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British Look at Canadian Housing 2

See for yourselves how Canadians use timber in building houses—and how it can speed up home construction. This was the idea behind the trade mission from Britain that, on our invitation, toured Canada last month. Turn to page two to discover where they went, what they saw, and their reaction to it all.

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The housing mission visited us at an opportune time—when accelerated home and industrial building in Britain is focusing attention on new building methods. Our Liverpool office reports on construction plans in and around that area.

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Early in May our Commercial Secretary in Lima wrote Foreign Trade readers about his experience while visiting a Peruvian shipyard. This second letter again urges our machinery exporters to be more aggressive in seeking out foreign business—and suggests a practical way of keeping down export sales costs.

Visit Venezuela This Winter 18

Here is a booming market—not far away, interesting to explore, and with money to spend on foreign goods. The author suggests that you do some prospecting there when the chill winds of winter make a trip south particularly welcome.

The Changing Venezuelan Market 22

Our largest South American customer, Venezuela bought \$42.2 million worth of goods from us last year, compared with \$35.7 million ten years ago. We are selling more—and different products, as the Venezuelan economy changes.

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COMING—SELLING TO THE DISCOUNTERS IN NEW ENGLAND, AUGUST 10

Three of the Mission members study arches for a curling rink at the Burlington, Ontario, plant of Engineered Timber Products. By a special "HB" process, glued-laminated timber flanges and sawn web members are connected by special nails.



British Look

at Canadian Housing

A 16-man housing and timber mission from Britain recently completed a cross-country Canadian tour. Its object: to take an expert look at Canadian timber production and construction methods and determine how both can be used in Britain's new housing campaign.

KENN R. PRITTIE, *Chief, Media Relations Division.*

HOW great a rôle will Canada play in Britain's current stepped-up housing program?

At least part of the answer will lie in the report handed down by a 16-man group of British housing and timber experts who toured Canada last month.

Between them the mission members logged some 6,000 miles, viewed housing developments, pre-fabrication plants, sawmills and plywood operations in five provinces, and conferred with Canadian government officials and businessmen.

What they saw and did—and, more important, what they report back home—can well have a con-

siderable effect on future sales to Britain from Canada's important timber industry.

Climate Is Right

To appreciate the significance of the mission, one must look at the housing situation in Britain today.

The need for adequate new and replacement housing at an economical price is probably the biggest single domestic problem that the British face. Recognition of this growing problem has culminated in a recently published White Paper in which the Government has pledged to reach and maintain as soon as possible a level of 350,000

housing starts a year, some 15 per cent greater than the present rate.

The majority of British housing is built by what one mission member described as the "wet and heavy" method—that is, solid brick and stone construction. This provides a lasting structure but is a difficult process to speed up and means a somewhat short construction season, even in Britain's comparatively milder climate.

To add to their woes, Britain's housing authorities are faced with a dwindling labour force because young men are disinclined to enter the building trades of bricklaying, stonemasonry, and plastering.

Finally Britain, with the rest of Europe, has just gone through its worst winter in several decades, causing even normally phlegmatic Britons to set up a cry for better insulation, better central heating, and generally warmer and dryer housing.

All this has put the British housing industry—public and private—

in a receptive mood, a mood of willingness to look at new ideas and techniques that can help to speed construction, reduce labour, lengthen the building season, and provide warm, dry, reasonably-priced housing.

Housing Means Timber

It was to take advantage of this favourable climate that the Department of Trade and Commerce decided to invite a high-level and representative British group to tour Canada to observe Canadian buildings and building methods.

Behind this project was no mere chauvinistic desire to see Britain adopt Canadian housing styles and designs, but the hard realization that the basic ingredient in Canadian home-building is Canadian timber. Any sort of breakthrough in the use of Canadian-style homes in Britain opens up new opportunities for sales of our forest products, historically the 'bread and butter' industry in Canada's export trade.

Canada's Second Market

Britain is traditionally Canada's second largest export market for lumber products—admittedly a distant second to the enormous United States market but still far ahead of any other area.

However, during the postwar period Canadian lumber exports to Britain have been somewhat sluggish. Although our 1962 sales of \$48 million were up from the \$41 million of five years ago, they were far below the peak of \$82 million achieved in 1952.

One bright spot in the Canadian lumber export picture in Britain has been the rapid growth in plywood sales, which have quadrupled from \$4 million to \$16 million in the past five years.

The Mission Arrives

Thus it was that 16 British housing and timber experts arrived in Ottawa on June 1 to take an intensive three-week look at what the

Whole Spectrum of British Housing and Timber Interests Represented on Mission

GREAT care was taken to endow the mission with as much "balance" as possible, with representation from all aspects of government, public and private housing interests and the timber trade.

Members of the mission were:

Housing Group

Sir Donald Gibson, C.B.E., D.C.L., F.R.I.B.A., M.A., Dist. T.P.
Director General of Research and Development at the Ministry of Public Building and Works.

Alec Bellamy, A.R.I.B.A., A.M.T.P.I., Dip. T.P.
Principal architect, Ministry of Housing and Local Government.

David C. H. Jenkin, B.A., F.R.I.B.A., A.M.T.P.I.
City architect, Kingston-upon-Hull, Yorks.

Bernard F. Stanbury
President of the Federation of Registered House Builders; director of F. J. Stanbury Ltd., building and public works contractors, Plymouth.

J. A. Burrell, F.R.I.C.S.
Chairman of the Chartered Quantity Surveyors Standing Committee, Royal Institute of Chartered Surveyors; also a member of the London Joint Consultative Committee.

James Austen Bent, A.R.I.B.A., A.M.T.P.I., Dip. T.P.
Director of housing, City of Manchester.

Bernard Ernest Crysell
Technical director, T. Bath & Co. Ltd., London, and representative of the Timber Building Manufacturers Association.

R. Woodcock, A.R.I.B.A., A.M.T.P.I., Dip. T.P.
Deputy chief architect, Scottish Housing Development Department.

Charles Garratt-Holden, C.B.E., T.D.
Vice-president, Building Societies Associations of United Kingdom, and secretary general, International Union of Building Societies and Savings Associations.

Norman Longley, C.B.E.
Member and past president, Federation of Building Trades Employers, and chairman James Longley & Co. Ltd., Crawley, Sussex.

Ezra Levin, A.R.I.B.A., Dip. T.P.
Chief architect and deputy director, Timber Research and Development Association of the United Kingdom.

Timber Trade Group

Bruce Kennedy
President, Timber Trades Federation of the United Kingdom and chairman, James Kennedy & Co. Ltd., Glasgow.

J. B. Lumby, M.C., T.D.
Chairman, Timber Trades Federation, and chairman, Timber Research and Development Association; director Walter Holme & Sons Ltd.

F. G. Reeves
Junior vice-chairman, National Softwood Importers Section, Timber Trades Federation, and managing director F. J. Reeves & Fox Elliott Ltd.

James M. Davies
Member of the Council, Timber Trades Federation, and chairman James Davies Ltd., Hayes, Middlesex.

Alan Monk
Member, Executive Committee, Plywood and Chipboard Sections, Timber Trades Federation and sales director, London Plywood & Timber Co. Ltd.

Canadian housing and timber industries had to offer.

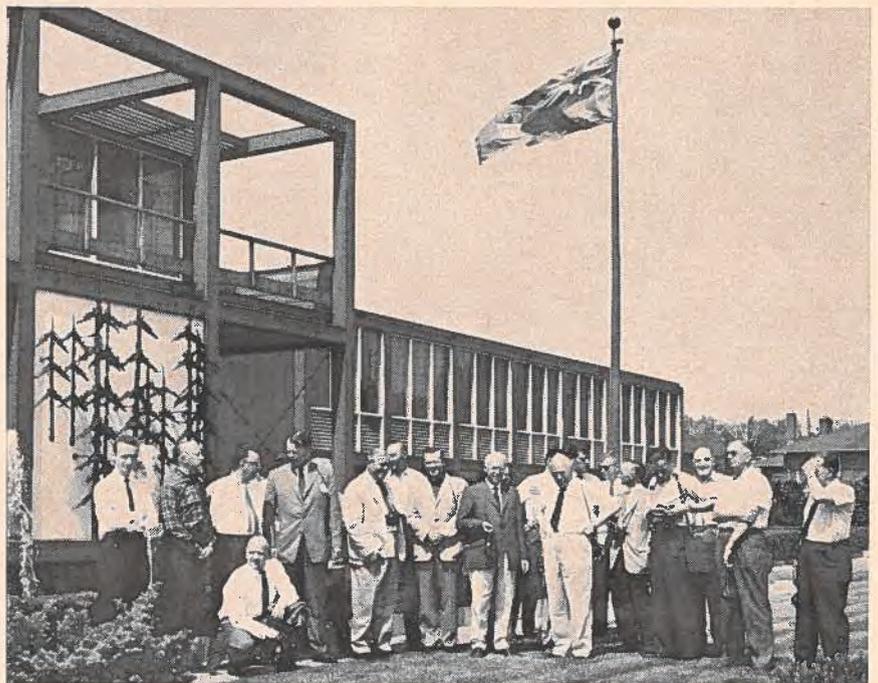
The mission members were carefully selected to represent as wide as possible a range of interests (see box feature) and comprised an eleven-man group representing public and private building interests and a five-man group representing the timber trade industries of Britain. The two groups travelled a generally parallel course, joining together for events of common interest and at other times separating to pursue their own particular lines.

During the first week the mission travelled together, visiting Ottawa and Southern Ontario. In Ottawa, members got their first glimpse of Canadian housing and their first opportunity to confer with Canadian developers. They also spent a full day with officials of Central Mortgage and Housing Corporation and the Division of Building Research, National Research Council. Here they learned something of Canada's efforts to set up public housing programs and of some of the latest developments in timber research.

Later in the week the mission visited several large-scale lumbering and prefabrication operations in Toronto and Burlington, Ontario. The growing enthusiasm of the group for Canadian techniques is reflected in the spontaneous remark of one mission member who said at the end of the week, "Everywhere we go, we see something better. I think this is the best yet."

On the second leg of its tour the mission headed for British Columbia and the heart of Canada's lumber country. Here the groups parted company; the housing experts visited developments in the Vancouver and Calgary areas and a large prefabrication operation in Calgary, and the timber men toured sawmills and plywood plants in Prince George, Kamloops, and Kelowna in the British Columbia interior.

During its final week, the mission returned East, visiting Quebec City for two days. Following this, the timber group covered lumbering



In the Toronto area, the Mission visited the modern office, factory and warehouse of R. Laidlaw Lumber Co., designed as an integrated unit, built entirely of Canadian timber, and containing many special features. Here the members pose in front of the office, with Sir Donald Gibson, chairman, in centre front holding a camera.

operations in New Brunswick before rejoining the housing group in Ottawa for the last few days before departure on June 22.

Reaction Was Favourable

When they had seen what they came to see, what was the reaction of the British group? Judging by the comments and statements they made before leaving Canada, the verdict from the housing group was one of almost unqualified enthusiasm. The timber group was enthusiastic too—but it added a sober warning that Canadian firms face obstacles which must be overcome if they are to increase their timber sales appreciably in Britain.

Said a mission spokesman, "The completed houses we saw everywhere presented a high standard of workmanship and finish, despite the evident speed of construction and the relatively low labour content."

Members were also impressed by the manner in which our "light and dry" techniques of timber-frame construction lend themselves to fac-

tory prefabrication which can be carried on during the bad weather season and thus, in effect, lengthen the annual building period.

Another feature of Canadian homes that caught the Britishers' eye was the high standard of thermal comfort, attributed in large part to the combination of timber-frame construction with insulating boards or glass fibre walls which can be attached easily to the frame construction. As one member pointed out, "People in Britain aren't yet ready to keep their houses at 70 degree temperature in the winter as you do, but they are beginning to get a little tired of 55 degrees."

The other big feature that impressed the visitors, particularly in view of their own needs, was the speed of erection and the relatively lower labour content in Canadian-style housing. They mentioned particularly the ease with which electrical wiring, plumbing and heating installations can be introduced into a timber framework.

Of course not all features of Canadian housing would be automatically applicable to Britain. For example, the almost universal use of a cellar in Canada because of our deep frost penetration in the winter need not always be considered in planning homes for Britain. The British experts also suggested that timber sizes could probably be reduced to suit the lower load requirement for roofs on British houses because of the relatively lighter snowfall.

But all things considered, it seems virtually certain that in time wood will replace the traditionally English brick home. David Jenkin, City Architect, Kingston-upon-Hull, Yorks, summed it up: "Building more homes with less labour is our biggest problem—prefabricated building appears to be our answer."

Will this trend to wood inevitably mean larger timber sales for Canadian firms in Britain?

"Yes," said the visiting British timber men, "but there are problems to be overcome."

Some Problems Remain

Specifically they mentioned the need for improved packaging of lumber shipments to simplify handling all along the line and to cut down damage in transit. The Britishers also pointed out the difference in size standards between North America and Europe. And, lastly, Canadian firms will have to be prepared to compete against well-established European suppliers.

Said James M. Davies, a member of the executive committee, National Softwood Importers of

Britain, "We get very similar types of wood from Europe, and our builders are more familiar with it and prefer it. I feel therefore that you would have to have the edge on price, not just be equal."

