-cut field at Kianga, Queensland, which has proven reserves of 1,000-million tons—Sydney.

Deciduous Fruit

SOUTH AFRICA—Approximately 51,500 tons (worth £2.06 million) of deciduous fruit were sold during the 1959-60 season on eight municipal markets in the Union, compared with 54,700 tons (£2,004,000) during the previous season.

Included in the current season's sales were apples, 23,500 tons (£952,000), an increase of 18 per cent in weight and 6 per cent in value compared with the previous season; pears, 5,100 tons (£226,000) with an increase in both weight and average price per ton; peaches 10,700 tons (£385,000); grapes 7,900 tons (£338,000); apricots 2,300 tons (£72,000), and plums 1,900 tons (£62,000). Nectarines and cherries accounted for the remaining 100 tons—Cape Town.

Electrical Equipment

BRAZIL—Sprecher & Schuh do Brasil S/A—Industria de Aparelhagens Elétricas has been established in São Paulo with an initial capital of Cr.$1 million. The Swiss firm, Sprecher & Schuh S/A, holds 90 per cent of the new company's shares. Production eventually will include most types of high-tension products made by the Swiss company. Initial output, however, will consist of circuit breakers and accessories. Initial investment is estimated at Cr.$30 to Cr.$40 million, including the São Paulo factory installations. Distribution of the circuit breakers will be handled by Secheron, Sprecher & Schuh S/A—Maquinas e Aparelhos Elétricos—São Paulo.

Lead

BRAZIL—Production of lead in Brazil has increased considerably in the last six years—from 298 tons valued at Cr.$27 million in 1956 to 693 tons valued at Cr.$60 million in 1958, a rise of 133 per cent. The main producing centre is the State of Minas Gerais—Rio de Janeiro.

Liquid Gas

AUSTRALIA—Australian refineries produced a record 7.4 million gallons of liquefied petroleum gas in the year ended June 30, 1960, the Petroleum Information Bureau reports. This was seven times greater than output five years ago. Australian consumption jumped by 74 per cent last year, but this is believed only a fraction of what may be expected in the next 20 years, unless there is a major discovery of natural gas. Petroleum gas is being used to enrich industrial gas—Melbourne.

Pepper

BRAZIL—Exports of pepper in 1959 totalled 2,502 tons valued at Cr.$305 million (approximately U.S.$2

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million). Principal purchasers were the United States 866 tons, Argentina 630, and West Germany 521—Rio de Janeiro.

Pulp

SWEDEN—Sweden's capacity for pulp production at the end of 1960 totalled 5.6 million tons, a rise of 200,000 tons over 1959. This will likely rise to 7.1 million tons at the end of 1964, according to a report by the Swedish business weekly *Affärsvärlden* on a survey of expansion plans carried out by the branch organizations.

The end-1960 figure includes 4,200,000 tons of chemical pulp, 70,000 tons of semi-chemical pulp and 1,380,000 tons of mechanical pulp. In 1960, the total capacity rose by 200,000 tons. Expansion plans over the next four years will raise the output of chemical pulp to 5.5 million tons, of semi-chemical pulp to 100,000, and of mechanical pulp to 1.5 million.

Of the increase in capacity of 1.5 million tons over the next four years, about 950,000 tons (or just under 65 per cent) will be earmarked for sale; the remainder will be used for integrated production of paper and paperboard at the mills. The quantity now available for sale is estimated at 3,050,000 tons of chemical pulp and 630,000 tons of mechanical. By 1964 these figures will rise to about 3,900,000 and 680,000 tons respectively—Stockholm.

Seamless Steel Pipe

VENEZUELA—The Iron & Steel Institute has imported 5,000 tons of steel from France and Italy to start making seamless pipe at the national steel mill near the Caroni River. A four-year production schedule has been approved. The plan is to make 45,000 tons of pipe this year, 130,000 tons in 1961, 160,000 tons in 1962, and 280,000 tons in 1963. The steel plant expects to begin using iron ore from the Guayana deposits next year—Caracas.

Tin

PORTUGAL—The Portuguese company, Fundição de Mangualde Embel, Lda., is setting up a tin-smelting plant at Jos, Nigeria, close to a cassiterite mine. It will have an annual capacity of 9,000 tons. The company will be called the Nigerian Embel Tin Smelting Co., and will be managed by Portuguese experts from the parent firm. Furnaces, transformers and other electrical and laboratory equipment were manufactured in Portugal. Production is expected to begin in January; 25 per cent will be for the Nigerian home market and the remainder for export—Lisbon.

Uranium

SWEDEN—In four years' time, Sweden will be self-sufficient in uranium. By then, AB Atomenergi's uranium plant in Ranstad will be completed, with an estimated output of 120 tons of uranium during the first year of production. Production can be doubled gradually if necessary.

Swedish uranium will be expensive, double world market prices, it is estimated. However, Sweden is willing to pay what has been called "a reasonable political and economic insurance premium" to ensure independence from foreign sources of supply. Swedish consumption of uranium is expected to reach 60 tons by 1964—Stockholm.

Trade Commissioners on Tour

In Canada

B. HORTH, Assistant Commercial Secretary in The Hague, Netherlands:

Vancouver—Jan. 20-24

When he completes his tour, Mr. Horth will be posted to New Delhi, India, as Assistant Commercial Secretary.

Businessmen who wish to see Mr. Horth 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.

In Territory

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Zagreb and Ljubljana in Yugoslavia from February 6-10, and Sofia, Bulgaria, from March 6-11.

G. A. NEWMAN, Commercial Counsellor in New Delhi, will visit Madras from February 12-17, and Hyderabad and Bangalore from March 13-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Prague, Czechoslovakia, from January 9-13, Belgrade, Yugoslavia, from February 6-10, and Budapest, Hungary, from March 20-23.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from January 9-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Freyseng and Mr. Thomson at Vienna, Mr. Newman at New Delhi, and Mr. Wallace at Caracas.

Mexico Buys Pulp and Paper

F. B. CLARK, *Commercial Secretary, Mexico, D.F.*

MEXICO is already an important market for paper and an expanding one, as the rise in demand is expected to continue. The 1960 census recorded a total population of over 34½ million and the growth rate is one of the highest in the world. Industrial development has opened up the market for all sorts of specialized paper products in addition to packages and containers, and improved living standards have boosted the demand for writing and printing papers and for newsprint. Although domestic production of pulp and paper is substantial, imports of these two commodities totalled U.S.$28.4 million in 1959, a 14 per cent increase over 1958.

Pulp Production

Several of the 15 domestic pulp producers also operate paper mills, with output geared to their own consumption. A wide variety of materials is used for pulping. Wood, the principal source, is obtained from 2.5 million hectares of forest in which a species of Southern pine predominates. This area has been allocated to pulpwood and more timber land is available when needed. The important sugar industry in Mexico offers about two million metric tons of bagasse a year for making pulp but so far only one mill is converting it. Wheat straw has been used for some time by a few small mills and one pulp producer converts bamboo, which is in good supply throughout the tropical regions. Even banana trunks are being processed into pulp, but a high water content makes transport costly, because most of the mills are located close to the principal market, Mexico City.

Waste paper is an important material in the production of low-grade wrapping paper and paperboard. One reliable source estimates that 45 per cent of the paper produced in Mexico is converted from waste paper and clippings. Previously most of this was imported and although an effective collection system operates in the principal cities, imports amounted to $824,000 in 1959.

The Mexican Market

- ***Demand for writing and printing papers and for newsprint growing.***
- ***Imports needed because increase in domestic production paralleled by increase in population.***
- ***Dissolving pulp, bleached and unbleached sulphite (paper grades) are leading pulp imports.***
- ***Canada supplies 64 per cent of all newsprint bought abroad; demand should be brisk for next four to five years.***
- ***Specialty papers obtained mainly from U.S., Italy, Germany, Finland.***
- ***Sulphite pulp, certain papers, offer best opportunities for Canadian suppliers.***

Production of all grades of wood pulp in 1959 reached 177,000 tons. About 70 per cent of this consisted of sulphate pulps and about one-third of this was bleached or semi-bleached. Mechanical groundwood pulp (44,000 tons) and unbleached sulphite (4,000 tons) were also made. The biggest Mexican producer is Celulosa de Chihuahua, S.A., with a mill and timber reserves in Chihuahua, 1,090 miles northwest of Mexico City. This independent company accounts for 40 per cent of all sulphate pulp production.

MEXICAN PRODUCTION OF PULP 1959

	Short tons
Mechanical groundwood	44,000
Unbleached sulphate	81,000
Bleached and semi-bleached sulphate	45,000
Unbleached sulphite	5,000
Bleached sulphite	1,000
Semi-chemical wood pulp	1,000

Source: *World Wood Pulp Data.*

Pulp Imports

Although pulp production has more than trebled in the past ten years, imports of all types have not disappeared. One of the main obstacles to further domestic expansion is the lack of power in the interior, where the mills should be located close to the primary materials—pulpwood, bagasse, wheat straw, etc. Completion of planned hydro-electric projects will eventually eliminate this problem.

