

Take a Look at Texas—It Really Is Big! (page 2)

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In October, Canadian firms will participate for the first time in the Texas International Trade Fair. From the New Orleans office, whose territory includes Texas, comes this lively report—to show that it's a bustling state, with plenty of money.

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To try selling honey in Britain is to enter a highly competitive field. A New Westminster firm has managed, beginning with displays at British trade fairs, to buck this competition, find a way around obstacles, and make worthwhile sales.

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A year spent advising the Malayan Government on industrial development plans gave the author of this report a unique opportunity to observe plans and progress there. His report appears just as the larger federation of Malaysia is becoming a reality and opening up a bigger market for Malayan industrial products.

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Germans are taking to the water these days—and they are buying more expensive boats. Canadians stand a good chance of getting customers if they move quickly.

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Seven years of independence have witnessed many advances in Sudan and development continues. It's been a marginal market for Canada, but this could change.

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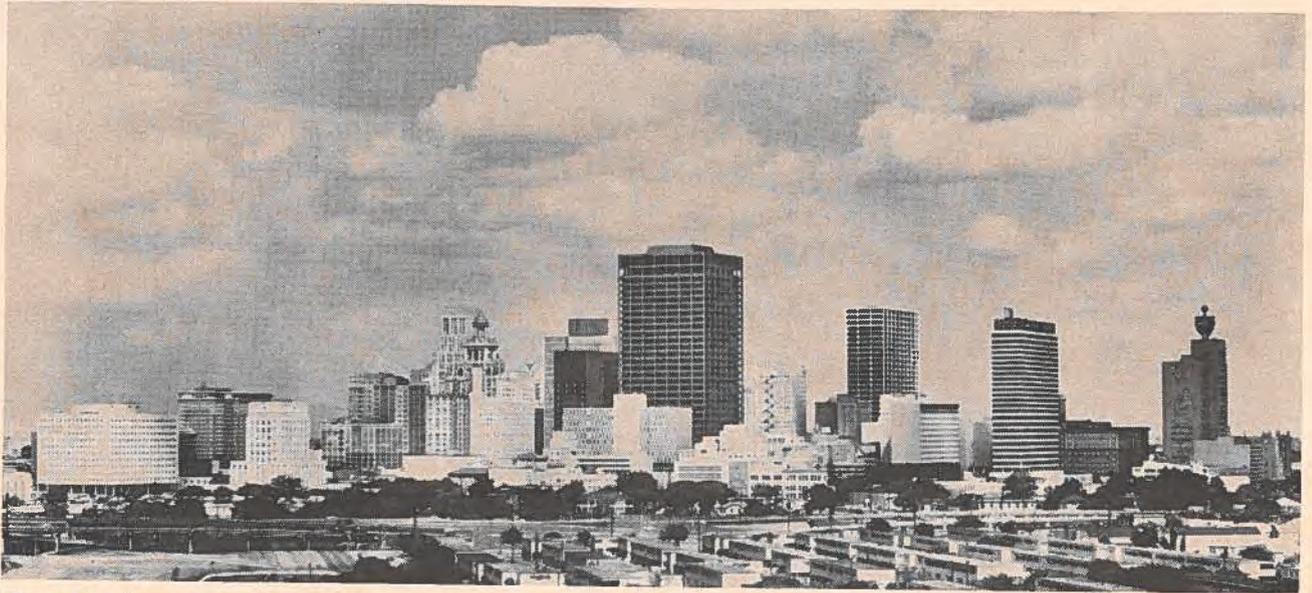
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This is the downtown skyline of Houston, biggest city and largest port in Texas, with close to a million people. It has flourishing industries, particularly petrochemicals, is a leading spot cotton market, makes retail sales of over a billion and a half a year.

Take a Look at Texas—It Really Is Big!

... and it can become a big market for Canadian products of many types—from raw materials to high quality, well designed consumer goods. Twelve Canadian firms are testing this market at the Texas International Trade Fair in Dallas in October; others might well investigate it on their own.

T. F. HARRIS, *Consul and Trade Commissioner, New Orleans.*

TEXAS today ranks sixth in population among the fifty states and personal income exceeds \$18 billion a year. Over \$2.5 billion is spent annually on consumer goods produced outside the state, and the many industries provide a lucrative market for raw materials and components.

It's important both agriculturally and industrially. The early settlers who engaged in cattle raising and farming laid the foundation for the great ranches and farms; today Texas contains 12 per cent of the total U.S. farm lands. More than 90 per cent of the farm and ranch lands are in soil-conservation dis-

tricts. During the past 30 years, land devoted to agriculture has increased by approximately 20 per cent, and agricultural activity has been greatly diversified. Because of the high technical proficiency of Texan agriculture, the number of farm workers has been halved during this same period. Last year Texans farmed 143.2 million acres, and the value of crops exceeded \$1,400 million.

An Agricultural Leader

Texas leads the U.S. in the production of cotton, wool, and mohair, and though it exports a large quantity of these raw mate-

rials, has a rapidly expanding textile industry. It produces oilseeds, such as cottonseed, linseed, peanuts and sesame, grows wheat, oats, sorghum and rice, and raises citrus fruit, peaches, apples, pears and figs in abundance. In number of native trees and usually in annual crop, Texas is the leading pecan producer. Not surprisingly, truck farming yields the country's biggest spinach crops. The largest rose-growing center in the world is near Tyler.

Texas is first in the country in livestock pastureland which supports more than 9.6 million head of cattle. Although the longhorns have almost disappeared, except for sentimental reasons, a distinct breed

was created by crossing shorthorns with Brahmans, and a new Chamberlay breed by crossing Brahman and Charolais cattle. There are not as many cowboys as in the frontier days, but you still see them on the large ranches or in the smaller towns (usually driving station wagons rather than riding cow ponies).

Timber resources in Texas are more than adequate and support substantial wood-using and wood-processing industries. It has an estimated 25 million acres of forests containing 225 tree types and producing over a billion board feet of lumber a year. Timber of commercial value (softwood, mostly pine) covers 12,171,900 acres in the rich East Texas forest region. A rapidly expanding furniture industry is spreading across the state, partly in response to the development of Dallas as a national center of furniture marketing. This industry offers great opportunities to Canadian manufacturers of wooden furniture components.

Oil the Bellwether

To an even greater extent than cattle and cotton, oil has been the biggest "big" in the development of Texas. The first Texas oil boom began about 1868; a number of wells were drilled and produced several thousand barrels of oil. Texas' first pipeline, about 12 miles long, was built from this field.

Texas' first great gusher was brought in at Spindletop, near Beaumont, in 1901. It created a sensation and brought on a drilling campaign. Oil production in the state increased from 836,039 barrels in 1900 to 4,393,658 in 1901 and in 1902, Spindletop alone produced 17,421,000 barrels, or 94 per cent of the state's production. Prices dropped to three cents a barrel, an all-time low.

Today approximately 50 per cent of U.S. oil and gas is produced in Texas. As of December 31, 1960, estimated proved Texan reserves of crude oil amounted to over 14.7 billion barrels (of 42 U.S. gallons),

*"Texas, our Texas! All hail the mighty State!**
Texas, our Texas! So wonderful, so great!
Largest and grandest, withstanding every test;
O empire wide and glorious, you stand supremely blest."

When Alaska joined the Union as the 49th state, no one in Texas considered it necessary to change the words in this song from "largest and grandest" to "second largest and grandest". Ask a Texan why and you will probably be told that no one counts the ice in a martini. Anyway, the day is long past (if it ever existed) when the only thing Texans had to brag about was the size of their state.

Historically, Texas lies at that point of time and place on the continent where two great tides of humanity, English and Spanish, flowed together. It was within the bounds of present-day Texas that the westward pushing Anglo and the northward marching Hispano first met and it is the point of their greatest contact today. The conquests of Cortez in Mexico led the adventurous Spaniards to further explorations in the north. Probably the Spanish explorer, Alonzo Alvarez de Pineda, and his followers in 1519 were the first white men to set foot on what is now Texas soil. There were several other expeditions, the most important of which was led by Alvar Nunez Cabeza de Vaca, who landed on the Texas coast in 1528.

In 1685, La Salle landed at the head of Lavaca Bay, establishing Fort Saint Louis under the French flag. The Spanish became alarmed and in 1689 dispatched soldiers to destroy the fort. They found the fort abandoned and proceeding to the Neches River established the first East Texas Mission, San Francisco de los Tejas. Tejas was a word used by Caddo and other Indians meaning friends or allies, and it was applied to them by the Spanish. "Tejas" became "Texas" and "friendly" is the generally ac-

*Words by Gladys Yoakum Wright and William J. Marsh. Music by William J. Marsh.

cepted meaning. The state is well named because most Texans are friendly and hospitable.

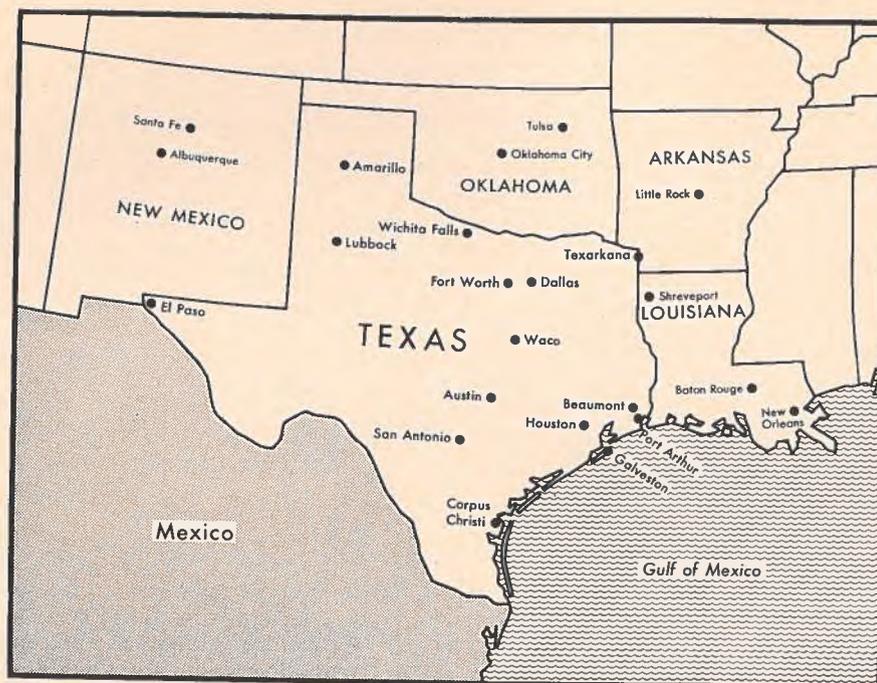
The years following 1690 brought the founding of many more Spanish missions, the earlier ones in East Texas and the later, including the Alamo, near San Antonio. In 1691 Texas was officially declared a Spanish dominion. During the 18th century the territory was ripe for colonization but it was not until 1821 that a successful attempt began under Stephen Austin, a Missourian.

Discontent with Mexican rule developed and reached a climax in 1826 with the Fredonian Rebellion which broke out when the Mexican authorities decided a dispute between U.S. and Mexican settlers in favour of the latter. In 1835, Texas began the war of independence with General Sam Houston as commander-in-chief. In October the first Texan victory took place at Gonzales. The slaughter of the defenders of the Alamo and of some 500 Texans at Goliad in March 1836 was followed by the victory of San Jacinto on April 21. General Lopez de Santa Anna, President of Mexico, taken prisoner during this engagement, signed the treaty that launched the Republic of Texas.

Houston was elected president in 1839 and the town of Austin became the capital of the republic. The United States offered Texas statehood in 1845. Entry into the Union was followed by the Mexican War, caused by a dispute over the Texas boundary. The Americans were successful and Mexico abandoned its claim and signed a treaty in 1848. Texas seceded from the Union in 1861 and entered the Southern Confederacy. Sam Houston, governor of the state at that time, was removed from office when he refused to pledge allegiance to the Confederacy. In 1870 the state was re-admitted to the Union.

and estimated proved recoverable reserves of natural gas totalled about 119,489,393 million cubic feet. Oil income has contributed greatly to the excellent highway sys-

tem, fine schools, universities, hospitals, public buildings and factories, to superbly developed farms and ranches, and, of course, to the skyscrapers.



TEXAS IN BRIEF

Area: 267,399 square miles; second largest U.S. state.

Population: 1960—9,579,677; sixth most populous state.

Capital: Austin.

Chief ports: Houston, Port Arthur, Beaumont, Corpus Christi, Texas City.

Marketing centres: Houston metropolitan area (population) 1,243,158; Dallas metropolitan area 1,083,601.

Total personal income: 1962—\$20.5 billion.

Per capita income: \$2,030.

Total bank deposits: December 1961—Dallas \$3.1 billion, Houston \$2.8 billion.

Residential building authorized: (metropolitan area, \$ million) 1961—Dallas 183.1, Houston 130.9, Fort Worth 47.4, El Paso 32.9.

Retail trade: (\$ million, estimated) 1962—Houston 1,800, Dallas 1,700, Fort Worth 876.9, San Antonio 795.7.

Number of manufacturers: 1958—10,372.

Value added by manufacturing: (\$ million) 1961—6,000, of which chemicals 1,300, petroleum and coal products 859.8, food and related products 838.3, transportation equipment 511.9, non-electrical machinery 423.5, primary metals 358.7.

Value of mineral output: 1959—\$4.3 billion.

Cash farm receipts: 1958—\$2.5 billion.

Foreign trade through Texas ports: ('000 short tons)—exports 18,923; imports 8,107.

Chief exports: raw cotton, wheat and wheat flour, construction mining machinery and parts, industrial machines and parts, chemical specialties, refined copper, synthetic rubber, raw wool, grain sorghums, ferro-alloy ore and metal, non-

ferrous ore, concentrates, metals and scrap, zinc forms, pigments, paint and varnish, coal tar and other chemical products, lubricating oil and grease, vegetable oil.

Chief imports: coffee, steel mill products, iron and steel pipe, burlap and jute bagging, liquors and wines, canned meat and meat products, residual fuel oil, plywood, lumber and shingles, newsprint, machinery and parts, automobiles, manganese.

Prices: quote in U.S. dollars, duty-paid, delivered to Texas.

Weights and measures: Canadian and United States yard and pound are identical but the gallon, basic unit of capacity, contains 231 cubic inches in the U.S. standard compared with 277.42 cubic inches in the Canadian standard.

Certification of electrical apparatus: approval of Underwriters Laboratory or of civic electrical inspectors is required for imported electrical apparatus.

Transportation services: shipments from Canada are made chiefly by railroad and truck but service by sea is available; Canadian exporters should examine each method.

Banks: Canadian Imperial Bank of Commerce, Bank of Montreal, Royal Bank of Canada, Bank of Nova Scotia have resident representatives in Texas; all Canadian banks have correspondent relationships with Texas banks.