There seems to be no question that wood is the coming thing in Britain's housing drive. Next year a mission of Canadian housing and timber people will visit Britain to take further advantage of the doors that were opened last month. The degree to which Canada will benefit from this coming revolution in British housing will lie in our ability and willingness to work to satisfy British requirements and find solutions to the problems that confront us.

The harmonious and frank discussion engendered by last month's visit augurs well for the future. ●

Britain's North Rebuilds

Bold, imaginative plans for housing and industrial construction are on the drawing boards in northwest England, including satellite towns and planned city centres. Housing has high priority; new methods are being introduced to speed up construction.

C. M. KERR, *Assistant Trade Commissioner, Liverpool.*

A HUGE home and industrial building program will soon begin in the North of England, especially in the heavily populated northwest. In other parts of Britain a great deal has already been accomplished, but much remains to be done. (The accompanying table lists permanent houses and flats completed in Britain from 1955 to 1962.)

The National Economic Development Council predicts that the annual rate of house construction will rise to 350,000 by 1966. Early in May the Minister of Housing announced that total public investment in building this year will reach

\$3,600 million, a 10 per cent increase over 1962. The amount spent will continue to rise as new methods are found to speed up construction. The Minister stated that what was needed was an industrial revolution in building, and to help it along demand would have to be coordinated to provide a continual stream of orders that would make long runs in the assembly process possible. Greater standardization was also required. To help local authorities in the North, the Minister indicated that he was willing to approve committal of funds for public building programs planned

for two to six years ahead. (For a review of the British White Paper on Housing released at the end of May, see "Britain's Blueprint for Housing", in the June 29, 1963, issue of *Foreign Trade*.)

Regional Housing Office

Much of Britain's housing is provided by municipalities which have been required to have their plans approved by the Ministry of Housing and Local Government in London. But now, in a move to speed

HOUSES AND FLATS COMPLETED IN BRITAIN

	Total	Per Cent for Public Authorities
1955	324,000	64
1956	308,000	59
1957	308,000	58
1958	279,000	53
1959	282,000	45
1960	304,000	44
1961	303,000	40
1962	314,000	43

Face-Lifting for Liverpool

EXCITING rebuilding plans promise to change the face of Liverpool in the next few years. Approved in principle by the city's development and planning committee, the scheme would cost approximately \$300 million. The principal changes proposed are:

- A new civic and social city centre which would combine traditional buildings with the clean lines of the metal, concrete and glass blocks of the 1960's. Municipal officials, anxious to dispel the widely held view of Liverpool as an unattractive seaport city, say the city centre will compare with any in the world, and they hope it will attract new industries.
- A new 18½-acre office area not far from the planned city centre.
- A 28-acre central residential community that will house 700 families in high flats and maisonnettes overlooking a 6½-acre park. As well as housing, the community would contain shops, a central bus station, a ten-storey motel, and parking for 2,500 cars. A joint municipal-private enterprise project, it will cost an estimated \$45 million.

How soon will the scheme get under way? The town planning consultant appointed by the Liverpool Council says the time factor is one of the major obstacles that will have to be overcome; because of building and other regulations in Britain he estimates that it usually takes five years from the conception of a project to the start of construction. In comparison, American developers are given more freedom of action and can often start within months after the initial plans are drawn up.

the North's slum-clearance program, the Ministry has set up a new housing office in Manchester. This office has taken over from London the general work on housing programs, tenders, and subsidy approval for 30 northern boroughs, including Liverpool, Manchester, Birkenhead and Chester. The office will give advice where needed and maintain close contact with the Ministry of

Housing and Local Government and municipal authorities in the northwest, West Yorkshire (including cities such as Leeds, Bradford, Huddersfield and Halifax), and the West Midlands.

Factory-Built Homes

These building programs could result in some major changes in Britain's traditional house-construction methods. For example, the Liverpool Town Council, with a building target of 5,000 council-built (publicly-owned) homes each year starting in 1964, has signed a \$27 million contract for factory-built homes. The precast concrete components for the new homes will be manufactured by a new French technique on the outskirts of Liverpool and will make their appearance before the end of the year. Ten maisonnettes will be built first as a pilot scheme for 2,500 other units that will follow in 25 multi-storey blocks over the next five years. Manchester Corporation is considering a similar scheme.

Shipyards to Help

Spare capacity in some British shipyards, mainly those located in the north of England and Scotland, may also be used to make building components. A report in April by a five-man team of experts recommended this move and, following acceptance by the Government, inquiry centres were opened in Manchester, Newcastle and Glasgow on May 1. They will provide points of contact between shipbuilders, the building industry and potential clients.

Satellite Towns Planned

One of the projects planned to ease the pressure of housing demands in the northwest and the Midlands is the creation of satellite towns near Birmingham, Manchester and Liverpool. The towns would not only meet the housing needs of the growing populations of these three cities, but they would also

provide accommodation for the families displaced by large-scale slum-clearance projects. Liverpool, with one of the worst slum problems in Britain, will probably be one of the 38 selected local authorities to be given special help in dealing with this problem. The city's worst slum areas have already been cleared but there are still some 83,000 homes designated as unfit. Manchester has 60,000 in this category. In addition, there are long lists of families, most of them living in cramped quarters, waiting to get municipal houses. Meanwhile, substandard homes in many of the smaller towns in the North are also coming down. As an independent research organization puts it in a report, *The State of the Sixties*—"The very obsolescence of some of the northern cities . . . offers opportunities for bold reconstruction."

Five Points for Exporters

BRITISH exporters were recently offered five bits of advice of "absolute paramount importance". They came from the Duke of Edinburgh, speaking to the British Institute of Marketing and Sales Management on the vital importance of aggressive export selling.

His five points were:

"First, the goods must be better designed, better made, and more suitable than any other available.

"Secondly, they have to be delivered at the time specified.

"Thirdly, overseas customers have to have an equally rational idea that what they ordered should in fact be delivered.

"Fourthly, it is really not a good idea to send something from Manchester to Sydney packed as if it were going to be delivered in a van to Birmingham the next day, and lastly, overseas customers everywhere love to be able to complain—I am quite sure there is no reason for this—and for that reason alone it is worth having an after-sales service."

Postscript from Peru

Dear Canadian Exporter:

Thank you for the interesting letter you wrote me in reply to my "Letter from Lima" published in the May 4 issue of *Foreign Trade*. Your enthusiastic reaction and the questions you have asked convince me that we must go into this matter further, face problems realistically, and reach some practical conclusions.

Although my initial letter mentioned only the growing Peruvian marine industry, all of Peru has been in process of industrialization for some time. The machines necessary to translate industrialization theory into manufacturing practice are being imported from various countries. Relatively little is coming from Canada.

Imports of heavy machinery have been rising rapidly—from \$56 million in 1951 to \$200 million in 1961. Compare these figures with the imports of heavy machinery from Canada for the same two years—\$2 million in 1951 and slightly less in 1961—and you will agree that the figures leave little room for complacency. Obviously, something more is needed (unless you have a unique product) than simply putting a catalogue on the shelf in a local importer's office. To your understandable question, "What do manufacturers in other countries do that we are not doing?" the answer is, "They offer better service, delivery from stock on many items, available spare parts, familiarity with Spanish, and an open-minded approach to the negotiation of mutually acceptable payment terms."

Many of your U.S., English, German, Japanese and French competitors, through direct financial participation in their representatives' companies and regular personal visits, develop a close relationship with them and thus minimize the risk of being edged out of the market by a competitor. Others have sent technically trained Spanish-speaking nationals to settle in Peru. These agents are seeking out new sales prospects and, at the same time, keeping current customers happy. Small problems are solved and minor irritations smoothed out before they can become major issues.

You say that you are afraid you can't afford this kind of representation. This ties in with my earlier point about the need to face problems realistically and reach practical conclusions. If you accept my conviction that you must strive to meet the competition in every possible way and if you are convinced that you, individually, cannot afford to do so, then we have faced the problem realistically. As one solution, I suggest that you *seek out other Canadians in a similar position to yours with whom to share the cost of meeting the competition.*

I visualize a number of non-competing complementary Canadian companies grouping together for the specific purpose of exploiting a particular market, be that market a single country or a number of countries within an area. *United we stand, divided we fall*, says the proverb. Your competitors are trying the group approach now. Does the idea appeal to you?

As for the use of the Spanish language, I believe that the solution lies within your power. Spanish teachers are available and you can employ Spanish-speaking staff. But first you yourself must be convinced, as I am, that it is as essential to deal with Peruvians in Spanish as it is for your suppliers to deal with you in English.

The question of payment terms is, I agree, a difficult one. However, you should be prepared to examine any proposal once you understand the main reasons behind some apparently outrageous demands for credit. Money is scarce and interest rates, for example, vary upwards from 13 per cent.

Do you see yourself anywhere in the picture I have painted? If you do, then you will realize that the initiative for grouping for export properly rests with you. But if I can help, please let me know.

Your sincerely,

Kenneth G. Ramsay,
Commercial Secretary, Lima.

What's current in commodities?

Pet Foods

Last year Canada exported over 14 million pounds of canned dog and cat foods to some 20 markets, chiefly the U.S. and Caribbean. Prospects for improving sales look bright—especially in the ten markets that are reviewed in this article.

JOHN G. KAFFEZAKIS, *Agriculture and Fisheries Branch.*

THE pet-food market is a rich one, growing at a fantastic rate; in fact, it is estimated that more canned meat products are sold for pets in North America than for humans. And canned dog and cat foods, both for use here and for export, afford an excellent outlet for a variety of meat products.

Horsemeat, beef, meat byproducts and occasionally fish or poultry byproducts are used in most canned pet foods, often combined with cereals and vitamin supplements to give proper consistency and nutritional balance. Curing salts are also added to maintain the red color of the meat. The standard packages for canned dog and cat food are the 8-ounce and 15-ounce tins. Small quantities are also produced in the 7½ and 14½-ounce tins.

Production and Exports

In 1962 Canadian production of canned dog and cat food totalled 135 million pounds, valued at about \$13.3 million. This figure was slightly below the average for the

TABLE I
CANNED DOG AND CAT FOOD
PRODUCTION

	(lb.'000)	(Can.\$'000)
1955	90,824	8,255
1956	108,425	10,124
1957	116,613	10,602
1958	136,330	13,851
1959	142,802	13,407
1960	145,429	14,037
1961	127,300	13,100

past three years. Table I gives production figures from 1955-1961.

Although there are no specific veterinary regulations or nutritional standards covering canned pet foods, considerable quantities are produced in meat-packing plants operating under the Canadian Meat Inspection Act and Regulations, where only meats derived from Canada Approved carcasses may be used. The aim of the manufacturers is to achieve a canned product that

is wholesome, palatable, and conforms to the nutritional requirements for pets as advanced by various research agencies. In many instances, the product in fact exceeds the recommended requirements.

The export of canned pet foods is increasing rapidly. In 1962 over 14 million pounds of prepared dog and cat foods, valued at \$1.8 million, were exported. This figure is 50 per cent higher than 1961 exports. The range of markets is shown in Table II.

Markets in Review

• *United States*—The United States is a fairly large importer of horsemeat for use in pet foods, with most of the imports coming from Canada,

TABLE II
EXPORTS OF PREPARED DOG AND CAT FOODS

Country of Destination	1961		1962	
	cwt.	Can.\$	cwt.	Can.\$
Britain	132	1,328	85	951
Malta	33	494	.....	.....
Belgium-Luxemburg	16	168	.....	.....
Switzerland	684	8,798	228	3,028
Ghana	385	5,020	224	3,321
Nigeria	315	4,236	45	616
Sierra Leone	49	719	8	126
Hong Kong	5	101	.....	.....
British Guiana	201	2,360	451	4,039
Venezuela	1,980	21,664	2,475	17,740
Bahamas	79	804	219	2,134
Bermuda	389	3,793	360	3,874
Barbados	593	6,971	536	6,367
Jamaica	569	6,250	1,608	17,283
Leewards, Windwards	328	4,161	386	4,418
Trinidad	893	10,273	1,923	19,979
Japan	.....	.....	15	178
Cuba	7	50	.....	.....
Dominican Republic	.....	.....	944	6,587
Haiti	14	136	85	653
Netherlands Antilles	30	260	97	1,020
Puerto Rico	5,874	64,420	6,805	55,516
St. Pierre	12	140	76	1,118
United States	79,701	1,027,288	123,756	1,642,769
Total	92,289	1,169,434	140,326	1,791,717

Mexico and Argentina. Horses for slaughter are also imported from Canada for that purpose. Varying quantities of canned dog and cat food are imported, mainly from Argentina and Canada.

U.S. distributors of canned cat foods, especially in the State of New York, have shown considerable interest in the packing by Canadian meat packers of private label brands in 7½-ounce cans. The Canadian Deputy Consul General (Commercial), Canadian Consulate General, 680 Fifth Avenue, New York City 19, N.Y., will be pleased to supply additional information on the ingredients that are required for the cat food and the names of interested distributors.

Massachusetts has also become interested in custom packing of canned beef dog food. The Canadian Consul and Trade Commissioner, Canadian Consulate General, 607 Boylston Street, Boston 16, can supply more information.