In 1959, Mexican imports of all grades of wood pulp reached 37,000 tons. This figure included 18,000 tons of dissolving pulp for the manufacture of artificial fibres, 18,000 tons of bleached and unbleached sulphite (paper grades), and 1,000 tons of mechanical wood pulp. Canada's share of this market for pulp for papermaking in 1959 totalled 3,145 tons, down about 20 per cent from the previous year and only 18 per cent of total imports in this category. Sweden and the U.S. shared most of the remainder.

There are opportunities to increase Canadian pulp exports to Mexico, particularly the sulphite grades. Orders are arranged either directly by the customer or preferably through commission agents. It is helpful to have a representative because applications for import permits often have to be expedited through the various government departments.

The Paper Picture

Thirty-five Mexican mills produce a wide variety of paper and paperboard. Most of these producers are small; only five have a capacity of more than 35,000 tons per year. The top three are controlled and operated by Mexican businessmen and all of the small mills are locally owned. Kimberley Clark of the United States has an affiliated company that produces a wide range of sanitary, bond, ledger, crepe and tissue papers. Scott Paper Company also has an interest in one of the local producers. Newsprint from one mill accounts at present for 11 per cent of the market.

Domestic production is concentrated on kraft and wrapping papers, paperboard, tissue and printing papers. First-grade bonds are not available, only one mill makes coated types, and a wide variety of specialty papers have to be imported.

DOMESTIC PAPER PRODUCTION 1959

	Metric tons
Printing and writing paper	115,500
Semi-kraft	115,500
Kraft paper	59,500
Wrapping, tissue, cardboard	59,500
Newsprint	10,000

Although paper-mill capacity has doubled since 1950, the Mexican market does not yet justify production of all types. The Government encourages construction of new mills and expansion of present ones by offering tax concessions and protection from imports. Further development is impeded because it is difficult to obtain long-term timber rights and for this reason prospective investors are reluctant to risk the considerable capital involved. Although new paper mills will nevertheless appear, self-sufficiency is not expected within the next ten years. Production of newsprint, specialty and fine papers is still far below the requirements of an expanding market.

Newsprint imports of 87,782 metric tons were needed in 1959 because output from the lone domestic producer met only 11 per cent of the demand. The Canadian share in these imports was 56,358 metric tons, or 64 per cent of all newsprint imported. The remainder of the market was divided among the United States, Austria, Chile, and Finland, in that order. This volume of imports is expected to be maintained for another four or five years because the increased domestic production will be equalled by an increase in demand. A project for another newsprint mill in the State of Michoacán has been indefinitely postponed.

MEXICAN IMPORTS—PAPER AND PAPERBOARD—1959

Description	U.S.$
Newsprint	13,138,000
White writing papers	1,061,000
Paper used exclusively for printing school books	413,900
Paper for manufacture of carbon paper	233,600
Cigarette paper	1,102,800
Paper or board for the manufacture of cards	313,500
Coated papers	129,800
Glazed papers	54,700
Safety paper	272,300
Carbon paper, n.o.p.	269,700
Glassine paper	502,200
Filter paper	184,800

On the left is a representative list of papers imported into Mexico during 1959 in substantial volume. Most of these achieved increases over the previous year.

Aside from newsprint, Canada is only a marginal supplier of a variety of specialty papers required by Mexico. Fine bond papers are ordered from United States suppliers; coloured papers (some $55,000 worth in 1959) from Italy and the United States, and paper for making carbon ($233,000 worth) from Finland and the United States. Carbon paper ready for use was imported chiefly from Germany at a cost of $269,800 in 1959, almost double the figure for the previous year.

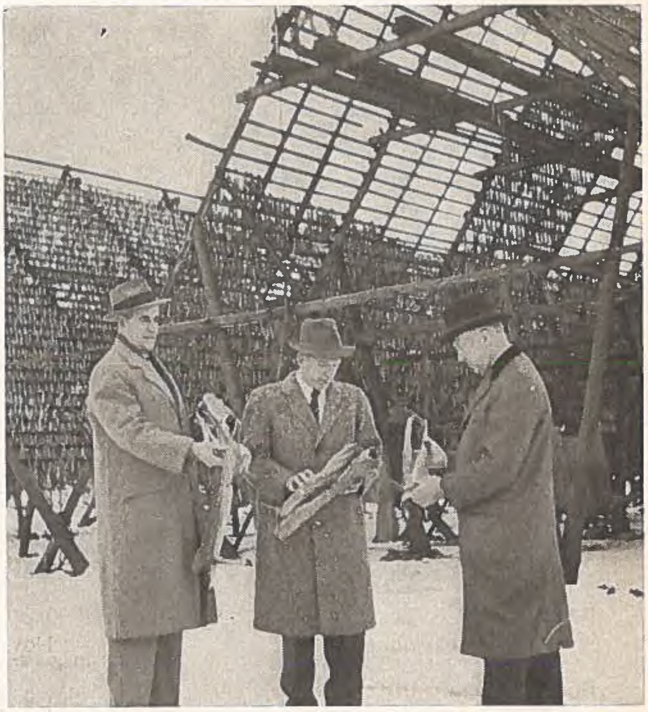
A substantial order for printing papers to be used for school textbooks was recently placed in Finland and the United States. Cigarette paper, ordered in sheets or reels, averages over $1 million a year and the principal supplier is the United States. There is a steady business in imports of glassine, coated and glazed papers. Although cellophane is made in Mexico, imports worth $227,000 in 1959 were also required to meet the demand. In addition to these special types, under a tariff classification "paper of any kind, n.o.p." imports of $532,000 were recorded in 1959, a 25 per cent increase over the previous year.

Worth Promoting

An occasional business visit by Canadian exporters would prove to them that sales are possible despite the restrictions imposed. Excellent representatives are available to consider offers of sulphite pulp and any of the papers listed in the table above and the chances of increasing the Canadian share of the market are good. There is no prospect of selling pulp or papers that are made in Mexico in sufficient quantities to supply the market, because import permits would not be granted. ●

Trade and Commerce at Work

What are the duties of officers of the Department of Trade and Commerce? How do they assist Canadian businessmen? From time to time we plan, through pictures, to show these officials carrying out varied assignments.



Left, top: G. M. Schuthe, Chief of the Transportation and Trade Services Division, and H. A. Hadskis, Assistant Chief, visited the Port of New York to study its export-control procedures. They were joined there by T. M. Burns, Commercial Counsellor in Washington, and F. I. Wood, Vice Consul and Assistant Trade Commissioner in New York. During the visit the Canadians were taken on a helicopter tour of the port. This photograph, taken on the roof heliport of the Port Authority Building, shows, left to right, Mr. Burns; F. L. Brooks, Customs Liaison Officer, Bureau of Foreign Commerce; Mr. Schuthe; Mr. Wood; Mr. Hadskis, and W. E. Sweeney, Director, Strategic Control Division, U.S. Department of Commerce.

Left, middle: M. J. Vechsler (left), Consul and Trade Commissioner in Detroit, and B. R. Hayden, Director, Industrial Development Branch, chat between sessions at the Industrial Symposium held in Windsor by the Greater Windsor Industrial Commission. The symposium was designed to acquaint Canadian and United States businessmen and government officials with the industrial opportunities in the Windsor area.

Left, bottom: Another Canada Trophy is awarded, this time in Mexico, to the owner of a Canadian-bred champion. W. M. Miner (left), Commercial Secretary, presents the silver tray to Juan Aja for his Junior Champion Holstein bull, Leonidas of Rancho El Gavillero, winner at the National Livestock Exposition in Mexico City. Looking on are Lic. Jaime Rincon Gallardo, President of the National Livestock Confederation, government representatives and visiting cattlemen.

Right, above: When T. R. Kinsella, Chief of the Fisheries Division, visited Norway, he was taken on a tour of the fisheries industry by M. B. Bursey, Commercial Counsellor in Oslo. Here, Mr. Kinsella (left) and Mr. Bursey (centre) examine stockfish being cured with the operator of a Tromso fish plant.

Index of Articles in "Foreign Trade"

July-December 1960 Issues

How to Sell the U.S. Supermarkets

United States supermarkets, with their multi-billion dollar buying power, are interested in and welcome imports.

Canadian exporters may make contact with them through Canadian-based sales representatives near major U.S. markets, through buyers and import managers of the national supermarket chains, through the use of food brokers, and through trade fairs.

Here are suggestions about approaching and developing this potential market.

