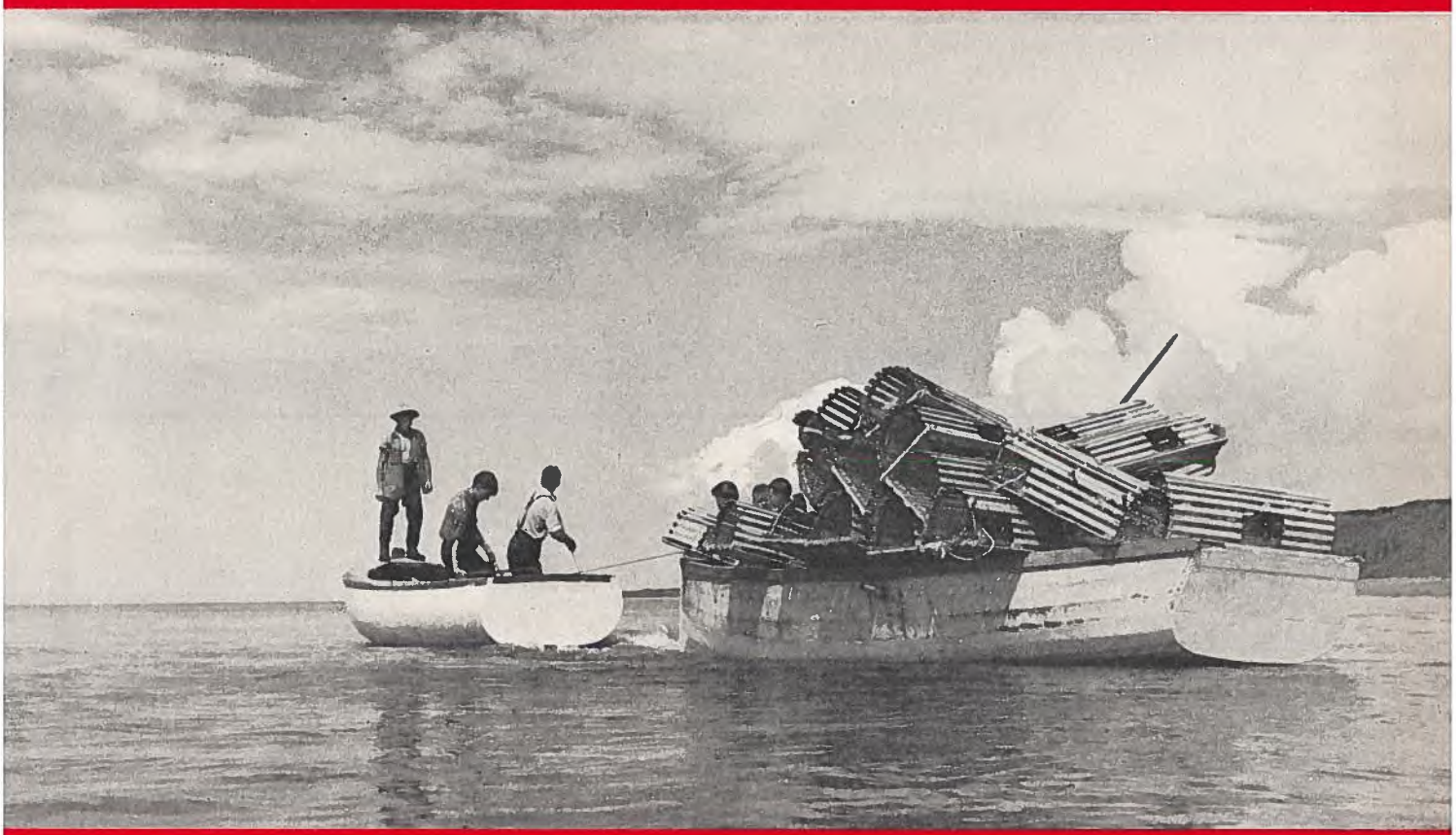
Canada's Fisheries Markets in 1962 (page 2)



FOREIGN TRADE

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—*NFB photo.*

COVER: *A lobster fisherman prepares to set out his traps on a lobstering ground off Canada's east coast. Last year the lobster catch was worth over $19 million and ranked as the biggest by value in the Atlantic fisheries.*

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Canada's Fisheries Markets in 1962

T. R. KINSELLA, *Chief, Fisheries Division.*

LANDINGS in the Canadian sea fisheries during the calendar year 1962 reached 1,982,935,000 pounds, up 7 per cent over the 1961 catch. The landed value totalled $114,395,000, or 16 per cent higher than the figure for the previous year. In all of the Atlantic Provinces the over-all catches increased, except in Nova Scotia where a smaller herring fishery was significant. The situation was reversed in New Brunswick, where herring landings rose to 106,519,000 pounds compared with 56,269,000 in 1961. The total catch in British Columbia was also larger in 1962.

Last year the Canadian fisheries . . .

- **Landed 1.98 billion pounds of ocean fish, worth $114.4 million, 16 per cent above the 1961 value.**
- **Had an Atlantic coast catch worth $67.6 million (up nearly $7 million) and a Pacific coast catch worth $46.8 million**
- **Exported fisheries products worth $156.6 million, an all-time record, to 88 countries.**
- **Imported fisheries products worth $19.6 million in first eleven months of last year, with shrimp in the lead.**
- **Made record sales of fresh and frozen fish, worth $103.1 million, with most going to the United States.**
- **Sold abroad a large quantity of canned fish, worth $19.3 million, thanks to large packs of pink salmon and sardines.**
- **Marketed $12.7 million worth of fresh and frozen lobster in foreign countries, particularly the United States.**

Atlantic Fisheries

The yield of the Atlantic coast fisheries in 1962 was reported at 1,316,448,000 pounds with a landed value of $67,604,000, in comparison with 1,210,051,000 pounds worth $58,894,000 in 1961. The individual catches of cod, ocean perch or redfish, herring, and scallops all showed gains. Landings of haddock and lobster were down, but the values increased because of higher unit prices. Lobster, at $19,581,000, compared with $17,939,000 in 1961, continued to be the most important single fishery in terms of value. The landed value of cod was $18,607,000 ($15,585,000 in 1961), maintaining its position as the second major species in the Atlantic area. The cod catch in 1962 totalled 585,643,000 pounds, or about 13 per cent more than the 517,370,000 pounds landed in 1961.

The extensive spring and summer trap-net cod fishery in Newfoundland presents a singular situation, which is now being investigated by the Fisheries Research Board of Canada. This phase of the Newfoundland cod fishery is unique in that the inshore fishermen have full control of the resources for a limited period. In late spring and early summer, vast schools of cod swarm to the inshore waters in pursuit of caplin. These codfish come within the three-mile limit and are thus beyond the reach of both Canadian and foreign trawlers. As the cod gorge themselves on the smelt-like caplin, they are caught in trap nets. The heavy catches present a glutting problem. There is so much cod available in a short period of time that it creates the question of how best to handle it.

Pacific Fisheries

In 1962 the fishermen of British Columbia caught 666,487,000 pounds, an increase from the 1961 landings of 642,756,000 pounds. The value, at $46,791,000, was 18 per cent over the previous year. The catches of pink salmon and halibut were mainly responsible for

the rise in volume and value. The past season in British Columbia may not have achieved a new peak in value of salmon production, but probably more salmon were taken than ever before. Tabulations of the Department of Fisheries reveal a total 1962 catch of 32,800,000 salmon of all species. The pink salmon catch, a record-breaker, was 23,400,000 fish, nearly 75 per cent of the total of all species. The sockeye catch reflected the disappointing returns to the Fraser in 1962. A total of 3.6 million sockeye was taken during the year, compared with 12 million in 1958, the previous cycle year. The coho catch of 3.6 million fish was the highest since 1951 when 4 million fish were harvested.

The refrigerated sea-water capacity of fishing vessels in British Columbia was quadrupled in 1962 and this turned out to be very timely. Most of the record pink salmon catch was taken in an area (Bella Coola) where canning facilities were inadequate. Consequently, a larger proportion of the catch had to be transported to plants in the Vancouver and Prince Rupert areas, many miles from the fishery. Salmon packers (vessels) were running between the fishery and the canneries almost continually, and the performance of refrigerated sea-water equipment was superior in landing fish of primary quality.

The herring landings were down from 1961, although higher unit prices in 1962 raised the over-all value of this fishery compared with 1961. The catch was greatly curtailed because of the wage dispute between the fishermen and the reduction companies during the months of October-December. This was unfortunate, because the oil yield of the raw fish is quite high in that particular period of the year.

A large part of British Columbia's fishing fleet consists of modern vessels like these, which troll for salmon. They were photographed in harbour at Ucluelet, B.C.

Inland Fisheries

The latest available statistics for the inland or fresh water fisheries of Canada indicate that landings in 1961, at 120 million pounds worth $12.5 million, were a little lower than the 1960 catch of 123 million pounds with a landed value of $12.8 million. Ontario was the leading producer with about 55 million pounds. Manitoba was second in importance, followed by Alberta, Saskatchewan, North West Territories, New Brunswick and Quebec. The important species in terms of value were whitefish, yellow pickerel, perch, pike, and trout. An innovation in the inland fisheries has been a "fish" sausage made entirely from freshwater fish—a new feature for the "convenience" foods industry. The formula for the fish sausage resembles that of the pork product.

There appears to be ample evidence that the lamprey population of Lake Superior can possibly be controlled, according to a report released by the Great Lakes Fishery Commission, a joint Canadian-United States organization now entering the eighth year of its treaty. The lamprey population in Lake Superior, which has played havoc with valuable fish stocks (particularly lake trout), has been reduced by about 80 per cent. Real progress is being made in checking the spread of lamprey populations through the use of a specific poison or lamprecide, which is not harmful to other fish stocks exposed to the low concentration used. This was confirmed by lamprey counts taken in 1962 at electrical barriers placed on streams which are tributary to the lake. The barriers prevent the adult lamprey from ascending the streams to spawn.

Exports Reach Record

Exports of Canadian fisheries products reached an all-time record value of $156,621,000 in 1962, an increase of more than 9 per cent over 1961. Shipments went to 88 individual countries. Exports of fresh and frozen seafish, particularly frozen fillets and blocks, were larger, and sales of frozen coho salmon and freshwater fish fillets of whitefish, pickerel, and perch also showed substantial increases. The quantity of salted groundfish exported was

down but the over-all value was higher than in 1961. Shipments during 1962 reached 88,393,000 pounds ($17,574,000) as against 99,117,000 pounds ($17,065,000) in the previous year. A larger quantity of pickled and dry salted fish was exported in 1962 than in 1961, although the total value was about the same. Shipments of canned sardines were smaller during 1962, but the improved sardine herring fishery in the latter months of the year helped to satisfy the exceptionally strong world demand for Canadian sardines. The record pink salmon pack was the highlight of the canned salmon industry. Exports of molluscs and crustaceans increased in 1962; lobster in the shell, fresh or frozen and canned lobster, as well as fresh or frozen scallops, made good gains. Shipments of fish meal and whale meal increased in 1962 but sales of marine oils decreased.

Table I

Canadian Exports of Fisheries Products by Forms, 1958-1962

	1958	1959	1960	1961	1962
	(millions of dollars)				
All Fish Products	155.02	147.82	138.13	143.35	156.62
Fresh and Frozen	88.20	85.74	89.47	94.97	103.12
Whole or dressed	35.73	33.15	34.94	35.53	37.70
Fillets	35.17	33.37	33.89	37.00	40.59
Shellfish (in shell and meat)	17.30	19.22	20.64	22.44	24.83
Cured	22.70	21.79	22.16	20.68	21.35
Smoked	1.58	1.43	1.31	1.30	1.38
Bloaters and kippers	1.01	0.92	0.85	0.82	0.90
All other	0.57	0.51	0.46	0.48	0.48
Salted and Dried	18.20	17.72	18.48	17.07	17.57
Cod	15.69	14.77	14.98	14.50	14.67
All other	2.51	2.95	3.50	2.57	2.90
Pickled	2.92	2.64	2.37	2.31	2.40
Herring	1.75	1.45	1.40	1.53	1.52
All other	1.17	1.19	0.97	0.78	0.88
Canned Fish and Shellfish	35.63	28.00	17.77	19.87	21.90
Salmon	30.64	22.46	10.93	13.00	15.53
Sardines	2.80	2.95	3.52	3.62	2.61
Lobster	1.82	1.93	2.45	2.06	2.54
All other	0.37	0.66	0.87	1.19	1.22
Miscellaneous	8.49	12.29	8.73	7.83	10.25
Meal	3.85	6.70	3.83	4.53	6.51
Oil	1.32	2.35	2.05	0.61	0.54
All other	3.32	3.24	2.85	2.69	3.20

Imports Also Rose

The value of imports of fisheries products into Canada during the period January-November 1962 amounted to $19.6 million, about $700,000 higher than in the corresponding period in 1961. Shipments were received from 47 countries. Leading imports included fresh or frozen shrimp from the United States, Mexico, and Hong Kong, and supplies were also received from as far away as India. Canned shrimp imports too were significant, with the United States, Japan and Mexico listed as the principal suppliers. Canned tuna nearly tied canned shrimp as the second leading preserved fish import and came mostly from Japan and Peru. Canned sardines and anchovies were also important Canadian purchases. Norway and Portugal continued to provide the bulk of the supply. It was interesting to observe that very little fish meal was imported into Canada during 1962 and that imports of canned salmon from the United States reached nearly 750,000 pounds. Japan furnished only 8,000 pounds, a considerable drop from the previous year. Fresh or frozen groundfish (cod, haddock, and pollock) was also imported from such countries as the United States, Britain, Denmark, and West Germany. Over 650,000 pounds of fresh and frozen halibut were also imported from the United States.

Fresh and Frozen Fish

There was an increasing demand for fresh and frozen fish during 1962, and total exports reached a record high of $103,120,000. The trend towards processing cod and related species in the frozen blocked form continued in 1962, and the bulk of it was exported to the United States for the manufacture of fish portions and fish sticks. Although Canadian exporters were able to sell important quantities of frozen cod fillets and blocks in Britain during 1961, shipments in 1962 were lower because of the higher prices received from importers in the United States.

The Canadian Frozen Fish Trade Mission to Europe during the fall of 1962, which visited Britain, France, West Germany, and Italy, noted a keen interest in Canadian frozen fillets and blocks in all of these markets. Our frozen fish is recognized as a quality product because of rigid inspection procedures and the proximity of our fish plants to the major fishing banks or grounds. The mission found an exceptionally strong demand for Canadian frozen salmon in Britain and France; there was also some interest in West Germany and Italy. Of special significance has been the increased consumption of fish stocks (or fingers) in Britain: it is estimated that more than 600 million fish fingers were sold there in 1961. Largely because of the demand for fish sticks, 16 per cent of the fish landed in Britain in 1961 was quick frozen compared with only 8 per cent in 1955, when fish fingers were first introduced.

Table II

Canadian Exports of Fisheries Products by Countries, 1958-1962

	1958		1959		1960		1961		1962	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
All Areas	155,016	100.0	147,816	100.0	138,130	100.0	143,347	100.0	156,621	100.0
United States	103,321	66.7	98,645	66.7	98,839	71.6	103,824	72.4	114,303	73.0
Total Europe	31,588	20.4	28,751	19.4	18,006	13.0	20,143	14.1	22,710	14.5
Britain	25,453	16.4	22,363	15.1	11,525	8.3	12,965	9.0	14,126	9.0
Belgium and Luxemburg	1,013	0.7	1,139	0.8	1,081	0.8	1,077	0.8	1,603	1.0
France	115	0.1	883	0.6	640	0.5	1,010	0.7	2,027	1.3
Germany—West	565	0.4	487	0.3	438	0.3	525	0.4	675	0.5
Italy	1,214	0.8	1,364	0.9	1,132	0.8	1,147	0.8	1,404	0.9
Netherlands	1,091	0.7	613	0.4	604	0.4	597	0.4	824	0.5
Portugal	532	0.3	993	0.7	906	0.7	1,255	0.9	41	*
Spain	932	0.6	285	0.2	878	0.6	514	0.4	609	0.4
Other	673	0.4	624	0.4	802	0.6	1,053	0.7	1,401	0.9
Total British Carlbbean	6,850	4.4	7,909	5.4	8,191	5.9	8,491	5.9	9,483	6.0
Jamaica	3,319	2.1	4,336	2.9	4,372	3.2	4,495	3.1	5,263	3.0
Trinidad and Tobago	1,189	0.8	1,130	0.8	1,145	0.8	1,364	0.9	1,256	0.8
Leeward and Windward Islands	911	0.6	995	0.7	1,040	0.7	1,019	0.7	1,204	0.8
Barbados	482	0.3	431	0.3	464	0.3	540	0.4	540	0.3
British Guiana	754	0.5	801	0.5	926	0.7	836	0.6	949	0.6
Other	195	0.1	216	0.2	244	0.2	237	0.2	271	0.2
Total Non-British Caribbean	9,674	6.2	9,027	6.1	8,907	6.7	7,182	5.0	6,993	4.5
Puerto Rico	4,017	2.6	2,773	1.9	3,635	2.6	3,709	2.6	2,984	1.9
Dominican Republic	1,599	1.0	1,669	1.1	1,723	1.3	1,294	0.9	2,472	1.6
Haiti	798	0.5	677	0.5	724	0.5	645	0.4	550	0.4
Cuba	2,204	1.4	2,736	1.8	1,839	1.3	693	0.5	308	0.2
Panama	377	0.3	146	0.1	195	0.2	143	0.1	137	0.1
Other	679	0.4	1,026	0.7	791	0.6	698	0.5	542	0.3
Total All Other Countries	3,583	2.3	3,484	2.4	4,187	3.0	3,707	2.6	3,132	2.0
Australia	820	0.5	840	0.6	1,335	1.0	1,477	1.0	1,293	0.8
New Zealand	1,011	0.7	740	0.5	1,412	1.0	906	0.6	511	0.3
Other Commonwealth	384	0.2	466	0.3	591	0.4	504	0.4	419	0.3
Brazil	308	0.2	524	0.4	22	*	143	0.1	76	0.1
Other Non-Commonwealth	1,060	0.7	914	0.6	827	0.6	677	0.5	833	0.5
Total Commonwealth Countries	34,518	22.3	32,318	21.9	23,054	16.7	24,343	17.0	25,832	16.5

*Less than half the unit used.