Pet foods are dutiable under the U.S. tariff as follows: canned dog food (horsemeat)—9 per cent ad valorem, par. 1558; canned mixed feeds, including meats with at least 6 per cent grain or grain products—2½ per cent ad valorem, par. 730.

● *Trinidad*—The demand for prepared dog and cat foods has increased steadily in recent years and both canned and dried foods for dogs and cats are on sale. The U.S. is the main supplier, although about 90,000 pounds of canned dog and cat food originated in Canada in 1961. The prospects are good for Canadian manufacturers willing to do custom packing for established suppliers of dog foods in Trinidad rather than attempt to introduce their own brand names. In cat food, English and Canadian brands are the most popular. Fish is the most common ingredient and even though the market for cat food is relatively small, it appears to be more open to additional brands. Custom packing for cat foods may also be worth considering, because Cana-

dian prices appear to be fully competitive with those quoted by other suppliers.

● *Jamaica*—Canned dog and cat foods are well in evidence in most stores. All-meat canned dog food wholesales for Can.\$10.40 per case of forty-eight 16-ounce tins. The Canadian Government Trade Commissioner in Jamaica, Box 225, Kingston, Jamaica, can supply the names of useful contacts in the island for pet foods.

● *Britain*—Sales possibilities are somewhat limited because of the stiff competition from local products. There are currently about eight similar products on the market. The full rates of duty in Britain for most canned pet foods range from 10 to 20 per cent ad valorem. However Canadian canned pet foods which meet the Commonwealth preference enter Britain free of duty. A list of suitable distributors of pet foods can be obtained from the Canadian Agricultural Counsellor, Office of the High Commissioner for Canada, One Grosvenor Square, London, W.1, or from the Livestock and Animal Products Division, Department of Trade and Commerce, Ottawa.

● *Denmark*—The market in Denmark for Canadian canned dog and cat foods offers considerable scope for development; there are no import restrictions and the products are free of customs duties. However, an advertising campaign would be needed to obtain and maintain a satisfactory sales volume for any newly introduced brand.

Britain, West Germany and the United States are supplying varying quantities of prepared dog and cat food. Canadian producers and exporters of pet foods are invited to obtain the names and addresses of Danish importers and suppliers of pet foods from the Commercial Counsellor, Canadian Embassy, Prinsesse Maries Allé 2, Copenhagen V, Denmark. It is most

important that offers contain full information on the product as well as c.i.f. Copenhagen prices.

● *Netherlands*—There is a small market in the Netherlands for prepared dog and cat foods. Dried dog food is produced by two Dutch manufacturers—N. V. Flora, Dordrecht, and Felix Bonzo, Etten. Canadian pet foods would have to face competition from U.S. suppliers.

Import duty on Canadian canned dog foods is 11.5 per cent ad valorem, plus a 5 per cent turnover tax levied on the duty-paid value. Importers require a licence issued by the Netherlands Commodity Board for Feedstuffs. There are no special veterinary requirements, except that the use of antibiotics is prohibited.

● *Belgium*—An increasing number of households now buy canned pet foods, (reflecting the continuing rise in the standard of living in Belgium), although Belgians as a whole still feed their pets largely on fresh meat and fish, plus scraps.

There are two or three national manufacturers of dog biscuits in Belgium and varying quantities of canned pet foods are being imported from the Netherlands, the United States, Britain and West Germany. The popular tin sizes are 7½, 8 and 16 ounces.

The 8-ounce tin of dog food retails for 20 to 21 cents and the 16-ounce tin for 36 cents. The 8-ounce tin of cat food is priced at retail at 17 to 19 cents and the 16-ounce tin at 32 cents. The Belgian rate of duty on pet foods is 11½ per cent ad valorem plus 6 per cent, an outright tax on import.

These rates of duty and tax are subject to confirmation at time of entry. Canadian manufacturers of pet foods may wish to supply the Commercial Counsellor, Canadian Embassy, 35 rue de la Science, Brussels 4, Belgium, with details of their pack, labels and their c.i.f. Belgian port prices, so that he may

recommend suitable contacts for them.

● *Italy*—Pet foods have made their appearance in the Italian food stores in the larger towns but consumption is low at present. Canned dog food in 16-ounce tins retails for 45 cents a tin, and canned cat food in 8-ounce tins for 30 cents. The current rate of duty on prepared animal feeds is 11½ per cent ad valorem, plus a 7 per cent tax. A list of Italian supermarket firms can be obtained from the Commercial Counsellor, Canadian Embassy, Via G. B. De Rossi 27, Rome, Italy, or from the Livestock and Animal Products Division, Department of Trade and Commerce, Ottawa. In dealing with Italian firms, the following languages should be used, in order of preference: Italian, French, English. Prices should be quoted c.i.f. Italian port of discharge of goods in U.S. dollars, or Italian lire.

● *Switzerland*—Given competitive prices, there are good prospects for marketing pet foods in Switzerland, and no import restrictions. Canadian manufacturers are advised to contact the Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, Berne, Switzerland, and supply him with full details on their products, including c.i.f. Rotterdam prices and packaging, so that he can place them in contact with suitable importers.

● *Venezuela*—Last year, 250,000 pounds of prepared dog and cat food were exported from Canada to Venezuela. A large marketing organization supplying a chain of supermarkets situated throughout the country has expressed considerable interest in contacting Canadian producers of canned pet foods. The Commercial Counsellor, Canadian Embassy, Apartado 11452-Este, Caracas, Venezuela, can provide the name of this organization and those of other distributors of pet foods. ●



These shirts being packaged and prepared for export in a Hong Kong plant were made from imported cloth—a neat illustration of the Colony's two-way textile trade.

Fabrics and Yarns

Hong Kong—Textile industry, the Colony's largest, imports cotton, synthetic and mixed yarns, and quality fabrics. For Canadian suppliers, here is an analysis of the market and of the most promising opportunities.

MALDWYN THOMAS, *Assistant Trade Commissioner, Hong Kong.*

HONG KONG, which used to earn its living from entrepôt trade, since World War II has emerged as one of the world's great textile and garment manufacturing centres. In the process the Colony has become an important market for semi-processed materials, not only to supply its numerous export-oriented factories but also to serve its own expanding population. Although the majority of textile and garment production is concentrated in the lower price ranges, there is a growing domestic demand, both industrial and consumer, for quality yarns, fabrics and accessories. Canadian exporters have achieved a degree

of success in supplying certain synthetic fabrics, notably terylene, but they have by no means begun to take full advantage of the market potential here. Imports of yarns and fabrics into Hong Kong in 1961 totalled Can.\$141 million.

Textiles Leading Industry

The civil war in China that followed the Second World War and precipitated the flight of capital, equipment and knowhow from Shanghai to Hong Kong gave the Colony its start as a textile centre. By 1948 textiles had become the major industry and it has been expanding ever since. Between 1948

and 1961, for example, the number of spindles operated increased from 29,000 to 60,000, the number of power looms from 2,600 to 17,000, and the quantity of woven material from 160 million square yards to 500 million. Today the textile industry is large and well established and is founded on exports to world-wide markets. Traditionally, cotton textiles form its base but recent years have witnessed a diversification that is expected to continue. Many of the factories where spinning of cotton, rayon, silk, woollen yarn, weaving, knitting, dyeing, printing and finishing are carried on are ultra-modern and contain the latest in equipment.

The latest link in the textile chain in Hong Kong is the garment industry and it has perhaps grown most rapidly, particularly since 1956, when it graduated from the "cottage" pattern to factories. It is estimated that output of woven garments increased from 30 million square yards in 1952 to 300 million in 1962. An almost unlimited range and variety of garments is manufactured but the most important is shirts. Quality tailored suits, silk and brocade house and evening coats, gowns, embroidered blouses, underwear and nightwear also enjoy world-wide popularity. The increased use of synthetic fabrics promises to give the garment indus-

try still wider scope; so does the growth in Hong Kong itself of a middle class which will buy more high-style clothing.

Imports of Materials Rise

Imports into Hong Kong for use by the textile industry have grown hand in hand with output. The accompanying table shows the development and composition of imports over the past six years and the size and complexity of the textile market. The principal suppliers vary from commodity to commodity but Japan, Taiwan and Communist China emerge as the largest sources of less expensive yarns and fabrics. Numerous Western countries, including Britain, the United States and Italy, however, compete successfully in the quality field and it is here that Canadian exporters wishing to enter the Hong Kong market should concentrate their efforts.

Large quantities of yarns are imported into Hong Kong to supply its own fabric mills and the majority are used to produce fabrics for export. Cotton is the most important yarn but artificial fibre yarns have been used more and more in recent years. Nylon, the leading synthetic yarn, is used mainly in the glove, underwear and sock industry but other synthetics are also becoming popular. It is imported principally from Italy (high quality grades) and

Japan and Taiwan (lower quality grades). A plant recently established in the Colony to produce nylon yarn is proving very competitive and it is expected its output will go up rapidly, forcing foreign suppliers to concentrate their efforts on improving their prices and quality. Rayon is the second most important artificial yarn used in Hong Kong but its position is deteriorating as the demand for nylon, terylene, orlon, etc., grows. Twofold 70-denier and twofold 100-denier are the most popular specifications for nylon and nylon-type yarns, but a very wide range of rayon yarns is used.

For Domestic Market

As the table shows, many types of fabrics are imported into Hong Kong both for the domestic and the export markets and the portion taken by quality fabrics is increasing steadily. The two markets, however, show significant differences and potential exporters should treat them separately. For Hong Kong consumption, wool, silk, silk mixtures, terylene-cotton and cotton are most in demand. It is important to remember that the fabric width for much of the wool, silk and silk mixtures used in Hong Kong is a standard 44 inches, so that the cloth may be used for the Chinese form-fitting dress known as the "cheongsam", which most of the women here wear. They prefer richly patterned tone-on-tone screen-printed material. Material for men's suits is normally bought in 58-inch width. Both winter and summer weight terylene-cotton and cotton, which are sold in 40- to 45-inch widths, are used particularly for shirtings but because of the short winter season and market preference, smartly patterned lightweight and less durable material is most in demand. Consumption of wool and silk on the Hong Kong market is expected to remain the same, but mixed fabrics should increase in popularity, partially at the expense of rayon.

HONG KONG IMPORTS OF FABRICS AND YARNS BY TYPES

	1956	1958	1961	1962
	(in HK dollars)*			
Woollen yarn	38,253,499	14,155,607	21,755,752	58,339,412
Cotton yarn	110,992,228	56,605,843	74,259,916	39,912,694
Cellulosic yarn	5,453,766	5,757,279	8,655,437	9,482,152
Synthetic yarn	62,267,626	23,828,571	12,087,239	19,471,117
Cotton sheeting, shirting and poplins	138,816,674	157,115,349	62,096,891	217,212,764
Cotton piecegoods	164,709,940	117,137,014	240,845,530	96,824,375
Fabrics of silk	25,532,356	37,861,986	47,276,587	50,911,292
Fabrics of wool	81,818,045	72,412,441	102,379,107	110,506,473
Fabrics rayon-type	108,885,275	69,314,646	70,506,256	90,588,743
Fabrics, synthetic (nylon, terylene, orlon, etc.)	55,510,803	38,949,453	41,518,511	68,287,215
Rubberized and plasticized fabrics	14,127,646	10,546,633	12,969,318	20,809,445
Fabrics of textile fibres, n.e.s.	600,526	612,612	19,175,635	24,156,462
Lace, tulle, ribbons and embroidery	5,612,449	6,723,850	11,503,678	14,191,499
Elastic and webbing	3,643,412	5,263,081	6,914,908	6,082,053

One HK dollar=about 19 cents Canadian.

Polyester-cotton, cotton, rayon, nylon and nylon types are the principal fabrics used by the export garment industry. Polyester-cottons, a recent innovation, are required in growing quantities and have contributed to a decline in the use of cotton, pure cotton and pure nylon. Mixed fabrics are used mainly for shirting material in standard 36-inch widths, the most popular mixture being 65 per cent terylene or similar yarn and 35 per cent cotton yarn. Cotton, although it is still the leading fabric for the garment industry, has begun to decline, not only because of the popularity of mixed fabrics but also because of the export difficulties experienced in this sector. Because the majority of cottons used for export are lower grades, cotton fabrics may not be of particular interest to Canadian exporters. Pure nylon and nylon-type fabrics are more popular in the plain than the dyed form, but both nylon and rayons are being affected by the popularity of the mixed fabrics.

For Raincoat Industry

In the last few years, a small but growing market has developed for rubberized and plastic-coated fabrics and for bonded materials. These are used mainly by the raincoat industry, which is supplied chiefly from Japan, with Japanese exporters specializing in the lower price field. The best prospects for Canadian exporters would appear to lie in shirt-collar materials, "dry fusing" and "wet fusing" interlinings which at present are imported from the United States and Britain. However, new types of cheap bonded linings are constantly appearing on the Hong Kong market to replace traditional materials so that any new development in this field in Canada would be of interest to the Colony's garment industry.