R. T. MERCER, *Commercial Assistant, Detroit, and*
D. L. RUSSELL, *Commercial Assistant, New York.*

THE genius of the United States merchandiser is shown by his ability to provide mass distribution of thousands of types of domestic and imported foods. This is borne out by the growth of supermarkets, which have now become the most important type of food outlet in the United States. Estimates based upon figures released by the U.S. Department of Commerce place supermarket sales as high as $32 billion, or almost 70 per cent of all grocery-store sales in the United States.

More Canadian firms might well try selling their products to these outlets, and especially to the chains that do the purchasing for many of them. Today's supermarkets stock up to 8,000 separate items each, only 5.1 per cent of which are non-food products. Their customers are purchasing foreign foods in increasing amounts. The tang of imported cheese, the meaty goodness of Canadian bacon and ham, the flavour of certain imported jams, jellies and marmalades—all these appeal to supermarket customers.

In considering this market, Canadian companies are particularly fortunate in their geographical position. The New England, middle Atlantic and north central states (east and west) alone constitute an area in which 55 per cent of supermarket sales, totalling $17.7 billion, take place.

First Steps

Canadian exporters who wish to cultivate this huge market should first become familiar with U.S. Government regulations about food products and make sure that they comply with these before making any shipments. Among the regulations affecting the largest number of foods are those made by the Food and Drug Administration of the U.S. Department of Health, Education and Welfare. This agency enforces the regulations on proper food labelling and on cleanliness, and protects the consumer also against the use of harmful additives in any food product. It also sets standards of identity, quality and fill of container for a wide variety of foods, including certain canned fruits and vegetables, bakery products, macaroni and noodle products, cheeses and cheese products, shellfish, jellies and preserves, and canned tuna. Meat and meat products (from cattle, sheep, swine and goats) fall under the authority of the Meat Inspection Division of the Department of Agriculture, and poultry and poultry products under the Poultry Division of the same department. Both divisions enforce strict sanitary, marking and inspection standards.

Import quotas are in effect on certain dairy and agricultural products, such as butter, some cheese, (including cheddar), dried milk, dried skim milk, dried cream, and also substitutes for these products. Wheat and wheat flour, rye and rye flour are similarly restricted. In all these matters, and for information on the tariff, it is advisable to consult the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa, or the Canadian Trade Commissioners stationed in the United States, for advice and assistance.

When it comes to the actual sales approach to the supermarkets, it is useful to know that they have set up buying and administrative offices to purchase and distribute throughout their organizations huge quantities of varied merchandise. In the

Approximate Gross Profit Margin

1959 AVERAGE GROSS MARGIN	COMMODITIES
30% and up	Health and beauty aids Housewares Waxes and polishes Household supplies Soft goods Spices, extracts, salt
25% to 30%	Books, magazines, stationery Low calorie foods Pickles, olives, vinegar Jams, jellies, preserves Candy, gum Frozen foods Potato chips, party snacks
20% to 25%	Nuts Ice cream Dried vegetables Dried fruits Macaroni products Laundry supplies Cookies, crackers Tea Sauces, condiments Soft drinks Salad dressings Canned vegetables Peanut butter Cheese Paper products Cleansers Bread, cake, sweet goods Canned fruits Canned fish Syrups, molasses, honey Pet items Canned meats, spaghetti
15% to 20%	Canned juices Premixes, baking supplies Cocoa and chocolate Desserts Beer Cereals Canned and dried soups Flour
10% to 15%	Instant coffee Margarine Eggs Shortening, oil, lard Detergents, soap Baby foods Canned and dried milk Fluid milk, cream Sugar Regular coffee
under 10%	Butter Cigarettes and tobacco

purchasing department, buyers specialize in the selection of several closely related types of foodstuffs with which they are thoroughly familiar. Each has a staff of assistants and the buyers are divided into groups headed by a department manager. They are in constant touch with sales representatives, department managers, store personnel, and district and regional managers. They are thus continually aware of what the public wants, what the competition has to offer, and when and where to buy to the best advantage. The size of a purchase depends upon the knowledge and experience of the regional management and of their staffs, right down to the individual store.

Methods of Selling

Canadians may wish to consider several ways of selling in this field.

1. *Contact import manager of large supermarket chains*—A few of the very large supermarket chains have established a separate division to investigate and consider imported merchandise. This is helpful to the exporter because the import manager wants to promote the purchase of foreign goods, and his department is capable of co-ordinating all the necessary steps—requests for samples and quotations; corresponding with the supplier; placing of orders including shipping instructions; payment of deliveries, freight, import duties, and arranging for customs clearance.

Further, the import manager is able to co-ordinate his efforts with those of the domestic buyers and frequently can give valuable advice to prospective exporters on packaging and design and on merchandising programs. The import manager is therefore a logical contact for firms or individuals anxious to do business with the United States supermarkets and with plants capable of providing national coverage.

2. *Call on supermarket buyers*—Supermarket buyers welcome the opportunity to learn of new prod-

ucts and sources of supply. However, the time which can be allotted to each visitor is limited and answers to the buyer's anticipated questions should be prepared in advance.

Most supermarkets have a printed form for new items which contains essential information as to the amount of liability insurance carried by the vendor, compliance with Food and Drug Administration regulations, prices and discounts. This form also calls for specific information on current and proposed promotion and advertising programs. When possible, it is best to fill this form out in advance, so that the time spent with the buyer will be used only to discuss significant matters outlined on the form. It is important that promotion and advertising proposals made by the vendor be definite and accompanied by proofs and artwork, wherever possible.

It cannot be expected that American supermarket buyers will issue orders for new products on the spot. It is, however, on the basis of a thorough and documented presentation of all pertinent facts that the buyer will either reject the item or pass it on to the buying committee for further consideration. It is within this committee that the ultimate selection of new items is made and thus the supporting material furnished to the buyer plays a doubly important role.

3. *Consider representation in adjacent U.S. markets by Canadian-based sales personnel*—Sales representatives stationed in border cities close to heavily populated United States areas can provide coverage of and representation in both the local Canadian and U.S. markets. For example, in the metropolitan Detroit area, there are 23 supermarket chains, the majority of which are independents. The 400 supermarkets in this area represent a very substantial market that can easily be covered by Canadian firms working out of Windsor.

4. *Use a food broker*—Canadian manufacturers or exporters who find it impractical to maintain their own representatives in the United States or to use their Canadian sales personnel should seriously consider competent food brokers.

A food broker is an independent business firm which offers a high standard of sales service at low cost. He acts as the supplier's salesman, generally concentrating on a local area, makes possible frequent contacts with the buyer and understands the market climate in his area. Although the commissions paid the broker are strictly a matter of negotiation between the parties concerned, generally speaking they range between 5 and 7½ per cent.

For satisfactory results, intelligent selection of a number of brokers for representation is necessary. We suggest that, if possible, the chosen firms be "sized up" in a personal interview. The exporter can then decide which one is best qualified to sell the particular product. If personal contact is impossible, a letter explaining the product and the company's plans for marketing it, plus samples, price lists, and advertising material, should be directed to a prospective broker.

The National Food Brokers Association, 1916 M Street N.W., Washington, D.C., welcomes inquiries on the services of food brokers and makes its membership directory available to manufacturers. The Trade Commissioner offices can also assist in contacting reputable firms or individuals outside the membership of the Association.

5. *Attend trade shows and exhibitions*—Trade shows and exhibitions are a good medium for introducing Canadian merchandise to a large group of supermarket personnel as well as food brokers and wagon jobbers, both of whom cover the supermarkets. Conventions, exhibitions and trade shows are held annually by such organizations as the Supermarket Institute Inc., National Food Brokers Association, International Specialty Food and Confections, Wagon Jobbers, Food Importers, and National Food Distributors.

The Super Market Institute Inc., 500 North Dearborn Street, Chicago 10, Illinois, attracts thousands of members to its annual convention and exhibition; they find the exhibition an interesting method of discovering new products.

The National Food Brokers' Association, the NFBA Building, 1916 M Street N.W., Washington 6, D.C., can supply information about its annual convention which draws from a membership of over 2,000 firms. Canadian firms interested in food brokerage representation as a medium of contacting supermarkets as well as the retail grocers and institutional trade should consider this convention seriously.

The International Specialty Food and Confection Show, a four-day affair held annually in Chicago since 1957, is directed at buyers in the fancy food and confectionery industry and offers market possibilities for exporters of premium-quality gourmet-type foods, including maple products, fresh lobster, fish products, smoked and canned pork products, canned fruits and vegetables, jams, jellies, sauces, and cheese. The show is heavily patronized by buyers in the Chicago area and some buyers from New York also attend. There are some 88,000 specialty food stores (chain and independent) in the United States and contact can be made with this group, as well as supermarkets and food brokers at this show.