For detailed information on this market write to:

United States Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Consul and Trade Commissioner
Canadian Consulate General
225 Baronne Street, Suite 1
New Orleans 12, Louisiana

Besides supplying the country with about 50 per cent of its petroleum and natural gas, Texas is abundantly endowed with sulphur, limestone, salt, oyster shell (for lime), gypsum, talc, helium, gem stones, iron, lignite and other minerals. The total annual value of Texas' mineral production is estimated at \$4.5 billion. Although it is not noted for metallic ores, South Texas has an impressive metals production from ores brought into the area—steel, aluminum, magnesium, tin, antimony and zinc. In production of primary aluminum, Texas ranks second nationally, it has the only U.S. tin smelter, and is the sole source of magnesium ingot.

Chemical production, particularly petrochemicals, is the largest industry in the state. Texas produces about 80 per cent of the nation's petrochemical supply, including high octane fuels, ethylene, polyethylene and butadiene (rubber). There are other important industries, some of which will be mentioned later.

Ten Big Cities

The foundation of any market is people, and Texas has over 9.5 million in its 4,137 miles. Urban development has been rapid; there are nine Texan cities among the ranking U.S. 100 cities—Houston, Dallas, San Antonio, Fort Worth, El Paso, Austin, Corpus Christi, Amarillo and Lubbock. The other most important component is money, and in 1961 Texas had the sixth highest total personal income, \$18.5 billion. It also ranks sixth in total retail sales.

Houston: Retail Centre

Houston is the largest retail marketing center in the southwest, with total retail sales of over \$1.5 billion in 1958, the date of the last *Census of Manufactures*. Its population has shot up from 79,000 in 1910 to 938,000 in 1960—a rise in national population rank from sixty-seventh to seventh.

The Houston area ranks first in the Southwest as an industrial market. In terms of value added

by manufacture, \$1,167.2 million, Houston ranked 18th nationally, according to the 1958 *Census of Manufactures*. One of the world's leading spot cotton markets, its industrial expansion has been paced in recent years by the chemical industries, notably the petrochemicals. Other principal industrial products are oilfield machinery, tools and equipment; iron and steel; synthetic rubber; paper; building materials, cement; bags and bagging; paint; metal and wood containers; clothing, and the processing of petroleum, cottonseed and livestock products and rice and flour milling.

An inland port, Houston is connected with deep water in the Gulf of Mexico by a channel 53 miles long and 36 feet deep, lined with docks and industrial plants. In 1960, the port shipped over 57 million short tons, over twice the tonnage shipped by Port Arthur, the next largest Texas port. The Port of Houston ranks from second to fourth nationally, according to year and definition of traffic establishing the rank. The state has nine other deep-water ports; the most important are Beaumont and Corpus Christi.

The National Aeronautics and Space Administration's Manned Spacecraft Center (astronauts and all) now makes Houston its home. The Center is located at Clear Lake, about 22 miles from downtown Houston. The estimated cost of the complete facility, expected to be in operation by early 1964, is \$123 million. The center will employ about 3,000 people whose purchases will add to the city's retail sales.

Dallas: Wholesale Centre

In 1940, the city of Dallas, ranking as the 31st largest municipality in the nation, was basically a regional business center and had little influence outside the Southwest. In 1962—after two decades of growth excelled by no major inland city and by only two major seacoast cities—Dallas ranked 13th nationally in population and had an economic influence even greater than its size.

At the time of the 1960 census, Dallas' population was 680,000, ranking the city 14th nationally. In number of companies with a million dollars or more in assets, Dallas ranks tenth nationally; 346 "million dollar" firms have their headquarters there.

Manufacturing accounts for 22.5 per cent of all non-farm employment in the Dallas metropolitan area, and is one of the most significant factors in the growth and diversification of the economy. In terms of workers and payroll, factory employment of 103,920 in September 1962 was the largest in the southern half of the United States, east of Los Angeles and south of St. Louis. The six leading manufacturing industries in the area include three durable goods industries—electronics-electrical equipment, transportation equipment (including aircraft and missiles) and non-electrical machinery—and three non-durable goods industries—food processing, wearing apparel and printing-publishing. The value added by manufacture in 1958 was \$842.7 million, ranking the area 21st nationally.

Merchandise Shows Popular

Second in retail sales, with \$1,472.9 million in 1948, Dallas has long been the largest wholesale center in the Southwest, with more than 3,700 wholesale establishments. In 1958 wholesale sales totalled \$4,030.4 million, compared with \$3,640.4 for second-place Houston. Dallas ranks twelfth nationally in sales and leads the Southwest's major metropolitan areas in wholesale establishments, wholesale sales, and per capita wholesale sales. It is the country's third largest market city for apparel, gifts and furniture. Major market seasons or merchandise shows are in progress in Dallas for 22 weeks of the year. These events attract about 75,000 buyers every year from 40 or more states and several Latin American countries.

More than 90 per cent of the buyers at each show come from the

traditional Dallas trading area of Arkansas, Louisiana, New Mexico, Oklahoma and Texas. The other states, however, provide almost 10 per cent of the buyers at the furniture shows and almost 9 per cent at the women's apparel shows.

Dallas is one of the three principal fashion centers in the U.S. There are four major women's and children's apparel markets annually and buyer registration for these shows exceeds 25,000. Six other apparel markets present shoes, accessories and jewellery. Estimated annual volume runs to \$121 million, with a retail value of about \$200 million. Canadian exporters interested in selling to the South would be well advised to take advantage of these shows as a means of introducing their lines to prospective buyers. Additional details can be obtained from the Trade Commissioner in New Orleans.

Canadians in State Fair

The State Fair of Texas, the largest annual exposition in the United States in terms of attendance, is held each October in Dallas. An important part of it is the Texas International Trade Fair, to be held from October 5 to 20. Canada is participating for the first time with a display sponsored by the Department of Trade and Commerce covering 5,000 square feet. Twelve Canadian firms will participate, showing stereo hi-fi sets, furniture for office and home, lamps, aluminum cookware and giftware, women's sportswear, and other products. It is expected that over 900,000 people of the approximately 2½ million who will attend the State Fair will view the products on display in the Canadian Pavilion.

San Antonio: Spanish Flavour

San Antonio, the third largest city in the state, is the sole sizable community of the Spanish colonial era and has done a remarkable job of retaining and enhancing its architectural heritage in the midst of a bustling modern city. The result is a distinctive atmosphere that is the

envy of all other Texas cities and one of the state's prime tourist attractions. It had a population of 587,700 in 1958.

San Antonio has been a military center from the beginning and is often called "the mother-in-law of the Army"—which should be modified to include the Air Force since its separation from the Army. Army and Air Force military and civilian personnel make up more than a third of the city's working population.

Most of the international traffic from three border crossings to Mexico (Laredo, Eagle Pass and Del Rio) funnels through San Antonio, as does transcontinental traffic. The city thus is another important distribution center with a trade area larger than that of many states.

Fort Worth: Manufacturing

Fort Worth, with a population of 356,000 (1958) is the most Texan of all the major Texas cities. Its economy has the same foundations as the state—manufacturing, cattle, oil, agriculture, and wholesaling and retailing. Its tall buildings mark the frontier of the vast West Texas area where oil and gas development, irrigation and increasing industrialization have brought about a population explosion and a steady rise in purchasing power. Already a key distribution center of the Southwest, Fort Worth is deep in plans for the canalization of the Trinity River to carry waterborne shipments to the ports of the nation.

Fort Worth is one of the most important U.S. producers of aircraft and aircraft parts; General Dynamics, the largest employer, has about 11,000 employees. It is also widely known in the fields of oil industry equipment, chemicals and pharmaceuticals, building materials, plastic products, lubricants, hydraulic fittings, air-conditioning equipment, processed foods and grains. Of the state's 24 producers of lubricating oils and greases, ten are in Fort Worth, as are the only manufacturers of paper industry machinery, aircraft propellers, matches and

canned and cured seafoods. There are 260 plants making building materials, 37 making electronics equipment, and 23 in the air-conditioning field.

Big Market for Canada

These four cities are the main distribution centres and each in itself is an important market. They are markets, however, that most Canadian exporters tend to overlook. Canadian exporters who have made a sales effort have met with success. A manufacturer of radio-phonographs is selling to the state's largest department store. Makers of woolen skirts and bulky knit sweaters are doing a steady business. Texas as a state ranked next to California in new home construction from 1950 to 1960. With building holding up, softwood lumber exporters are increasing their sales, as are exporters of western red cedar shingles, shakes and siding. Other commodities being sold in volume are newsprint, pig iron, steel mill products, copper tubing, gypsum, asbestos, Christmas trees, apples and peat moss.

Canada is one of Texas' best foreign markets for chemicals. We are also an important market for Texas-made oil drilling and oilfield machinery, and for potash fertilizer materials, petroleum and coal products, primary metals, railroad ties, cotton, nuts, rice and fresh fruit and vegetables.

Texans have helped to develop the oil industry in Canada. Many others have visited Canada as tourists or to hunt and fish. There is a greater awareness of and friendliness towards Canada in Texas than in perhaps any other state. Take advantage of this situation to sell in this market which buys not only raw materials and components but also distinctive and interesting consumer goods of high quality. The great cities of Texas are only a few hours away by jet. The buyers are there and we will be more than happy to make appointments with them for you. Just drop us a line, podnuh! ●

O. MARY HILL,
Editor, "Foreign Trade".

The Birds, the Bees-- and Britain



When Harry Bird and his wife exhibited their Bee Cee honey at Scotland's Food Exhibition in Glasgow last year, over 40,000 Scots paused to taste, many to buy it.

These bees inhabit northern British Columbia; Harry Bird lives in New Westminster. When he took the honey that they made and he blended over to Britain, imagination and industry brought him worthwhile orders for a distinctive product.

"If you want to sell in Britain, you can't simply fly over to London, attend a few cocktail parties, appoint a broker, and think that you're going to get customers. That approach is as dead as the dodo."

Harry Bird's words of caution to Canadians who want to sell food products in Britain is based on hard-won experience. Early in 1962 he began selling his firm's honey there, relying on a rather unique product, a sturdy pair of feet, and a persuasive tongue. His feet supported him for long hours at his booth in two trade fairs and later carried him around to hundreds of stores in England, Scotland, and Northern Ireland. His persuasive tongue—and his enthusiasm about his product—made the sales. Now he is catering

to additional markets outside the British Isles.

Up in northern British Columbia and particularly the Peace River area, the bees during the six weeks of summer begin the long process that eventually brings Bee Cee honey to British and continental breakfast tables. The clean air, long hours of sunlight and light rainfall, plus the northern wild flowers (untouched by weed-killers) and fields of selected seed clovers, help these bees to produce a honey of high quality and with an unusual flavour. Bird's firm, Bee Cee Honey Co. Ltd. of New Westminster, buys these Arctic honeys and blends them. Then the honey is packaged smartly and is ready to be marketed—equally smartly.

Bee Cee's parent company, Hodgson Bee Supplies, has been selling equipment to beekeepers both in Canada and abroad for more than forty years. About 1952 the firm decided to go into selling honey too—and Harry Bird came into the picture. Ten years later, with the business going well, he began to think about overseas markets. But, he says, he had no idea of how to go after them until he took his problem to the Department of Trade and Commerce which (to quote him) "values you not for your size but because you are trying".

Off to the Fair

Once he made contact with Ottawa, things moved fast. As a start, he was persuaded to take space in the Canadian section of the *Daily Mail's* Ideal Home Exhibition in London in March 1962 as one way of exploring the market. Literally thousands of British homemakers troop through this show (it usually attracts a million and a half visitors) to look at, sample, and often buy the products on display. The British sampled Bee Cee honey with such gusto and to such good effect that he sold several tons of it at retail while the fair lasted. It took Harry Bird himself, his wife, and three English girls to cater to the people who crowded around his booth. Over 95,000 of them took him up on his invitation to taste the honey—spread on special neutral-flavoured biscuits obtainable only in England. They inspected liquid honey in glass jars and creamed-style honey in one, two and four-pound containers. And the plastic honey bear with two hats was a crowd-stopper! Off came one hat, to be replaced by a little pointed one that doubled as a nozzle. When the bear was squeezed out came honey, to the delight of child visitors. (Honey bear turned out to be something of a problem, but that comes later in the story.)

From London the Birds (Mrs. Bird had become her husband's active business colleague) moved north

to Glasgow and Scotland's Food Exhibition. There, in Kelvin Hall, they set to work to persuade the canny Scots that Bee Cee honey was well worth the higher price. Some 40,000 tasted it and some bought more on the spot; in fact, sales per capita out-soared those in London. In both London and Glasgow the Birds imparted a bit of geography on the side. At the side of their booth they mounted a map of British Columbia, to show where the honey came from. At least a dozen times a day they were complimented on how well they spoke English for people living in South America! Then the geography lesson began.



Here's honey bear, beloved by children. He has two hats and he's wearing his second, topped by a nozzle dispenser.

Knocking on Doors

The two fairs over, the Birds packed up, but not for the return journey to New Westminster. Instead they began a personal promotion of their product. Widespread TV or other advertising they

couldn't afford, so they relied on store displays and sampling. This emphasized what Harry Bird calls "knock on the door" selling. They visited a number of British cities and towns, calling on distributors of food products, wholesalers, chain groceries, and individual retailers. And they talked honey to everyone they met. Many a British housewife stopping in at the grocery store that spring was approached by a stocky, grey-haired man with a pleasant smile and an accent she couldn't place. The stranger asked her what type of honey she preferred and why—and probably offered her a sample. Soon they were deep in conversation about honey in general. This grass-roots selling made him popular not only with consumers but with those higher up in the distribution chain.

Altogether the Birds spent four months moving about in England, Scotland, Northern Ireland, and on the continent. In addition to attracting customers, participation in the two trade fairs put him in touch with good food brokers, anxious to handle his product. One came to the Ideal Home Show in London from Northern Ireland and Bird concluded an arrangement with him on the spot; later he crossed over to Belfast and called on wholesalers and the big chain groceries with this broker to give them the story of the product and its unique qualities. Sales in Northern Ireland are climbing fast, even though it produces and exports honey itself.

This systematic selling brought results, despite the keen competition from Argentina, New Zealand, Australia, Cuba, and many other honey-producing countries. Particularly keen was the competition from the blenders, British firms which buy honey in bulk and make up their own brands. The first stores in London to put Bee Cee honey on display were exclusive Fortnum and Mason's, which featured it for a month, and Selfridge's, which advertised it in colour in its catalogue—the only brand so honoured. It was stocked by Bental's and given

a full page in colour in Spar's magazine.