Other Imports

Imports of lace, ribbons and embroidery, and elastic amount to approximately HK\$18 million a year and form an important adjunct to

the textile industry. Communist China and Japan dominate in the lower price grades and quality materials come from traditional sources such as France, Switzerland and Austria. Canadian exporters should be prepared to match prices and grades supplied by the latter group.

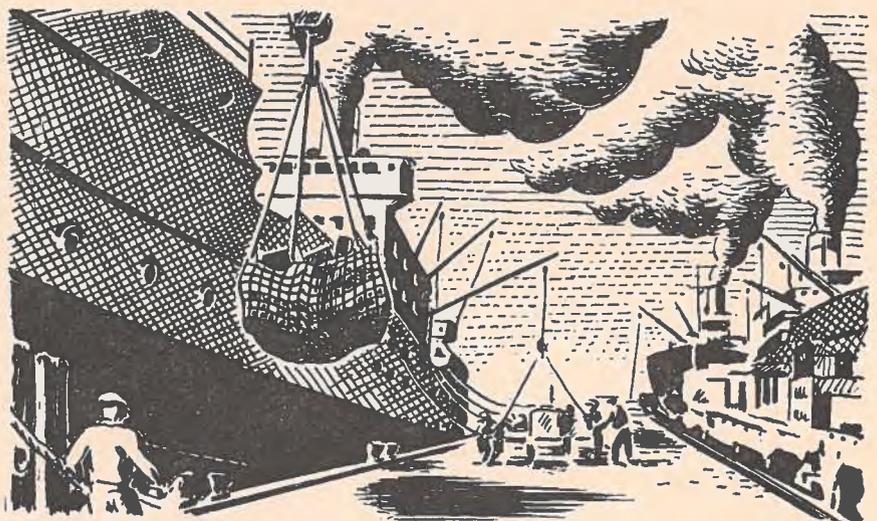
Getting Business

Although there are a large number of factories in both the cloth and garment field, the tendency is for production to concentrate gradually in the hands of a fairly limited number of large modern plants. Traditionally, import houses specializing in textiles buy on behalf of the factories and the wholesalers and occasionally sell quality materials directly to retailers. Some of the large factories buy through their own purchasing divisions. Importers usually purchase on their own account the textiles that they supply to the medium and small manufacturers, wholesalers and retailers, thus performing a financing function. For the larger manufacturers, however, they act simply as brokers or agents and work on commission. Initial business is done with a letter of credit and time draft but importers usually require D/A or D/P terms once they have established a

relationship with a foreign supplier. Quotations must be c.i.f. Hong Kong and where agents are being quoted, a 5 per cent commission is normally reserved for yarns and cheaper fabrics and 10 per cent for more expensive materials.

The presence of a small but established luxury market, the growth of a middle-income consuming class, and the need of the Colony's textile industry to use better raw materials in its export program are certainly the most cogent factors attracting Canadian exporters to the Hong Kong market. An important advantage that should not be overlooked is the British preferential treatment accorded by most Commonwealth countries to Hong Kong manufactures containing materials of Commonwealth origin. Finally, it is also important to remember that the Colony's textile industry is modern and versatile and is keenly interested in any new products that may be developed in Canada.

Canadian textile exporters who wish to take advantage of the opportunities for quality materials in this important market may write to the office of the Canadian Government Trade Commissioner, P.O. Box 126, Hong Kong, for further information and assistance. ●



LAFTA Membership and Ecuador's Trade

Because industry is less developed there, Ecuador received special concessions on joining LAFTA in 1962. These affect certain Canadian exports to this small but highly competitive market.

ROGER BULL, *Assistant Commercial Secretary, Bogotá.*

ON October 20, 1961, the Government of Ecuador decided to subscribe to the Treaty of Montevideo and join the Latin American Free Trade Area.

After consultations with the LAFTA countries, particularly neighbouring Colombia, Ecuador was admitted to the group receiving special treatment under Article 32 as a "relatively less developed" member. Ecuadorian delegates participated in the Mexico City meetings from August 27 to November 21, 1962. The initial list of concessions granted by Ecuador to and received by Ecuador from the other LAFTA countries came into effect on January 1, 1963.

Special Treatment Granted

Ecuador is not a backward country, but special treatment under LAFTA as a less-developed one was permitted. Out of export earnings of over U.S.\$96 million in 1961, bananas earned U.S.\$50 million, coffee U.S.\$14 million, cocoa

U.S.\$16 million, sugar U.S.\$3.5 million and rice, balsa wood, fish and several other minor agricultural items most of the rest. Industrial exports were not significant. Because of the limited growth of industry, a wide range of semi-processed and consumer goods—far wider than in the more industrially developed LAFTA nations—was imported.

Ecuador's attraction for Canadian exporters lies in this broad range of permitted imports, but this in turn leads to a highly competitive consumer goods market. We could sell more in Ecuador by offering small lots at low prices—lower than many Canadians find attractive. Nevertheless, some energetic Canadian companies have done well in Ecuador. How will Ecuador's new membership in LAFTA affect their future prospects?

Effect on Canadian Trade

The leading Canadian exports to Ecuador are wheat, newsprint and

other papers, and machinery.

● *Wheat*—is subject to the same duties whether it comes from LAFTA or other sources: .05 sucres per kilo, plus 6 per cent ad valorem; consular fees are identical at 10.5 per cent f.o.b., as are other special taxes. Imports are controlled by the Comisión del Trigo, which is acquainted with the quality advantage of Canadian wheat over wheat from LAFTA sources.

● *Newsprint*—is free of duty and consular fees if imported from a LAFTA country. Newsprint from Canada remains liable to consular fees of 10.5 per cent f.o.b., plus duties of .01 sucres per kilo and 3 per cent a.v. (about U.S.\$13.65 + U.S.\$0.50 + U.S.\$4.00 = U.S.\$18.15; based on a newsprint valuation of U.S.\$130.00 per ton). This offers a real price advantage to Chilean suppliers and is bound to increase competition, despite the loyalty of Ecuadorian publishers to Canadian suppliers.

● *Writing papers*—those of LAFTA origin pay 10 per cent a.v., compared with 1.20 sucres per kilo plus 10 per cent for rolls over one metre wide and 3.50 sucres per kilo plus 10 per cent for rolls of under one metre wide from non-LAFTA countries. For the moment, our competition in fine papers comes from outside LAFTA so Canadian sales should not suffer as a result of this discrimination.

● *Machinery*—most machinery from LAFTA countries will enter

TABLE I
MACHINERY IMPORTS INTO ECUADOR

	LAFTA Countries		Non-LAFTA Countries	
	Sucres/Kilo	Ad Val.	Sucres/Kilo	Ad Val.
Agricultural machinery	Free		.40	1 per cent
Steam boilers (no concessions except on "others" which are free, vs. .50 + 1 per cent)				
Motors for vehicles	0	1 per cent	.70	1 " "
Washing machines, domestic	Free		4.00	5 " "
Drilling machinery	Free		.60	1 " "
Telephone equipment, telephones	0	5 " "	8.00	5 " "
Switchboards, etc.	Free		8.00	5 " "

TABLE II
ECUADOR'S TRADE WITH LAFTA, 1961

	Imports from	Exports to
	(U.S.\$)	
Argentina	66,500	63,000
Brazil	23,000	381
Chile	375,700	2,339,850
Colombia	334,500	4,169,500
Mexico	285,000	26,000
Paraguay	Nil	3,688
Peru	501,500	118,200
Uruguay	90,000	14,700
Total LAFTA	1,676,200	6,735,300

duty-free but subject to the usual consular fees and internal taxes. The comparisons in Table I may be of interest.

Many concessions have been granted which may increase competition for lower-volume Canadian exports. These include tallow, boiled linseed oil, canned fruit juices and fish, asbestos, acids, calcium carbide, zinc oxide, P.V.C., fungicides, pulp, cellulose acetate, synthetic fibres and ferrous and non-ferrous metal products.

Ecuador's trade with LAFTA, although it totals less than trade with Canada (imports from Canada \$3.9 million in 1961; exports to, \$7.7 million) enjoys good prospects.

Of the exports shown in Table II, Chile took over U.S.\$2 million of bananas, Colombia nearly U.S.\$2 million of cocoa, and over U.S.\$1 million worth of rice. Argentina imported chiefly cocoa. Nearly half of exports to Venezuela consisted of rice and one half of the total to Peru of oranges.

Ecuadorian imports from LAFTA countries consist chiefly of raw and semi-processed materials: wood from Uruguay, raw cotton and iron and steel sections from Peru, wool from Argentina, newsprint, fertilizers, oats and copper products from Chile. Imports from Mexico and Colombia include raw materials but are mainly manufactured products. ●

See also "A Canadian Looks at LAFTA" in our June 29, 1963, issue and "LAFTA Membership and Colombia's Trade", July 13, 1963.

GENERAL NOTES

Angola

MAIZE INDUSTRY—The Sociedade Industrial de Cereais Lda., Luanda, will put up one factory at Luanda to mill and degerminate maize (at a cost of about Can.\$600,000), and a second at Lobito to produce semolina, flour, oils and tourteaux from maize (cost about Can.\$1.3 million)—Lisbon.

Ceylon

INSURANCE CORPORATION—The Insurance Corporation of Ceylon (government-sponsored), which began business at the beginning of 1962, completed life insurance business to a total of Rs.129 million that year, according to Corporation sources. This compares with the Rs.111 million that was the largest amount of business completed in any previous year by all the private companies put together. Although the actual business completed by the Corporation was Rs.129 million, it is reported to have received up to the end of December 1962 life insurance proposals totalling Rs.183 million—Colombo.

Denmark

AGRICULTURAL OFFICE IN HONG KONG—The Agricultural Marketing Board of the Danish Agricultural Council has recently decided to establish an agricultural sales promotion office in Hong Kong.

It is hoped that the office will be open this fall, staffed by two commercially trained Danes with a special knowledge of food products. It will cover Far Eastern countries. Similar offices have already been established in Beirut for the Middle East, and in Caracas for South America, the Caribbean, and Central America—Copenhagen.

United States

RAILROADS BUY MORE LUMBER—U.S. railroads increased their buying of lumber and other forest products by 15.5 per cent in 1962 to \$80,943,000, compared with \$70,055,000 in 1961. Forest products purchases included \$39,772,000 for ties (\$35,157,000 in 1961) and \$35,433,000 (\$29,163,000) for lumber and manufactured wooden articles.

In all, the railroads spent last year \$1,311,293,000 for fuel, material and supplies of all kinds, an increase of 3.9 per cent. They also invested \$833,050,000 in capital equipment and improvements—locomotives, cars, roadway structures, bridges and buildings—New Orleans.

Trade Commissioners on Tour

In Territory

D. M. HOLTON, Consul and Trade Commissioner in São Paulo, Brazil, will visit Curitiba, Joinville, Blumenau, Florianopolis, Torres, Porto Alegre and Lages beginning August 4.

J. CLARK LEITH, Acting Commercial Secretary and Vice Consul in Santo Domingo, Dominican Republic, will visit San Juan, Puerto Rico, and St. Thomas, Virgin Islands, July 28 to August 7.

F. I. WOOD, Assistant Commercial Secretary in Athens, Greece, will visit Istanbul and Ankara, Turkey, August 5-18.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Holton at São Paulo, Mr. Leith at Santo Domingo and Mr. Wood at Athens.

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In the heart of modern Caracas the visitor sees the twin towers of Bolivar Centre, with its underground parking facilities and shopping centre. Caracas, a city of 1.2 million people, is the business as well as the political capital of the country.

Visit Venezuela This Winter

Before the snow begins to fly in late November, plan a trip to Venezuela, where oil revenues mean money to spend on imports. The planning won't take long—if you heed this how-to-do-it report.

D. I. CAMPBELL, *Assistant Commercial Secretary, Caracas.*

WHEN the ice and snow of winter settle over Canada, many businessmen think of visiting export markets to the south, usually between Christmas and Easter. Venezuela, with a population of seven and a half million and growing at the rate of 3 per cent a year, is an ideal country to visit during a tour of the Caribbean or as a point of departure for South America. It is also a more valuable market than the population figures indicate, with imports valued at more than \$800 million in 1961.

If, as a businessman, you are thinking of visiting Venezuela in the near future, there is certain information that you should have before you make firm plans. You should check with the Latin American Division of the Department of Trade and Commerce in Ottawa or with the Commercial Counsellor, Canadian Embassy, Apartado 11452 del Este, Caracas (by airmail, of course) to find out whether there are any restrictions, such as prohibitive duties or import licences, which

effectively rule out sales of your products. Import restrictions apply to a range of products, especially in the consumer goods, textile and food fields.

Avoid Local Holidays

Venezuela observes a large number of national and religious holidays and you will make best use of your time if you arrange your visit so that it will not conflict with them. Although local businessmen travel a great deal within the Republic and take holidays at home and abroad, there are three principal periods when offices are closed or senior officials may be absent. They are Christmas to New Year's, Carnival (the Monday and Tuesday before Ash Wednesday), and the Easter vacation over Maundy Thursday and Good Friday. Other holidays throughout the year are St. Joseph March 19, Declaration of Independence April 19, Labour Day May 1, Ascension Day and Corpus Christi in May, Armed Forces Day June 24, St. Peter and St. Paul June 29, Independence Day July 5, Bolívar's Birthday July 24, Feast of the Assumption August 15, Columbus Day October 12, All Saints' Day November 1, and Death of Bolívar December 17. By avoiding these holidays, you can normally carry out a worthwhile visit within three or four working days.

