APRIL 4. 64

# FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

**Why Not Sell Clothing in West Germany?**

**Art Woodwork "Sells Canadian"**

**Poland: the Problems of Progress**

# FOREIGN TRADE

APRIL 4, 1964 Vol. 121 No. 7

Established in 1904. Published fortnightly by the Department of Trade and Commerce.
The Hon. MITCHELL SHARP, Minister.
JAMES A. ROBERTS, Deputy Minister.
Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.
Price $5.00 a year in Canada; $7.00 abroad. Single copies: 25 cents each.




**COMING——TRADE AND DEVELOPMENT IN THE FAR EAST, APRIL 18 ISSUE**

90187—1

# Why Not Sell Clothing in West Germany?

**Plenty of people with money to spend—that's the West German market. Canadian clothing manufacturers willing to spend time and money cultivating customers here should find it rewarding—especially if they follow the sound advice the author gives.**

HOWARD E. CAMPBELL,
*Consul and Trade Commissioner, Duesseldorf.*

"THE women look so odd in those funny hats!" one of West Germany's feminine visitors recently commented. Other visitors remark that "most Germans look well-groomed." But the most frequent comment of the *Ausländer* in West Germany today is: "They all look very, very prosperous!" And prosperous they are.

Imaginatively decorated shop windows on Duesseldorf's Königsallee beckon with international high styling—Parisian lingerie, Italian footwear, Swiss sports togs—and the people rushing along this Fifth Avenue of Germany's richest city are better dressed than ever before.


*These German buyers attending a "Fashion and Sales Week" at Duesseldorf last October are busy examining and placing orders for scarves. Duesseldorf has four of these fashion weeks a year and each attracts large numbers of interested buyers.*

Last year they bought clothing worth $2.6 billion—largely from the German clothing industry but also in significant quantities from Italy, France, the Netherlands, Switzerland, Austria, Japan and Hong Kong. They bought relatively little from Canada, but then Canadian clothing is virtually unknown in Germany. This situation should intrigue the Canadian garment manufacturer. Should it continue? The German market has proved rewarding to foreign manufacturers who are prepared to gear their selling to German requirements.

The size and affluence of this market are impressive. West Germany has 55 million people and all who are employable have jobs. The pay checks they take home are among the fattest in Europe. To the Canadian clothing manufacturer the market may be not only an immediate means of increasing profits, but also an eventual base for selling in the larger European Common Market.

### Women's Wear

What kind of clothes do German women buy? Like women everywhere, they are susceptible to fashion trends set in Paris and Rome. They are much more particular about the finish of their garments than North American women.

They want taped, strong, straight seams and fully lined dresses and skirts. The better dressed women seek ensemble effects and many knowledgeable manufacturers cater to this demand by lining suits and coats with colourful fabrics and offering blouses to match. German women buy definite colours, because each fashion season in Germany—as in Canada—features specific colours. These colours are chosen 12 months in advance of the seasons by the German Fashion Institute and charts showing their range are issued by a leading German publisher.

### Men's Wear

In men's wear, better quality business suits follow European styling and have stiffer interlining than suits sold in North America. Taste in colours is generally conservative and here again, as in women's clothing, consumers pay a good deal more attention to finish than they do in North America. At present cuffless trousers, sloping shoulders and rather narrow lapels are the vogue. In men's shirts, competition is keen—with shirts of synthetic fibres enjoying the greatest popularity. Work clothes used to be imported from the cheapest sources of supply but in recent months higher quality garments from the U.S. have begun to appear on the market.

### Children's Wear

The situation in children's clothing is a bit confused. Reportedly German retailers have attempted, without success, to sell North American-type children's clothing here. Their lack of success may be attributed to any number of reasons. Perhaps the garments were too tightly fitted, for German mothers buy their children's clothes "to be grown into." Perhaps the colours were too vivid for conservative German taste. Perhaps, quite simply, there wasn't enough advertising to back up the displays and sales effort in the stores. Certainly North American-type children's clothing made of wash'n wear materials, in con-

## Table I

## Comparative Clothing Sizes—Canada and Germany

### MEN'S CLOTHING

| SHIRTS | | HATS | | SOCKS | |
|---|---|---|---|---|---|
| Canadian | German | Canadian | German | Canadian | German |
| 13 | 33 | 6½ | 52 | 10 | 26 |
| 13½ | 34 | 6⅝ | 53 | 10½ | 27 |
| 14 | 35-36 | 6¾ | 54 | 11 | 28 |
| 14½ | 37 | 6⅞ | 55 | 11½ | 29 |
| 15 | 38 | 7 | 56 | 12 | 30 |
| 15½ | 39 | 7⅛ | 57 | 12½ | 31 |
| 16 | 40 | 7¼ | 58 | | |
| 16½ | 41 | 7⅜ | 59 | | |
| 17 | 42 | 7½ | 60 | | |
| 17½ | 43 | 7⅝ | 61 | | |

### WOMEN'S CLOTHING

| DRESSES | | HATS | | STOCKINGS | |
|---|---|---|---|---|---|
| Canadian | German | Canadian | German | Canadian | German |
| 10 | 38 | 21 | 53 | 8 | 8 |
| 12 | 40 | 21½ | 54 | 8½ | 8½ |
| 14 | 42 | 21½ | 55 | 9 | 9 |
| 16 | 44 | 22 | 56 | 9½ | 9½ |
| 18 | 46 | 22½ | 57 | 10 | 10 |
| 20 | 48 | 23 | 58 | 10½ | 10½ |
| | | | | 11 | 11 |

### INFANTS' AND CHILDREN'S WEAR

DRESSES, SUITS, SHIRTS, JACKETS

| Age | Canadian | German |
|---|---|---|
| 1 | 1 | 80 |
| 2 | 2 | 86 |
| 3 | 3 | 92 |
| 4 | 4 | 98 |
| 5 | 5 | 104 |
| 6 | 6 | 116 |
| 7 | 6X | 128 |
| 8 | 8 | 70 |
| 9 | 9 | 75 |
| 10 | 10 | 80 |
| 11 | 11 | 85 |
| 12 | 12 | 90 |
| 13 | 13 | 95 |

**TABLE II**

**GERMAN CLOTHING FAIRS SCHEDULED IN 1964**

**Fashion and Soles Week**
**(Verkoufs- und Modewoche)**
**March 15-18, Duesseldorf**

**Internotionol Fur Fair**
**(Internationale Pelzmesse)**
**April 22-26, Frankfurt**

**Foshion ond Soles Week**
**(Verkoufs- und Modewoche)**
**April 26-30, Duesseldorf**

**Internotional Men's Foshion Week**
**(Internationole Herrenmode-woche)**
**Second half August, Cologne**

**Foshion and Sales Week**
**(Verkaufs- und Modewoche)**
**September 17-20, Duesseldorf**

**Internationol Boby's Foir (Inter-notionale Boby Messe)**
**Second holf October, Cologne**

**Internotional Fair of Lingerie, Foundotion Garments and Underwear**
**(Internotionoler Wösche- und Mieder Salon)**
**Second holf October, Cologne**

**Foshion and Sales Week**
**(Verkoufs- und Modewoche)**
**October 25-29, Duesseldorf**

**N.B. In addition to these trade shows, there are private showings of women's wear in the showrooms of garment manufacturers located in West Berlin. These presentations are usually held in the week preceding each Verkaufs und Mode Woche in Duesseldorf.**

servative styles, would sell here. With the increasing shortage of domestic help it is only a matter of time before German mothers start insisting on children's clothes that require a minimum of care.

## Sportswear

With their enthusiasm for sports and a tendency to "dress for the occasion", Germans are natural customers for the smarter, high-styled garments turned out by Canadian producers of sports and casual wear. When Germans go camping they wear camping clothes; when they go skiing, they dress to look smart on the slopes—and in the chalets afterwards.

## Merchandising Methods

No matter what type of clothing a Canadian manufacturer wishes to sell in Germany, his chances of suc-

**TABLE III**

| | | |
|---|---|---|
| **German Trade Journals for Clothing** | | |
| *Der Herr* | men's | Gisbert-Hennessen Verlag<br>Bastionstrasse 14<br>Duesseldorf |
| *Herrenjournal* | men's | Walter Metthes & Co.<br>Schlüterstrasse 41<br>Berlin W 15 |
| *Textil-Report* | men's & women's | " |
| *Textil-Wirtschaft* | men's & women's | Fachverlag GMBH*<br>Freiherr v. Steinstr. 7<br>Frankfurt |
| *Textil-Mitteilungen* | men's & women's | Kasernenstrasse 49<br>Duesseldorf |
| *Textilforum* | men's & women's | Wolfgang Schulz GmbH.<br>Hamburger Allee 47<br>Frankfurt |
| *Oberhemd & Krawatte* | men's | Daco-Verlag<br>Richard-Wagnerstr. 10<br>Stuttgart 13 |
| *Itex Textil-Zeitung (HAKA)* | men's & women's | Bahnhofstrasse 33<br>Wiesbaden |
| **German Magazines Showing Fashions** | | |
| *Constanze* | women's | Constanze Verlag<br>Burchardstrasse 14<br>Hamburg 1 |
| *Er—Die Zeitschrift des Herrn* | men's | Elegante Welt<br>Verlags GmbH.<br>Königsallee 100<br>Duesseldorf |
| *Für Sie* | women's | Jahreszeiten Verlag<br>Possmoorweg 1<br>Hamburg 39 |
| *Film und Frau* | women's | Jahreszeiten Verlag<br>Possmoorweg 1<br>Hamburg 39 |
| *Brigitte* | women's | Constanze Verlag<br>Burchardstrasse 14<br>Hamburg 1 |

*These people publish the colour charts, decided upon by the Fashion Council 12 months in advance. Such charts cost DM6.50 (Can.$1.70) a piece.

cess are greater if he adopts the merchandising methods of this country. The pattern for selling clothing in Germany varies somewhat from that in Canada. Although many German garment manufacturers employ salaried travellers and some foreign firms engage commission agents who call on retailers throughout the country, it is more usual in the women's wear field for a manufacturer (or the agent he employs) to sell through his own showroom. These showrooms are permanent establishments in Germany's fashion centres — West Berlin, Duesseldorf and (for sportswear) Munich. They hold consignment stocks and retailers place their orders through them, or at clothing fairs which are held regularly in the fashion centres.

## Fashion Fairs

It would be impossible to place too much emphasis on the importance of German trade fairs. They are buying, selling and promotion events of a magnitude unknown in Canada. A Canadian clothing manufacturer aspiring to sell here will find them the most important of all sales media. In Duesseldorf, which is considered the most active of the fashion centres, ladies' and children's clothing fairs are held four times a year. About 900 firms display their fashions on these occasions and 25,000 buyers attended the main presentation shows in April and November 1963. The German Ladies' Outerwear Manufacturers Association has estimated that 85 per cent of the $750 million worth of ladies' and children's apparel marketed in Germany in 1963 was sold at these exhibitions. The Association also estimated that 80 per cent of these sales were made in Duesseldorf—where foreign exhibitors booked orders worth $10 million.

## Keys to Success

Although the German market has proved receptive to foreign-made clothing, Canadian firms should not consider it an easy outlet. In addition to being highly competitive, the German market poses special problems. Among them are:

**1. Language.** Although a number of Germans can speak English, not many of them like to conduct their business in it. To be effective, not only should correspondence be carried on in German but catalogues, advertising and promotion material should be printed in German.

**2. Preferences in styling and colours in Germany differ from those in Canada.** As already mentioned, Germans seem to prefer European styling and follow definite colour trends set by the German Fashion Council. Although this poses no real problem for the Canadian manufacturer—colour charts can be obtained without difficulty and trends in European styles are described in trade magazines—it is a factor that cannot be ignored.

**3. German sizing differs from that in Canada.** There is no fixed table of sizes in Germany yet and sizes made up by domestic manufacturers vary. The industry, however, is currently attempting to establish a uniform table of sizes for introduction this year. In the meantime, Table I can be used to convert North American into German sizes.

**4. The fashion seasons in Germany are earlier than in Canada.** Samples for fall and winter should be shown to the retail trade here in early April and samples for spring and summer in early September. The Canadian

TABLE IV

IMPORTS AND CUSTOMS DUTIES

| Tariff Item No. | Description of Goods | Import Duty (per cent) Common Market Countries | Import Duty (per cent) Countries Outside Common Market | 1962 Imports (dollars) |
|---|---|---|---|---|
| 42.03 | Clothing, leather | 6 | 16.0 | 2,256,000 |
| 60.02 | Gloves, mittens and mitts, knitted | 6.7 | 17.1 | 3,700,000 |
| 60.03 | Socks and stockings: | | | |
| | Wholly of silk | 5.2 | 15.8 | 5,200,000 |
| | Of silk mixtures | 6.8 | 17.6 | 7,500,000 |
| | Of synthetic manmade fibres | 6.8 | 17.6 | 6,200,000 |
| | Of other textile materials | 5.2 | 15.8 | 1,800,000 |
| 60.04 | Undergarments, knitted: | | | |
| | Of wool or of fine animal hair | 5.2 | 15.3 | 2,300,000 |
| | Of other textile materials | 6.0 | 16.8 | 6,800,000 |
| 60.05 | Outergarments and clothing accessories: | | | |
| | Of wool, of fine animal hair or cotton | 5.2 | 15.3 | 45,145,000 |
| | Of other textile materials | 6.0 | 16.8 | 12,300,000 |
| 61.01 | Men's and boys' outer garments | 6.0 | 16.0 | 34,520,000 |
| 61.02 | Blouses consisting wholly or partly of embroidery or with fine thread work, applique or similar decorative effects | 4.4 | 14.0 | 39,200,000 |
| | Others | 4.4 | 14.0 | ..... |
| 61.03 | Men's and boys' undergarments including shirt-fronts and cuffs | 6.0 | 16.0 | 12,900,000 |
| 61.04 | Women's, girls' and infants' undergarments | 6.0 | 16.8 | 4,320,000 |
| 61.07 | Ties, bow ties and cravats | 6.0 | 16.8 | 1,045,000 |
| 61.10 | Gloves, mittens, mitts, stockings, socks and sockettes not being knitted or crocheted | 6.0 | 16.8 | 308,000 |
| 65.05 | Headgear knitted | 6.0 | 15.2 | 2,770,000 |

Source: "Deutsche Aussenhandelsstatistik".



90187—2½

manufacturer would have to make up special samples for these dates. Two months later, when Canadian lines are customarily shown, the German retailer has finished buying.

**5. The finish and workmanship of clothing sold in Germany are generally high.** This fact is repeated here because both local representatives of the trade and members of the Canadian Trade Mission which visited Germany in 1962 have observed that the finish of Canadian-made garments would have to be improved before they could be sold in Germany. Mission members suggested this problem could be overcome by stricter inspection of garments destined for this market.

**6. The competitive position of European garment manufacturers is better than that of Canadian firms.** Manufacturers in neighbouring countries—for example, the Netherlands, Switzerland and Austria—have the advantage of being within easy reach for reorders by telephone and express shipments. By maintaining stocks in Germany or shipping by air freight, the Canadian exporter could, however, offer German buyers comparable service. Canadian manufacturers already selling outerwear here have found air freight economical. In addition to their geographical advantage, manufacturers in the Common Market enjoy a tariff advantage on a number of items.

German buyers want exactly what they order on the day it is promised —particularly from foreign suppliers—because long distance errors are expensive and time-consuming to rectify. They want correspondence to be carried on *in German* and prices quoted delivered in Germany. For the experienced Canadian exporter, the mechanics of filling orders placed by German buyers should present no problem; newcomers to the export business can use a forwarding agent.

### Promotion Needed

A Canadian clothing manufacturer entering the German market at this time will be a pioneer. He can hope for the rewards of those who pioneer a rich territory successfully but he must invest both money and energy in the venture.

The names of Canadian clothing manufacturers are unknown to German retailers and consumers. Consequently, all the techniques used to gain a footing in other highly developed, competitive markets must be used here. To sell successfully in Germany you must back up your sales efforts with advertising and trade promotion. And it is almost mandatory to display your lines at clothing trade fairs. Buyers attending these fairs usually arrive with a set itinerary and confine their visits to displays of their traditional suppliers. To entice them to look at and subsequently buy your line requires a careful assessment of how to attract their interest and how to convince them they should buy fashions "Made in Canada". The situation is challenging—but then no clothing manufacturer in recent history has entered any market unchallenged.