Prospecting on the Continent

From Britain the Birds crossed to the continent, but without any intention of trying to obtain large-scale orders for the time being. They visited Brussels and Antwerp and got in touch with leading food brokers in Hamburg and Bremen. The Germans, Harry Bird found, are the biggest importers of honey in Europe and this market holds promise for the future. Here, as in England, he talked honey to housewives, with the aid of an interpreter. His firm is now making some shipments to European buyers, but mainly in bulk; selling there under one's own brand name is more difficult than in Britain, but Bee Cee Honey will take space at the ANUGA fair in Cologne, September 21-29. In France prospects for selling honey are only fair but two other Bee Cee products—candles made of 100 per cent pure beeswax in 24 shades and candle kits—are going well. In Sweden, honey sales have already been concluded.

This past winter, quick action brought the firm some business in Norway. The Canadian Trade Commissioner in Oslo reported that, because of the failure of the honey crop in the summer of 1962, the Norwegian authorities would issue licences for imports of honey up to a certain amount. This information was passed on to Canadian honey producers. Bird promptly airmailed samples of Bee Cee honey to be distributed to the largest and most important food importers and wholesalers in Oslo. The result: orders from the Unilever organization there for his creamed honey.

Meeting Sales Problems

Selling in Britain and Western Europe, Bird emphasizes, is not as simple as this article makes it appear. There are problems—some of them thorny. One is competition; nearly every country produces

honey, many of them export it, and most try their luck in these markets. And Bee Cee honey is more expensive than most and must be sold on quality alone. This explains its success in stores like Selfridge's and Fortnum and Mason, where it is more important to offer something unusual than to shade prices.

Then there are tariffs. In selling to Britain the exporter must check the duty not only on the product itself but on the container. Honey from Commonwealth countries goes in duty-free, but containers originating in non-Commonwealth countries may be dutiable. Sometimes there are further complications. One of the glass jars with Bee Cee honey had measurements marked on it, so that the housewife could use it after the honey was gone. This, said H. M. Customs and Excise, gave the jar "character" and it had to be classified separately for tax purposes. The dispensing bear was, in the eyes of the Customs, not a container but a toy, a different tax classification. This experience leads Bird to warn would-be exporters of foods products to Britain that they should make sure of duties on both product and container. The food labelling regulations in Britain should also be studied and observed. Last February and March, when Bird exhibited in the Canadian section of the Fourth Delicatessen Exhibition in London, he introduced new labels especially designed for the British market.

More perplexing was the question of patent infringement that centered around the plastic honey bear. Containers need not be patented in this country but they are patented in Britain and during the Ideal Home Show the Birds were approached by a representative of a British honey company which claimed that honey bear infringed on its patent rights. The matter was eventually settled out of court but it took time and patient negotiation. It seems, says Mr. Bird rather sadly, that the more successful you are, the more likely you are to strike snags.

Latest development is his discovery of a market for his unpatented or "natural" honey among food faddists, particularly in Germany and Southern California. For these customers he avoids plastic containers which, they contend, spoil the taste of the honey. Some of his contacts with California were made when he participated in the Canadian Samples Show at Vancouver in the fall of 1962, to which United States buyers were brought by plane.

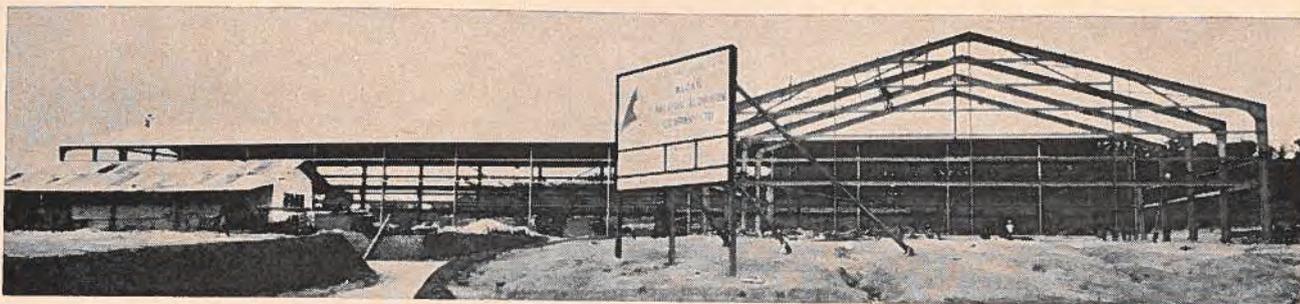
Secrets of Success

What factors have helped most in obtaining overseas customers for his honey? To begin with, says Bird, he offers a quality product that is distinctive and different—and only a small fraction of the quality market in Britain or other countries can mean a lot to a Canadian producer. Next, he packages his product imaginatively—the dispensing bear and the measuring jar are good examples. He establishes what each market wants by patiently making the round of shops and cultivating consumers, then he adapts his approach and his presentation to each. And, to round things out, he gives his customers the quickest possible service. "If you are going to cultivate a new market," he says, "don't send a boy on a man's errand; in other words, one of your top executives should do it because he can make decisions on the spot."

Originally Bird believed that it might take at least five years to succeed in the export market. After only a year and a half, most people agree that he's well on his way.

Index to Foreign Trade

The index to Volume 119 of *Foreign Trade*, covering the issues from January 12 to June 29, 1963, has now been printed. Readers who wish to have copies should write to the Editor.



This picture shows the early stages of construction of the new plant of Alcan Malayan Aluminium Company Limited, a subsidiary of Canada's Alcan. This plant, located in Petaling Jaya, was completed and went into production early this year.

How Malaya Is Building Industry

Careful planning, inducements offered to overseas companies, stress on private enterprise—these have marked the Federation's successful industrial build-up. The list of 14 countries establishing plants there includes Canada; Canadians have also helped in other ways.

PHILIP STUCHEN,* *Special Adviser, Economics Branch.*

THE industrial hustle and bustle apparent to any recent visitor to Malaya which have preceded the creation of the Federation of Malaysia on August 31 or thereabouts is one of the reassuring omens for the future success of the new federation. Malaya since its own independence in 1957 has attracted over a hundred sound industries, mostly foreign, and more have indicated an eagerness to come. It is, in fact, the envy of many other developing countries equally anxious to industrialize and to diversify their monoculture economies.

Nor has this sudden outcrop of new plants and factories come about by chance or by accident. True, there have been certain fortuitous circumstances in Malaya's favour.

*The author of this report recently spent a year in Malaya on loan under Colombo Plan auspices to the Ministry of Commerce and Industry. Mr. Stuchen's assignment was to survey the existing pioneer industries and to recommend possible new manufacturing industries and industrial areas for the Federation.

One was the desire on the part of numerous outside firms to find a good safe point to establish operations or a branch for Southeast Asia. Another was the fact that a third of the world's supply of both tin and natural rubber is still being produced there, with a complement of other products such as iron ore, timber, coconut, palm oil and pineapples. A third factor was that Malaya's six to seven million population offers a reliable market with a high per capita income, to be supplemented by a potential and larger Malaysian market of over eleven million.

Perhaps of equal if not greater significance are other considerations and conditions created by the Malaysians themselves. The Federation Government, for instance, has achieved a climate favourable to investors and industrialists, foreign as well as local. Against great odds, political and industrial stability has been established after the trying oc-

cupation and the emergency years of the fifties. The fact that the passage from colonial to independent status was effected with so little disturbance or diminution of services or standards has added to Malaya's standing.

Pioneer Legislation Introduced

Equally prominent has been the Government's determination from the outset to set up an economic base to offer more employment opportunities and to make the country less dependent on rubber and tin—both so sensitive and susceptible to fluctuating world demand and world market prices. The effective means of doing this is to attract new industries by granting them exemption from income tax and customs duties under the Pioneer Industries (Relief from Income Tax) Ordinance.

This legislation, introduced by late 1958, granted "pioneer status" to firms which qualify for a tax holiday, depending upon the amount of fixed capital to be invested. To those companies investing M\$100,000*, tax relief for two years is granted; an investment of M\$100,000 or more calls for three years' relief, and expenditures over M\$250,000 bring exemption for a

*Three Malayan (M) dollars equal one Canadian dollar.

maximum period of five years. Incidentally, a pioneer industry is described as one that does not already exist commercially, has favourable prospects for future development, and is regarded as being in the public interest.

Petaling Jaya: Showplace

What form has the industrialization pattern taken? Because about two thirds of the hundred new pioneer industries** have been located in one industrial area or estate called Petaling Jaya—on the outskirts of Kuala Lumpur, the capital—the impressive results of this short-time effort are concentrated, can be viewed easily, and properly deserve commendation. Another thirty to forty pioneer firms are scattered about the country from Johore Bahru, Batu Pahat, Port Dickson, Kuala Lumpur, Ipoh and Penang to Kota Bahru. The success story of Petaling Jaya—usually referred to locally as “P.J.”—was perhaps inevitable from the begin-

**There have been many other new factories established which do not qualify for pioneer status or tax exemptions, such as tobacco, soap, edible oil, soft drinks or biscuit factories, and so on.

ning, because the word “Jaya” means successful and “Petaling” derives from a neighbouring village. P.J. is only eight miles from Kuala Lumpur by road or rail from one direction and about twenty miles from the new deep-water harbour being completed at Port Swettenham from the other; this gives it several important locational advantages.

Spread over an area of under 4,000 acres, this satellite town offers residential, communal and commercial facilities, as well as the industrial area proper, now enlarged to over 700 acres and completely taken up. Whether it is an additional bloc of medium-priced houses, a unique Thai mosque, the new Petaling Jaya Corporation office, or a spic-and-span rubber tire plant, it has been done in good taste, with choice design and suitable long-term planning.

Though it is true that P.J. was originally conceived as a residential area for those uprooted by the occupation, it is becoming more and more the industrial showplace of Malaya. It was cut out of a rubber estate which still adjoins a portion of the residential area; the latter

now has approximately 45,000 persons and by 1965 the population will probably reach 65,000, making it one of the ten municipalities of over 50,000. Of course, a considerable portion of the present population commutes to work in Kuala Lumpur and to the adjoining University of Malaya, another distinctive and contemporary creation cut out of the jungle.

By early 1963, there were 175 factory sites varying from a quarter-acre to 35 acres allocated to either Malayan or overseas or joint Malayan and overseas firms. A wide variety of products were being manufactured or processed, including foodstuffs and beverages, soaps and oils, building materials, chemical products, pharmaceuticals, plastics, textiles, rubber goods and wood products. The emphasis was obviously on consumer goods in the early stages (1959-61), making for small and medium-sized plants.

Within the last eighteen months heavier industries have been coming into operation, involving large-size plants, each employing a hundred people or more and producing capital goods as well. These production-line factories have included those turning out large-size steel piping, galvanized corrugated sheets, cement building materials, aluminum sheeting, refined petroleum products, industrial acids, auto and truck tires. With the exception of the iron pipe plant at Ipoh and the petroleum refinery at nearby Port Dickson, all these developments have taken place at P.J.

Factory employment at P.J. has been estimated at 5,000, but the total number of employees engaged by all pioneer industries in Malaya will approximate 10,000 by next year. This figure is not as high as some authorities would like but does indicate the highly automated processes being introduced in the country, such as oil-refining, rubber-tire processing, beer-brewing and acid making. These are all heavy capital-intensive industries and have required the spending of approximately M\$100,000 per employee.



Pewterware developed from Malaya's tin has been one of the choice exports over the years. Here a third-generation member of the Chinese family that owns the firm skilfully solders the handle onto a pewter water pitcher, as others await her touch.

Incidentally, those labour-intensive industries that call for large number of production-line workers have been most impressed with the technical skills and efficiency of male and female operators among the local Malay, Chinese and Indian population.

Fourteen Countries Represented

The plants too have a distinctive and imposing appearance and combine a variety of designs, representing firms of repute turning out internationally known brands and coming from the 14 following countries: Australia, the Bahamas, Britain, Canada, Denmark, Taiwan, Japan, France, Germany, the Netherlands, Hong Kong, Switzerland, Thailand, and the United States. The acquisition and development of land for both industrial and non-industrial purposes have been carried out under the authority of the Petaling Jaya Development Corporation, working harmoniously with state authorities (equivalent to provincial officials here).

In addition to visiting the factory sites, one has only to travel over 65 miles of paved roads to be impressed with the boulevarded streets already provided with shade trees; adequate low-cost and medium-priced housing units; numerous primary and secondary schools; attractive churches, mosques and temples, indicating the multi-peopled community; strategically placed shopping centres, banks, cinemas, car-parks and post-office, and even a park area and swimming pool.

Pattern for Other Areas

P.J.—whether it is the industrial complex or the residential facilities—would win high marks in any Canadian town or city. So it follows that this showpiece has served as an inspiration for other industrial areas proceeding or under current consideration at Ipoh, Johore Bahru, Butterworth, Malacca, Taiping, Seremban and Kuantan. (Some of these—Ipoh and Johore Bahru in particular—have made considerable headway in attracting new industries

to their areas.) With the one exception of Kuantan on the east coast, all the others are on the more developed west coast and are within easy reach of one another either by rail or excellent highways. Even Singapore has decided to go ahead with its own industrial area to attract diversified industries. It is therefore proceeding with an intensified M\$100 million five-year program, as well as the Jurong industrial area under government auspices.

Private Enterprise Predominates

One of the most striking aspects of Malaya's industrial development, both in terms of pioneer and non-pioneer industries and those located at P.J. or elsewhere, is that they have all been established by private enterprise. Until mid-1963 at least, there were no government-sponsored, financed or managed projects as is normally the pattern with newly independent and developing countries. Private investment to date on the hundred pioneer industries is over M\$350 million (or over Can.\$115 million). These industries are financed by local or overseas private interests, or by joint participation of both. Of late, a portion of the local issue of stock has been put on the Malayan stock market and in six recent issues, the shares made available to the public were taken up or over-subscribed within hours of being offered.

That private interests have to date sparked the industrialization of Malaya indicates the confidence and trust they have in the political, economic and industrial future of the country. There are also a large number of potential investors who are awaiting decisions on their applications, made earlier, for additional pioneer-declared products. Although they may have originally thought in terms of the favourable Malayan market alone, they will now be able to cater to a Malaysian market with 60 per cent more potential consumers. Incidentally, Malaya is the equivalent in size of the combined provinces of Prince

Edward Island, Nova Scotia and New Brunswick, or 50,000 square miles; Malaysia will cover a little less than three times that area, or about 130,000 square miles.

Another important feature of Malaya's progress is that government funds have been made available for other worthy projects rather than diverted to industrial ventures. Essentially based on agriculture (60 per cent of the population depends upon agricultural pursuits for its livelihood), Malaya has gone ahead with a vast land resettlement and rural development scheme—another exemplary program. Further, substantial expenditures in the public sector have gone towards urgently needed roads, bridges, hydro and harbour developments. Incidentally, much of this latter type of expenditure has been premised on a 75 to 80 cents (M) per pound return on natural rubber output, still in the range of 800,000 tons a year. Since upgrading and cheaper production have made synthetic rubber more and more competitive with natural, the Second Five Year Development Plan (now in its third year) may have to be revised to scale down certain of these public capital expenditures because of the threatened decline in revenue.