Let Local Contacts Know

Our office (and your local contacts or representatives) can be more helpful if we know three or four weeks ahead of time that you are coming. Airmail (ten cents per half ounce) takes from four to seven days to reach our office but seairmail can arrive up to six weeks after posting. If you will tell us about your plans, we can facilitate your visit by making appropriate government or other appointments and by collecting market and credit information. It is worthwhile also asking your local Canadian banker to contact his representative in Caracas and inform him of your arrival. All Canadian banks have

correspondents here, and the Royal Bank of Canada maintains six branches and the Bank of London and South America (Montreal) two.

Entering Venezuela

You will, of course, want to be sure all your documents are in order for entry into Venezuela. Most visitors come in on a Tourist Card which is valid for six months and can be renewed for a further six. Tourist Cards are available through your travel agent or from Venezuelan Consuls in Halifax, Montreal and Vancouver, and are issued on the assumption that no legal documents will be signed or business transacted while you are in the country. A Tourist Card will be granted on presentation of a valid passport, smallpox vaccination certificate, a doctor's health certificate, and proof of provision for onward transportation when your stay is completed. If a Tourist Card is not used, an entry fee of Bs.20 (Can. \$4.75) will be charged and an exit tax of Bs.82.50 (Can.\$20.00) must be paid after presentation of an income tax clearance certificate, guaranteed by a local taxpayer, at the port of departure.

Climate and Clothing

The Venezuelan climate is much the same throughout the year, with only two seasons—dry, lasting from December to April, and wet, the rest of the year. Caracas, at 3,000 feet, has a mean annual temperature of 69 degrees F., with warm days and cool nights; temperatures at lower altitudes are higher. You will find that tropical worsted suits of 8 to 10-ounce cloth are the most suitable. In Caracas, dark suits are worn with white shirts for business appointments or evening entertaining. White tropical clothing is not used to any extent and shorts are frowned upon. You will probably find a hat is more trouble than it is worth when travelling and hats are seldom seen in Caracas. It is a good idea to pack a bathing suit because the two leading hotels have swim-

ming pools. Local electrical current is 50-cycle and electric razors used in Canada are not satisfactory at this speed unless you bring an adaptor or borrow one at the larger hotels.

Samples and Literature

Your visits to customers and representatives will be much more productive if you bring or send ahead a good supply of descriptive brochures and price lists. Venezuela's principal trading partner is the United States and any information about how your products conform to U.S. standards should be included in your literature. Although many of the businessmen in Venezuela speak English, the national language is Spanish, and your product bulletins will be more useful if they are translated into Spanish. Prices in U.S. dollars c.i.f. La Guaira are preferred. Venezuelan customs duties are assessed in bolivars per kilogram and the weight assessed includes the containers; any description of packing materials is therefore useful.

You may want to bring samples with you and they are certainly valuable when you visit your customers and talk to your agent. Reasonable quantities of samples enter Venezuela duty-free if you carry them with you. However, you can forward them well before your departure from Canada and we will clear them through Customs. Any quantity of samples exceeding 25 kilograms (55 pounds) is assessed duty at the rate of Bs.0.20 per kilogram gross weight.

Getting Here

There are many air routes to Caracas but the most common one is directly from New York to Maiquetía via Pan American, KLM or VIASA. However, there are good connections through Trinidad, Barbados, Curacao, Bogotá, Panama, Mexico City, New Orleans and Miami and, if you are coming from the south, there is a direct flight from Rio de Janeiro. The closest

TCA flight is to Trinidad; if you go CPA, you can make connections at Lima or Mexico City. You should confirm onward plane reservations as soon as possible after arrival. Some Canadian businessmen come to Venezuela by sea and the most popular way is by the Grace Line ships that leave New York each Friday and dock at La Guaira, the port for Caracas, on Wednesday mornings.

Your travel agent will be able to make the air or sea reservation of your choice and should also arrange hotel accommodation. Most visitors stay at either the Tamanaco or Avila Hotels in Caracas, but there are also other smaller hotels. The Tamanaco Hotel is close to the Embassy in the eastern section of Caracas and single room rates start at Bs.55 (\$13) per day; the Avila Hotel is nearer to the commercial sector of the city and single room rates are from Bs.45 (\$10).

What to Expect on Arrival

You will receive your first impression of Venezuela when you arrive at either Maiquetía, the airport, or La Guaira, the seaport, for Caracas. Both ports of entry are at sea level and about ten miles from Caracas on the coast. Customs procedures can be tiresome because all luggage must be opened and stamped on examination, but the airlines normally have bilingual personnel on hand to assist you. If your agent is not meeting you at the port of entry, you can hire a taxi to take you to your hotel for a charge of Bs.35.00. Baggage carriers normally receive a tip of one bolivar per piece of luggage.

Your route to Caracas will be via the modern four-lane autopista which runs from the hot coastal port area through the mountains to the city at 3,000 feet above sea level.

Where to Start

After you are settled, you will probably find that most of the services you require are available in the

hotel. Many of the personnel are fluent in English and, in particular, the telephone operators can be helpful in securing initial contacts with local agents. The Embassy telephone number is 32.40.41 to 44 and our offices are open from 8 a.m. until 12 and 1 p.m. until 4.30, Monday through Friday. In the hotel your United States dollars can be changed into bolivars, although the rate offered is Bs.4.35 per United States dollar compared with the bank rate of Bs.4.50 per U.S. dollar. The normal method of travelling around Caracas is by taxi, with flat rates ranging from Bs.3 to Bs.6 per trip, depending on the distance. Taxis carry signs, "Libre", and you should not use cars marked "Puesto" or "Por Puesto" as they run fixed routes. There are few street signs in Caracas, so you must rely on your taxidriver, who can be instructed in Spanish by the bilingual doormen at the hotels.

There are a number of good restaurants in Caracas but they are generally quite expensive by North American standards. Daily meal costs will probably run to \$10-\$12 and up, including the 10 per cent which is added as a service charge. The general practice is to tip a further 5 per cent of the bill. Some visitors do have stomach trouble so it is best to eat lightly on arrival and to avoid fresh salads, unpeeled vegetables and untreated water.

Doing Business

Venezuela is a trade-minded country and its businessmen are aware of the prices and quality of and trends in products from many exporting countries. When you speak to them you will find them attentive to your offers and willing to discuss the competitiveness of your product. Business in Venezuela normally commences by 8.30 a.m. though senior officials may not receive visitors before 10 o'clock. Luncheon is generally from 12.00 to 2.30 and offices remain open until 6.00 p.m. or later. You will be able to make only four appointments a day, because much time is lost in moving

about the city and, on occasion, you will be kept waiting beyond your appointment hour. Extra meetings with prospective clients or representatives can be held during a business luncheon or over the evening cocktail hour. One point you should establish before serious discussion of sales terms is the type of enterprise involved, because individuals, partnerships and companies each have different debt responsibilities before the law.*

Caracas has a population of 1.2 million and is the centre of both government and commerce. There are other good-sized cities—such as Maracaibo, Barquisimeto, Valencia and Maracay—which you might like to visit but most large organizations in these communities maintain Caracas offices. For example, a new industrial area is springing up at Valencia, 100 miles from Caracas, but practically all companies situated there maintain principal or buying offices in Caracas. In general, it will not be necessary to consider a trip to the interior until your second or third visit to Venezuela, and you can travel on either of the two national airlines.

Following Up

When you return to Canada, there are a number of details you should attend to that are often omitted by businessmen entering the Venezuelan market. Letters of thanks to your local contacts take little time to write and are appreciated. Follow-up from Canada is important and, if you have committed yourself to send further details of prices or specifications, do so as soon as possible by airmail. Surface mail takes a long time to arrive and creates the impression that you are not really interested in doing business. Finally, let us know, by sending us copies of your correspondence with local contacts and by periodic letters, how we can help you improve your sales to Venezuela. ●

*See "Debt Responsibilities of Venezuelan Firms" by G. Fons, on page 21.

Debt Responsibilities of Venezuelan Firms

Safeguard your business interests by reading this clear explanation of how debt responsibilities are apportioned in the various types of Venezuelan firms—particularly important when ownership changes.

G. J. FONS,
Commercial Assistant, Caracas.

EXPERIENCED EXPORTERS consider carefully the debt responsibilities of their foreign trade partners before granting credit terms. It is obvious that a change in management may convert a safe account into a credit risk overnight, no matter how favourable former status reports may have been. It is important for the exporter to know how far individual debt responsibilities go in the different types of business organizations in Venezuela.

A The Individual

This is the sole-proprietor type of firm with one owner who is fully responsible, with all his private and trade assets, for the commitments he incurs. In Venezuela, as in many other Latin American countries, such firms often operate under impressive names, such as *Fábrica de Velas La Abeja*, *La Rosa de Oro*, *Joyería El Diamante*, *Colchonería El Suspiro*. Sometimes the name of the owner is mentioned in connection with such names (at least on letterheads)—*Joyería El Diamante—Juan López*, *Colchonería El Suspiro—Andrés Martínez*. In most instances, the owner's name is used to characterize the firm—*Juan Pérez, Representante de Fábricas*; *Pedro Hernández, Distribución de Repuestos y Accesorios*; *Amadeo García, Importador de Tejidos*.

B The Partnership

In a partnership, all partners alike are fully responsible, with all their private and trade assets, for the trade commitments of their firm. Partnerships may be recognized by the suffix *& Cia* or *& Co.*, or by the

use of two family names like *García & Pérez* or *García, Pérez y Compañía*. In some cases the partnership consists of members of the same family; for example, *Distribuidora García Hnos.* (brothers), *Vda. de J. M. Hernández e Hijos* (widow and sons of the deceased J. M. Hernández). Often the impressive names mentioned under A cover a partnership instead of an individual firm.

C Silent Partners

This type of partnership, legally recognized by Venezuelan law, consists of the active partners who are responsible with all their assets for their trade commitments, and the silent partners whose responsibility is limited to a given amount. Such partnerships are characterized by the suffixes: *S. en C.*, *C. en C.*, *Sdad. en Com.*, and *Cia. en Comandita*.

D The Corporation

A corporation, or joint stock company, is responsible only for the amount of its capital. When the subscribed shares have not yet been paid up, the shareholders can be called on to pay the full amount of the shares they have subscribed. Beyond these limits the company or its shareholders have no responsibility. This is particularly true in the case of a new type of company created by the 1955 reform of the Commercial Code, the limited responsibility company. The management of such companies is, however, personally responsible to third parties when it commits a breach of the company's statutes or of its managerial duties to the detriment of such parties. In Venezuela, such companies are easily

recognized by the prefix or suffix *C.A.* or *S.A.* (Although the Venezuelan law establishes that the term *Compañía Anónima* or *Sociedad Anónima* must be spelled out, this is seldom done.) Some examples of this type of firm are: *Fulgencio García, C.A.*; *C.A. Empresa Duarte*; *Colchonería Dulce Sueño, S.A.*; *Distribuidora de Víveres, C.A.*; *Pérez Hnos., S.A.* Other abbreviations are used for companies that correspond to the English Ltd. type: *Cines Asociados, Soc. Res. Ltda.*; *La Abeja Ltda.*; *José Rámirez, C. Rep. Ltda.*; *Juan García, S.R.L.*

Transfer of Ownership

When ownership of individual firms and partnerships is transferred, the previous owner and the purchaser are both responsible for any commitments towards third parties unless they have published three advertisements at ten-day intervals prescribed by Article 151 of the Venezuelan Commercial Code. These ads must be placed in the newspaper nearest to the area where the firm is located. If the net value of the firm exceeds the Bs.10,000 limit, the ads must be placed in one of the largest newspapers in Venezuela. During the transition period while the advertisements are being published, the creditors may request that the previous owner place bonds or give guarantees for the amount of his debts in order to secure their money. Should such claims not be guaranteed or paid during that period by the former owner, the purchaser of the firm is responsible for the payment. The mechanism of transfers is fairly simple and it is important for creditors to place their claims well ahead of the thirty-day deadline. ●

The Changing Venezuelan Market

If Canadians want to maintain or increase their share of Venezuela's imports, they must adapt to changes that the industrial build-up brings. As purchases of one foreign product end, opportunities for another may open up. Here are examples, drawn from the food-processing industries but applicable to other branches.

G. J. FONS,
Commercial Assistant, Caracas.

THE Venezuelan Government has placed particular emphasis on developing the food industry in an effort to help agriculture generally and the livestock industry particularly. Its policy has aimed consistently at protecting new industries against competition from imported products. Import duties on some products have been increased two thousandfold and the list of products subject to import controls has more than trebled. In spite of these developments, Canadian exports to Venezuela are again nearing their former figures.

It may interest food exporters and possibly other manufacturers to learn which products have been affected and what adjustments have been made to the changing trends. In addition, they may find it worthwhile to know the mechanism of these measures and to assess the possibility of maintaining a worthwhile volume of trade by substituting one product for another. The methods and principles may, of course, be applied to other commodities.