The names of buyers in the larger department stores and agents and importing houses specializing in clothing can be obtained from Canadian Trade Officers stationed in Hamburg, Bonn/Bad Godesberg and Duesseldorf. They're waiting to hear from you. ●

## Sweden Looks Ahead

SWEDEN'S gross national product will increase by 5 per cent during the first half of 1964 over the first half of 1963, the Economic Research Institute estimates. The forecast is that building investment will increase most rapidly and "local authority" building investment is expected to be 21 per cent above the 1962 half-yearly figure. Building activity by commercial firms will also increase but the investment in new industrial construction will fall by 5½ per cent.

The expected rise of 3 per cent in investment in machinery results from action taken by public authorities but this will not prevent investment by industry from being 5½ per cent down on the corresponding 1963 figure; the 1963 half-yearly investment rate for industry was 2½ per cent below that for 1962. Gross investment by industry—which in the financial years July 1961-June 1962 and July 1962-June 1963 amounted to about 7½ per cent of GNP—in the present financial year will represent only 6½ per cent of the GNP.

If the wage trend continues unbroken, it is expected that disposable personal income will increase by about 7 per cent but expected price rises will reduce the real increase to about 4½ per cent.

The increase in exports of pulp during 1963 (14½ per cent) is not expected to be maintained because buyers now hold maximum stocks, but the 8 per cent increase in paper exports should continue. Exports of timber, at present increasing by about 3½ per cent, may rise more slowly.

Imports are expected to expand at about the same rate as in recent years.

A tentative forecast for 1964 as a whole suggests that:

1. Personal consumption will increase at about the same rate as in 1962 and 1963.

2. The restraints imposed by the Government on building investment are likely to slow down the rate of increase in this sector.

3. The rate of increase in exports will approximate that of 1962 and 1963.

4. Investment in stocks will increase appreciably because stocks tended to run down during the second half of 1963, especially in the forestry, engineering, and iron and steel industries.

5. A high level of employment will be maintained but the continued and increasing shortage of labour has sharpened the situation on prices and costs and has drawn attention to the effect of these on the domestic allocation of resources and on the ability of firms to meet competition in export markets.

*—Office of the Commercial Counsellor, Stockholm.*

—Denver Chamber of Commerce

*An attractive view of Denver, Colorado's capital, a city of over a million people and the site of many industrial plants, with emphasis on electronics and the space age. It is also an important distribution centre. Note the Hilton Hotel on the left.*

# Denver Distributes to the Mountain States

**Want to sell sporting goods, food products, department store merchandise or industrial equipment to the six Rocky Mountain States? Consider finding an experienced manufacturers' representative or agent in Denver—the busy hub of a fast-growing area.**

R. C. ANDERSON,
*Consul and Assistant Trade Commissioner, Los Angeles.*

DENVER, with a population of over one million, has expanded dramatically over the past decade and is now the fifth fastest-growing metropolitan area in the United States. This growth is accompanied by large construction programs and high-rise apartments; new suburbs and skyscrapers are visible evidence of Denver's new status. It is not only the political capital of Colorado, but also a centre of manufacturing and the commercial, financial and professional hub of the Rocky Mountain States—Colorado, Nevada, Utah, Idaho, Montana and Wyoming.

### Industry and Resources

The tourist trade, agriculture, livestock, mining, and oil and gas production are major contributors to Colorado's economy. Manufacturing is the most important and was valued at $1 billion in 1962; it employs 70,000 people, 6 per cent more than in 1954. There is no concentration on any one industry, but electronics, space-age facilities and research projects are the leaders. The sixth largest rubber company in the United States has its headquarters in Denver and so has the largest luggage maker. Industrial ceramics, mining equipment and some heavy equipment are all made there.

Production of petroleum and natural gas is a $150 million-a-year industry. Colorado also has the United States' largest known reserves of coal, although there has been a shift from mining (earlier in the century Colorado was the foremost mining centre in the country) to agriculture and now from agriculture to commerce and industry. The mineral industry is still important and large amounts of molybdenum, uranium, lead, gold, copper and silver are mined. Meat packing, flour milling, dairy and food products form the agricultural base.

Denver has one of the best possible climates, with an average temperature of 50.3 degrees F., low humidity, moderate summers and winters. Golf and tennis can be

played almost all year. Skiing has become one of the most popular winter sports and is centered in the great Colorado ski resort area to the west, about 100 miles from the city.

Denver is the distribution centre of the Rocky Mountain West and practically all routes converge on the city. Seven airlines serve it and a large expansion program has been undertaken at Stapleton Airfield, already the third busiest airport in the U.S. Nation-wide rail coverage is provided by seven railroads and connecting lines. However, the most important transportation facility is the 80 truck freight carriers operating out of Denver; 22 of them are major inter-state firms.

### Doing Business in Denver

Because of Denver's location, retail and wholesale trade is proportionately more important than in most other cities in the United States. Over 20 per cent of the working force is employed in trade and the city has become the wholesale and retail centre for the surrounding states.

The retail trade is served by large numbers of manufacturers' representatives and agents. Most Eastern manufacturers and those on the West Coast have representation there to cover the Rocky Mountain States. Consequently, there are a large number of capable and qualified agents for consumer goods and for the more technical products and industrial machinery. Eastern manufacturers or those on the West Coast seldom provide service for the Rocky Mountain States from their home base. Consequently, there has been a great development in representation in Denver covering the six states.

### Opportunities for Canadians

Because these states have not concentrated on any one industrial field, there are sales opportunities for Canadian exporters in practically all lines. It is a competitive market because Denver serves nine million people and most representatives or manufacturers' agents cover the whole Rocky Mountain area. Canadian manufacturers will find that transportation rates from Canada to Denver are fairly similar to those from the Eastern U.S. to Denver or, for that matter, from the West Coast.

The more interesting openings for Canadian exporters are in the following fields:

• **Sporting Goods**—Because of the increase in the number of tourists and in the popularity of various forms of recreation, demand for sporting goods has risen. Canadian manufacturers have a distinct advantage because the Canadian climate is much like that of these states. Skiing has become the chief winter sport and there are numerous internationally-known ski resorts in Colorado. Forty large resort areas are within one hundred miles of Denver and consequently it has become a widely known winter sports region.

Hockey is also popular and Denver has a team participating in the Western Hockey League; the University of Colorado also has a hockey team. There are thousands of skaters. Consequently, there is a good market for hockey equipment, skates, skis, and wearing apparel for each of these sports.

• **Food**—Denver is a centre for distribution of all imported food products, including canned goods, specialty items, candy, biscuits and beverages; all these are sold in quantity throughout the Rocky Mountain area. There are good warehouse facilities and large, well-established food brokerage firms, as well as firms that specialize in gourmet foods.

• **Industrial Equipment**—There are chances to sell industrial equipment, processing equipment, and heating and air-conditioning equipment. The best promotion method is to select a local manufacturers' representative who specializes in this field. The manufacture of mining equipment has developed rapidly and a number of consulting engineering firms have offices or headquarters in Denver for covering the Rocky Mountain States.

• **Department Store Sales**—There are two large department store chains serving the Colorado area and numerous branches of national chain stores. The independent retailers are serviced by manufacturers' representatives covering the Rocky Mountain area; most of them have offices in Denver. Because of the size of the six-state market, most of the buyers for the large stores also make buying trips to New York, Chicago and Los Angeles. There is, however, opportunity to sell department store goods through manufacturers' representatives in Denver, who can provide continuity in sales and service.

### How We Can Help

One of the officers from the Trade Commissioner's office in Los Angeles visits Denver periodically and calls on manufacturers' representatives, buyers in all phases of merchandising, and large consumers. If you have an interest in finding a market in the Rocky Mountain States, provide us with price information and samples and we will be pleased to undertake a survey of the Denver area on your behalf. Later, if you wish, we can obtain representation for your product in that area.

---

### 60 Cycles for Mexico City

THE Federal Electricity Commission has recommended that priority be given to a major program to unify the electric supply in Mexico. At present Mexico City, the centre of secondary industry and with a population of 5.5 million, is on 50 cycles but the rest of the country is on 60 cycles. New 60-cycle transmission lines will reach the capital within two or three years. The cost of converting Mexico City's electric supply is estimated at $80 million or more.

# FAIRS AND EXHIBITIONS

## Canadian Goods Displayed in Paris

DECKED with Canadian colours, Au Louvre, one of the leading department stores in Paris, was the scene of a month-long Canadian exhibition late last year. The display gave the French public a chance to view a wide variety of Canadian-made consumer goods supplied by more than 25 companies—men's and women's apparel, furs, knitwear, handicrafts, sporting goods and food products. They sold with amazing success.

The Canadian exhibition was the result of a special effort by the purchasing department of Au Louvre which has been prospecting the Canadian market, and was developed with the co-operation of the Canadian Trade Commissioners in Paris. The store's exhibition director attended the National Samples Show in Toronto in April 1963 and placed many orders with the exhibitors. After the show he spent two weeks in Toronto, Montreal and Quebec to take stock of Canadian goods that might be used to broaden the range of the display he was planning. The exhibition was opened in the presence of the Canadian Ambassador, the Commercial Counsellor, and many Canadian and French business personalities, and achieved great popularity with the Paris public. The director of the purchasing department said, "Our sales have been far above estimates".

This exhibition gave Canadian makers of consumer goods and food products a chance to gain wider recognition and appreciation. In addition, it gave a number of them the opportunity to make new trade contacts that could lead to continued business if they are followed up. The climate is favourable for development of Canadian sales in France, and French consumers are receptive. In fact, the director of the Au Louvre purchasing department told an officer of the Commercial Division at the Canadian Embassy, "With the increased purchasing power, the tastes of French consumers are diversifying. Price is no longer the determining factor as it was only a few years ago. What really counts today is the quality and the originality of the product. We are always ready to study the offers of Canadian manufacturers if the products they show us meet these conditions."

One important fact cannot be over-stressed—the large department stores are still the biggest importers of consumer goods. Recent surveys show that their purchases abroad have increased by 50 per cent during the past two years and in some instances account for up to 12 per cent of their annual volume of business. As you might expect, Italy and Germany are the chief suppliers but the United States has made spectacular gains during the past two years. In 1963, it sold gadgets, toys of all types, men's and women's ready-to-wear, knit goods, outdoor equipment, etc., to the French department stores.

Canada's share in this business is negligible at the present time. However, French consumers have a high regard for Canadian products—the goodwill and interest shown during the Canadian exhibition here proved it beyond a doubt. Canadian exporters who are interested in making contact with the purchasing headquarters of large French department stores can rely on the help and support of the Commercial Division at the Canadian Embassy in Paris.

—Y. C. JAURON,
*Assistant Commercial Secretary, Paris.*

## West Germany:

## Where Trade Fairs Mean Business

EVERY YEAR some 50 trade fairs are held in West Germany and they cover everything from toys to foundry equipment. They provide a concentration of opportunities that no Canadian businessman who wants to sell in Europe can afford to overlook.

Germans were doing business on fairgrounds in the Middle Ages but it is only since the Second World War that fairs have reached their present importance. The reason: specialization. Today most products fit into only one, or at best two, fairs and organizers limit strictly what may be shown at each one. This means that businessmen with specific interests don't have to waste their time going from one general exhibition to another across the country but can count on "their" fair to gather together products and people in their field of business.

No tanner would ever miss the Offenbach Leather Fair. He can buy his hides, find out about new techniques, learn what colours will be in fashion, attend trade association meetings and, quite possibly, sell his whole production for the coming year. He knows that because Offenbach is the place to see, buy and sell leather, all the trade will be there.

The toymaker counts on the Nuremberg Toy Fair to sell his whole year's output, the food processor knows that Interpack in Duesseldorf is the place to buy packaging machinery, and the car dealer makes sure he gets to the Frankfurt Auto Show.

The fair is the ideal place for you to see what the market offers. You can study styles and design, compare prices and quality, pick up new ideas for use at

home. You can make many contacts and, best of all, you can buy and you can sell. Chances are there is a special fair to suit your needs. A partial list of German fairs was published on page 7 of the December 14, 1963, issue of *Foreign Trade,* and Canada's Trade Commissioners in Duesseldorf, Hamburg, and Bad Godesberg will be glad to help you find the right show.

### Want to Come? Then Do . . .

Arrange first for a hotel room. Accommodation is tight and if you don't reserve several months in advance you will probably find yourself sleeping 20 or 30 miles away from the fairgrounds.

Come to the fair prepared to do business. Bring plenty of sales literature and price lists and you'll have no trouble giving them away. Find out beforehand about customs, freight charges and transportation connections so that you can answer buyers' questions accurately.

The fair catalogue is indispensable; buy it as soon as you arrive (probably it will be on sale in the railway station or at the airport). Most fairs are far too big just to wander around—you would have to walk 12 miles to see every stand at the Cologne Furniture Fair! Study the catalogue to familiarize yourself with the fair before you get there, and use it to plan your attack. Exhibitors are listed alphabetically and according to product. You can check off quickly the stands you want to see and locate them by consulting the floor plans in the catalogue.

### Now You're Here . . .

Visit the foreign reception centre when you first arrive at the fairgrounds. As a Canadian, you can:

— obtain free interpreting services

— get help in locating firms you want to see both on and off the fairgrounds

— find accommodation (if you haven't done so before)

— buy admission tickets

— ask any general questions about the fair, the city, or Germany as a whole.

Apart from the special services for foreigners, these big fairs contain a post office, telephone and teletype services, a bank, a patent office, a travel bureau, and a range of restaurants, snack counters, refreshment bars, newspaper and book stands, and even a flower shop.

But all this is just the stage setting. It won't help you much unless you're willing to put in some hard work—and it can be exhausting—visiting every stand that interests you, talking to as many people as you can, seeking out all potential customers and suppliers, and generally taking advantage of your opportunities.

### Some German Fairs of Interest to Canadian Businessmen

**International Hannover (Industries) Fair—April 26 to May 5, 1964**

Six million square feet of exhibition space (more than half of it covered) make this Europe's biggest annual trade fair. In 1963, it had 4,424 German and 1,283 foreign exhibitors. Though far too big to be specialized, the Hannover Fair does restrict exhibits to 20 categories and keeps them clearly separated. It thus resembles a collection of distinct, special trade fairs. Most important at Hannover are machinery and equipment for mining, construction, manufacturing, electrical engineering and transportation, complemented by electronic control and measurement devices, industrial raw materials, plastics and chemicals. Consumer goods include optical equipment, jewellery and silverware, and office machines and supplies.

This year, an aviation fair will be held at Hannover Airport at approximately the same time—April 24 to May 3. On display will be aircraft and aeronautical and airport equipment.

**International Fine Foods and Provisions Fair (ANUGA), Cologne, September 1965**

This is the biggest food fair in Europe. It exhibits every kind of preserved or processed food, beverages, baking ingredients, flavourings and condiments, and food packaging and processing equipment. Over 2,000 firms and organizations from 45 countries were represented at the 1963 fair, which covered 1,260,000 square feet. The fair takes place every second year.

**International Household Goods and Hardware Fair, Cologne, February 20-23 and September 4-6, 1964**

As its name indicates, this is really two fairs in one. The household goods section includes every type of electric home appliance, kitchen furniture and equipment, a variety of household items, and store fittings and equipment. The hardware section includes hand and small power tools, door fittings and locks, gardening tools, and home-heating equipment.

This fair is held twice a year, but only the winter show completely fills the 1,260,000 square feet of the Cologne fairgrounds; in February 1963, 1,348 firms exhibited. The autumn fair is considerably smaller, mainly because the heating and door-fitting industries do not participate.

**International Trade Fair of Sports Goods, Camping Equipment and Garden Furniture (SPOGA), Cologne, November 3-5, 1964**

Its name accurately reflects the scope of this annual fair, particularly important for summer sports goods (except boats). A good selection of winter equipment is also on display. In 1963, 641 exhibits covered nearly 500,000 square feet.

