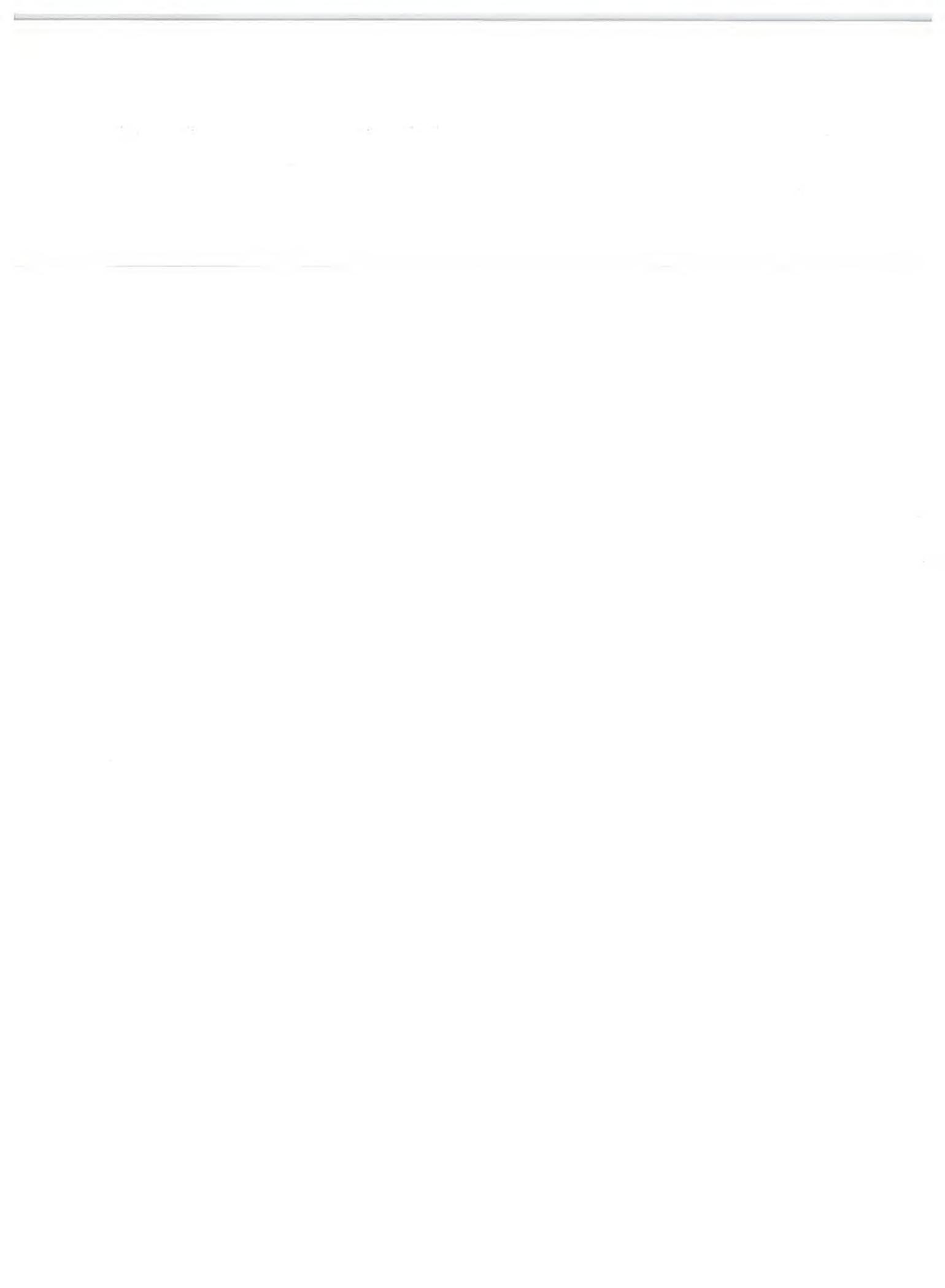


**Development and Trade in the British Caribbean**

# **FOREIGN TRADE**

**DEPARTMENT  
OF TRADE AND  
COMMERCE  
O T T A W A**

**NOV. 17. 62**



# FOREIGN TRADE

NOVEMBER 17, 1962

Vol. 118 No. 10

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

The Hon. GEORGE HEES, Minister.

JAMES A. ROBERTS, Deputy Minister.

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

Price \$2.00 a year in Canada; \$5.00 abroad. Single copies: 20 cents each.

Material appearing in this magazine may be reprinted, preferably with credit to "Foreign Trade".

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*Canada is selling an impressive range of products in Britain, says our Minister (Commercial) in London. Sales prospects continue to be good, he points out, not only in and around London but in the other important British distribution areas.*

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# Canada's Trade Relations

Improved transportation and communications, the flow of Canadian visitors, the Canadian assistance program, trade missions—all these are strengthening ties with this area and helping to increase our long-established trade with our West Indian neighbours.

M. VERONICA McCORMICK, *Commonwealth Division.*

THE British West Indies have undergone a fundamental change during the past year. The Federation which had been formed early in 1958 by Trinidad, Barbados, Jamaica, and the Leeward and Windward Islands was formally dissolved in May 1962. This development was followed by the attainment of independence by Jamaica on August 6 and by Trinidad and Tobago on August 31. Both countries have since become members of the Commonwealth. These two Governments have arranged to exchange High Commissioners with Canada. British Guiana is looking forward to the achievement of independence and there is a possibility that Barbados, with the Leeward and Windward Islands, will form a "Little Eight" Federation as an independent country.

These widespread political changes have not affected Canada's trade with the area, where our prospects continue to be promising. The volume of business between Canada and the British Caribbean is showing a steady growth and our commercial relations continue to be governed by the Canada-West Indies Trade Agreement of 1926, which provides for the exchange of preferential tariff treatment.

Under this Agreement, the various West Indian territories extend to Canada specified preferences on such products as flour, butter, cheese, lard, condensed milk, fish, meats, apples, potatoes, lumber, cement, confectionery and cordage. The Agreement also provides that each of the territories shall accord

preferences to Canadian goods for which provision is not made specifically.

In return, the Agreement provides that Canada accord the West Indies specified margins of preference on a number of commodities of particular interest to these territories, such as raw sugar, bananas, cocoa beans, pineapples, limes and lime juice, grapefruit, arrowroot, onions, rum, coffee and spices. In some cases, preferential and general rates of duty are bound as well as preferential margins.

There are a number of residual restrictions on our trade from the import controls put into effect at the time of the sterling area's balance-of-payment difficulties. Imports of a limited number of products are still subject to control, particularly in Trinidad and Jamaica.

## Ties with Caribbean

Although the Trade Agreement has assisted in expanding trade in both directions, there are many other factors that have helped to stimulate the exchange of goods between Canada and the British Caribbean. The universal use of the English language, British law and customs are common features. The economies are complementary, and there is geographical proximity. The tourist industry has played a notable part in our relations because an ever-increasing number of Canadians are spending their vacations in the area. The movement is not all one-sided, for thousands of students have come from the West

Indies to attend Canadian universities and schools. Canadian banks and other financial organizations have established branches in the islands and Canadians have invested large sums in the development of such resources as bauxite and

TABLE I  
CANADIAN EXPORTS TO THE  
WEST INDIES

To	1960	1961	Six months 1962
	(Can.\$'000)		
Bahamas	3,356	3,798	2,464
Barbados	3,774	3,976	1,952
British Guiana	7,427	5,272	2,263
British Honduras	408	599	477
Jamaica	18,056	19,077	10,351
Leeward and Windward Islands	4,719	4,828	2,440
Trinidad	12,971	18,397	6,629
<b>Total</b>	<b>50,711</b>	<b>55,947</b>	<b>26,576</b>

TABLE II  
PRINCIPAL EXPORTS TO THE  
WEST INDIES

	1960	1961	Six months 1962
	(Can.\$'000)		
Wheat flour	8,232	7,693	3,995
Fish other than canned	5,830	5,699	3,287
Fish canned	2,404	2,579	842
Meats (canned and otherwise)	2,687	3,256	1,424
Motor vehicles and parts	2,704	2,445	1,776
Lumber	1,867	1,645	786
Newsprint	1,279	1,366	628
Cotton fabrics	1,061	1,085	709
Tobacco	1,737	1,001	639
Milk (powdered and evaporated)	1,004	831	442
Footwear	519	652	225
Potatoes	475	621	602
Alcoholic beverages	527	577	313
Soups and soup mixes	495	575	272
Tires and tubes	631	538	288
Onions and shallots	108	382	151
Apples	404	363	80
Refrigerators	331	311	126
Malt	256	278	136
Paper bags	224	273	98

# with the British Caribbean

alumina, and also in secondary manufacturing industries.

Transportation facilities also have had an important bearing on the development of trade between Canada and the West Indies. In addition to the shipping services

TABLE III

CANADIAN IMPORTS FROM THE WEST INDIES

From	1960	1961	Four months 1962 (Can.\$'000)
Bahamas	2,614*	19	137
Barbados	2,417	5,103	834
British Guiana	18,920	23,281	5,429
British Honduras	91	750	41
Jamaica	37,688	39,085	11,256
Leeward and Windward Islands	1,495	1,294	133
Trinidad	14,511	14,480	2,411
<b>Total</b>	<b>77,736</b>	<b>84,012</b>	<b>20,241</b>

\*Ships, foreign built, coastal

TABLE IV

PRINCIPAL IMPORTS FROM THE WEST INDIES

	1960	1961	Four months 1962 (Can.\$'000)
Bauxite, alumina	36,215	40,347	13,039
Raw sugar	23,366	27,647	3,962
Molasses	2,122	6,307	406
Crude petroleum	6,495	5,895	2,052
Fuel oils	2,738	3,115	.....
Rum	1,478	1,532	241
Cocoa butter	645	551	13
Cocoa beans	499	317	15
Nutmeg and mace	272	232	49
Blankets, wool	.....	206	118
Coffee, green	179	175	59
Orange, lime and grapefruit juice	96	146	6
Spices and ginger unground	117	103	22
Tomatoes fresh	8	78	.....
Cordials and liqueurs	54	74	13
Foundation garments	57	69	9
Cucumbers fresh	7	55	110
Mahogany	48	52	20
Arrowroot	51	46	21
Essential oils	15	35	11
Glycerine crude	15	34	16
Artificial teeth	28	32	7



Our shipments to the West Indies these days include many types of manufactured goods, such as the 260 Canadian-made television sets being unloaded here in Port-of-Spain. Trinidad's station, the British Caribbean's first, began telecasts in November.

available, Trans-Canada Air Lines maintains an efficient service to the area. Passengers who wish to visit the islands on business or pleasure are provided with rapid transportation, while air freight service is available to shippers of merchandise requiring fast delivery.

Another factor in the relations between Canada and the British Caribbean territories was the institution by Canada in 1958 of a program of economic assistance, including technical aid to assist further development. As a part of this Canadian Assistance Program, two passenger cargo vessels, the *Federal Maple* and the *Federal Palm*, were built in Canada at a cost of \$6 million for an inter-island shipping service. Ownership of the vessels and responsibility for the shipping service are vested in The West Indies Shipping Corporation, a Crown company. These ships have accom-

modation for 50 cabin passengers and 200 deck passengers. They have a capacity of 80,000 cubic feet for general cargo and a further 4,000 feet of refrigerated space and are powered with diesel engines.

Canadian trade missions are now playing an important role in strengthening our trade relations with the area. In 1961 a heavy construction equipment trade mission visited the West Indies, and during the course of this year a fish products mission, an electrical distribution mission, and a forest products mission have toured the islands to the mutual advantage, from the trade point of view, of all those who participated.

### Trade Becoming Diversified

The West Indian territories, with a total population of approximately 3½ million, cover an area of 104,000 square miles but are separated from one another by distances of up to

more than 1,000 miles. However, they are close neighbors of one another (and of Canada) through the medium of improved air and telecommunication services. Though agriculture is their main source of income and employment, the economies and resources differ widely from one to another and are in varying stages of development.

All these factors have an important bearing on the two-way trade between the British Caribbean area and Canada. The two now exchange annually close to \$140 million worth of goods. As shown in Tables I and II, Canadian exports were valued at \$51 million in 1960 and \$56 million in 1961. Imports increased to \$84 million in 1961 from

\$78 million in 1960 (see Tables III and IV). Canadian exports for the first six months of 1962 totalled \$27 million, and imports for the first four months reached \$20.2 million.

As the tables illustrate, the trade has not only increased but has become greatly diversified. The principal Canadian exports continue to be traditional ones but the range of exports has widened. Fish (canned, pickled and salted), wheat flour, meats, newsprint, lumber, tobacco and specified food products continue to be the dominant Canadian exports but manufactured goods, including motor vehicles and parts, tires and tubes, footwear, paper products, and files and rasps

are becoming increasingly important.

Sugar and its byproducts, rum and molasses, our long-time main imports from the West Indies, are being supplanted by bauxite and alumina and fuel oils. Manufactured goods, including even woollen blankets and artificial teeth, are also becoming important Canadian imports.

It is encouraging to note the manner in which this two-way trade continues to expand. As the economies of the newly independent countries and other West Indian territories continue to develop, we can look forward to steady growth in the volume of business between Canada and the countries and territories of the British Caribbean. ●

## Jamaica:

# Independence and the Future

Trade has picked up this year, industry is expanding, inflow of capital is expected to continue. Canada's sales holding steady, but U.S. share of market, especially for industrial equipment, is growing.

R. W. BLAKE, *Commercial Counsellor, Kingston.*

THE past twelve months have been eventful ones for Jamaica, climaxed by the attainment of independence within the Commonwealth last August 6. The country has a stable government and it is reasonable to expect that the inflow of investment capital will continue. However, the uncertainty attending the eventful happenings of the past year has slowed down investment, business in general has adopted a "wait and see" attitude, and stocks have not been built up to their former levels. National income per capita rose from £126 to £131 (or 4 per cent) in 1961, but retail prices also

rose and the real gain in per capita income was only slight.

The building industry, upon which so much other business depends, received a setback during the year because of the adoption of an arbitration award retroactive to February 1, which has allegedly increased the costs of construction by 25 to 30 per cent. This caused a slowdown in new building, with the cancellation of many planned projects and the postponement of others, at least for the time being. The cement plant which is able to look after most of Jamaica's requirements and has been doing some exporting

is doubling its capacity to 400,000 tons a year. However, the slow-up in building has resulted in the plant's curtailing production and workers have been laid off recently.

The next two years will be critical ones for Jamaica but, provided capital can be obtained and the Government is able to implement its plans for developing agriculture and industry, this newly independent country could achieve a stable economy.

### Trade Deficit Smaller

Jamaica's over-all trade has shown a definite pickup after the sharp recession experienced in 1961. The deficit on the visible trade balance in 1961 totalled £13.2 million, as against £20.8 million in 1960 and £22.5 million in 1959. The improvement resulted from a decline of £2.3 million in the value of imports and an increase of £5.3

**TABLE I**  
**JAMAICA'S FOREIGN TRADE**

	January-June		
	1960	1961	1962
	(millions of £)		
Imports	£39.3	£37.6	£38.5
Exports	£28.3	£31.8	£33.1
Balance	-£ 6.8	-£ 5.1	-£ 4.05

million in the value of exports. The first six months of 1962 showed a further improvement, as the figures in Table I illustrate.

Canada was formerly the only country with which Jamaica had a favourable trade balance but in 1961 the United States also imported more goods from Jamaica than she sold there. If sales of bauxite and sugar continue at their present rate, it is likely that the U.S. will maintain this position in 1962. During the first half of this year Canadian exports to Jamaica, which had fallen off during the recession of 1961, began rising again and increased in value by \$600,000 over the same period last year.

Jamaica's "capacity to import" is illustrated in a government economic survey, which states that this capacity increased by 40 per cent from 1954 to 1960, mainly as a result of export expansion.