Encouraging Local Production

The first steps taken by the Venezuelan authorities to determine whether a product should be produced locally is the perusal of import statistics. The products imported in large quantities are grouped together in a list which is then circulated among government agencies, industrialists and local businessmen. Preference is given to industries using local raw materials

and providing employment for the largest number of workers. On the other hand, new industries are not encouraged if existing ones cannot produce at full capacity because of excessive competition or insufficient domestic demand. Aside from this, new industries are promoted through technical and financial assistance and are protected against competition from abroad. This protection may be in the form of a tariff increase which makes the foreign product unprofitable to import. Where such increases are not practicable because of existing trade agreements, compulsory import licensing is applied.

The Venezuelan meat curing and canning industry is a good example of industrial development through the Government's protective policies and its efforts to bring industrial and agricultural interests together. It also applies to other products such as butter, cheese, eggs, dehydrated soups and fruit juices. The evolution from a policy of general imports to one of local production, beginning with local canning and curing and finally settling into self-sufficiency in the raw materials, is typical of the step-by-step methods that the Venezuelan industrial planners adopt.

Flour and Wheat

Up to the beginning of 1959, Canada supplied a large share of Venezuela's wheat flour; in the peak year 1954, Canadian flour exports amounted to over \$10.5 million. In the late fifties a local milling industry was established and import licences are granted only for special flours not produced by these mills.

Canada's flour sales declined to \$661,073 in 1959 and in 1961 disappeared. However, in 1960 and 1961 our wheat sales ranged between \$4 million and \$5 million and in 1962 reached \$11.8 million, exceeding the \$10 million achieved by flour exports in the mid-fifties.

This market recovered for several reasons. One of the local flour mills, under joint U.S.-Canadian management, was able by milling Canadian wheat to set a standard of quality other mills could not meet. As the competing mills eventually discovered, this standard could only be achieved by using Canadian wheat. The Canadian Wheat Board, rather than follow the trend of other exporting countries which guarantee a specific protein content, continued supplying wheat of the usual grades. This policy was complemented and supported by favourable prices and the distribution of printed matter among local mills and bakeries. Technical advice obtained from the Wheat Board was channelled through our Foreign Trade Service and made available to the management of the mills.

Milk Powder

The Venezuelan dairy industry was one of the first to receive government protection. For many years a quota system assured the disposal of local milk powder at profitable prices and on safe terms. In spite of setbacks caused by cattle diseases (such as foot and mouth disease and tick fever) Venezuelan dairy herds increased in 1961 to 593,000 milk cows, and through the employment of pedigree cattle from abroad, particularly from the United States

and Canada, local milk production reached higher levels with better yields and now stands at about 200 million litres a year.

Raw and Processed Meats

In the early fifties, Canada was one of Venezuela's largest suppliers of canned and cured hams. In the early sixties, we still exported substantial amounts of hams to Venezuela but in the form of fresh-frozen cuts for local processing. Although exports of cured pork to Venezuela are now negligible and those of fresh-frozen pork may decline in the near future, we believe that several factors make it worthwhile to deal with this matter. A review of past developments may show Canadian exporters how to adapt themselves to Venezuelan import policies by substituting one export product for another. It is fairly safe to say that, in one way or the other, Canada may still retain a worthwhile share of this market, if not as suppliers of cured or raw meats or other finished food products, at least by exporting other commodities such as live animals, feeds, vaccines, veterinary medicines, industrial raw materials, and other products. This may best be illustrated by developments in the processed pork market.

On July 4, 1959, imports of hams were placed under compulsory import licensing to protect local ham-curing and canning industries about to begin operations. Consequently, there was a scarcity of hams in the market until the first locally cured hams made their appearance later in the year. In many instances, the quality of the local product suffered from improvisation, but the industry soon learned to overcome its initial problems and gradually has been improving the product.

During this period of poor quality control, there was a general relaxation in the restrictive measures and it was not until 1961 that they had any severe effect on imports. Imports of canned and cured hams, 5,714 metric tons in 1959, declined to 4,772 metric tons in 1960 and

CONSUMPTION AND IMPORTS OF PORK PRODUCTS

	1959		1960		1961	
	(metric tons)					
	Imports	Production	Imports	Production	Imports	Production
Bacon	300	.....	265	39	58	199
Devilled ham	4,140	.....	3,515	1,728*	511	3,155*
Sausages, not canned	1,599	.....	1,388	.....	288	.....
Vienna and frankfurter sausages	681	.....	672	.....	87	553

*Combined production of devilled hams and sausages, not canned.

to 802 in 1961. On the other hand, the Ministry of Development reported that local production increased from 250 metric tons in 1960 to 2,700 in 1961.

It was discovered, however, that to maintain a high rate of production the industry was importing the bulk of its requirements for canning and curing rather than obtaining them from local sources. Consequently, imports of pork rose from 203.5 metric tons in 1959 to 978 in 1960 and to 4,354.5 in 1961.

The controls have also contributed to a decline in the domestic consumption of hams and cured meats from 5,055 metric tons in 1960 to 3,608 in 1961. It is interesting that imports dropped from 4,772 metric tons to 802 but local production rose from 283 metric tons to 2,805. The fact that the local product failed to equal the quality of the imported product was a major reason for the decline in consumption.

As the local industry improved the quality of its products and the venture became sounder and more successful, the Government gave further protection. On January 17, 1961, imports of all kinds of cured and canned meats, sausages, bacon and devilled ham were restricted. The results may be observed in the accompanying table of domestic production and imports for the years 1959 to 1961.

Although the domestic supply of hogs for industrial purposes rose from about 298 metric tons in 1956 to 5,990 in 1961, the first phase of the processed pork industry was based primarily on imported meat. However, the Government was in-

terested in establishing a large and regular market for local swine, and for this reason put particular emphasis on developing the canning and cured meat industry. The granting of import licences was therefore made dependent on the purchase of local pork by the industry. In the beginning the rate of imported to local pork was 10 to 1 and was later lowered to 4 to 1. Since then, additional restrictions have appeared, forbidding the import of any pork except hams and shoulders. At the same time, minimum prices for local pork and quality specifications were introduced.

The preference given by local pork-processing plants to the purchase of hams and shoulder hams, with a marked reluctance to process other parts of the pork carcass, has raised a number of problems. To overcome this impasse, making the purchase of one unit by weight of local live swine compulsory to qualify for an import licence for four units by weight of imported hams or shoulders is being considered. At this stage, it is evident that local consumption does not justify an increase in live animal production to levels that would guarantee an ample supply of hams and shoulders.

It is difficult to forecast how long the present situation will prevail and when Venezuela will be self-sufficient in all its pork requirements. Whether this happens sooner or later, Canada should have a reasonable chance to supply other products this industry needs. Among these might be animals and feed grains. The fact that production of animal feed for hogs has increased

in Venezuela from 1,343 metric tons in 1956 to 26,955 in 1961 indicates that efforts to introduce Canadian feed grains and methods in Venezuela might have rewarding results in the long run.

What applies to one industry may be true also of another. Canada should be able to retain its position as a large exporter to Venezuela by switching conveniently from a commodity that can no longer be sold

to one that may be in demand. By carefully studying the procedures used in Venezuelan industrial planning, Canadian exporters can develop the elasticity necessary to secure a steady volume of exports. ●

Venezuela shapes a new plan

... a comprehensive four year development program, designed to diversify industry and reduce unemployment.

W. D. WALLACE,
Commercial Counsellor, Caracas.

A new Four Year Plan (1963-66) was announced last January by Venezuela's Co-ordination and Planification Office (CORDIPLAN). It replaces the development program that was supposed to be in operation from 1960 to 1964 but which was made inoperative by the country's political and fiscal crisis. The new one is an ambitious diversification plan to "eliminate the dependence on a petroleum economy" and to reduce unemployment. Most of the money will come from Venezuelan sources rather than from abroad, in contrast to the previous program, and private industry is to do most of the investing.

Under the plan, the gross national product is expected to increase at an annual rate of 8 per cent and reach bolivars 38,750 million (U.S. \$8.5 billion) by 1966. This would mean that the per capita national income would reach Bs. 3,953 in 1966, an increase of 21.4 per cent. The population is expected to increase by 3 per cent a year—or from 8.14 million in 1962 to 9.17 million in 1966—and unemployment to decline from 13.6 to 6.8 per cent in 1966. Total investment

is estimated at Bs. 28,041 million (U.S.\$6.2 billion) of which 66 per cent, or Bs.18,608 million (U.S. \$4.2 billion), would be in the private sector. Approximately Bs. 24,303 million (U.S.\$5.3 billion) would be financed from domestic savings and Bs.3,378 million from foreign loans and investment. The proportion of gross investment to the gross national product would rise from 18.4 per cent in 1962 to 20.2 per cent in the four-year period.

The following paragraphs outline some of the goals included in the plan.

Industrial Production—To reduce further Venezuela's dependence on imported goods, the plan calls for an expansion of 14.1 per cent a year in industrial production. This is to include a 61.9 per cent increase in food processing, 39.5 per cent in textiles, and 81.5 per cent in paper. The Matanza steel plant will have an average annual capacity of one million tons by 1966 and the proposed aluminum reduction plant a capacity of 50,000 tons. This aluminum output will mean ample supplies for domestic needs and a surplus for export. A 200,000-ton sponge iron plant and a coking plant using natural gas or

oil will be built, also in the Matanza region.

A number of other important projects are to be completed by 1966, including a 15,000 ton ferro-nickel plant at Tejerias, a 23,500 ton explosive plant, and at Moron under the Petrochemical Institute a refinery and synthetic rubber, plastics and detergent plants. Automobile assembly plants will be expanded to produce 30 per cent by weight of the total vehicles required in Venezuela.

Petroleum Industry—Petroleum provided 90 per cent of Venezuela's foreign exchange in 1962, 60 per cent of the government income and 22 per cent of the gross national product, but employed only 1.4 per cent of the work force. To increase average annual output by 4 per cent over the next four years, the foreign oil companies are expected to invest some \$500 million in new facilities. This would bring oil production to 216 million metric tons by 1966, compared with 185 million in 1962, and the value would go up from Bs.6,253 million to Bs.7,315 million. There would be little change in employment, but petroleum's share in the gross national product would decline from 22.6 to 18.6 per cent. On the

other hand, by 1966 this industry would still account for 92 per cent of Venezuelan exports. In the four-year period, the National Petroleum Corporation would invest Bs.421.5 million in its petroleum program and Bs.198 million in the development and distribution of gas.

Mining Industry—The value of Venezuela's mining production will reach Bs.561 million by 1966, 46.5 per cent higher than 1962's Bs.383 million. Mineral revenue is predicted at Bs.7.8 billion for 1966, the equivalent of 20 per cent of the gross national product. During the plan some Bs.222 million (including Bs.157 million of private funds) will be invested in the industry. Employment is expected to stay steady at 11,000. The Corporación Venezolana del Hierro will have its mines in operation by 1966 and their production plus that of the private mines should provide a total of 22 million tons, an increase of 57 per cent over today's figure. In addition, manganese should reach 20,000 tons, enough to supply the steel industry.

Electric Energy—Consumption of electric energy in Venezuela is expected to increase from 3,962 million kwh. in 1962 to 8,497 million in 1966. Generating output by private plants will rise from 2,224 million kwh. to 5,378 million and by public plants from 2,536 million kwh. to 4,618 million. This will give a total of 9,966 million kwh. by 1966 compared with 4,650 million in 1962. Thermal generation will reach 6,696 million kwh. (1962, 3,750 million), and hydraulic generation 3,300 million kwh. (1962, 950 million) by the end of the four-year plan. By 1968 the first stage of the new Guri dam on the Caroni River will be completed, adding another 1.7 million kwh. to the country's capacity. It is expected that during the four years all the power plants will be linked into two regional power grids and then merged to reach the anticipated 9,966 million kwh. output.

Construction—The plan calls for a large number of projects that can be classified under the heading of construction, including expenditure of Bs.252.6 million on waterworks, the building of 260,000 houses, and new hospitals that will provide 6,836 additional beds at a cost of Bs.56 million. Work will begin on a nine-mile subway system for the city of Caracas. Work on the basic road network should be completed by 1966 with some 1,749 kilometers of roads finished.

Agriculture—Agricultural output is to be increased by 8 per cent. Maize and rice production is to increase at double the rate of population growth. In addition, some 195,000 hectares (481,650 acres) of irrigated land will be added to the 35,000 hectares (86,450 acres) under irrigation last year. The Agrarian Reform program includes settlement of about 100,000 new

families on farms, bringing the total settled to nearly 200,000.

Future Plans

If this comprehensive plan is carried out successfully, it will give a further impetus to Venezuela's economy. It has been submitted to the Committee of Nine of the Organization of American States for evaluation; this step was recommended at the Punta del Este Conference in accordance with requirements for participation in the *Alliance for Progress* program. A revision of the plan every two years is contemplated with the idea of extending it by additional four-year periods. This would allow an overlap of two years in each successive plan and should assist the country to reach its objective of increasing the gross national product, diversifying industry, and improving employment opportunities. ●

Kuwait Buys Pharmaceuticals

KUWAIT offers a substantial market for medical and pharmaceutical products which Canadians might exploit more fully. Drugs, medical services and hospitalization are provided free of charge to all Kuwaitis at the large number of well-equipped and competently staffed government clinics and hospitals. In fact, the 350,000 residents of this 5,000-square-mile oil-rich country on the Arabian Gulf must have one of the world's highest per capita consumptions of pharmaceutical and medical requisites—over \$3.5 million worth were imported in 1961. But Canadian sales totalled only \$15,000 in the same period, an insignificant share of the market.