### Planning to Exhibit?

Once you've visited a fair, you may decide you should have a stand of your own next time. Your first question naturally is, what is it going to cost? There is a considerable difference from fair to fair but here is a rough guide:

**Space:** At most fairs, space rental is between $1.30 and $1.80 per square foot, plus a surcharge of up to 50 per cent for particularly favourable locations such as islands.

**Stand:** Design and erection should cost roughly $2.50 per square foot.

**Help:** Student interpreters are paid $13 to $15 per day; casual help gets $11.

**Freight:** Any good forwarder can give you a close estimate of the cost of getting your goods to the fair. Allow another 20 per cent for customs clearance, unpacking, delivery to your stand and similar charges.

**Accommodation:** Allow about the same amount of money as you do when travelling in Canada.

**Transportation:** Your travel agent is the best person to tell you what this will cost.

If you feel you can cover these expenses, write to the fair management for space. Do this at least eight months ahead for annual fairs, and even farther in advance for fairs held less frequently. Tell them the size of stand you would like to have and the products you plan to show. They'll send you a floor plan showing the spaces they can offer and what they rent for.

At the same time as you apply for space, make your hotel reservations. If commuting long distances is tiring for fair visitors, for exhibitors it can be exhausting.

With your space booked, the next step is to find a contractor. Your stand doesn't have to be elaborate, but it does need a professional touch. The fair management will give you a list of reliable contractors who will design your stand and build it from rented materials, thus saving you money. It's wise to get the contractor to commit himself in advance on the total cost of your stand to avoid misunderstandings later. Your exhibit material should be shipped a good three months before the fair starts—four months for a winter fair.

Make sure that your name will be properly listed in the product index of the catalogue for each item you are going to display. This is important, particularly in big fairs, because the catalogue is the buyers' main guide.

You will want to drop a note to your business acquaintances in Germany and other European countries to tell them you'll be at the fair and would like to see them there.

Your sales literature should be in German. Many Germans have a good command of English but they will get your message better if it's in their own language. But bring some English and French literature too for non-German visitors.

Even if you have no business to attend to before the fair starts, it's still a good idea to arrive a day or two early. This will give the contractor time to make any small alterations to your stand that you wish.

### Man Your Stand

You will need at least one person on your stand who is perfectly fluent in German and completely familiar with your product. If you have an able German-speaking salesman in your organization, bring him with you. Alternatively, your agent in Germany should be able to do a good job for you. Failing these, hire an interpreter (the fair authorities will help) and be sure to explain your product to him thoroughly before the fair starts.

An important point—be approachable. It isn't enough to be physically on the stand; you have to be out where people can reach you and looking as if you're willing to talk to them. Buyers don't like to feel that they're interrupting—that's why exhibitors who hide behind their newspapers receive so few inquiries.

As an exhibitor you should also be a visitor. Make sure that having your own stand doesn't stop you from getting around to other stands and talking to other businessmen. And this brings up another important point: it is essential to have your stand manned at all times. If a buyer comes by while you're away, someone on your stand can note down his name and you can catch up with him later.

### Stay Long Enough

Don't plan to rush home just as soon as the fair closes. Business initiated at a fair frequently does not materialize until afterwards. Some buyers are not ready to do business until they have seen the whole fair and have had a chance to discuss their findings with other members of their firm. Then they invite exhibitors of interesting products to come and visit them. Accept as many invitations as you can because even if a sale seems unlikely, you will get a firsthand look at how a German business operates and probably learn a good deal about trade in your line.

And finally, follow up on inquiries as quickly as possible after you get home. Otherwise the buyers may wonder whether you're really interested and will place their orders elsewhere.

Exhibiting at a fair costs time, money and effort. You can only get back what you put into it if you:

— plan carefully and well ahead

— man your stand effectively

— use all the facilities available to you

— keep yourself approachable

— go out and sell

— follow up afterwards.

—LOUIS de SALABERRY,
*Consul, Duesseldorf.*

# *What's current in commodities?*

## Leather

**Hong Kong**—Canadian exporters have increased their share of the substantial market here for upper leather by improving quality and prices. They could sell even more—and possibly capture some of the market expanding for specialty leather.

J. M. T. THOMAS, *Trade Commissioner, Hong Kong.*

HONG KONG'S extensive footwear and accessories industries provide a substantial and stable market for leather, the bulk of which has to be imported. Consumption over the past five years has averaged approximately Can.$4 million a year and Canadian exporters, although not major suppliers, have since 1960 achieved a substantial increase in their share of the market.

Upper leather is the type most commonly used in Hong Kong (as Table I shows) because of the importance of the footwear industry, which has provided a steady and reliable outlet for a number of years. Sole leather is, of course, always proportionally less in demand than upper leather, but in Hong Kong its use is declining as rubber and synthetic soling sheets replace it. The real growth in the last few years has been in specialty leathers for the apparel industry.

Canada originally supplied only sole leather to Hong Kong. Our exports of this type have declined with the demand in the Colony and in recent years Canadian firms have concentrated on establishing themselves as recognized suppliers of upper leather. To date very little specialty leather has entered the Colony from Canada and would-be Canadian suppliers need to do considerable development work.

### Types and Grades Wanted

Although Hong Kong is not a quality market, the number of competitive sources of supply means that its manufacturers demand the very best in the grades they do buy. For upper leather, these grades are normally No. 3 and 4, M and HM weights. Regular black dominates the market. There is a fair demand for brown, but mainly in HM weights. White and coloured leathers are used only in small quantities. Most side leather is bought in 18 to 22 square-foot spreads, although some calf and kip leathers are also used. The United States is the major source of regular side and kip leathers, but box calf usually is imported from Europe because North American prices are high.

The three general types of sole leathers—bends, shoulders, and bellies—are used by the Hong Kong footwear industry. Again, grades 3 and 4 are preferred and in the following specifications:

Bends—8 to 10, 10 to 12, and 12 to 14 pounds.
Shoulders—5 to 7 pounds.
Bellies—3 to 5 pounds.

Bends, which are used in the construction of the main part of the sole, are naturally in the greatest demand. Australia is traditionally the principal supplier of sole leather.

Although some types of specialty leather (such as those produced from the skins of tropical lizards) cannot be supplied by Canada, the demand in Hong Kong for patent

TABLE I

HONG KONG'S LEATHER IMPORTS

| | 1959 | | 1960 | | 1962 | |
|---|---|---|---|---|---|---|
| | Quantity | Value (HK$) | Quantity | Value (HK$) | Quantity | Value (HK$) |
| **Upper** | (sq. ft.) | | (sq. ft.) | | (sq. ft.) | |
| Canada | ..... | ..... | 14,274 | 37,177 | 337,379 | 749,899 |
| Australia | 1,071,174 | 1,742,460 | 409,449 | 763,321 | 540,348 | 1,052,282 |
| Britain | 876,573 | 1,333,612 | 1,498,012 | 2,568,137 | 1,207,683 | 2,180,058 |
| Others | 6,709,651 | 14,699,766 | 4,621,332 | 11,942,282 | 5,336,082 | 13,424,158 |
| Total | 8,657,398 | 17,775,838 | 6,543,067 | 15,310,917 | 7,421,492 | 17,406,397 |
| **Sole** | (cwt.) | | (cwt.) | | (cwt.) | |
| Canada | 37 | 17,100 | 33 | 18,800 | 17 | 8,540 |
| Australia | 37,244 | 6,786,950 | 27,966 | 5,279,528 | 23,532 | 3,593,308 |
| Britain | 5,153 | 459,350 | 2,660 | 714,281 | 1,566 | 388,418 |
| Others | 4,865 | 893,527 | 3,192 | 555,218 | 2,636 | 470,676 |
| Total | 47,299 | 8,156,927 | 33,851 | 6,567,827 | 27,751 | 4,460,942 |
| **Specialty and others** | (sq. ft.) | | (sq. ft.) | | (sq. ft.) | |
| Canada | ..... | ..... | ..... | ..... | 2 | 1,700 |
| Australia | 942 | 175,290 | 1,905 | 357,312 | 2,342 | 360,094 |
| Britain | 5,474 | 321,737 | 1,238 | 344,233 | 1,728 | 427,242 |
| Others | 19,222 | 2,001,063 | 3,330 | 1,452,565 | 5,585 | 1,909,462 |
| Total | 25,638 | 2,498,000 | 6,473 | 2,154,110 | 9,657 | 2,698,498 |
| **Total value all leather** | | **28,430,855** | | **24,032,854** | | **24,565,837** |

leather, embossed and patterned leather, and damp chrome split leather should interest Canadian exporters. Strap and handbag manufacturers employ black patent leather in small quantities, mainly 5th grade kips in LM and M weights. Small amounts of embossed leather, third and fourth grade, in M and LM weights, are also used for the same purpose. However, it is the market for damp chrome split leather (sides, bends, and shoulders) that appears to show the most promise. This specialty leather is popular with Hong Kong manufacturers of work gloves and Chinese house slippers. The traditional supplier, Australia, is currently not able to meet demand, and this creates an opportunity for Canadians because material of Commonwealth origin is required so that the finished product can enjoy Commonwealth Preference.

### How to Sell

Most Hong Kong leather importers are fairly small establishments which sell to the local footwear and accessories manufacturers. Because of their size and the fact that United States leather producers, who are the Colony's biggest source of supply, offer their products through jobbers, many local firms do not have exclusive or even formal agency relationships with their suppliers. When selling to the smaller import houses it is customary to use a letter of credit accompanied by a time draft of up to 60 days. A few of the leather importers are able to buy on a c.o.d. basis and some occasionally pay cash in advance. Although leather is traditionally quoted f.o.b. port of shipment, importers like to receive c.i.f. quotations as well. In any event, the price quoted should include a standard 5 per cent commission for the importer.

Canadian leather exports to Hong Kong have grown substantially in the past three years as a result, the importers say, of improved quality and more favourable prices. United States side leather sets the standard for the Hong Kong market and Canadian side leather is invariably compared with it. Local importers have commented that in the past two or three years the Canadian product appears to have reached U.S. standards of firmness and tightness of grain. If Canadian exporters can continue to match these quality standards and maintain competitive prices, there is no reason why they should not be able to increase their share of the Colony's market for upper leather and supply some of its specialty leather requirements as well. ●

## Iron Ore

**Japan—The world's fourth largest steel industry must import nearly all the iron ore needed for its hungry furnaces. Constant search for new and widespread sources of supply continues; Canada already has concluded long-term iron ore contracts with Japan.**

R. G. C. SMITH, *Minister (Commercial), Tokyo.*

THE Japanese steel industry depends to a large extent on imported raw materials. It must import a big percentage of its coking coal—currently about two-thirds of its requirements—from a half to a third of its steel scrap, over half of its manganese ore, and nearly all of its iron ore. The remarkable postwar development of this industry has meant an almost frantic search for iron ore—not only to meet immediate requirements but to provide for reasonably secure future supplies, at costs that will enable Japanese steel to be competitive. (Japan in 1962 exported about 17 per cent of its total output of rolled steel products.)

This search is conditioned by several factors. Because the industry must depend almost exclusively on imports, it is vital that supplies be accessible and the sources secure. To meet the security requirements through diversification in a world of uncertain political alignments and stability, the search has ranged far. Before the war, supplies came exclusively from Asia (China, Malaya, Philippines and Korea) when requirements were at most about one-quarter of the current demand. They now come from all over the world or plans are afoot to ensure that they will.

Starting from rock bottom after the war, Japan has built up a steel industry with the most modern plant and equipment and using advanced technology, much of which was available to it from abroad but some of which resulted from its own research. The industry that produced about 560,000 metric tons of steel in 1946 produced over 31½ million tons in 1963 and ranks fourth in the world, close behind Germany. It is also significant that the present peak represents a doubling of production in the last five years. (It reflects of course the extraordinary leap forward of the whole economy during that period when the annual increase in the G.N.P. in real terms averaged about 12 per cent.)

The industry has made a careful estimate of its own growth requirements to meet the planned growth of the economy and has come up with a domestic supply/demand figure of 48 million tons of steel by 1970.

### Iron Ore Demand and Supply

To meet this requirement, iron ore imports have been mounting and because there is almost no chance of a greater domestic supply, the increase must come from imports. (Domestic production has levelled off at about 1.15 million tons a



90187—3½

year; it reached its zenith in 1944 at three million tons.) Table I shows recent imports compared with the last prewar year.

Imports of iron ore ceased entirely for the first two postwar years and rose slowly immediately after. They came principally from the traditional sources. By 1956, however, the new pattern of wide diversification of sources began to appear. Nor is the pattern complete because recently new sources in Goa and the United States have been lined up and negotiations are in train for supplies from Peru, Rhodesia, Tasmania and other parts of Australia, Canada, Guinea and Brazil.

Industry forecasts of future requirements of imported ore are constantly being adjusted, but one recent estimate gives a figure of nearly 34 million metric tons in 1967. The ratio of ore imports to total steel production appears to be rising, possibly because of the tendency towards converter production in new steelmaking capacity. Using recent ratios, if steel production reaches its target of 48 million tons by 1970, the need for imported iron ore by that time should approximate at least 41 million tons.

(By 1970 it is estimated that 52 per cent of capacity will be by L.D. converters, 30 per cent by open hearth, and 18 per cent by electric furnaces. This compares with the present proportions of 31, 48 and 21 per cent.)

## Long-Term Contracts Made

To fill these needs, several long-term contracts have already been negotiated and some of these provide for deliveries up to 1981. Some are conditional on future development projects being completed so that the following figures must be treated with some reserve. Adding up those long-term contracts that have been signed or that are approaching signature shows that for 1964 some 20.5 million tons of ore are "in the bag". (This does not include short-term contracts made for 1964 alone.) For 1967, about 20 million tons are lined up and even as far as 1970 about 18 million tons are in sight. For the period 1973-1980, Brazil and India together are expected to supply about eight million tons a year. These figures do not include any long-term supplies from Malaya, the Philippines, Africa (other than Rhodesia) or Korea, but it can be expected that these sources will continue to supply some seven to eight million tons a year for the next few years.

These long-term contracts are spread widely up to 1973, and include deliveries from Brazil, India including Goa, Canada, the United States, Chile, Peru, Rhodesia and Australia.

These estimates include the new contracts that have been signed recently for three million tons of pellets from Goa, delivery of which should begin by early 1966, with 50,000 tons per year for six years provided. This calls for pellets of 66 per cent iron basis and 65 per cent guaranteed.

Another major contract also included in the long-term estimates has been signed with Kaiser Steel Corporation, calling for the delivery of 1.05 million tons of pellets a year for six years beginning late in 1965. These pellets will be produced at Kaiser Steel's Eagle Mountain mine and will be shipped through the port of Long Beach, California. Again the iron content is a guaranteed minimum of 65 per cent.

## Other Supplies

In addition (and these possible supplies are not included in the figures for aligned supplies given above) discussions are going on over one million tons of pellets from Nevada per year for six years, for pellets from Peru at the rate of a million tons a year, for about 500,000 tons of pellets annually from Tasmania, for about one million tons a year from Western Australia, and possibly some ore or pellets from Guinea.

Australian/U.S. interests have offered Japan a total of 65 million tons of iron ore over 15 years, starting in April 1966, at the rate of up to five million tons a year. This is reported to be a high-grade ore with at least 60 per cent basic iron content. This large project will involve the construction of a new port in Western Australia capable of handling ore carriers of up to 75,000-ton capacity at the beginning of the operation.*

TABLE I

JAPANESE IMPORTS OF IRON ORE

| | 1940 | 1951 | 1956 | 1959 | 1960 | 1961 | 1962 | 1963 |
|---|---|---|---|---|---|---|---|---|
| | (in thousands of metric tons) | | | | | | | |
| **Total:** | **5,129** | **4,001** | **8,927** | **11,580** | **16,151** | **22,048** | **23,290** | **26,000*** |
| of which: | | | | | | | | |
| Malaya | 2,041 | 716 | 2,322 | 3,750 | 5,354 | 6,640 | 6,464 | |
| India | 21 | 153 | 1,293 | 1,877 | 1,897 | 1,708 | 2,092 | |
| Goa | ..... | 195 | 864 | 1,404 | 2,542 | 3,163 | 2,412 | |
| Chile | ..... | ..... | 12 | 70 | 249 | 2,177 | 3,011 | |
| Peru | ..... | ..... | 190 | 103 | 633 | 2,386 | 2,495 | |
| Canada | ..... | 87 | 280 | 677 | 1,084 | 1,115 | 1,574 | |
| Philippines | 1,209 | 900 | 1,574 | 1,295 | 1,202 | 1,229 | 1,472 | |
| United States | ..... | 817 | 1,005 | 539 | 825 | 946 | 864 | |
| South Africa | ..... | ..... | 12 | 152 | 286 | 453 | 594 | |
| Brazil | ..... | ..... | 43 | 156 | 355 | 426 | 464 | |
| Korea | 439 | 6 | 55 | 221 | 242 | 453 | 401 | |
| China (Communist) | 1,222 | ..... | ..... | ..... | ..... | ..... | ..... | |
| Hong Kong | ..... | 149 | 125 | 124 | 129 | 119 | 122 | |

*Provisional figure; breakdown by sources not available.