The National Association of Retail Grocers of the United States (NARGUS), Chicago, sponsors a convention and exhibition in which quality products other than specialty foods could be shown to advantage. The National Association of Food Chains in Washington, D.C., no longer holds an exhibit at its annual convention (to be held in Chicago this year) but it welcomes all suppliers at the meetings and gives them an opportunity to discuss their lines with the Association's members.

The National Food Distributors Show in Chicago is devoted to industries supplying the wagon trade —distributors who have refrigerated trucks calling on supermarkets and retail stores.

New York also has a trade show that might be worth considering— the National Fancy Food & Confectionery Show, held annually. Similar in scope and objectives to the International Food & Confection show mentioned above, it is sponsored by the National Association for the Specialty Food Trade, 550 Fifth Avenue, New York 36. The next one will be held in August 1961. All participants must become members of the sponsoring organization.

For producers of frozen foods, the National Frozen Food Merchandising Convention and Exposition is held annually in different parts of the country; the 1961 show is scheduled for Bal Harbour, Florida, in November. It is organized by the National Frozen Food Association, 60 East 42nd Street, New York.

Participation in a trade show, with representation qualified to discuss intelligently prices, quantity discount terms, factory capacity, private labelling, and other related topics, will provide contact with firms or individuals directly connected with buying for or selling to the supermarkets.

Pricing for Supermarket Sales

One of the most important factors for the Canadian supplier to bear in mind when approaching the U.S. supermarket is that his product should be competitive with its possible domestic counterparts. All too frequently, some suppliers hold the opinion that the import of their product in itself justifies a higher price to the consumer. It must be remembered that supermarket shoppers have became adept at making quick comparisons between package contents and prices offered by competing goods. Products which fail to meet this close value scrutiny soon lag behind in sales and are immediately dropped from stock.

In calculating prices, which should always be on a delivered basis to the supermarket warehouse, Canadian suppliers may be guided by the following approximate gross profit margins at retail.

25 to 30%—frozen foods, candy and preserves

20 to 25%—baked goods and canned goods, including meats, fish, fruits and vegetables

15 to 20%—desserts, cereals, macaroni products, juices and soups.

Promotion and Advertising

Although price remains the principal stimulus to supermarket sales, it is not the only means by which the various supermarket organizations seek to attract and hold new customers. As a result, far greater importance than ever before is attached to introductory and trial offers, coupons, premiums and other promotion devices. Canadian firms should make liberal provision for meeting these requirements of supermarket sales, both independently and in co-operation with the stores.

Once entry to a supermarket organization has been obtained, it is wise for the supplier to make a special effort to keep the account active and moving. Any changes in prices, allowances or promotion programs should be conveyed to the buyer immediately. Do not delay until he has become aware of these facts through the activities of his competitors. In this way, the business you develop can become permanent, not merely fleeting.

Spain's Almond Industry

SPAIN is the world's leading producer of almonds, followed by the United States and Italy, and almond exports are very important to the Spanish economy. This was recognized in the years following the end of the Civil War when hard currency reserves were at their lowest ebb and the Government intervened in the handling of the crop. In 1948, it was laid down that 75 per cent of the crop must be exported and since then the policy has been to step up the export drive.

Sales abroad from the 1959-60 almond crop were forecast at 27,000 metric tons and 24,700 metric tons were shipped in the first ten months of the season. The growth of Spain's almond trade is illustrated by the following export figures (the sharp drop in 1955 and 1956 was the result of severe frost damage): 1954, 14,900 metric tons; 1955, 4,000; 1956, 4,400; 1957, 15,200; 1958, 20,200, and 1959, 20,200. Spain sells her almonds to 46 countries. The principal markets are the United Kingdom, France, West Germany, Switzerland, Sweden, Canada and the United States. Canada's almond purchases from Spain in the first eight months of 1960, according to DBS statistics, totalled 80.4 metric tons of unshelled worth Can.$33,514 and 525.7 tons of shelled worth Can. $500,524.

The almond groves are dispersed widely throughout Spain's arid Mediterranean regions in the provinces of Alicante, Murcia, Granada and Tarragona and on the Balearic Islands. Many varieties are cultivated but the tendency in recent years has been towards uniformity in order to facilitate exports. Since the crop varies greatly from year to year, a comparison of five-year periods gives a more accurate picture of production: 1931-35, 140,500 metric tons (374,000 acres under cultivation); 1941-45, 141,000 (377,000); 1946-50, 167,000 (385,000); 1951-55, 170,000 (390,000). The 1960 Spanish crop was estimated at 30,000 metric tons; the United States expected to produce 27,000 metric tons and Italy 20,000.

Spain's future prospects for almond exports are not entirely bright. Italy, which is within the economic boundaries of the Common Market, is a serious competitor for its French and West German markets. Turkey and Greece also may become a threat in the future. Prospects within the Outer Seven group are much brighter because the United Kingdom, Sweden and Switzerland are important customers.

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

Advertising Abroad

In the Republic of Ireland, newspapers are the most popular medium, followed by bus cards, posters, and ten-second films. Radio time is limited and fully booked.

W. R. VAN, *Commercial Secretary, Dublin.*

SUCCESSFUL selling in the Republic of Ireland depends on much the same methods as those used in other progressive countries today. To introduce new products, either imported or made locally, advertising in various forms is a must. Only through advertising can consumers be weaned from their preference for long-entrenched familiar brands. Although small in size and population, the Republic is becoming an increasingly important and much-sought-after market. This is clearly shown by the figures on imports, which during 1959 were valued at well over $600 million. Local industry is also expanding rapidly.

Advertising in the Republic presents no special problems, but it should be carried out by local firms which understand the right approach to the buying public. Even slight variations in the form of advertising are important. The Irish people are essentially individualistic and should be thought of as a distinct entity, different in many ways from the people in the neighbouring island of Great Britain. There are no language problems, no colour taboos and no special views on trade-marks. Local prejudices, largely a matter of viewpoint, should be investigated for each product individually.

The Media

• *Newspapers and Magazines*—Newspapers are the most widely used medium in Ireland. The bulk of advertising is concentrated in the three morning, three evening and three Sunday papers published in Dublin and in the *Cork Examiner* and *Cork Evening Echo* published in Cork. The chief provincial newspapers also carry considerable advertising.

Irish magazines too play a relatively important part. These include the *Irish Tatler and Sketch, Creation, Social and Personal, Model Housekeeping, Radio Review,* and *Dublin Opinion.* On the other hand, the amount of advertising done in directories and yearbooks is comparatively small.

• *Posters and Signs*—Posters are widely used in the chief cities, such as Dublin, Cork, Waterford, Limerick and Galway. The use of electric signs, especially in Dublin, is increasing. Streamers and billboards are not often seen. Another popular form of advertising is bus cards, both outside and inside the buses, particularly as almost all road transport is handled by one company. There are no streetcars and taxis do not accept advertising.

• *Radio and Television*—The government-owned Radio Eireann provides limited time for sponsored programs in the morning and at the lunch hour and after; this is completely booked and there is a substantial waiting list. At present, there is no Irish television other than programs received from Ulster Television and the BBC. It is now expected that Irish television will be in operation within the next year. Undoubtedly a certain amount of time will be allocated to sponsored programs, as on Radio Eireann, and it is certain that many of the larger companies here will take advantage of the opportunity.

• *Cinema*—Ten-second films are extremely popular and many of the local cinemas and theatres are completely booked. Film shorts are used to a limited extent; slides are now on the wane.

• *Other*—A certain amount of direct mail advertising is done, but so far none of the local advertising firms specializes in this medium. There is an increasing tendency to use the point-of-sale approach: counter cards in particular seem to have a special appeal.

Trade fairs also play their part in selling. Most valuable are the commercial sections of the Horse Show and the Spring Show in Dublin, which provide for extensive trade showings, and also the Ideal Home Exhibition usually held each fall.

Advertising Agencies

There are about 20 good advertising agencies in the Republic of Ireland, most of which have some sort of reciprocal arrangement with United States and, to a lesser extent, Canadian agencies. These arrangements are rather loose and do not debar the agency from handling non-competitive accounts. Several firms specialize in market research—the major agencies too are quite capable of doing this type of work. Nearly all of the local agencies offer complete service. They usually work on the basis of a commission from the medium, plus a service fee of about 5 per cent paid by the advertiser.

They are also prepared to work with Canadian agencies, usually on a fifty-fifty basis.

Because of the keen competition for the Irish market, it is wrong for the exporter to assume that he can make much headway without undertaking some type of advertising. Although advertising in Ireland presents no great problems, the market must be approached from a local angle if one is to sell successfully and avoid the waste of money that results from an ill-conceived program. It is for this reason that Canadian firms who want to advertise here should conduct their campaigns through one of the well established local agencies, either directly or with a Canadian correspondent. ●

General Notes

Australia

RETAIL SALES—Retail sales throughout Australia reached a record total in 1959/60 of approximately $6 billion, a rise of 7.6 per cent over the total for the previous year. The figures do not include sales of motor vehicles or petrol. Food and groceries totalled approximately $2.2 billion, and accounted for 34.9 per cent of all sales; beer, wines and spirits accounted for about 10 per cent; clothing and drapery for 16.5 per cent; electrical goods 7.2 per cent, and hardware, china and glassware 6.1 per cent—Sydney.