Soviet officials recently expressed the view that the U.S.S.R.'s ocean fishing fleet is the largest in the world and stated that this enables the Soviet Union to catch up to 9.3 billion pounds a year. Nevertheless, under a new three-year protocol between Iceland and the Soviet Union coming into effect on August 1, 1963, Iceland will deliver annually to the U.S.S.R. 15,000 to 20,000 tons of frozen fillets. This is a considerable reduction compared with the 1960-62 protocol. However, it should have a steadying influence on the world market for frozen fish.

U.S. Is Main Customer

Preliminary returns indicate that total imports of fresh and frozen ocean perch and groundfish fillets and blocks (cod and related species) from all sources into the United States during 1962 were the largest in history—221,382,000 pounds compared with 195,099,000 pounds in the previous year; Canadian exporters furnished 127,934,000 pounds (118,980,000 pounds in 1961). Canada was the leading supplier of fresh and frozen cod fillets, providing 21,391,000 of the 33,009,000 pounds imported into the United States. Iceland was second with 8,495,000 pounds, followed by Denmark, Norway and other producing countries.

Imports of fresh and frozen haddock, hake, pollock and cusk into the United States from all exporting nations were about the same as in the previous year, totalling 25,444,000 pounds compared with 25,590,000 pounds in 1961. Canada's share reached 16,062,000 pounds. Other principal suppliers were Iceland 6,701,000 pounds, Norway 1,349,000, and Denmark 461,000. Imports of ocean perch or redfish fillets were higher, at 19,454,000 pounds in comparison with 18,665,000 pounds in 1961. Shipments from Canada totalled 14,380,000 pounds and from West Germany 3,610,000. Iceland dropped from second to third place with only 1,121,000 pounds.

A major development was the increase in imports of frozen blocks or slabs into the United States in 1962—some 143,475,000 pounds as against 118,609,000 pounds in

1961. Canada was the principal source, shipping 76,101,000 pounds, followed by Iceland (28,416,000 pounds), Norway (17,737,000), Denmark (9,188,000), Greenland (6,264,000), and West Germany (3,143,000). The remainder was furnished by a few other fish-producing countries. These frozen blocks or slabs were shipped to 37 manufacturers of fish sticks and to 41 firms processing fish portions in the United States, who produced 71,733,000 pounds of fish sticks and 77,711,000 pounds of fish portions in 1962, compared with 69,824,000 pounds and 59,847,000 pounds respectively in 1961. Prohibitive tariffs on imports of these particular products into the United States limit our sales to the Canadian domestic market. However, as indicated above, Canada continues to be the leading supplier of frozen blocks to United States manufacturers of fish sticks and portions. Most of these firms are located in the Atlantic coast states, although a considerable number are in the inland and Gulf states, as well as the Pacific coast states.

Salted Fish

The total carryover of stocks of salted fish at the end of the 1961-62 season in the major world producing countries and on the markets—because of the smaller total production—was less than at the end of the 1960-61 period and was not excessive.

Exports of Canadian salted groundfish (cod and related species) in 1962, at 88,393,000 pounds, were down from the 99,117,000 pounds shipped to foreign markets in the previous year, but the over-all value was higher, at $17,574,000 in relation to $17,065,000 in 1961. Jamaica was the most important outlet in 1962, with Puerto Rico maintaining second position.

A Canadian Salt Fish Trade Mission travelled to Brazil, Trinidad, Barbados, Puerto Rico, Dominican Republic, Jamaica, and Cuba during February 1962. The Mission noted an improvement in the differential exchange rates in Brazil. Before the fall of 1961, Canadian exporters were not able to compete with European exporters of salt cod because Brazilian exchange practices favoured certain fish-producing areas. These rates have not yet been entirely equalized but Canadian exporters are now better able to compete with the other principal suppliers. One difficulty, however, has been the lack of direct shipping from Atlantic Coast ports to Brazil —and this increases costs considerably. As a result, only 290,000 pounds of Canadian light salted cod valued at $61,093 and 71,700 pounds of heavy salted cod worth $14,598 were marketed in that country during 1962. There are two important developments taking place in the Caribbean area that require the careful consideration of the Canadian salt fish trade. These are:

- The rapid inroads being made by France and Spain in selling low-cost or subsidized salt cod in our traditional outlets.

- The rising standard of living in these countries with the subsequent possible turning away from salt cod to other protein products, and the challenge to meet this problem by putting up salt cod in more acceptable or attractive packages and advertising through various media.

Canada's trade agreement with Portugal covering the provision of dollars for the purchase of hard dried salt cod remained in force. Meanwhile, competition from low-cost producing countries in Europe restricted 1962 Portuguese imports from Canada to 190,000 pounds of light salted cod ($36,441) and 20,000 pounds of heavy salted cod ($3,200). Our shipments to Spain were made up of 2,531,800 pounds of light salted cod ($562,048) and 133,400 pounds of heavy salted cod ($27,948). Both Spain and Portugal used to be major outlets for salted cod produced in Newfoundland, but these countries have increased their own fishing fleets in recent years and have become less dependent on imports. As a matter of fact, Spain exported a fairly important quantity of salt cod during 1962, some of which was sold in Brazil and countries of the Caribbean. The shortage of foreign exchange in Cuba affected sales to that traditional and important market, which in normal times purchased up to 14 million pounds of Canadian salt cod every year. Shipments in 1962 amounted to only 1,523,500 pounds and were made early in the year.

Returns were up for light salted cod (43 per cent moisture content or less). Shipments in 1962 amounted to 23,572,000 pounds valued at $4,490,000 compared with 23,941,000 pounds ($4,136,000) in the previous year. Jamaica, Puerto Rico, Italy, Spain, and the United States were the main markets. However, exports of heavy salted cod (43 per cent moisture content or less), at 32,066,000 pounds worth $5,767,000, were down in comparison with the 1961 figures of 39,114,000 pounds ($6,472,000). Jamaica was the leading outlet, followed by Puerto Rico, Trinidad, Leeward and Windward Islands, Cuba, Barbados, and the Dominican Republic. With a view to finding possible new markets in 1962, Canadian exporters shipped experimental lots to Ceylon and Mexico; some 220,000 pounds valued at $49,600 went to the latter and marked the first time shipments of Canadian salt cod had been made to that country since 1950.

Exports of boneless salt cod increased from 6,986,000 pounds ($2,227,000) to 7,586,000 pounds ($2,617,000). The bulk of it went to the United States, Puerto Rico, Trinidad, Bermuda, and the Dominican Republic.

The over-all quantity of salted scale fish (pollock, hake, and cusk) shipped in 1962 was lower, although more salted pollock was sold to the Dominican Republic. Exports of pickled split herring, pickled herring fillets, vinegar-cured herring fillets,

pickled split mackerel, and mackerel fillets increased slightly over the previous year. Shipments of hard cured smoked herring bloaters were also larger; the Dominican Republic and Haiti were the principal markets for the latter product.

Canned Salmon

The all-time record packs of pink salmon and sardines in 1962 were mainly responsible for the increased over-all exports of canned fish—35,484,000 pounds worth $19,275,000, compared with 33,396,000 pounds worth $17,453,000 in 1961.

Pack by Varieties—The 1962 canned salmon pack by varieties, with the 1961 figures in brackets, was as follows: sockeye 298,188 cases (398,236), coho 187,963, (246,574), pinks 1,187,933 (661,458), chums 133,638 (95,400), springs 7,069 (7,927), and steelheads 818 (979). Total Canadian output was 1,815,609 cases as against 1,410,574 in 1961.

The United States salmon pack in 1962 was almost as large as in the previous year, amounting to 3,665,723 cases (3,682,132 in 1961). An increased pink salmon pack was also an important factor in the total United States figures. However, the Japanese output was considerably below the 1961 pack, with only 1,409,257 cases put up in 1962 in comparison with 2,087,511 cases in 1961. There are no official returns on the U.S.S.R. canned salmon production in 1962, but indications are that it too was lower than in 1961.

Canned Salmon Exports—Exports of all varieties of canned salmon in 1962 were valued at $15,533,000, considerably higher than the 1961 returns of $13,001,000. Shipments of canned pink salmon amounted to nearly $8 million compared with $4.75 million in the previous year. The principal market for Canadian canned salmon was Britain; other important outlets were the United States, Belgium, Australia, New Zealand, Netherlands, France, Italy, Trinidad, Ireland, South Africa, Jamaica, Netherlands Antilles, and Venezuela. Imports of canned fish into Australia were removed from licensing control and shipments to New Zealand have been placed under global licence. There has been no change in South Africa, where a quota scheme governs imports of canned fish.

Sardine Pack Larger

The relatively poor runs of sardines which began in 1960 and continued through 1961 suddenly developed into a sprint about the halfway mark in 1962. An all-time record pack of 1,097,597 cases was put up compared with 537,579 cases in 1961. Reasons for this sudden reversal of conditions are not clear; neither scientists nor fishermen have solved the perennial puzzle of the migratory habits of the sardine herring. One day there are no fish to be caught and the next there are shoals of them. Invariably there are no warning signs of their arrival or departure.

Exports of Canadian canned sardines in 1962 were valued at $2,613,000, down from the 1961 returns of $3,618,000, but large quantities were marketed just after the close of the calendar year 1962. This was encouraging news to importers around the globe because of the keen demand in the many markets for the product put up in the Bay of Fundy area. Jamaica continued to be the leading outlet, followed by Australia, Trinidad, British Guiana, Leeward and Windward Islands, South Africa, Barbados, Panama, Britain, the Dominican Republic, and Fiji. Efforts to introduce Canadian sardines into the British market during the past few years are paying dividends. Importers there are optimistic about future prospects.

Molluscs and Crustaceans

Increased exports of lobster and scallops accounted for the higher total shipments of molluscs and crustaceans abroad in 1962. Exports reached 38,413,000 pounds valued at $27,459,000, as against 37,206,000 pounds worth $24,852,000 in 1961. The lobster catch in 1962 of 45,975,000 pounds was down compared with the 47,476,00 pounds produced in the previous year. However, the landed value, at $19,581,000, was over the $17,939,000 of 1961.

Lobsters—Shipments of lobster in the shell, fresh or frozen during 1962 were valued at $12,707,000 in relation to $11,887,000 in 1961. Major markets were the United States, France, Belgium, Britain, and Ireland. Fresh or frozen lobster meat returns totalled $7,021,000 as against $6,894,000 in the previous year. Most of the supply was marketed in the United States, although some quantities were also sold in Britain and the Netherlands. Canned lobster exports were worth $2,540,000 in 1962 compared with $2,064,000 in 1961. The United States, Britain, West Germany, Sweden, Belgium, Denmark, Netherlands, Switzerland, and France were the leading outlets.

Scallops—The landings of scallops in 1962 increased to 14 million pounds (landed value $4,681,000) in comparison with 10.5 million pounds ($3,081,000) in 1961 and it was a record year. Both the offshore and inshore fisheries shared in the increase. Shipments totalled $4,555,931 and were consigned chiefly to the United States, with New Zealand, Bermuda, and Britain taking relatively small quantities. The output of Atlantic clams, oysters, and squid was lower. Production of Pacific coast oysters, clams, and shrimp increased in 1962, but landings of crabs were down considerably.

Fish Meal and Oil

Landings of herring in British Columbia during 1962 amounted to 437,857,000 pounds, down from the 1961 catch of 450,250,000 pounds, mainly because of the price disagreement between the fishermen's representatives and the processors which suspended operations

during the late fall. A larger quantity of British Columbia herring meal was put up—40,478 tons compared with 39,794 tons in 1961—but the production of herring oil fell from 4,605,442 to 4,408,495 gallons in 1962. The United States was the principal market for Pacific fish meal, with Britain and Mexico taking lesser quantities. Almost all of the Pacific herring oil was sold in the Canadian domestic market.

Fish meal production in the Atlantic coast area was lower in 1962—some 37,539 tons in relation to 38,838 in the previous year. Britain, the United States and Ireland bought some but the major quantity was sold in Canada.

The output of Atlantic coast fish and marine mammal oils, at 1,142,000 gallons, almost equalled the 1961 production. Exports went chiefly to the United States and Britain. Whale oil shipments were consigned to El Salvador, Britain, and France. Fish livers, viscera for oil, fish scales, and seaweeds found outlets in the United States.

Indications are that the world fish meal production was considerably higher in 1962, mainly because of larger output in Peru. The estimated world production of fish and marine mamal oils in 1962 showed a slight increase over the 1961 figures.

Fish Flour Project

Last year, the Halifax Technological Station of the Fisheries Research Board of Canada produced a superior quality fish flour from cod fillets. This was done because of the interest taken by the Food and Agriculture Organization of the United Nations, which wanted a product that would pass its rigid specifications. Preliminary reports on nutrition tests show it to be of excellent quality. With this project completed, the technologists are producing a fish protein from lower cost raw material. The development of fish flour is not new; it started as a postwar effort by FAO and was undertaken by many of the world's leading fisheries research laboratories, including the Halifax station. The program was prompted by a desire to supply under-developed nations with a cheap supply of animal protein.

Trade Missions, Fairs

Two Canadian fisheries trade missions were sponsored by the Department of Trade and Commerce in 1962. The Canadian Salt Fish Trade Mission, which travelled to Latin America and the Caribbean area in February, included representatives of the fishing industry in Newfoundland, Nova Scotia and Quebec. The Frozen Fish Trade Mission, composed of officials from the trade in British Columbia, Quebec, Nova Scotia, and Newfoundland, visited Britain and other important markets and producing areas in Europe. Officers of the Departments of Trade and Commerce and Fisheries accompanied the missions. Both missions were fact-finding in scope and detailed reports were prepared by the members for the information of the Canadian fishing industry from coast to coast.

During 1962 several Canadian exporters of fisheries products took advantage of the facilities provided by the Department of Trade and Commerce and displayed their products at trade fairs specializing in food products.

The annual meeting of the Fisheries Council of Canada was held at the Seigniory Club, Montebello, P.Q., April 22-24, and officials of the Department of Trade and Commerce participated in panel discussions dealing with exports of fisheries products. ●

Private Development in the Philippines

A new corporation has been established to assist the expansion of private industry in the Philippines. The corporation will be privately owned and managed. Of the initial share capital of 25 million pesos (about U.S.$6.4 million), 70 per cent will be held by Filipino investors and the International Finance Corporation; the balance will be held by foreign investors. Resources of the corporation will total the equivalent of $30 million, including a loan of $15 million from the World Bank and one of 27.5 million pesos ($7.4 million) from the United States Agency for International Development.

The Private Development Corporation of the Philippines was conceived and organized with the advice and assistance of the World Bank and the IFC and has the full support of the President of the Republic of the Philippines and of the local business community. It will fill a gap in Philippine financial institutions necessary for an expansion of the capital market. It will make long and medium-term loans to privately controlled industrial and other productive enterprises. It will also invest in the equity of private enterprises, underwrite new issues of securities, guarantee loans from other investment sources, and provide managerial and technical advice and assistance. The Corporation will sell its shares in an enterprise whenever it can do so on satisfactory terms, thereby revolving its own capital for further investment.

The basic problem of economic development in the Philippines is essentially one of achieving and maintaining an adequate rate of growth of per capita income in the face of a rapidly expanding population and a change in the traditional sources of external earnings. Its solution will require a substantial increase in investment to help diversify production and increase productivity. The new Private Development Corporation is intended to play a key rôle in meeting these expanded financial requirements. It will directly increase the supply of long-term loan capital and equity funds for industry, and will help to widen the Philippine capital market, thereby stimulating the inflow of equity and long-term funds from other sources—both domestic and foreign. Furthermore, it will be able to provide guidance on both the opportunities and pitfalls associated with the shift away from the simpler manufacturing technology of the past to the more complex and capital-intensive activity likely to dominate future development. ●

A Letter from Lima

Dear Canadian Exporter:

Early this week I had a most interesting and informative experience—one that I think will interest every Canadian manufacturer of heavy machinery who is hesitating over the time and trouble required to make a sales trip to a foreign country.

A shipyard in Callao was putting on a ceremony to dedicate a new workshop and two large cranes. This shipyard has launched 194 vessels since its inception only three years ago. Its 500 employees are now working on 18 wooden hulls and 10 steel hulls, which were lying around in the shipyard in varying stages of completion. This progress in three years is, for this country, extraordinary and illustrates the tremendous and daily growing importance of the fishing industry to Peru. Knowing that we have reliable manufacturers in Canada whose products are particularly suited to the shipbuilding industry, I could not help but wonder why the Canadian content of these ships is so low.

I was asked to attend the ceremony by the active representative of a Canadian manufacturer. As I wandered through the shipyard, I saw steel from Japan, diesel motors from England, welding machinery from the United States, and many other items imported from many countries. I was proud to spot a hydraulic unit from Wagner Engineering in Vancouver just about to be installed in one of the steel hulls. As I was looking at it, a small yellow truck drove up with "Ekolite", the brand name of an echo-sounder manufactured in British Columbia, written on its side in large letters. The hydraulic gear has been offered on this market only for a matter of months and the first Ekolite unit arrived in the fall of 1961. Where are the products of our other reliable Canadian marine manufacturers who should be participating in this rapidly growing Peruvian industry?