On the export side, Malaya still earns about a billion Canadian dollars from foreign sales, of which tin and rubber together account for 70 to 80 per cent. Serious fluctuations in world demand and prices of these two commodities are causing concern in official circles and high hopes are being held out for the time when the newly established industries begin to produce and export beyond their own borders. For example, in 1961 a total of M\$9 million worth of varied manufactured goods, or 60 per cent of the total exports of the 27 pioneer firms (a bit better than half of those pioneer firms in production that year), was shipped to other Malaysian countries. This clearly indicates an existing trend that will undoubtedly be strengthened once

the volume and variety of products manufactured or processed in Malaya increase and they become equally acceptable to a brand-conscious consuming public.

Canadian Contributions

Apart from our traditional trade relations with Malaya and Singapore, Canada has made other contributions to this area in recent years. Our Trade Commissioner office was established in Singapore as far back as 1921 to service this area, which lately has accounted for Canadian shipments of over Can.\$5 million a year. (We import five times as much from Malaysian countries.) Back in 1926, the Ford Motor Company of Canada set up a wholly-owned subsidiary in Singapore which is still one of the leading suppliers of motor vehicles for Malaysian needs. In addition, well-known Canadian insurance companies have written considerable business over the years from their Singapore and Malayan offices. In 1963, the Aluminum Company of Canada began production in its up-to-date two-million-dollar sheet rolling plant at Petaling Jaya. The same company also carries on bauxite mining operations at Pengerang in southern Malaya and at Sematan in Sarawak.

Since Malaya's independence six years ago, Canadian technicians and advisers have been assisting in a variety of schemes. Several of these have been particularly concerned with industrial development projects such as hydro-power sites and potential; fish marketing and processing (including refrigeration equipment and buildings supplied at an outlay of half a million dollars); the first industrial census of manufacturing establishments; a survey of pioneer industries and new industry possibilities; university instruction in business administration at both the Universities of Malaya and Singapore; an aerial resources survey and a land-road survey for a projected west-to-east highway. In addition, Canadian teams on television installation, technical school

training, and medical services are being supplied on a continuous year-to-year basis. Thus Canadians are playing a small but useful rôle in the notable success of the industrialization program of our sister Dominion—a contribution which has not gone unnoticed by the Malaysians. At the same time, Malaysian students and trainees have earned a warm spot in the hearts of those Canadians who have met almost 200 of them during their stay in this country over the past five years.

Whatever our future interests in and contributions to all four partners in the new Federation of Malaysia are, we can be assured that our relationships and participation will be held in high esteem. Knowing at first-hand how the Malaysians appreciate Canadians and their services, I can see that our increased efforts under Malaysia—whether they be by way of trade, aid, investment, or just friendly personal exchanges as tourists—will be even more meaningful and acceptable. ●

Chile Expands Oil Industry

A PLANNED oil refinery with a daily capacity of 40,000 barrels could provide Canadian manufacturers with a substantial market for tanks, valves, pumps and other equipment related to the petroleum processing industry. Furthermore, Canadian firms could gain a foothold in a rapidly expanding sector of the Chilean economy—1961 crude oil production of 9,278,000 barrels more than doubled the 1957 total. Consumption of gasolines and fuel oils also increased substantially.

The state-owned oil industry known to Chileans as ENAP, (Empresa Nacional de Petroleo), is the only primary producer and processor of petroleum products in Chile. Although service stations with such familiar names as Esso and Shell are to be found in Chile, their rôle is limited to distribution only, selling products under their brand name but processed by ENAP to their individual specifications.

In 1960, ENAP, the wholly-owned subsidiary of the Government Development Corporation, (CORFO), produced 70 per cent of domestic crude oil requirements; the remainder was imported from Venezuela. In addition, because present ENAP production is inadequate to meet the demands of large copper mining firms, fuel oil is also imported.

A far-reaching program of oil-well drilling has also been undertaken. Including the development of proven areas as well as wildcat exploration,

82 wells were completed during 1961, 45 producing petroleum and 15 natural gas. All of the producing wells are in the Tierra del Fuego fields at the extreme tip of the continent. Up to the present, the completed holes drilled in the Atacama desert in northern Chile have proved to be dry. The company also controls more than 1,000 km. of pipeline for the transport of gas and crude, of which 430 km. were completed in 1961.

The only Chilean refinery, located at Concon, has a daily capacity of 44,000 barrels. However, in 1961 only 32,200 barrels a day were required to satisfy the demand for gasoline. A plan to build a new refinery with a 40,000-barrel daily capacity at Talcahuano, near Concepción, is being examined. Designed to meet the requirements of the southern part of this long and narrow country, engineering studies are currently under way. Credit negotiations and procurement of equipment are expected to begin shortly and Canadian manufacturers of boilers, valves, pumps and related equipment who wish to investigate the market possibilities are advised to contact the ENAP office in New York at Corporación de Fomento de la Producción, 80 Pine Street, New York 5, N.Y.

Because this office is also the purchasing arm of most CORFO subsidiaries, Canadian manufacturers of heavy equipment and machinery other than for petroleum processing might also benefit by making contacts there.

—GILLES GAGNE, *Assistant Commercial Secretary, Santiago.*

TRANSPORTATION NOTES

Liverpool Plans International Airport

LIVERPOOL, long known as a major world seaport and as a centre of commerce, is now seeking to become an international air transport centre. It has had a municipal airport since 1933; it was requisitioned by the Government at the outbreak of the Second World War and remained in government hands until the beginning of 1961. Since its return to municipal ownership, the City of Liverpool has spent \$1.2 million on improvements to the runways and aircraft handling facilities. In the next two years it expects to spend \$6 million to:

- build a new 7,000-foot runway to give takeoff distance of about 10,500 feet
- install modern lighting and approach aids
- construct new terminal buildings and increase freight-handling facilities
- provide more hotel accommodation at the airport.

The hope is that the construction of new runways and facilities will attract international carriers to the airport and increase its share of both domestic and international travel.

While it is still a centre of shipping, shipbuilding, banking and insurance, the Liverpool-Merseyside area has also developed important manufacturing industries in the last twenty years. The feeling is that, as such, it should have an international airport to handle its growing passenger and freight needs. The airport is a natural traffic centre for a population of approximately five million, with purchasing power equal to that of the affluent areas in the south of England.

The area's air freight traffic is increasing rapidly and figures indicate a large potential for overseas freight. In 1962 the 4,000 tons of freight shipped from the municipal airport was double that carried in 1961. The airport was the fourth biggest handler of air cargo in Britain, after London, Gatwick and Manchester airports (if Channel Coast airports whose freight tonnage consists mainly of cars using the cross channel air ferry service are excluded). In addition, it is estimated that close to 90 per cent of all Merseyside's overseas air freight starts and finishes its journey by road. It travels forty miles to the nearest international airport at Manchester.

Municipal and airport officials are interested in encouraging independent British airlines and foreign airlines to open new routes. They intend to:

- support their requests for route licences
- supply research data
- make office and hanger accommodation available at fair rentals
- offer special concessions to assist airlines to overcome the initial problems of starting a new route.

Despite the initiative already shown, some difficulties remain. The most outstanding involves agreements with foreign governments. When new or additional landing rights are granted to foreign carriers, reciprocity is usually expected and negotiations for new landing rights can sometimes be time-consuming.

—C. M. KERR,

Assistant Trade Commissioner, Liverpool.

Canada

SHIPPING TO WEST AFRICA—Three shipping lines have recently established service from the Great Lakes to ports in West Africa.

The Westwind African Line is scheduling regular monthly sailings from Great Lakes ports, including Port Arthur/Fort William and Toronto to Takoradi and Tema, Ghana; Matadi, Republic of the Congo; Lagos, Nigeria; Freetown, Sierra Leone; Abidjan, Ivory Coast, and Point Noire, Gabon. The first sailing by the new shipping service was by the M/S *Nordfarer* in June. The agent in Canada for Westwind Africa Line is the Montreal Shipping Company Limited, of Toronto and Montreal.

The second shipping service from the Great Lakes is being operated by Farrell Lines. According to

present reports, the intention is to operate the service during the 1963 navigation season with one ship. The SS *African Lightning* was scheduled to sail from Toronto on July 8 and from Montreal on July 10 for Dakar, Senegal; Freetown, Sierra Leone; Monrovia, Liberia; Tema, Ghana; Lagos, Nigeria, and Matadi, Republic of the Congo. The next sailing from Toronto is scheduled for September 20. The agent in Canada for Farrell Lines is Furness Withy Company Limited of Toronto and of Montreal.

The third shipping line to extend its service from Atlantic ports into the St. Lawrence and the Great Lakes is the Seven Stars (Africa) Line-Black Star Line. The first outbound sailing from West Africa loaded at Ghana ports early in July. The vessel was

scheduled to arrive in Montreal on August 10 and load outbound Fort William on August 16, Toronto/Hamilton on August 29, and Montreal on August 31 for Freetown, Sierra Leone; Takoradi and Tema, Ghana, and Lagos and Port Harcourt, Nigeria. The agent in Canada is March Shipping Agency Limited of Toronto and Montreal—Ottawa.

Denmark

AIR SERVICE INAUGURATED—A new air service began August 1, 1963, between Hamburg and Flensburg. It is operated by a Danish air corporation, Cimber Air Service in Sønderborg. There will be two return trips daily—Copenhagen.

SAS-LUFTHANSA SIGN AIR FREIGHT PACT—SAS and Deutsche Lufthansa A.G. recently signed an unenforceable agreement for pool co-operation for five years to take effect on November 1 of this year. It covers the freight line between Frankfurt and Copenhagen and Hamburg and Copenhagen, plus SAS's German internal lines between Frankfurt and Munich and a new Lufthansa service between Frankfurt and Stockholm via Copenhagen.

During the next few years, the companies will try to bring about equality in the distribution of traffic so that in due course each will have 50 per cent. At the beginning of the 1964 summer season, SAS is expected to cover 67 per cent of traffic to neighbour countries, and Lufthansa 33 per cent.

The two corporations will sign a separate agreement providing that SAS will be Lufthansa's agent-general in Scandinavia and that Lufthansa will look after the interests of the Scandinavian company in West Germany—Copenhagen.

Guatemala

INTER-AMERICAN HIGHWAY OPENS—Another vital link in the economic unification of Central America was forged by the official inauguration in April of the Inter-American Highway. Stretching more than 3,100 miles from Panama City in the Canal Zone to Laredo, Texas, this road is the northern section of the Pan American Highway which, when completed, will link the Americas from Patagonia in the Argentine to Alaska.

Although the Inter-American Highway has been "officially" opened for traffic, a great deal of work still remains to be done. Road widening, slide and flood prevention measures and the change-over of some sectors from gravel to pavement are a few of the more urgent needs.

For Canadian exporters the development of the highway opens two promising avenues for the transportation of goods throughout Central America. One method is to ship from Montreal or Halifax to Puerto

Barrios, Guatemala, via the Canada-Jamaica Line and then by truck-transport to ultimate Central American destination. Another method is to ship by truck to Miami, Florida, by vessel from Miami to Puerto Matias de Galvey by Coordinated Caribbean Transport, whence the trailers will be taken to the consignee by road. Because of Mexican restrictions prohibiting carriage through Mexico by other than Mexican vehicles, it is not practical to ship to Central American Republics via Mexico—Guatemala.

Iceland

REGULAR FLIGHTS TO FAROES—The Icelandic air corporation ICELANDAIR recently began regular passenger flights to the Faroe Islands, when the first plane left Reykjavik via Vaagø for Bergen and Copenhagen. Service from Copenhagen to Vaagø will be provided every Thursday—Copenhagen.

Norway

HYDRAULIC DECK MACHINERY—The Norwegian firm Hydraulik A/S of Brattvag, West Norway, has secured an order from one of the largest Italian shipowners for the delivery of hydraulic deck machinery for two 23,000 tonners to be built by shipyards in Naples and Genoa. The order includes ten electro-hydraulic deck cranes capable of lifting up to 8 tons each, and with a turning radius of up to 18 metres. Hydraulik A/S produces a range of models of deck machinery to suit vessels of all types and sizes, from 40-foot fishing boats to 100,000-ton supertankers. In addition to production at Brattvag, hydraulic machinery designed by Hydraulik A/S is made under licence in a number of countries. In 1961, 85 per cent of the production at Brattvag was exported to the five continents—Oslo.

Trinidad

SIXTY-TON CRANE—The Port Authority of Trinidad solved its heavy lifting problems in June, when it accepted delivery of a barge-mounted 60-ton crane. Port-of-Spain's cargo-handling capacity had been restricted to two 15-ton cranes and the occasional help of two locally hired mobile 32-ton bauxite-loading cranes. Now bulky imports can enter more easily with the acquisition of this valuable piece of equipment. The crane barge is also made to handle grabbing and pile-driving for harbour construction. It can unload cargo from the offside of any berthed vessel or any vessel anchored in the stream onto its own platform, and then transport shipments to the quayside. There the crane lifts the cargo directly onto waiting trucks or rail carriages.

The 60-ton crane is only one part of a W.1.\$2.97 million gift by the United States to the Port Authority last year—Port-of-Spain.

What's current in commodities?

Christmas Trees

Venezuela—Canadian trees are tops here and this is a good market for Canadian exporters, provided they safeguard their interests by taking the advice in this article about credit terms, documentation, shipping and timing of orders.

G. J. FONS, *Commercial Assistant, Caracas.*

THE Christmas custom of decorating coniferous trees certainly is not native to Venezuela because few species grow in its tropical climate, but it seems to be here to stay. The large colonies of people from northern countries, and the many Venezuelans who have lived abroad, have introduced the tradition to this country.

Canadian Christmas trees generally have a good reputation in Venezuela. In fact, Christmas trees are assumed to be Canadian regardless of their source. Venezuelan dealers do not advertise just Christmas trees—they promote them as Canadian trees in posters, leaflets, circular letters and by word of mouth through the street vendors. The lengths they will go to are illustrated by the story of a regular importer of Canadian trees who in a moment of financial stress placed his order with a New York exporter who was willing to supply on credit. Although the U.S. exporter would not guarantee that the trees delivered were Canadian, the local dealer proudly advertised among his clients that he had the most luxuriant green Canadian Christmas trees for sale at his premises.

Supply and Demand

The regular importers of Christmas trees are supermarkets (IBEC of the Rockefeller group is the most important), florists, large toy dealers, sporting goods stores, etc. But speculators, impressed by high

prices obtained for trees in years of low imports, often invade the trade and deflate the market. By bringing in additional lots they cause prices to drop, to the detriment of those dealers who do not have a firmly established clientele. Many of these dealers, with vivid memories of their losses, abstain from importing the next year and as a consequence trees are again in short supply and prices high. Even in good years, newcomers suffer losses because they do not have experience in buying, handling and selling the trees. Although to many it may seem a simple transaction, it requires the observance of certain basic rules in order to produce profits, both for the importer and the exporter. Canadian exporters should read the following paragraphs carefully.