*The interested reader should consult the article "Australian Iron Ore Becomes Major Export" in the March 7, 1964, issue of *Foreign Trade*.

This is not to say that all these possibilities will come to fruition. In some instances—Tasmania, for example—the project is in the early stages of discussion. However, the figures do illustrate the wide-ranging search for ore to meet future needs.

### Demand for Pellets Growing

Apart altogether from any technical advantage resulting from the use of pellets, because freight represents such an important part of the cost of iron ore and because the industry will have difficulty in finding all the capital it needs for expansion, there is little doubt that much of the future demand will be for pellets.

There has been some conflict of opinion over the relative merits of "pelletizing" in Japan or at sources of production. An ambitious plan for a joint venture between one of the large Japanese steel producers (and large trading company) and United States and Peruvian interests visualizes a large pelletizing plant at Mizushima, a port on the Inland Sea of Japan and strategically placed to supply much of the Japanese steel industry. (While the industry is spread throughout Japan, the greatest concentration is on the north coast of Kyushu and from the westernmost tip of Honshu and along the Honshu coast of the Inland Sea.) However, this project has been abandoned and discussions over new long-term contracts, as mentioned above, for material from Australia, Goa, the United States, Canada and Peru are all concerned with importing pellets. Moreover, there is also the advantage in pelletizing "fines" of reducing loss in transport. Thus discussions are in hand for a joint venture to pelletize fines from deep-cut mines in the Philippines. Some of the Goa ore is overly friable, so it is also possible that 25 to 30 per cent of fines resulting from the screening of lumps there will be pelletized.

### Sponge Iron May Be Used

It is possible, too, that a solution to the problem of reaching ores that are relatively inaccessible but available in large volume may be sought in sponge iron. At the present time, sponge iron and pig iron are both subject to a duty of 10 per cent but about 90 per cent of the pig iron imported in 1963 was given a rebate of the duty paid when the resulting steel was exported. The industry's blast furnaces were unable to keep up with demand last year, with the result that imports of pig iron rose considerably over the normal. Usually, these imports are not important but in 1960 they began to edge upwards and they reached over two million tons in 1961. In 1963, it is probable that they were close to 4½ million tons and it is expected that they will be at the same level this year. Thus, it is possible that to keep capital costs down and to reduce freight losses, long-term contracts for sponge iron may also be considered in the future.

### Prices Vary

It is clear that freight costs play an important part in the competitive possibilities of ore. Ore prices obviously vary according to iron content, type of ore, moisture content, and the presence of such undesirable elements as sulphur and phosphorus. But basically it is freight cost that is the "great leveller". It may be useful to record some of the published freight rates paid on recent contracts for iron ore, as a basis of comparison.

| | per wet metric ton |
|---|---|
| Larap, Philippines | $2.59 |
| Mati, Philippines | $3.44 |
| Hong Kong | 21s. 7d. |
| Pasul, China | $3.85 |
| Chongjin, North Korea | $2.67 |
| | **per wet long ton** |
| Sura, Malaya | $4.08 |
| Prai, Malaya | $5.10-$5.19 |
| Calcutta, India | 45s. 6d. |
| Goa, India | 36s. 1d.—45s. 3d. |
| Nimpkish, Canada | $4.85 |
| Stockton, California | $4.99 |
| Long Beach, California | $3.90 |
| Huasco, Chile | $5.90-$6.90 |
| Victoria, Brazil | $7.95 |
| | **per dry long ton** |
| Port Elizabeth, South Africa | 73s. |

Generally, contracts for iron ore are made with the larger steelmakers in Japan, with one of the members designated as the spokesman for the industry. However, invariably a trading company is brought in as the intermediary and eventually it handles actual shipment and payment. It also helps in the negotiation of the contract. The shipments are made to the trading company, which issues the letter of credit (all shipments are on a letter-of-credit basis) and handles the agreed division of imports among the participating steel companies.

### Market Still Open

With a rapidly expanding economy and steel industry and despite the attempt to provide for basic iron requirements far into the future, there is still much room for and interest in new sources of iron. It is almost certain that an increasing proportion of supplies will be in pellet form in the future, but it is also possible that sponge iron will prove of interest, particularly in areas where freight costs might otherwise make the iron uncompetitive in price.

---

### Tenders for Ghana

CANADIAN exporters submitting tenders to the Ghana Supply Commission are putting themselves at a competitive disadvantage by lack of attention to several points, our Commercial Counsellor in Accra reports.

For example, the Commission prefers to receive quotations in pounds sterling converted from Canadian dollars at the *current* rate of exchange. In one instance, a Canadian company doing a conversion used a rate that was four years old!

The form of tender that the Commission issues asks for f.o.b. prices and requests that the costs of packaging and delivery be shown separately in arriving at the c.i.f. price. The Commission often likes to make its own shipping arrangements because Ghana operates a shipping line which provides regular service between Canada and Ghana. For this reason, a tender quoting only c.i.f. prices could be disregarded or at least discounted.

# Israel Blends Old and New

**Canada's biggest market in the Middle East buys a wide variety of products and well deserves a visit from interested businessmen. They will find this a dynamic, European-oriented country, with a commercial tradition that goes back to Biblical times.**

B. C. STEERS, *Commercial Secretary, Tel Aviv.*

THE modern airlines find Israel as convenient a crossroads as did the camel drivers in ancient times. Canadian and other salesmen who today include this country in their European, Middle and Far Eastern business itineraries are simply following in the footsteps of the great merchant caravans of Biblical times.

Israel imports goods worth some $600 million a year—enough to warrant the careful examination of this market by Canadian manufacturers. In fact, Israel buys more from Canada than does any other country in the Eastern Mediterranean. The Israeli market is not wide open: imports are controlled by tariffs and, in many instances, also by import restrictions. None the less, a broad range of goods can be imported—more, for example, than only a year ago.

Do you want to discover what opportunities there are for you? Begin by doing two things without even leaving your office. Write to the Asia and Middle East Division of the Department of Trade and Commerce in Ottawa and to the Commercial Secretary, Canadian Embassy, P.O. Box 20140, Tel Aviv, Israel, and ask about sales prospects. Their answers will give you a fairly good idea of whether or not you can sell to Israel.


*Tel Aviv, Israel's leading business centre, has a promenade that runs along the Mediterranean seafront and a number of sandy beaches. In the background (right) is one of the luxury hotels. The sign (left) exhorts the Israelis to "Save Water".*

### Length of Stay

If prospects are favourable, plan a business visit.* Naturally, how long a visit will depend largely on what you are selling. It may be only a few days or more than a week. If you are a manufacturer of automobile parts, a few days of talks with large importers will give the whole picture—and you can do it all in one city. On the other hand, if yours is a firm of consulting engineers preparing to bid on a tender in one of the development areas, you may find two weeks insufficient. Israel approximates Lake Ontario in area and all points in the country are easily accessible. Travel problems will not affect the length of your stay very much.

### Travelling by Car

Many businessmen who come to Israel find that travelling by rented car is the most convenient way to move about the country. Others prefer taxis for specific trips. Public transport is rapid. You may go by inter-urban service—a taxi which is shared by seven passengers, each paying for a single seat. These taxis, known as sherut, are run by various

*When going to Israel, the traveller must conform to certain regulations covering passports, visas, vaccination and inoculations. For information, get in touch with the Passport Division, Department of External Affairs, Blackburn Building, 85 Sparks Street, Ottawa 4, Ontario.

companies, are widely used by the public, and offer service at frequent intervals. This means of transport is certainly more economical and you can always book a seat beside the driver for comfort and a good view. Fast diesel trains operate between Haifa, Tel Aviv and Jerusalem; inter-urban buses fan out from Tel Aviv to almost every corner of the country.

### Three Leading Centres

**Tel Aviv,** a city of 500,000, is the business capital of the country and the headquarters of most commercial and industrial organizations. Naturally, businessmen prefer it as a base of operations. It is about 25 minutes from the airport by car. You will find the offices of the Commercial Division of the Canadian Embassy on the second floor of the Tel Aviv-Jaffa Chamber of Commerce Building.

Greater Tel Aviv contains nearly 50 per cent of Israel's industries, producing textiles, foodstuffs, durable consumer goods, leather goods, pharmaceuticals, chemicals, plastics and electrical products. It is also the home of Israel's leading theatrical companies, the opera, and the well known Israel Philharmonic Orchestra. It is a vital literary and artistic centre, with an astonishing number of art galleries and bookstores.

**Haifa,** population 182,000, lies 62 miles north of Tel Aviv and is the leading port; the view of Haifa Bay from the slopes of Mount Carmel is breathtaking. The city's cleanliness, the layout of its parks, its civic efficiency are a source of pride and pleasure to its inhabitants. Most of Israel's heavier industries, such as the oil refineries, petrochemical, fertilizer, automobile, brick, glass and cement plants, are situated there. Haifa is also the site of a growing shipbuilding industry and the home of Israel's Technion, the school of science and technology.

**Jerusalem,** with a population approaching 180,000, is the location of most of the principal government offices. The drive through stretches of cultivated flat land and the wooded hills of Judea is a real pleasure when business calls you to Jerusalem—48 miles from Tel Aviv, and an hour and fifteen minutes by car or taxi. However pressed you are for time, go to the King David Hotel where from the famous terrace you can see the walls of ancient Jerusalem.

All the larger centres in Israel offer a choice of excellent modern hotels.

*Last July a Canada-Israel Chamber of Commerce was organized. Speaking to the 150 leading Israeli businessmen who attended the inaugural luncheon in Tel Aviv is the Canadian Ambassador to Israel, Mr. Arthur Andrew. Seated beside him, left to right, are Dr. Daniel Levin, Director, Commonwealth Division, Israel Ministry for Foreign Affairs; Baruch Rosen, Vice-President, Association of Bi-national Chambers of Commerce; Stephen Barber, Executive Director, Canada-Israel Chamber of Commerce, Montreal, and Barry C. Steers, Commercial Secretary for Canada.*

### Doing Business

When you are ready to get down to business, the Commercial Division of the Canadian Embassy will be pleased to help you contact both agents and importers, most of whom operate from Tel Aviv.

Since its revival about 85 years ago, Hebrew has steadily grown into a living modern language—the official language of Israel. But any misgivings you may have about making yourself understood will be dispelled the moment you step off the plane. Israel is a polyglot paradise and Canadian businessmen can certainly relax, because English is almost universally spoken at managerial level and so are French and German.

You can bring as many dollars as you like into Israel and any hotel or bank will change your money into local currency at a rate of about I£2.86 to the Canadian dollar. As you enter the country, immigration authorities will give you a white card to keep with your passport. Each exchange transaction will be marked on this card and it will be collected as you leave. Do not lose it because if you do, the bank at the airport will not be permitted to change your surplus pounds into dollars as you leave.

The metric system here is used both for the currency (100 agorot to the pound) and for weights and measures.

### Trade Samples

Trade samples of negligible value in the usual quantities for soliciting orders from prospective importers are exempt from duties and do not require an import licence. Samples and other goods for demonstration may be sent to Israel without further documents if accompanied by an E.C.S. Carnet, thus obviating submission of import licences, im-

## Official Holidays in Israel, 1964

**Passover (Pessah)**
March 28—full holiday*
29—half holiday†
30— " "
31— " "
April 1— " "
2— " "
3—full holiday*

**Independence Day**
April 17—full holiday

**Pentecost (Shavuot)**
May 17—full holiday

**New Year (Rosh Hashana)**
September 7—full holiday
8— " "

**Day of Atonement (Yom Kippur)**
September 16—full holiday*

**Tabernacles** (Succot)
September 21—full holiday
September 22—half holiday†
23— " "
24— " "
25— " "
26— " "
27— " "

**Rejoicing of the Law (Simhat Torah)**
September 28—full holiday

*No traffic or restaurants.
†Offices open mornings only.

port entries and import securities. Trade samples and other goods for demonstration to obtain commercial orders and which are neither of negligible value nor covered by an E.C.S. may be introduced without an import licence up to $20 without any security and up to $65 upon submission of security in lieu of licensing requirements. In all other instances, an import licence must be obtained before the goods are brought in. If sample goods are introduced in the usual quantities for obtaining orders, duties may be covered by a cash deposit or a bank guarantee. The goods must be re-exported within six months or within an additional period allowed by the Collector of Customs.

### Climate and Clothing

No special health precautions need be taken. The standard of hygiene is high, and in all the important centres it is safe to drink the water. Medical services are excellent.

When I arrived at this post, my Israeli secretary prophesied that when summer came I would succumb to local practice, discard my tie, and come to work in my shirt sleeves. The temptation is certainly great, because July, August and even September are very hot. There is, however, air conditioning in all leading hotels and many offices and the beach is never very far away. The tie and the occasional lightweight suit are now seen more often than in the not too distant past, when the wearing of khaki shorts around town was taken for granted. Israelis are generally sensible and tolerant about dress. If you arrive between September and March bring your raincoat but do not leave your swimming trunks behind. Generally speaking, the climate of Israel is mild and pleasant.

### Sabbath and Holidays

The normal Israel working week is six days. Israel is a Jewish state, though with a significant minority of Christians and Moslems, and Jewish social customs prevail. Business begins on Sunday and ends Friday afternoon. Saturday, the Sabbath, like all Jewish religious holidays, begins and ends at sundown. (The official Jewish holidays are listed on this page.) Saturday is quieter here than any Canadian Sunday. Movies close on Friday and official public transport stops in the early evening. But Friday night is by no means a time for hibernation. Though the streets may look sabbatic, Friday night is the climax of the week, when night life and social activity are at their peak. So are prices at the various night spots and the taxis do a thriving business. As in inter-urban travel, you can take a sherut that follows the bus routes and you pay for your seat only. Should you hire a cab for yourself, you will be taking what people reverently call a 'spayshl'.

### Customs Similar

Food in Israel, the visitor will find, is of varied types. Immigrants have flocked here from virtually every country and they have brought with them their special cooking traditions, ranging from European to Yemenite. A good number of smart restaurants offer French or Italian cooking. Some of the leading hotels have pleasant grill rooms but their food is strictly kosher, which means that meat and dairy products are never served in the same meal.

Israel is a European-oriented country and Canadian businessmen will find that customs are essentially similar to those in Canada. Social contacts with their Israeli counterparts are easy and pleasant and you will undoubtedly enjoy your stay here.