I continued my wandering and came into the new machine shop, which was shortly to be dedicated, ahead of the main crowd. Falling in casually with an intelligent workshop foreman, I accompanied him around the machine shop. He smiled at my growing astonishment as I saw that every single piece of equipment in there was of Spanish manufacture. Lathes of all sizes, heavy drill presses—the entire gamut of machines usually found in a machine shop—all were from Spain and relatively new looking at that.

"How can this be?" I asked, suspecting that the owner of the establishment perhaps was a shareholder in the company that made the machinery. Not at all. The machine shop foreman told me that about a year ago, they were under tremendous pressure for expansion. When they had drawn up plans for a new workshop they were visited by a representative of the Spanish manufacturer. By the persistence of his visits, the clarity of the information he presented, and his obvious knowledge of their local problems and requirements, he convinced the shipyard management that they should buy his principal's machinery.

I asked him whether they had looked into the possibility of buying from other suppliers. "No," he replied, "We never approach the manufacturers. We let them look for us and reason that their interest in us and our problems is attested to by their taking the trouble to seek us out and tell us about their products in our language."

There is a message here for you if your product is reliable, your reputation is sound, and your thinking is flexible.

This flexible thinking is particularly important when it comes to payment terms and adapting the product to local requirements. These are the two hurdles which Canadian manufacturers will find most difficult. Less than 10 per cent of Peru's imports are made on an irrevocable letter of credit basis. I would be delighted to help you examine what are the "usual terms" for your product. As for adaptation, it is only reasonable that a customer in Peru may want some notification which is different from a Canadian standard. Be prepared to meet your prospective customer more than halfway on this point.

The entire Peruvian market for heavy equipment is developing rapidly. The fishing industry section of this market is perhaps the fastest growing of all. Where do you fit in?

Yours sincerely,

Kenneth G. Ramsay,
Commercial Secretary, Lima.

At first glance the big, bustling, crowded Japanese cities look much like cities anywhere—and they have the same tiresome traffic problems. This is the Central Station Plaza, Osaka.

Japan is modern, but different

and an appreciation of Japanese business methods and social customs will smooth the path of the business visitor. There is advice here too on planning your trip and taking care of your health and comfort.

DAVID A. HILTON, *Assistant Commercial Secretary, Tokyo.*

TOKYO is only eight and a half hours from Vancouver by jet. The Canadian businessman visiting Japan for the first time will be amazed at how easily one can travel across the Pacific and his first impression of Tokyo with its ten million people—all of whom seem to be on the street at the same time —cannot help but be a little overwhelming. In many ways Japan is unique: a world where modern Western techniques overlay but do not conceal its Eastern history and culture. This combination of the traditional and the new is also evident in the Japanese business world and the foreign businessman usually finds working in this atmosphere either fascinating or frustrating, and frequently both.

Because of the unfamiliar circumstances you will meet here and because the time you can probably spare is limited, you should plan your program well ahead. How long should your visit be? That depends on many factors, including the amount of work that has been accomplished by correspondence with your Japanese contacts, the technical complexity of marketing your product, and whether or not your trip can be confined to talks with importers in the major urban distribution centres. Generally speaking, it has been our experience that the exporter handling industrial or consumer products can limit his first business trip to calls on the major importers in Tokyo and can usually obtain a good indication of the market in one working week.

Before You Leave . . .

There are a number of important steps to take while your trip is in the planning stage:

- *Accommodation*—The first step is to reserve hotel accommodation

for the period of your stay in Japan. The first-class Western hotels in Tokyo are as good as any in the world but they are generally full and they have a habit of overbooking. Listed room rates are comparable with first-class hotel rates in Canada, but keep in mind that added to room rate is a 10 per cent service charge that takes care of most tipping, plus a 10 per cent tax on all meals and room charges. Outside of Tokyo there are adequate Western hotels in all of the major cities. Their rates are about the same and usually they are just as crowded as their counterparts in the capital. If your tour takes you into the countryside, you will probably find yourself staying at a Japanese inn which is called a *ryokan*. Staying in a first-class ryokan is a delightful way of sampling Japanese living but not of saving money; their rates are sometimes even higher than the well-known tourist hotels in Tokyo. Two meals are included in the ryokan accommodation rate but they are traditional Japanese fare and you might find this change of diet a little trying when you are on a tight business schedule. If you wish to stay in a ryokan during your visit to Japan, you'll probably be happier spending a weekend at one of the resort areas near Tokyo after your business has been completed.

• *Visas*—To enter Japan you will need a visa which can be obtained easily either from the Japanese Embassy in Ottawa or from the Japanese Consulate offices in Montreal, Toronto, Winnipeg and Vancouver.

• *Immunization*—You will need a smallpox certificate and if you have travelled through South East Asia before arriving in Tokyo, a cholera certificate.

• *Samples*—Your samples enter duty free if they are of no commercial value. Otherwise you must deposit a bond that will be refunded on their re-export within one year.

If you wish to have samples that cannot go in your air baggage, be sure to forward them in plenty of time so that they will be here on your arrival; seamail from Canada takes approximately six weeks. If you mail your samples to the Commercial Counsellor, they can be cleared through Japanese Customs without undue difficulty.

• *Transportation*—There is a non-stop Canadian Pacific Air Lines flight from Vancouver to Tokyo twice a week and other international carriers serve Tokyo with many flights daily. It takes about one and a half hours to drive from Haneda International Airport to downtown Tokyo.

• *Business Cards*—A tip: it is a well established Japanese custom to exchange business cards at every opportunity. Foreign names can sound as strange to Japanese ears as some of their names sound to ours, so this custom makes good sense. At the end of the trip the cards are a record of the people you met during your visit. You should therefore bring a good supply with you and you may wish, as many foreigners in Japan do, to arrange on arrival for a Japanese translation of your name to be printed on the back of the card.

Climate and Clothing

Japan's climate is moderate throughout most of the year and except in summer is generally more temperate than the weather in Canada. Generally speaking, a light spring and fall suit and a heavy gabardine raincoat will be adequate for any weather from September to June, although it gets quite cool in January and February. A raincoat is a necessity in May and June and also in October. The summer months, however, especially in the low-lying areas around Tokyo and Osaka, are extremely hot and if you are travelling at that time of year you should bring your lightest tropical suit and plenty of short-sleeved shirts.

The summer weather is hot enough to affect business activity and many of the top executives are away in the mountains at this time of the year. Business houses are also closed for about a week at the beginning of the New Year, the most important holiday in Japan. Autumn and the springtime (with its famous cherry blossom season) are probably the best times to visit the country, but this is also the height of the tourist season and hotel accommodation is even more difficult to arrange.

Use Your Trade Office

Japan, like Canada, is a trading nation but its trade techniques sometimes differ from ours. The Commercial Counsellor's office in Tokyo is happy to help you but it should have as much advance notice of your visit as possible. If it is your first trip to Japan, we can help arrange a useful itinerary if you give us information on your product, the type of distribution setup you are looking for, and any background your company has in Japan. (Incidentally, it is usually expedient to travel by train in Japan; the service is excellent and quick.) Even if you already have a local agent or are corresponding with a Japanese firm, it is often better to arrange your appointments through the Commercial Counsellor's office.

Because Japan's import and export trade tends to be handled by specialized companies (some of them very large and expert) all with offices in Tokyo, you can usually count on doing all your business in that area. But Tokyo is a huge city and traffic congestion hampers mobility to such a degree that usually you can count on only two calls a day, one in the morning and one in the afternoon. Business hours in Tokyo are ostensibly nine to five but appointments are rarely made before 10.30 in the morning. Lunch hours are short, and the workday ends promptly, because everyone is eager to beat the evening traffic. Most trading companies are also open on Saturday mornings.

Should you run into serious language problems our local staff will act as your interpreter. You can also hire interpreters at a reasonable rate in all of the major cities, either through your hotel or the Japan Travel Bureau. (It will also help to arrange sightseeing excursions.)

We can obtain credit information and a business assessment of the firm with which you are dealing and we are glad to follow up the contacts that you make during your visit.

The Japanese Way

It is not always easy for a Canadian to negotiate with a Japanese businessman. Certainly, his method of dealing with a specific problem (even in the big modern trading houses) is unfamiliar to us. Of course the language barrier tends to create problems and although the man you are meeting probably speaks English, it will still take some time to describe your product and explain your marketing aims precisely. Most Japanese executives are better at reading than speaking English and it is easier to explain complex technical products if you have printed engineering reports and literature with you.

But the greater responsibility for the slow tempo of business lies with the Japanese method of making most business decisions on a group basis and the group usually has to agree unanimously on major policy matters. This often surprises the foreigner because what looks to him like a simple business offer seems to involve complex problems for his potential customers.

If your Japanese business contact considers the product that you are offering of some value and believes it can be marketed in Japan, he will try to keep you busy so that his competition cannot reach you before his company comes to a decision. This is usually accomplished quite easily by monopolizing your time with a heavy round of entertainment and sightseeing.

If your product is not a high-volume item, you may find it advantageous to contact one of the smaller importers who specialize in a few related lines. Although these firms may not be as modern in their techniques as the well-known general trading houses, some of them have excellent connections. Generally they have not had too much experience in dealing with foreign firms directly; frequently the imported lines that they handle were obtained through affiliation with one of the major import houses. Most of these small importers work out of unimpressive offices, but often their position in the trade is much more secure than would appear.

Hospitality

The Japanese are among the finest hosts in the world. They are very proud of their country and its many charms and they thoroughly enjoy introducing a newcomer to the delights of Tokyo, both the daytime and evening variety. In addition, entertaining gives the Japanese businessman an opportunity to live on his expense account, which in many cases is larger than his monthly salary. It is very difficult for the foreign businessman to control the extent of hospitality lavished on him and some Canadian businessmen who come here frequently attempt to minimize it by giving their Japanese contacts very little notice of their arrival and no indication of their proposed itinerary.

One word of warning. If you feel you must reciprocate the hospitality tendered by your Japanese hosts, be prepared for a large bill at the end of the evening. It is not uncommon for a group of four businessmen to run up a bill of over two hundred dollars in a Tokyo nightclub. Entertainment is geared to the Japanese expense account and because these expenses are deductible for income tax purposes, the Japanese spend freely.

Give Us Warning

Each year over 300 Canadian businessmen call on the Trade Commissioner at the Embassy in Tokyo. We are prepared to help everyone but we must have in good time an indication of the purpose, time and length of your visit if we are to give you the best possible service and help to make your trip profitable. ●

Garment Labelling in the U.S.

ANY garment manufacturer attempting to sell in the United States must comply with the various American labelling laws governing the identification of materials in the garments. Although these are similar to Canadian laws in their intent, labels used in Canada are not satisfactory in the United States. The labels must give considerable information, such as the percentages of the various fibres used and the name of the manufacturer or wholesaler. In Canadian garments, the labels must naturally also show that they were made in Canada.

The various regulations are embodied in three separate acts: the Textile Fiber Products Identification Act, the Wool Products Labelling Act of 1939, and the Fur Products Labelling Act, which are administered by the Federal Trade Commission. These acts not only require a complete description of materials in garments offered for sale but also prohibit deceptive labels and typography and clearly state the acceptable terminology.

Any attempt to summarize the three acts or to outline important points might mislead exporters. The one certain way to comply with them is to obtain copies of each and read them thoroughly. They are written in clear language and cover topics ranging from a Fur Products Name Guide to appropriate forms of labels.

The acts and explanatory literature are on file with the Textiles and Consumer Goods Division of the Department of Trade and Commerce for the use of Canadian manufacturers, who may also obtain copies through the Department.

What's current in commodities?

Prefabricated Houses

West Germany—Demand for prefab houses—once unpopular here—is beginning to boom as foreign firms move in with attractive models and prices, and local production improves. Germany's housing shortage guarantees demand will continue, and one Canadian company has already proved that Canadian prefab manufacturers can take advantage of this market opportunity.

RICHARD TURCOTTE, *Vice Consul, Hamburg.*

SALES of prefabricated houses in Germany have been affected by public prejudice—the so-called "barrack complex"—and by the traditionally poor quality of locally manufactured prefabs. However, in the last year or two they have been steadily gaining acceptance as the quality of offers on the market, mostly from foreign manufacturers, has shown marked improvement. Domestic production has also been making slow but steady headway, and with local prices for conventional housing increasing sharply, the potential demand for cheap but good quality prefabricated houses as we know them in Canada is promising. About 3,500 prefabs were erected in 1961 and this number doubled, it is estimated, in 1962.

Foreign Firms Lead the Market

Foreign firms (particularly Scandinavian) have taken the initiative in the West German market; 15 to 20, representing some ten countries including Canada, are offering prefabs here. Of these, over seven can produce at least 1,000 units a year and some many more. Three are known to have a production capacity of 500 to 1,000 units a year. At least half of the foreign firms can deliver their houses at competitive prices anywhere within the Federal Republic.

In comparison, of the 130-140 German manufacturers, many of which began production in the last year or so, only about 15 can produce more than 300 houses a year and only two or three can exceed 1,000. The great majority of the local manufacturers can only deliver within a range of 200 miles or less ex factory.

Housing Shortage Acute

The German housing industry, operating at more than capacity ever since the currency reform after the war, has been producing an average of 550,000 new lodgings of conventional design every year over the last decade. About 300,000 of these are absorbed by new demand, leaving only 250,000 a year to eliminate the backlog of some one million lodgings still needed as a result of war damage. Capacity cannot be expanded and it is officially estimated that it will be another four to five years before the home-building industry can return to normal production. In the meantime, prices have risen some 75 per cent since 1950—25 per cent in the last three years alone—and are currently rising by 8 to 10 per cent a year. The end is not in sight and the Federal Minister for Housing has pointed out that it would take an estimated average of 50,000 prefabs a year to halt the trend. Performance to date is not impressive; the 3,500 prefabs erected in 1961 represent less than 2 per cent of the 250,000 conventional houses (one half of all lodgings) completed in that year. Roughly 18,000 prefabs have been erected in Germany since 1950, representing only about 1 per cent of the 1½ million houses (one fourth of all lodgings) completed since then.

Prognosis for Prefabs Good

Nevertheless, numerous encouraging signs point to a good future for prefabs. Foremost perhaps is the Government's firm stand in favour of prefabs, including imports, to ease the pressure on the building market. For instance, the authorities have urgently demanded permission from the EEC Commission to lower German customs duties against third countries on prefabricated houses and building components (incidentally, without success). The Government is also taking steps to improve rationalization of the local industry and to remove all artificial and administrative barriers to a freer and more widespread marketing of prefabs. It is even reported to be sponsoring a number of prefab model residential projects, as well as trade fairs for the industry.

Other institutions and organizations, such as the very important and popular Builders' Savings Banks, have also lent their support. Figures show that altogether these banks have helped to finance some 850 prefabricated houses in the last two and a half years alone. The German Institute for Industrial Productivity has also stepped into the picture with a series of technical studies on various types of prefabs currently being marketed.

Trends in living habits and in the demand for higher living standards from the lower and middle income groups also point up the potential for prefabs. The percentage of pri-

vate lodgings containing at least a bath or shower completed each year has risen from 82 per cent in 1955 to 96 per cent in 1961, and the percentage with central heating has increased from 15 to 40 per cent over the same period. The average living space per lodging also rose sharply during this period to a high of 90 square yards in 1961. Moreover, official figures show a continuing exodus from overcrowded city centres to the suburbs or to newly-planned communities. Some one million lodgings for residential projects containing a minimum of 500 living units each are already under construction or in the planning stage. The trend to houses is growing: they made up only one quarter of the six million lodgings completed since 1949 but as much as one half of 1961 construction.

These factors, plus the disturbing price situation in conventional housing, definitely point to a future demand for cheaper and better houses on a scale only mass-produced prefabs can meet. This becomes particularly clear when one realizes that 63 per cent of all new home-owners since 1955 are employees (two thirds of them workers), many of whom cannot afford the increasing cost of conventionally-built houses.

Domestic Industry's Problems

The German industry certainly is not on a mass production basis. In fact, German prefab manufacturers have attempted paradoxically to provide individual styling and because they operate on a small scale, this has tended to defeat the purpose of prefabrication. On the other hand, they do offer a wider variety of houses than the huge North American industry.

Until recently, few if any German firms were offering fully erected prefabs ready for occupancy, with foundations and basements. Most provided only the prefabricated sections and the buyer had to arrange and pay for erection, foundations, etc., including a local architect. Obviously this tended to offset the advantages of prefabricated houses

What Eight Leading Prefab Producers

1. Information on and prices for actual houses were selected from examples published by *Das Haus* in its survey of domestic and foreign prefab firms in the German market, and are intended only as an indication of current offers. The material has been simplified to make comparison easier and therefore is not guaranteed to be accurate.

2. Unless otherwise stated, all firms offer both serially produced houses and those made to individual plans provided by the buyer or an architect.

3. Unless otherwise specified, the following items are included in ex factory prices: foundations, basement, floors and ceiling, inner and outer walls with doors and windows, roof and roofing, erection, heating equipment, bath and w.c., kitchen with built-in furnishings, fittings, painting, architect's fees.

4. Not included in completed prices are items such as exterior utility connections, and transportation (with one exception).

5. The items listed for the buyer's account are often arranged for by the manufacturer, normally at fixed prices at the time of sale, and the buyer is billed for them separately later.

Montanunion-Handelsges mbH., Cologne, Germany

Production capacity: 6,000 units a year.
Delivery time: three months after building permit issued.
Style: "Staku-Haus", basic steel frame and plastic; individual plans only.
Additional features supplied: appliances, carpets, air-conditioning; ready for occupancy if desired.
For buyer's account: foundation, basement, erection.
Price: for 140 sq. yd. living space—ex factory U.S.$15,150, ready for occupancy U.S.$15,750.