Exporters Please Note . . .

Credit Terms—The speculative aspect of the Christmas tree import business in Venezuela makes irrevocable letter of credit terms essential in order to avoid financial losses in transactions with new and often small operators whose main line of business is in another field. Deviation from the letter of credit rule is advisable only when dealing with large, well-financed and reliable importers.

Documentation—very important. To expedite transactions, the full set of original shipping documents

should be forwarded without delay by registered airmail to the Venezuelan importer or his customs broker as specified in the order. Banks should be asked to forward documents as promptly as possible because delay in their arrival will result in deterioration of the trees.

● *Previous import licences* must be obtained by the Venezuelan importer from the Venezuelan Ministry of Agriculture. The Canadian exporter should obtain the number of the licence and insert it in the shipping documents.

● *Phytosanitary certificate* (health certificate) must be obtained by the Canadian exporter from the Plant Protection Division of the Canada Department of Agriculture, and one original and one copy attached to the shipping documents. Trees must not contain roots or particles of soil.

● *Letters of credit* should be made out in such terms that they will be paid at the port of transshipment if shipment by rail and then vessel is planned.

● *Consular declaration*: 292-07-01 Christmas Trees (Arboles de Navidad).

● *Duty Rate*: Bs.0.50 per kilogram gross weight (one U.S.\$=Bs.4.54; 1 kg.=2.2 lb.).

Transportation—Transportation is another important point in this business. Because cost excludes the use of refrigerated space, exporters should choose carriers that guarantee adequate below-deck storage for the trees, and which linger the least possible time in tropical ports of call. Otherwise the trees will arrive scorched, dried and unsaleable and the result will be claims and loss of future business. Transshipment

through northern United States ports is advisable when the Venezuelan port may not be the first port of call.

Timing—Precise timing of shipment and arrival of the trees is essential.

Unless the Venezuelan importer has adequate and low-cost refrigerated storage space available, early arrivals will lead to losses from tropical heat. Late arrivals may not give the dealer time enough to sell his trees. The best timing to meet market

demands seems to be late November or the first week in December.

If sales are well timed and organized, preferably through a good local agent, Christmas trees should be a rewarding addition to the lines Canada exports to Venezuela. ●

Sports Boats

West Germany—Demand for pleasure craft is rising with family income; imports are increasing steadily. Canadians should move into this market quickly, while local production is small and before the higher EEC tariffs come into effect.

RICHARD TURCOTTE, *Vice Consul, Hamburg.*

THE pressure of traffic on the highways in crowded Germany, combined with longer holidays, is diverting Germans to the waterways to spend their leisure hours. Widespread attention paid to boating in the daily press and intensive advertising—to a large extent by foreign manufacturers—has abetted the popular taste and the demand for more, larger and better watercraft at a time when purchasing power and the standard of living are rising sharply. In fact, boating in Germany is fast developing from a sport for the initiated only into a popular major recreation.

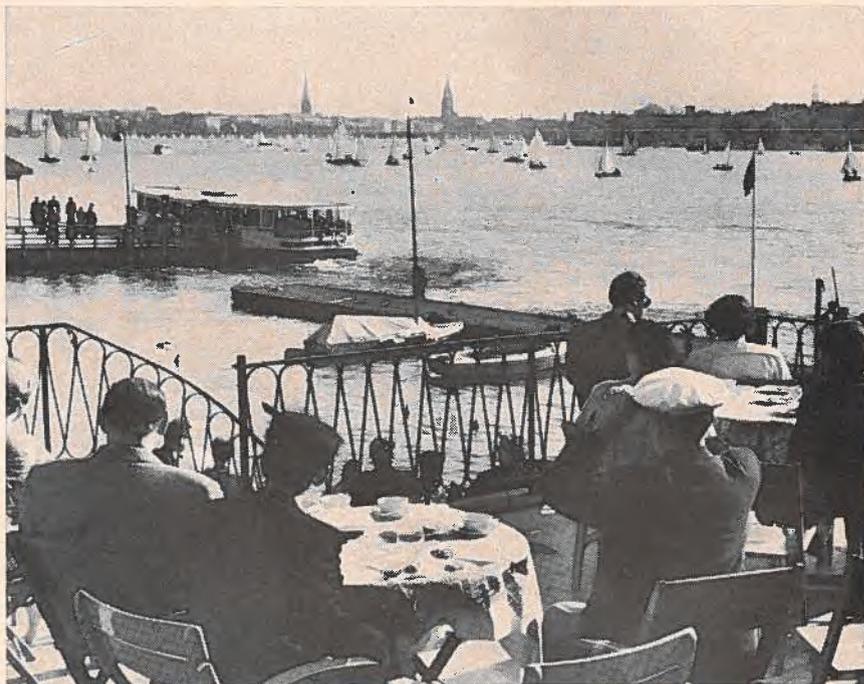
The trend is towards modern mass-produced boats as we know them in North America. Yet local German producers are small, lack capital, knowhow and labour, and generally are not equipped for the mass production needed to satisfy the demand. Although it is operating at more than full capacity, the German boat-building industry still produces mainly custom-made craft. Resulting high prices, coupled with the relatively limited local supplies, are opening this market wide to efficient and progressive foreign manufacturers.

The West German water sports, pleasure craft and accessories manu-

facturing industry today consists of some 360 firms and has an annual output valued at about \$20 million. On the average, this represents an annual output per firm of \$55,000. (See Table I.) The “averaging” cannot be too misleading because there are currently only five or six

firms large enough to undertake what could fairly be termed “serial mass production” as we know it.

Most of the firms specialize in custom manufacturing for particular clients, such as water sports clubs and associations, wealthy private individuals, port authorities, the navy and merchant marine, and the shipyards—each with its own specific requirements. It has been and continues to be a rather profitable business but there has been little incentive to expand. Moreover, the scarcity of both skilled and unskilled labour (and sometimes materials)



—Photo by H.I.

In the heart of Hamburg lies the Alster Lake where sailing, especially on Sundays, is the most popular sport. Boating is rapidly becoming a major German recreation.

TABLE I

GERMAN BOAT-BUILDING INDUSTRY

	1956	1962
Over-all Industry		
Number of firms	305	360
Number of employees	3,500	4,000
Total production	\$10,000,000	\$20,000,000
Average per unit of production		
Average number of employees per firm	11.5	11.0
Average output per firm	\$33,000	\$55,000
Average output per employee	\$2,800	\$5,000

is very real and little improvement seems likely in the near future. It is a common joke that firms spend more on advertising to find personnel than to create a product image.

Current lack of rationalization in the industry, coupled with limited capacity and small-scale production methods, also make existing production very expensive. It has been calculated that a conventional German ocean-going wooden yacht with frame construction and a displacement of 2 to 3.5 tons, requiring about 1,100 man-hours of labour per ton, costs between \$5,000 and \$9,000, according to size. Foreign manufacturers are said to be offering similar mass-produced boats at \$2,500 to \$5,000.

Consumers Turn to Imports

As a result, imports of sports and pleasure watercraft have increased from a few hundred thousand dollars in 1957 to over \$3 million last year, with no slowdown in sight.

It is true that absolute demand, in terms of North American standards, is still small. Because any really significant increase in domestic production on a competitive scale is unlikely in the foreseeable future, importers should expand their share of an ever growing market further in the next few years.

The current upswing in the demand for popular-styled watercraft began in the middle 1950's, but low purchasing power limited sales mostly to smaller sailing craft, row and paddle boats, and canoes. More recently a definite trend to larger and more refined craft and motor-

TABLE II
WEST GERMAN IMPORTS OF SPORTS AND PLEASURE BOATS, 1957-62

	1957	1958	1959	1960	1961	1962	
	Units			Units		Value \$	
Motor boats	118	222	211	409	724	1,182	2,204,000
Sailing yachts and craft	64	67	349	661	541	650	641,000
Rowboats and skiffs	17	40	42	134	280	358	64,000
Other boats*	268	341	471	716	1,369	1,471	118,000
Total	467	670	1,073	1,920	2,914	3,661	3,027,000

*Canoes, paddleboats and collapsible boats.

boats has become apparent. Some 7,000 amateur motorboat operators have now registered in Germany for licences and in all there are about 170,000 sports and pleasure craft of all kinds in the Federal Republic.

The trade has been quick to see the significance of the trend and has helped to accelerate it. Unable to find local manufacturers who would or could take large orders for mass production of favourably priced boats in Germany, retailers have turned to the neighbouring European and Scandinavian countries as well as to the United States, where firms with ample production offer relatively cheap modern boats, particularly those made of formed plywood or fibreglass-reinforced plastic.

Europeans Are Leading Suppliers

Total West German imports of sports and pleasure boats have increased rapidly from 467 units in 1957 to over 3,600 units last year, with successive annual increases of 48, 56, 70, 50 and 25 per cent. (See Table II.)

A study of imports in 1962 by origin indicates that the four Scandinavian countries as a group rival Germany's five Common Market partners as a primary foreign source of supply; each has a 34 per cent share of the German import market. The remaining European countries (Britain, Austria and Switzerland) together supplied 14 per cent of the German imports and the only other foreign country of importance in this market was the United States with a share of 17 per cent, virtually all in motorboats. Denmark is

TABLE III
IMPORTS OF BOATS INTO WEST GERMANY BY ORIGIN

Country of origin	Imports (\$'000)	Share (per cent)
Total Scandinavia	1,044	34.5
Denmark	650	
Norway	183	
Sweden	173	
Finland	38	
Total Common Market	1,035	34.1
Netherlands	592	
Italy	235	
Belgium/Luxemburg	131	
France	77	
Total other European	409	13.5
Switzerland	250	
Britain	115	
Austria	43	
Total other countries	542	17.9
United States	527	
Japan	9	
Other	6	
Grand total	3,030	100.0

BY TYPE

	Imports	
	(Units)	(\$'000)
Motor boats	1,182	2,204
Of which:		
United States	97	512
Denmark	200	496
Netherlands	71	331
Italy	248	214
Switzerland	49	186
Sailing yachts and craft	650	641
Of which:		
Netherlands	287	250
Denmark	83	113
Britain	41	66
Rowboats and skiffs	358	64
Of which:		
Norway	171	21
Switzerland	20	11
Denmark	47	10
Other boats	1,471	118
Of which:		
Denmark	193	31
Austria	450	19
Switzerland	19	15

a leading supplier of all types of boats, followed by the Netherlands and Switzerland.

A detailed breakdown of import statistics for 1962 is given in Table III.

According to a recent survey, the conventional motorboat currently is in greatest demand in Germany, followed immediately by the more expensive small motor yacht. In sailing craft, the dinghy with a sail area of 10-15 square metres and capable of entering regattas is still as popular as ever for price reasons. The usefulness of the larger cabin boats, both the sail and the motor-driven types, is limited mostly to northern coastal areas and to Lake Constance on the Swiss border, but nevertheless there is a high potential demand which can be expected to raise sales as soon as prices and purchasing power come more closely into line. This type of up-trading by the average buyer has been seen once before in the German boat market, when demand jumped from the cheaper kayaks and canoes (commonly known as "Canadians" in this country) to the next highest priced boat, the sailing dinghy. The purchasing power of the average German wage-earner, usually considered to be about one-half of that in Canada, is continually rising and the present strong competition in collapsible boats and rubber craft will probably be reduced as their owners after a certain time move on to bigger boats.

Selling through Trade Fairs

Good occasions to show sports and pleasure boats at trade fairs in Germany are still somewhat limited but definitely improving. The annual International German Boat Exhibition, which takes place in January each year in Hamburg, is rapidly becoming Germany's major specialized fair for watercraft and accessories. Until recently foreign firms could only participate through a German agent or importer but beginning with the show held in January 1963, the fair is open to direct participation by foreign manufac-

turers. The Hamburg fair is becoming an ideal place for new firms to find a representative and make a first contact with this market.

The fact that about twice as many firms—200 in all—exhibited this year compared with last is significant. Some 130 of these firms were boat manufacturers showing 350 boats; 50 of them were foreign manufacturers and 25 were firms new to this market. One-half of all boats shown at the 1963 fair were of foreign manufacture. Particularly noteworthy for Germany is the fact that 45 per cent of the boats on display were made of fiberglass-reinforced plastic; the real significance of this only becomes clear when one remembers that over 80 per cent of these were made in foreign countries.

The number of visitors increased from 58,000 to 70,000 this year and it is estimated that actual sales or sales contacts for boats, motors and accessories concluded during the five days of the fair amounted to \$2.5 million, up from only half a million two years ago.

The next International German Boat Exhibition in Hamburg will take place on January 23-29, 1964. There are no specific closing dates for applications, but the fair authorities advise that the demand for space is heavy and firms wishing to participate should act immediately.

Another annual event which, although of more local significance, might be worthwhile is the International Boat Show and Aquatic Sports Exhibition—Camping, Travel and Leisure, Berlin, which will take place from March 6-15, 1964. Also of interest is the annual International Boat Exhibition in Friedrichshafen on Lake Constance. This fair was held for the first time in the fall of 1962 and it will take time to determine its future development. There is also a section for boats at the SPOGA—International Fair for Sports Goods, Camping Equipment and Garden Furniture—in Cologne, to be held next on November 3-5, 1963, as well as

at the International Sporting Goods Fair, Wiesbaden, which will next take place from April 26-28, 1964.

EEC Craft Duty-Free

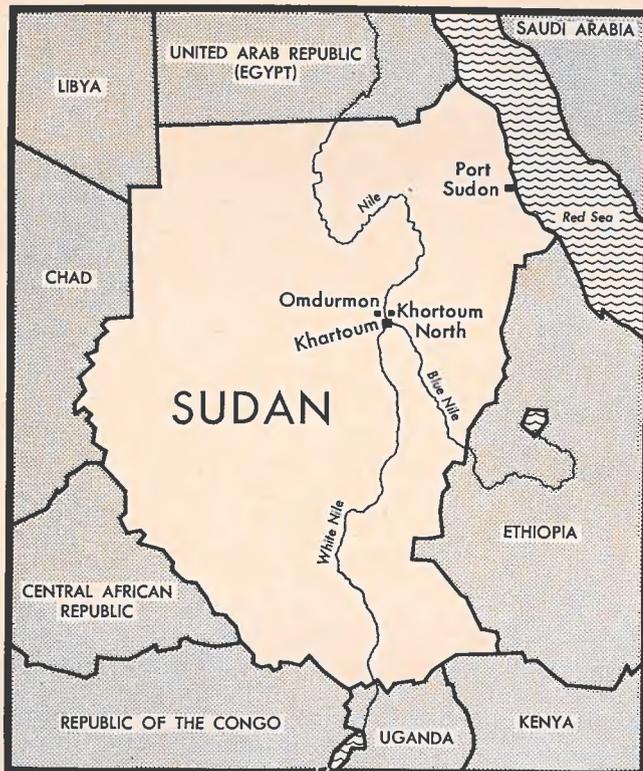
As a result of the Common Market, the German customs duties on watercraft imported from its five EEC partners have now been permanently set at zero, which means that boats from these countries will enter Germany free of duty in the future. In comparison, third countries, including Canada, must expect to see the tariffs on their products increase progressively until 1970, (or even sooner) when the final EEC Common External Tariff for third countries comes into effect.