#### Imports Decline Slightly

The value of imports into Jamaica in 1961 totalled £75.2 million, compared with £77.5 million in 1960. Table II gives the value of imports of different classes of goods for 1960, 1961, and the first half of 1962. The value of imports of food, beverages and tobacco in 1961 fell by £327,000 compared with 1960, mainly because of a decline in imports of meat and dairy products. The decrease in the value of imports of crude materials was caused by a decline in purchases abroad of textile fibres and wood, lumber and cork. Imports of manufactured goods, electrical machinery and transport equipment were also down in 1961. A tightening-up of instalment credit in the latter part of 1960 no doubt contributed to the

**TABLE II**  
**VALUE OF PRINCIPAL JAMAICAN IMPORTS**

	1960		1961		Jan.-June 1962	
	Value £'000	Per cent	Value £'000	Per cent	Value £'000	Per cent
<b>Total Imports</b>	<b>77,501</b>	<b>100</b>	<b>75,190</b>	<b>100</b>	<b>38,507</b>	<b>100</b>
Of which:						
Food	14,581	18.8	14,399	19.1	7,643	19.8
Beverages and tobacco	1,755	2.3	1,610	2.1	840	2.2
Crude materials, etc.	2,787	3.6	2,268	3.0	1,291	3.4
Mineral fuels, etc.	6,391	8.2	7,654	10.2	3,701	9.6
Animal and vegetable oils and fats	550	0.7	486	0.6	193	0.5
Chemicals	6,173	7.9	6,184	8.2	3,043	7.9
Manufactured goods	19,638	25.4	19,310	25.7	9,569	24.8
Machinery and transport equipment	18,511	23.9	16,287	21.7	9,083	23.6
Miscellaneous manufactured goods	6,933	9.0	6,813	9.1	3,095	8.0
Miscellaneous commodities, etc.	182	0.2	179	0.2	49	0.1

**TABLE III**  
**JAMAICA'S IMPORTS FROM PRINCIPAL SUPPLIERS**

Country	1960		1961		Jan.-June 1962	
	Value £'000	Per cent	Value £'000	Per cent	Value £'000	Per cent
<b>All countries</b>	<b>77,501</b>	<b>100</b>	<b>75,197</b>	<b>100</b>	<b>38,507</b>	<b>100</b>
Of which:						
Britain	26,628	34.4	24,865	33.1	11,407	29.6
United States	18,871	24.3	18,363	24.4	10,138	26.3
Canada	7,839	10.1	7,774	10.3	3,901	10.1
EEC countries	10,753	13.9	10,277	13.7	4,812	12.5
British Caribbean	3,586	4.6	3,815	5.1	1,962	5.1
Other	9,824	12.7	10,103	13.4	6,287	16.3

reduction in the number of cars brought into Jamaica. Table III, showing the value of imports from principal countries, sets out Canada's main competitors and indicates its importance as a supplier.

#### Purchases from Canada

Total exports from Canada to Jamaica reached £7.7 million in 1961 compared with £7.83 million a year earlier. Of the £7,774,000 worth of goods supplied by Canada, foodstuffs contribute approximately 50 per cent, raw materials and manufactured goods approximately 25 per cent, and machinery and transportation equipment approximately 13 per cent.

Imports of industrial equipment into Jamaica totalled some £6.5 million in 1961, of which Canada supplied about 6 per cent, compared with 48 per cent from Britain and 40 per cent from the United States. Canada's share was down from 10

per cent in 1959 and 8 per cent in 1960, but the U.S. share increased from 33 to 40 per cent. The value of Canada's exports to Jamaica increased in the first six months of 1962, but the figure is still below 1960.

The lower value of the Canadian dollar should provide more opportunities for Canadian firms to step up their exports to Jamaica, but there is need for a good selling job.

#### Exports Rise Substantially

Exports from Jamaica in 1961 totalled £62.0 million in value, as against £56.7 million in 1960. Both these figures represent a substantial improvement over previous years, mainly because of increased exports of bauxite and alumina.

Exports to Canada in 1961 were valued at £13,081,000, some 21.1 per cent of total exports from Jamaica. Alumina valued at over £9 million (approximately 70 per cent),



—Jamaica Industrial Development Corporation.

*Expansion of industry in Jamaica has provided more jobs for both men and women and increased exports. These baseball gloves being made by a local subsidiary of a Canadian sporting goods firm will be sold chiefly in the United States market.*

and sugar at about £3.27 million (approximately 25 per cent) accounted for most of the sales to Canada. Spices, cocoa and cocoa butter, coffee, rum, glycerine, and handbags made up most of the remaining value. Efforts are being made to send citrus fruits to Canada, and with Jamaica's future trade with Britain uncertain if the latter enters the Common Market, more attention will be given to developing other markets for her fruits.

One bright spot in the present export picture is the sale of the entire 1962 sugar crop; a large carryover had been expected earlier in the year.

The value of exports of certain manufactured goods from Jamaica has increased and includes a variety of products ranging from cosmetics to cement. The value of clothing exported has risen rapidly—from £100,000 in 1957 to £1,421,000 in 1961. This increase resulted partly from the establishment of industries in the past few years under the various industrial incentive laws.

### **New Industries Coming in**

New industries continue to develop in Jamaica, and the Jamaica

Industrial Development Corporation reported that 13 new factories promoted under the industrial incentive legislation began operations in 1961. Four of these were established under the Industrial Incentives Law, eight under the Export Industries (Encouragement) Law, and the remaining one, which manufactures paints, was set up under the Pioneer Industry (Encouragement) Law. Capital investment in the manufacturing sector in 1961 has been provisionally estimated at £6 million, as against £5.5 million in 1960. Commercial production of ceramics has begun in the £500,000 plant of Jamaica Pottery Limited and a start has been made on the £270,000 cigarette plant for Carreras Limited. The £2 million jute textile mill of Textile Manufacturers Limited is expected to be in operation soon. An oil refinery is scheduled for completion by the end of 1963; it will have a production capacity of at least 28,000 barrels a day.

### **Future Trends**

If the expected loans from abroad materialize and the economy of the country expands, the demand for consumer goods should increase. So

should the demand for capital equipment to produce goods locally to satisfy increasing domestic consumption and for export. Although agriculture is still the largest user of labour, the demand for skilled or semi-skilled personnel in industry is steadily increasing. This has the effect of raising the per capita income and putting more money into circulation to buy a variety of goods.

Britain and the United States are Canada's main competitors here but competition from the Common Market countries is also keen. The avowed intention of the Jamaican Government is to increase the local production of foodstuffs such as meat, poultry, dairy products and vegetables to reduce the need for imports, which at present are costing about £14 million a year. To achieve this objective efficiently, more mechanization will be needed to bring costs of production into line with world prices. This program could mean more demand for agricultural machinery, some of which Canada might supply. The Government has recently put quota restrictions on imports of orange and tomato juice and restrictions on imports of meat, poultry and vegetables have been in effect for some time. However, it will probably be some years before any appreciable decrease in imports of foodstuffs becomes apparent.

### **Follow Up Opportunities**

The lower value of the Canadian dollar, in conjunction with the preferential tariff rate accorded to most Canadian goods, has created more opportunities for Canadian exporters in this market. Although the number of inquiries coming into our office is increasing, we urge more Canadian suppliers to explore the possibilities for doing business here. The first step is to write a letter to the Trade Commissioner asking for an assessment of the market, followed by a personal visit. Several Canadian exporters have been surprised at the orders obtained when they have come down

and talked prices, quality and delivery to importers. Sometimes it is necessary to break down old established ideas and resistance to new avenues of communication, but it has been done successfully many

times and has brought results. Canadian firms should also realize when preparing prices for this market that importers do not like quotations in U.S. dollars, because they immediately think that it is a way of

avoiding passing on to them the benefit of the lower exchange rate on the Canadian dollar. These and other points can be explained during a visit to Jamaica—a visit that could pay worthwhile dividends. ●

## Bahamas

More and more people are holidaying in these islands, creating a market for foodstuffs, consumer goods, etc. Lower value of Canadian dollar, British preferential tariff, help our exporters compete with the U.S.—but personal visit needed to make more sales.

R. W. BLAKE, *Commercial Counsellor, Kingston.*

THE economy of the Bahamas depends almost entirely on the tourist trade and, except for one or two of the Out Islands where agricultural crops are raised and dairy and poultry products produced, practically everything needed for the tourist trade and for the local inhabitants is imported. A recession in the building trade has caused some unemployment in New Providence Island and there is a general slowing down of business. This reflects in part the apprehension on the part of investors and local businessmen about the outcome of the forthcoming election, expected to be held this month.

On a recent visit to Nassau I found local merchants complaining about the loss in revenue because of less tourist spending and the cautious buying by the permanent population. One report stated that "investment capital is always cautious in an election year and the Colony has never before faced the prospect of sweeping political changes as it does now."

### Tourist Trade Flourishing

Despite the pessimism noted above, tourists continue to flock to Nassau and the Out Islands in increasing numbers. With no natural resources of any value except an

equable climate and—as a recent booklet put out by the Bahamas Development Board states—"700 pieces of Paradise", tourism has become the main industry of the Bahamas with its estimated population of over 106,000. New Providence, on which the capital, Nassau, is located, has a population of approximately 54,000 and attracts the majority of tourists, but the popularity of the Out Islands continues to increase remarkably and, as the following figures illustrate, the increase in visitors to these Islands percentagewise is much greater than for Nassau.

The postwar development of the tourist trade in the Bahamas has been spectacular and is mainly the result of the work of the Bahamas Development Board. Since 1949 visitors to Nassau have increased from 32,018 to 314,126 in 1961. Every year except 1958 has shown an advance on the previous one. The Out Islands had 54,085 visitors in 1961, compared with 36,424 in 1960, making a grand total of 368,211 for the Bahamas last year. Up to August 31, 1962, there was a further increase when 250,740 people visited Nassau compared with 236,166 for the same period of 1961. Visitors to the Out Islands increased from 30,741 for the

period January to August 31, 1961, to 72,847 for the same period in 1962, or an increase of 137 per cent.

### Tourists Spending Less

Merchants in Nassau were complaining, however, that although the number of tourists was increasing, they were a different type from the free spenders of yesteryear and were spending less and buying a cheaper class of goods. There is no doubt that the visitors who pour in during the summer are generally of a lower income group than those travelling in the winter months. Part of the decline in purchases, however, is due to the reduction from \$500.00 to \$100.00 in duty-free purchases granted to returning United States citizens. This, according to local statements, has killed the big spender.

Liquor sales are steady, but sales of high-priced china, silverware and jewellery have declined. It seems that the tourist (particularly from the United States) first buys his limit of liquor and then rations his remaining duty-free allowance to get the most for his money. One jeweller said that he was considering downgrading the goods in his store to take advantage of the demand for cheaper products. (Some Canadian suppliers of jewellery are making good sales and there appear to be opportunities for more to enter this field.)

### Imports and Exports

The value of imports into the Bahamas based on c.i.f. prices increased considerably in 1961 to

TABLE I

## IMPORTS INTO THE BAHAMAS

	1960 £	1961 £
Food, drink and tobaccos	6,706,888	8,617,326
Raw materials and articles mainly unmanufactured	781,403	1,000,242
Articles wholly or mainly manufactured	15,920,195	20,789,438
Animals not for food	3,408	4,485
Bullion and specie	238,632	22,020
<b>Total</b>	<b>23,650,526</b>	<b>30,433,511</b>

a total of £30.43 million from £23.65 million a year earlier. Table I gives the main statistical headings.

The principal suppliers in 1961 were Britain, Canada, Aruba, France, Trinidad, the Netherlands, Germany, Denmark, New Zealand, Australia and the United States. The first three suppliers in order of importance were: United States £19,326,712, Britain £4,704,047, and Canada £1,492,222. Table II shows the importance of Canada as an exporter of various classes of goods. Trinidad, France and Germany also shipped substantial quantities of manufactured goods to the Bahamas.

The principal products exported from Canada to the Bahamas in 1961 were: flour £270,527 (up £50,000 from 1960); meats (pickled, canned, fresh and cured) £158,673; motor cars and trucks £167,083; spirits (whisky) £121,764; and also biscuits, confectionery, cheese, provisions, vegetables (potatoes), lumber (shingles), hardware, tires, paints, stationery, toilet preparations.

Domestic exports during 1961 totalled £1,706,429 compared with £1,294,501 in 1960, which illustrates graphically the dependence of the Bahamas on the tourist industry. The main commodities entering into the export trade are crawfish, lumber, salt, tomatoes and pulpwood. Exports to Canada reached £11,919 in 1961 compared with £33,448 in 1960 and consisted almost wholly of raw tomatoes.

TABLE II

## PRINCIPAL SUPPLIERS 1961

Commodity	Britain	United States	Canada
Food, drink and tobaccos	£1,164,978	£5,012,309	£1,001,366
Articles wholly or mainly manufactured	3,539,069	13,367,525	461,578

**Expansion Continues**

Building connected with the expansion of tourist facilities on the Island of New Providence and on the Out Islands has been active and the construction of commercial buildings, plants and residences continued to increase. However, there is some hesitancy in the building trade at present because of the uncertain investment climate as a result of the measures proposed in Britain and the United States to tax immovable property abroad, as well as the apprehension about the forthcoming elections in the Bahamas. Huntingdon Hartford's £14 million development on Paradise Island (renamed from Hog Island) is going ahead, with hotel and club accommodation, plus beach facilities and a new championship golf course in the making. Construction of a brewery is expected to begin shortly in New Providence and also a shopping centre.

The \$30 million cement plant planned for Freeport, Grand Bahama Island, has been approved and is expected to be completed during 1964. An electronics components plant is also planned for Freeport. The bunkering system was again expanded in 1962 with the addition of a second underwater pipeline and a third is under study; this should result in an output of fuel oil in the region of a million barrels a month in the near future. A visit to this rapidly developing area could be worthwhile for Canadians.

**Selling in the Bahamas**

What are the prospects for Canadian exporters to the Bahamas? Many of them in the past have been discouraged from attempting to sell their goods here because of the keen competition from U.S. suppliers operating out of Miami, which is only a phone call and one day away

from Nassau. The time seems right to have another look at this substantial market for a great variety of goods, because the preferential tariff rate accorded to Canada, plus the discount on the dollar, should enable Canadian suppliers to sell more in this area.

The most common complaint from agents and storekeepers was: "We hardly ever see Canadian salesmen, but U.S. salesmen are here all the time." They want quotations in Canadian dollars because the suspicion is always uppermost in their minds that quotations from Canada are made in U.S. dollars to avoid passing on to them the discount on the Canadian dollar.

Another complaint was that many firms in Canada do not answer inquiries sent to them by Nassau importers. A letter of acknowledgement is always appreciated and helps to create goodwill. A good deal of trouble in clearing goods, especially perishables, is caused because the invoices or bills of lading required by Customs before they will release the goods do not arrive until after the goods have landed—occasionally some time after they are on the dock. This raises the cost and can result in spoilage of food products. One buyer for a couple of supermarkets told me that his directors had instructed him not to place any more orders for a Canadian product that had been moving well because of failure on the exporter's part to have the documents arrive before the goods. He said the last shipment had cost him four cents a pound more because of extra charges arising from the delay in clearing the goods through Customs.

**Packaging**

On the whole, Canadian packaging is quite good, but one hotel man told me that more attention should

be given to bulk packaging of some foodstuffs used in the hotel trade, thus making for easier handling and a saving in costs. He said there was a big demand from hotels for the tourist season and he suggested that a top-level team of experts from Canada survey the requirements of the food industry as a whole, determine the needs of the market and Canada's ability to supply them and, (just as important) the best times for delivery. This should be followed by visits from Canadian salesmen ready to do a selling job. Regular delivery has been a problem in the past but air freight rates should be re-examined to see if this method of transport from certain areas in

Canada is economical, especially for the more exotic foodstuffs.

It was suggested that perhaps a special export pack should be adopted for certain foodstuffs to make them more attractive and competitive with other suppliers. Foodstuffs are big business in Nassau and although a few Canadian suppliers are doing a good job, there are opportunities for many more.

#### Summary

In general, business conditions in the Bahamas are good, with the tourist industry continuing to expand, thus creating a bigger demand for foodstuffs and goods for tourists, plus staples and consumer goods for

local inhabitants. It is expected that the inflow of investment capital will dwindle because of the intention of the British and United States Governments to tax immovable property owned by their nationals abroad. However some did not think that the big investors would reduce operations much because other tax incentives offered by the Government of the Bahamas were still sufficiently attractive to capital.

Businessmen in Nassau would like more Canadian salesmen to visit them to find out what is needed, the packaging required and the best times for delivery. The opportunities for sales to the Bahamas are good—and one visit is worth more than a ton of correspondence. ●

## Trinidad:

# Achievements and Problems

Canada, third-ranking source of Trinidad's imports, does not compete significantly in growing trade in raw materials and equipment for expanding industry. New import tariff, some slackening in business activity may affect sales, but no fall-off so far in 1962.

ROBERT F. RENWICK, *Commercial Counsellor, Port-of-Spain.*

ON the last day of August, Trinidad and Tobago attained independence within the Commonwealth. This step was accompanied by celebrations as Trinidad emerged from a self-governing colony to a nation complete with Governor-General, Prime Minister, Senate, Legislative Council, judiciary, civil service, defence force—and with challenging problems, debts, and a standard of living that is the envy of other Caribbean and Latin American countries.

The islands of Trinidad and Tobago, lying only seven miles off the coast of Venezuela, are only 1,980

square miles in extent—or about 200 square miles smaller than Prince Edward Island. They have a population of 830,000 (1960 census) and a birth rate of 39.5 per 1,000 compared with a death rate of 7.3 per 1,000. They are well aware that the population growth of nearly 4 per cent a year is the nub of the economic, educational, and housing problems facing their country. About 300,000 Trinidadians are gainfully employed but there is a good deal of unemployment as well as severe under-employment, and this persistent problem is aggravated by seasonal unemployment charac-

teristic of estate agriculture. Unlike a number of other Caribbean islands, emigration has not been a factor in the past ten or fifteen years. On the contrary, Trinidad is the principal Eastern Caribbean destination of migrants from nearby British islands.