Rode-Normenbau Ges. mbH., Muenster, Westphalia, Germany

Production capacity: 2,000 units a year.
Delivery time: three months after building permit granted.
Delivery range ex factory: West Germany.
Style: concrete-steel elements; individual plans only.
Additional features supplied: appliances; ready for occupancy.
Price: for 127 sq. yd. living space (plus 26 for garage)—ex factory and ready for occupancy U.S.$15,950.

for 170 sq. yd. living space, 855 cu. yd. enclosed volume—ex factory and ready for occupancy U.S.$17,387.

Otto Kreibaum KG, Lauenstein/Hanover, Germany

Production capacity: 800 units a year.
Delivery time: eight to ten months after building permit granted.
Delivery range ex factory: 700 kilometres.
Style: "Okal-Haus", wood with Eternit; serial production only, eight types, size range from 83 to 164 sq. yd. living space.
Additional features supplied: appliances, built-in furniture; ready for occupancy if desired.
For buyer's account: foundation, basement, erection, heating equipment, architect
Price: for 120 sq. yd. living space, 537 cu. yd. enclosed volume—ex factory U.S.$8,050, ready for occupancy U.S.$13,050.

for 155 sq. yd. living space, 696 cu. yd. enclosed volume—ex factory U.S.$9,650 ready for occupancy U.S.$15,900.

RTH-Fertigungsbau, Wuppertal, Germany

Production capacity: 600 units a year.
Delivery time: immediately after building permit granted.
Delivery range ex factory: Rheinland, Hessen, Stuttgart.
Style: wooden elements; individual plans only.
Additional features supplied: ready for occupancy, including transportation.
Price (approximate): for 70 sq. yd. living space, 417 cu. yd. enclosed volume (cottage)—ex factory and ready for occupancy U.S.$9,500.

for 165 sq. yd. living space, 895 cu. yd. enclosed volume—ex factory and ready for occupancy U.S.$17,750.

Offer the German Buyer

Asp-Hudviksval, Sweden

(local representative in Frankfurt)

Production capacity: 7,000 units a year.

Delivery time: four to six weeks after building permit granted.

Style: "Regelhus", wooden elements; 22 serial types, sizes range from 91 to 191 sq. yd. living space.

Additional features supplied: ready for occupancy if desired.

Price: for 187 sq. yd. living space, 1,230 cu. yd. enclosed volume—ex factory U.S.$7,930, ready for occupancy (approx.) U.S.$18,700.

for 206 sq. yd. living space, 1,070 cu. yd. enclosed volume—ex factory U.S.$8,750, ready for occupancy (approx.) U.S.$21,200.

STEX, Sweden

(local representative in Bremen)

Production capacity: 4,000 units a year.

Delivery time: six weeks after building permit granted.

Delivery range ex border: West Germany.

Style: wooden elements; serial production of 17 types, sizes range from 90 to 169 sq. yd. living space; individual plan for group projects with minimum of 20 units.

Additional features supplied: ready for occupancy if desired.

For buyer's account: foundation, basement, bath and w.c., fittings, painting, erection, architect.

Price: two-storey serial houses, 109 sq. yd. living space, 616 cu. yd. enclosed volume—ex factory U.S.$4,400, ready for occupancy U.S.$7,350.

single, 138 sq. yd. living space, 616 cu. yd. enclosed volume—ex factory U.S.$13,250, ready for occupancy U.S.$20,400; 139 sq. yd. living space, 829 cu. yd. enclosed volume—ex factory U.S.$5,900, ready for occupancy U.S. $10,840.

group projects, 139 sq. yd. living space, 829 cu. yd. enclosed volume—ex factory U.S.$5,290, ready for occupancy U.S.$10,270.

Exportgemeinschaft d.B.M.F.T.-hus, Sweden

(local representative in Hamburg)

Production capacity: 2,000 units a year.

Delivery time: eight to ten weeks after building permit granted.

Style: wood; nine serial types, sizes range from 88 to 174 sq. yd. living space.

Additional features supplied: firm undertakes only limited local work.

For buyer's account: foundation, basement, roofing, heating equipment, bath and w.c., fittings, painting, erection.

Price: for 108 sq. yd. living space, 506 cu. yd. enclosed volume—ex factory U.S.$6,035, ready for occupancy U.S.$15,000.

for 116 sq. yd. living space, 555 cu. yd. enclosed volume—ex factory U.S.$7,025, ready for occupancy U.S.$16,850.

for 174 sq. yd. living space, 814 cu. yd. enclosed volume—ex factory U.S.$9,225, ready for occupancy U.S.$23,500.

Puutalo V.f.H., Finland

(local representative in Duesseldorf)

Production capacity: 30,000 units a year.

Delivery: four to six weeks after building permit granted.

Delivery range: anywhere.

Style: "Puutalo-Haus", wood; numerous serial types.

Additional features supplied: appliances; ready for occupancy if desired.

For buyer's account: foundation, basement, roofing, heating equipment, bath and w.c., fittings, painting, erection, architect.

Price: for 111 sq. yd. living space—ex factory U.S.$5,130, ready for occupancy U.S.$12,775.

for 187 sq. yd. living space—ex factory U.S.$8,125, ready for occupancy U.S.$18,625.

and has prejudiced their sales. In addition the manufacturer often quoted costs involved at an unrealistically low 40 per cent of the final price of the completed house. It usually turned out to be closer to 60 or 70 per cent of the total and sometimes even more, depending on the degree of work and material actually supplied from the factory. Disillusioned buyers also often found erection time to be considerably longer than advertised.

Terms of payment generally have been less generous than those in the conventional building industry. The buyer of a prefab must normally pay one third, in some instances even 40 per cent, of the price at the time of purchase—that is, months and sometimes more than a year before delivery. A further third is generally payable on delivery and the remainder on erection. In conventional housing, only partial payment is usually required and only after completion of each stage of construction, with no initial down payment. The last payment is normally required only a few weeks after completion. Terms of payment, of course, have made a great difference in interim financing and have placed an additional burden on the buyer.

One of the principal explanations for the generally poor and incomplete offers is that most German manufacturers still have only limited capital, averaging $2.5 million per firm. In other countries it is considered necessary for a firm offering mass-produced houses ready for occupation, together with land, to have a capitalization of $50 to $75 million.

Regulations Are Stumbling Block

The German building and fire codes contain no provisions for this new type of construction. For example, they do not take into consideration the fact that the better materials and new construction methods used in prefabs can provide the same or even better heat loss coefficients on the outer walls than the thicker conventionally-built

stone or brick walls do. Firms have found it difficult to get the authorities to accept their specifications. Moreover, the "Land", the German province, is sovereign in this field and acceptance of a building specification in Hamburg in no way implies simultaneous or even eventual acceptance in Cologne or Munich, for instance; the house must be separately approved by building and fire authorities in each area. As there are ten provinces in the Federal Republic, which is about 40 per cent of the size of the Province of Saskatchewan, the difficulties are apparent. To obtain national market coverage, a firm must ensure that its houses meet the building standards of all provinces concurrently; the same applies to fire standards.

Financing Difficult

Most leading institutions, (the Builders' Savings Banks excepted) still discriminate against prefab manufacturers. Annual repayment rates for mortgages range from a minimum of 1½ per cent to a more usual 2 and 3 per cent a year, compared with 1 per cent for conventional housing, because of the supposed shorter life and greater risk of fire and damage for prefabs. The amount advanced on mortgages is also less—in some cases as much as 30 per cent—if they are made of wood or are a little-known type.

However, the Builders' Savings Banks now place prefabs on an equal footing with conventional housing for loan purposes, and many of the other problems are being partially or fully resolved. The Federal Government is working to simplify the methods of issuing building permits and has prepared an official classification of all German and foreign firms offering prefabs on this market; this will be placed at the disposal of licensing authorities. The Federal Minister for Housing has also asked his provincial colleagues to help remove artificial obstacles to the use of prefabs and to agree among themselves on some unification of the various provincial building and fire codes.

How STEX of Sweden Sells

SWEDEN is probably by far the largest foreign supplier of wooden prefabs to West Germany; its sales totalled U.S.$1.5 million in 1961. It is certainly the best known; when a German thinks of prefabricated houses he thinks almost automatically of "Schwedische Haeuser". The Swedes have made their prefabs a household word in this country and it is interesting to see how one of them, STEX, has achieved success here.

STEX, the Swedish Timber House Export Association, claims to be an export association of the four biggest Swedish prefab house manufacturers, embracing altogether some 18 plants. The association, which has an annual production capacity of 4,000 houses, has been active in the German and continental markets since 1948. It now offers German buyers 17 standard types which have been designed jointly by German and Swedish architects, including one and two storey family houses as well as two storey adjoining or series houses, with a range of 90 to 169 square yards of living space per house. STEX is also prepared to supply houses for group projects planned by industry, housing construction firms and public organizations. And it will sell individual houses constructed from its elements to its own plans, or for group projects of 20 or more units, according to plans submitted by a local architect.

The average cost of the prefabricated elements of a four- to six-room STEX house is reported to be about U.S.$6,250 ex factory, which is about 45 per cent of the duty-paid delivered cost in Germany. Ex factory delivery includes roofing, heating installations, building plans, wardrobes, and kitchen with fittings, sink and cupboards. The buyer must pay for the foundations, basement, bath, w.c. fittings, painting, erection, and building architect's fees. However, all these additional items that are to be completed in Germany for the buyer's account are usually undertaken by STEX subcontractors at fixed and agreed to prices, so that the owner eventually gets the house virtually ready for occupation.

STEX can deliver within six weeks of the granting of the building permit. It has overcome the problem of long distance transportation to a great extent by limiting the sizes of the individual building sections to a maximum of 2.65 by 2.1 metres. This means that the sections can be dispatched without difficulty on special road vehicles or by rail from the manufacturing centre in southern Sweden to destinations all over Europe.

To overcome disparities in building codes, the Association has worked to achieve a house design that will meet both the regulations in all its foreign markets and those in Sweden itself.

STEX distributes its houses in Germany through twelve promotion offices in the most important German cities. It also has a technical advisory bureau in Bremen to serve both its own offices and individual buyers. ●

What Leading Firms Offer

The most successful firms have found that the key to success is to offer at fixed prices attractive houses fully erected, ready for occupation and complete with foundations and basement. These manufacturers obtain firm quotations at the time of sale from local subcontractors near the building site and in turn undertake to quote to the buyer full and fixed prices on the completed house. Although the buyer is usually billed separately for this additional work, he can be assured of the final cost of his finished house at the time he signs the purchase contract. Some firms are even studying the possibility of supplying prefabricated basements and foundations made of concrete slabs. Other labour-saving devices, such as pre-erected "sealed" bathroom and even kitchen units shipped as blocks, are being tried out. However, transportation costs ex factory, or for foreign firms ex border, are generally in addition to all firmly quoted prices and vary with the building's location.

Types of Firms in Market

A heartening event was the recent publication by one of the leading consumer magazines in the house-building field, *Das Haus,* of a special issue on prefabs in Germany, the first of its kind. The issue lists

virtually all the more reliable firms of any size in the market and the data for each firm is presented in such a way that all the offers can easily be compared. The publication lists 135 different prefabricated houses that are being offered here at fixed prices by 61 firms. Of these, 48 are German, seven are Swedish, two Finnish, two Danish, one Canadian, and one Austrian. A rough analysis of the data in this special issue follows:

Production Capacity

German—Two firms can produce over 1,000 units a year, four 500-1,000, seven 300-500, thirty only 300, six do not specify.

Foreign—Six firms can produce over 1,000 units a year, four 500-1,000, one 400, one 300, and one 250. One firm stated only that it can supply as many as 600 units annually to West Germany alone.

Offers

German—Eighteen firms offer houses either ready for occupancy or requiring only minor completion work; 17 offer erected and partially completed houses but without foundations, basement, fittings and other major work; 11 offer virtually only the prefabricated elements ex factory.

Foreign—Four firms offer houses ready or virtually ready for occupancy, six offer erected only, and three only the prefabricated elements.

One half of the German firms and three quarters of the foreign firms offer the buyer a choice of either one of a number of mass-produced standard style houses or of the building elements only from which he can build himself an individually styled house, working with an architect. This applies equally to firms of all sizes.

Delivery

German—Five firms can deliver competitively in the whole Federal Republic, six within a 300 to 600-mile radius, two within 300 miles, 19 within 200 miles, 16 do not specify. Two thirds of the German firms state that freight is additional; the remainder do not specify.

Foreign—At least five of the largest firms state they can deliver competitively anywhere within the Federal Republic of Germany, two only within a 600-mile radius, one within a 300-mile radius, five do not specify. Seven state that freight is additional to the fixed prices quoted in their catalogues for a completed house; the remainder do not specify.

Mail Order Enters Field

One of the most interesting developments in the German prefab industry is the recent announcement by two of the largest mail-order houses, Quelle Versand and Neckermann Versand, that they will carry prefabricated houses. Quelle's fall-winter catalogue offered three basic types designed for lower income buyers, with living areas of 72, 96 and 120 square yards, and costing U.S.$8,500, $10,700 and $12,200 ready for occupancy. These prices include all installations, oil-fired warm water heating, complete bathroom, choice of wallpaper, erection and architect's fees and transportation up to 60 miles from headquarters in Furth, Bavaria. Cost of shipping greater distances is calculated at U.S.$0.40 to $1.40 per mile. The buyer is responsible only for the foundation and basement, which are designed to cost only an additional $750 to $1,000 per home. The company is reported to be aiming at an annual sales volume of 5,000 units.

The other mail-order house, Neckermann, is expected to begin its sales program for prefabs this spring and will offer larger houses with living areas ranging between 120 and 200 square yards and costing about U.S.$150 per square yard. Neckermann will collaborate with a number of local and foreign manufacturers to assure itself of good supply. The company estimates that it will need an eventual minimum annual turnover of 1,000 to 1,200 units for profitable business.

Points for Canadians

Canadian firms wishing to enter this market must establish connections with a German producer or architect who has the proper technical and distribution facilities. They must also be prepared to send a combined technical and sales team from Canada to decide on the most suitable basic model or models for this market, and on ways and means of adapting these basic types to both consumer preferences and legal requirements. This could take months of discussion and transposition of technical specifications. Design of building elements, for example, may have to be partially recalculated and inner partitions will probably have to be rearranged to suit local living habits and needs.

The most important thing for a Canadian manufacturer to remember is that he must be prepared to produce specifically for this market, to accommodate himself to prevailing local conditions which are sometimes at wide variance with those in Canada, and to assure his agent or large buyer of sufficient and rapid supply.

It is normal to use agents in this line of business but this presupposes a large turnover. Canadian firms wishing to do more modest but more reliable and simplified business might also seriously consider making direct contact with one or two large firms which undertake the planning and construction of housing projects in Germany and can buy large consignments of prefabs built to their own plans. There appears to be a good potential in this field; in fact, the mail-order houses are using this procedure.

Prefabs coming in to Germany from EEC countries are free of duty. For third countries, duties are rising progressively with the gradual establishment of the Common External Tariff as follows:

	Style of Prefab House		
Present Tariffs	**Wood**	**Aluminum**	**Iron and Steel**
EEC members	free	free	free
Third countries	11.2%	9.9%	6.8%
Eventual EEC Common External Tariff (1970)	14%	19%	11%

However, these tariffs should not discourage large, well established foreign firms because it will probably be a long time before local production can really get on its feet, and because German prefabrication seems to be considerably more expensive than Scandinavian or North American. Opportunities for foreign manufacturers continue to grow with the growing demand. ●

Protesting Bills o

QUESTIONS	CEYLON	HONG KONG	INDIA
1. Are bills of exchange common?	Yes.	Yes.	Ordinarily quite comm though present rigid imp controls have greatly duced their use.
2. What are the usual terms?	Sight, 30, 60, 90, and, less frequently, 180 days.	From sight to 120 days.	From sight to 180 days; days most common.
3. What is the procedure when documents are attached?	Documents released against payment of sight bills or acceptance of time drafts.	Documents released on payment of sight bill, or on acceptance of time draft if so instructed. Bank holds documents until payment under letter of credit arrangements.	Usual procedure is rele after payment of sight b or acceptance of time b Documents against paym is the most common p cedure.
4. Is it usual to protest bills in the event of non-payment or non-acceptance?	Customary to note bills for non-acceptance or non-payment. Protesting of time drafts is done at same time or not later than 24 hours after dishonour; sight bills protested any time after noting.	Bills for collection protested for non-acceptance or non-payment according to remitting bank's instructions. Neither is protested normally under letter of credit arrangements.	Protested usually for n acceptance or non-paym but Indian bank waits instructions from draw bank before taking s action.
5. What is the benefit to be derived from protesting?	Right of recourse is retained against drawers, holder, or endorser.	Protest secures the right of recourse against drawers and endorsers. Also means additional assurance of payment.	Protest is a statutory requisite for legal actio
6. What psychological benefit is derived from protesting?	Effect is slight, though possible legal action is indicated.	None.	Little benefit because tests not made public.
7. What is the cost of protesting?	About 30 cents for noting, and protest fees range from approximately Can.$2.00 to $2.80, depending on size of bill.	About Can.$9.38 protest fee, plus 56 cents stamp duty.	About Can.$2.30 amounts up to £250, $3.40 above that, plus f charges for presentat stamp, and minor cha ($5.20). There may be o out-of-pocket expenses.
8. How is the protest carried out?	Through a lawyer.	Through a lawyer.	Through lawyer or no public.