PRESENT AND FINAL GERMAN TARIFFS FOR WATERCRAFT

	Tariff Item 8901 With unit weight of 100 kilos or less (per cent)	
	free	Other
Tariff for EEC countries	free	free
Tariff for third countries	6	3.6
Eventual EEC external tariff (as reduced by 20 per cent)	10	6

These tariffs are ad valorem. A further 6 per cent turnover equalization tax is levied on the duty-paid value of all imports, irrespective of the country of origin. The eventual increase in the tariffs against third countries, however, should not be as great a burden as may at first appear because a foreign manufacturer who gets a foothold in this market and makes a name for himself is not likely to be easily displaced.

Both sole agency and direct import arrangements are common in this branch in Germany and there is no one predominant centre of distribution. Nevertheless, foreign firms would be well advised to consider one of the major population and trade centres—such as Hamburg, Duesseldorf, Cologne or Munich—as logical primary distribution areas. They might also consider dealing directly with German manufacturers who already have established distribution networks and who may wish to broaden their selling program. ●



Markets in Brief

SUDAN

Area: 967,500 square miles.

Population: approximately 12 million.

Climate: little or no rain from Egyptian border to just north of Khartoum; medium rainfall in central section in summer only; abundant rainfall in south has created thousands of square miles of swamp.

Language: Arabic; English, the second language, is spoken widely.

Currency: Sudanese pound; one pound=100 piastres or 1,000 milliemes=U.S.\$2.88.

Weights and measures: metric system; British measures understood.

Capital: Khartoum, population 124,000.

Chief ports: Port Sudan.

Marketing centres: Khartoum, Omdurman, Khartoum North (combined population 350,000), Port Sudan (48,000).

Economy: agricultural—cotton (leading cash crop), gum arabic (Sudan is chief world source), senna leaves, groundnuts, dates, hides and skins, mahogany, dom nuts (vegetable ivory), chillies, melon seed, beans, maize, mother-of-pearl shell, dura (sorghum vulgare, the staple food of Sudan).

Total Sudanese imports: 1962—Sudanese £76.5 million; 1961—Sudanese £82.9 million.

Chief imports*: 1962 (Sudanese £ million)—machinery and appliances 21.6, textiles 16.5, petroleum products 5.7, vehicles and transport equipment 5, coffee and tea 4.

Chief suppliers*: 1962 (Sudanese £ million)—Britain 20.5, India 6.6, Egypt 4.6, Japan 4.6, West Germany 4.2, United States 4.1,

Value of imports from Canada: 1962—Can.\$180,148; 1961—Can.\$332,720.

Chief imports from Canada: 1962 (Can.\$)—automobiles, trucks and parts 116,369; plastics and synthetic rubber, n.e.s. 25,452; shoe machinery 10,246; excavating, dredging equipment and parts 3,820.

Total Sudanese exports*: 1962—Sudanese £68.9 million; 1961—Sudanese £62.2 million.

Chief exports*: 1962 (Sudanese £ million)—cotton 38.4, groundnuts 5.9, sesame 4.9, cotton seed 4.9, gum arabic 4.1, livestock and products 1.6.

Chief markets*: 1962 (Sudanese £ million)—India 11.8, Britain 11.7, West Germany 6.8, Italy 5.9, Egypt 3.4, U.S.S.R. 3.3., Japan 2.6, Netherlands 2.5, France 1.9.

Value of Canadian purchases: 1962—Can.\$104,567; 1961—Can.\$76,369.

Chief Canadian purchases: 1962—gum amber, gum arabic, Can. \$95,114.

Dollar exchange: foreign exchange reserves have permitted extensive liberalization of imports. Capital goods, spare parts, and raw materials may be imported freely; most consumer goods on Open General Licence. Exchange authorizations embodied in import licences.

Samples: dutiable if of commercial value; duty refunded if goods exported within six months.

Visas: required.

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

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

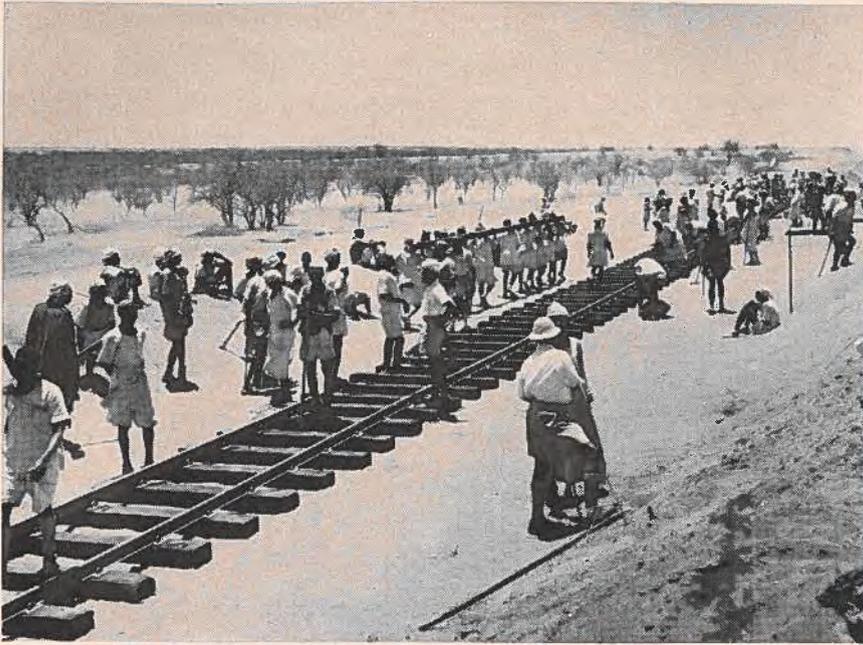
For detailed information on this market, write to:

Asia and Middle East Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor,
Canadian Embassy,
Kasr el Doubara Post Office,
Garden City,
Cairo, United Arab Republic

*Figures based on Customs returns.



A Sudanese work gang is laying new track as part of the program to modernize and extend the railway system, carried on with the aid of World Bank loans.

The Sudan: a Developing Market

Adequate exchange reserves, ambitious development plans, brisk demand for consumer and capital goods make this a market that Canadians might cultivate. A sizable number of products enter duty-free or under Open General Licence. The author of this timely report visited Sudan early this year.

IONA SKUCE, *Asia and Middle East Division.*

THE SUDAN provides a small but growing market for a variety of imports, including foodstuffs and consumer goods, plant and equipment, and certain basic raw materials. Canadians might be able to sell a number of commodities there—such as apples, potatoes, canned salmon, canned fruits and vegetables, breakfast foods and other prepared foodstuffs; certain types of chemicals and pharmaceuticals; vehicles (right-hand drive); games, sporting goods, toys; asbestos, and basic raw materials.

Development Plan Pushed

The Sudanese are making a strong effort to respond to the challenge of the decade for development. Some industrial expansion is already going forward. The International Development and Investment Company has plans to build a nitrogenous fertilizer plant at Port Sudan to make chemical fertilizers from imported raw materials and blueprints are ready for another such plant at Roseires. A factory is under way at Port Sudan, known as the El Sid-Yousif project, for turning out asbestos cement sheets and pipe. A contract has recently been signed for the construction of a television station in Khartoum North, a gift from the Government of the Federal Republic of Germany; thus, there should be a market for television sets and equipment in this country soon.

These and other projects form part of a Ten Year Plan for Economic and Social Development (1961/71). Its two main objectives are the diversification of exports and the strengthening of the balance of payments through export promotion and import substitution. Before this plan came into being, there was no unified approach to development planning. The Development Programs of 1946/51 and 1951/56 and the New Schemes of 1951/62, plus what were known as the Independent Budgets for Major Schemes, constituted development planning up until 1961. The projects undertaken under these various

programs were individually sound but there was no defined target or underlying objective. The Ten Year Plan for Economic Development rectifies this deficiency.

The following paragraphs give some details of the Plan.

● **Consumer and Other Goods—**

The production of consumer goods—such as edible oils, sugar, canned fruits, milk powder, cigarettes, textiles, footwear and matches—will be increased. In addition, the Plan provides for larger output of fertilizers and insecticides, paper, refined petrol products, cement and glass. However, progress towards industrialization so far has been slow, and the import demand for many of the products listed above may continue in the foreseeable future.

● **Dura—**Production of dura will be increased. Under the Economic and Technical Co-operation Agreement with the U.S.S.R. grain silos will be built at Cedaref, in the largest sorghum-producing area of the Sudan, and at Port Sudan for pre-shipment storage. Government officials hope that prices for Sudanese sorghum can be kept down so that it can compete with other animal feedingstuffs in overseas markets.

● **Capital Equipment—**Various projects under the Plan will call for larger imports of capital equipment. For example, the Sudan Railways will need more diesel locomotives, railway cars, modern signalling equipment and track for re-laying heavier rails. Roads and bridges will be modernized in the three southern provinces of Bahrel Ghazal, Equatoria and Upper Nile. The postal and telegraph services will be improved and Sudan Airways is purchasing modern jet and turbo-jet aircraft for all flights. A new international airport will be built and the airports already in existence improved to make them suitable for all-weather flying.

The implementation of the Plan depends to a degree upon the success of government measures to

These Products Have the Best Prospects

The following items of possible interest to Canadian exporters are duty-free at present when entering the Sudan:

seeds
bulbs
plants and tubers for planting and sowing
ferric alumina
alumina sulphate
insecticides
parasiticides
fungicides and weed-killers, including copper sulphate
incubators of all kinds and parts
cylinders for use or in use as containers for compressed gas
empty metal drums
microscopes and parts
football covers and tubes
tennis balls and racquets

The following are under Open General Licence:

wheat
barley
oats
oilseeds
seeds for sowing
apples
potatoes (August to January)
breakfast foods
jams and marmalades
canned fruit
prepared or preserved vegetables
fish in airtight containers

condensed or dried milk and cream
whisky
linseed oil
fats and tallow
caustic soda
various chemicals and pharmaceuticals
insecticides
synthetic tanning material
chemical fertilizers
rubber substitutes
tires and tubes
certain kinds of paper and paper products
fishnets
footwear (except plastic or chemical-type shoes)
asbestos and asbestos manufactures
wire
zinc sheet, hoop and strip
tubes
pipes and fittings
copper and copper alloys
aluminum sheet
manufactures of iron and steel
manufactures of copper
hand tools
cutlery
razor blades
empty drums
motors
batteries
optical, surgical and medical instruments
games
sporting goods and toys

encourage foreign investment in the Sudan through investment guarantee agreements and other means. Of the funds needed to carry it out successfully, 12 per cent is expected to come from abroad in the form of private capital. The Government is taking measures to encourage domestic saving and investment through tax incentives. The Sudan has considerable foreign exchange reserves to fall back upon should the situation become difficult.

What the Sudan Buys

The most significant single import into the Sudan in the recent past is, and continues to be, textiles

(including cotton piecegoods), imports of which amounted to £12.3 million in 1961. Other main imports by value are vehicles and transport equipment, machinery, base metals and manufactures, petroleum products, sugar, chemicals and pharmaceuticals, wheat flour, jute sacks and coffee. Sugar imports are expected to decrease further as a result of the opening of a new sugar factory at Guneid which has a potential capacity equivalent to half the country's present needs.

Imports of cotton piecegoods, base metals and manufactures rose substantially in the first half of 1962 over the same period in 1961.

Government statistics on selected imports show that purchases of base metals and manufactures almost doubled in the first half of 1962 compared with a year earlier, and imports of vehicles and transport equipment virtually trebled. On the other hand imports of machinery, though still substantial, decreased.

At present, a high proportion of Sudanese imports come from traditional suppliers such as Britain, India, West Germany, Egypt and Japan. In 1962, for example, imports from Britain totalled £20.5 million and exports to Britain £11.7 million, out of total Sudanese imports valued at £76.5 million and total exports at £68.9 million; Britain thus held a 44 per cent share of Sudanese trade. Exporters from Japan and the Netherlands, however, have been gaining an increasing share of the Sudanese market in recent years. Most of the wheat is supplied by the United States under PL 480 or by imports from the U.S.S.R. under wheat-for-cotton barter deals.

What the Sudan Sells

The Sudan sells abroad mainly ginned cotton, gum arabic, peanuts, sesame, cottonseed, oilcake, dura (sorghum or millet), hides and skins and camels. Exports of Sudanese cotton to the Soviet Union in 1962 totalled £3.6 million, but imports from that country totalled only £731,467, leaving a balance considerably in the Sudan's favour.

Trade Deficit Continues

In the 1960 calendar year imports reached some £63.7 million and exports £63.4 million, leaving a small trade deficit of £318,000. In 1961, however, imports increased to £82.9 million and exports fell slightly to £62.2 million, creating a substantial deficit of £20.7 million. Although the first six months of 1962 showed a further deterioration in the trade balance, the position improved in the last half of the year. Imports in the first six months amounted to £43.4 million,

compared with £32.5 million in the same period a year earlier; exports stood at £36 million compared with £32.5 million for January-June 1961. Trade figures for the calendar years were: 1961—imports £82.9 million, exports £62.2 million; 1962—imports £76.5 million, exports £68.9 million.

Trade Relations

The Sudan is not a contracting party to the General Agreement on Tariffs and Trade, but some government officials are considering the possibility of applying to the GATT for membership or to the EEC for associate membership. It is a member of the International Monetary Fund. It was one of the states which strongly supported the recent UN Resolution for the Trade and Development Conference to be held in New York in 1964.

The Sudan has either bilateral trade agreements or trade and payments agreements and barter agreements with virtually all the state-trading countries in Eastern Europe, with Communist China, with certain adjacent African states, and with most neighbouring Arab countries. These provide for the mutual exchange of most-favoured-nation treatment or equivalent concessions, and contain indicative lists of goods to be exchanged in both directions.

Entering the Market

Generally speaking, economic conditions in the Sudan are good, the foreign exchange reserves are adequate, and demand is brisk. However, suppliers who wish to sell in this market must cope with certain problems, such as tight credit, transportation difficulties, some import restrictions, and the customs tariff.

In the recent past, fairly rigorous import and trade controls were in force but these have been relaxed despite persistent trade deficits. All imports, however, require a prior import licence issued by the Federal Ministry of Commerce, Industry and

Supply; this licence is valid for three months and may be renewed upon application 20 days before it expires. Licences are granted automatically for liberalized imports from all sources and carry the right to foreign exchange.

Under the present licensing system, imports are divided into two main categories: those under Open General Licence (OGL) which require only a registration certificate, and those subject to a special import licence. Examples of items under OGL of possible interest to Canadian exporters are given in the accompanying box feature.