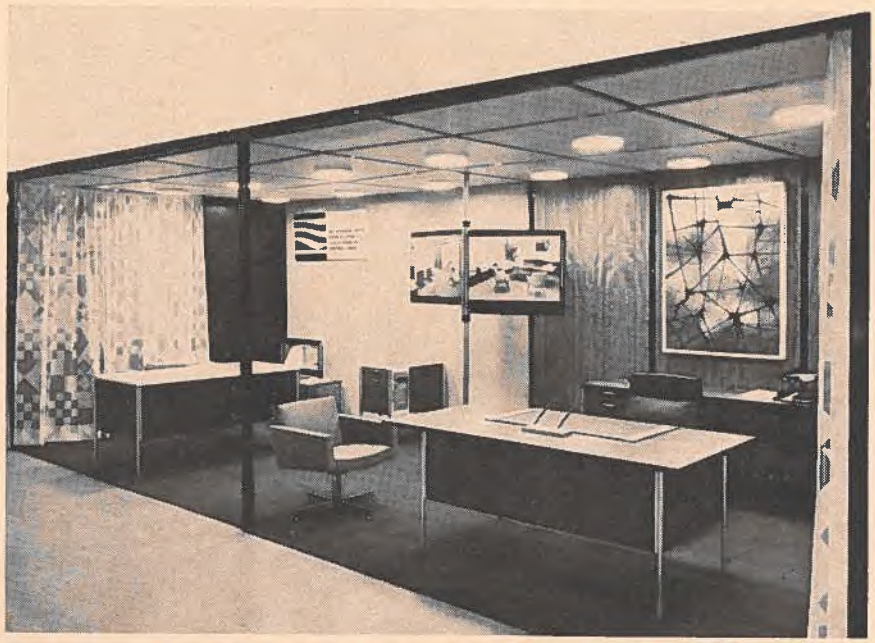
One final note: if you plan to visit other Middle Eastern countries when you leave Israel, be sure to consult a competent travel agent or the Passport Division of the Department of External Affairs for advice on border crossing.

---

### Flats of the Future

A TWELVE-STOREY block of flats, the first multi-storey factory-made units in England, was recently opened at Kidderminster, aproximately 15 miles from Birmingham. The sections, some weighing several tons, were trucked to the site from a factory 30 miles away. Twenty-seven other blocks are under construction at other places in Britain. The British have found that factory-made flats can be built in 27 weeks, rather than the 52 weeks needed using the best other method. In addition, the labour force needed for this kind of building is less than half that for conventional construction methods. Because of these economies, the superstructure cost was reduced by 10 per cent.

# Art Woodwork "Sells Canadian"



*This display of Art Woodwork's Alumna line of office furniture at the NOFA-NSOEA exhibition held at the Coliseum in New York in 1963 took NOFA's Grand Prix for the furniture display and the design of the booth, done by a Montreal firm.*

**Two years ago, this Montreal office furniture maker launched an export sales campaign in New York. A well-designed, thoroughly Canadian product, carefully planned promotion, and use of trade fairs have secured for it a firm footing in the tough U.S. market.**

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

"TO try to compete in the U.S. market on price alone isn't practical. Put the emphasis on unusual design, good quality, strong construction, and better finish. And embody something of Canada in the design and in the materials used."

That's the advice that Harry Lazare, manager of sales development and export for the Montreal firm Art Woodwork Limited, gives Canadians who want to succeed in the United States market. In the last two years he has practised what he preaches so well that his company's Alumna line of office furniture is selling in every state of the Union. In fact, U.S. demand has become so strong that the firm is building a new plant in Montreal North to take care of orders. It will be in operation in the fall.

Art Woodwork's export story really began about two and a half years ago, when the company commissioned Jacques Guillon and Associates to design a line of office furniture that would be functional, attractive, and distinctive. The result—the Alumna line, which made use of aluminum extrusions to give strength with lightness and was produced with the co-operation of the Aluminum Company of Canada. (Alcan, incidentally, chose Alumna furniture for its new offices in Montreal's Place Ville Marie.) Aluminum wasn't the only Canadian material that the designer used—the hardware, the major wood components, and the finishing materials were also Canadian. Only some of the veneers were imported. The desks had welded all-steel double-framed pedestals to give drawer strength and make the drawers interchangeable, and they were offered in three series—general office, management, and executive. The finishes ranged from colourful plastic laminates for the general office to hand-rubbed oiled walnut, oiled teak and oiled rosewood for the executive.

When it had achieved this distinctive design and had begun to turn out the Alumna series, Art Woodwork began to plan a campaign to capture a share of the lucrative U.S. market. It already had some contacts there because some four years ago it had entered into licensing agreements with certain U.S. office furniture manufacturers giving it the right to produce some of their lines and to sell them in Canada and in Commonwealth markets such as Bermuda and the West Indies. In 1958 Art Woodwork gave to an Indiana manufacturer the right to produce and market in the U.S. its Modulaire series, which it is still promoting. With the advent of the Alumna line, however, the decision

was taken to export directly to the United States.

### Before Promotion Began

The company had been quietly working towards this end for some time. Mr. Lazare had attended the first Export Trade Promotion Conference held in Ottawa in December 1960 and had become acquainted with many of the Trade Commissioners serving in U.S. posts. From them and from other officers of the Department he learned the first steps in an export campaign and these he proceeded to take. They included:

**1. Filing applications for patents** on the Alumna design in the areas in which Art Woodwork hoped to sell —the United States first, then Britain and the Common Market countries. Later the firm also applied for patents in Japan and Spain.

**2. Determining the rate of duty** on import into the United States and the value for duty. Mr. Lazare took the problem up with the U.S. Customs Division in Buffalo and eventually obtained a binding ruling.

**3. Working out U.S. prices** for the Alumna line, in U.S. funds, duty and brokerage paid, f.o.b. Montreal. It is not feasible to quote duty-paid delivered prices because of the range of freight costs to various U.S. destinations.

**4. Choosing a first class U.S. sales representative**. The firm selected was Cranbrook Incorporated of New York, with a sales staff of 24 to 26, able to offer national coverage. Mr. Lazare was already acquainted with Cranbrook because he had negotiated a licensing agreement through this firm.

**5. Obtaining advice on how to mark the furniture** destined for export and how to label the shipping crates.

Mr. Lazare is emphatic on one point—a manufacturer should not begin full-scale export promotion until he has determined his export selling price and has obtained representation in the chosen market. Then he is ready to push his product.

### Introduction with a Flair

Art Woodwork made its U.S. debut in New York in April 1962, introducing its Alumna line imaginatively and in the best possible atmosphere. Mr. Lazare had kept in touch with the Canadian Trade Commissioners in New York and as a result was offered the Cedar Room in the Consulate in which to set up a display and entertain prospective clients. The timing was good —the week in which the National Office Furniture Show took place. Two late-afternoon receptions were planned for the two days before the show opened. Invitations went out in the name of the Canadian Consul General (this lent prestige) to architects, design firms, free lance designers, managers of contract departments, major dealers in office furniture in the New York area, and the daily and trade press—a list of about 750. Those who did not reply to the invitation received a reminder by telephone. As a result, about 300 people attended during the two days—to see a Canadian product displayed in a Canadian setting and to be offered Canadian hospitality, including Canadian beer and liquor and Canadian cheeses and other snacks. Good quantities of catalogues and price lists were on hand.

During the next four days when the NOFA show was in progress, the Cedar Room had other visitors —smaller local and out-of-town dealers who were in the city for the occasion. Some 36 dealers placed sample orders for display on their showroom floors and many of them are now ordering regularly. Many other dealers have been added and Art Woodwork now has 125 active U.S. accounts on its books.

### Trade Fairs Favoured

Convinced of the value of displaying the line to selected groups, Art Woodwork now turned to trade fairs. In September and October 1962, the company exhibited on its own at the National Stationery and Office Equipment convention in Chicago. In November, it returned to New York to take space at the National Hotel and Motel Exhibition.

In January 1963 the scene shifted to New Orleans and a showing organized with the aid of the Canadian Trade Commissioner there. Here there was no Cedar Room to provide a fitting background but the problem was solved neatly by moving out the furniture in the Trade Commissioner's office and moving the Art Woodwork line in. Mr. Lazare was not on hand to present his products but Mr. Jack Brickel, one of Cranbrook's principals, did the job ably, backed up by its regional representative covering Louisiana and Texas. This was useful because when visitors asked, "Where can I buy these desks?" the answer was quickly forthcoming.

February found Mr. Lazare in Boston, where with the Canadian Trade Commissioner and Art Woodwork as co-hosts and with the help of a franchised dealer, the Alumna series was displayed at the Canadian Club. Once again, designers, architects, dealers, and purchasing agents from both businesses and educational institutions were invited, and out of the display came new orders. Mr. Lazare also seized the opportunity to visit Rhode Island (accompanied by Mr. James Eppinger, another of Cranbrook's principals) and call on dealers there. The result: two or three new accounts. Experience has convinced him, incidentally, that when the sales representative makes his rounds with someone from the manufacturer's head office, sales usually increase.

In the remaining months of 1963, Art Woodwork's promotion campaign in the U.S. continued to emphasize trade fairs. In May, the firm was the only Canadian exhibitor at the NOFA-NSOEA exhibition at the New York Coliseum. Its initiative was rewarded when it won the

National Office Furniture Association's Grand Prix 1963 for its furniture display and booth design, the work of a Montreal firm, Business Furniture Design Associates.

Two other shows rounded out the 1963 program of six trade fairs or other showings. In October, the company joined eleven other Canadian firms in participating in the Texas International Trade Fair, with a display that was professionally designed. Proof of its success is the fact that it has furnished offices in the East Texas State College Union Building, in the University of Texas Art Building and Museum, and in the Nueces County Navigation District headquarters at Corpus Christi. Mr. Lazare spent most of a week in Dallas while the fair was on. The booth displayed prominently the name of the carload distributor and dealer who covers Texas and who helped man the stand. This was not a trade show but was open to the public.

The biggest sales effort of the year came towards its close—at the big Canadian Trade Fair in Philadelphia, November 11 to 16. Here Art Woodwork displayed what the special supplement to the Philadelphia *Bulletin* called its "functional and beautiful furniture" which it had already sold to several clients in the Philly area, such as Temple University Medical Centre, Gratz College, and the Pennsylvania Hospital. The Philadelphia Fair, Mr. Lazare reports, brought 35 to 40 worthwhile inquiries which were followed up at once.

### It Advertises Too

Art Woodwork does not rely on trade fairs alone to increase its penetration of a foreign market. It also advertises in the United States, with a dual purpose. One is to create an image of the company that will impress potential customers and the other is to influence sales. It was one of the first Canadian firms to join the Wood Office Furniture Institute in Washington, D.C. The Institute is preparing to publish a brochure that devotes two pages to each of its members, giving a brief history of the firm and illustrations of its principal lines. This brochure will be mailed to 8,000 architects throughout the United States who specialize in commercial and institutional building and whose services often include the specifying of furnishings for buildings that they have designed. The Institute also publishes other brochures regularly, showing in full colour notable office installations made by its members.

In addition, the company advertises in a few U.S. magazines, such as *Interiors,* a prestige publication, and in certain trade journals. If a dealer wishes to undertake local advertising, Mr. Lazare provides him with mats but does not subsidize his advertising efforts. The company also does some direct mail promotion. For example, it sends out glossy prints of the Alumna line to office furniture dealers in the United States and to architects and specifiers. Much of its business comes from architects who either have their own furniture departments or who do interior designing for complete installations.

### There Are Problems

Getting a firm toehold in the U.S. market, Mr. Lazare admits, involves more than selecting good representatives, exhibiting at trade fairs or private showings, and following up inquiries promptly. It also means overcoming sales resistance and solving problems. Among the chief ones in his experience are:

**1.** The resistance of dealers to selling imported lines. Manufacturers' representatives in the U.S. and particularly their salesmen are apt to feel that imported office furniture automatically costs more. They think of any foreign country, even Canada, as far off and expect high freight costs. However, it is possible to convince them that shipping from Montreal to Boston, say, is cheaper than shipping from Grand Rapids to Boston and delivery is sometimes possible within 24 hours. Naturally, the exporter must also point out that he looks after other expenses and routines, such as duty and brokerage fees and customs clearance.

**2.** Educating the dealer's salesmen and acquainting them with the fine points of the Alumna line. Wherever he goes, either to a trade fair or on a straight selling trip, Mr. Lazare spends time with the dealer's salesmen, explaining the line to them. He also makes sure that they have good supplies of catalogues, price lists, and other well-planned sales literature.

**3.** Making good on the promise of rapid delivery. This may entail establishing permanent showrooms and warehouses at various points in the United States, especially in areas fairly far from Montreal. Cranbrook Incorporated and Art Woodwork have together set up a warehouse and showroom in Los Angeles and others are projected for Chicago, New York, and possibly other cities.

Office furniture is a crowded field, with stiff competition both from other manufacturers using wood and from the makers of steel desks. How, then, has Art Woodwork managed in two years to make good headway in the United States? In answering this question, Mr. Lazare goes back to his original prescription of good design, thoroughly Canadian in inspiration. The U.S. dealer, he has found, wants an imported line that is different. Moreover, the Alumna line fills in the gap between high-priced lines of office furniture and the mass-produced lower-priced lines. The Alumna furniture is medium-priced but attractive and it appeals not only to business firms but also to hospitals, schools and other institutions, banks and insurance companies. And in this middle range, competition is not as great. But because a product, however good, does not sell itself, a large part of Art Woodwork's success has been its well planned and thoroughly co-ordinated sales campaign.

Mr. Lazare makes plain that his company does not intend to confine its exports to the United States alone. Its penetration of Western Europe, however, has taken a slightly different form. Because shipping costs to and import duties in most Western European countries are high, Art Woodwork has given a French company the right to turn out the Alumna line and market it in the EEC countries; the Canadian firm will ship over the initial components. In the same way, a British company will cover the British Isles and Mr. Lazare is negotiating with a Danish firm over the right to sell in Scandinavia. And the scope of the firm's activities is still widening, with contacts in Spanish Morocco, Japan and Mexico that may soon bear fruit.

### For the Future

With different techniques for different markets and with a continuing search for new customers, Art Woodwork hopes to better its present impressive record—approximately 15 per cent of sales made to foreign countries in rather less than two years of active exporting. At the National Office Products Exposition, May 21-24 at the New York Coliseum, the company will introduce two new lines—the Artwood Mark III Series and the Artwood Foreline Series. These too it hopes to export to the United States in volume. The next few years should see its export sales figures climb steadily. ●

# FOREIGN TARIFFS AND TRADE REGULATIONS

### Japan

IMPORT DEPOSIT INCREASED—The deposit payable on application for import permits was increased effective March 18, 1964, from 1 per cent to 5 per cent for most of the important industrial raw materials and for certain specified machinery, and from 5 per cent to 35 per cent for most other goods. The deposit is required for all imports, on both the free or controlled lists. The deposit must be made in cash. No import deposit is required for goods imported by the Government, for goods intended for re-export, or for those imported for manufacture into export items.

The Japanese import deposit system has been in effect since 1961. The lower rate of deposit applies to goods classified as essential, and this schedule consists of some 315 items. Goods not listed in this schedule and not exempt under the clause mentioned above are subject to the higher rate.

If the importer fails to import 80 per cent by value of the goods within a period of three months, the guarantee will be forfeited in full to the Japanese Government for goods subject to the 5 per cent deposit. On goods subject to the 35 per cent deposit, 20 per cent of the deposit will be forfeited.

The declared purpose of these increases is to prevent a possible influx of speculative imports. This revision is a temporary measure. The Japanese authorities have stated that they will not increase the deposit rates any further and will lower them to the previous level as soon as possible.

Information on the import deposit required for any particular commodity or product may be obtained upon request from the Asia and Middle East Division, Office of Trade Relations and Trade Policy, Department of Trade and Commerce, Ottawa.

### Philippines

IMPORT DUTIES ON CERTAIN COMMODITIES REVISED—By an Executive Order effective January 26, 1964, the import duties were amended on some 21 items of the Customs Tariff of the Philippines. The amendment provides for an increase in the import duty on 26 commodities and for a decrease on five other products. In addition, 24 new sub-items in the tariff were created by this revision.

Commodities of interest to Canada on which the rate of duty has been increased include:

Absorbent cotton, adhesive plaster, medicated plastics, adhesive and plaster-coated fracture bandages
Woven fabrics of continuous, discontinuous and waste synthetic or artificial textiles
Brake linings for motor vehicles
Hot-dipped and electrolytic tinplate
Iron or steel wire ropes and cables
Wire netting and insect wire screens
Aluminum bars, rods, angles, shapes, sections
Wire
Plates, sheets, strips of aluminum
Structures and fabricated parts of aluminum
Certain television picture tubes
Long and short rear-axle shafts for tractors and other motor vehicles

Products on which the rate of import duty has been decreased include unspecified waddings for medical or surgical use, various pharmaceutical articles, umbrella covers.

The rates of import duty on particular goods covered by the above amendment will be supplied to interested exporters upon request to the Asia and Middle East Division, Office of Trade Relations and Trade Policy, Department of Trade and Commerce, Ottawa.