*A written order for a certain sum of money, to be transferred on a certain date from the person who owes the money

xchange* in Asia

PAKISTAN	PHILIPPINES	SINGAPORE, MALAYA, BORNEO TERRITORIES	THAILAND
:s.	Yes.	Yes.	Yes.
ght to 90 days, rarely nger.	Sight, 30, 60, 90 days.	Sight, 30, 60, 90, 120, and occasionally 180 days.	From sight to 180 days. Established Canadian suppliers usually allow 120 to 180 days.
leased on payment or on ceptance if drawer so ecifies and bank considers porter reliable.	Depends on the instructions of the forwarding bank.	Documents are held with the bill and released only after payment.	Released on payment or acceptance, depending on instructions of forwarding bank or drawer of the bills.
lls must be protested for n-payment; are occasionly protested for non-acptance.	Usually 'do not protest' instructions are given on covering schedules. Otherwise may be protested for non-payment or non-acceptance.	Bills protested for non-acceptance or non-payment if remitting bank so instructs.	Not usual to protest bills, but can do so for either non-acceptance or non-payment.
lls must be noted and otested within 48 hours of n-payment if legal action be taken; otherwise, all rties are relieved of lility.	Protest reserves right of recourse through the courts.	Establishes fact that bill has been dishonoured and gives endorsers and holders recourse to drawers if they have financial interest in bill.	Legally establishes fact that bill was dishonoured.
otest foreshadows legal ion and this exerts some ssure on a defaulter.	Hard to say; protesting is unusual here.	Affects firm's reputation. Waiving protest indicates strong confidence in small importer.	The protest notice is posted publicly at the business premises of the firm, and thus can permanently damage its reputation. Protesting should be avoided if possible if firm is valuable contact.
out Can.$7.00.	About Can.$5.50.	A bill must be noted before it can be protested. Noting costs $2.66 in lawyers' fees and 35 cents stamp duty. Protesting costs $5.32 for lawyer, 71 cents stamp duty. Protest may be extended to six years after noting.	$3.50 to $4.00, plus travelling expenses for amphur (Thai notary public).
rough a notary public.	Usually through a lawyer.	Through a notary public or district court; best approach through a lawyer.	Usually through an amphur; in rare cases, through a lawyer.

o make the payment (Drawee) to the creditor to whom the money is owed (Drawer).

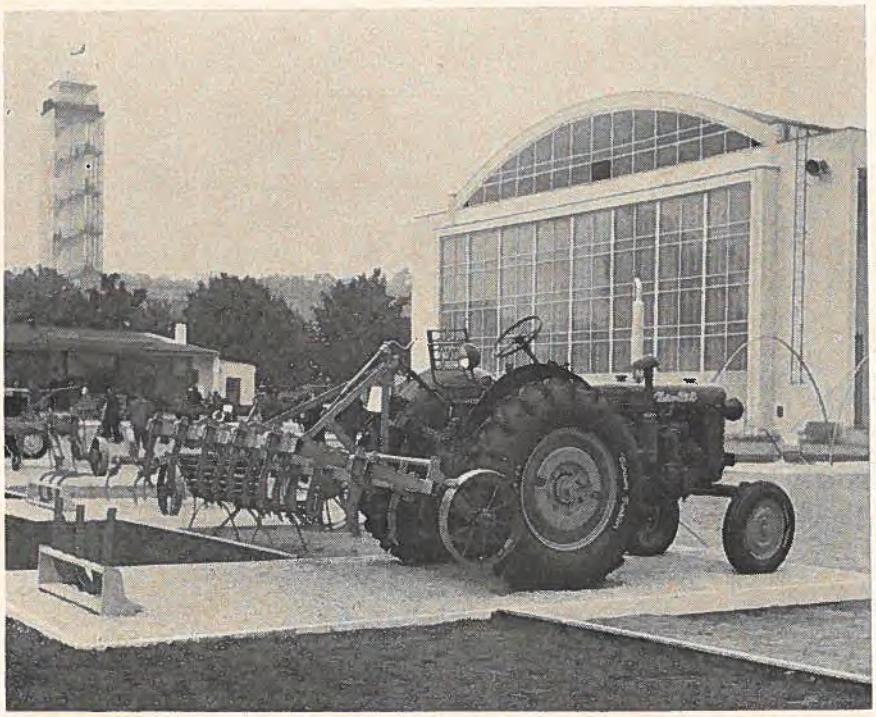
How to Sell in Eastern Europe

- **Begin by making offers to foreign trade corporations.**
- **Accompany offers with copies of sales literature.**
- **If interest warrants, pay a personal visit to area.**
- **Try various methods of reaching end-users of your product.**

PETER FREYSENG, *Assistant Commercial Secretary, Vienna.*

CANADIAN exporters interested in trading with Eastern Europe should first determine whether there really is a market large enough to justify a personal visit to the area. The way to do this is to make offers to the foreign trade corporations. These corporations, as the article on Eastern Europe in the March 23, 1963, issue of *Foreign Trade* pointed out, carry out the day-to-day operations of buying and selling in line with their product responsibilities, under the supervision of the Ministry of Foreign Trade and State Bank in each country. Each corporation has a general director responsible to the Ministry and, under him, is organized into various Product Divisions, each with export and import sections. Most corporations also have a general Trade Policy Division (often with particular individuals responsible for the Corporation's North American trade), Market and Price, Planning, and Barter Divisions.

The men in the foreign trade corporations are keen businessmen, fully acquainted with Western business methods and terms, and are often qualified product specialists. Most of the staff members speak at least one foreign language. Most exporters doing business with these countries try to establish relations with both the general directors and the division chiefs; personal contact with key executives counts for much and often is the only way to get information. The division chiefs, in particular, have detailed knowledge of current product prices and specifications, competing foreign offers, and changing domestic needs.



One good way of getting in touch with end-users of your product in Eastern Europe is by entering a trade fair—such as the International Engineering Fair held in Brno, Czechoslovakia, each fall and accommodating both indoor and outdoor exhibits.

Making Offers

What is the correct way to make offers to these corporations, in advance of a sales visit? Most of the corporations request that exporters submit price quotations in the form of pro forma invoices in quadruplicate, and attach sales literature. (An extra copy of the quotations should be sent to the Canadian Commercial Counsellor in Vienna. He visits these countries periodically and can follow up the transaction.)

Invoiced offers should give prices in U.S. dollars and, if possible, f.o.b. Canadian port, c. and f. European port, and c.i.f. European port. The f.o.b. quotation is necessary because the foreign trade corporations wish to arrange ocean transportation themselves, choosing steamship lines that will accept payment in soft currencies. But they also like to have c. and f. or c.i.f. European port quotations for immediate comparison with other foreign offers, and also if they are unable to arrange their own ocean transportation.

For Czechoslovakia and (to a lesser extent) Hungary, quotations should be given c. and f. or c.i.f. North European port, preferably Hamburg. If exporters can obtain quotations for Polish Baltic ports (Kolobezeg or Gdynia), these are preferable, because the Czech corporations use Bloc clearing account currencies rather than convertible foreign exchange to cover inland transportation costs. For Hungary, quotations c. and f. or c.i.f. Trieste (Italy) or Rijeka (Yugoslavia) are equally as good as North European port, if not preferred. The Bulgarian trade corporations like quotations, if possible, Bulgarian Black Sea ports (Burgas or Varna), and the Rumanians like quotations Constanza, also on the Black Sea. Failing such connections, Canadian exporters can give quotations basis Salonika or Constantinople.

If European port prices are given or used, the corporations prefer c. and f. rather than c.i.f. quotations because they like to arrange insurance with their own state insurance organizations. If exporters feel they still have financial interest in the goods during the voyage, they can arrange for "contingent interest" insurance under their own policies. The corporations like the pro forma invoices also to provide a breakdown of the various cost details that go to make up final European port estimates, and breakdowns of c.i.f. quotations should show insurance, packaging and transportation costs. They should also show net, tare, and gross weights, delivery terms, and payment terms. The corporations understand all terms as referring to definitions laid down in *Incoterms 1953,* drawn up by the International Chamber of Commerce in Paris.

In addition to copies attached to the pro forma invoices, exporters should send some ten copies of literature to the foreign trade corporations to be circulated among various Ministries, factories and research institutes. Foreign trade corporation officials, plant managers and technicians like to retain these copies for reference, even if they do not want to order the products immediately. Literature may be used in drawing up plans. In sudden need, the foreign trade corporations compare what is available from different Western suppliers on the basis of the literature they have on file. To be most effective, it should be in the language of the receiving country and all measurements should be given in the metric system. If the exporter cannot arrange translations, then he should consider preparing stenciled summaries in German for Czechoslovakia and Hungary and French for Rumania and Bulgaria. These are the most commonly used Western languages in these countries.

Purchase Orders and Contracts

If initial offers result in real buyer interest, then the trade corporations will issue "purchase order" forms of their own design to exporters. These are really only written confirmations of interest and not legally binding contracts. They may be issued by mail or at trade fairs covering stand purchases. It is then up to exporters to decide whether they will accept these as the basis for shipment or whether they want more detailed formal contracts. In the past, foreign trade corporations appear to have honoured "purchase orders" when exporters acted upon them.

In contracts covering larger orders, Bloc negotiators will probably try for contracts that provide, where necessary, commissions to the corporations for acting as sole "agents" for the countries in question, insurance by Bloc insurance organizations, quality inspection by Bloc control organizations, consideration by exporters of Bloc sources of supply for products of use to them, and arbitration before Bloc commercial courts. Exporters will find that most of these points really involve concessions in prices or payments, which can be negotiated. The arbitration clause, however, is important if future disputes arise. Canadian exporters should insist on arbitration before boards or courts in some neutral country, such as Sweden, or before the courts of the International Chamber of Commerce in Paris.

Customs, Shipping Documents

In Bloc countries, the trade corporations are responsible for border clearance but the exporter is held responsible for seeing that all shipments are accompanied by proper documentation. Lack of proper documentation can delay payment. Most of the countries in the area require two copies of standard international customs declaration forms; two commercial invoices showing price, packaging material, weights (net, gross and tare); unit prices and total shipment values in contract currencies, and two bills of lading. An exception is Czechoslovakia, which requires four copies of all documents. These countries generally accept international plant and animal health certificates, but insist on special certificates for shipments of explosives and nuclear equipment. Bulgaria requires a special animal health certificate in line with regulations, obtainable from the Bulgarian Ministry of Agriculture. Most countries do not require certificates of origin or consular certificates. There are no special packaging regulations but cases should be marked with net, gross, and tare weights, and import licences and contract numbers, supplied in advance by the trade corporations to the exporter. Exporters visiting the territory must arrange customs bond to cover samples with commercial value. In Czechoslovakia, however, foreign commercial attachés can import these free of duty.

Reaching End-Users

If the trade corporations show real interest, the time may be ripe for a personal visit to the area. Czechoslovakia, Hungary, Rumania and Bulgaria can be covered in a week by air. Exporters going to the Common Market countries can probably fit in a trip to Eastern

Europe fairly easily, provided they have the proper visas. During a visit to the area, they should try to discover whether prospects are good enough to justify setting up some form of permanent sales arrangement or organization. A long-term sales effort in the Bloc countries must take into account the fact that in these markets the trade corporations come between the exporter and the people who eventually receive and use his goods. He must devise ways of reaching this end-user group and stimulating their interest in his products. Here are some of the ways of establishing and developing connections with end-users.

• Visit the market regularly and gain, through the foreign trade corporations, a knowledge of the organizations and key men standing behind them.

• Offer technical knowledge, aid in installation, and service follow-up when selling. Such services ensure access to the factories.

• Use the Chambers of Commerce in each country to organize small technical film showings or lectures about the products. They will select and invite the appropriate men from key organizations.

• Try displaying at a trade fair in the area. The Czechs hold a large International Engineering Fair at Brno each fall—one of the largest in the Bloc. The Bulgarians hold a large summer fair at Plovdiv every other year and the Hungarians organize the Budapest industrial fair each spring. Engineers, technicians and factory managers attend these fairs in large numbers. (If you have goods for sale at these fairs, make sure invoices are f.o.b stand and literature is available in quantity!)

• Combine displays at one or more of these fairs with advertising in the technical press and a mailing campaign. In each of these countries there are foreign trade corporations concerned with publicity and they will be glad to place ads and draw up lists of key organizations for a mailing campaign. The effectiveness of campaigns can be checked by analyzing stand inquiries. •

See also "How to Travel in Eastern Europe" in the March 25, 1961, issue of *Foreign Trade*, and also "Advertising in Eastern Europe" in the February 11, 1961, issue.

India Brings Down Budget

Greater spending on defence, urgent needs under Third Five Year Plan reflected in 1963-64 budget recently introduced. Taxes and import and excise duties raised, compulsory savings introduced.

GERALD A. NEWMAN, *Commercial Counsellor, New Delhi.*

THE emergency situation that arose in the closing months of 1962 forced upon India the conclusion that she would have to rebuild, expand and re-equip her defence forces. This demand came at a time when the country was already struggling to overcome inadequate industrial production under the Third Five Year Plan as the result of shortages in power, coal, steel and transportation, coupled with an urgent need for improved technical assistance—all of which was aggravated by a critical shortage of foreign exchange. Finally, agricultural production, especially of foodgrains, was failing to keep pace with planned expectations.

It was expected that drastic steps would have to be taken to meet this serious situation and on February 28th Mr. Morarji Desai, Minister of Finance of India, revealed in his budget for 1963-64 just how severe the financial impact will be.

Budget Estimates

Total proposed expenditures for 1963-64 were listed at Rs.2,041 crores ($4,490.10 million), roughly a third higher than the budget estimate for 1962-63. Defence expenditures were placed at Rs.867 crores ($1,097.40 million) compared with Rs.367 crores ($807.40 million) in the previous estimate, or Rs.505 crores ($1,011.00 million) in the revised estimate. At the same time, the outlay for the Third Five Year Plan was advanced to Rs. 1,226 crores ($2,697.20 million) from the previous year's estimate of Rs.1,107 crores ($2,435.40 million), because it was felt that a strong defence position entailed a continuance of the essential features of the plan. These increased expenditures left a budgetary gap of Rs. 454 crores ($998.80 million) to be accounted for from new sources of revenue.

Before reporting the new imposts proposed by the Minister, it is well to realize that in India the average per capita income of its 450 million people is about $60 a year, that only about one million citizens pay direct taxes, and that restrictions have already reduced imports to those products considered essential for the operation of the Third Five Year Plan.

Against this background, the Minister found it necessary to in-

crease direct taxes, introduce compulsory savings, step up company profits tax, increase import and excise duties, and increase the rates on postal and telegraphic communications.

Taxes and Compulsory Savings

An additional surcharge of from 4 to 10 per cent will be levied on income after tax on individuals, Hindu undivided families, unregistered firms, and associations of persons. A surcharge of 20 per cent will be levied on income tax payable by registered firms.

Exemption limits for Hindu undivided families and persons are also reduced.

Compulsory savings with the following maxima are being introduced:

- Fifty per cent of the basic land revenue in 1959-60 assessment for agriculturists.

- Three per cent of the annual rental value of property-owners in urban areas.

- Three per cent of salary for employees who earn more than Rs.1,500 a year but are not liable for income tax.

- Three per cent for taxpayers whose residual income after payment of tax does not exceed Rs. 6,000 and others having a higher residual income to an amount equal to 2 per cent. These amounts, on being deposited under the compulsory savings scheme, will be deducted from the new additional surcharge payable by them.

Super Profits Tax

Super profits tax consists of a proportional surcharge on company incomes after tax. The tax will operate when the income of a company, after deducting income tax and super tax payable, exceeds 6 per cent of its capital and reserves except for such amounts which were allowed as deduction in computing the total income for income tax. The rate of tax will be 50 per cent when the income is above 6 per cent but not above 10 per cent of the capital and 60 per cent on incomes above 10 per cent.

It was proposed to disallow expenses for commissions, advertisement and entertainment to the extent that there is reason to believe they are inflated for reducing profits artificially.

Customs Duties

In addition to a general surcharge of 10 per cent on all import duties, there were increases on the following items of possible interest to Canadian suppliers:

Mineral oils

Machinery (general rate of duty increased to 20 per cent from 15 per cent; concessional rate increased to 15 per cent from 10 per cent)

Iron and steel products

Raw cotton

Rubber (rate increased to 20 per cent from 10 per cent)

Palm oil

Cinema films

Tobacco

Dyes

Hardware (increased to 100 per cent from 75 per cent)

Electrical and other instruments—standard rate of duty increased to 60 per cent from 50 per cent; preferential rate increased to 50 per cent from 40 per cent.

Motor vehicle parts (increased to 50 per cent from 25 per cent)

Petroleum products

It will interest Canadian importers to know that the export duty on tea at the former rate of 10 nP (about 2 cents) per kilogram has been abolished.

Excise Duties

Increased excise duties are to be levied as follows:

- **A 10 per cent surcharge in central excise duty on:**

synthetic dyes, printing and writing paper, jute manufactures, glass other than plate and sheet glass, chinaware and porcelainware, tinplate, internal combustion engines, electric storage batteries, motor spirit, electric bulbs, and diesel oils.

- **A 20 per cent surcharge on:**

tea, coffee, cosmetics, plastics, cellophane, tires, rubber products, cotton yarn of less than 25 counts, woollen fabrics, art silk fabrics, cement, plate and sheet glass, electric fans, motor vehicles other than motor cars, aluminum.

- **A 33⅓ per cent surcharge on:**

cigars, rayon and woollen yarn, cotton yarn of 35 counts or more, silk fabrics, refrigerators and air-conditioning machinery and parts thereof, wireless receiving sets, radiograms, motor cars.

Postal rates are being increased on postcards, book, pattern and sample packets, and parcels. Registration fees and post box rentals are also raised; so are inland telephone and telegraph rates.

Implications of Budget

In considering the implications of these new taxes and duties, it is difficult to avoid the conclusion that the costs of the Third Five Year Plan must go up, that India's competitive position for export purposes has become more difficult, and that there is increasing danger of inflation. This latter point gains significance from the large amount of money that will be directed to defence production and the continuing deficit financing which is now beyond the safe limit of $242 million a year laid down in the Third Plan. In 1961, it was about $272 million, in 1962, $528 million, and in 1963 the estimate is $325.80 million.