Changes in the licensing system may be made at any time and exporters should check on the exact status of a specific product before making shipment. Once a licence is granted, however, the shipment is allowed to enter the Sudan even if the product is in the process of transfer to stricter control at the initial time of shipment.

Customs Tariff

The customs tariff of the Sudan currently consists of two schedules of rates of duty, one of which applies to imports from all sources other than the United Arab Republic and the other only to imports from the U.A.R. Consequently, for imports of certain products the U.A.R. receives preferential treatment. In general, the rates of duty applicable to imports from Canada and from all other countries except the U.A.R. range from free to 100 per cent, with the majority of items dutiable at 40 per cent ad valorem. However, a wide variety of goods are subject to duties of 10, 15, 20 or 25 per cent ad valorem. Certain imports such as tobacco and alcoholic beverages are subject to a specific rate of duty and others are dutiable at a combined specific and ad valorem rate.

For products of interest to Canada that enter the Sudan duty-free, see the accompanying box feature on page 22.

The current ad valorem duties on a number of items of possible interest to Canadian exporters are:

	Per cent
Fertilizers and chemical manures	5
Glucose	10
Hoop and strip steel	10
Railway and tramway track material	10
Malt	8
Railway ties	6
Bicycles and parts	15
Paints, enamels, varnishes, linseed oil	20
Caustic soda	15
Condenser units, compressors and motor compressors for refrigeration and parts	10

At present, the Government is considering the possible introduction

of a new customs tariff based on the Brussels nomenclature.

Canadians Should Investigate

To date Canada's trade with the Sudan has been negligible: only Sudanese \$409,089 in 1961 and \$284,715 in 1962, in both directions. This trade might be expanded by more active prospecting on the spot.

Canadian exporters already doing business in Egypt or in other countries in the area may find it profitable while travelling in that part of the world to go from Cairo to Khartoum; the two cities are

linked by daily flights. The largest metropolitan area in the Sudan is the three towns consisting of Khartoum, Khartoum North and Omdurman, which have a combined total population of approximately 350,000. (The population of the Sudan is about 12,260,000.) This is the logical place to visit on an exploratory tour.

Canadian exporters wishing further detailed information on selling to the Sudan should contact the office of the Canadian Commercial Counsellor in Cairo, or the Asia and Middle East Division of the International Trade Relations Branch. ●

Hong Kong's Jade Industry

JADE has been known and appreciated in China for over 3,000 years. Westerners who reached the country succumbed to its beauty in ornamental carvings and jewellery, and a large trade with the West developed and expanded throughout the years. With the fall of the Nationalist Government of China in 1948, a part of the capital and skill of the jade industry was transferred to Hong Kong, which now accounts for much of the world trade in jade, although Communist China still is the leading producer. Hong Kong has no resources of raw jade and must import all that it uses. Canadian jade producers may wish to examine this market which absorbs about Can.\$1.5 million worth of cut and uncut jade a year.

Hong Kong's emergence since World War II as a jade centre has provided the Colony with a worthwhile export industry: the value of its exports and re-exports of jade carvings increased from HK\$1.2 million in 1957 to HK\$9.6 million in 1961. Statistics of exports of jade jewellery are not available but they are estimated at about HK\$5 million a year, bringing the total revenue from jade exports to nearly Can.\$3 million a year. The small quantity of nephrite (soft jade) carvings produced in Hong Kong and the large quantity of nephrite objets d'art imported from Communist China are marketed principally in Western Europe; they are particularly popular in Italy and France. The principal markets for jade jewellery at present are the

United States and Japan, although there are signs that Western European countries may be developed as outlets in the near future.

The term jade actually covers two substances: nephrite and jadeite, both very hard stones that cannot be scratched by a steel point. Nephrite (soft jade), a silicate of calcium and magnesium, has a hardness of 5.5 to 6; jadeite (hard jade), a silicate of sodium and aluminum, has a hardness of 6.5 to 7. Nephrite, the earliest known form of jade, was and still is used mainly for decorative objets d'art; jadeite is a comparatively recent discovery and is used almost entirely as a jewellery stone. Chemical impurities and oxides give jade its magnificent colours. Much jade is nearly opaque but the good white and better quality jewellery green jades are almost transparent. The most popular nephrite shades include a greyish-olive green called celadon, a soft yellow, a dark green or spinach which is often speckled, milk white or mutton fat, and variations of mauve and rose. Jadeite used for jewellery is invariably green, the shade and texture depending on quality.

The most skilled carvers of jade ornaments are in Communist China, although the craft is being developed in Hong Kong. However, the Colony has a thriving jade jewellery industry. Carving, polishing and setting is done by a large number of workshops. Often these are integrated organizations that carry on buying and retailing operations as well, but some

workshops produce on a contract basis for independent retailers. Jadeite for the jewellery industry is normally sold at auction by itinerant traders who bring it to Hong Kong from Burma (at present the only commercial source) in the raw form. It is not until the rocks have been sawn open—a process that sometimes takes several months—that the importers and carvers know whether they have bought a piece of jade or merely another rock. Skilled workmen shape the jade into jewellery stones which are set and retailed in Hong Kong or exported as jewellery or as unset stones.

Little nephrite is used now in jewellery and only for the cheaper qualities, but within the next few years more inexpensive jewellery may be made for export to the large sector of the world market that cannot afford jadeite or does not appreciate it. Only dark green shades of nephrite will be acceptable because green jadeite is considered the classic jewellery stone.

Canada has nephrite resources, but so far we have not succeeded in establishing ourselves as suppliers to Hong Kong because of the relatively small demand for raw nephrite. However, the development of jade carving in Hong Kong and the recent interest in using nephrite for jewellery should provide some interesting export opportunities for Canadian jade producers in the years to come.

—MALDWYN THOMAS,
Trade Commissioner, Hong Kong.

FOREIGN TARIFFS

AND TRADE REGULATIONS

British Guiana

IMPORT RESTRICTIONS—Under the Trade (Control of Import and Export) Order 1963, effective July 5, 1963, the following goods are prohibited from import into British Guiana from any country except under licence granted by the competent authority:

1. Foodstuffs—wheat flour; milk, evaporated, condensed or dried; cream; coffee, coffee extracts and essences, and similar preparations containing coffee.
2. Petroleum and shale oils, crude and refined (other than lubricating oils, waxes of all kinds including mixtures of waxes, wax residues, petroleum and greases).

Costa Rica

CENTRAL AMERICAN COMMON MARKET—On July 20, 1963, Costa Rica ratified its entry into the Central American Common Market by approving the 14 protocols which make up its framework. These agreements provide for integration of the economies of the five Central American Republics, a Central American Bank, elimination of tariffs and trade barriers within the area, and the gradual equalization of the external tariffs. The other members are Guatemala, Honduras, Nicaragua and El Salvador.

For further details see the article "The Changing Central American Market" in the June 29, 1963, issue of Foreign Trade.

Dominican Republic

PUERTO PLATA FREE TRADE ZONE—The Canadian Acting Commercial Secretary in Santo Domingo reports that the President of the Dominican Republic recently promulgated a law establishing a Free Zone in the province of Puerto Plata on the north coast of the Dominican Republic. Although the administrative details have not yet been worked out, the object, as stated in the law, is to facilitate the establishment of national and foreign industries which will use Dominican labour and imported materials for further processing in the Free Zone. The Zone will be an area set aside and excluded from the regular Dominican customs jurisdiction and products entering or leaving it will be free of customs duties.

To administer the Zone an incorporated company called The Corporation of the Free Zone of Puerto Plata will be established. Four of the seven directors will be nominated by the Government which will hold 51 per cent of the shares, with the remainder belonging to the firms established in the area. The Government will provide the basic facilities including access by air,

sea and land and other public services, but the cost of these works will be repaid to the Government by the Corporation. The Corporation will be established for a period up to 30 years at which time the private shares will pass to the State, without any payment.

The Corporation of the Free Zone and all the firms operating in the Zone will be exempt from taxes, although the regulations require that records be maintained and that these records be open both to the Customs officials and the officials of the Free Zone. Individuals working in the Free Zone, however, will not be exempt from income taxes; and those firms which have operations both inside and outside the Free Zone will pay taxes on the basis of profits realized outside the Zone.

A clause in the law establishing the Free Zone also provides for the Dominican Government to give preference in its purchases to products of the Free Zone as long as their costs are "at least similar to those imported in equal condition".

The Corporation of the Zone will be able to construct and operate bonded warehouses at any air or seaport in the country.

United States

POSSIBLE TARIFF INCREASES ON LISTED PRODUCTS—The United States is considering withdrawing the tariff concessions on a number of products that were negotiated with European countries under the General Agreement on Tariffs and Trade. The United States claims this action is required to restore the balance of GATT benefits between itself and the European Economic Community which was impaired by the withdrawal of a German tariff concession on poultry.

When the U.S. tariff concessions were made they were applied in a non-discriminatory manner and the United States has announced that any withdrawals will also be made in a non-discriminatory manner. Therefore, exports from Canada of the selected products will be subject to increased tariffs if the United States takes tariff retaliatory action against Europe.

However the United States has announced that the selection of the products on which U.S. tariff concessions are to be withdrawn will be made with a view to minimizing the effect on trade between the United States and non-European countries including Canada.

Two courses are open to Canadian exporters to ensure that this will be so.

On September 4 public hearings will be held in Washington to receive information and views concerning the economic effects of an increase in the U.S. rate of duty on any of the listed products. Canadian exporters of such products should communicate their concern to their United States correspondents in order that the latter might present written briefs to their Government before September 3.

At the same time, the Department of Trade and Commerce would welcome the views of any Canadian exporter of products listed who has exported them in the past or anticipates that he might do so in the future. Submissions indicating the dollar volume of such sales should be sent to the International Trade Relations Branch as soon as possible to ensure maximum effectiveness in any government representations that may be required.

U.S. Tariff Item No.	Description	Rate of Duty	
		Present	Proposed
117.45	Roquefort cheese, in original loaves	12%	35%
117.50	Roquefort cheese, other	20%	35%
125.30	Bulbs, roots, rootstocks, clumps, corms, tubers, and herbaceous perennials: Other, imported for horticultural purposes	5½%	30%
132.50	Potato starch	1c lb.	2½c lb.
167.30	Still wines produced from grapes, containing not over 14 per cent of alcohol by volume, in containers each holding not over one gallon	37½c gal.	\$1.25 gal.
168.20	Brandy, in containers each holding not over one gallon	\$1.25 gal.	\$5.00 gal.
168.22	Brandy, in containers each holding over one gallon	\$1.00 gal.	\$5.00 gal.
252.35 254.25 256.10	Cigarette paper, whether or not cut to size or shape, cigarette books, and cigarette book covers	15%	60%
310.01	Singles, yarns, wholly of continuous man-made fibres (multifilament yarns), with twist but not over 20 turns per inch, valued not over \$1 per pound	25c lb.	50c lb.
310.02	Singles, yarns, wholly of continuous man-made fibres (multifilament yarns), with twist but not over 20 turns per inch, valued over \$1 per pound	22.5%	50%
437.02	Caffeine	51c lb.	\$1.25 lb.
437.18	Theobromine	22c lb.	75c lb.
455.16	Edible gelatin, valued under 40 cents per pound	1.6c lb. plus 8%	5c lb. plus 12%

U.S. Tariff Item No.	Description	Rate of Duty	
		Present	Proposed
455.18	Edible gelatin, valued at 40 cents or more but not over 80 cents per pound	2.7c lb. plus 10%	7c lb. plus 20%
455.20	Edible gelatin, valued over 80 cents per pound	4.25c lb. plus 12½%	7c lb. plus 20%
455.22	Photographic gelatin, valued not over 80 cents per pound	2.75c lb. plus 10%	7c lb. plus 20%
455.24	Photographic gelatin, valued over 80 cents per pound	4.25c lb. plus 12½%	7c lb. plus 20%
455.40	Inedible gelatin and animal glue, valued under 40 cents per pound	1.625c lb. plus 10%	2.5c lb. plus 20%
493.30	Dextrine and soluble or chemically treated starches	1.125c lb.	3c lb.
609.22	Flat wire, or iron or steel other than alloy iron or steel, not coated or plated with metal, over 0.05 inch in thickness	10%	25%
642.74	Cloth, gauze, fabric, screen, netting, and fencing, all the foregoing, of stainless steel, whether in rolls, in endless bands, or in lengths, but not cut to shape, if woven (of simple warp and weft construction), with meshes finer than 90 wires to the lineal inch in warp or filling	30%	60%
650.91	Scissors and shears, and blades therefor, all the foregoing valued over \$1.75 per dozen	10c ea. plus 22½%	20c ea. plus 45%
683.50	Shavers and scissors, with self-contained electric motors, and parts thereof	13¾%	35%
692.05	Automobile trucks valued at \$1,000 or more, and motor buses	8½%	25%
723.10	Motion picture film, one inch or more in width, sensitized but not exposed	0.1c per 16½ sq. in.	0.4c per 16½ sq. in.
723.15	Photographic film other than motion picture film, sensitized but not exposed	6¼%	25%
723.30	Silver halide photographic papers, sensitized but not exposed	10½%	30%

Trade Commissioners on Tour

In Territory

J. H. BAILEY, Commercial Secretary in Bogotá, Colombia, will visit Ecuador for ten days beginning September 24.

W. G. BRETT, Trade Commissioner in Bombay, India, will visit Hyderabad, Madras and Bangalore, September 2-14.

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. Bailey at Bogotá and Mr. Brett at Bombay.

Geographical Listing for Exporters

Need Information on Foreign Markets?

You can get it from the Trade Commissioner posts around the world, or from the International Trade Relations Branch in Ottawa. This breakdown tells you which TC post and which ITR Division is responsible for the country in which you are interested.