# COMMODITY NOTES

### Aluminum

FRANCE—French exports of aluminum during the first nine months of 1963 totalled 99,000 metric tons, 11 per cent over the same period in 1962. Production of primary aluminum for the first three quarters of the year increased only 0.5 per cent to 220,518 metric tons, but the French share of output from the African plant Alucam was 34,682 tons, 3.5 per cent above the previous year. Second smelting metal declined 6.5 per cent to 32,000 tons in the same period—Paris.

### Hydroelectric Power

AUSTRALIA—Seventy per cent of the Snowy Mountains hydroelectric scheme's ultimate capacity will be in service before the winter of 1969, when the second stage of the Snowy-Murray development will have been completed. The Snowy Mountains Authority disclosed this in its annual report for 1962/63.

The report stated that the Federal Government had agreed to the program for the construction of the second stage, covering the Murray Two and Jindabyne projects. Before the winter of 1969, a generating plant with a total capacity of 2.16 million kwh. will be in service and all works for the diversion of the Snowy and Eucumbene Rivers to the Murray and Murrumbidgee Rivers will have been completed—Sydney.

### Laminated Timber

DENMARK—An Association of Laminated Wood Manufacturers was formed in Denmark in 1963. Although the first manufacturer of laminated timber elements began operating only eight years ago, there are now six plants active in the field. Laminated timber is now widely used in building single-storey industrial buildings, particularly for the erection of "umbrellas" over storage areas—Copenhagen.

### Nuclear Energy

SOUTH AFRICA—The Director of South Africa's Atomic Energy Board stated recently that the country had the option of generating its electric power either thermally or by nuclear energy, depending on which method proved the cheaper. South Africa has large coal deposits and extensive uranium resources and both can be mined at comparatively low cost. A nuclear reactor is under construction near Pretoria and should be completed toward the end of 1968. The Director said that it will be for experimental rather than power purposes and will play an important part in the manufacture of radioactive isotopes. Other features of the Board's program include the development of processes for recovering minerals which have become more significant in the nuclear age, such as beryllium, zirconium, tantalum, lithium and cadmium—Johannesburg.

### Petroleum

GERMANY—Nearly 20 international oil companies are currently searching for oil under the North Sea. The first wildcat well off the German coast is scheduled to be drilled near Borkum Island in the Ems estuary this spring.

Geologically the area is promising and geographically it is located close to the world's second largest oil-consuming area. Germany is the most important oil producer in Europe and seventeenth in world production—Duesseldorf.

### Steel

TRINIDAD—A proposed steel rerolling mill known as Caribbean Steels Limited has been granted pioneer status by the Trinidad Government, and is expected to begin operations in approximately 18 months' time. The initial expenditure, to be made by Harbans Lal Malhotra and Sons Private Limited of India, is about W.I.$400,000.

For a start, the mill will produce reinforcement bars, flat iron and angle iron. The domestic market for these products is some 8,000 tons a year and in the first two years of operation, Caribbean Steels expects to supply this. In the ensuing years, it proposes to expand production and to export steel products to the surrounding territories.

The mill will use scrap iron from Trinidad and the surrounding islands, though with increased output, scrap and billets may have to be imported from other countries, such as Venezuela and the United States—Port-of-Spain.

### Telephones

MEXICO—Telefonos de Mexico plans to spend the equivalent of U.S.$26.2 million on expanding and improving telephone service throughout the country. The investment is part of an over-all five-year, $200 million program of Telefonos de Mexico. Plans in 1964 call for increasing the number of available telephones by 53,000, extending long-distance circuits by 67,000 kilometres, and completing the installation of automatic telephone control centres for total replacement operations. By 1968, the system will have over one million telephones in operation, a 63 per cent increase over 1963—Mexico City.

# New England Is Major Centre for Radiation and Nuclear Research

**. . . and Canadian firms specializing in these fields may find present or future business opportunities in these million-dollar projects located just across the border.**

L. D. R. DYKE, *Consul and Trade Commissioner, Boston.*

MILLIONS OF DOLLARS worth of contracts and subcontracts in radiation and nuclear research are carried out in New England every year by public and private U.S. organizations. In addition, millions of dollars more are spent on equipment, instrumentation and hardware. It is estimated that more than 100 private New England firms are engaged in some way in nuclear or radiation work. The fact that much experimentation in these fields is going on in an area so close by should be of interest to forward-looking Canadian scientific and engineering firms.

The two research laboratories (one operating and one planned) described in the following paragraphs illustrate the breadth—but by no means the extent—of New England's participation in one of the world's most challenging fields of endeavour.

### NERHL Studies Radiation

The Northeastern Radiological Health Laboratory of the Public Health Service of the United States Department of Health, Education, and Welfare came into being on October 12, 1961. At that time the United States Atomic Energy Commission turned over its 30,000-square-foot radiochemical research facility in Winchester, Massachusetts, to the Division of Radiological Health of the U.S. Public Health Service. The opening of this laboratory increased to five the number of technical and research facilities operated by the Division of Radiological Health.

The role of the NERHL, as the Winchester facility is known, is to support a continuing program to determine and evaluate levels of radiation in man's environment. More specifically, it seeks to protect the public health from the deleterious effects of ionizing radiation and to study new applications of nuclear energy for the general benefit. In more detail, the purpose of NERHL is fourfold:

**1.** To provide analytical services in support of the nationwide surveillance networks operated by the Division of Radiological Health.

**2.** To conduct research projects on the development of new, and the improvement of existing, techniques for radionuclide determinations.

**3.** To provide short course training for state and local health department personnel.

**4.** To provide skilled technical resources for 15 northeastern states in support of all phases of radiological health, such as specialized field studies, evaluation of reactor contamination potentials, and assessment of biological effects.

Under the analytical services program, 250 samples can now be processed each month. The research program got under way in mid-1962 with a study of fallout iodine-131 in children's thyroids. Research also continued on a method of dating marine carbonate samples by measuring isotopic Thorium ratios. In 1963 projects on Carbon 14 and Tritium methodology, heavy element methodology, and uptake of radionuclides by marine organisms were approved. NERHL's engineering program has until recently been largely devoted to an evaluation of reactor contamination potentials. In fiscal year 1962, an important part of this activity was inspection of the United States' first commercial atomic power reactor, owned and operated in Rome, Massachusetts, by Yankee Atomic Electric Company, which is a partnership of ten regional utility companies. During fiscal 1963, NERHL will begin studies of techniques in environmental surveillance, utilization of radiation in public health engineering, and radiological instrumentation and associated systems.

### Shields Warren Program

In October 1963, plans were laid at Boston's New England Deaconess Hospital for the first step in the development of a regional radiation research centre where some of the nation's best scientific talent will work together to develop new methods of cancer treatment. Named after the director of the Deaconess's Cancer Research Institute, a pioneer in the effects of atomic radiation, the Shields Warren Laboratory will complement and expand the work of NERHL. Ground was broken late last year for the four-storey, $2.3 million, prefabricated concrete and glass laboratory building.

The approach at the Shields Warren Laboratory, as at the NERHL, will be both practical (in the im-

mediate medical sense) and research-oriented. Harvard Medical School will administer the research program. The Boston Children's Hospital and the Beth Israel Hospital will share with the Deaconess the facilities for clinical radiation and treatment. There will also be opportunities for research in radiology for all the hospitals associated with Harvard Medical School. Eventually, the building will house several types of high-energy radiation equipment for experimental treatment of cancer, such as multi-million-volt X-ray machines and linear accelerators to produce high-speed electrons. Six floors of laboratories will provide more than 30,000 square feet of floor space for work in biophysics, radiobiology and related fields.

Canadian firms wishing to obtain more specific information about opportunities in nuclear and radiation research in New England are invited to write the Consul and senior Trade Commissioner, Canadian Consulate General, 607 Boylston Street, Boston 16, Massachusetts. ●

# Wortac—a New Canadian Export

**A Canadian firm has developed an electronic system that tests and calibrates airborne radar while an aircraft is still on the ground—and is finding customers for it in the U.S., Europe and Japan.**

A VERSATILE Canadian-developed electronics system is winning export orders for Canadian Westinghouse Co. Ltd. from major aircraft manufacturers in Europe and Japan.

The Hamilton, Ontario, firm has just made its fourteenth shipment overseas of a mobile system that completely tests and calibrates airborne radar while an aircraft is on the ground. Called Wortac—for Westinghouse Overall Radar Tester and Calibrator — the electronic equipment exercises modern airborne radar in all modes of operation by simulating actual flight conditions.

The company made its first sale of Wortac to Lockheed Aircraft in the United States. Orders have since been won in West Germany, Italy, Belgium and the Netherlands. Fokker, Messerschmitt and Fiat are among the manufacturers now using the system to check out radar equipment installed in overseas versions of the F-104 military aircraft. Latest sale is to Mitsubishi Heavy Industries, Komaki, Japan.

To date approximately a million dollars worth of Wortac business has been booked and in each instance the order has been gained only after a tough battle with competition, Westinghouse reports.

Potential customers are pinpointed by close study of projected aircraft production programs and evaluation of the types of radar involved. When it is determined that the test system is compatible with the radar, technical representatives are dispatched to meet prospective buyers on their home ground with a comprehensive product story.

Westinghouse contends that export markets cannot be exploited from behind desks in the home office. Scarcely a week passes that does not see technical sales teams from its Electronics Division knocking on doors in overseas countries. This marketing effort is reinforced by activity on the part of the company's International Division. Training of sales personnel is by no means limited to Wortac alone: each man is armed with a broad knowledge of aircraft and radar.

"We are dealing with very specialized equipment, and it is necessary to prove to prospective customers that our system offers not only a new way of doing things, but also a better way," Electronics Division manager G. P. Adamson stated. "Once this is accomplished, negotiations proceed along the normal lines of price and delivery."

Negotiations vary in length: one contract was signed after four weeks and another required four months. Terms of payment have not posed any problem so far.

In obtaining the Japanese order, in addition to help received from the Department of Trade and Commerce, contact was made with Mitsubishi offices in New York and Los Angeles. A demonstration of system capabilities was arranged in California for the benefit of Japanese defence authorities.

Although Wortac is at present being used exclusively to test NASARR (North American Search and Ranging Radar), discussions with manufacturers of other types of airborne radar have determined that the system is also compatible with the requirements of their equipment. Any modifications required would be minor.

This electronic test system, says Westinghouse, can be used with equal facility by both manufacturer and user of aircraft. A fully militarized unit has been developed for use by air forces and sales of this version are being pursued aggressively overseas. ●

# Poland: the Problems of Progress

**The author, whose territory includes Poland, is currently touring Canada* to discuss trade with Denmark and Poland. Here he offers a picture of Poland—its agriculture, industry, trade, and trading techniques—and discusses Canada's place in this market.**

K. NYENHUIS, *Commercial Counsellor, Copenhagen.*

POLAND'S economy is still being rebuilt, following the devastation and upheaval of the Second World War. The organization of production, housing, transport and communications still involves many problems. Essential imports from abroad have to be programmed and priorities must be strictly observed. If this situation is a sign of Poland's economic weakness, it is also proof of its integrity in financial matters, in which the country enjoys an enviable reputation.

Notwithstanding these obstacles, since the early postwar years Poland has made giant strides in economic development. All phases of industry, primary as well as secondary, have undergone radical transformation and agriculture has in some ways been reorganized. Nevertheless, a certain impatience is often apparent, officially as well as privately, over the individual performance of branches of industry and sectors of agriculture. It is realized that certain shortcomings are sometimes the result of and inherent in the highly centralized system. Poland has to acquire new techniques for the production of new machines by heavy industries and in the use of raw material reserves. A severe obstacle to rapid advance is the rather unsatisfactory progress in industrial design.

Poland's industrial effort is built up around the machine industry as the focal point for export trade and around the foodstuffs industry, whose exports bring in the foreign currency needed to buy capital goods. The lack of a sufficient number of suitable and properly organized research stations and of laboratories for the checking of the quality and efficiency of production is severely felt. Measures to remedy this situation are actively sought and applied.

## Problems in Increasing Output

Industrial production, notwithstanding the constant increase, often falls short of set targets. The output of spare parts, although it is rising, presents a special problem, particularly parts for agricultural machinery. Many textile factories are still using machinery 50 or more years old. The chemical industry, which has increased its output 14 times over the prewar figure, is still behind many other countries in refining and in production of synthetic rubber and textiles. Production of fertilizers, on which the new agricultural policy depends, is also behind schedule. Just as important, however, as the building of new plants and the reorganization of some industries is the training of qualified workers and technicians.

Poland's main industrial raw material is hard coal, reserves of which are estimated at 70,000 to 80,000 million tons, and coal is one of the principal exports as well. Poland also has important deposits of brown coal, rock salt, sulphur, clay, iron, zinc, lead and copper ores, as well as other minerals. Oil and natural gas are being found in increasing quantities.

Hard coal was until recently almost the sole source of industrial energy, including the production of over 32,000 million kwh. of electricity. At present brown coal is used more and more as fuel for electric power stations.

Apart from the basic industries—mining, heavy metal and machine industries (see Table I)—there are

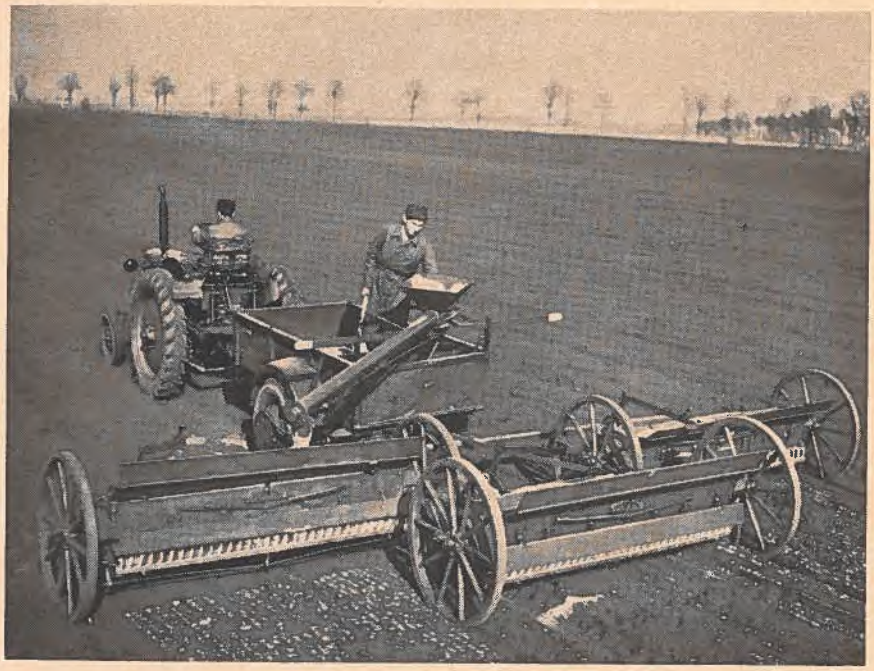
**TABLE I**

**PRODUCTION OF PRINCIPAL INDUSTRIES**

| | | |
|---|---|---|
| Hard coal (1962) | 110 | million metric tons |
| Pig iron (1962) | 6.8 | million metric tons |
| Crude steel (1962) | 7.6 | million metric tons |
| Rolled products (1961) | 4.8 | million metric tons |
| Metalworking machine tools (1961) | 24,700 | units |
| Agricultural machinery (1961) | 142,000 | metric tons |
| Electric motors (1961) | 1,230,000 | units |
| Cement (1962) | 7.5 | million metric tons |
| Ships (1962) | 218,600 | d.w.t. |
| Sulphuric acid (100 per cent) (1961) | 794,000 | metric tons |
| Cotton fabrics (1961) | 710 | million metres |
| Woollen fabrics (1961) | 77.6 | million metres |
| Cellulose fibres (1962) | 76,033 | metric tons |
| Allumin type "wipolan" (1962) | 3,001 | metric tons |
| Synthetic fibres (polyamide steelon) (1962) | 6,156 | metric tons |
| Footwear (including rubber) (1961) | 150 | million pairs |

*For Mr. Nyenhuis' itinerary, see page 33.

approximately 28,000 other factories and 136,000 handicraft workshops in Poland with small-scale production; together they make up 15 per cent of total output. These factories and workshops produce household articles, small implements, textiles, furniture, spare parts, etc., and they are often organized in co-operatives. Much attention is being given at present to a greater concentration of production as well as the rationalization of these industries. The large cottage industry contributes important exports of Polish handicrafts and brings in additional income for the rural as well as the urban population.