It is true that energetic steps are being taken with the aid of loans from the World Bank to overcome bottlenecks in transportation and coal production, that power is being increased, and that the steel mills are approaching full production. But in transport, power and coal improvements there is a time lag which promises to make 1963-64 a difficult period. There is also the question of how successful the efforts to step up agricultural production will be. ●

COMMODITY NOTES

Metals and Minerals

Aluminum

FRANCE—French production of primary aluminum increased by 5 per cent to 294,600 metric tons last year, compared with 279,960 tons in 1961; second smelting rose by 9 per cent (approximately 4,000 tons) to 46,900 tons. Of this total of 341,500 tons, the largest in Western Europe, 112,600 tons were exported against 126,000 tons in 1961—Paris.

Asbestos

MEXICO—Exploration work is under way on a large asbestos deposit in the northern State of Tamaulipas and a pilot plant is being installed to evaluate the possibilities for industrial exploitation. If the preliminary results are satisfactory, development will be turned over to private enterprise—Mexico, D.F.

NIGERIA—The Eastern Nigerian Government has concluded an agreement for a $2 million asbestos cement pipe factory to be added to Nigeria's second asbestos cement sheet plant. Imports of asbestos fibre from Rhodesia and Canada will soon increase rapidly. The first asbestos cement plant was built near Lagos and has been operating since March 1961 under the name of Asbestos Cement Products (Nigeria) Ltd. —Lagos.

Barytes

IRELAND—Within the next few months, exports of barytes from deposits located at Silvermines, Co. Tipperary, should begin. The first shipment will go to Texas where it will be used in oil drilling—Dublin.

Bauxite

AUSTRALIA—The Commonwealth Minister for Territories has announced that a new bauxite field in northeastern Arnhem Land is believed to contain at least 100 million tons of high-grade ore. A special mineral lease held by one of the two companies with prospecting rights in the area, the British Aluminium Co. Limited, required the company to submit development plans by the end of 1962. The other, Duval Holdings Pty. Ltd., has an option ending soon to take up a special lease to mine and export ten million tons of bauxite.

The Government has recently approved special mineral leases for the Gove Bauxite Corporation to develop bauxite deposits in the Gove Peninsula, Northern Territory; the leases will be transferred later on to an Australian subsidiary of the Pechiney Company of France. The company is required to construct and complete by the end of 1970 an alumina plant with an annual capacity of more than 500,000 tons of bauxite, at an estimated cost of £45 million. It is also required to make an immediate start on the mining and export of ten million tons of bauxite and to carry out the contract within 18 years. This operation, which will include the building of a port, will involve an immediate expenditure of about £2 million. When completed the plant will employ about 800 workers and earn an estimated £12.5 million from exports —Sydney.

FRANCE—Bauxite extraction totalled 2,162,000 tons last year, almost equal to 1961 production of 2,182,000 tons. Exports reached 265,000 tons, compared with 253,000 in 1961—Paris.

Copper

AUSTRALIA—Mount Isa Mines Ltd. announced last year that work would start almost immediately on a mill at Mount Isa designed to treat either lead-zinc or copper and expected to cost £8.5 million. It will be finished in three years. Initial daily throughput will be 5,400 tons, with provision for expansion. The present copper lead-zinc mill at Mount Isa processes 9,000 tons a day.

The company also plans to raise output of oxidized copper ores by increasing the size of the open cut beside its main mine almost ten times. More than ten million tons of overburden and ore will be removed over five years; overburden will be used for filling and the ore will be treated for its copper. Work was scheduled to begin early this year—Sydney.

Iron Ore

VENEZUELA—For the second consecutive year the production and export of Venezuelan iron ore declined, reflecting a drop in demand, particularly from United States consumers. Production in 1962 totalled 13,265,-880 metric tons, compared with 14,565,880 metric tons in 1961 and 19,490,400 in 1959. Exports, at 13,309,-792 metric tons in 1962, were 8.6 per cent below the 1961 total of 14,561,365 metric tons, and 30.8 per cent under 1960's 19,242,500 metric tons—Caracas.

Iron, Nickel, Phosphorus

VENEZUELA—As a result of a survey conducted from 1959 through 1962, the Ministry of Mines and Hydrocarbons has valued the country's iron ore, nickel ore and phosphorus deposits at 24 billion bolivars. The iron ore deposits, exclusive of those under concession to the two major mining companies, are placed at 650 million metric tons with an average iron content of 60.17 per cent, nickel ores are estimated at 46 mil-

lion metric tons with a nickel content of 1.68 per cent, and phosphorus at 135,000 metric tons with 22 per cent phosphorus pentoxide—Caracas.

Nickel

GREECE—According to a press report released in Athens, arrangements have been concluded for French participation in the exploitation of Greece's ferro-nickel mines at Larymna on the east central coast. The French company, Le Nickel, will contribute 21.43 per cent of the $7 million capital of the corporation which will operate the mines. The remaining 78.57 per cent will be held by the Hellenic Chemicals and Fertilizers Co. Ltd. of Piraeus, (the parent company of the former operators), and will be partly made up by a DM10.5 million loan obtained from Friedrich Krupp of Germany some years ago for the operation of the mines.

The new equipment for the Larymna mine will be imported duty-free; other concessions granted by the Greek Government include exemption from income tax and social rates over a period of ten years. Metallic electrolytic nickel and byproducts, as well as cast iron and steel in ingots, will be produced. It is hoped that the new plant will be in operation in two years—Athens.

Salt

AUSTRALIA—Salt was first produced in Australia in 1829 when 20 tons were obtained from natural lake deposits on Kangaroo Island, South Australia. By 1960, production had reached 463,000 tons valued at over £1 million, and eleven salt-refining works were producing salt for human consumption and for use as preservatives in the food and allied industries. All production is from solar evaporating pans or salt from salt lakes; there is no domestic production of rock salt.

Australia is more than self-sufficient in salt and, in fact, has an exportable surplus. By 1961, exports at 60,000 tons had more than trebled the 1960 figure, and the 1962 total was probably higher. Fifty-three per cent of 1961 exports went to Japan and 40 per cent to New Zealand.

The development of the alkali industry is expected to increase local consumption. Production will rise to meet it and to produce additional quantities for export —Canberra.

BRAZIL—A contract valued at £1.5 million for engineering services and design for a plant to produce salt from seawater has been signed by NORDAC, a British company, and Companhia Nacional de Alcalis (National Alkali Company). The salt will be used to make soda ash and caustic soda, and the new system of crystallizing salt by underwater combustion is expected to cut production expenses by 60 per cent. The plant will be built at Cabo Frio in the state of Rio de Janeiro, and the plant equipment, except for specialized items imported from Britain, will be made in Brazil—Rio de Janeiro.

UNITED STATES—A dome of salt over four miles deep that began forming, according to geologists' estimates, some 150 million years ago, has been tapped at Belle Isle, Louisiana, 80 air miles southwest of New Orleans. The vast deposit was discovered in 1896 and ambitious plans to mine the salt were begun a couple of years afterwards by New York industrialists. The project was unsuccessful, however, because of a cave-in and flooding, and subsequent efforts during the next 65 years failed too. Success was finally achieved when Cargill, Inc., a Minneapolis-based company which operates the mine, sank a 1,250-foot shaft. The mine will have an initial production capacity of 400,000 tons a year, and Cargill has set an eventual goal of one million tons a year—New Orleans.

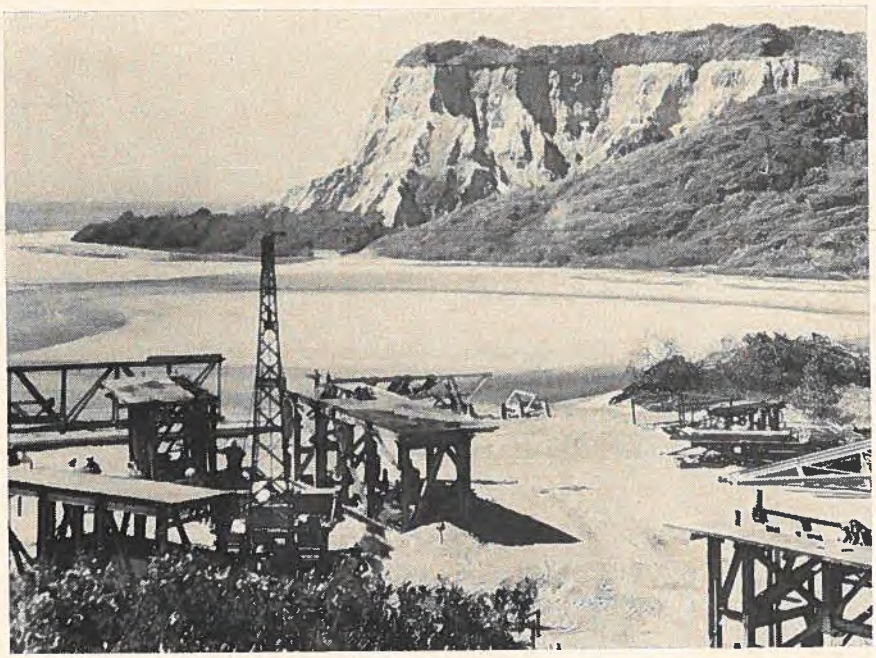
Steel

LATIN AMERICA—The Latin American Iron and Steel Institute (headquarters in Santiago) has announced that Latin American steel production totalled 5.9 million metric tons in 1962, up 11 per cent from the previous year. Brazil and Mexico remain by far the region's largest producers. This is the breakdown by country, in thousands of metric tons: Brazil 2,650, Mexico 1,680, Argentina 650, Chile 520, Colombia 170, Venezuela 140, Peru 80, Uruguay 10—Santiago.

SOUTH AFRICA—A serious shortage of South African cold-rolled steel, which may last for three or four years, is the latest problem of the automobile assembly industry. The local steel plant has not been able to keep pace with the growing demands of the automobile assemblers and the expanding output of component manufacturers.

It is understood that the Government is prepared to grant import permits for cold-rolled steel to supplement local suppliers. However, the cost of steel from Britain will be 37 per cent higher than the South African product, and North American steel will be even more expensive—Cape Town.

TURKEY—A $2.5 million contract has been let to a Cleveland, Ohio, firm for the construction of a steel fabricating unit at the Karabuk Steelworks in Turkey. The new unit, part of the over-all expansion planned for Karabuk, will obtain all-welded structural steel from the parent plant and will have an annual capacity of 16,500 tons (which eventually can be raised to 22,000 tons) of a wide range of steel products, including crane girders, railway and road bridges, liquid-holding tanks, gas and water pipes, etc. The project is to be financed out of a $15 million Eximbank credit authorized in 1959 for the expansion of the Karabuk Steelworks—Athens.



Petrobras, the national oil monopoly, is drilling in the northeast coastal state of Alagoas. If it strikes oil, the whole economy of the Northeast will benefit.

Northeast Brazil: Planning for Progress

The *Alliance for Progress* in Brazil is placing emphasis on the Northeast and directing to this underdeveloped region approximately $700 million worth of aid. Canadians might contribute technical and engineering skills; should watch out for openings.

MALCOLM ROWAN,
Assistant Commercial Secretary, Rio de Janeiro.

THE Northeast — poverty-stricken and underdeveloped, with large areas subject alternately to flood and drought, and with little hope of improvement without outside aid— comprises nine states and part of another* covering an area of 600,000 square miles, larger than the Province of Quebec. In this region 25 million people live, or one-third of Brazil's total population. The per capita income is about the same as in South East Asia and barely reaches U.S.$100 a year, or less than one-third the average income in south-central Brazil. In 1959, income for the area was one-seventh of the total for the country as a whole and only 12 per cent of it originated from industry; the rest came from agriculture.

On the Coastal Strip

The Northeast includes a humid coastal strip about 65 miles wide and an extensive semi-arid hinterland. In the state of Maranhão in the north the humid strip widens and merges into the Amazon jungle. Just south of Maranhão, in the states of Rio Grande do Norte and Ceará, the semi-arid region pushes its way to the coast. With two exceptions—the São Francisco and the Parnaiba Rivers—all the large rivers in the Northeast dry up for part of the year.

Most of the population is concentrated in the humid coastal strip where sugar cultivation, based on a feudal type of land ownership, is the basis of the economy. The coastal towns have in recent years become crowded with an excess labour force, created by the rapid population increase of about 3 per cent a year and the drift into the cities from the countryside. The population of the major city, Recife, is now approaching one million,

*Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraiba, Pernambuco, Alagoas, Sergipe, Bahia and the drought area of Minas Gerais.

compared with 500,000 just 12 years ago. Some of the excess labour migrates south to the industrial cities, especially Rio de Janeiro and São Paulo, creating social problems there.

Serious food shortages are common because of the emphasis on sugar cultivation. Much of the region depends on foodstuffs imported from other parts of Brazil and, more recently, from the United States through "Food for Peace" and PL480 wheat shipments. According to an official government report, the chronic food shortages are the greatest deterrent to industrial development in the humid coastal region.

Semi-Arid Hinterland

The situation in the semi-arid hinterland is much the same, although the economic basis of the region is different. Originally built on extensive cattle-raising, the economy has diversified into cotton production. However, the larger labour force needed for cotton farming strains the limited food supply, which cannot be depended upon because of the irregularities of the climate. Droughts causing widespread crop failures are said to occur every seven years on the average.

In sum, the people of the humid and semi-arid regions of the Northeast depend on food that becomes more and more expensive as the population increases, and the supply of which grows increasingly unstable. These conditions have not appeared overnight, but the growing industries of south-central Brazil and the rising standard of living there have made the problems of the Northeast appear greater by comparison.

Although there is considerable virgin land in the river valleys of the interior, especially in Maranhão, the problems of clearing the jungle for farming are great. The age-old system of cut and burn, plant and harvest, then move on again in two or three years when the soil is worked out is all too common. But with their poor resources and education this is the only method the Northeastern people know. It is said that even if they had the means to migrate to the interior valleys they would soon sink to a subsistence standard of living because they do not have the capital or knowhow to farm in a tropical climate.

Among the main problems are disease, illiteracy, drought, a growing population, underdeveloped resources, inadequate food supplies and, possibly worst of all, lack of hope. These are social as well as economic ills and consequently not easy to solve.

Brazilian Action

Before the *Alliance for Progress,* the Brazilian Government's measures in the Northeast were usually carried out on an *ad hoc* basis. It was not until December 1959 that SUDENE (Superintendency for the Development of the Northeast) was created to consolidate, supervise and implement development policies for this region. SUDENE has a yearly budget of not less than 2 per cent of the Federal Government's tax revenues and, as well, integrates its activities with other government agencies operating in the area. These agencies include the São Francisco Valley Commission (CVSF), the São Francisco Hydro Electric Company (CHESF) (see *Foreign Trade,* November 3, 1962), and the National Department for Drought Control (DNOC), which are also contributing to the development of parts of the region.

SUDENE has drawn up a five-year plan calling for investment in highways, electric power development, agriculture, food distribution, housing, water and sewerage facilities and population resettlement in the interior.

On another level, the Federal Government, in an attempt to encourage the private investment that is essential to development, gives companies whose capital is 100 per cent Brazilian* the right to deduct up to 50 per cent of their normal income tax if they apply or reinvest it in industries considered by SUDENE to be of interest to the development of the Northeast. Many firms are taking advantage of this incentive to establish branches there.

The Government also exempts from all federal taxes imports of machinery and equipment for agriculture and approved basic industries to be set up in the area. The industries so far favoured are varied and include plants for bottling, for production of ferro-alloys, textiles and jute bags, for processing coconut fibre, and slaughterhouses. The Government's plan is for public social and economic aid coupled with some incentives to private investment.

Alliance for Progress

Like many developing countries, Brazil is long on plans but short on capital. This is where the *Alliance for Progress* is playing a part and providing an assist for the country's own efforts. United States foreign aid under this program is designed to support joint inter-American effort involving financial commitments from the Latin American countries.

Table I shows the total aid to Brazil through the *Alliance* from May 1, 1961, to October 4, 1962, and illustrates its many facets. Over $650 million in grants and loans from U.S. public funds have been made available in this period. Of the total, $254 million are stabilization loans for easing the balance-of-payments problem. The rest, some $400 million, is for social and economic projects, such as development projects in the Northeast—for instance, a water system in Salvador and housing and remodelling of 125 schools in Pernambuco.

The Government has established a National Planning Commission (COPLAN) with a grant of U.S. $450,000 from the United States.

*The law is not clear whether this means firms incorporated in Brazil, whether owned by foreigners or not, or 100 per cent owned by Brazilian citizens.

TABLE 1

U.S. PUBLIC FUNDS FOR THE ALLIANCE FOR PROGRESS IN BRAZIL MAY 1, 1961 TO OCTOBER 4, 1962

	(millions of dollars)
U.S. stabilization loans to help Brazil pay for essential imports	254.0
U.S. loans and grants for economic development from PL480 sales of wheat in Brazil	140.2
U.S. loans and grants for economic and social development in Northeast Brazil, including the loan for the COPERBO synthetic rubber plant	134.4
U.S. distribution of "Food for Peace"	36.2
U.S. technical assistance, including malaria eradication	15.8
Social Progress Trust Fund*	55.9
	636.5
Inter-American Development Bank†	58.3
Total	**694.8**

*Financed wholly by U.S. funds and administered by the Inter-American Development Bank.

†Approximately half from U.S. funds and half from Latin American members, including Brazil.

Source: U.S. AID, Rio de Janeiro.

COPLAN will work with the Coordinating Committee of the *Alliance for Progress* (COCAP) to sort out and establish priorities for projects before they are submitted to the different *Alliance* agencies.