#### Petroleum Still Mainstay

Trinidad and Tobago have made marked economic progress during the past decade. Production and refining of petroleum remains the basis of the economy and shows no signs of becoming less important in the foreseeable future. In current output of crude oil, Trinidad ranks second only to Canada in the Commonwealth; in 1961 over 45 million barrels were produced compared with only 17.9 million in 1938. Crude oil production has not kept pace with the expansion of Trinidad's oil-refinery capacity. The two refineries now have a throughput of

**TABLE I**  
**TRADE OF TRINIDAD AND TOBAGO**

	Imports (W.I.'000)	Exports (W.I.'000)
1958	\$411,977	\$424,939
1959	448,111	449,062
1960	499,674	491,119
1961	575,474	592,255

**TABLE II**  
**PRINCIPAL PRODUCTS TRADED**

	January-June 1961 1962	
	(millions)	
<b>Exports</b>		
<b>Total</b>	<b>\$308.6</b>	<b>\$311.0</b>
Of which:		
Petroleum products	231.2	230.4
Sugar (raw)	32.0	28.2
Cocoa beans	5.9	7.0
All other items	39.5	45.4
<b>Imports</b>		
<b>Total</b>	<b>280.3</b>	<b>291.3</b>
Of which:		
Crude petroleum	119.6	129.6
Foods	33.6	36.0
Basic metals and products	12.2	12.9
Machinery	17.5	19.9
Transportation equipment	14.9	13.2
All other items	82.5	79.7

twice as much crude as is pumped from on-shore and marine oilwells. Production of refined products totalled 101 million barrels in 1961, with the result that the whole economy is dominated by this one industry. Petroleum employs more than 18,000 workers making better-than-average wages and provides directly 35 per cent of total government revenue. Sugar production—which in the last two years has amounted to well over 200,000 tons—employs 17,500 of the working population. It is these two export industries that have enabled Trinidadians to enjoy a 1960 per capita income of \$810\*, over twice the \$401 of 1951.

### What Trinidad Trades

Since September 1960 Trinidad's wholesale and retail merchants have had to cope with slackening business, although on a relatively high plateau because of the dynamic ex-

\*Values unless otherwise indicated are in West Indian dollars; W.I.\$1.00=Can.\$0.63.

**TABLE III**  
**WE EXPORTED TO TRINIDAD**

	1958	1959	1960	1961
	(Can.\$'000)			
<b>Total Exports</b>	<b>\$11,599</b>	<b>\$12,705</b>	<b>\$12,971</b>	<b>\$12,898*</b>
Of which:				
Wheat flour	2,657	3,061	2,662	2,341
Automobiles	217	312	846	626
Salted cod	684	558	632	620
Tobacco	789	1,012	741	509
Newsprint	312	308	418	393
Planks and boards	586	381	613	377
Canned salmon	173	188	202	327
Cotton fabrics	263	349	411	326
Canned sardines	252	295	281	321
Household furniture	44	115	208	247
Aluminum, semifabricated	00.6	67	232	232
Paper bags	196	156	171	214
Pickled pork	280	228	188	206
Apples	116	203	275	203
Barytes (natural)	468	322	186	182
Refrigerators	44	125	203	167

\*Less \$5.5 million Canadian aid (two ships).

**WE IMPORTED FROM TRINIDAD**

	\$ 9,851	\$12,764	\$14,512	\$14,480
<b>Total Imports</b>				
Of which:				
Crude petroleum	453	7,471	6,495	5,895
Sugar	2,297	2,188	3,963	3,632
Heavy fuel oils	.....	386	1,522	1,898
Light fuel oils	.....	1,120	1,216	1,218
Molasses	600	355	390	759
Rum	455	488	471	436
Coffee	174	110	68	143
Cocoa beans	410	305	83	129
Citrus juices	37	15	75	121

Source: DBS.

pansion of trade and commerce during the 1950's. As Table I shows, imports and exports have reached record values, but this achievement was mainly in the petroleum trade.

In 1961 imports of mineral fuels reached \$263 million, up from \$171 million in 1960. Exports of petroleum products, etc., amounted to \$493 million in 1961, well ahead of the \$393 million of 1960. Imports in 1961 of all other classifications—including foodstuffs, oils and fats, raw materials and machinery—were down from the high figure reached in 1960. Latest six-month figures are given in Table II.

Other exports include bananas, citrus fruits, orange and grapefruit juice, natural asphalt, cement, fer-

tilizers, rum and coffee. Trinidad's exports of fully manufactured goods, which only account for about 2 per cent of domestic exports, have more than trebled since 1950. They are mainly sold in neighbouring territories.

Britain is Trinidad's most important trading partner, with the United States in second place. Venezuela, as an important source of imported crude oil, is in third position, followed by the Netherlands plus Surinam and Curacao. Canada ranks fifth but maintains its position as third most important source of imports into Trinidad, excluding crude oil. Canada, as a market for 5.3 per cent of all Trinidad exports, is the second largest buyer of raw

sugar and also an important importer of crude oil and petroleum products. With the exception of tobacco and lumber, (traditional Canadian exports to all Caribbean islands) plus increasing quantities of semifabricated aluminum products, Canada does not furnish any significant percentage of Trinidad's \$84 million annual imports of raw materials and industrial equipment. Table III provides details of Canada's trade with Trinidad over the past four years.

### Tariffs Increased

Any attempt to assess the effect of the lower value of the Canadian dollar on our exports to Trinidad is complicated by Trinidad's new import tariff brought into effect on April 7, 1962. This tariff provides for increased import duties on such products as cured and prepared meats, fresh fish, oats, canned vegetables, paper bags, cotton fabrics, eggs, newsprint and electrical appliances, all of which are of interest to established Canadian exporters. Such statistics as are available for the first six months of 1962 reveal that Canadian export sales to Trinidad of tobacco, pickled pork, miscellaneous food preparations, paper bags and furniture have all increased and these increases are partially attributed to the lower value and pegging of the Canadian dollar. Canadian sales of lumber, which moves on a narrow volume of profit, were up substantially in the first half of 1962 to a total of \$595,000, compared with \$333,000 in the comparable period of 1961.

In addition to the well-established industries responsible for the bulk of Trinidad's exports, manufacturers of pharmaceuticals, paints, furniture, aluminumware, cotton fabrics, prefabricated steel structures, plastics, and some food preparations all require imported materials. Raw materials for them and machinery, generally speaking, enter Trinidad free of duty from all countries under the Pioneer Industries Industrial Incentive Ordinance. Latterly such



*Last May the \$13 million Trinidad Hilton Hotel, built on a commanding site in Port-of-Spain, opened its doors; it will play host to several international conventions in 1963. Profits are shared by the Government and Hilton Hotels International.*

industries as toilet requisites and pharmaceuticals have been granted pioneer status, and import-duty concessions have been accorded to garment manufacturers and a proposed manufacturer of paper bags. Pioneer status for a flour mill was approved in principle during 1960 but construction of this has been postponed.

### Tourist Industry Flourishing

Port-of-Spain has always been a regularly scheduled port of call for numerous cruise ships. Passengers spend a busy eight to twelve hours ashore while the vessels bunker. Currently about 45,000 businessmen and tourists a year stay at least overnight to enjoy the balmy climate and scenic beauty which are among Trinidad's advantages as a tourist centre. Trans-Canada Airlines has been in the forefront in developing air communications and is using DC-8 jets and Vanguard turboprop equipment on its six-hour run between Montreal/Toronto and Trinidad. British West Indian Airways,

Trinidad's national airline, also operates Boeing 707's (under lease from BOAC) on its flights to New York City. Piarco International Airport, 16 miles east of Port-of-Spain, has had its runway extended and strengthened and can now accommodate the largest jet aircraft. A new Terminal Building should be in use for the beginning in January of the busiest tourist season. All of this has meant that Trinidad earns over \$20 million a year from its tourist industry, but this does not compare with the \$60 million earned through sales of stores and bunkers for ships and aircraft.

Recently TCA, with other airline operators, introduced attractive new excursion fares. This will be an important factor in keeping the new "upside down" Trinidad Hilton Hotel operating at capacity. The Hilton, a major government investment, was built on a wonderful site with a beautiful view of surrounding hills and of the main metropolitan area. This already famous show-

place, opened last May, was built and furnished at a cost of nearly \$13 million. Hilton Hotels International, which operates the hotel on a profit-sharing basis with the Trinidad and Tobago Government, has already demonstrated its effective world-wide connections by securing bookings for several 1963 international conventions. Tobago remains the pleasantly primitive Robinson Crusoe island, served by small hotels and attracting a growing number of regular patrons. Carnival in Port-of-Spain is a spectacle few participants ever forget. Extravagant costumes account for weird and wonderful imports that confound the statistically-minded trade analyst (for example, furs to tropical Trinidad!).

### Inter-Island Shipping Service

With the break-up of the West Indies Federation, Canadians are interested in knowing the fate of the M.S. *Federal Maple* and the *Federal Palm*, which were given to the West Indies in August 1961 by Canada as part of the Aid Program to the area. The two vessels are continuing their regular schedule between Trinidad, Barbados and Jamaica and the intervening islands. They now carry the blue, white and orange colours of the West Indies Shipping Service, the successor to the defunct Federal Government Shipping Service. Schedules have been somewhat modified, with the result that only a monthly service is now offered between Trinidad and Jamaica. However, the Leeward and Windward Islands and Barbados are served more frequently.

In maintaining schedules and servicing the rising demand for passenger space, the carrying of freight has suffered and traffic has not developed to any great extent. Cargo now consists mainly of either Trinidad or Jamaica cement for the other islands of the British Caribbean. Furness Withy & Co., who remain the commercial shipping operators, are pleased with the trade that has developed in frozen goods trans-

ported in Trinidad and destined for other British Caribbean islands, because it shows promise of further expansion.

It has been suggested that the vessels' schedule might be extended to include British Guiana but to date no definite decision has been made. Passenger rates are low, as are freight rates, because they were set to encourage inter-island communication and movement of goods. Consequently, the ships will be operated under the traditional system of a subsidy shared by the islands served. Already Trinidad has passed legislation enabling this country to continue to participate in the shipping service. The Leeward Islands and the Windward Islands are expected to nominate representatives for a Regional Council of

Ministers to have policy control over common services, which will probably meet during this month to consider, among other things, the granting of a subsidy to the W.I.S.S.

Trinidad has already established an independent Port Authority superimposed on the old Government Port Services. In October the Prime Minister, Dr. Eric Williams, visited Belgium, (following his attendance, as the first Prime Minister of Trinidad, at the September Commonwealth Prime Ministers' Conference) and while he was in Brussels made arrangements for an expert survey of Trinidad's dock facilities. It is expected that this move will lead to a two-year technical assistance scheme designed to improve the efficiency of cargo-handling in Port-of-Spain. ●

## Barbados

Good sugar crop, greater revenues from tourists, and income from ships' bunkers and stores made for good business conditions last year. Canadian exports increased by \$200,000 to \$3.98 million.

JOHN A. AHOW, *Commercial Officer, Port-of-Spain.*

BARBADOS, situated at the crossroads of major shipping and airline routes between North and South America, is bustling with activity. The deep-water harbour at Bridgetown, the capital, which opened in May 1961, with its facilities for bunkering and fast turnaround of ships has increased the bunkering business by over 100 per cent. Many ships that formerly fuelled elsewhere now use Barbados. Seawell Airport has been extended to accommodate jets, and consequently more scheduled flights land at the island.

Other factors are important in Barbados' steady economic growth. Agriculture, mainly sugar, the mainstay, has had a good year. The tourist trade, a major foreign-exchange

earner, is steadily expanding. A number of new industries have been or soon will be established. Construction of the new W.I.\$8½ million 578-bed hospital is expected to be completed by the end of 1963. This project provides employment for 500 people and is already one-third finished. The Government plans to develop further its proven natural gas resources and recently drew up an agreement with a Canadian oil company to drill 30 wells during the next fiscal year.

The 1961/62 crop produced 158,458 tons of sugar compared with 159,541 tons in 1960/61 and 154,000 tons in 1959/60. Estimates put the 1962/63 crop at some 160,000 tons.

The tourist industry brought in W.I.\$8.5 million last year from the 37,600 visitors who stayed for one day or more, and from the purchases of 26,943 cruise passengers. The number of Canadians visiting the island is increasing: in 1961, the total was 5,429, as against 3,755 in 1960, a rise of 44.5 per cent. The increase was greater than from the United States—10,322 American tourists arrived in 1961 compared with 9,716 in 1960.

During the first quarter of 1962, business continued to be brisk and hotels operated at capacity. Some 12,320 visitors came from all countries and provided foreign exchange earnings of W.I.\$4.43 million. Figures for the corresponding period of 1961 were 10,750 and W.I.\$3.58 million.

Because of the increasing tourist traffic and to assist the industry further, Barbados hopes to build two new international hotels (one a Hilton) in the not-too-distant future. Sites for them have been discussed.

### Industrial Expansion

The establishment of a brewery last year and the increasing production of the three local brands of poultry feed have substantially lowered imports of these commodities. New industries set up this year include factories for making automobile batteries, mattresses, liquid carbonic gas, and ceramic products. Other industries have received government approval for pioneer aid and will soon be set up. They will include plants making pharmaceuticals and vitamins, cement, toys, matches, concrete sewerage pipes, and prefabricated floors and roofs, and also a sawmill.

A W.I.\$1 million abattoir and a cold-storage plant are under construction near the new harbour and should be completed early in 1963. Offals and waste from the abattoir will go into bonemeal, fertilizer and animal feeds. The poultry industry is expanding rapidly to meet the rising demand for chickens and eggs. From time to time the press has

TABLE I  
IMPORTS INTO BARBADOS

	1959	1960	1961
	(millions of W.I. dollars)		
Total	\$74.8	\$83.3	\$80.3
Of which:			
CANADA	8.8 (11.8)*	8.6 (10.3)*	8.3 (10.3)*
Britain	29.9 (40.0)	32.7 (39.3)	29.1 (36.2)
United States	8.7 (11.6)	10.9 (13.1)	12.8 (15.9)
Netherlands	3.5 (4.7)	4.6 (5.5)	4.0 (5.0)
West Germany	1.7 (2.2)	2.3 (2.8)	2.4 (3.0)
West Indies	7.4 (9.9)	8.5 (10.2)	7.5 (9.3)

\*Per cent of total.

TABLE II  
CANADIAN EXPORTS TO BARBADOS

	1959	1960	1961
	(Can.\$'000)		
Total	\$4,103	\$3,775	\$3,977
Of which:			
Pickled pork	500	459	581
Lumber	508	479	418
Salted cod	276	293	317
Wheat flour	502	320	252
Tallow, inedible	132	71	172
Sardines	109	127	164
Cornmeal	164	135	122
Footwear, leather	52	58	86
Cotton fabrics	71	60	83
Cured beef	31	50	79
Newsprint	36	63	69
Mixed feeds	175	189	60
Tobacco	126	124	58
Paints	54	66	57
Soups	43	29	53
Onions	21	13	52
Chopped feed, n.e.s.	.....	52	52
Potatoes	96	20	46
Paper bags	31	37	43
Oats, n.e.s.	.....	60	51

Source: DBS.

carried reports on the negotiations to establish a flour mill, an important government election plank.

### Trade with Canada

Barbados' chronically adverse balance of trade improved by W.I.\$5.4 million last year compared with 1960, because of good sugar sales. Imports in 1961 totalled W.I.\$80.3 million and exports \$43.2 million.

Canada was the country's third largest supplier and furnished 10.3 per cent of its requirements (see Table I).

Canadian purchases from Barbados in 1961 reached Can.\$5.1 million, exceeding our exports (\$3.98 million) by \$1.12 million. Sugar, molasses and rum accounted for Can.\$5 million worth of the total.

Our exports to Barbados in 1961 increased by Can.\$200,000 from \$3,775,000 in 1960. Sales of pickled pork improved by \$121,000, inedible tallow by \$101,000, onions by \$39,000, sardines by \$37,000, and salted cod by \$24,000.

There is keener competition in the flour trade from the United States, France and Puerto Rico; our flour sales declined by \$68,000 last year. We were the principal supplier of this commodity in 1960 with 45.5 per cent, but moved to second place (27.5 per cent) behind the United States (44.8 per cent) in 1961. France supplied 21.6 per cent (in 1960, 16.8 per cent) and Puerto Rico 8 per cent. Our lumber sales were also down from \$479,000 in 1960 to \$418,000. Table II shows Canadian exports of twenty principal commodities from 1959 to 1961. In the first seven months of 1962, our sales increased slightly—from \$2.327 million to \$2.395 million.

It will be noted that Canadian export figures show an increase in 1961 and that Barbados import figures indicate a decrease. This discrepancy is attributed to the lower value of the Canadian dollar during part of 1961, which affected statistical values.

Our exports to this market consist of over 300 different types of products and sales of many of them are small in value. However, the exporter who is already established in the larger Trinidad market nearby will find that there is little additional cost involved in establishing an agent in Barbados—traditionally a steady market for Canadian products. ●

# Leeward and Windward Islands

Two island groups, with exception of Grenada, may form a new federation. Good agricultural crops, growing tourist trade, rise of light industry means more money to spend on imports. Canada could increase present \$4.2 million share of this \$50 million market.

JOHN A. AHOW, *Commercial Officer, Port-of-Spain.*

THE Leeward and Windward Islands, stretching from just southeast of Puerto Rico to offshore Venezuela, despite their long trading association with Canada are by no means fully exploited as a market for Canadian consumer goods.