Belgium

STEEL PLANTS—Plans are now being studied for the establishment next year on the Belgian coast or at Ghent of a mill for the production of flat steel, especially cold rolled sheet. The mill will have a capacity of about two million tons a year.

The company will be formed by Cockerill-Ougrée and La Providence in Belgium, ARBED in Luxembourg, the Knuttange, Creusot and Normandie groups in France, and Youngstown Sheet and Tube Company in the United States.

Location of the plant near adequate port facilities will lower the cost of transportation on foreign ore, which in time is expected to replace the dwindling reserves of iron ore in the European Coal and Steel Community—Brussels.

Brazil

INDUSTRY—Over a period of 20 years, from 1938 to 1958, Brazil has climbed from third to first place as Latin America's most industrialized country, according to figures published by the United Nations in *Patterns of Industrial Growth 1938-1958*. Twenty years ago Argentina, then the leading country, contributed 31 per cent of Latin America's industrial production, followed by Mexico with 20.1 per cent, and Brazil with 16.08 per cent. Ten years later Brazil was in second place. Within the past five years of the period under study (1953-58) Brazil has become the leading industrial producer with an average contribution of 23.3 per cent a year—Rio de Janeiro.

New Zealand

TOURIST TRADE—This year has undoubtedly been the most successful yet in promoting New Zealand's tourist attractions in the U.S. Its success is reflected in the steadily increasing number of U.S. visitors coming here. During the last four years these numbers have more than trebled—from less than 2,000 in 1956 to more than 6,400 in 1960. Tourist spending rose from £194,000 to £551,000—Wellington.

Republic of Ireland

EXPORTS—Exports in the first half of 1960 rose to $191.52 million, $23.24 million (13.8 per cent) higher than in the same period of 1959, largely as the result of greater sales of manufactured and processed goods. Cattle exports, formerly the main item, continued at a slightly reduced level; vehicle exports, including automobiles, to the United States increased by $2,343,600, and textiles, clothing and footwear by $3.92 million.

The most striking improvement was shown by the group covering oils, fats, fertilizers, chemicals, colours and perfumery, sales of which rose by over 600 per cent, from $896,000 to $6,504,400. Processed foodstuffs of animal origin also registered an increase, from $29.96 million to $36.68 million. Exports to the dollar area at 9.8 per cent were 1.2 per cent higher than in the same period of 1959.

The volume of production index for manufacturing industries alone showed output up by 8 points to 120, earnings up by 9.4 points, and employment up by 3,426 to 148,274—Dublin.

South Africa

DECIMAL COINAGE ADOPTED—On February 10, 1961, South African banks will close their books forever to the pound, shilling and pence currency. They will re-open on February 14 using a decimal system of coinage in denominations of cents and rands. One hundred cents will be equal to one rand; a rand will be the equivalent to the present 10 shillings ($1.40 approximately). Because such things as the conversion of 140,000 accounting machines will take some time, a dual monetary system will exist for 18 to 20 months after February 14.

The half-cent and one-cent coins will be bronze; two-and-a-half, five, ten, twenty and fifty-cent coins will be silver. Bank notes will be in denominations of R1 (one rand) R2, R10, R20. Although half-cents are to be used as coins, cheques will only be accepted when made out to the nearest whole cent—Johannesburg.

Sweden

INDUSTRIAL SLOWDOWN—Economic developments during the third quarter of 1960 changed the pattern of Sweden's industry, following the expansion which characterized the latter half of 1959 and the first half of 1960, the Swedish Institute of Economic Research reports in its latest survey. Even in June indications of stagnation were noted in some branches and these have now spread and become more pronounced. The Institute's "barometer" survey indicates that the over-all industrial production might have shown a slight upward trend between the second and third quarter of this year. For the iron ore mines, the iron and steel works and the engineering industry, excluding the shipyards, the upswing was apparent, this being particularly true of the iron ore mines and the electrical engineering industry. Other mines and the shipbuilding, timber, pulp and paper industries report a standstill in production.

Stagnation, or possibly decline, has hit the cement and brick, the shoe and tobacco industries. But production has continued to rise in the food and chemical industries.

The flow of orders during the third quarter seems to have followed more or less the same pattern as production. For the last quarter, the forest industry expected to obtain about the same volume of orders as in the third quarter, both from the export and home market. The engineering industry as a whole was counting on a slight increase in new orders; the iron and steel works expected stagnation, as did the producers of building materials—Stockholm.

Switzerland

BOND ISSUE FLOATED—A bond issue of Sfr.20 million was successfully floated in Switzerland by the city of Quebec through a syndicate of leading Swiss banks. The offering consisted of 4½ per cent bearer bonds of Sfr.1,000 nominal capital each, at a price of issue of 100 per cent. These bonds will be repayable at par on October 1, 1978, at the latest. The issue was substantially oversubscribed by the Swiss public, as was the Sfr.40 million loan previously floated on the Swiss market between June 24 and 29, 1960, by the Province of Saskatchewan—Berne.

Venezuela

PHARMACEUTICAL PRICES CUT—The Venezuelan Government recently announced price reductions, averaging about 50 per cent on some 200 pharmaceutical products, mainly vitamin preparations. This brings to 400 the number of pharmaceutical products that have been reduced in price since regulations governing antibiotic products were introduced. To enable pharmaceutical establishments to dispose of existing stocks without incurring losses, the reduced prices did not come into effect until November 6, 1960—Caracas.

Trade and Tariff Regulations

Greece

IMPORT TARIFF SURCHARGES—To raise revenue for a new social insurance scheme for the rural population, the Greek Government has introduced import tariff surcharges, effective November 19, 1960. Canadian exporters will be especially interested in the special levy of 40 per cent, under the consumption tax as provided for under Emergency Law No. 1991 of 1939 and as subsequently amended, covering certain luxury items, including whisky and gin; leather; furskins (tanned or processed or made into finished products); and passenger automobiles with a value f.o.b. factory of over U.S.$1,800. A special levy of 10 per cent is made on the value of certain other articles imported from abroad, including radio and television receivers and parts, tape recorders and parts, and electrical household appliances of most types, but not including washing machines—Athens.

Exporters interested in further information on these surcharges should consult the International Trade Relations Branch.

How Ceylon Imports

If you are interested in selling to the Ceylonese, you need these facts about the different types of import houses there and how they buy.

I. V. MACDONALD,
Commercial Secretary, Colombo.

CANADIAN exporters should take a closer look at the trade and industrial opportunities here now that Ceylon has eased import restrictions on dollar goods and permits the entry of most products. Plans for a high rate of industrial and agricultural development should also create new market openings. Despite its financial difficulties and balance-of-payments deficit, Ceylon has employed import controls only to a limited degree and to restrict total imports. However, the Government recently introduced tariff increases to check a rapid rise in purchases from abroad ($400 million in 1959), and these may affect some Canadian firms.

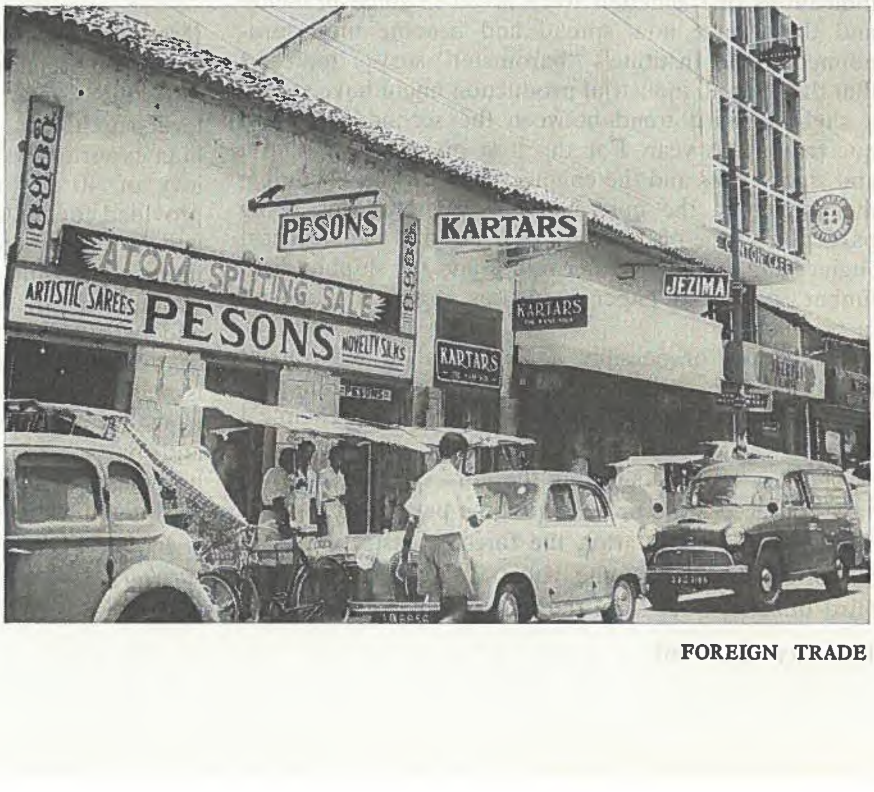
Registered Ceylonese Traders

A more important application of import controls is the encouragement of the "Ceylonization" of business by channelling imports from Canada and many other countries through registered Ceylonese traders. These are, generally speaking, individual citizens, but public companies, partnerships and other business units may also be so classified if they meet certain conditions. A firm is considered officially Ceylonized when the majority of the owners and directors are Ceylonese citizens, or for public companies with shares issued in Ceylon, when the majority of the directors are Ceylonese citizens. A number of former British importing houses have taken steps to become Ceylonized but a few large companies have not yet applied and consequently they are restricted in their dealings with exporters in Canada and other specified countries.