*Polish agriculture, which remains largely in private hands, is turning to mechanization with the objective of stepping up food production. Cultivation practices are also being improved and the greater use of certified seed is being stressed.*

### Agriculture Faces Problems

In Poland 87 per cent of the total land cultivated is still in the private sector and it contributes almost 90 per cent of total agricultural output. Agricultural products account for about 20 per cent of total exports and over half of these move to non-Communist countries. The foreign exchange earned makes it possible for Poland to buy grain and industrial equipment in the West.

Unfavourable growing conditions in the last few years, plus insufficient investment in agriculture and in industries producing for agriculture, have impeded the buildup of grain, fodder and seed stocks in Poland. An additional problem is the need for building roads and bridges and the maintenance of existing installations. Buildings for storage are needed on farms to cut down on waste and the deterioration of stored grain.

To increase production and to bring in better cultivation practices, the growing of crops under contract (especially sugar beet) is receiving close attention. A greater volume of certified seed will be raised and more seed-cleaning machinery produced. In general, the need to bring in more advanced techniques through agricultural education is recognized as of the greatest importance.

Production and use of fodder are to be further increased. The output of mixed feeds rose from 450,000 tons in 1960 to more than 1.2 million tons in 1963 and it is expected that 2 million tons will be produced this year. Livestock production is important on the small Polish farms and meat is a valuable export; improvement of the quality and variety of processed meats is getting a good deal of attention.

Improvements in agricultural production will depend largely on the extent of new investment in this industry. It is recognized that over the last three years the large amount spent on food imports has militated against bigger imports of industrial goods. The Polish Government has decided in principle to place greater emphasis on agricultural investment.

### Foreign Trade

Foreign trade in Poland is a state monopoly; the administrative body is the Ministry of Foreign Trade. All foreign trade operations are carried out within the framework of the national plan, through special enterprises that have strictly defined and exclusive powers but also considerable independence. These enterprises deal directly with foreign firms or agents.

As Polish industry develops, the structure of imports and exports changes. In imports, the proportion of fuels, raw materials and semi-manufactures is increasing but that of machinery, industrial and transport equipment and industrial consumer goods is decreasing. In exports, however, the proportion of machines and machine tools, industrial and transport equipment and industrial consumer goods is increasing and that of raw materials and fuels is decreasing.

Poland's principal imports by groups of commodities are machines and machine tools, transport equipment, fuels, ferrous and non-ferrous metals and alloys, chemicals (fertilizers and caoutchouc, tannins and dyes) wood, paper and pulp, textile raw materials, salt products, cereals, and foodstuffs.

Over 60 per cent of Poland's trade is carried on with the Com-

## The Polish Market

**Chief ports: Szczecin, Gdansk and Gdynia**

**Marketing centres: Warsaw (populatian) 1,136,000; Ladz 708,000; Krakow 479,000; Wraclaw 429,000; Poznan 408,000; Gdansk 286,000.**

**Tatal Palish imports: (Palish statistics) 1962—Can.$2,036 millian.**

**Chief imports: (per cent) 1962—machinery and industrial equipment 26.9, metals and metal semi-manufactured gaads 10.4, raw materials and semi-manufactured goods far textile industry 8.4, fuels (including electric power) 8.2, grains and grain praducts 7.4.**

**Chief suppliers: (per cent) 1962—U.S.S.R. 30.6, East Germany 12.5, Czechaslavakia 10.5, Britain 6.3, United States 4.2, Hungary 3.6, West Germany 3.3, Yugoslavia 2.1, Canada 1.6.**

**Value af imparts fram Canada: (DBS figures) 1963—Can.$27.2 million; 1962—Can.$37.4 million.**

**Chief imparts from Canada: (Can.$) 1962—wheat 28.4 millian, synthetic fibres 4.6 millian, capper refinery shapes 2.9 million, asbestos fibres 843,000.**

**Tatal Palish exparts: (Palish statistics) 1962—Can.$1,777.8 millian.**

**Chief exparts: (per cent) 1962—machinery and industrial equipment 19.8, coal and cake 17.2, transport equipment (mainly ships and railway rolling stack) 10.2, ferrous metals and their allays 8.6, cansumer goods other than textiles and clathing 6.8, meat and processed meat 6.6.**

**Chief markets: (per cent) 1962—U.S.S.R. 34.5, Czechoslavakia 8.9, East Germany 7.1, Britain 6.3, West Germany 5.1, Hungary 3.9, United States 2.6.**

**Value af Palish exparts to Canada: (DBS figures) 1963 (eleven months)—Can.$6.2 million; 1962—$4.8 million.**

**Chief Canadian purchases: (Can.$) 1962—bicycles, tricycles and parts 431,000; preserved ar pickled fruits and nuts 384,000; catton shirts (not knitted) 250,000; eggs in the shell 247,000; catton flannelette 230,000; canned meats 220,000.**

munist Bloc. The Soviet Union contributes 30.6 per cent, East Germany 12.5, and Czechoslovakia 10.5. Other countries supply 34 per cent, of which Britain contributes 6.3 per cent, West Germany 3.3, United States 4.2, and Canada 1.6 per cent*.

Poland's principal exports by commodity groups are machines and machine tools, railway rolling stock, ships, fuels, iron and steel products, zinc, chemicals, building materials, live animals, agricultural products, meat and eggs, textiles and handicrafts.

The principal markets are the Communist countries, 63 per cent —of which the U.S.S.R. purchases 34.5 per cent, Czechoslovakia 8.9 per cent, East Germany 7.1 per cent, and Hungary 3.9 per cent. Other countries purchased 37 per cent, of which Britain buys 6.3 per cent, West Germany 5.2 per cent, Italy 2.4 per cent, United States 2.6 per cent, and Canada 0.3 per cent.

### Trade with Canada

Canada's trade with Poland began to develop again in the early 50's after the wartime disruption and has gradually increased, especially since 1956. Canada's principal exports to Poland are wheat, copper refinery shapes, asbestos, synthetic fibres, wool rags, cattle hides, plastics and synthetic rubber. Our imports from Poland consist mainly of fruit pulp, furskins, canned meat, textiles, bicycles, glass and glassware, rubber footwear, and furniture. In 1963, Canadian exports to Poland totalled $27,199,853 (1962—$37,448,734). Imports from Poland in 1963 (11 months) reached $6,216,855 (1962, 12 months—$4,789,783). The striking imbalance resulted from the large shipments of Canada's wheat, for which Poland has been a steady customer for many years. In November 1963, Canada concluded an agreement with Poland to provide 44 million bushels of wheat over the following three years.

### Trading with and Visiting Poland

Goods, either exported or imported, passing through authorized Polish foreign trade enterprises are free from customs duties and handling costs. Goods may be imported and exported under permits issued by the Ministry of Foreign Trade.

Foreign and other currencies imported by the visitor into Poland may be exported only on condition that they have been declared in the Customs and Currency Declaration on entering the country. Foreign currency may be changed into Polish zlotys at the frontier customs office, the Polish State Bank (Narodowy Bank Polski), or at the Polish travel offices, "Orbis". Or they may be offered as a gift from the visitor to his relatives or friends in Poland. Both the import and export of Polish currency are prohibited. Private citizens are not permitted to offer zlotys in exchange for foreign currency.

Information on the import and export of currency and valuables is available from Polish Consular offices or other visa offices at the

*Canadian businessmen interested in commercial transactions with Poland should write to the Commercial Counsellor, Copenhagen, Denmark. Poland is part of his territory.

time requests for visas are received. Foreign visitors to Poland must have a valid passport and a visa issued by a Polish consulate or diplomatic mission or especially approved travel bureau. Visitors should enter and leave Poland through the frontier crossing point and within the period specified on their visas. The length of stay is defined in days and starts from the date on which the frontier is crossed. For transit visas, the length of stay is defined in hours.

Applications for visas should be made on the forms supplied by the consular offices and four photographs must be attached. ●

# The Competitive Danish Market

**Denmark's exports boomed last year, with expanded sales of both agricultural and industrial products. Imports declined slightly, but Canadian sales rose to $6.8 million, because of demand for industrial raw materials and semi-processed goods. Opportunities open to Canadian firms able to meet stiff competition.**

K. O. HILLYER, *Assistant Commercial Secretary, Copenhagen.*

DENMARK, at a time when many nations are striving for a 5 to 6 per cent annual increase in gross national product, has noted with satisfaction the 2 per cent increase in its GNP in 1963. The past year was expected to be particularly difficult and economists were encouraged by the increase in productivity in spite of the severe economic restrictions imposed.

The principal factor in this increase in GNP despite these restraints was the continuing impetus that export sales provided. In December, in fact, exports were the highest recorded for any one month. For 1963 as a whole, they rose to Can.$2,030 million, an increase of 14 per cent over the previous year. Exports of farm products, including canned milk and meat, reached Can.$930 million, an increase of 11 per cent, but they accounted for 46 per cent of total exports compared with 48 per cent in 1962.

## EEC Markets Vital

The increasing difficulties that Danish agricultural exports are encountering in EEC markets have been offset to some extent by the better prices obtained on the British market. However, the importance of the EEC as an outlet for Danish agriculture is underlined by the fact that in 1963 West Germany took 50 per cent of total Danish cheese exports and 74 per cent of total egg exports. The EEC countries, mainly Italy, took 72 per cent of total beef and veal exports. The combined volume of these exports may not exceed the combined volume of Danish butter and bacon shipments to Britain, but they emphasize the importance to Denmark of the formulation of a liberal agricultural trade policy among the Six.

Remarkable as the expansion of Danish agricultural exports is, even more noteworthy is the expansion of industrial exports: they rose in 1963 to Can.$810 million, an increase of 19 per cent over the previous year. Major contributors to this increase were textiles and clothing, exports of which rose 19 per cent, iron and metal goods (over 18 per cent), new vessels (over 76 per cent), and chemicals (almost 17 per cent).

With the severe restrictions imposed on the economy, domestic demand was curtailed and as a result imports actually declined slightly in value in 1963 to Can. $2,290 million. Thus Denmark was able to reduce its adverse balance of visible trade and realize a balance-of-payments surplus in 1963, the first for several years.

## Trading Outlook

The Danish Government's annual economic survey, recently presented to Parliament, noted with satisfaction the stabilization of the economy in 1963 and stated that the groundwork had been laid for considerable economic growth in 1964. The continuing boom in export markets can be expected to mean larger industrial exports in 1964 and, as a prerequisite, increased industrial activity at home. There will, of course, be less favourable tendencies: very little expansion in agricultural sales abroad can be expected. Egg shipments to EEC countries, for example, now valued at well over Can. $1.8 million, will probably decline sharply in the face of the recent EEC decision to double the import levy on eggs. In addition, the

tightening of prices in the international market for the raw materials on which Danish industry depends will not make it easier for its exports to compete overseas.

### Canada Sells More

Canada cannot be regarded as one of Denmark's major overseas suppliers; we provide less than 0.3 per cent of Danish imports. In 1963, however, our exports to Denmark increased by 10 per cent to Can.$6.8 million. This rise was mainly the result of the faster tempo of industrial activity and thus the greater need for industrial raw materials and semi-manufactured goods. Good opportunities are still developing for chemicals, minerals and metals.

Another encouraging sign is the increase in the range of goods Canada is now shipping to Denmark. The continuing liberalization of imports and larger quotas for the few products still under import control have meant expanded opportunities and, in some instances, bigger sales for Canadian suppliers of consumer goods. The only dark spot in the picture is the poor market for products for domestic use —appliances in particular, where the strength of local manufacturers prevents imports from gaining anything more than a slight foothold.

### Opportunities for Canadians

Canada can be expected to share in the increased imports that Denmark is certain to need if strong consumer demand and greater industrial activity are maintained throughout 1964. Current estimates are that imports will be 10 per cent higher than last year. Opportunities appear promising for industrial raw materials (including metals, plastics and chemicals), semi-manufactured goods and consumer products.

But Canadian exporters to Denmark know that getting orders is not easy. This is an individual market that must be examined carefully and in many ways it is unlike others in Europe. For example, the Danish home has been centrally heated for many years and there is an aggressive local heating industry which makes it difficult for foreign suppliers to get a bigger share of the business. The Danish market is also extremely competitive. Because Denmark is a member of the European Free Trade Area, other EFTA countries have a considerable advantage in selling here. Imports from EFTA sources are now subject to only 40 per cent of the duty that imports from non-EFTA members must pay. Major industrial and raw material exporters, such as West Germany, Italy, France and Poland, are not in EFTA but they are much closer to the Danish market than Canada is and their transportation costs are lower.

The Danish market may be small and under strong competitive pressure but, as many Canadian exporters discovered in 1963, it can be profitable. The Commercial Counsellor at the Canadian Embassy, Copenhagen, (who is currently touring Canada to discuss opportunities in his territory with Canadian businessmen) will gladly undertake an initial market survey for any exporter and will suggest how he can obtain the widest distribution for his product. If the exporter follows up this survey with an on-the-spot investigation and finds that he can land his product at the right price and under the right conditions for the consumer, then he can expect initial and probably increasing exports to Denmark. ●

## South Africa Exports Deciduous Fruit

IN October 1962, officials of the Deciduous Fruit Board of South Africa (SADFB) visited Canada to study the market potential for South Africa's deciduous fruits. Until 1962 only a modest amount of grapes (12 tons) and a few pears had been shipped to Canada. But by the end of the 1961-62 crop year Canada had imported over 134 tons of grapes and 10 tons of pears. Purchases increased again in the 1962-63 season, with Canada importing 715 tons of grapes, 260 tons of pears, and 30 odd tons of apricots, peaches, plums and apples.

In the past, a combination of high shipping costs and lack of refrigerated space were the main obstacles to sales of South African fruit in Canada. However, the Christensen-Canadian-African Lines now has three vessels in use with 1,700 cubic tons of refrigerated space each, and will shortly put a fully refrigerated express cargo liner into service between Canada and South Africa. With costs in the U.S. deciduous fruit industry increasing, the SADFB is looking to Canada as an important new market in which its products are becoming more and more competitive.

With South African deciduous fruit production increasing at its present rate, new markets are essential. Since 1960, output has increased by 35 per cent, and the SADFB, on the basis of present tree plantings, expects production to double by 1970. Britain has traditionally bought over 65 per cent of South African production; Belgium, Sweden, West Germany and France are good but smaller markets.

The SADFB, set up by the Government, is the sole exporter of apricots, peaches and nectarines, plums and prunes, pears, table grapes and apples in South Africa. It determines prices, buys the fruit for export, and delivers it for shipment to the Perishable Products Export Control Board. The two Boards maintain continuous contact and thus co-ordinate deliveries with availability of tonnage.

To widen their markets and particularly to compete more effectively in the European Common Market, South Africa, Australia and New Zealand have agreed to establish a joint secretariat for SANZA, the organization charged with the promotion and marketing of apples and pears from these three countries. The campaign to popularize apples and pears from the three countries in overseas markets will be intensified.

—R. G. GODSON,
*Assistant Trade Commissioner, Cape Town.*

# Britain Invests Abroad

**Canada continues to have the largest accumulated amount of British capital investment abroad, though the United States attracted more British investors in 1962. Less capital is going into manufacturing plants in North America and more into those in the EEC.**

G. W. ROONEY,
*Assistant Commercial Secretary (Industrial Development), London.*

DIRECT investment capital flows abroad from Britain at an average rate of about $600 million a year. This direct investment is in the form of capital invested in plant and equipment. About 60 per cent of the total goes to sterling area countries and over half of this to South Africa, India, Australia and New Zealand. A large part of the remainder goes to North America but the Western European share has recently been rising sharply. Table I gives an interesting comparison of the figures for Canada and the United States.