The Leeward Islands, the more northerly of the two groups, comprise Antigua, Montserrat and St. Kitts-Nevis-Anguilla. The Windward Islands are Dominica, Grenada, St. Lucia and St. Vincent. Antigua, which lies farthest north, has some of the most beautiful beaches in the Caribbean and, with the improved airline service from Montreal and New York, has become a popular winter resort for Canadians and Americans alike.

## Smaller Federation Mooted

With the dissolution of the West Indies Federation on May 31 of this year, the Leeward and Windward Islands, with Barbados (commonly called the "Little Eight") have been considering forming a smaller federation. However, the

*Canadian exporters to the smaller West Indian islands benefit from the inter-island service provided by the ships given by Canada. Here a heavy electric generating core is unloaded at an island port.*

new Government of Grenada, which was elected to power on September 13, 1962, is in favour of joining Trinidad and Tobago in a unitary state. Grenada depends on Britain for grants-in-aid to balance its budget and a union with much

wealthier Trinidad would no doubt be to the advantage of Grenada. This apparent intention has resulted in the remaining seven territories affirming their willingness to unite in a "Lucky Seven" federation, but the main problem, finance, has yet to be solved.

The economy of these underdeveloped territories is basically agricultural, but the tourist industry, especially in Antigua, is developing and light industries are being established with the aid of pioneer concessions granted by the various territorial governments. These con-



cessions include duty-free imports of raw materials and freedom from income tax for a specified period.

### Agriculture Makes Good Showing

The main crops of these islands are sugar cane, bananas, nutmegs, cocoa and tomatoes. Sugar production, common to all the islands except Montserrat, was considered average in 1961/62.

In St. Vincent, the only sugar factory closed down this year after grinding of the 1961/62 crop which yielded 2,800 tons of sugar. In future, the island's sugar requirements will have to be imported. Normal production is approximately 3,500 tons a year and St. Vincent hopes to compensate for this loss to the economy of some W.I.\$700,000 by switching to arrowroot and bananas, which are now being planted on former sugar-cane lands. Production of arrowroot this year totalled over 37,450 barrels of 200 pounds, an increase of 5,500 barrels over the previous year. Some cotton is also grown on this island.

In Grenada, the land of spice, the main crops are nutmegs, cocoa and bananas. Annual exports of cocoa total over W.I.\$2.2 million in value, of nutmegs over \$2.5 million, and of bananas \$1.5 million.

Tomatoes, the main crop in Montserrat, are marketed by the Government and the Leeward Islands Co. Ltd., a Canadian company which has extensive holdings and which has improved production by knowhow and mechanization of the industry.

Production of bananas in 1961, the chief crop in St. Lucia, was 50 per cent larger than in 1960 and a further increase in production is expected this year. Banana production in Dominica has also risen sharply.

Diversification of crops is taking place in some of these islands and, with the steady increase in production of staples, there is a greater supply of money for the purchase of a wider range of consumer and durable goods.

**TABLE I**  
**PRINCIPAL CANADIAN EXPORTS TO THE LEEWARD AND WINDWARD ISLANDS**

	1959	1960	1961
	(Can.\$'000)		
<b>Total</b>	<b>4,437</b>	<b>4,729</b>	<b>4,828</b>
Of which:			
Flour of wheat	1,738	1,728	1,739
Codfish, salted	497	569	538
Lumber	392	331	433
Sardines, canned	147	147	164
Pollock, dried salted	150	113	120
Cotton fabrics, n.o.p.	39	119	113
Pork, pickled	67	85	106
Mixed feeds	163	130	102
Haddock and cusk, dried salted	50	80	62
Passenger automobiles	18	49	47
Macaroni and spaghetti, n.o.p.	43	41	47
Milk powder, whole and skimmed	58	183	43

Source: Dominion Bureau of Statistics.

### Tourism and Industry

Antigua, some 200 miles east southeast of the U.S. Virgin Islands, has a flourishing tourist industry and each year new hotels are being built to accommodate the increasing number of Canadian and U.S. visitors. The 1961/62 season brought 50 per cent more tourists than in the previous winter season. Hotel operators are not perturbed over the lower value of the Canadian dollar because this year the number of Canadian visitors increased even more than the American.

A new hotel in Antigua is expected to open in time for the coming season and one in St. Kitts in February. A hotel is being built on the former U.S. naval base in St. Lucia and one on Grand Anse Beach in Grenada.

Light industries are also bolstering the economy of these islands. This year one brewery began operating in Grenada and another in St. Kitts, where a cigarette factory was also established. Antigua is soon to produce Scotch-type whisky and the plant, when complete, will have a capacity of 200 cases per day.

**TABLE II**  
**LEEWARD AND WINDWARD ISLANDS IMPORTS**

	1959	1960	1961
	(W.I.\$'000)		
<b>Antigua</b>	14,100	15,600	*
From:			
Canada	1,700	1,900	.....
Britain	5,900	6,100	.....
United States	1,900	3,100	.....
<b>Montserrat</b>	1,880	1,970	2,140
From:			
Canada	190	250	270
Britain	720	710	820
United States	130	160	270
<b>St. Kitts</b>	12,100	*	*
From:			
Canada	1,700	.....	.....
Britain	4,400	.....	.....
United States	1,500	.....	.....
<b>Dominica</b>			
From:			
Canada	1,200	1,200	.....
Britain	3,500	3,600	.....
United States	1,000	1,200	.....
<b>Grenada</b>	12,500	14,800	7,700†
From:			
Canada	1,400	1,900	600
Britain	4,500	5,200	3,200
United States	1,400	1,800	800
<b>St. Lucia</b>	10,100	5,300†	*
From:			
Canada	1,500	800	.....
Britain	3,900	2,100	.....
United States	900	500	.....
<b>St. Vincent</b>	10,500	13,000	12,600
From:			
Canada	1,300	1,500	1,400
Britain	4,100	4,900	4,500
United States	1,000	1,500	1,400

\*Data not available.

†Figures for Jan.-June only.

Source: Territorial publications.

### Other Projects

Among the many government-sponsored projects is the deep water harbour in St. Vincent, financed by Canada, designed by Canadian consulting engineers, and to be built by a Western Canadian marine contractor. The cost of this project is estimated at over Can.\$1 million and it is expected to be completed in 1964. In Antigua, some U.S. \$412,000 will go into the extension of the runway at Coolidge Airport,

installation of a sewage disposal plant for the General Hospital, and extension of the electricity supply. A fully automatic telephone system with a capacity of 2,000 lines is being installed in St. Kitts. A resort development is also going forward in Montserrat and a 200-acre site in St. Lucia is to be developed by the Government for housing.

### Canadian Sales Increasing

Individually, the trade of the Leeward and Windward Islands is not large but together they represent a market for W.I.\$80 million (Can. \$50 million) worth of merchandise. About 35 per cent of these imports originate in Britain and 12½ per cent each in Canada and the United States. Principal imports from Canada are flour, salt fish and lumber, which together account for over 50 per cent by value of Canadian exports to these territories. Canadian exports to the area in 1961 totalled \$4.2 million, representing an increase of \$100,000 over 1960.

The lowering of the Canadian dollar to W.I.\$1.58 compared with W.I.\$1.73 a year and a half ago has resulted in an increasing interest on the part of importers in purchasing Canadian goods. It is also partially responsible for Canada's exporting to these islands \$2,951,822 worth of merchandise in the first seven months of 1962, an increase of \$125,674 over the same period last year.

Principal exports from Canada for the years 1959 to 1961 are shown in Table I and total imports into the Leeward and Windward Islands for the same period are shown in Table II.

Considering the value of merchandise imported into these territories from the United States and the advantages that Canadian merchandise enjoys—such as a lower dollar exchange and a 50 per cent lower import tariff—we should be able to increase our exports to these markets substantially, especially in textiles, consumer and durable goods. As an example, Grenada imported

W.I.\$350,000 of cotton piecegoods in 1960 and \$215,000 worth during the first six months of 1961, of which Canada supplied only \$1,667 and \$100 respectively; the United States captured the bulk of this business.

The two Canadian gift ships, the *Federal Maple* and the *Federal Palm*, provide a regular fortnightly service to these islands, taking up transshipment cargo at Trinidad, Barbados and Jamaica. This service,

with the Saguenay ships operating out of Montreal and Halifax, makes these islands easily accessible to Canadian exporters.

The Leeward and Windward Islands, with an expanding economy resulting from continuing development and increasing production, offer a limited but steadily expanding market to Canadian exporters of consumer, textile and household goods, appliances and building materials. ●

## British Guiana

**Business cautious after disturbances this year and some firms have sold out. Canadian sales of capital equipment down because alumina plant completed, but newsprint and foodstuffs show gains.**

C. J. ST. PIERRE, *Assistant Trade Commissioner, Port-of-Spain.*

DESPITE the troubled conditions in British Guiana which affected general import and domestic trade, Canadian exports to this market for the first six months of 1962 held fairly steady; they totalled \$2,262,921 compared with \$2,619,506\* for the same period of 1961. Generally speaking, annual imports into British Guiana are a good index of business activity, as most goods and foodstuffs are brought in for immediate consumption. Up-to-date statistics are not available, but the comments of importers and commission agents alike suggest that currently business is slow. Merchants are extremely reluctant to place orders for goods other than the tried-and-true basics, or to consider any new lines. Property values have fallen drastically; some businesses were wiped out by the fire during the riots and others that had been

established for many years have now sold out to erstwhile competitors.

### Exports at Record High

Continued bauxite shipments and new sales of alumina during 1961 pushed exports to \$146.5 million, up from \$125 million in 1960. Imports totalled \$147 million, leaving an unfavourable trade balance of only \$455,000, compared with \$22.1 million in 1960. This improvement in the trade balance does not mean that business has progressed significantly, however. One major export, alumina, produced by a new mill of the Demerara Bauxite Co. Ltd., which was completed in early 1961, accounts for the increased totals. Shipments of alumina and bauxite represent one-third of all exports. Aside from bauxite, the economy depends mostly on the cultivation of sugar and rice. Imports as a whole did not maintain the marked improvement registered in 1960 (see Table I).

\*Values in West Indies dollars unless otherwise indicated. W.I.\$1.00=Can.\$0.63.

On January 31, 1962, the first budget under the new self-governing constitution was presented to the Legislature. As a protest against the stiff tax measures contained in it, a general strike (which included the civil service) took place. In February, rioters burned and looted a good portion of Georgetown's business centre, leaving at least 2,000 people unemployed and causing over \$11 million damage.

A three-man Commonwealth Commission of Inquiry was appointed to investigate the causes of the disturbances. According to its report just published in Britain, the riots were not a manifestation of rebellion or civil war, and there was no evidence that they were the direct result of racial conflict. The report stated that partial cause of the tragedy was political rivalries and the frustrated ambitions of some of Dr. Jagan's former supporters, which fostered resentment and antagonism towards Premier Jagan and his party. Other factors were a feeling of insecurity, fear that the country would obtain independence under a government with Communist leanings, and the hostility of trade union leaders, some of whom had personal grievances against the Premier and his Ministers.

The political situation has improved considerably since then and talks for independence began in London in October. It is expected that, upon attainment of this long-contemplated goal, British Guiana will become a republic within the Commonwealth, called Guyana.

### Resources Undeveloped

British Guiana covers an estimated 83,000 square miles and has a population of 575,000. Eighty-six per cent is forest, 10.5 per cent savannah, and 3.5 per cent a coastal belt where nearly all its people live. The interior is reported to be rich in high-grade iron ore, oil and hydro power. To reach these resources it will be necessary to open roads into the hinterland and this, together with general economic development, will

require a large amount of capital for years to come.

### Foreign Investment

British Guiana has already begun to exploit its contacts with East European industrial organizations. It has agreed to purchase \$10 million worth of machinery from Czechoslovakia and, in return, the Czechs will buy 20,000 tons of rice a year, valued at \$4.42 million, from British Guiana. It has also sold Cuba some 66,000 tons of rice worth \$8 million. At present Cuba is selling cement to British Guiana and plans to establish a plant here for the manufacture of cigars. Developments such as these have received wide publicity in the press.

Because of the unsettled business conditions and the uncertain political climate, no noteworthy investment has come from Western countries. There are no statistics available yet to indicate the extent, if any, of capital outflow. However, the Government did impose new exchange restrictions early in the year to prevent the export of money, which is not easy to come by these days in British Guiana.

### Trade with Canada

Canada's exports to this market last year were down to Can.\$5.27 million from \$7.43 million in 1960. The decline is explained by the fact that the Demerara Bauxite Co. Ltd. finally completed construction of its \$65 million alumina plant, which started in 1956, and imports of machinery and capital equipment from Canada consequently dropped to \$411,000 from \$2.13 million in 1960. Imports of Canadian wheat flour were also down sharply because of the competition from French and United States mills with their sales of subsidized flour.

Exports to British Guiana of the following products increased: sardines, split peas, cotton fabrics, newsprint, medicinal preparations, pickled pork and potatoes (see Table III).

TABLE I  
BRITISH GUIANA'S FOREIGN TRADE

Year	Imports	Exports	Trade Balance
			(W.I.\$'000)
1955	94,518	90,533	- 3,985
1956	99,877	94,692	- 5,185
1957	118,470	108,086	-10,384
1958	116,026	97,228	-18,798
1959	110,620	103,520	- 7,100
1960	147,799	125,728	-22,071
1961	147,000	146,545	- 455

Source: *Statistical Digest*, the Statistical Bureau, Georgetown, B.G.

TABLE II  
CANADIAN IMPORTS FROM  
BRITISH GUIANA

	1959	1960	1961
	(Can.\$'000)		
<b>Total</b>	<b>18,033</b>	<b>18,921</b>	<b>23,281</b>
Of which:			
Bauxite, alumina for refining	6,929	8,199	11,011
Sugar, raw	7,999	8,276	9,636
Alumina and bauxite, n.o.p.	1,801	1,516	1,552
Molasses	524	487	569
Rum	731	373	432

TABLE III  
CANADIAN EXPORTS TO  
BRITISH GUIANA

	1959	1960	1961
	(Can.\$'000)		
<b>Total</b>	<b>4,392</b>	<b>7,428</b>	<b>5,272</b>
Of which:			
Dried pollock	540	650	551
Machinery and capital equipment (14 DBS classifications)	56	2,131	411
Split peas	289	160	226
Cotton fabrics	78	138	200
Sardines	170	187	191
Pickled pork	146	108	157
Newsprint	129	137	156
Reapers, threshers or combines	7	323	151
Medicinal preparations	78	112	139
Planks and boards	82	120	115
Mining machinery and parts	144	121	111
Potatoes	170	60	89
Wheat flour	489	414	69

Source: DBS.

### New Shipping Service

After a lapse of five years, the Booth Line was re-established in

May this year and offers regular fortnightly shipping service from Montreal and Halifax to Georgetown, British Guiana. This means that Canadian exporters now enjoy three direct freight services to British Guiana, because Saguenay

Shipping Ltd. and the Royal Netherlands Line in mid-October instituted a direct service from East Coast and St. Lawrence ports to Paramaribo, Surinam. At one time, Georgetown was the transshipment port for Canadian exports to this Netherlands

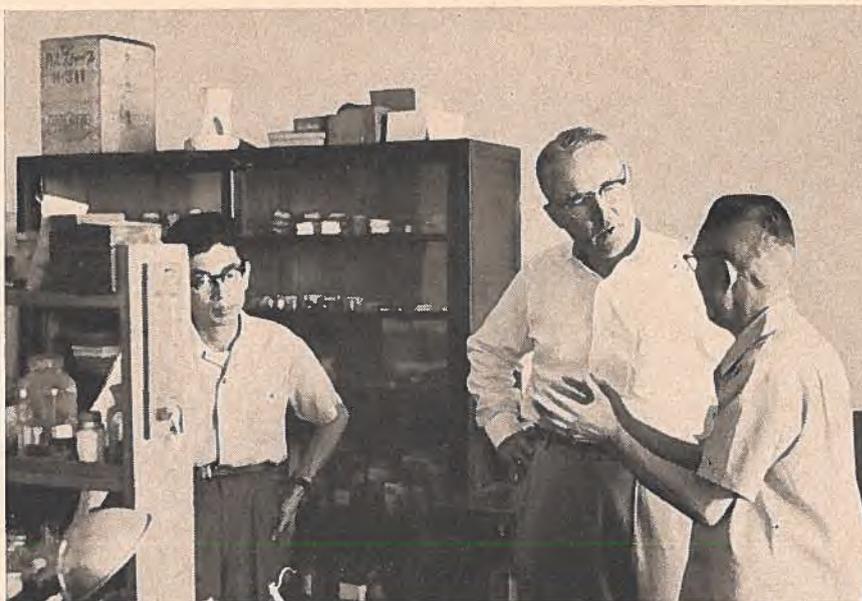
territory, but more recently, transshipments have been made in Curacao, Netherlands Antilles. The loss of this business occurred in 1961 and should not be attributed to British Guiana's disturbances in 1962. ●

## SHIPPING SERVICES FROM CANADA TO THE CARIBBEAN

### FROM

<b>TO:</b>	<b>Pacific Coast</b>	<b>Great Lakes</b>	<b>St. Lawrence and Atlantic</b>
<b>Bahamas</b>			Saguenay Shipping Ltd. <i>(Saguenay Shipping Ltd., Montreal)</i>
<b>Barbados</b>		Michigan Ocean Line <i>(Protos Shipping Ltd., Toronto)</i>  Saguenay Shipping Ltd.	Booth Line <i>(March Shipping Agency Ltd., Montreal)</i>  Michigan Ocean Line <i>(Robert Reford Co. Ltd., Montreal)</i>  Royal Netherlands Steamship Co. <i>(Montreal Shipping Co. Ltd., Montreal)</i>  Saguenay Shipping Ltd.
<b>British Guiana</b>			Booth Line  Royal Netherlands Steamship Co.  Saguenay Shipping Ltd.
<b>Jamaica</b>	"K" Line <i>(Johnson Walton Steamships Ltd., Vancouver)</i>	Saguenay Shipping Ltd.	Canada Jamaica Line <i>(Kerr Steamships Ltd., Montreal)</i>  Saguenay Shipping Ltd.
<b>Leeward and Windward Islands</b>			Saguenay Shipping Ltd.
<b>Trinidad and Tobago</b>	Mitsui Line <i>(Pacific Export Lines Ltd., Vancouver)</i>  Moore-McCormack Lines <i>(Balfour, Guthrie (Canada) Ltd., Vancouver)</i>	Michigan Ocean Line  Saguenay Shipping Ltd.	Booth Line  Michigan Ocean Line  Royal Netherlands Steamship Co.  Saguenay Shipping Ltd.