Trading and Engineering Firms

A large proportion of Ceylon's import and export trade is handled by a relatively small number of British and former British trading and engineering companies who have had many years of experience. These larger firms hold a galaxy of important agencies for products ranging from condiments to locomotives. Several firms with construction and engineering facilities offer technical co-operation with overseas principals and with the Ceylon Government in the design and construction of large develop-

Typical small shops in the bazaar at Colombo. These shops handle a large share of the consumer goods imported, including Canadian-made terylene shirts and some Canadian canned foods; they often carry on both wholesale and retail business.



ment projects. Canadians could participate as consultants, contractors and suppliers in these projects, which have already yielded substantial incomes to successful tenderers. If present plans are fulfilled, the sales possibilities in this field will increase greatly during the next five years. To participate in such projects as contractors or suppliers, it is almost essential to obtain representation of some sort in Ceylon. For projects involving technical staff, contact with a local engineering firm is recommended. Canadian consulting companies, on the other hand, may wish to make only informal arrangements with a local company or individual to act as adviser on forthcoming projects.

In addition to the established British and European trading and engineering companies, there are many substantial firms under Ceylonese or Indian ownership and management, some formerly British and employing technical staff from abroad. They include importers of automobiles, trucks, paints, hardware, marine engines, fisheries supplies, domestic appliances, foodstuffs, textiles, pharmaceuticals, household goods, tools, etc. Some also export Ceylonese products.

There are several department stores in Colombo that not only retail but also act as direct importers and as exclusive wholesalers for their overseas principals. One department store is operated by a government-owned co-operative organization that buys abroad either direct or through local agents and importers.

The Bazaar

In contrast to the former British business community which is dominated by a small number of fairly large companies (including several sales subsidiaries of U.K. manufacturers), the bazaar trade is in the hands of a much greater number of firms. They account for a large proportion of consumer goods imports and some of them are very influential because they are the exclusive agents for certain products. Generally these importers conduct both wholesale and retail business. Sales on a commission basis are discouraged by legislation that permits the Ceylon Government to levy taxes on foreign exporters considered to be thus earning a trading profit in Ceylon.

Colombo Is Trade Centre

Colombo is the importing and trading centre of Ceylon. It is almost unknown for overseas exporters to appoint a separate agent in other centres, although Colombo distributing companies frequently maintain branch offices in the more important plantation and fishing areas, which are also served by travelling display units. Not only has Colombo the greatest concentration of population in Ceylon but it is by far the most important port and communications centre on the island. In recent years, however, the port has suffered from operating difficulties which, combined with limited berthing facilities, have resulted in congestion. Most cargo is discharged into lighters at Colombo and this increases the risk of damage and pilferage. Exporters should take suitable precautions against these in preparing goods for shipment.

Many Small Companies

As in many other Asian markets, small trading companies mushroom in Ceylon, usually supported only by the enthusiasm and limited financial means of a single owner-manager. Although such firms occasionally put on a remarkable performance, many soon disappear without a trace. Therefore exporters seeking new contacts are advised to request references and/or offer only suitable secured terms of payment until the standing of the firm can be clearly assessed.

Many Canadian firms have already contacted customers in Ceylon, and a few have won a rewarding volume of sales here, principally of newsprint, asbestos fibre, automobile parts, drugs, medicines, and malt. Flour is exported to Ceylon under the Colombo Plan. The Commercial Secretary, P.O. Box 1006, Colombo, will be happy to provide further information on the various types of firms discussed in this report. ●

A government-owned co-operative now is housed in the former British-owned department store (middle, right). It imports either direct or through agents; sells, among other products, Canadian canned fish and canned meat and vinyl fabrics.

Export Merchants Help British Trade

- ***Cope with intricate and technical problems of foreign trade.***
- ***Leave manufacturers, especially small ones, free to concentrate on production.***
- ***Seek out export opportunities.***
- ***Offer way to cover less important export markets.***
- ***Sometimes act as confirming or buying houses.***
- ***Advise on packaging and delivery requirements in various markets.***

W. GIBSON-SMITH,
Commercial Counsellor, London.

EXPORT merchants are a very important element in getting British goods moving abroad. The only time heads were counted in this business was ten years ago, and they then employed more than 20,000 people, mostly full-time male workers.

There is a considerable variety among these firms. One thing they have in common—as the term "merchant" signifies—they pay the manufacturer cash for his goods at the port of shipment and themselves assume the risks from then on. They may be roughly divided into two categories.

- Those who have an intimate knowledge of certain export markets and specialize in exporting to those markets, visit them, and usually speak the languages used in them.
- Export merchants with special knowledge of certain types of products, who keep an eye on the entire outside world for opportunities to sell them. If they are specialists in engineering products, they are (or employ) engineers.

Business Is Large

Most British export merchant houses are long established and their relative importance in exports has probably not altered greatly in the last ten years. The amount of business that they do is very large indeed. When the Government took a census of this field a decade ago, export merchants reported overseas sales of about £350 million a year. (This figure included an unknown quantity of re-exports but excluded transhipments.) It represented no less than 16 per cent of the total value of all United Kingdom exports of produce and manufactures in that year. (Export merchant houses that belonged to manufacturers are not included in these figures.) High though the figure given above is, it represents less than complete coverage of firms. In addition, there is a growing tendency for manufacturers' export merchant houses to handle the goods of other producers as well as those of their parent, and any such business would not be reflected in these calculations. The figure should therefore be mentally raised considerably. Of some 1,400 export merchant firms reporting (again excluding those owned by manufacturers), more than one-third carried stocks. They in turn did more than one-third of the export business done by all the export merchants.

Advantages Stressed

The British Government, as part of its recent campaign to bolster exports, is drawing to the attention of manufacturers the advantage of using export merchants. It recognizes that the smaller manufacturers often cannot be expected to cope with the intricacies of and the pitfalls inherent in foreign trade. Such trade presents problems not only complicated and highly technical but constantly changing with the political and economic fortunes of the outside world. Nor is it considered reasonable always to expect manufacturers to seek out or recognize all the export opportunities, no matter how much commercial intelligence, government and otherwise, is available to them.

The Government points out that there is no good reason to suspect export merchants of raising export prices unduly. If they did, they would not, in this increasingly competitive world, obtain business abroad. An individual manufacturer may run into higher freight charges than an export merchant who can often make combined shipments of various products to one overseas client. The manufacturer does not as a rule have to pay a retainer or commission to these houses but is paid by them for his goods. Even some of the giant manufacturers in this country, with their own network of distributors in most parts of the world, use export merchants to cover some less important markets.

How They Operate

The large volume of export trade handled by British export merchants enables them to divide their overhead among a variety of merchandise and to work on a gross margin on the average of about 9 per cent. Some 3 per cent of this is eaten up by salaries of employees (not proprietors).

British manufacturers, even if they secure an export order through their own representatives abroad, often hand the transaction over to an export merchant, who then acts as a confirming or buying house. This is often requested by the overseas buyer, who may be accustomed to dealing in this manner. Such overseas buyers regard their export merchant houses here as their headquarters in Britain when they visit this country. They usually pay the export merchant according to results and frequently obtain from him extended credit terms.

Export merchants in Britain do not simply handle business which comes their way. They generally visit at intervals the markets of chief interest to them to seek new orders. With their enviable experience in export trade, they are firmly established and their rôle is rarely questioned by those who use them. Although they often offer useful advice on design, packaging or delivery requirements for various markets, they do not bother the producer about any details once the goods reach the port of shipment. They leave him free to concentrate on manufacturing. ●

New Zealand's Fertilizer Industry

THE fertilizer industry in New Zealand is as old as the country itself, because prosperity there has always depended upon primary agricultural production. Generally, New Zealand's soils have low natural fertility and the continued regular application of fertilizer, particularly phosphates, is vital to pasture growth.