Country covered by	TC Post and	ITR Division	Country covered by	TC Post and	ITR Division
Aden	Cairo	Commonwealth	British Solomon Islands	Sydney	Commonwealth
Afghanistan	Karachi	Asia and Middle East	Brunei	Singapore	Commonwealth
Alaska	Vancouver	United States	Bulgaria	Vienna	Europe
Albania	Vienna	Europe	Burma	Singapore	Asia and Middle East
Algeria	Paris	Europe	Cambodia	Hong Kong	Asia and Middle East
Angola	Lisbon	Europe	Cameroun	Yaounde	Europe
Argentina	Buenos Aires	Latin America	Canary Islands	Madrid	Europe
Aruba	(see Netherlands Antilles)	(see Netherlands Antilles)	Cape Verde Islands	Lisbon	Europe
Australia	Sydney, Melbourne and Canberra	Commonwealth	Cayman Islands	Kingston	Commonwealth
Austria	Vienna	Europe	Central African Republic	Yaounde	Europe
Azores	Lisbon	Europe	Ceylon	Colombo	Commonwealth
Bahamas	Kingston	Commonwealth	Chad	Yaounde	Europe
Balearic Islands	Madrid	Europe	Chile	Santiago	Latin America
Barbados	Port-of-Spain	Commonwealth	China, Communist	Hong Kong	Asia and Middle East
Basutoland	Johannesburg	Commonwealth	China, Republic of (Taiwan)	Manila	Asia and Middle East
Bechuanaland	Johannesburg	Commonwealth	Christmas Island (Indian Ocean)	Sydney	Commonwealth
Belgium	Brussels	Europe	Cocos-Keeling Islands	Sydney	Commonwealth
Bermuda	New York	Commonwealth	Colombia	Bogota	Latin America
Bhutan	New Delhi	Asia and Middle East	Congo (Brazzaville)	Yaounde	Europe
Bolivia	Lima	Latin America	Cook Islands	Wellington	Commonwealth
Bonaire	(see Netherlands Antilles)	(see Netherlands Antilles)	Costa Rica	Guatemala City	Latin America
Borneo (North)	Singapore	Commonwealth	Cuba	Havana	Latin America
Brazil	Rio de Janeiro and Sao Paulo	Latin America	Curacao	(see Netherlands Antilles)	(see Netherlands Antilles)
Britain	London Liverpool Glasgow Belfast	Commonwealth	Cyprus	Tel Aviv	Commonwealth
British Guiana	Port-of-Spain	Commonwealth	Czechoslovakia	Vienna	Europe
British Honduras	Kingston	Commonwealth	Dahomey	Lagos	Europe
			Denmark	Copenhagen	Europe

Country covered by	TC Post and	ITR Division	Country covered by	TC Post and	ITR Division
Dominican Republic	Santo Domingo	Latin America	Israel	Tel Aviv	Asia and Middle East
Ecuador	Bogota	Latin America	Italy	Rome	Europe
Egypt	(see United Arab Republic)	(see United Arab Republic)	Ivory Coast, Republic of	Accra	Europe
El Salvador	Guatemala City	Latin America	Jamaica	Kingston	Commonwealth
England	London and Liverpool	Commonwealth	Japan	Tokyo	Asia and Middle East
Ethiopia	Cairo	Asia and Middle East	Jordan	Beirut	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth	Kenya	Salisbury	Commonwealth
Fiji	Wellington	Commonwealth	Korea	Tokyo	Asia and Middle East
Finland	Stockholm	Europe	Laos	Hong Kong	Asia and Middle East
France	Paris	Europe	Lebanon	Beirut	Asia and Middle East
French Guiana	Port-of-Spain	Europe	Leeward Islands	Port-of-Spain	Commonwealth
French Oceania	Wellington	Europe	Liberia	Accra	Asia and Middle East
French Somaliland	Cairo	Europe	Libya	Rome	Asia and Middle East
Gabon	Yaounde	Europe	Liechtenstein	Berne	Europe
Gambia	Lagos	Commonwealth	Luxembourg	Brussels	Europe
Germany	Bonn, Duesseldorf, Hamburg	Europe	Macao	Hong Kong	Europe
Ghana	Accra	Commonwealth	Madeira	Lisbon	Europe
Gibraltar	Madrid	Commonwealth	Malagasy Republic	Johannesburg	Europe
Gilbert and Ellice Islands	Wellington	Commonwealth	Malaya, Federation of	Singapore	Commonwealth
Greece	Athens	Europe	Mali, Republic of	Accra	Europe
Greenland	Copenhagen	Europe	Malta	Rome	Commonwealth
Guadeloupe	Port-of-Spain	Europe	Martinique	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America	Mauretania, Republic of	Accra	Europe
Guinea, Republic of	Accra	Europe	Mauritius	Johannesburg	Commonwealth
Haiti	Port au Prince	Latin America	Mexico	Mexico City	Latin America
Hawaii	San Francisco	United States	Morocco	Paris	Europe
Honduras	Guatemala City	Latin America	Mozambique (Portuguese East Africa)	Johannesburg	Europe
Honduras, British	Kingston	Commonwealth	Nepal	New Delhi	Asia and Middle East
Hong Kong	Hong Kong	Commonwealth	Netherlands	The Hague	Europe
Hungary	Vienna	Europe	Netherlands Antilles	Caracas	Europe
Iceland	Oslo	Europe	Netherlands Guiana	(see Surinam)	(see Surinam)
India	New Delhi and Bombay	Commonwealth	New Caledonia	Sydney	Europe
Indonesia	Singapore	Asia and Middle East	New Guinea (North-east) and Papua	Sydney	Commonwealth
Iran	Tehran	Asia and Middle East	New Hebrides	Sydney	Europe
Iraq	Beirut	Asia and Middle East	New Zealand	Wellington	Commonwealth
Ireland, Northern	Belfast	Commonwealth			
Ireland, Republic of	Dublin	Commonwealth			

Country covered by	TC Post and	ITR Division	Country covered by	TC Post and	ITR Division
Nicaragua	Guatemala City	Latin America	Sudan	Cairo	Asia and Middle East
Niger, Republic of	Lagos	Europe	Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Nigeria	Lagos	Commonwealth	Swaziland	Johannesburg	Commonwealth
Norway	Oslo	Europe	Sweden	Stockholm	Europe
Okinawa	Tokyo	Asia and Middle East	Switzerland	Berne	Europe
Pakistan	Karachi	Commonwealth	Syria	Beirut	Asia and Middle East
Panama and Canal Zone	Guatemala City	Latin America	Tahiti	Wellington	Europe
Paraguay	Buenos Aires	Latin America	Taiwan	Manila	Asia and Middle East
Persian Gulf Area	Beirut	Asia and Middle East	Thailand	Singapore	Asia and Middle East
Peru	Lima	Latin America	Togo	Accra	Europe
Philippines	Manila	Asia and Middle East	Tonga	Wellington	Commonwealth
Poland	Copenhagen	Europe	Trieste	Rome	Europe
Portugal	Lisbon	Europe	Trinidad and Tobago	Port-of-Spain	Commonwealth
Portuguese Guinea	Lisbon	Europe	Tunisia	Berne	Europe
Portuguese West Africa	(see Angola)	(see Angola)	Turkey	Athens	Asia and Middle East
Puerto Rico	Santo Domingo	United States	Turks and Caicos Islands	Kingston	Commonwealth
Reunion	Johannesburg	Europe	Uganda	Salisbury	Commonwealth
Rhodesia and Nyasaland, Federation of	Salisbury	Commonwealth	United Arab Republic	Cairo	Asia and Middle East
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)	United Kingdom	(see Britain)	(see Britain)
Rio Muni	Madrid	Europe	United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Rumania	Vienna	Europe	Upper Volta, Republic of	Accra	Europe
St. Helena	Cape Town	Commonwealth	U.S.S.R.	Moscow	Europe
St. Pierre and Miquelon	Paris	Europe	Uruguay	Montevideo	Latin America
Samoa	Wellington	Commonwealth	Venezuela	Caracas	Latin America
Sarawak	Singapore	Commonwealth	Vietnam	Hong Kong	Asia and Middle East
Saudi Arabia	Beirut	Asia and Middle East	Virgin Islands (U.S.)	Santo Domingo	United States
Scotland	Glasgow	Commonwealth	Wales	London	Commonwealth
Senegal, Republic of	Lagos	Europe	Windward Islands	Port-of-Spain	Commonwealth
Seychelles Islands	Salisbury	Commonwealth	Yemen	Cairo	Asia and Middle East
Sierra Leone	Lagos	Commonwealth	Yugoslavia	Vienna	Europe
Sikkim	New Delhi	Asia and Middle East	Zanzibar	Salisbury	Commonwealth
Singapore	Singapore	Commonwealth			
Somali Republic	Cairo	Europe			
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth			
South West Africa	Cape Town	Commonwealth			
Spain	Madrid	Europe			
Spanish Sahara	Madrid	Europe			

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 .92432.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 12	Units per Canadian dollar	Notes (see below)
Argentina	Peso	Free	.008089	123.62	
Australia	Pound		2.4243	.4125	
Austria	Schilling		.04194	23.84	
Bahamas	Pound		3.0304	.3300	
Belgium and Luxembourg	Franc		.02169	46.10	
Bermuda	Pound		3.0304	.3300	
Bolivia	Peso	Free	.09225	10.84	
Brazil	Cruzeiro	Official Free Special Category	.001774	563.70	
Britain	Pound		†	†	
British Guiana	Dollar		3.0304	.3300	
British Honduras	Dollar		.6313	1.58	
Burma	Kyat		.7576	1.32	
Ceylon	Rupee		.2272	4.40	
Chile	Escudo	Bank rate	.2273	4.40	
		Free	.5862	1.72	
		Certificate	.3588	2.79	
Colombia	Peso		.1202	8.32	
Congo, Republic of	Franc		.02169	46.10	
Costa Rica	Colon		.1633	6.12	
Cuba	Peso		†	†	
Czechoslovakia	Koruna		†	†	
Denmark	Krone		.1503	6.65	
Dominican Republic	Peso		.1566	6.39	
Ecuador	Sucre	Official	1.08188	.9243	
		Free	.06010	16.64	
El Salvador	Colon		.05247	19.06	
Fiji	Pound		.4328	2.31	
Finland	Markka		2.7301	.3663	
France, Monaco, etc.	Franc		.3381	2.96	
Franco-African Republics, etc.	Franc		.2208	4.53	(1)
French Pacific	Franc		.004416	226.45	(2)
Germany	D Mark		.01214	82.37	(3)
Ghana	Pound		.2716	3.68	
Greece	Drachma		3.0304	.3300	
Guatemala	Quetzal		.03606	27.73	
Haiti	Gourde		1.08188	.9243	
Honduras	Lempira		.2164	4.62	
Hong Kong	Dollar	Free	.5409	1.85	
		Official	.1883	5.31	*Aug. 2
		Official	.1894	5.28	
Iceland	Krona	Official	.02516	39.75	(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 Aug. 12	Units per Canadian dollar	Notes (see below)
India	Rupee		.2273	4.40	
Indonesia	Rupiah	Official	.02404	41.59	(4)
Iran	Rial		.01391	71.87	
Iraq	Dinar		3.0293	.3301	
Ireland	Pound		3.0304	.3300	
Israel	Pound		.3606	2.77	
Italy	Lira		.001742	574.1	
Japan	Yen		.003005	332.78	
Lebanon	Pound	Free	.3609	2.77	
Mexico	Peso		.08655	11.55	
Morocco	Dirham		.2164	4.62	
Netherlands	Florin		.3000	3.33	
Netherlands Antilles	Florin		.5737	1.74	
New Zealand	Pound		3.0097	.3323	
Nicaragua	Cordoba		.1546	6.47	
Nigeria	Pound		3.0304	.3300	
Norway	Krone		.1514	6.61	
Pakistan	Rupee		.2273	4.40	
Panama	Balboa		1.08188	.9243	
Paraguay	Guarani	Free	.008562	116.80	
Peru	Sol	Free	.04033	24.80	
Philippines	Peso	Free	.2775	3.60	
Portugal & Colonies	Escudo		.03763	26.57	(5)
Singapore and Malaya	Straits dollar		.3534	2.83	
South Africa	Rand		1.5152	.6600	
Spain and Dependencies	Peseta		.01803	55.46	
Sweden	Krona		.2085	4.80	
Switzerland	Franc		.2506	3.99	
Syria	Pound	Free	.2833	3.53	
Thailand	Baht	Free	.05133	19.48	(4)
Tunisia	Dinar		2.6181	.3820	
Turkey	Lira		.1202	8.32	(4)
United Arab Republic	Pound	Official	2.4883	.4019	
United States	Dollar		1.081875	.92432	
Uruguay	Peso	Free	.06402	15.62	
Venezuela	Bolivar	Controlled market rate	.3226	3.10	
		Official Free	.2383	4.20	
West Indies	Dollar		.6313	1.58	(6)
	Pound		3.0304	.3300	(7)
Yugoslavia	Dinar	Official	.001443	693.00	

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, Camerouns, 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.

Atlas Trains Indian Steelmakers

O. MARY HILL, *Editor, "Foreign Trade."*

A PLANT to turn out specialty steels, India's first, is slowly rising at Durgapur, West Bengal, near Calcutta, in the heart of the "Indian Ruhr". And while the foundations are being laid and the structural steel is going up, Indian technicians and engineers are studying in Welland, Ontario, thousands of miles away, to fit themselves to operate the new plant when it is completed in 1965.

Last November, 35 of these trainees arrived at the Welland plant of Atlas Steels Company; they were joined by seven others shortly after. They came to Welland because Atlas Steels won, against world-wide competition among specialty steel producers, a contract with Hindustan Steel Limited. Under this contract, Atlas is providing processing and organization know-how, advice on plant layout and equipment, training for the operating staff, and advisory management services in the early stages of operation.

The training program is expected to last for three years and to cover three groups of trainees. Les Nemethy, the India Project Manager for Atlas, points out that the Indians sent over for the course are carefully selected: of the first group of 42, 35 had university degrees and of these, 22 had had previous foreign training. They are slated for key posts in the Indian plant, such as superintendents, metallurgists, and operator foremen.

This is no informal two-to-three-week course. For the first group it started with three weeks of lectures, followed by five months of on-the-job training. Then came further classroom work, examinations, and supervisory and individual training. (Parts of the course are custom-tailored to the needs of the individual.) About half of the first group are leaving Atlas at the end of October and others at the end of January; the remainder will stay until next June. Towards the end of October a second group of thirty will arrive and these men will be given the same type of training. Altogether Atlas will train about 105 people, divided into three groups, over the three years.

What problems, we asked Mr. Nemethy, has Atlas encountered in setting up and carrying out this training program? The initial one, he says, was selecting the candidates and making sure that they had the right educational and technical background. Communication was sometimes a problem because, though all the Indians spoke and understood English, they were sometimes difficult to understand because they spoke quickly (as they do in using their normal Indian dialects) and with an accent to which the Welland folk had to become accustomed. In addition, their approach to problems was often theoretical and as the training went on they had to learn to translate theory into practice.



Several of the trainees took kindly to Canadian winter sports. Out for a bit of tobogganing are (clockwise from the top) J. Bakshi, P. K. Sirkar (face almost obscured, on the right), S. Singh, and U. R. Ramasundaram.

And the Indians? How did they find life and work in Canada? What they found most difficult, says Atlas, was adjusting to the more rapid North American pace and way of doing things. The second problem was food; they missed the hot, spicy dishes that most of them crave. The solution for most was to move from the hotel to private digs, where they could cook to their heart's content.

Atlas considers the whole project vital to India's future and is happy to have a share in it. As Les Nemethy puts it: "India is one of the key strongholds for democracy in Asia. This new mill will help strengthen their economy and country and contribute to the standard of living for India's 430 million people. While the economy is being expanded on all fronts, Prime Minister Nehru has focused the eyes of the nation on steel as basic to the success of his entire growth program. We intend meeting this challenge with the best possible effort." ●

Roger Duhamel
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