Northeast Agreement

On April 13, 1962, Brazil and the United States signed an agreement for "The Economic and Social Development of the Brazilian Northeast". This recognizes the urgency of the Northeast's problems and in effect separates the aid given to this area from loans for the rest of the country. Two programs are proposed, at a cost to the United States of at least U.S.$131 million and to Brazil and other external sources of approximately U.S.$620 million. The responsibilities of the United States in the Northeast will be carried out by the Agency for International Development (AID), and those of Brazil by SUDENE.

First, a two-year "Impact Program" designed to produce immediate and visible results will include provision of mobile health units, public drinking fountains, water supply, educational facilities, sewerage and electric power projects for small communities. Cost of these emergency projects will total approximately U.S.$58 million, of which the United States will provide U.S.$33 million or its equivalent in cruzeiros, in the following way: not more than U.S.$14,670,000 in donations or loans in dollars, and not more than U.S.$18,330,000 in donations or loans in cruzeiros obtained from the sale in Brazil of PL480 agricultural products. Brazil is committed to provide the equivalent of U.S.$25 million for this two-year emergency program.

Second, a five-year development program (1962-1966) to raise the standard of living and integrate the Northeast's economy with the rest of Brazil will stress such measures as irrigation; road improvement; electric power development; expanded educational facilities, both primary and vocational; improved health and sanitation facilities; aid for agricultural production and the distribution and sale of agricultural products, and a study of the potential resources of the region.

The United States plans to supply U.S.$98 million during the first two years, of which more than a third will be in Brazilian currency derived from the sale of U.S. surplus food products. At the end of two years, Brazil and the United States will jointly review the whole program to see how the two countries should collaborate during the following three years. The estimated cost of the five-year program equals approximately U.S.$692 million.

How the Alliance Helps

A definition of the type of assistance the United States will provide through the *Alliance* has been given by the new Director for AID in Brazil: "Because the United States has been fortunate to have attained an advanced position relative to the economic development of some of the members of the *Alliance,* it follows that the U.S. contribution to the *Alliance* will be primarily in the form of the transfer of the means for economic development, the tools for planning, the facilities for research and training and the financing for both public and private investment in the infrastructure necessary for economic and social development".

The *Alliance* program in the Northeast, as in the rest of Latin America, is just getting under way after a slow start and has not escaped criticism. Regardless of its faults, it is still the first attempt of its kind to attack underdevelopment on such a large scale.

Canadian Participation

Canadian firms will have only limited opportunities to take part in the development of the Northeast with *Alliance for Progress* funds. Much of the necessary equipment, whether purchased by government or private investors, will be made in industrial south-central Brazil. Equipment that must be imported is tied to U.S. suppliers. Some equipment that Brazil cannot yet produce and must import and that is not tied—for example, imported equipment purchased with loans made through the Inter-American Development Bank, Ordinary Resources Department—might be supplied by Canadian firms; they can bid on tenders called for such machinery and equipment.

Apart from equipment, Brazil will also have to import some technical and engineering skills and this may perhaps prove to be the area where Canada can participate most, provided Canadian firms associate themselves with local companies or establish subsidiaries here. Interested firms would be well advised to get in touch with our offices in Rio de Janeiro and São Paulo regarding such association with Brazilian firms if they are interested in taking part in the development of the Northeast. ●

The Canadian Government Travel Bureau

What is the value of Canada's tourist industry?

Canada's earnings from tourists broke all records in 1962, reaching $560 million according to preliminary DBS statistics. Of this, $510 million came from United States visitors. Previous high was in 1961, when the total was estimated at $482 million. For a number of years the tourist industry has ranked third, after wheat and newsprint, as a foreign exchange earner for Canada.

When and why was the Travel Bureau established?

Following an inquiry by a special committee of the Senate of Canada into the tourist industry and its prospects, the Canadian Government Travel Bureau was established in 1934 and designated the federal agency responsible for the promotion of Canada's tourist attractions. Originally with Trade and Commerce and since 1948 with Northern Affairs and National Resources, it returned to Trade and Commerce last November. Its major rôle is to promote travel to Canada and to co-ordinate tourist trade promotion outside Canada undertaken by the federal and provincial governments, the transportation companies, and the national, regional and local tourist associations. Until 1962, the Bureau concentrated on encouraging United States tourists to visit Canada. It is now extending its operations to cover Britain and Europe, following the relaxation of currency restrictions there and the rise in incomes.

Director of the Bureau is Alan Field. He is responsible to the Minister of Trade and Commerce through the Deputy Minister and the Assistant Deputy Minister (External Trade Promotion). The head office of the Bureau in Ottawa has a staff of about 100, and travel promotion offices with small information staffs are operated in New York, Chicago, San Francisco, and London, England.

How will the transfer to Trade and Commerce assist travel promotion?

This move will permit a closer co-ordination of Canada's efforts to promote its foreign trade and its tourist industry. Canadian Trade Commissioners are being provided with Travel Bureau literature and material for distribution in the areas for which they are responsible. Field representatives of the Bureau will take advantage of the new avenues for promotion open to them through branches of the Department, such as the Trade Commissioner Service, the Trade Fairs and Missions Branch, the Trade Publicity Branch, and the Canadian Government Exhibition Commission.

As a corollary, in future the Travel Bureau will stress the relationship between trade and travel in its publicity and promotion. A new Tours and Convention Section, working with the Trade Commissioner Service, will approach national and international trade associations in an effort to persuade businessmen from other countries to visit Canada in groups or singly and thereby stimulate travel to this country and, in doing so, increase purchases of Canadian products.

What are the Divisions of the Bureau and their functions?

The Bureau's head office in Ottawa has been set up for rapid handling of the travel inquiries that it solicits through a $2 million direct advertising campaign and through publicity material provided free to newspapers, magazines, radio and television. The responsibility for its various operations has been assigned to three divisions as follows:

- Travel Information and Operations Division—provides free travel counselling service by mail, answering all questions related to travel to and within Canada. During 1962, the Division received through the Bureau's four field offices and the Canadian Consulates in the United States a record 1,075,000 inquiries—more than any other government travel bureau in the world. Through these inquiries it is in touch each year with over three million prospective visitors to Canada, twice as many as six years ago, and sends them more than six million pieces of travel literature.

- Publications Division—Plans and produces, in co-operation with the Queen's Printer, the Travel Bureau's 47 booklets, folders, posters and maps, and works out their distribution in quantity.

- Publicity Division—Provides travel writers, editors and publishers with written material, photographs and editorial assistance to obtain as much free travel publicity as possible for Canada in newspapers, magazines, books and other media in the United States and abroad. The division maintains extensive files of photographs collected every year across the country. It distributed approximately 30,000 black and white prints in 1962 and lent nearly 4,000 colour transparencies to various media. Every year 1,000 or more prints of films on travel and wildlife are provided for the National Film

Board to circulate through 600 film libraries in the United States and for 135,000 general screenings and 2,500 showings on television.

What are the highlights of the 1963 program?

The Travel Bureau is intensifying its promotion efforts this year. Major moves are:

- appointment of a general manager for European operations, and field officers for France and West Germany
- a $150,000 advertising program in Britain
- an expanded public relations program in Britain and initiation of a new program on the Continent
- appointment of a field officer for the Los Angeles area to tap the rich Southern California market
- appointment of an experienced convention and tours consultant to head a new section at the Ottawa office that will co-ordinate efforts to attract international conventions to Canada and encourage the development of more tours of the country that can be sold by travel agents overseas
- a special grant of $32,000 to the Canadian Tourist Association for "Project Hospitality", which is designed to provide a warmer welcome and better services for visitors to Canada, as well as to heighten awareness in Canada of the importance of the tourist industry.

How is the Bureau preparing for 1967?

With Canada's Centennial and the Canadian World Exhibition in Montreal only four years away, the Travel Bureau must increase its efforts every year to be ready to attract the millions of visitors from all over the world who are expected to come to Canada in 1967. And if the efforts of the Calgary Olympic Development Association succeed, the 1968 Winter Olympics will also bring many visitors to the Banff-Lake Louise area and other parts of Canada as well.

The Travel Bureau's current goal is to help Canada's tourist industry earn $1,100 million in 1967. To achieve this, the Bureau is following a four-year development plan. Under this it will continue all its present activities while steadily expanding its advertising, publicity and promotion programs with a double aim—to intensify and extend Canada's travel promotion in the United States, and to reach out to other areas of the world from which we could attract large numbers of visitors.

In setting broad targets for the Canadian Government Travel Bureau and the travel industry during the years 1963-1967, it has been recognized that over the past 17 years the ratio of Canada's travel income to the Bureau's expenditures has never been less than $140 to $1. By 1967 the Bureau's over-all budget will probably be doubled, with nearly $4 million allocated to advertising. But there is every indication that this industry has a sure growth potential that will more than justify the steady increase in efforts to promote it. •

GENERAL NOTES

Brazil

OIL AGREEMENT WITH U.S.S.R.—PETROBRAS, Brazil's state oil organization, has announced the signing of an agreement with the Soviet Union to purchase $21 million worth of petroleum products on a c.i.f. basis, in exchange for various Brazilian products—principally coffee—Rio de Janeiro.

POWER PLANT—The Polish State enterprise COPEK has been awarded the contract for the construction of a 200,000 kw. thermoelectric power plant in the state of Rio Grande do Sul. An unusual feature of the operation is that for the first time a Brazilian development project is to be financed by an Eastern European country on a substantial scale. The credit authorized by the Polish company is for U.S.$26 million at a seven-year term, with annual interest of 3 per cent. The contract was signed in the presence of the Polish Foreign Minister, who has shown interest in Poland's supplying equipment for an aluminum refinery in Minas Gerais—São Paulo.

Central America

CANADIAN ENGINEERS WELCOMED—The Commercial Counsellor for Canada in Guatemala City reports that the Central American Common Market Bank's department of analysis has invited Canadian consulting and engineering firms to register their interest with the bank. Its work involves chiefly the financing of industrial expansion projects in the five Central American Republics under the Central American Common Market system. Full information on the Canadian firm's available scrvices, plus a record of past perform-

ance with prospectus, should be airmailed directly to Ing. Yrigoyen Arzú, Jefe Departamento de Análisis, Banco Centroamericano de Integración Económica, Edificio Banco de Honduras, Tegucigalpa, Honduras.

Canadian consultants and engineering firms are also encouraged to send representatives to call personally on officials of the bank to make their capabilities better known—Guatemala City.

Colombia

TRADE BALANCE—Local newspapers have recently been discussing this country's unfavourable balance of trade, drawing attention to a number of countries who enjoy a favourable balance in their trade with Colombia. One of these countries is Canada. Unfortunately Colombian statistics tend to credit the United States with imports and exports shipped through U.S. ports, with the result that the trade deficit with Canada appears larger than the true deficit given in Dominion Bureau of Statistics figures.

For the first 11 months of 1962, Colombia's heaviest trade deficits were with the United States (U.S.$30 million), Britain (U.S.$22 million), Italy (U.S.$12 million), Japan (U.S.$11 million), Canada (U.S.$8 million), and France (U.S.$8 million). The effect of these deficits is a renewed call for barter trading, using coffee as the Colombian contribution—Bogotà.

ALUMINUM ANODIZING—A Colombian firm in Cali, Articulos de Construcción y Decoración de Metales (Arcodec), has just opened a new plant where it will extrude and anodize aluminum for architectural purposes, using a process under a licensing agreement with a U.S. company. Arcodec formerly imported aluminum. It will probably in due course obtain profiles and sheet from Alcan de Colombia—Bogotà.

Ghana

INVESTMENT BANK—The National Investment Bank is to operate with a capital of £10 million, according to a recent government bill. It will assist in the establishment, expansion and modernization of industrial, commercial, agricultural and other enterprises in general, and encourage and facilitate the participation of internal and external capital in such enterprises.

The bank will mainly provide money in the form of long-term or medium-term loans with or without security, encourage small Ghanaian business concerns, and seek to bring together investment opportunities, internal and external capital, and experienced management—Accra.

EXCHANGE CONTROL—The administration of the Exchange Control Regulations has been transferred from the Bank of Ghana to the Ministry of Finance and Trade (Finance Division). The Ministry has announced the appointment of a committee to deal with all policy matters in exchange control and to be responsible for making recommendations about them to the Government. The committee is composed of the two principal secretaries to the Ministry, the executive secretary, State Control Commission, and P. E. Amuah, Exchange Control Department, who acts as secretary —Accra.

New Zealand

EXPORT PROMOTION LOANS—The New Zealand Minister of Finance has announced that £4 million ($12 million) will be available as loans from the trading banks to the farming, manufacturing and service industries to further exports. These loans were made possible by releasing some of the deposits of the trading banks frozen at the Reserve Bank. Terms will be five years and possibly longer in special circumstances—Wellington.

Nigeria

COMMERCIAL FISHING—The Nigerian Federal Minister of Transport officially launched the £750,000 fishing vessel, *Lagos Comet,* of the newly formed Nigerian Frozen Food Industry Ltd., at the customs quay in Lagos, inaugurating what it is hoped will be a large deepsea fleet to exploit the great fisheries potential off Nigeria's coast.

Nigeria imports over $25 million worth of fish from European countries, mainly cheap Norwegian and Icelandic hard-dried stockfish and sardines from Morocco, Portugal and Spain. The authorities hope that the new company will help to reduce gradually the foreign exchange being spent in this way—Lagos.

Pakistan

IMPORTS—In the five month period July-November 1962, Canada ranked eighth as a supplier to Pakistan. The leading suppliers, in descending order, were: the United States (about 40 per cent), Britain, West Germany, Japan, India, Italy and France. Canadian goods, including those financed under various aid schemes, were valued at 22¾ million rupees (more than $5 million), about 1½ per cent of Pakistan's total imports—Karachi.

Papua-New Guinea

SEARCH FOR OIL—Three American oil companies have acquired petroleum exploration rights over an area of 8,740 square miles in Papua and New Guinea. They are the Amerada Petroleum Corporation of Australia Ltd., Continental Oil Co. of Australia Limited, and Marathon Petroleum Australia Limited. Recently these corporations discovered major oil reserves in Libya and are now developing them.

The rights have been bought from the Papuan Apinaipi Petroleum Co. Limited, Associated Australian Oilfields, N.L., and Associated Freney Oil Fields N.L.

of the Associated Group, under an agreement that gives the companies an over-riding royalty interest.

Further exploration will be carried out in the area extending for about 125 miles along the southern coast of Papua, west of Port Moresby, into the Purari River Delta—Sydney.

South Africa

TEXTILE INDUSTRY—The South African Minister of Economic Affairs recently announced that the Government will advance the Industrial Development Corporation (a state company) $70 million over the next five years to accelerate expansion in the South African textile industry and replace present imports. Of this, $30 million will be used to build factories for rental to textile manufacturers, and $40 million will be loaned to industrialists to assist them to purchase textile machinery and equipment.

The textile industry is rapidly becoming an important generator of income and creator of employment. Output has increased by some 80 per cent since 1956/57 to a present gross value of more than $225 million, which represents about 5 per cent of the total gross value of output by private manufacturing industry here.

Two new mills, costing about $15 million, will be opened to produce various types of cotton and rayon yarn and textile piecegoods; they are expected to make South Africa almost self-sufficient in yarns—Johannesburg.

Sweden

PAPER—Deliveries of paper and paperboard from Swedish mills totalled 2,310,000 tons in 1962; exports rose by almost 4 per cent to 1,445,000 tons and domestic deliveries by over 3 per cent to 865,000 tons. Shipments to Europe continued to increase—from 75.3 per cent of Sweden's over-all paper exports in 1961 to 77.8 per cent in 1962. Sales to EEC made up 47 per cent of the total in 1962 compared with 43 per cent in 1961; those to EFTA dropped from 28 to 26 per cent.

Shipments to non-European countries accounted for 22.4 per cent of total exports, compared with 24.7 per cent in 1961, largely because of continued import restrictions and higher import duties in many areas.

In spite of high wage costs, the Swedish paper mills have so far been able to maintain their competitive position by continued modernization and rationalization, thereby raising productivity. At the beginning of this year their capacity was about 2.7 million tons. Production in 1962 totalled about 2.4 million tons, 5 per cent more than in the preceding year—Stockholm.

WOOD PULP—Sweden's total deliveries of chemical pulp in 1962 are estimated at about 2.7 million tons, approximately 150,000 tons less than expected at the beginning of the year, but the second highest on record. This year the industry expects deliveries to reach some 3 million tons and shipments in the past few months have been at a rate corresponding to this estimate.

However, the pulp industry's situation has been rather depressed during the past year, largely because of the heavy expansion of capacity in Sweden and other pulp-producing countries. The current market situation places an economic strain on the pulp companies. Prices dropped considerably in international markets during 1961 and most of 1962 and have not come back even to the level of early 1962. At the same time, the low utilization of capacity (for most qualities no more than about 75 per cent) means a considerable increase in production costs—Stockholm.

West Germany

TRADE SURPLUS—West Germany's trade surplus decreased by almost 50 per cent last year to Can.$946 million compared with Can.$1,784 million in 1961. This was the result of a rise in imports of 11.6 per cent to Can.$13,378 million, while exports gained by only 3.9 per cent to Can.$14,324 million—Bonn.

WORKING HOURS—Working hours have continued to decline in West Germany since the beginning of 1962, according to the West German Economics Ministry. The working time for about 15 million employed persons fixed by contract is now below 48 hours per week. About 400,000 employed persons enjoyed a 40-hour week, some 4.5 million 41- and 43-hour weeks, and 8.5 million worked 44 or 45 hours—Bonn.

MANUFACTURED IMPORTS—The share of manufactured goods in over-all West German imports has gone up sharply in the last ten years. From 1913 to 1951, imports of manufactured goods into the former German Reich, as well as into the Federal Republic of Germany, accounted consistently for about 10 per cent of total imports. This figure rose to 35 per cent in 1961 and to 37 per cent in the first three quarters of 1962. In September 1962 it reached 40 per cent, or more than two-fifths of all imports—Bonn.