George Beavers (centre) is deep in a discussion of dental equipment with the president (right) of a dental manufacturing company in Kyoto, Japan, and with the chief engineer of the company's research and quality control and testing laboratory. This company distributes Beavers products in Japan.



## Beavers Builds an Export Business

They said it couldn't be done when George Beavers decided to start the first dental bur business in Canada. Now, some twenty years later, his carbide burs compete with the best anywhere and 85 per cent of his production goes to markets around the world.

MARGOT MARTIN, "Foreign Trade".

CHANCE and circumstances not of his own making thrust George Beavers into the dental bur business, but with his energetic approach and willingness to take a well-calculated risk, he has made a remarkable success of it. Once launched into bur production—a pioneer industry in Canada—Mr. Beavers went on to develop export markets in competition with old established European and United States companies, and by last spring was selling in 52 countries.

The Beavers story began in 1939 when, after some years of selling experience with Canadian and United States firms, George Beavers decided that he wanted a business of his own. He bought the Challies Tooth Brush Company (the first

toothbrush manufacturer in Canada) located in Morrisburg, an old Ontario town on the St. Lawrence River. He was busy building this business up, coping with the war-time problem of finding alternative sources for the materials for handles and bristles (normally imported from China), and trying to fill large orders from the Canadian Armed Services (brush imports were restricted), when he was presented with a new and thorny problem.

The Services were desperately short of dental burs. Before the war, no dental burs were made in Canada and all were imported—60 per cent came from Germany, 25 per cent from Britain, and 15 per cent from the United States. Now Germany was out as a source of supply,

and Britain and the United States could barely meet their own needs. The U.S., which used to import 50 per cent of its requirements, was asking its three manufacturers to provide 100 per cent of the civilian and service supplies. None could be spared for Canada.

Could Mr. Beavers undertake production of dental burs at his toothbrush factory? On the face of it, the answer was no. Delicate precision machinery and skilled technicians were essential. He had neither—and he knew absolutely nothing about dental burs. However, he agreed to look into the possibilities and after talks with a leading U.S. manufacturer, some travelling and detective work he located the old, discarded and rusted bur-making machinery once used by an Ogdensburg, N.Y., plant and brought it back to Morrisburg to serve as a prototype. Six months passed before he was able to find a toolmaker who could construct a machine for him and turn out a few hundred sample steel burs to send to Ottawa for

testing. A government contract for three-quarters of a million burs followed and he went into production with a handful of unskilled workers. Beavers Dental Products Limited was born.

During the long struggle to get started, Mr. Beavers had become intensely interested in the bur field and decided that he wanted to stay in it, in spite of the obvious difficulties and the frightening competition. "Most people in the dental trade in Canada and elsewhere felt it could not be done," he says.

### Postwar Growth

In 1946, with the European war ended, fate stepped in again and gave George Beavers a chance to take several giant steps. Under Allied Intelligence sponsorship, teams of experts were being sent to Germany to investigate the technological advances there and Mr. Beavers was asked to look into the dental bur industry. (Germany had been a leader in the development and manufacture of dental equipment.) His investigations led him to Duesseldorf and Rudolf Funke, who had once been the world's largest manufacturer of dental burs and now wanted to emigrate. Mr. Beavers knew that with Mr. Funke's technical knowledge and experience he could create a first class plant, and he was determined to bring him to Canada. In September 1947, Mr. Funke and two master craftsmen from Duesseldorf arrived in Morrisburg and immediately began to design and build the automatic machines which would turn out five million steel burs a year, compared with 1.25 million in four years from the manually operated machines the plant had been using.

When his own funds and all that he could borrow ran out, Beavers applied to the newly formed Industrial Development Bank and received the third loan issued.

Ten years later it was time to take the next step—the switch from steel to the tungsten carbide burs used with the new air-turbines for

painless dentistry. Beavers now produces only carbide burs but the company has a large stock of steel burs that many dentists are still using.

Beavers began to export to the United States while he was still making steel burs. The limited Canadian market for professional dental products (Canada has only 5,500 of the world's 300,000 dentists; the U.S. has 90,000 and Japan 30,000) could not support a business which uses expensive materials and must carry on continuous research to develop new types and techniques. By 1959, with production switched entirely to carbide burs, he was exporting 90 per cent of his output to the United States. He could have been satisfied with his comfortable Canadian and U.S. markets, but with Rudolph Funke he began to plan to invade Latin America and Europe. Why? "It never pays to put all your eggs in one basket," George Beavers says. Wouldn't it be difficult for such a small organization—the office staff consists of Mr. Beavers and Miss Marguerite Clarke—to handle all the paperwork? Miss Clarke says yes, there are a lot of forms to be filled out but once you become familiar with the regulations and requirements and establish a system, the complications disappear.

Mr. Beavers was completely confident that his burs could compete in quality with the best the older manufacturers were offering but he knew they would also have to compete in price with offerings from many lower-wage countries. He would have to offer something extra. The "extra" is consistently high quality, one of the largest assortments of burs in the world, and fast delivery. This combination brought the company success in Latin American and European markets, including Mexico, Brazil, Argentina, Uruguay, Britain, France, the Netherlands, Belgium, Denmark, Finland, Norway, and Sweden. Last year Beavers added Australia, New Zealand, Indonesia, the Philippines, Malaya, Singapore, Thailand, Bur-

ma, India, Ceylon, Hong Kong and Japan to his list of markets, for a total of 52. Japan has already proved to be a substantial market. In the last six years, Beavers Dental Products has increased its bur sales by 50 per cent; sales to the United States now account for only half of the business done.

### Beavers' Export Formula

How did this small company, producing one specialized product, become a worldwide exporter in spite of the severest competition? Both Mr. Beavers and Mr. Funke emphasize and re-emphasize two points: top quality, consistently maintained, and fast delivery. Mr. Beavers adds international thinking, a form of business philosophy that he strongly advocates.

To maintain its reputation for quality, the company puts each bur through intensive quality control tests. The cutting efficiency tests are performed on glass that equals the hardness of tooth enamel. It makes a large variety of burs—70 different sizes and designs in five different shapes for a total assortment of 350. Customers are asked to return burs if they are not satisfied with their performance. These are immediately replaced without charge, even when tests show (as they do in 75 per cent of the replacements) that the dentist's operating equipment and techniques were responsible for the failures. The Beavers employees are proud of their record of only  $\frac{1}{2}$  of 1 per cent replacement returns from all over the world.

All the company's shipments are sent air cargo, express or mail. This is possible because the burs can be made up into small packages comparatively light in weight. It is also essential because of the delicacy of the burs. Deliveries can be made to most markets within three to five days; a Beavers distributor in Denmark recently commented that he had received shipments from Canada faster than from his neighbour, Germany. The company ships f.o.b. Morrisburg and all import details

are handled by its customers. Appropriately for the age of better dentistry, the made-in-Canada burs are trademarked JET.

A well-organized stockroom also speeds up the shipments. Packages coded by colour and number make it easy to pick out the varieties and quantities wanted and a hurry-up order can be assembled in a matter of minutes. Hugh Jarvis, a Morrisburg man who has been with Mr. Beavers since he was seventeen, is responsible for much of the excellent organization throughout the plant. With such a small staff, it is hard to see how the company could have survived without this systematic approach.

International thinking means to Mr. Beavers an open, unprejudiced mind and tactful consideration for individual and national feelings and methods. It also means knowing what is going on in his line in other countries—finding out what the best is like and equalling or bettering it; being ready to move at once with the new trends. He says he received his best business lesson while he was being briefed to go to Germany for British Intelligence. He was asked: "If the victory had been reversed and an investigator was sent from the other side to look into developments in the Detroit automobile industry, what would be the most valuable information he could obtain?" Mr. Beavers answered: "The method used to integrate operations in the assembly plants." The correct answer was "Ideas for future development not yet on the drawing board but in someone's head".

Mr. Beavers personally visited and developed all his export markets, and he revisits them from time to time. As a small businessman, it is his experience that these market tours must be all business or the cost will be prohibitive. And they must be well planned to be effective—you can't peddle from street corners, he says. For his 1961 Far East tour, for instance, he took one year to make his plans and every detail

of his schedule and appointments was arranged before he left Canada with the assistance of the Trade Commissioners in those countries. In this way he was able to cover 40,000 miles in seven weeks. During a trip to develop new customers, he always makes a point of visiting his old customers and assuring himself that they are satisfied with his product and service.

A small tip from an experienced world traveller—if you belong to an international organization, wear your service club button when you go abroad. It will bring you many extras in friendship and help, George Beavers says.

### How T.C.'s Help

Mr. Beavers uses all the government facilities available to assist exporters, particularly the Trade Commissioner Service. But, he adds, the Government can only give you background information and advice; the rest is up to you. He has worked out a series of questions that he sends to the Trade Commissioner during the planning stage of an assault on a new market. Most of the answers can be easily obtained from the country's dental association. This is his standard letter to Trade Commissioners:

"Following is the initial market survey information that would be helpful for us to establish trade relations in your country:

1. Total population of country.
2. Number of practising dentists (our products, carbide dental burs, are sold and used *only* by dentists).
3. Number of dental schools and locations.
4. Number of dental students now registered at above schools.
5. Number of graduates in dentistry each year.
6. Percentage of dentists now owning air turbines in practice (estimated)—modern dentistry through-

out the world is changing over to this ultra-fast-speed equipment. Carbide dental burs are specifically adapted to use with this new type equipment.

7. What is prevailing tariff structure on import of carbide dental burs into your country from Canada?

8. Are there any currency or import control regulations covering purchases of carbide dental burs from Canada?

9. Number of established dental supply dealers and names.

10. Is there any predominant dental supply dealer in the country? Most of our dealers are the leading or best dealers in this business. We aim for the best representation, rather than second or third class outlets."

Ten is the big question because Mr. Beavers gives his distributors a free hand and his export business depends for success on their ability and reliability. He asks for a financial report on the distributors recommended and he selects them himself during a personal visit. He does not mention prices during initial negotiations with prospective distributors (nor does he give them to the Trade Commissioners). The distributor chosen sets his own retail prices according to conditions in his country. Some of Mr. Beavers' dealers handle his burs in more than one country: his English agent sells to British Crown Colonies, his 16 markets in the Far East are serviced by seven agents, and the eight Central American countries are serviced from Mexico.

### The Personal Touch

When it comes to promoting his product, George Beavers doesn't—in the usual sense. His formula for running a small, specialized business is no promotion, no front, and no throat-cutting. He leaves advertising and selling to his distributors (another reason why he must have reliable ones), and he doesn't tell

them how to do it—they know their own country and the best approach to their countrymen. He believes that the only way superior quality can be demonstrated is to let the prospect prove it for himself. He feels that a product like his gets its best publicity by word of mouth: wherever dentists gather there is bound to be shop talk about equipment and techniques and George Beavers makes sure that the dentists know his burs. He seizes every opportunity to talk to his consumers and to visit dental schools in Canada and abroad; he attends most of the

major dental conventions; he sees to it that samples of his burs reach the leading dentists in each country, because they are regarded as authorities in the profession and their opinions carry weight among their confreres.

As well as contacting the dental schools, the Beavers company endeavours to have new types and designs of burs tested by the staff and the students (who could be future customers). This function is left to the local distributors who will benefit from it later. Dental methods vary from school to school and the

company must produce burs to conform.

Because of his personal contact with practising dentists, Mr. Beavers frequently receives suggestions for changes in burs or for new types. All suggestions are investigated and if possible the type of bur the dentist wants is developed.

This personal interest and extra service has been a major factor in George Beavers' success in creating a new and unique Canadian industry. He has proved that a small business can do big business—in Canada and around the world. ●

# The Ocean Freight Market

*Transportation Division, Trade Services Branch.*

FREIGHT rates continued to decline during the third quarter, reaching in many cases the lowest level recorded since the war. The index of tramp-shipping freights issued by the Chamber of Shipping of the United Kingdom stood at 72.4 in August (1960=100), the lowest point since the calculations were resumed in 1948. Corresponding with the decline in freight rates, there was a significant increase in the number of dry cargo vessels laid up for lack of employment.

Tanker freight rates for black oil from the Caribbean to the Northern Range of United States Atlantic ports

averaged A.T.R.S. minus 50.25 per cent and Intascale minus 30.4 per cent (which very nearly correspond). Rates from the Persian Gulf to the Northern Range reflected a slightly increased demand over the previous quarter.

Reprints of an introductory article on this subject, published in the April 21, 1962, issue of *Foreign Trade*, are available from the Transportation Division, Trade Services Branch, Department of Trade and Commerce, Ottawa.

## CHARTER RATES—THIRD QUARTER 1962

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £=\$3.03 and U.S.\$=\$1.08. For comparison, the rates a year ago are shown in column C with the Canadian dollar equivalent in column D calculated at £=2.88 $\frac{1}{2}$  and U.S.\$=\$1.033.

### TIME CHARTERS

Average rates per deadweight ton per month for the third quarter of the year were as follows:

	1962		1961	
	Third Quarter		Third Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
<b>General trading (approximately 6 months)</b>				
Motorships, 9,000-10,999 dwt., 9-10.9 knots .....	.....	.....	.....	.....
Motorships, 9,000-10,999 dwt., 11-12.9 knots .....	\$2.35	2.54	.....	.....
Motorships, 9,000-10,999 dwt., 13-15 knots .....	\$2.35	2.54	24s. 4d.	3.51

	1962		1961	
	Third Quarter		Third Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
<b>General Trading (approximately 6 months)</b>				
Motorships, 11,000-12,999 dwt., 13-15 knots .....	\$2.23	2.41	22s. 8d.	3.27
Motorships, 13,000-15,000 dwt., 13-15 knots .....	\$2.18	2.35	22s. 11½d.	3.32
Steamships, 9,000-10,999 dwt., 9-10.9 knots .....	.....	.....	16s. 11d.	2.44
Steamships, 11,000-12,999 dwt., 13-15 knots .....	.....	.....	.....	.....
<b>General trading (approximately 12 months)</b>				
Motorships, 9,000-10,999 dwt., 9-10.9 knots .....	.....	.....	19s. 6d.	2.82
Motorships, 9,000-10,999 dwt., 13-15 knots .....	.....	.....	.....	.....
Motorships, 11,000-12,999 dwt., 13-15 knots .....	\$2.37	2.62	22s. 6d.	3.25
Motorships, 13,000-15,000 dwt., 13-15 knots .....	.....	.....	22s. 1½d.	3.19
Steamships, 9,000-10,999 dwt., 9-10.9 knots .....	.....	.....	\$2.47	2.55
Steamships, 13,000-15,000 dwt., 13-15 knots .....	.....	.....	.....	.....
<b>West Afrlcian Rounds</b>				
Motorships, 9,000-10,999 dwt., 11-12.9 knots .....	15s. 7½d.	2.37	\$3.15	3.25
Motorships, 9,000-10,999 dwt., 13-15 knots .....	.....	.....	24s. 1d.	3.48
Steamships, 9,000-10,999 dwt., 9-10.9 knots .....	.....	.....	16s. 9d.	2.42

### TRIP CHARTERS

Average rates for the third quarter of the year were as follows:

	1962		1961	
	Third Quarter		Third Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
<b>Heavy grain (per long ton)</b>				
St. Lawrence to Britain .....	28s. 10d.	4.73	47s. 0d.	6.79
St. Lawrence to Belgium/Holland .....	\$2.64	2.85	\$4.81	4.97
Great Lakes to Britain .....	52s. 9d.	7.99	88s. 6d.	13.20
Completing St. Lawrence .....	23s. 3d.	3.52	48s. 6d.	7.23
Great Lakes to Belgium/Holland .....	\$6.58	7.11	\$8.90	9.20
Completing St. Lawrence .....	\$2.65	2.86	\$4.22	4.36
Great Lakes to Belgium/Holland (tanker) .....	\$5.70	6.16	\$8.00	8.27
Completing St. Lawrence (tanker) .....	\$1.75	1.89	\$3.26	3.37
Churchill to Britain .....	40s. 2d.	6.09	54s. 3d.	7.83
Churchill to Belgium/Holland .....	\$3.88	4.19	.....	.....
British Columbia to Britain .....	.....	.....	61s. 6d.	8.88
British Columbia to Belgium/Holland .....	.....	.....	\$6.06	6.26
British Columbia/North Pacific to Japan .....	\$4.60	4.97	\$6.68	6.90
British Columbia to West Coast of India .....	46s. 3d.	7.01	62s. 10d.	9.07
British Columbia to Communist China .....	.....	.....	42s. 2d.	6.09
<b>Lumber and general cargo</b>				
British Columbia to Britain (per long ton) .....	\$9.84	10.62	\$11.72	12.11
British Columbia to Australia (lump sum, Liberty size) .....	.....	.....	\$116,250.00	111,250.00
British Columbia to U.S. Atlantic (lump sum, Liberty size) .....	.....	.....	\$72,500.00	74,901.00
<b>Scrap, Iron and Steel (per long ton)</b>				
U.S. Atlantic to Japan .....	\$9.46	10.21	\$14.33	14.80
California to Japan .....	\$5.58	6.03	\$7.64	7.89
North Pacific to Japan .....	.....	.....	\$7.26	7.50
<b>Coal (per long ton)</b>				
Hampton Roads to Belgium/Holland .....	18s. 2d.	2.75	29s. 5d.	4.25
Hampton Roads to Japan .....	\$6.45	6.97	\$9.36	9.67
<b>Black Oil (per long ton, tankers)</b>				
Venezuela to Portland, Maine .....	\$1.55	1.67	\$1.43	1.48
Persian Gulf to Portland, Maine .....	\$4.72	5.10	\$4.49	4.64

## Markets in Brief: BRITAIN

**Area:** 94,214 square miles (England 50,327, Wales 8,017, Scotland 30,411, Northern Ireland 5,459).

**Population distribution:** (millions)—London and Southeast Region 16.1, Merseyside and Yorkshire 10.1, Midlands 8.6, Scotland 5.1, Northeast Coast 3.7, South Wales and Bristol Channel 2.3, Northern Ireland 1.4; age distribution (per cent)—under 15, 23.3; 15 to 65, 65.1; 65 and over, 11.6.

**Currency:** pound sterling; £ 1=Can.\$3.0134.

**Wages and salaries:** average weekly industrial wage £ 11.10.0. (\$34.85); average weekly salary (non-manual wage) £ 14.19.0. (\$45.30).

**Shipping:** London, Liverpool, Southampton, Bristol and Glasgow are served regularly by sailings from Canadian east and west coast ports, and in the summer season from Hudson Bay and St. Lawrence-Great Lakes ports.

**Value of imports:** (million £) 1961—4,398; 1960—4,541; 1959—3,983.

**Value of exports:** (million £) 1961—3,841; 1960—3,696; 1959—3,461.

**Adverse trade balance:** (million £) 1961—557; 1960—845; 1959—522.

**Import breakdown:** (per cent) food, drink and tobacco 34, basic and raw materials 24, minerals and fuels 11, manufactured goods 31.

**Export breakdown:** (per cent) engineering goods 45, other manufactured goods 39, other 16.

**Value of imports from Canada:** 1961—Can.\$908,837,401.

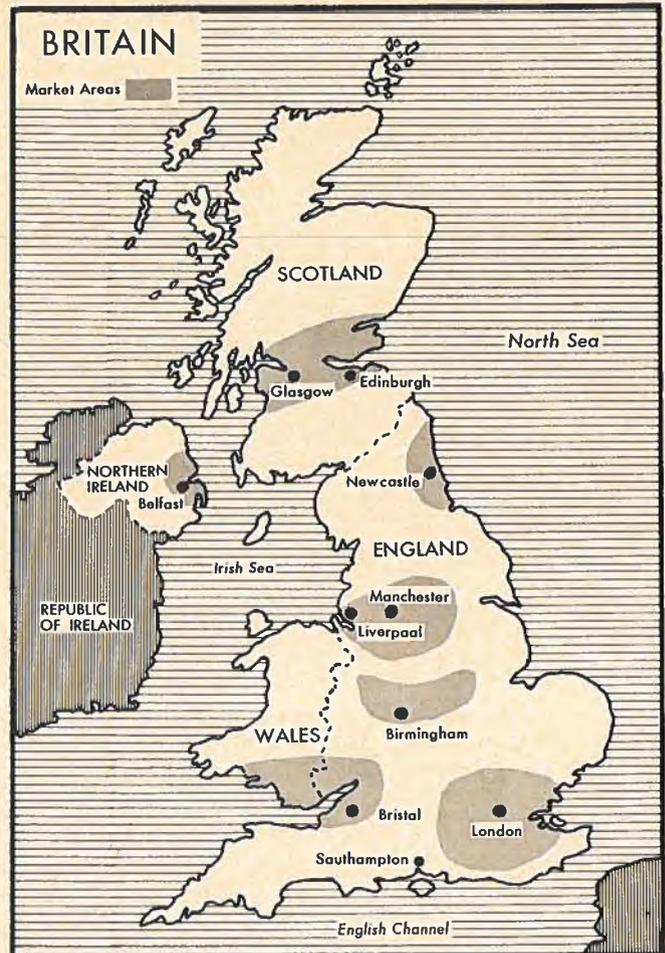
**Value of exports to Canada:** 1961—Can.\$618,225,047.

**Imports from Canada by type:** (Can.\$) 1961— agricultural and vegetable products (except chemicals, fibres and wood) 253,130,408; animals and animal products (except chemicals and fibres) 37,741,743; fibres, textiles and textile products 12,051,457; wood, wood products and paper 178,068,915; iron and its products 50,436,454; non-ferrous metals and their products 321,532,385; non-metallic minerals and their products (except chemicals) 14,154,213; chemicals and allied products 36,694,633; miscellaneous commodities 5,027,193.

**Exports to Canada by type:** (Can.\$) 1961—agricultural and vegetable products (except chemicals, fibres and wood) 40,475,327; animals and animal products (except chemicals and fibres) 18,289,588; fibres, textiles and textile products 85,616,849; wood, wood products and paper 10,207,670; iron and its products 257,696,485; non-ferrous metals and their products 66,862,506; non-metallic minerals and their products (except chemicals) 32,130,854; chemicals and allied products 29,600,738; miscellaneous commodities 77,345,030.

**Samples:** salesmen's samples of no commercial value enter duty free; other samples admitted upon payment of duty deposit.

**Import controls, documentation, customs tariffs, marking and labelling:** in 1961, 96 per cent of Canadian exports to Britain entered duty free; a wide range of Canadian products enjoy preferential margins. Import restrictions have been few since 1959. The principal restrictions remaining against Canadian goods are on certain fresh fruits and vegetables and products. For details, consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.



**Canadian banks:** the Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and Toronto-Dominion Bank have branches in London; all have correspondent British banks in major centres throughout the country.

**Correspondence:** airmail, 15 cents per half ounce.

**For detailed information on this market write to:**

Commonwealth Division  
International Trade Relations Branch  
Department of Trade and Commerce  
Ottawa

or

LONDON  
Minister (Commercial)  
Office of the High Commissioner for Canada  
One Grosvenor Square  
London, W.1

LIVERPOOL  
Canadian Government Trade Commissioner  
Martins Bank Building  
Water Street  
Liverpool 2

GLASGOW and BELFAST  
Canadian Government Trade Commissioner  
Cornhill House  
144 West George Street  
Glasgow C.2

# Britain in 1962

## Highlights

- ★ Britain is Canada's second biggest customer.
- ★ It is the largest and most compact *overseas* market open to Canadian sales efforts.
- ★ It has three times Canada's population in an area no larger than Southern Ontario or Southern Quebec.
- ★ Over 1,250 Canadian firms are now actively selling in Britain.
- ★ Canadian sales of secondary manufactured goods are rising.

B. C. BUTLER, *Minister (Commercial), London.*

IN 1961, British exports to North American and sterling countries fell as a result of the slower pace of business activity in those countries. This year, however, Britain has been benefitting from the still buoyant European market, where the largest British export gains have been made, and from the improved economic climate in the United States; exports to that country have also risen. A further economic factor in Britain's favour has been lower world prices for the primary commodities which British industry uses as its raw materials.

## Terms of Trade Favourable

The British Board of Trade index for import prices (1954=100) has moved from a high of 107 in 1957 to an all-time low of 96 in the first six months of 1962. The export price index, however, has climbed steadily since 1955 to the all-time high of 116. Paying less for her raw materials and obtaining better and better prices for her exports of manufactured goods, Britain is obviously 'on a good wicket'.

## British Exports Do Well

A report on Britain's trade in 1961 appeared in *Foreign Trade of*

April 21st last. In the first seven months of 1962, British exports surged upwards; in July, they were more than 6 per cent above July 1961. The strongest rise was in engineering products. The Government feels that sophisticated engineering goods hold most promise for continued expansion of exports. Exports of metals have not been expanding appreciably in recent years and textile exports have been declining.

Though imports of foodstuffs rose to some extent in the second and third quarters because of the generally bad summer weather in Britain, imports of industrial and other materials fell slightly. The balance-of-payments position in September was reasonably healthy and sterling was strong.

## Production Up

The heavy engineering and machine tool industries are operating at record production. Motor cars and consumer durables are having a moderately good year, especially compared with last year. Sales have benefitted from small reductions in purchase tax in this year's Budget. Unemployment for the country as a whole stands at 2.1 per cent and

in important areas, notably London and the industrial Midlands, there is a scarcity of labour.

## Government's Economic Plans

As a measure to control the wage-price inflationary spiral, midway through 1961 the Government asked business and labour to observe a so-called 'wage pause', suggesting that, until productivity caught up with incomes, wage and salary increases be limited to 3 per cent. Though this policy has been vigorously criticised from many quarters, it probably helped to check inflationary pressures.

To advise Government in the formation of longer-term policies related to the country's economy, the National Economic Development Council (Neddy) was set up toward the close of 1961 with 17 members representing business, labour, government and the nationalized industries. After one of its early meetings, it announced as a target an annual increase in gross national product of 4 per cent over the period 1961-66. NEDC is now engaged in a detailed study of 17 key British industries with a view to constructing a 'model' of the whole economy as a basis for positive recommendations.

The establishment of a companion body, the National Incomes Commission (Nicky) was recently announced. The labour unions have voiced strong objections to this body and its membership has not yet been made public.

## Trade with Canada

Exports to Canada declined somewhat in the first seven months of 1962—to £118 million from £138 million in the similar period of 1961. Nearly half of this drop, however, reflects unusually large sales of aircraft and ships last year.

Since the second half of 1959, when imports from dollar countries, including Canada, were liberalized, hundreds of Canadian firms have re-entered the British market or made new sales connections there. As our offices in this country played an active part in making many of these arrangements, we have fairly complete records and know that some 1,250 Canadian firms are now doing business in Britain. It is doubtful whether as many Canadian companies are represented in any other export market and the range of

goods is impressive. (For an analysis, see *Foreign Trade* of April 21, 1962.) Britain is catching up to North American standards. Canadian luxury—and leisure—goods are well received.

Initially, most of these Canadian firms made a sales arrangement for the London area but many are now penetrating into other parts of the country. Although London is, of course, the largest marketing area (see map page 24) there are markets almost as large that should not be ignored—for example, Scot-

land and Northern Ireland, Merseyside and North Country, the Midlands, Wales. Each of these regions contains more consumers than, say, Southern Ontario or Quebec, and Canadian exporters who have sold successfully in one region should, if they have sufficient volume, study other regions to ensure that their products are being as widely distributed as possible. Our offices in London, Liverpool, Glasgow and Belfast will gladly assist in market studies of this kind. ●

## *What's current in commodities?*

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### **Ski Equipment**

**United States**—Imports of skis in 1961 totalled \$1.6 million, with Japan and Austria the leading suppliers. Demand for all types of ski equipment growing; Canadian winter-sports prestige high and could be exploited to help us win larger share of market.

W. J. MILLYARD, *Consul and Trade Commissioner, Philadelphia.*

"AN 18-year-old in the United States would just love to buy a ski outfit with a label marked CANADA, the home of skiing champions!" said an American visitor to the Second Canadian Samples Show which the Federal Government sponsored in Montreal last June. His remark illustrates clearly a fact that many Canadians fail to realize: Canada enjoys tremendous prestige in this country in the winter sports field. A corollary to this is that a vast, receptive market lies open to Canadian manufacturers of skis and the many other accessories that skiers need.

With winter moving in again, the thoughts of thousands of Americans

are turning once more to skiing, now one of their fastest growing and most popular sports. Although the slopes of New England attract the greatest numbers, areas in the Midwest and on the Pacific Coast are growing in importance, so that skiing is truly a national pastime. Philadelphia skiers flock by the thousands on weekends to the resorts in the Pocono Mountains, fifty miles to the north.

#### **Large Market for Equipment**

Millions of dollars go into the sport every year; there are no adequate statistics to show just how much. In addition to the large sums spent on transportation and food

and lodging, a great deal of money goes into equipment, including clothing, boots, cables, bindings, poles, waxes and lacquers, and the skis themselves. Prices of many articles, particularly skis, boots and clothing, range from the cheap to the very expensive. Style is important. Many customers will pay a large premium for appearance, as skiing is a social sport associated with smart fashions.

There is a well-established and diversified industry within the country which caters to the sport. Nevertheless, imports sell in volume and offer stiff competition to U.S. brands both in price and quality. Some of this trade is going to Canada but if Canadian manufacturers took a greater interest in the market, we could capture a much larger share of it. For instance, U.S. statistics show that last year 187,050 pairs of skis valued at \$1,644,032, entered the country. It will probably surprise some readers to learn that

Japan was the leading supplier, with 106,000 pairs of skis costing \$547,000. Austria was in second place, with 39,000 pairs valued at \$635,000. Canada was far down the line in eighth position—4,214 pairs worth \$19,000. It is apparent that more Canadian skis should and could be sold here.

### How to Sell

Inquiries we have made in the trade show that the distributors who are doing the largest volume of business with retail stores and ski clubs are those who are able to offer a wide assortment of merchandise. The salesman who can quote on skis, poles, boots and bindings will probably achieve a larger turnover in bindings than one who offers bindings only. One good item helps sell another and saves

time and paperwork for the purchaser.

Ski-goods representatives in this country know these facts and are always on the lookout for lines complementing the ones they already have. An importer with the exclusive U.S. selling rights for a brand of Norwegian skis and Austrian boots would be a good prospect for Canadian gloves, caps and socks. A Canadian manufacturer anxious to contact such a firm could probably make an effective approach through the Ski Industries of America, 444 Madison Avenue, New York. Each spring this national organization holds a week-long show in New York and the leading importers, manufacturers and dealers in the country exhibit. Both the 1962 and 1961 show booklets have complete classified lists of all the participants

and a limited number of copies are still available.

Some Canadian manufacturers and dealers have already exhibited in this big event. It is without doubt the leading forum for the whole industry. We hope that in 1963 the "Made in Canada" mark will be seen there, blazing new ski trails in record numbers.

To get started in the right direction, contact the Canadian Government Trade Commissioners in Philadelphia, New York, Boston, Chicago, Detroit and Los Angeles. Supply them with full information on what you have to offer, including duty-paid delivered prices and descriptive literature. With this in hand, they can make a preliminary survey of the market on your behalf and can establish contacts for your on-the-spot follow-up. ●

## Boats and Boating Equipment

**United States**—The mushrooming demand for boats and boating equipment in the Eastern States offers opportunities for Canadian manufacturers. Entering one or more of the boat shows in this area next year is an excellent way of trying out this market.

CHARLES SINKLER, *Commercial Officer, Philadelphia.*

TWELVE million pleasure boats in the United States by 1970—that's the forecast. This same estimate puts the number of participants in boating by 1970 at 60 million compared with 36 million today.

With the 1962 season ended, the trade is already turning its attention to 1963. At the end of World War II, the pleasure-boat industry moved into a new and exciting era. Many things contributed to the rapid growth of boating—the population shift from city to suburbs, more money to spend on non-essentials, more paid vacations and longer ones, a general but pronounced swing to participation sports, overcrowding of other recreational areas.

In 1947 it was estimated that less than 2½ million pleasure boats were in use and about \$900 million was spent on marine equipment at the retail level. Today, over seven million boats operate on U.S. coastal and inland waters and the marine enthusiasts spend almost \$2.5 billion a year on pleasure marine products. Boating is becoming so popular in some parts of the country that the two-boat family is beginning to appear.