The demand for fertilizer, already high, has recently been increased, as thousands of acres of previously inaccessible hill country are brought into production through the use of aerial topdressing. Substantial areas are still awaiting development by this method. Three new plants have been built since 1958 to handle this increased demand for fertilizer and plans for a fourth in the North Auckland area are being considered.

The fertilizer industry in New Zealand comprises twelve major plants turning out more than 120 different types of fertilizer. Together they produced more than one million tons in 1959/60, an increase of nearly 17 per cent from the previous year. (The more striking 23 per cent rise in total deliveries is somewhat inflated as many farmers increased fertilizer application over the last year to make up for lower usage in 1958/59.)

Competition within the industry is keen and has quickened in recent years when three farmers' co-operatives began producing. Although fertilizer in New Zealand is essentially phosphatic, there is a marked trend away from pure superphosphate to mixtures, as the table shows. Production is being adapted to this growing demand for superphosphate mixed with potash and other elements.

NEW ZEALAND'S PRODUCTION OF FERTILIZERS

('000 tons)

Type	1949/50	1957/58	1958/59	1959/60	Percentage increase or decrease 1949/50-59/60
Straight super	439	394	318	268	− 39
Aerial super		16	97	157	+157
Serpentine super	128	203	152	169	+ 32
Lime reverted super	20	28	30	31	+ 55
Cobaltized super	58	95	89	87	+ 50
Other mixtures and compounds	50	231	262	398	+696
Total	695	967	949	1,100	+ 60

European countries, chiefly West Germany, Belgium, the Netherlands, and France supply the bulk of New Zealand's imports of fertilizer. Canada's present sales comprise only very small amounts of ammonium sulphate (81 tons for the first eight months of 1960). The market is, however, large enough to attract competitive suppliers.

In 1959, 113,109 tons worth £NZ1,209,961 (Can.$3,327,000) were imported. Potassic fertilizers made up more than half this amount, both by price and volume. In the first eight months of 1960, imports of phosphatic fertilizers were much greater than last year, but potassic types had slipped to only a little more than half. Nitrogenous fertilizers accounted for about 10 per cent of the total weight and about 18 per cent of the value in both years.

—W. J. COLLETT,
Assistant Commercial Secretary, Wellington.

Netherlands Furniture Industry

This brief review of the types of furniture made in postwar Holland may suggest sales opportunities to Canadians who wish to provide the raw materials that the industry needs.

J. C. BRITTON, *Commercial Counsellor, The Hague.*

THE Netherlands furniture industry owes its rise mainly to recent developments in woodworking machinery. It was actually started some fifty years ago and has grown steadily, particularly during the postwar years. There are currently 375 factories employing ten or more workers engaged in the manufacture of wooden furniture in Holland. In addition, 72 factories produce steel furniture. Practically all these plants have modern equipment.

Domestic production of wood suitable for furniture-making is negligible and the raw materials must be imported. Coniferous wood comes from Scandinavia, Russia, Austria and Czechoslovakia, plus smaller quantities from Canada. Oak and beech are supplied chiefly by Yugoslavia, France, Czechoslovakia, Germany and Japan. Tropical woods are imported from Central and South America, Asia and Central Africa.

Production Program

The Netherlands furniture production program is extensive and includes practically all types. Prices are competitive with those of products from other countries, even where the domestic raw material position is better. Since the end of 1945 the trend to modern furniture has become stronger, with styles conforming to the requirements of the present-day home, with its small rooms and low ceilings. Consequently, although some heavy furniture is made here, production is largely confined to light furniture which takes up little space.

Wooden Furniture

Generally speaking, the Dutch prefer wooden furniture in their homes. During the last few years, however, steel has been used to an increasing extent. Wooden easy chairs and sofas, for example, are sometimes provided with steel feet.

Sectional furniture has become popular in Holland, obviating the purchase of a complete set of furniture at one time. A number of sections can be built into a com-

NETHERLANDS IMPORTS AND EXPORTS OF FURNITURE

	Imports from		Exports to	
	Metric tons	Value $	Metric tons	Value $
Furniture and parts thereof, of bent wood				
Total	1,017	611,000	258	234,000
Belgium/Luxembourg			174	150,000
West Germany	407	280,500	27	27,500
East Germany	147	54,500		
Czechoslovakia	180	81,000		
Italy	49	32,500		
Yugoslavia	78	33,000		
Poland	73	35,000		
United States			9	8,500
Canada			11	6,500
Wooden Furniture and parts thereof, plain or profiled				
Total	4,705	3,109,000	4,232	3,350,500
Belgium/Luxembourg	639	429,500	1,783	1,456,500
United Kingdom			288	130,250
West Germany	2,675	1,818,250	1,656	1,195,750
East Germany	447	150,250		
Sweden	180	166,500		
Denmark	154	232,000		
Switzerland			38	52,000
Italy			59	75,000
Yugoslavia	387	131,250		
Poland	127	33,500		
United States			59	70,000
Canada			22	28,000
Netherlands Antilles			177	174,000
Wooden Furniture and parts thereof, sculptured				
Total	1,482	1,716,500	1,609	2,275,250
Belgium/Luxembourg	141	217,500	1,134	1,596,000
West Germany	984	1,016,000	225	315,000
East Germany	109	57,500		
Norway	47	120,500		
Sweden	71	118,000	35	47,500
Denmark	20	39,000		
Italy	19	42,000		
United States			20	27,000

posite set with cupboards, showcases, shelves for books and a radio, drawers and a desk-top.

The use of sectional furniture is not confined to living-rooms. Netherlands manufacturers also make sectional outfits for bedrooms, in keeping with modern needs. The elements are attractively styled and the wide range available enables consumers to build up units to their own tastes. A popular and practical item, particularly for small rooms and one-room flats, is the fold-away bed. This piece of furniture is so constructed that the bed and the spring mattress can be tipped up against the wall and concealed behind a curtain during the day.

Steel Furniture

Netherlands manufacturers also produce steel tables, upright chairs, armchairs and easy chairs, with the seats and backs generally padded with foam rubber or foam plastic. They also make writing desks suitable for use in living-rooms or studies; the construction and finish of these are of a high standard. For bedrooms, there are sets of steel furniture consisting of beds with steel-spring mattresses and a headboard with cupboards attached. In these bedroom suites, steel is frequently combined with wood. Artistically designed wrought-iron furniture, plus steel office and hospital furniture of all types, is also turned out.

Cane and Wicker Furniture

Cane and wicker furniture enjoys considerable popularity in Holland for use in modern homes, because it is light and easy to handle. This branch of the furniture industry is centered mainly in the small town of Noordwolde in the province of Friesland. It comprises ten sizable cane-plaiting plants employing about 400 workers, plus some small plants and a number of home workers.

In addition to household and office furniture, Netherlands manufacturers produce furniture for special purposes, including seats for theatres and cinemas, tables and chairs for cafés and restaurants, hotels and ships.

Imports and Exports

In 1959 the Netherlands turnover of wooden furniture totalled more than 200 million guilders (about Can.$50 million), and of steel furniture over 100 million guilders (about Can.$25 million.) Before 1940, practically no furniture was exported from the Netherlands. Since the war, shipments abroad have risen steadily and this growth is expected to continue. Belgium is the principal customer; large quantities also go to West Germany.

The accompanying tables give details on Netherlands imports and exports of various types of furniture in 1959.