The Ministry of Health is by far the largest importer because it acts as the purchasing body for the clinics and hospitals, as well as for the various immunization campaigns it sponsors. All purchasing is done through international tenders which reach attractive proportions and cover a wide range of products.

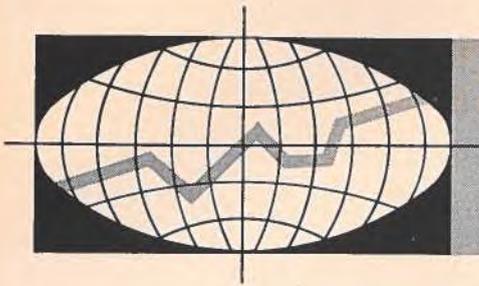
To secure some of this business, all quotations must first be submitted

through a bona fide resident Kuwaiti agent. In addition to submitting the tender, the agent performs other necessary and important services, such as providing copies of tenders immediately they are published and registering his principal's lines with the Ministry of Health so that the firm is eligible to compete.

Kuwaiti agents have the usual attributes of the famed Arab merchants—aggressiveness, an inherent sense of business, and a commercial intelligence system that keeps them informed of opportunities for their commodities. Many of these agents are anxious to add Canadian pharmaceutical and medical products to their lines.

If you are interested in this \$3.5 million market for pharmaceuticals, write immediately to the office of the Commercial Counsellor, Beirut, Lebanon, for the name of a potential agent.

—C. E. RUFELDS,
*Assistant Commercial Secretary,
Beirut.*



Trade Prospects

Michigan and Ohio

Automotive parts, softwood lumber, defence equipment should find a good market in these states this year. Sales of food products, appliances, other consumer goods are rising, thanks to promotion.

IAN V. MACDONALD, *Consul and Trade Commissioner, Detroit.*

THE highly industrialized states of Michigan and Ohio are showing increased economic activity during 1963 and an improved market for Canadian goods and services. Continued momentum will depend largely on the state of the economy as a whole, particularly on new car and truck sales, defence orders, steel production, and consumer spending. Although no recession is predicted for the present year, a slight downturn is possible by the year's end unless measures to stimulate growth are taken in the Great Lakes area.

With even a moderate improvement over 1962, Canadian sales in Michigan and Ohio in 1963 could well be the highest on record as a result of the stabilization of the Canadian dollar, incentives for auto parts exports, defence production sharing, and the trade-promotion efforts of the Department of Trade and Commerce and the Canadian business community in recent months.

Michigan and Ohio contain two of the greatest concentrations of buying power in the United States—in Michigan an estimated \$16 billion a year and in Ohio \$21 billion. Together they represent over 10 per cent of effective buying income in the United States. Aver-

age income per household is approximately \$7,000. In retail sales, Detroit and Cleveland ranked fifth and sixth in the nation.

Automotive Parts

Coinciding with new monthly production records by the U.S. auto industry, Canadian manufacturers have obtained significant new contracts for auto parts during 1963 and prospects remain good. Ward's Automotive Report has forecast that 1963 output will establish an all-time record which may also be set by the 1963 model year. Motor-truck production this year is also running at a high rate and may reach an estimated 1,215,000 units, close to the record 1,235,300 units of 1955. The truck manufacturing industry is a large consumer of steel, stainless steel, copper and aluminum. The industry expects to offer a larger number of models in future months, creating further opportunities for their suppliers. Total truck sales may be reduced somewhat in future by greater use of the railroad piggyback system.

Best prospects for new Canadian export sales to vehicle manufacturers are in small and medium stampings, forgings, grey iron castings, small assemblies, steel sheet, tools, dies and molds. The new

legislation providing incentives for United States parent companies to import auto parts from Canada (to obtain duty-free entry for automatic transmissions and engines into Canada for use by their subsidiaries) has stimulated investigation of Canadian sources of supply, with both short- and long-term benefits to the Canadian industry.

The Lumber Market

Sales of Canadian lumber in the Michigan and Ohio markets are expected to show some growth during the remainder of 1963 with the expected revival of residential construction. However, the availability of up to one billion board feet of salvage timber from the storm-damaged area of the U.S. West Coast may affect prices. There is a good market potential also for Eastern hardwoods in various forms, including some semi-manufactured products such as furniture components.

Better Outlook for Foodstuffs

Despite import restrictions, the United States tariff, Food and Drug regulations, and price competition, a larger variety of Canadian food products are entering the Michigan and Ohio markets this year. These include farinaceous products, confectionery, chocolate products, processed meats, maple syrup, frozen prepared dinners, quick-frozen wild blueberries, tomato juice, plum-type tomatoes and purees. There is a very large market for better quality Canadian fisheries products, both salt and fresh water, in Michigan and Ohio where these Canadian commodities enjoy an excellent

reputation. Whether sales of salt-water seafoods rise during 1963 will depend largely on the availability of supplies from Canada.

Consumer Goods and Appliances

Canadian exporters have already made this year many new contacts with United States agents, importers and retailers in Michigan and Ohio and our sales of appliances, sporting goods, apparel, handicrafts, light furniture, footwear and related lines are expected to go up during the second half of the year. A major stimulus will be the growing emphasis on imports by large department stores and their apparent willingness to undertake special promotions for imported products. The response to the National Canadian Samples Show by department-store buyers in the area was enthusiastic and they now have a much better knowledge of Canadian sources.

Defence Production Sharing

The market for Canadian defence products in Michigan and Ohio may have a large untapped potential for Canadian manufacturers of components, assemblies or finished products with military applications, particularly in the automotive field. Interested Canadian firms should also approach the Department of Defence Production and major defence contractors in Michigan and Ohio with the request that they provide information on potential contracts. The hope is to persuade the larger U.S. prime contractors to set up a display for Canadian suppliers showing the range of products in various projects which are or will be subcontracted. The Defence Production Sharing agreement which permits in most instances duty-free entry of Canadian products destined for incorporation in U.S. defence contracts offers a strong inducement to U.S. firms to buy in Canada and for Canadian firms to sell in the United States.

Record Year for Tourists

Because of more Canadian tourist-trade promotion, a growing

awareness of Canada, and the lower value of the Canadian dollar, the year 1963 promises to set a record in expenditures by tourists from Michigan and Ohio visiting Canada. These two states contain large concentrations of population situated strategically close to the Canadian border and to attractive recreation areas.

Closer Industrial Liaison

Manufacturers in Michigan and Ohio have responded well to suggestions that they consider licensing production of their lines in Canada,

or the establishment of joint ventures with Canadian companies. The members of the Machinery Mission sponsored by the Department of Trade and Commerce in June met a number of useful prospects interested in production in Canada. Other U.S. firms are in the process of setting up new subsidiaries in Canada or expanding their present operations, with the result that the industrial resources and knowhow of Michigan and Ohio are making an even more important contribution to Canadian development in 1963. ●

The Midwest States

Our Chicago office reports good promise of increased sales in many lines, thanks to greater efforts by Canadian manufacturers, contacts made at the Samples Shows, and growing popularity of winter sports in the midwestern area.

NEIL L. CURRIE, *Consul and Assistant Trade Commissioner, Chicago.*

IN the territory covered by the Chicago office we expect increased sales during the remainder of this year, for several reasons. One is the greater interest that Canadian manufacturers are showing in this market; some of them are opening sales offices here in Chicago. Another is the Samples Shows which the Department of Trade and Commerce promoted during 1962 and in April 1963; these have made midwest retailers more aware of the products that Canada can supply. The third is the growing popularity of winter sports in midwestern United States, which opens up opportunities for Canadians in this field.

Here are the prospects as we see them for several groups of commodities.

● *Apparel and Accessories*—Retail sales of woollen garments will probably rise, in line with the greater

popularity of wool. Fine dress gloves should also sell well; imports of European gloves are increasing. We expect to see larger sales of sealskin slippers, Indian moccasins, ski boots and curling boots. The forecast for sales of all imported shoes is 57 million pairs.

● *Appliances*—Our exports of major household appliances should increase, as a result of the Samples Shows.

● *Electrical and Electronic Goods*—Sales of hi-fi and TV sets should go up; another Canadian manufacturer has joined the group already selling in the United States by opening a sales office in our territory.

● *Fish and Fish Products*—Our exports should go up this year as the market expands, but this will depend in large part on the prices of meat and poultry.

● **Lumber**—The Midwest market for Canadian forest products should be an extremely active one this year, with a predicted rise in construction of farm and non-farm buildings. There may be a slight decline in residential building because of the slowdown in apartment construction, but this will probably be more than offset by an estimated 17 per cent increase in public and engineering contracts. In the greater Chicago complex, the volume of lumber required for industrial use is estimated to be twice the volume needed for construction, and requirements should be up 3 per cent this year. Lumber consumers appear to be continuing to shift their purchasing to Canadian sources. As a result of good salesmanship by Canadian industry, the Government's trade promotion program, and the discount on the dollar, we should secure another 1 to 2 per

cent of the lumber market in the Midwest.

● **Machinery**—The prediction here is for modest but firm growth in the market for certain types of machinery and equipment, because a number of Canadian companies and subsidiaries have set up sales offices and warehousing facilities in this territory.

● **Sporting Goods**—The outlook for sales of Canadian sporting goods in the Midwest is promising, particularly for products that are distinctly Canadian. We expect substantial results from the contacts made at the National Sporting Goods Association Show last January, particularly in tents, camping trailers, snow vehicles, and ice skates. Sales of both complete sets of skates and blades should increase sharply. Curling offers a good field for cultivation, and the Chicago office is

planning an educational campaign to introduce curling equipment to the large catalogue houses and chain retail outlets here. We expect to be successful in marketing curling hats, sweaters, boots and other accessories, such as brooms, as curling becomes popular as a winter replacement for golf.

Other sportswear that should do well this year is women's slacks, skirts, and slims (including stretch slims) in plain colours and even more in plaids. Opportunities are improving for sports sweaters and other sports clothing which were first introduced here as a result of the Samples Shows.

● **Textile Products and Clothing**—In this field, only women's ready-to-wear and sportswear hold much promise; quality Canadian offerings in these two lines are proving to be both popular and competitive. ●

COMMODITY NOTES

Beer and Stout

NEW ZEALAND—A record 55 million gallons of beer and stout were produced during the 12 months ended September 1962, 4.9 per cent more than in 1961. Output of stout alone, at 336,000 gallons, was 2.8 per cent lower than in the previous year. Bulk beer production increased from 35.6 million to 37.3 million gallons in 1961-62, and bottled beer from 16.8 million to 17.4 million gallons.

Consumption of beer and stout in 1961 was the same as in 1960 at 22 gallons per head (19.7 in 1959).

Value added by factories in New Zealand during 1961-62 totalled £5.2 million (£4.6 million in 1960-61). Factory-door value of beer and stout produced in 1961-62 was £9.2 million which, with the £15.2 million paid in beer duty, gives a final product value of £24.4 million—Wellington.

Mobile Homes

UNITED STATES—The United States mobile home industry is booming. In 1962, 230 plants produced 113,000 units worth \$636 million. This works out to

one mobile home for every 13 housing units started in the United States; some 3.5 million Americans now live in mobile homes. The industry looks for a 10 per cent rise in unit sales this year—Chicago.

Petroleum (Crude)

FRANCE—Crude petroleum production in the franc area reached 23,813,038 metric tons during 1962 compared with 18,700,841 tons in 1961. Production in France totalled 2,370,595 tons (1961, 2,163,397 tons), in the Sahara 20,468,755 tons (15,656,465 tons); Gabon-Congo 950,411 tons (877,387 tons); and Algeria 5,277 tons (3,610 tons)—Paris.

Petroleum Products

AUSTRALIA—Consumption of petroleum products has risen from 1,478 million gallons in 1952 to 3,268 million gallons in 1962, according to the Petroleum Information Bureau. These figures represent the total consumption of aviation gasoline, aviation turbine fuel, gasoline, lighting and power kerosene, automotive distillate, industrial diesel fuel, furnace fuel, lubricants,

bitumen, liquid petroleum gas, solvents and some other products. The increase is expected to continue at an average of 7 per cent per year over the next five years.

Gasoline consumption in 1962 was at the rate of 128 imperial gallons per head of population—a rate exceeded only by that in the United States, Canada and New Zealand.

Annual crude oil requirements in Australia total 13 million gallons: last year 87 per cent was supplied by local refineries—Melbourne.

Pipe

BRAZIL—The Brazilian government-owned oil monopoly, PETROBRAS, has signed a contract with Japanese firms for 35,296 tons of pipe for the Rio de Janeiro-Belo Horizonte oil pipeline. Cost will be \$4,271,297 and PETROBRAS is reported to have saved \$1,499,374 in foreign exchange through the barter of 70,000 tons of iron ore from the Cia. Vale de Rio Doce—Rio de Janeiro.