Can Canadians get a foothold in this tremendous market? Yes, but there is no easy formula. First of all, they should clearly understand that marine establishments do not limit themselves to performing a

single function and there is a lot of overlapping. For example, retail dealers frequently handle non-marine lines that often comprise a significant amount of their sales volume. These retailers are at times marine wholesalers as well. In addition, marinas sometimes serve as both boatyards and traditional outlets. Boatyards often operate as marinas and also retail certain products and accessories. It is important to note how marine establishments classify themselves, as this is often the key to their mode of operation.

### Participation in Boat Shows

One positive way to reach this market is to exhibit at the nine-day National Motor Boat Show in New York in January. In the first three days the show is open to the trade only and on the other six is open to everyone. Trade registration at the 1962 show included the following:

Boating associations	7
Brokers	43
Consultants	35
Dealers	2,629
Designers	54
Distributors	535
Investment and finance	16
Jobbers	82
Manufacturers	714
Manufacturers' representatives	167
Publishers' representatives	20
Research	5
<hr/> Total	<hr/> 4,307

Total attendance was estimated at 400,000 and orders placed at the show totalled approximately \$34 million. A few Canadian firms have participated in this show in the past. There should be more.

Actually, the New York Show triggers off a series of smaller shows in the area and many exhibitors go from one to the other. In 1962 the following shows were held after the New York one:

Cherry Hill (Camden, N.J.) Boat Show, January 25-February 3; attendance 35,000.

New Jersey Boat Show, Haddonfield, N.J., February 7-12; attendance 37,000.

Jersey Coast Boat Show, Asbury Park, N.J., February 17-25; attendance 30,000.

Motor Boat and Sportsman's Show, Philadelphia, Pa., March 2-10; attendance 60,000.

The 1963 dates will be about the same. In addition, there will be a new boat show in Atlantic City in April 1963.

### Philadelphia in Center

The territory covered by the Consulate in Philadelphia takes in some of the most concentrated pleasure boating areas in the world. Southern New Jersey has 2,309 marine sales establishments, Pennsylvania 3,094, Delaware 249, Maryland 1,633, Virginia 1,483, and West Virginia 418. These figures include dealers, jobbers and wholesalers. In the Consulate we have detailed lists and are in a position to offer effective assistance to any Canadian manufacturer interested in any phase of the boating industry, from minor accessories to boats themselves, provided the product is attractive and the prices right. Come down and explore this market. We will be glad to help you. ●

# The U.S. Trade Expansion Act 1962

J. R. DOWNS, *Chief, U.S. Division, International Relations Branch.*

The U.S. Trade Expansion Act of 1962, which became law on October 11, confers highly significant powers on the Administration, in trade agreements with other countries, to reduce or eliminate tariffs on imports into the United States. This important measure has been widely reported and commented upon elsewhere. The purpose of this article is to analyze existing Canadian export trade with the United States in terms of the new tariff negotiating authority available to the United States Government. It is not intended to describe the Act in detail; instead, a brief bibliography is added to provide reasonably comprehensive documentation for Canadian readers.

THE U.S. Trade Expansion Act empowers the President to conclude trade agreements with other countries up to June 30, 1967. There are four types of authority providing scope for elimination or reduction of U.S. tariffs under such agreements. These are:

- *Basic Authority*—To reduce duties in the U.S. tariff, but not below 50 per cent of the rate existing on July 1, 1962.

- *Low Duty Authority*—To remove duties on articles where the rate of duty on July 1, 1962, was 5 per cent (or the equivalent in the case of specific duties) or less. Duties on such articles could be reduced by more than 50 per cent or removed.

- *Special EEC Authority*—In a trade agreement with the European Economic Community as constituted at that time, to remove duties on articles within categories of trade

where the U.S. and the EEC together account for 80 per cent or more of free world exports. Duties could be removed or cut by more than 50 per cent. The basic authority may also be exceeded for agricultural products, if the President determines that such agreement with the EEC will assist U.S. exports of the like product.

- *Special Tropical Authority*—To remove tariffs on certain tropical agricultural and forestry products, provided the EEC arranges for comparable access for the same products on a non-discriminatory basis.

The Act requires that some articles must be reserved from negotiations by the United States, including particularly those articles to which import restrictions are applied on national security grounds, and those subject to restriction under the escape clause provisions of the former trade legislation or of the Act itself.

On the basis of the foregoing description, and of trade and tariff data, U.S. imports from Canada in 1961 have been analyzed as follows:

Import items already free of duty\*—U.S. \$1,645 million

Main items reserved from negotiation—220 million

Items under low duty authority, excluding those above—600 million approximately

Items under special EEC authority, excluding those above—180 million approximately

Items covered only by the basic authority† —440 million approximately

\*Exclusive of items moving under Defence Production Sharing.

†Apart from the reserved items, all articles are of course covered by the basic authority.

From the standpoint of Canadian trade, the main items on the free list are newsprint, pulp, iron ore, natural gas, farm machinery, undressed furs, fertilizers, some crude minerals, breeding cattle, poles and Christmas trees. Those on the reserved list are petroleum and derivatives and lead and zinc ores, concentrates and metal.

Negotiable items under the low duty authority include pork and products, a range of fish products, inedible wheat and some feeds, barley malt and sprouts, apples, maple sugar, lumber, pig iron and some steel items, and nickel. The foregoing assessment is based on U.S. trade data for the year 1961, as well as on rates of duty in the U.S. tariff on July 1, 1962. In instances where the U.S. happened to apply a specific duty to imports on July 1, 1962, the choice of a base period by the U.S. authorities for the purpose of computing the ad valorem equivalent of such duties could conceivably determine whether or not any given item will be listed under the low duty authority. (Since prices change, the ad valorem equivalent could differ from time to time.) Although there are many specific duties in the U.S. tariff, it seems unlikely that the actual base period to be chosen will greatly affect the list in this way.

## Brief Bibliography

Message from the Prime Minister to the President of the United States, and the President's reply, *Hansard*, October 16 and October 19.

The Trade Expansion Act of 1962. (A summary issued by the U.S. Department of State.)

Trade Expansion Act Is Law, article by Secretary of Commerce Hodges in *International Commerce*, U.S. Department of Commerce, October 22, 1962.

Canadian exports of a kind that may well be covered by the EEC authority under the Act are set out in Table I, in terms of Canadian export statistics. Last February, the U.S. Department of Commerce made public an "illustrative list" to provide a general picture of the scope of the EEC authority then proposed, on the assumptions that the EEC would be enlarged to in-

clude most countries of Western Europe and that the Standard International Trade Classification would be employed for the purpose of technical calculations under this authority. Table I provides Canadian export figures for the categories (or groups) of trade that appeared on the U.S. illustrative list.

It has been convenient to use U.S. import figures for some parts

TABLE I  
1961 Exports from Canada classified by SITC Groups  
which appeared on the U.S. Illustrative List†

Group No.	Description	1961 Exports to:	
		All countries	U.S.
		(millions of Can.\$)	
711	Power generating machinery	38.1	23.3
712	Agricultural machinery	85.3	75.7
714	Office machinery	27.7	5.5
715	Metalworking machinery	7.8	5.0
716	Industrial machinery	58.3	29.4
721	Electric machinery	69.8	37.8
731	Railroad vehicles	7.0	1.9
732	Road motor vehicles	38.5	5.5
733	Other road vehicles	2.0	2.0
734	Aircraft	80.8	62.3
512	Organic chemicals	38.0	22.6
533	Pigments and paints	1.6	0.6
552	Cosmetics, cleansing preparations	0.8	0.4
599	Miscellaneous chemicals	22.1	5.7
612	Leather manufactures	0.9	0.3
613	Fur skins, dressed	2.0	0.9
621 & 29	Rubber articles and materials	7.0	3.0
664	Glass and glassware	1.0	0.9
862	Photographic supplies	2.8	1.2
891	Musical instruments	1.3	1.3
321	Coal, coke, briquettes	10.8	3.8
	(Other groups)*	0.9	0.2
<b>Total</b>		<b>504.4</b>	<b>289.1</b>

†Excludes re-exports. Four of the groups shown are original SITC groups, namely, 552, 599, 716 and 721. All others are revised SITC groups.

\*Non-alcoholic beverages (111); margarine and shortening (091); sugar confectionery, etc. (062); and tobacco manufactures (122).

of the analysis above because these trade statistics can be related to U.S. tariff duties with some precision, a significant point when (for example) the scope of the low-duty authority is to be examined. It will be seen that Canadian exports to the world of the products in question approximated \$500 million in 1961 and to the United States some \$290 million.

The export figure of \$290 million includes shipments of items already duty-free in the U.S. tariff (particularly sales of some \$75 million worth of agricultural machinery). The figure for items usually dutiable in the U.S. tariff approximates \$200 million. This latter figure appears to include substantial shipments from Canada under the Defence Production Sharing arrangement with the U.S. (see article in *Foreign Trade* of August 11, 1962, "Getting Business through Defence Production Sharing"), whereby U.S. duties on certain imports are suspended. For various technical reasons, a precise breakdown of the \$200 million figure as between traditional exports and Defence Production Sharing shipments is difficult to provide. In 1961, however, it is roughly estimated that of dutiable items in question, Production Sharing shipments accounted for some \$85 million and traditional shipments for some \$115 million.

Production Sharing shipments, however, should not be regarded merely as another duty-free element already in existence. There are, for example, traditional shipments of similar or related items for civilian purposes over the existing tariff. In addition, greater sales under the program indicate the ability of Canadian manufactured exports to compete in this field and to expand on the basis of duty-free access.

The items of interest in Canadian trade covered only by the basic authority apparently include cattle, beef, barley, some fish items, whisky, hardwood veneers and plywood, paper products, steel prod-

ucts, aluminum, and copper. The foregoing items are part of a residual list which remains after the scope of other relevant lists has been assessed. Thus to the extent that the low duty authority or the EEC authority, as finally determined under the procedures laid down by the Act, may differ somewhat from what is shown here, the basic authority list as now itemized would also naturally differ.

### Aspects of Negotiation Procedures

The United States can, of course, employ its powers under the basic authority and under the low duty authority for the purpose of entering into an agreement with any

most-favoured-nation country, provided that the principal supplying country negotiates. The powers under the EEC authority are available for the purpose of entering into an agreement with the EEC but countries apart from the United States and the EEC could, within multilateral procedures, also take part in these particular proceedings. Tariff concessions negotiated with one trading partner would be available to all most-favoured-nation countries, under the MFN rule.

In conclusion, it should be noted that the foregoing text omits reference to several other important aspects of the Trade Expansion Act, which it is not the purpose of this article to discuss. ●

### "Project Communications"

A Canadian firm of international consulting engineers, whose principals range the world for development projects on every continent, has taken seriously Prince Philip's admonition to the Federation of British Industries about learning to communicate with international customers in their own language. The Prince told the FBI, following his sixty-day visit to South America, "It would be better to go out there in a bowler hat speaking Spanish, than in a sombrero speaking English only."

This made sense to the Vancouver firm, Sandwell and Company, which has engineers on location in a dozen different countries and is faced with the problem of communicating in as many languages, from Spanish to Urdu.

The firm immediately decided to do something about it and embarked on a series of language classes for senior personnel. The first course, in Spanish, which was recently completed, extended over ten weeks, with three 2-hour sessions per week in the conference room. At the end of that time the seven adult students, all senior professional engineers, were able to express themselves and understand the language reasonably well.

All members of the group are destined for projects in Latin America and the company believes that their ability to speak basic Spanish will

contribute to a mutual understanding with their South American counterparts that is more than simply vocal. The fact that they have taken the trouble to learn the language will create a favourable impression and engender friendly co-operation with the nationals of the country in which they are carrying on their work.

The distaff side of the international field staff was not overlooked. While the engineers were studying on company time in the company offices, special courses for their wives were provided at company expense by the Adult Education Division of the Vancouver School Board. This step was considered not only good for family morale, but will enable the wives to supervise servants and household marketing and participate more easily and graciously in the social life of the community.

Both groups used the same texts but the wives, who were not striving for the same initial fluency, were scheduled for only 28 hours of personal tutoring compared with their husbands' total of 80 hours.

Further classes in Swedish and German are already being considered. By the time "Project Communications" is completed, the company will have senior engineers able to negotiate and work amicably with officials and people of many countries in their own language. ●

# Japan Continues Import Liberalization

Last month the Japanese Government took measures that increased liberalization of import trade to 88 per cent of the value of private imports in 1959. Foreign exchange budget for commodity imports in second half of fiscal year, ending March 31, 1963, up 1.4 per cent.

A. P. BISSONNET, *Commercial Counsellor, Tokyo.*

THE Japanese Government announced on September 29 that the country's level of import liberalization would be raised to 88 per cent as from October 1. At the same time, the foreign exchange budget for commodity imports for the second half of the fiscal year (October 1, 1962, to March 31, 1963) was set at \$3,154 million, a 1.4 per cent increase over the previous half-year.

The 88 per cent liberalization (based on the value of 1959 imports) falls short of the 90 per cent liberalization that the Government had previously expected to achieve. The reasons given for this slight difference are a delay in freeing the import of heavy fuel oil, copper, lead, and certain manufactured goods and the withholding of liberalization of certain imports from those countries still considered to be discriminating against imports from Japan. None the less, despite the barriers that remain, Japan has made considerable progress towards unrestricted import trade and the trend is definitely towards the removal of most, if not all, of the remaining restrictions in the foreseeable future.

The Japanese foreign exchange budget is divided into two sections—visible (commodity), and invisible imports; these are set out in detail in Tables I and II. In drawing up these budgets, the Japanese authorities have made known a few of the factors which were considered. The rate of growth in industry and in mining during the first half of the fiscal year, for instance, was estimated to be about 4 per cent and for the second half of the year, the forecast is for a 'bearish' situation. A build-up in inventories is therefore not expected. Moreover, the increased liberalization of imports is expected to cause only a temporary though sharp increase in demand for foreign exchange.

The Automatic Approval (AA) and Automatic Fund Allocation (AFA) appropriations, it should be noted, have been increased to 74 per cent of the total budget from 64 per cent in the first half. This is significant and reflects the increased liberalization of import trade. (No foreign exchange limitations are imposed on AFA items but government approval is required for these imports. The import of AA items must also be approved but approval

is automatic.) These two appropriations are considered to be sufficient in the present economic circumstances to cover all normal increases in imports. If the appropriated funds should be insufficient, under new legislation the Minister of International Trade and Industry may, at his own discretion, transfer funds from the reserve to the AA and AFA budgetary allocations.

The Fund Allocation budget (FA) represents funds available for the import of commodities remaining under strict import control. The principal commodities coming under this budget (some are of importance to Canada) are listed below, plus the comparison with previous fiscal allotments.

## PRINCIPAL IMPORT COMMODITIES

	2nd half fiscal '61	1st half fiscal '62	2nd half fiscal '62
(Units: 1,000 tons, 1,000 kl.)			
Wheat	927	810	915
Refined sugar	550	627	565
Salt	1,205	1,370	1,465
Coking coal	6,155	5,612	4,428
Heavy fuel oil	3,622 kl.	2,035 kl.	3,369 kl.

## Liberalization Progresses

The Negative List (see *Foreign Trade*, June 2, 1962) which was established in April 1962 and which names the tariff items remaining under import control has now been reduced from 492 to 262 commodities. In this way, Japan has achieved liberalization of 88 per cent of the value of private imports during the calendar year 1959. The previous rate of liberalization was 73 per cent, and 11 per cent of the 15 per cent increase is represented by the freeing of crude petroleum. The freeing of machinery and minerals accounts for the remaining 4 per cent.

Items deleted from the Negative List particularly significant to Canada include molybdenum (which becomes an AA item), paper pulp, kraft paper, tissue papers, swine leather, articles of leather for industrial use, and red cloverseed—all

**TABLE I**  
**FOREIGN EXCHANGE BUDGET, OCTOBER 1962-MARCH 1963**

Commodity	Oct. '61- Mar. '62	Apr. '62- Sept. '62	Oct. '62- Mar. '63
	(revised)	(revised)	
	(U.S. \$'000)		
Foodstuffs	163,485	177,936	179,912
Monopoly goods	37,168	9,482	39,797
Coal (including coke)	105,252	86,845	66,890
Metals and non-metallic minerals (including ores)	94,000	58,000	40,000
Petroleum products	62,644	36,253	51,686
Crude petroleum and raw petroleum oil	208,969	192,439	.....
Machinery	450,000	350,000	240,000
Miscellaneous goods	184,482	133,045	155,715
Automatic Exchange Allocations (AFA)	220,000	220,000	380,000
Automatic Approval (AA)	1,800,000	1,650,000	1,800,000
Sub-total:	3,326,000	2,914,000	2,954,000
Reserves	200,000	200,000	200,000
<b>Grand total:</b>	<b>3,526,000</b>	<b>3,114,000</b>	<b>3,154,000</b>

**TABLE II**  
**FOREIGN EXCHANGE BUDGET, OCTOBER 1962-MARCH 1963**  
**INVISIBLE IMPORTS**

Scheduled Items	Apr.-Sept. 1962	Oct. 1962- Mar. 1963
	(revised)	
	(U.S.\$'000)	
Transportation	97,500	.....
Insurance	900	.....
Foreign travel	9,000	.....
Profit payments for foreign investment	11,200	.....
Expenses accompanying trade transactions	76,200	.....
Foreign technological assistance	8,500	.....
Other services	57,900	.....
Gifts	1,100	.....
Expenses accompanying commodity trade	8,400	.....
Sub-total:	270,700	263,000
Long-term capital transactions	84,000	.....
Short-term capital transactions	4,000	.....
Sub-total:	88,000	112,000
<b>Liberalized Items</b>		
Current transactions	421,500	485,000
Capital transactions	49,000	338,000
		(*233,100)
Sub-total:	470,500	823,000
Reserve fund	15,800	50,000
<b>Grand total:</b>	<b>845,000</b>	<b>1,248,000</b>

\*This figure represents repayment to U.S. banks of principals of loans.