AUTOMOBILES—The Federal Republic of Germany ranks eleventh on the list of automobile users in the world. The West German Automobile Manufacturers Association reports that there were 108 cars per 1,000 inhabitants in the German Federal Republic (excluding Berlin). First on this list are the overseas industrial countries—the United States (421), New Zealand (310), Canada (301), and Australia (291). The leading nations in Europe are Sweden (192), France (168), Britain (146), Denmark (142), Switzerland (123), and Belgium-Luxemburg (114). The Soviet Union and Czechoslovakia lead the Soviet Bloc countries with 20, followed by the Soviet Occupied Zone of Germany with 18—Bonn.

Britain Redrafts Weights and Measures Act

B. M. FILLMORE, *Commercial Assistant (Agriculture), London.*

THE long awaited Weights and Measures Bill, now before Parliament, proposes some changes in the existing legislation for certain products, including foodstuffs. Canadian exporters of packaged goods for retail sale could possibly be affected, but at this stage the likely changes appear to be only minor ones.

The Bill is being described as a charter to protect the consumer against any aspect of short weight or deceptive packaging, and some food and other products not previously subject to the regulations are now brought within their scope. Some of the provisions may come into force within six months. Others, chiefly on packaging and labelling, will become effective two years after enactment, so that manufacturers will be able to use up stocks of packages or labels and have ample time to prepare new designs.

Weights and Quantity

The first parts of the Bill are concerned with units and standards of measurement. Of most concern is Clause 21 which sets out in a number of schedules the requirements for the sale of a wide range of goods, prescribing the required weight statement and the units of quantity in which these goods must be sold. The food products covered include fresh meats, fish, poultry, dairy products, fruits, vegetables and cereals, breakfast foods, bread, flour products, preserves, butter and other fats, salt, sugar and shell eggs. Other items included are animal feed in cake form, inorganic fertilizers, pet foods, seeds, toilet preparations, detergents, cigars, and cigarettes. Canadian suppliers of meat and fish products will not be greatly affected.

In fruits and vegetables, the regulations for the sale of some items have been tightened. Soft fruits (including strawberries) previously sold in small baskets with weight undeclared will be sold by net weight. For "countable" produce, such as apples, bananas, oranges, peaches, etc., the retailer has the option of selling by number or weight.

Part VIII of the Bill lists miscellaneous products of current or potential interest to Canadian exporters —e.g., cereal breakfast foods, coffee, honey, preserves, molasses, syrup, dried vegetables (including split peas), wheat and other cereal flour, cake flour and mixes, macaroni and products. These goods, if not prepacked, may be sold only by net weight; if they are prepacked, they may be sold in units of one, two, four, eight, and twelve ounces, one pound, 1½ pounds, or multiples of one pound. The container must be marked with the quantity in net weight.

Part IX of the Bill lists butter, cooking fats, lard, margarine, suet and related products. Dried fruits (including apples), oatmeal, and rolled oats are included. These goods may be sold by net weight if they are not prepacked, but if they are prepacked they must be sold in quantities of two, four, eight or twelve ounces, one pound, 1½ pounds, or multiples of one pound, with the container so marked.

Selling by Number

Part X lists goods that may be sold by number, such as shell eggs, cereal biscuit foods (such as shredded wheat), saccharin and other sweetening tablets, and similar products. Some not previously requiring weight or volume declarations are now brought under the scope of the proposals—for example, perfumery, toilet preparations, soap, detergents, pet foods, seeds, paints, distempers, thinners and Portland cement. Packs of cigarettes and cigars are to be marked with the quantity by number; so are boxes of stationery which include envelopes and paper. It has not been possible to deal specifically with all the products concerned and in many cases minor exceptions to the requirements are made, as, for instance, in very small packs of below one ounce.

The Bill may be further amended by both Houses and it could possibly be defeated but this is generally regarded as unlikely. Any specific queries from Canadian processors about the effect on their products may at this stage be premature. However, the Department of Trade and Commerce, Ottawa, or the Agricultural Counsellor, London, England, will be pleased to assist Canadian producers by clarifying any doubtful points. ●

CORRECTION

British Purchase Tax

In the article "Domestic Appliances" on page 9 of our March 9 special issue on the market in Britain, it was stated that the purchase tax on refrigerators, washing machines and a few other appliances was eliminated in January 1963. This was an error: the 25 per cent purchase tax on these products was continued.

A summary of the current purchase tax position in Britain appears on page 31 of the March 9 issue.

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 .9291.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 22	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.007771	126.68	
Australia	Pound		2.4118	.4146	
Austria	Schilling		.04167	24.00	
Bahamas	Pound		3.0147	.3317	
Belgium and Luxembourg	Franc		.02159	46.32	
Bermuda	Pound		3.0147	.3317	
Bolivia	Peso Boliviano	Free	.09177	10.90	
Brazil	Cruzeiro	Official Free	.002302	434.40	
		Special Category	†	†	
Britain	Pound		3.0147	.3317	
British Guiana	Dollar		.6281	1.59	
British Honduras	Dollar		.7537	1.33	
Burma	Kyat		.2260	4.42	
Ceylon	Rupee		.2261	4.42	
Chile	Escudo	Free	.3147	3.18	
Colombia	Peso	Certificate	.1196	8.36	
Congo, Republic of	Franc		.02159	46.32	
Costa Rica	Colon		.1625	6.15	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1495	6.69	
Denmark	Krone		.1560	6.41	
Dominican Republic	Peso		1.07625	.9291	
Ecuador	Sucre	Official	.05979	16.72	
		Free	.05005	19.98	
El Salvador	Colon		.4305	2.32	
Fiji	Pound		2.7159	.3682	
Finland	Markka		.3363	2.97	
France, Monaco, etc.	Franc		.2196	4.55	(1)
Franco-African Republics, etc.	Franc		.004392	227.69	(2)
French Pacific	Franc		.01208	82.78	(3)
Germany	D Mark		.2696	3.71	
Ghana	Pound		3.0147	.3317	
Greece	Drachma		.03587	27.88	
Guatemala	Quetzal		1.07625	.9291	
Haiti	Gourde		.2153	4.64	
Honduras	Lempira		.5381	1.86	
Hong Kong	Dollar	Free	.1862	5.37	*Apr. 12
		Official	.1884	5.31	
Iceland	Krona	Official	.02503	39.95	(4)
India	Rupee		.2261	4.42	

†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 date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 22	Units per Canadian dollar	Notes (See below)
Indonesia	Rupiah	Official	.02392	41.81	(4)
Iran	Rial		.01421	70.38	
Iraq	Dinar		3.0135	.3318	
Ireland	Pound		3.0147	.3317	
Israel	Pound		.3587	2.82	
Italy	Lira		.001733	577.03	
Japan	Yen		.002990	334.45	
Lebanon	Pound	Free	.3582	2.79	
Mexico	Peso		.08610	11.61	
Morocco	Dirham		.2153	4.64	
Netherlands	Florin		.2995	3.34	
Netherlands Antilles	Florin		.5707	1.75	
New Zealand	Pound		2.9941	.3340	
Nicaragua	Cordoba		.1537	6.51	
Nigeria	Pound		3.0147	.3317	
Norway	Krone		.1507	6.63	
Pakistan	Rupee		.2261	4.42	
Panama	Balboa		1.07625	.9291	
Paraguay	Guarani	Free	.008723	114.64	
Peru	Sol	Free	.04012	24.92	
Philippines	Peso	Free	.2758	3.62	
Portugal & Colonies	Escudo		.03743	26.72	(5)
Singapore and Malaya	Straits dollar		.3516	2.84	
South Africa	Rand		1.5074	.6634	
Spain and Dependencies	Peseta		.01794	55.74	
Sweden	Krona		.2072	4.83	
Switzerland	Franc		.2486	4.02	
Syria	Pound	Free	.3003	3.33	
Thailand	Baht	Free	.05107	19.58	(4)
Tunisia	Dinar		2.6045	.3839	
Turkey	Lira		.1196	8.36	(4)
United Arab Republic	Pound	Official	2.7454	.4040	
United States	Dollar		1.07625	.9291	
Uruguay	Peso	Free	.09815	10.19	
Venezuela	Bolivar	Controlled market rate	.3215	3.11	
		Official Free	.2372	4.21	
West Indies	Dollar		.6281	1.59	(6)
	Pound		3.0147	.3317	(7)
Yugoslavia	Dinar	Official	.001435	696.86	

Notes

1. 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.

Markets in Brief: TRINIDAD AND TOBAGO

Area: 1,980 square miles: Trinidad 1,864, Tobago 116.

Population: 900,000 (estimated at mid-1962).

Climate: tropical, humid (10 degrees north of the equator), nights are cooler; rainy season July to December.

Language: English.

Currency: West Indian dollar; W.I.$1.00 =Can.$0.63.

Weights and measures: imperial standard.

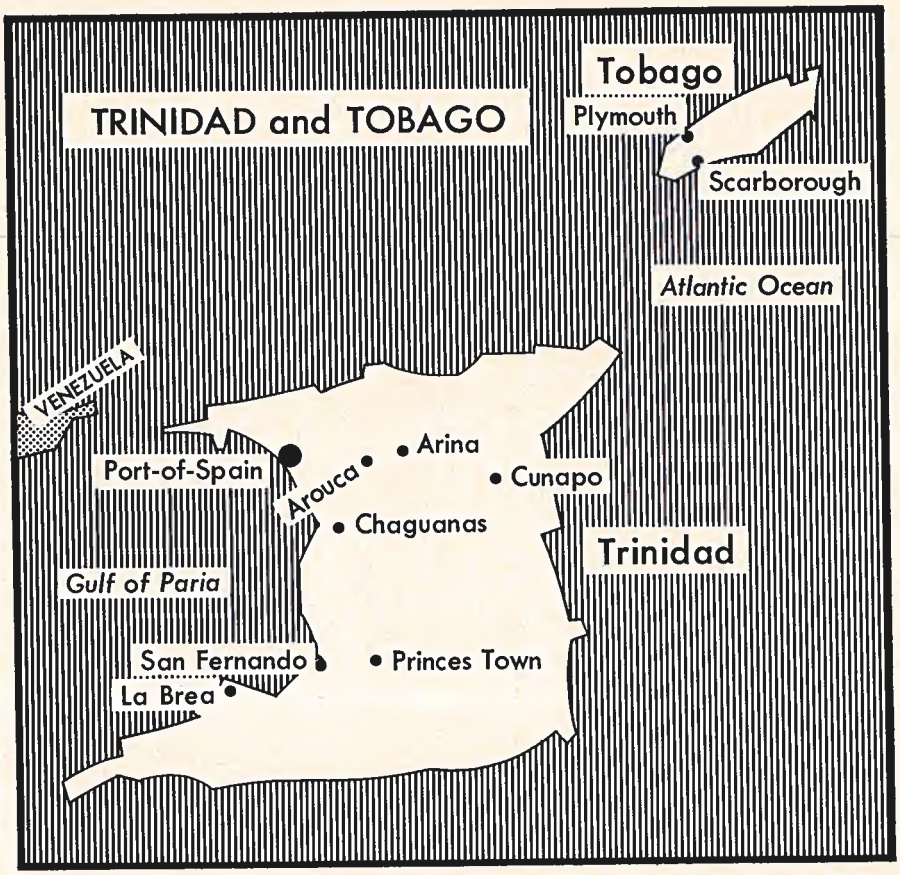
Capital and chief port: Port-of-Spain (population) 100,000.

Political status: independent country; member of the British Commonwealth as of August 31, 1962.

Economy: based mainly on oil production and refining, and agriculture (sugar cane).

Total Trinidad imports: (Can.$ million, c.i.f.) 1962 (10 months)—300.7; 1961—345.5; 1960—292.7. (Source: Central Statistical Office, Trinidad).

Chief imports: (Can.$ million, c.i.f.) crude petroleum and petroleum products 157.8; manufactured goods classified by material 51.7; machinery, transport equipment and vehicles 44.1; foodstuffs 43.9; miscellaneous manufactured articles 20.5; chemicals 13.8.



Chief suppliers: (Can.$ million, c.i.f.) 1961—Britain 82.7, Venezuela 73.5, Saudi Arabia 68.5, United States 39.7, Netherlands 8.5.

Value of imports from Canada: (Can.$ million, c.i.f.) 1962 (10 months)—14.2; 1961—15.8; 1960—16.3.

Chief imports from Canada: (Can.$ c.i.f.) 1961—wheat flour 3,244,182, motor cars and other passenger vehicles 850,059, salted codfish 705,260, lumber 553,762, raw tobacco 525,077, newsprint 513,430, canned sardines 369,647, barytes 351,169, cotton fabrics 341,179, potatoes 304,389.

Total Trinidad and Tobago exports: (Can.$ million, f.o.b.) 1962 (10 months)—305.1; 1961—356.1; 1960—284.9.

Chief exports: (Can.$ million, f.o.b.) 1961—petroleum and petroleum products 294.6, unrefined sugar 25.4, chemical fertilizers 4.3, cocoa beans 3.9.

Chief markets: (Can.$ million, f.o.b.) 1961—United States 87.6, Britain 85.7, Netherlands 21.8, Canada 16.9, Sweden 9.7, France 9.2, Brazil 8.9, Jamaica 8.2.

Chief Canadian purchases: (Can.$'000, f.o.b.) 1961—crude petroleum and fuel oils 9,011, raw sugar 3,632, molasses 759, rum 436, green coffee 143, cocoa beans 129 (DBS figures).

Import controls: import licensing controls remain in effect on relatively few commodities, chiefly paints, some garments, paper bags and paper products, furniture, and plastic articles which are mainly items locally produced or manufactured.

Dollar exchange: is freely available for imported goods and services.

Prices: buyers prefer quotations c.i.f. Port-of-Spain (if at all possible) in Canadian dollars; alternatively, f.o.b. port of shipment, including export packing and handling charges.

Usual terms of payment: sight draft, documents on payment.

Samples: samples of no commercial value may be imported free of duty; if dutiable, they can be brought into the country without payment of duty under bond, or if duty is paid it will be refunded on re-export.

Trade agreements: Canadian trade with Trinidad and Tobago governed by Canada-British West Indies Trade Agreement of 1926, which provides for the exchange of preferences on a wide scale.

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

Banks: Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of Nova Scotia, Bank of London and Montreal, Barclays Bank D.C.O., Bank of Trinidad (Gordon Grant) Ltd.

Correspondence: use airmail; letters ten cents per half ounce. Letters by seamail take four to seven weeks to arrive.

For detailed information on this market write to:

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

or

Commercial Counsellor
P.O. Box 125
Port-of-Spain
Trinidad

Roger Duhamel
QUEEN'S PRINTER

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the proof of the pudding . . .

to the Canadian Trade Commissioner,
Paris, France.

"I am writing you because of your interesting article in the December 16, 1961, FOREIGN TRADE issue. We are able to export a good line of canned fruits, vegetables, hams, poultry, jams, jellies, and some canned salmon. Would you be able to suggest an import agent who would be interested in importing some of these lines?"

*from a Canadian import/export/ manufacturers' agent**

to the Executive Director,
Trade Commissioner Service,
Department of Trade and Commerce,
Ottawa.

"We have for acknowledgement your letter of the 20th instant . . . We have been aware of the situation described for some time . . . we circularized all of our branches asking them to bring the matter to the attention of any of their customers who are exporters of merchandise of any kind. As a matter of fact it was the article in FOREIGN TRADE ("Check Credit Standings") that caused us to initiate investigation leading to the issuing of the circular . . ."

*from a Canadian bank in Toronto**

to the Canadian Trade Commissioner,
Bombay, India.

"Through the magazine FOREIGN TRADE published by the Department of Trade and Commerce and at the suggestion of an article therein by the Chief of the Engineering and Equipment Division, this letter is addressed to you to bring to your attention our services as consulting mining engineers . . . We are interested in enlarging the scope of our affairs and would ask you to refer to us any suitable opportunities which may come to your attention for the use of our services . . ."

*from a Canadian Mining Consultants company**

to the Commercial Counsellor,
Canadian Embassy,
Lisbon, Portugal.

". . . The information which you so kindly supplied . . . is now entered in the large world market survey which we have compiled to promote our machine . . . We find the magazine FOREIGN TRADE to be very useful in backing up the market information which we already possess . . ."

*from a Canadian manufacturer**

to an Agent in Venezuela

"We have just finished reading a very interesting report in FOREIGN TRADE by the Assistant Commercial Secretary at Caracas. It was headed, "Venezuelan Andes: neglected market" . . . It is further emphasized that it is important for the Canadian exporter to be represented in Maracaibo. You, of course, have added the Maracaibo district to your representation of our firm . . . Should we assume that your Maracaibo office is at present canvassing the trade in the Venezuelan Andes? It would almost seem to us that business in this area could be developed for our lines when it is stated that very few agents for Canadian goods have even approached the business houses in the area . . . We would like to have an advice from you in connection."

*from a Canadian manufacturer**

to a Commodity Officer,
Consumer Goods Division,
Department of Trade and Commerce,
Ottawa.

"Many thanks for the issue of FOREIGN TRADE containing an article on the Dutch plastics industry. I expect to bring this to the attention of a meeting of plastics men later this week . . . It seems quite remarkable that figures should be available as to installed equipment, employment and the like in the industry. . . ."

*from the Executive Secretary of a Canadian Association**

. . . is in the eating

and it seems that our recipe for "Foreign Trade" is a good one. Why don't you dip in . . . you too may pull out a plum.

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*The original letters are on file in the Department of Trade and Commerce. To protect the companies, we have selected from correspondence during the past four or five years and have omitted names.