Plastic

TURKEY—A United States firm (National Distillers and Chemical Corporation) has applied to the Turkish Government for permission to invest jointly with Turkish private enterprise in the establishment of a factory to produce plastic and synthetic rubber products. The U.S. firm's share in the investment will be U.S.\$87.5 million. The proposed plant will be completed within two years near Izmit in northwest Turkey and will save the country \$43 million in foreign exchange—Athens.

Rice

CEYLON—In 1962 Ceylon produced a record 47 million bushels of paddy, which is equivalent to 670,000 tons of rice. The increase has had a marked effect on the quantity of rice imported from abroad each year: in 1958, 578,000 tons; 1959, 548,000; 1960, 453,000; 1961, 427,000 and for the first eleven months of 1962, 319,378 tons. The rice is purchased by the Government at approximately Rs. 24/50 and is sold at the subsidized price of Rs.14/50 per cwt.—Colombo.

Textiles

SOUTH AFRICA—One of South Africa's leading textile companies has announced that it plans to build two mills which will include capacity to spin all types of man-made fibres. The expansion, costing \$15 million, will reduce South Africa's dependence on imported fabrics of these fibres—Johannesburg.

Timber

AUSTRALIA—Production of sawn timber and other forest products valued at nearly \$32 million is reported in Western Australia for the 1961-62 financial year.

The total volume of logs cut was 49 million cubic feet, of which jarrah contributed 76 per cent, kauri 14 per cent, wandoo 5 per cent and pine 3 per cent. Eighty per cent of the total came from state forest and Crown land. Some 15.8 million cubic feet of sawn timber was produced during the year, a 1 per cent increase over the previous twelve months. Forest products other than sawn timber included piles and poles, fence posts and rails, wandoo timber for tannin extract, mallet bark, and sandalwood oil—Melbourne.

Tires

TURKEY—Turkey's second tire manufacturing factory at Izmit near Istanbul went into trial production early this year and is expected to be working at capacity soon. This Goodyear plant (intended capacity 140,000 tires a year) cost approximately Can.\$6 million to build and equip.

The Pirelli tire factory, also at Izmit, with an output of 120,000 tires a year, has been in operation for some months. A third tire plant (U.S. Rubber Company) is still being built—Athens.

Tuna

COLOMBIA—Colombian fisheries experts have located an enormous tuna bank (the largest in the world, they believe) off the Pacific Coast 150 miles from the island of Malpelo. They predict a potential catch of 40 million fish a year—Bogotá.

Foreign Tariffs and Trade Regulations

Pakistan

IMPORT LICENSING POLICY JULY-DECEMBER 1963—The Government of Pakistan has announced its import policy for the shipping period July to December 1963. Little change has been made from the previous licensing period and the general underlying principle remains the same: to provide maximum facilities for the import of essential goods, industrial raw materials and spare parts. However, in order to improve the availability of consumer goods the importable list for which licences will be issued has been broadened to include, among other items, sanitary ware; crockery; plate glass of specified types and mirrors; electrical instruments and appliances such as electro-medical apparatus, but excluding specified items such as room heaters and coolers; and specified types of electric cables. Some 50 items may now be brought into Pakistan under Open General Licence. All other imports require a licence, the issuance of which generally carries with it the right to foreign exchange.

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 .92699.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 15	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.007903	126.53	
Australia	Pound		2.4175	.4137	
Austria	Schilling		.04183	23.91	
Bahamas	Pound		3.0219	.3309	
Belgium and Luxembourg	Franc		.02161	46.27	
Bermuda	Pound		3.0219	.3309	
Bolivia	Peso	Free	.09199	10.87	
Brazil	Cruzeiro	Official free	.001768	578.70	
		Special category	†	†	
Britain	Pound		3.0219	.3309	
British Guiana	Dollar		.6296	1.59	
British Honduras	Dollar		.7555	1.32	
Burma	Kyat		.2265	4.42	
Ceylon	Rupee		.2266	4.41	
Chile	Escudo	Bank rate	.5848	1.71	
		Free	.3578	2.79	
Colombia	Peso	Certificate	.1199	8.34	
Congo, Republic of	Franc		.02161	46.27	
Costa Rica	Colon		.1628	6.14	
Cuba	Peso		†	†	
Czechoslovakia	Koruna		.1498	6.68	
Denmark	Krone		.1563	6.40	
Dominican Republic	Peso		1.07875	.9270	
Ecuador	Sucre	Official	.05993	16.69	
		Free	.05070	19.72	
El Salvador	Colon		.4315	2.32	
Fiji	Pound		2.7224	.3673	
Finland	Markka		.3371	2.97	
France, Monaco, etc.	Franc		.2201	4.54	(1)
Franco-African Republics, etc.	Franc		.004402	227.26	(2)
French Pacific	Franc		.01211	82.58	(3)
Germany	D Mark		.2710	3.69	
Ghana	Pound		3.0219	.3309	
Greece	Drachma		.03595	27.82	
Guatemala	Quetzal		1.07875	.9270	
Haiti	Gourde		.2158	4.63	
Honduras	Lempira		.5394	1.85	
Hong Kong	Dollar	Free	.1188	5.33	
		Official	.1889	5.29	*July 5
Iceland	Krona	Official	.02509	39.86	(4)

†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 July 15	Units per Canadian dollar	Notes (See below)
India	Rupee		.2266	4.41	
Indonesia	Rupiah	Official	.02398	41.71	(4)
Iran	Rial		.01424	70.22	
Iraq	Dinar		3.0205	.3311	
Ireland	Pound		3.0219	.3309	
Israel	Pound		.3596	2.78	
Italy	Lira		.001735	576.37	
Japan	Yen		.002997	333.67	
Lebanon	Pound	Free	.3599	2.78	
Mexico	Peso		.0863	11.58	
Morocco	Dirham		.2158	4.63	
Netherlands	Florin		.2996	3.34	
Netherlands Antilles	Florin		.5720	1.75	
New Zealand	Pound		3.0013	.3331	
Nicaragua	Cordoba		.1541	6.49	
Nigeria	Pound		3.0219	.3309	
Norway	Krone		.1510	6.62	
Pakistan	Rupee		.2266	4.41	
Panama	Balboa		1.07875	.9270	
Paraguay	Guarani	Free	.008537	117.14	
Peru	Sol	Free	.04021	24.87	
Philippines	Peso	Free	.2768	3.61	
Portugal & Colonies	Escudo		.03752	26.65	(5)
Singapore and Malaya	Straits dollar		.3524	2.84	
South Africa	Rand		1.5110	.6618	
Spain and Dependencies	Peseta		.01798	55.62	
Sweden	Krona		.2083	4.80	
Switzerland	Franc		.2494	4.01	
Syria	Pound	Free	.2824	3.54	
Thailand	Baht	Free	.05119	19.54	(4)
Tunisia	Dinar		2.6106	.3831	
Turkey	Lira		.1199	8.34	(4)
United Arab Republic	Pound	Official	.3215	3.11	
United States	Dollar		1.07875	.92699	
Uruguay	Peso	Free	.06598	15.16	
Venezuela	Bolivar	Controlled market rate	32.15	3.11	
		Official free	.2375	4.21	
West Indies	Dollar		.6296	1.59	(6)
	Pound		3.0219	.3309	(7)
Yugoslavia	Dinar	Official	.001438	695.41	

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

CYPRUS

Area: 3,600 square miles; third largest island in the Mediterranean and one of the world's smallest sovereign states.

Population: 600,000; Greek Cypriots approximately 80 per cent, Turkish Cypriots 18 per cent, small minorities of Maronites, Armenians and Latins, etc., plus military personnel of British sovereign bases 2 per cent.

Climate: hot dry summers, mild winters, some rain November-February, snow in mountains January-March; abundant sunshine (320 days annual average).

Topography: 400 miles of indented coastline with beaches; broad and fertile plain of Mesaoria; pine forests; hill resorts in Troodos Mountains (Mount Olympus 6,400 feet), skiing in the winter.

Language: Greek and Turkish; English almost universally understood.

Currency: Cyprus pound equal to pound sterling (Can.\$3.01); one pound=1,000 mils.

Weights and measures: oke=2.8 lb; litre (weight)=approximately 5 lb; litre (measure)=2.8 imperial quarts; donum =one-third acre; British weights and measures understood.

Capital: Nicosia (Lefkosia), population 90,000.

Chief ports: Famagusta (60 per cent imports, excluding oil; 50 per cent exports excluding minerals); Limassol (20 per cent imports, excluding oil, up to 50 per cent exports, excluding minerals); Larnaca (all oil imports); Karavostassi and Vassiliko (mineral ore exports).

Marketing centres: Nicosia, Limassol, Famagusta, Larnaca, Kyrenia, Paphos.

Economy: predominantly agricultural (cereals, livestock, citrus and other fruits, vegetables, olives); mining (copper, iron pyrites, asbestos, chrome); manufacturing (food processing, beverages, leather, textiles, tobacco, printing). Export earnings cover less than half of annual imports; great reliance on British sovereign base contributions and foreign assistance (including United States Government aid). First Five Year Development Program (1962-1966) calls for expenditure of \$174 million on water development, ports, electrification, agriculture.

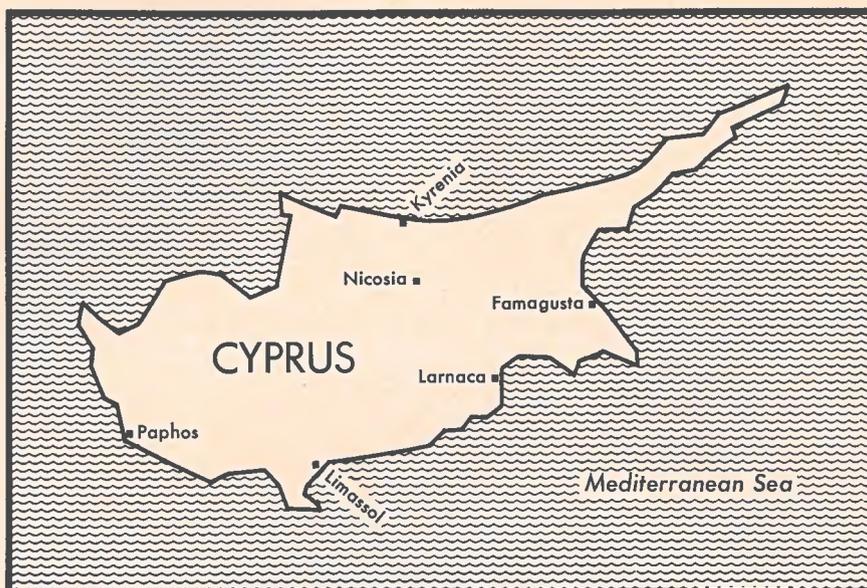
Total Cypriot imports: (including NAAFI and Government imports) 1961—U.S.\$113 million; 1960—U.S.\$110 million.

Chief imports: (per cent) 1961—manufactured goods 36, foods and beverages (including tobacco) 20, machinery and transport 19, fuels and lubricants 8.8, chemicals 8.7, animal and vegetable oils and fats 2.6, raw materials 2.2.

Chief suppliers: (per cent) 1961—Britain 35.7, Italy 8.9, West Germany 8.8, United States 6.0, France 5.9, Netherlands 3.3, Canada 0.07 (Cypriot figures).

Value of imports from Canada: 1962—Can.\$297,676; 1961—Can.\$69,548.

Chief imports from Canada: (Can.\$'000) 1962—automobiles 187.2, aluminum 55.2, tires and tubes 10.7, mining machinery 6.8, canned salmon and fish roe 6.4.



Total Cypriot exports: 1961—U.S.\$44 million; 1960—U.S.\$47 million.

Chief exports: (per cent) 1961—mineral ores (copper and cupreous concentrates, iron and copper pyrites, chrome) and asbestos 56, foodstuffs (citrus fruit, potatoes, raisins, carrots) and animal feeds (carobs) 35.4, beverages and tobacco 7.

Chief markets: (per cent) 1961—Britain 35, West Germany 20.5, Italy 7, Spain 6.4, Netherlands 5.6, France 3.4, U.S.S.R. 3.2, Sweden 1.95, United States 1.9, Canada 0.44.

Value of Canadian purchases: 1962—Can.\$150,869; 1961—Can.\$194,410.

Chief Canadian purchases: (Can.\$'000) 1962—chrome ore 121.8, brandy 15.2, non-sparkling wines 9.4.

Dollar exchange: dollar exchange available for wide range of products under Open General Licence; licences and dollar exchange for products not covered by OGL subject to ministerial approval.

Prices: quote in U.S. or Canadian dollars or sterling, c.i.f. Cypriot ports (Famagusta, Limassol).

Samples: free from duty if of no commercial value; otherwise dutiable or admitted temporarily under refundable deposit on export.

Trade agreements: exchange of preferential tariff treatment with Canada.

Correspondence: airmail only; letters 15 cents per half ounce.

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

For detailed information on this market write to:

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

or

Commercial Counsellor
Canadian Embassy
31 Queen Sophias Avenue
Athens 138, Greece

Roger Duhamel
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