Many types of Netherlands furniture have aroused interest abroad but exporters often have to contend with high tariffs. They have nevertheless succeeded in overcoming these barriers because they have been able to keep their prices low by adopting efficient production methods. •

NETHERLANDS IMPORTS AND EXPORTS OF FURNITURE

	Imports from		Exports to	
	Metric tons	Value $	Metric tons	Value $
Canada			29	38,000
Netherlands Antilles			78	115,000
Kuwait			16	29,500
Tubular Furniture				
Total	557	591,500	2,368	1,937,750
Belgium/Luxembourg	308	260,000	1,153	1,075,250
France			41	25,500
West Germany	171	218,250	402	285,500
Switzerland			369	196,000
United States	21	25,500		
Canada	3	2,750	3	3,000
Netherlands Antilles			75	75,500
Surinam			66	37,000
Netherland Guinea			49	39,250
Other Steel Furniture				
Total	545	609,500	2,971	1,992,250
Belgium/Luxembourg	142	146,000	1,821	1,127,000
United Kingdom	58	65,000		
West Germany	237	233,000	265	215,000
Switzerland			332	195,500
Sweden	31	41,500		
Denmark	20	22,500		
Italy	21	41,000		
Netherlands Antilles			195	172,750
Saudi Arabia			50	36,000
Kuwait			65	41,250
Indonesia			61	60,250
Netherlands Guinea			38	25,000
Wicker and Bamboo Furniture				
Total	42	28,000	119	170,500
Belgium/Luxembourg	10	5,500	41	50,500
France			21	26,000
West Germany			18	25,000
Yugoslavia	21	13,250		
Canada			3	5,750
Netherlands Antilles			5	8,000
Surinam			8	18,500

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

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

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which 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 1.003764.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 30/60	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01208	82.78	(1)
Austria	Schilling		.03831	26.10	
Australia	Pound		2.2343	.4476	
Bahamas	Pound		2.7929	.3580	
Belgium and Luxembourg	Franc		.02004	49.90	
Bermuda	Pound		2.7929	.3580	
Bolivia	Boliviano	Free	.00008720	11,467.89	
British Guiana	Dollar		.5819	1.72	
British Honduras	Dollar		.6982	1.43	
Brazil	Cruzeiro	General Category*	.004352	229.78	*Dec. 6 (2)
		Special Category	.001552	644.34	
		Official selling	.05266	18.99	(3)
Burma	Kyat		.2092	4.78	
Ceylon	Rupee		.2095	4.77	
Chile	Escudo	Free	.9470	1.05597	(4)
Colombia	Peso	Certificate	.1487	6.72	
Congo, Republic of	Franc		.02004	49.90	
Costa Rica	Colon	Official	.1774	5.64	
		Controlled free	.1499	6.67	
Cuba	Peso		.9963	1.003714	tax 2%
Czechoslovakia	Koruna		.1384	7.22	
Denmark	Krone		.1445	6.92	
Dominican Republic	Peso		.9963	1.003714	
Ecuador	Sucre	Official	.06642	15.05	
		Free	.05826	17.16	
Egyptian Region, United Arab Rep.	Pound	Official	2.8608	.3495	
		Export account selling	2.4625	.4061	
El Salvador	Colon		.3985	2.51	
Fiji	Pound		2.5161	.3974	
Finland	Markka		.003113	321.23	
France, Monaco, etc.	New Franc		.2032	4.92	(5)
Franco-African Community, etc.	Franc		.004064	246.06	(6)
French Pacific	Franc		.01118	89.44	(7)
Germany	D Mark		.2389	4.18	
Ghana	Pound		2.7929	.3580	
Greece	Drachma		.03321	30.11	
Guatemala	Quetzal		.9963	1.003714	
Haiti	Gourde		.1993	5.02	
Honduras	Lempira		.4981	2.01	
Hong Kong	Dollar	Free*	.1745	5.73	*Dec. 16
		Official	.1746	5.73	
Iceland	Krona	Official	.02622	38.14	(8)
India	Rupee		.2095	4.77	
Indonesia	Rupiah	Official	.02214	45.17	(8)
Iran	Rial		.01315	76.03	
Iraq	Dinar		2.7895	.3585	
Ireland	Pound		2.7929	.3580	
Israel	Pound		.5535	1.81	
Italy	Lira		.001605	623.05	
Japan	Yen		.002768	361.27	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 30/60	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3129	3.19	
Mexico	Peso		.07970	12.55	
Morocco	Dirham		.1974	5.06	
Netherlands	Florin		.2642	3.78	
Netherlands Antilles	Florin		.5324	1.88	
New Zealand	Pound		2.7929	.3580	
Nicaragua	Cordoba	Effective buying	.1509	6.63	
		Official selling	.1412	7.08	
Nigeria	Pound		2.7929	.3580	
Norway	Krone		.1395	7.17	
Pakistan	Rupee		.2095	4.77	
Panama	Balboa		.9963	1.00371	
Paraguay	Guarani	Official	.007875	126.98	
Peru	Sol		.03719	26.89	
Philippines	Peso	Free	.3321	3.01	
		Official	.4981	2.01	
Portugal & Colonies	Escudo		.03477	28.76	(9)
Singapore and Malaya	Straits Dollar		.3258	3.07	
Spain and Dependencies	Peseta		.01660	60.22	
Sweden	Krona		.1925	5.19	
Switzerland	Franc		.2315	4.32	
Syrian Region, United Arab Rep.	Pound	Free	.2785	3.59	
Thailand	Baht	Free	.04712	21.22	(8)
Tunisia	Dinar		2.2314	.4481	
Turkey	Lira		.1107	9.03	(8)
Union of South Africa	Pound		2.7929	.3580	
United Kingdom	Pound		2.7929	.3580	
United States	Dollar		.99625	1.003764	
Uruguay	Peso	Free	.09053	11.05	(10)
Venezuela	Bolivar		.2976	3.36	(11)
West Indies Fed.	Dollar		.5819	1.72	(12)
	Pound		2.7929	.3580	(13)
Yugoslavia	Dinar	Official	.003321	301.11	(8)
		Settlement rate	.001576	634.38	

*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.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports 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 Jan. 1, 1960, one escudo equals 1,000 pesos.
5. France: territory includes Algeria, Guiana, Guadeloupe, Martinique. The new heavy france (worth 100 old francs) became effective on Jan. 1, 1960.
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. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.

Markets in Brief

ECUADOR

Area: 175,851 square miles.

Population: 4,116,451.

Climate: tropical in coastal areas, cool in mountains.

Language: Spanish; sales literature in Spanish essential.

Currency: sucre. Official rate, applicable to imports of essential goods, one sucre equals Can.$0.06642. At free rate, applicable to other imports, one sucre equals Can.$0.05826.

Weights and measures: metric system.

Capital: Quito, altitude 9,261 feet.

Chief ports: Guayaquil, Bahia, Manta and Esmeraldas on the Pacific.

Marketing centres: Quito (population) 405,000; Guayaquil 520,000; Cuenca 90,000 and Riobamba 70,000.

Economy: agriculture is most important industry and economy dependent on the production of bananas, cacao, coffee, rice and cattle. Oil exploration becoming important.

Total Ecuadorian imports: 1959—U.S.$93.6 million (c.i.f.); 1958—U.S.$88.4 million; imports per capita $22.75.

Chief imports: 1959 (in per cent)—machinery and vehicles 40.0, chemical products 12.5, metal and metal manufactures 7.4, textiles 4.9, rubber manufactures 4.8, vegetable products and grains 4.2, wood and paper 2.0.

Chief suppliers: 1959 (in per cent)—United States 49.7, West Germany 14.0, United Kingdom 5.4, Belgium 4.0, Canada 3.6.

Chief imports from Canada: (in per cent)—wheat 60.4, newsprint 13.2, pneumatic tires 5.1, machinery 2.4.

Total Ecuadorian exports: 1959—U.S.94.92 million (f.o.b.); 1958—U.S.$94.96 million (f.o.b.)

Chief exports: 1959 (in per cent)—bananas 45.5, cocoa 22.8, coffee 18.3, rice 2.4, sugar 2.1, fish 1.9, woods 1.6.

Chief markets: 1959 (in per cent)—United States 57.8, West Germany 11.9, Belgium 5.1, Colombia 4.7, Italy 4.0, Venezuela 3.3, Chile 2.4, Sweden 1.9, Japan 1.8.

Value of exports to Canada: 1959—Can.$7.6 million. 1958—Can.$4.9 million.

Chief Canadian purchases: (in per cent)—bananas 63.9, coffee 3.1, cocoa 2.6, tropical woods 0.2.

Dollar exchange: official preferential dollar exchange for essential commodities (List I); freely available for non-essentials (List II); many commodities prohibited import (Prohibited List).

Prices: quote only in U.S. dollars.

Samples: free of duty if commercial value is less than U.S.$40.

Trade agreements: most-favoured-nation agreement with Canada; equal tariff treatment of most imports from all countries. Preferential tariff treatment for certain goods from Colombia.

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

Canadian banks: Bank of London and Montreal.

Correspondence: airmail only; letters 10 cents per half-ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Secretary
Canadian Embassy
Apartado Aéreo 3562
Bogotá, Colombia
(by airmail only)

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Picture Yourself in Paris

Jeannette Dugal began a tour of duty in Paris, her first post, in 1957. She is a native of Edmundston, N.B., but her Canadian home is now Ottawa.

Muriel McCann, an Ottawa girl, served for 2½ years in Tokyo before being posted to New Delhi, India, in 1959.

Norah Leonard arrived in Canberra, Australia, last summer; her previous post was Djakarta, Indonesia. She comes from Perth, Ontario.

New Delhi or Canberra

Or in one of the other foreign posts where Canadian women like these are working as secretaries and stenographers for the Department of Trade and Commerce. Classified as Foreign Service Stenographers, they are members of the Canadian Trade Commissioners' staffs. Their stay abroad varies from two to three-and-a-half years, with about one year at Head Office in Canada between postings.

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