AFA items. Remaining under the FA system—or strict control—are copper ingot, lead, zinc, coal, sulphur, whisky, wheat, macaroni, spaghetti, barley, tobacco, malt, honey, flour, cattle, rapeseed and mustardseed. (Complete information about Negative List items can be obtained from the Asia and

Middle East Division, Department of Trade and Commerce, Ottawa.)

#### **Balance-of-Payments Position**

Japan's foreign exchange reserves, which had reached a seriously low level in the early summer of 1961, have since improved and at the end of September

amounted to \$1,710 million. The rise is attributed to a remarkable reduction in imports as a result of a slowing down of the nation's economy and the influx of considerable long-term foreign capital. This improved position is expected to result in further abolition of import restrictions, which had been justified in the GATT for balance-of-payments reasons.

#### **Outlook**

For Canadian exporters of manufactured products, the Japanese market is undoubtedly becoming more accessible. Tariffs and competitive domestic and other foreign manufacturers, however, will make it a most difficult one in which to sell. If you have a product that can compete abroad, you should not fail to investigate the possibility of selling it in Japan and in this the Commercial Division of the Canadian Embassy, Tokyo, can help you.

For exporters of primary products Japan offers good long-term prospects. At the moment the Japanese economy is advancing at a slower pace than in the last few years. This interim condition is bound to change and a growing demand for basic raw and semi-raw materials can be expected in the years to come.

#### **Tours of Commodity Officers**

ONE of the principal functions of the Commodities Branch is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Director of the Commodities Branch, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

# FOREIGN TARIFFS

## AND TRADE REGULATIONS

### Australia

**IMPORT RESTRICTIONS REMOVED**—Effective October 18, 1962, the Australian Government removed from import licensing all products except those on which quantitative restrictions have been imposed for protective purposes pending the receipt of a Tariff Board Report on long-term needs. The remaining restrictions cover aluminum ingots and alloys, certain ball bearings, certain classes of timber, and penicillin and streptomycin. In addition, certain classes of second-hand and disposals machinery for earthmoving or construction purposes will remain subject to import restriction.

### Austria

**TARIFF REDUCTION ON CERTAIN CONSUMER GOODS**—The Austrian authorities have informed the GATT Secretariat that on September 5, 1962, tariff reductions, for the most part of 10 per cent, were introduced on a number of consumer goods. Among these are:

Travel goods of leather or of composition leather  
Gloves of leather or of composition leather  
Unwrought plates, sheets and strips of copper  
Sewing machine heads  
Vacuum cleaners and floor polishers  
Chairs and other seats made of base metal  
Bovine cattle leather tanned in the same way as sole leather  
Vicuna yarns and yarns made from waste up to 10 English count  
Furnishing fabrics other than those with raised pile  
Handkerchiefs  
Travelling rugs and blankets of wool or of fine animal hair  
Footwear with outer soles of leather.

*Detailed information may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.*

### Finland

**NEW CURRENCY REGULATIONS**—The Finnish President has approved a new Currency Act that will become effective from midnight on December 31. Under the new regulations the present Finnmark will become one Penni of which there will be 100 to the new Mark.

Cheques, notes, coins, postage and fiscal stamps, etc., valid on December 31 will continue to be valid thereafter in Finnmarks, but at 1/100th of the value shown on them. No time limit has yet been announced for the validity of existing currency.

Contracts and other instruments will be valid for the amounts shown therein but in old or new Marks according to whether they were concluded before or after midnight on December 31.

### Ghana

**BUDGET CHANGES AFFECTING IMPORT DUTIES AND PURCHASE TAX RATES**—As a result of the recent Budget in Ghana extensive amendments have been made to both the Ghanaian Tariff and the Purchase Tax Act. These changes took effect on October 8 and are applicable to imports from all sources. Although the amendments are too numerous to reproduce in entirety, the principal changes of interest to Canadian businessmen are summarized below:

#### Purchase Tax

Purchase tax on furniture was increased from 66½ to 100 per cent. The purchase tax provision covering passenger autos was revised and is now based on a c.i.f. Ghana value, rather than on engine capacity as before. The rate of purchase tax increases with the price of the vehicle and ranges from 10 to 75 per cent. The rate on motor vehicles valued at from \$2,100 to \$2,700 is 25 per cent. The former effective rate on vehicles with an engine capacity from 1,701 to 2,500 c.c. was 33½ per cent, and on those exceeding 2,500 c.c., 66½ per cent. New purchase tax rates ranging from nil to 33½ per cent are now provided for commercial vehicles imported both fully assembled or for assembly in Ghana. The purchase tax on refrigerators and air-conditioning units, washing machines, vacuum cleaners, floor polishers, and various floor coverings has been reduced to 33½ per cent from 66½ per cent. On domestic stoves, ovens, water heaters, toasters, kettles, irons, and desk fans the rate has been cut from 33½ to 10 per cent.

#### Import Duties

In the recent Budget the Ghanaian Tariff was extensively revised. Several new items were inserted, such as private aircraft 15 per cent ad valorem, paraffin wax and tallow 20 per cent ad valorem, and edible oils 20 per cent ad valorem. Many existing rates of duty were altered, e.g., parts and accessories for motor vehicles from 10 to 5 per cent ad valorem; fish, preserved wholly by the cold process, from 4 pence per lb. to 6 pence per lb.; other kinds of fish, including salted and canned, from 2 pence per lb. to 3 pence per lb.;

wheat flour from 2 pence per lb. to 5 pence per lb.; meat of all kinds from 3 pence per lb. to 6 pence per lb.; vegetables, fresh, dried, canned or preserved by the cold process, from 6 pence per lb. to 1 shilling per lb. In addition, the effective rate of duty applicable to the basket item for unenumerated goods, which covers a wide range of products both semi-processed and fully manufactured, was increased from 30 to 33½ per cent.

*Full details of the changes are available from the Commonwealth Division, International Trade Relations Branch, Department of Trade and Commerce.*

### Israel

**IMPORT TRADE CONTROL REGULATIONS LIBERALIZED**—The Ministry of Commerce and Industry of the Government of Israel announced recently the further liberalization of imports into Israel. Goods that were formerly prohibited may now be imported into Israel under automatic licensing procedure. Under this arrangement, an importer will be granted an import licence automatically and without question on application.

The commodities affected by this liberalization are: shellac, sewing machines, linseed oil, starch, enamelled household equipment, technical leather goods, duplex cardboard, cotton wool, soups, tools cast and not cast, cardboard cones for textile industry, phenol and formaldehyde powder, gas appliances, ceramic ware for electricity.

A previous announcement regarding liberalization of import trade in Israel was published in the August 25, 1962, issue of *Foreign Trade*.

### Lebanon

**IMPORT RESTRICTIONS REVISED**—Under the current import trade control regulations of Lebanon, some seven commodities are prohibited from import, and a substantial schedule of 63 items are subject to the procurement of a prior import licence. Most other goods not included in the schedule of restricted goods may be imported freely into Lebanon without an import licence.

*The complete schedule of goods subject to restrictive measures on import into Lebanon, revised to October 17, 1962, may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce.*

### Rhodesia and Nyasaland

**TARIFF CHANGES**—Recently the Federation of Rhodesia and Nyasaland raised rates of duty on some 60 items in their Tariff. Among the products affected were processed foodstuffs, men's and women's clothing, piecegoods, a wide range of iron and steel manufactures, and footwear of all kinds. The ad valorem

increases ranged from 2½ to 15 per cent, with the average increase amounting to about 10 per cent.

Canada's principal exports to the Federation—passenger cars, wheat, newsprint, synthetic rubber, lumber, rock drilling machinery, motor vehicle parts, wrapping paper, and sparkplugs—were not affected by the changes.

*Details of the amendments are available from the Commonwealth Division, International Trade Relations Branch, Department of Trade and Commerce.*

### United States

**NEW TARIFF SCHEDULES**—Previous notices in *Foreign Trade*, most recently in the issues of June 16 and July 28, 1962, have brought to the attention of Canadian exporters the proposed new tariff schedules of the United States. Although the new consolidated schedules are not yet available in their final form (they will probably come out in late November or early December), the U.S. Administration expects to bring them into effect on January 1, 1963.

In the meantime, Canadian exporters to the United States who have not yet made themselves familiar with the new schedules in the form in which they are now available are urged to do so as soon as possible. A number of trade and industrial associations in Canada now have these schedules, as does the United States Division of the Department of Trade and Commerce in Ottawa. The United States Division will be happy to advise exporters who are in doubt as to the tariff treatment proposed for their products in the new schedules.

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## Trade Commissioners on Tour

### In Canada

**D. J. McEACHRAN**, Assistant Trade Commissioner in Hong Kong:

Montreal—Nov. 19-27                      Toronto—Nov. 28-Dec. 7  
Vancouver—Dec. 12-21

When he completes his tour and leave, Mr. McEachran will be posted to Lima, Peru, as Assistant Commercial Secretary.

### In Territory

**G. A. BROWNE**, Commercial Counsellor in Stockholm, Sweden, will visit Helsinki, Finland, during the week of November 18.

**J. H. STONE**, Commercial Counsellor in Rome, Italy, will visit Naples for two days in mid-December.

**L. J. TAYLOR**, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Durban December 3-7.

*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. Browne at Stockholm, Mr. Stone at Rome, and Mr. Taylor at Johannesburg.*

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 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 .929692.

## Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 5	Units per Canadian dollar	Notes (See below)
Argentina .....	Peso .....	.....	.007711	129.68	
Austria .....	Schilling .....	.....	.04169	23.99	
Australia .....	Pound .....	.....	2.4107	.4148	
Bahamas .....	Pound .....	.....	3.0134	.3318	
Belgium and Luxembourg .....	Franc .....	.....	.02162	46.25	
Bermuda .....	Pound .....	.....	3.0134	.3318	
Bolivia .....	Potosi .....	Free .....	\$	\$	
Brazil .....	Cruzeiro .....	Free .....	.002301	434.59	
		Special Category .....	†	†	
Britain .....	Pound .....	.....	3.0134	.3318	
British Guiana .....	Dollar .....	.....	.6278	1.59	
British Honduras .....	Dollar .....	.....	.7533	1.33	
Burma .....	Kyat .....	.....	.2259	4.43	
Ceylon .....	Rupee .....	.....	.2260	4.42	
Chile .....	Escudo .....	Free .....	.5241	1.91	
Colombia .....	Peso .....	Certificate .....	.1605	6.23	
Congo, Republic of	Franc .....	.....	.02162	46.25	
Costa Rica .....	Colon .....	.....	.1624	6.58	
Cuba .....	Peso .....	.....	†	†	
Czechoslovakia .....	Koruna .....	.....	.1494	6.69	
Denmark .....	Krone .....	.....	.1554	6.43	
Dominican Republic .....	Peso .....	.....	1.0756	.9297	
Ecuador .....	Sucre .....	Official .....	.05976	16.73	
		Free .....	.04760	21.01	
El Salvador .....	Colon .....	.....	.4303	2.32	
Fiji .....	Pound .....	.....	2.7148	.3683	
Finland .....	Markka .....	.....	.003361	297.53	
France, Monaco, etc. ....	New Franc .....	.....	.2195	4.55	(1)
Franco-African Republics, etc. ..	Franc .....	.....	.004390	227.78	(2)
French Pacific .....	Franc .....	.....	.01207	82.85	(3)
Germany .....	D Mark .....	.....	.2680	3.73	
Ghana .....	Pound .....	.....	3.0134	.3318	
Greece .....	Drachma .....	.....	.03585	27.89	
Guatemala .....	Quetzal .....	.....	1.0756	.9297	
Haiti .....	Gourde .....	.....	.2151	4.65	
Honduras .....	Lempira .....	.....	.5378	1.86	
Hong Kong .....	Dollar .....	Free* .....	.1876	5.33	*Oct. 19
		Official .....	.1883	5.31	
Iceland .....	Krona .....	Official .....	.02501	39.98	(4)
India .....	Rupee .....	.....	.2260	4.42	
Indonesia .....	Rupiah .....	Official .....	.02390	41.84	(4)
Iran .....	Rial .....	.....	.01420	70.42	
Iraq .....	Dinar .....	.....	3.0118	.3320	

‡No quotation available.

†Exchange auctions will be held each week for limited amounts of exchange.

‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

\*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 5	Units per Canadian dollar	Notes (See below)
Ireland .....	Pound .....	.....	3.0134	.3318	
Israel .....	Pound .....	.....	.3585	2.79	
Italy .....	Lira .....	.....	.001733	577.03	
Japan .....	Yen .....	.....	.002988	334.67	
Lebanon .....	Pound .....	Free .....	.3530	2.83	
Mexico .....	Peso .....	.....	.08605	11.62	
Morocco .....	Dirham .....	.....	.2162	4.62	
Netherlands .....	Florin .....	.....	.2979	3.36	
Netherlands Antilles .....	Florin .....	.....	.5704	1.75	
New Zealand .....	Pound .....	.....	2.9928	.3341	
Nicaragua .....	Cordoba .....	Effective buying .....	.1537	6.51	
		Official selling .....	.1527	6.55	
Nigeria .....	Pound .....	.....	3.0134	.3318	
Norway .....	Krone .....	.....	.1504	6.65	
Pakistan .....	Rupee .....	.....	.2260	4.42	
Panama .....	Balboa .....	.....	1.0756	.9297	
Paraguay .....	Guarani .....	Official .....	.008718	114.70	
Peru .....	Sol .....	.....	.04010	24.94	
Philippines .....	Peso .....	Free .....	.2713	3.68	
Portugal & Colonies Republic of .....	Escudo .....	.....	.03741	26.73	(5)
South Africa .....	Rand .....	.....	1.5067	.6637	
Singapore and Malaya .....	Straits Dollar .....	.....	.3514	2.84	
Spain and Dependencies .....	Peseta .....	.....	.01793	55.78	
Sweden .....	Krona .....	.....	.2086	4.79	
Switzerland .....	Franc .....	.....	.2493	4.01	
Syria .....	Pound .....	Free .....	.3003	3.33	
Thailand .....	Baht .....	Free .....	.05061	19.76	(4)
Tunisia .....	Dinar .....	.....	2.6030	.3842	
Turkey .....	Lira .....	.....	.1195	8.37	(4)
United Arab Republic .....	Pound .....	Official .....	2.4739	.4042	
United States .....	Dollar .....	.....	1.075625	.929692	
Uruguay .....	Peso .....	Free .....	.09810	10.19	
Venezuela .....	Bolivar .....	Free .....	.2372	4.21	
		Official .....	.3215	3.11	
West Indies .....	Dollar .....	.....	.6278	1.59	(6)
	Pound .....	.....	3.0134	.3318	(7)
Yugoslavia .....	Dinar .....	Official .....	.001434	697.35	

## Notes

1. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
2. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
3. New Caledonia, New Hebrides, French Polynesia.
4. Additional rates are in effect.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
7. Jamaica.





DEPARTMENT OF  
TRADE AND COMMERCE  
CANADA

FOREIGN TRADE SERVICE

OTTAWA, October 30, 1962.

Mr. G.B. Dickinson,  
Vice-President,  
Justine Dress & Sportswear Mfg. Co. Ltd.,  
Montreal, P.Q.

Dear Mr. Dickinson:

I was pleased to learn from your letter of October 26 that you are now in the process of setting up an export department.

In view of the importance of knowing how to deal with export inquiries, the Department has prepared a number of booklets to help new exporters -- "Functions of the Commodities Branch", "Assistance Which Trade Commissioners Can Render", "Selling Abroad" and "Trade and Commerce at Your Service" -- and I am enclosing a complete set.

To assist you in the job of trade promotion this Division undertakes product studies and market surveys, assists in co-ordinating trade fairs, in organizing trade missions, etc. Information is available on trade opportunities, and arrangements can be made for Commodity Officers to visit your plant and discuss your problems with you. They can advise you on the export potential in markets abroad, as well as on communications, shipping and transportation. All these factors are important in making your initial approach to exporting a success.

It would also be to your advantage to have your firm listed in our Exporters' Directory. This listing is for the confidential use of this Department and our Trade Commissioners abroad. At the same time, it will enable you to deal directly with the Trade Commissioners to obtain reports on local conditions and establish contacts with local agents.

I trust that the foregoing information will be of help to you. I shall be glad to see you any time you are in Ottawa and to discuss your export plans in more detail.

Yours sincerely,

E.G. Gerridzen,  
Assistant Chief,  
Textiles and Consumer Goods Division.

*I want to  
export....*

*Can you  
help me*



**Trade and Commerce Can Help You**