**TABLE I**

**BRITAIN'S PRIVATE DIRECT INVESTMENT**

**(excluding oil and insurance)**

| Year | Canada | United States |
|---|---|---|
| | (millions of U.S.$) | |
| 1959 | 107.1 | 47.1 |
| 1960 | 82.5 | 45.9 |
| 1961 | 49.2 | 58.8 |
| 1962 | 20.1 | 21.9 |

Despite the decline in British investment in Canada in recent years, British net assets in Canada have an accumulated value of over $1,800 million, or 20 per cent of all British investment abroad, which puts Canada in first place. Australia comes second with $1,200 million, and the United States third with $825 million.

### Type of Investment Changing

It has been calculated that the proportion Britain is investing in manufacturing industries has fallen from 57 per cent to 44 per cent of the total over the past five years; the proportion invested in distribution industries has risen from 2 to 19 per cent. The down-trend in manufacturing investment is apparent in each of the areas included in a Board of Trade analysis but it was particularly marked in North America. Here, investment in manufacturing industries in 1961 represented 32 per cent of total investment in the area against 82 per cent in 1958. In 1961, all of this reduction occurred in Canada; British investment in the United States rose above the 1959/60 figure. In previous years a greater proportion of this flow was directed towards Canada. The amount invested in manufacturing in Western Europe rose substantially in 1961 and was 14 per cent greater than in the previous year. In the overseas sterling area countries, rather less British money went into manufacturing than in 1960.

The proportion being invested in agriculture and mining has changed very little since 1959, when it attracted 12 per cent. About a quarter of total earnings from British overseas investment in all four years came from agriculture and mining and just under a half from manufacturing.

A large part, possibly more than a third, of all direct investment by Britain abroad consists of profits ploughed back by British branches and subsidiaries already operating in these countries. Since there is a tendency to maintain dividends, it follows that the level of British direct investment tends to fluctuate from year to year with the level of profits.

### Some Movements Controlled

Earnings on direct investment abroad contribute largely towards balancing the British current account. There is always a problem, however, in allowing capital to move freely abroad—that the outflow may create foreign exchange difficulties and hamper economic growth at home. Capital movements from Britain to non-sterling area countries, including the investment of retained profits, are currently controlled. Direct investment in non-sterling area countries is allowed at present via official exchange only if there seems to be a prospect of a commensurate return at an early date. Other direct investments are allowed through the premium dollar pool.

Portfolio investment in non-sterling area countries has been controlled to a large degree by allowing purchases only through the premium dollar pool (consisting mainly of the proceeds of sales of foreign securities or of other capital assets held abroad) because this involves no movement of capital out of the country. The cost of purchasing premium dollars at the time of writing is 7½ per cent and was as high as 19 per cent following the Suez crisis. Little is published about the foreign operations of oil and insurance companies, although their investment abroad is also controlled. The recent National Economic Development Council report recommends that portfolio and oil company investment abroad should continue to be restricted.

Britain will obviously continue to build up her investments abroad whenever and wherever possible to supplement her export earnings. The

annual rate of British direct investment in Canada has fallen since 1959 mainly because of the attention focused on Europe during the period of the British negotiations to enter the European Economic Community. There is some possibility that the breakdown of negotiations will result in renewed interest in investment elsewhere and that Canada will again attract a larger share. ●

# TRANSPORTATION NOTES

### Colombia

AIRPORT MODERNIZATION—Following plans to replace the DC-3, DC-4 and Super Constellation aircraft now in service on domestic routes with short-range jet equipment, the Colombian Government has announced plans to spend approximately U.S.$50 million on modernization of national airports. The BAC 111 and Sud Aviation's Caravelle are being considered for acquisition between 1965 and 1970. This will require improved airport facilities. First priority will be modernization of the airports at Cali, Barranquilla and Medellin—Bogotá.

### Italy

LARGEST TANKER LAUNCHED—The largest tanker ever built in Italy, the *Carlo Camelli,* was launched recently by the Cantieri Riuniti dell'Adriatico of Monfalcone (near Trieste). The tanker is almost 300 yards long, 40 yards wide, and 21½ yards high, has a gross tonnage of 90,400 metric tons and a capacity of approximately 110,000 cubic metres. It is powered by a 25,200 h.p. Fiat diesel engine and can travel at a speed of 16.4 knots when fully loaded—Rome.

### Pakistan

NEW PORT—The Government of Pakistan is considering a plan to build a new port on the Mekran coast in West Pakistan, at a cost of nearly U.S.$45 million. The intention would be to remove West Pakistan's complete dependence on the port of Karachi—Karachi.

### Peru

HIGHWAY DEVELOPMENT—Peru, Bolivia, Ecuador and Colombia have signed a contract for the preliminary feasibility study of a 3,800-mile Andean highway designed to link the territories of these four republics. The study, which will cost U.S.$200,000, is being financed by a loan from the IADB (Inter-American Development Bank) plus equivalent amounts in services to be provided by each of the four governments. The projected highway would run from northern Colombia to eastern Bolivia, through the foothills of the Eastern Andes along the Amazon Basin. Total cost is now estimated at from $200 to $400 million—Lima.

### South Africa

FREIGHT RATES—The Association of Lines from South Africa to Australia has increased freight rates by approximately 7 per cent; the increase applies to vessels loading at their first South African port on or after January 1, 1964. A similar increase applies to shipments from South Africa to New Zealand, effective February 1, 1964—Cape Town.

### Turkey

TRABZON IMPROVED—Extensions to the Black Sea port of Trabzon, costing the equivalent of Can.$450,000, have now been completed, raising annual handling capacity at the port from 200,000 to one million tons. This CENTO-financed project will enable the port to handle a larger volume of international shipping and in the near future, on completion of the new Tabriz (Iran)-Trabzon road and railway link, to provide easier communications between Iran and Europe—Athens.

### United States

NEW CARGO SHIPS—Eight cargo ships will be built in New Orleans, the first in the United States with an engineered integrated system of main propulsion machinery and centralized engine room control equipment. The system will enable one man to control the operations of the ship's engine room and permit a 30 per cent reduction in crew—from 46 to 32 men on each ship. The $82 million contract calls for eight ships, each with an over-all length of 540 feet, a dead weight of 14,000 tons and a speed of 20 knots—New Orleans.

SUPER PIGGY-BAK TOW—A super Piggy-Bak tow has been constructed in New Orleans. The barge-on-barge-on-barge combination consists of five hopper-type barges, each 110 × 24 × 5½ feet, and ten anhydrous ammonia tanks 12 feet in diameter by 38 feet long, insulated for minus 28 degrees F. internal temperature. A unique feature permits the tanks to be easily lifted out of the barges, allowing the hoppers to carry bulk phosphates when the occasion arises. The design of

these barges results in minimum weight and draft for carrying the maximum cargo, including the ammonia tanks—New Orleans.

### Uruguay

FREIGHT RATES—The Freight Committee of the River Plate-United Kingdom has announced that higher operating costs have forced a revision of freight rates from River Plate ports to Britain. The new rates affect vessels loading at the ports concerned on or after March 1, 1964. The effect on freight rates from River Plate ports to other countries is not yet clear—Montevideo.

### U.S.S.R.

RAILWAY EXPANSION—The network of railways in the U.S.S.R. now exceeds 142,000 miles and it is possible to journey by rail across the country from its western borders to Siberia and the Pacific Coast, or into the Arctic, as well as to Kazakhstan, Central Asia, the Crimea and Transcaucasia. An express passenger service between Moscow and Leningrad, with electric trains averaging 73 mph, has been inaugurated.

The Turkestan-Siberia railroad (Turksib), now called the Kazakh railroad, which links Siberia with Kazakhstan and Central Asia via Semipalatinsk, went into operation in 1930 and was one of the country's first major projects. The 1,820-mile South Siberian railroad, still in the construction stage, stretches from the Urals towards the Kuznetsk Basin parallel to the Great Trans-Siberian railroad and is opening large new areas rich in timber, steel and mineral resources. The final section in the east, crossing the Sayansky Mountains, will soon link Abakan with Taishet and join the Great Trans-Siberian railroad. In the south, the Ashkhabad railroad crosses the Kara-Kum desert to the Caspian seaboard.

As a result of the expansion of railways, freight traffic has increased sharply in the U.S.S.R.: amounted in 1962 to 2,074.4 million tons. The system of electric and diesel traction services has increased by 28,000 miles during the last decade to a total of 33,000 miles and in 1962 accounted for 61.8 per cent of the freight traffic—Moscow.

### West Germany

MOSELLE RIVER NAVIGATION—Canalization of the Moselle River is almost finished after six years. Boats of 1,500 tons, with a draft of up to seven feet, will soon be able to travel all the way from the North Sea up the Rhine River and Moselle Canal system to Metz, France.

Traffic is expected to reach ten million tons per year. The canal will service about 5 per cent of the area and 10 per cent of the population of the European Economic Community. This area includes over 80 per cent of the iron ore, 70 per cent of the coal, and 77 per cent of the steel production in Europe—Duesseldorf.

## Trade Commissioners on Tour

### In Canada

The following officer is undertaking a tour of business centres throughout Canada as detailed below. Businessmen who wish to see him should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions: Toronto, Winnipeg and Edmonton, Canadian Manufacturers Association; Windsor (Ontario), Greater Windsor Industrial Commission; St. John's, Ottawa and Vancouver, Department of Trade and Commerce; Victoria, Department of Trade and Industry; Fredericton, Department of Industry and Development.

**Denmark**—K. Nyenhuis, Commercial Counsellor in Copenhagen, Denmark. Greenland and Poland are also included in the territory of the Copenhagen office.

Windsor—April 6
Sarnia—April 7
Woodstock—April 8
Hamilton—April 9-10
Toronto—April 13-17
Montreal—April 21-28
Quebec City—April 29-30
Halifax—May 1-4
Fredericton—May 7-8

### In Territory

**Bermuda**—W. G. Huxtable, Consul and Trade Commissioner in New York, will visit Bermuda April 1-11. Businessmen can write to Mr. Huxtable in Bermuda c/o the Hon. Sir Harry Butterfield, Honorary Representative, Department of Trade and Commerce, Bank of N. T. Butterfield and Son, Hamilton.

**Britain**—D. S. Armour, Assistant Trade Commissioner in Liverpool, will visit Birmingham, Wolverhampton and Coventry April 6-10.

W. R. Van, Trade Commissioner in Liverpool, will visit Hull April 23 and 24.

**Ecuador**—J. H. Bailey, Commercial Secretary in Bogotá, Colombia, will visit Ecuador April 28 to May 8.

**Korea**—J. D. Blackwood, Commercial Secretary in Tokyo, Japan, will visit Seoul May 11-15.

**Libya**—W. J. Jenkins, Commercial Secretary in Rome, will visit Benghazi April 12-18.

**Malta**—J. H. Stone, Commercial Counsellor in Rome, will visit Malta April 27-May 3.

**Spain**—R. M. Dawson, Commercial Secretary in Madrid, will visit Barcelona April 6-10.

**Tasmania**—L. B. Stryker, Commercial Assistant in Melbourne, Australia, will visit Hobart and Launceston and their districts April 13-17.

**Texas**—T. F. Harris, Consul and Trade Commissioner in New Orleans, will visit Houston April 6-8, Austin April 10-13, and San Antonio April 14-16.

**Venezuela**—J. R. Caux, Commercial Secretary in Caracas, will visit Maracaibo April 13-17.

Businessmen who would like these officers to undertake assignments for them should write to them at their posts as soon as possible.

**Note:** W. G. Brett, Trade Commissioner in Bombay, has postponed his visits to Goa, Kerala and Ceylon indefinitely.

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 Office of Trade Relations and Trade Policy, 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 .92565.

# Foreign Exchange Rates

| Country | Unit | Type of Exchange | Can. dollar equivalent March 23 | Units per Canadian dollar | Notes (see below) |
|---|---|---|---|---|---|
| Argentina | Peso | Free | .007943 | 125.89 | |
| Australia | Pound | | 2.4186 | .4135 | |
| Austria | Schilling | | .04181 | 23.92 | |
| Bahamas | Pound | | 3.0232 | .3308 | |
| Belgium and Luxemburg | Franc | | .02169 | 46.10 | |
| Bermuda | Pound | | 3.0232 | .3308 | |
| Bolivia | Peso | | .09117 | 10.97 | |
| Brazil | Cruzeiro | Official Free | | | |
| | | Special Category | ‡ | ‡ | |
| Britain | Pound | | 3.0232 | .3308 | |
| British Guiana | Dollar | | .6298 | 1.59 | |
| British Honduras | Dollar | | .7558 | 1.32 | |
| Burma | Kyat | | .2269 | 4.41 | |
| Ceylon | Rupee | | .2267 | 4.41 | |
| Chile | Escudo | Bank rate | .4700 | 2.13 | |
| | | Free | .3360 | 2.98 | |
| Colombia | Peso | Certificate | .1200 | 8.33 | |
| Congo, Republic of | Franc | | .007202 | 138.85 | (4) |
| Costa Rica | Colon | | .1631 | 6.13 | |
| Cuba | Peso | | ‡ | ‡ | |
| Czechoslovakia | Koruna | | .1500 | 6.67 | |
| Denmark | Krone | | .1566 | 6.39 | |
| Dominican Republic | Peso | | 1.08031 | .92565 | |
| Ecuador | Sucre | Official | .06002 | 16.66 | |
| | | Free | .05834 | 17.14 | |
| El Salvador | Colon | | .4321 | 2.31 | |
| Fiji | Pound | | 2.7236 | .3672 | |
| Finland | Markka | | .3376 | 2.96 | |
| France, Monaco, etc. | Franc | | .2205 | 4.54 | (1) |
| Franco-African Republics, etc. | Franc | | .004410 | 226.75 | (2) |
| French Pacific | Franc | | .01213 | 82.44 | (3) |
| Germany | D Mark | | .2718 | 3.68 | |
| Ghana | Pound | | 3.0232 | .3308 | |
| Greece | Drachma | | .03601 | 27.78 | |
| Guatemala | Quetzal | | 1.08031 | .92565 | |
| Haiti | Gourde | | .2161 | 4.63 | |
| Honduras | Lempira | | .5402 | 1.85 | |
| Hong Kong | Dollar | Free | .1880 | 5.32 | *March 13 |
| | | Official | .1890 | 5.29 | |

‡No quotation available.

‡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 March 23 | Units per Canadian dollar | Notes (see below) |
|---|---|---|---|---|---|
| Iceland | Krona | Official | .02512 | 39.81 | (4) |
| India | Rupee | | .2267 | 4.41 | |
| Indonesia | Rupiah | | .003430 | 291.58 | (4) |
| Iran | Rial | | .01426 | 70.12 | |
| Iraq | Dinar | | 3.0249 | .3306 | |
| Ireland | Pound | | 3.0232 | .3308 | |
| Israel | Pound | | .3601 | 2.78 | |
| Italy | Lira | | .001729 | 578.36 | |
| Japan | Yen | | .003001 | 333.22 | |
| Lebanon | Pound | Free | .3471 | 2.88 | |
| Malaysia | Straits dollar | | .3529 | 2.83 | |
| Mexico | Peso | | .08643 | 11.57 | |
| Morocco | Dirham | | .2161 | 4.63 | |
| Netherlands | Florin | | .2998 | 3.34 | |
| Netherlands Antilles | Florin | | .5729 | 1.75 | |
| New Zealand | Pound | | 3.0026 | .3330 | |
| Nicaragua | Cordoba | | .1543 | 6.48 | |
| Nigeria | Pound | | 3.0232 | .3308 | |
| Norway | Krone | | .1510 | 6.62 | |
| Pakistan | Rupee | | .2267 | 4.41 | |
| Panama | Balboa | | 1.08031 | .92565 | |
| Paraguay | Guarani | Free | .009723 | 102.84 | |
| Peru | Sol | Free | .04027 | 24.83 | |
| Philippines | Peso | Free | .2772 | 3.61 | |
| Portugal & Colonies | Escudo | | .03759 | 26.60 | (5) |
| South Africa | Rand | | 1.5116 | .6616 | |
| Spain and Dependencies | Peseta | | .01801 | 55.52 | |
| Sweden | Krona | | .2099 | 4.76 | |
| Switzerland | Franc | | .2497 | 4.00 | |
| Syria | Pound | Free | .2833 | 3.53 | |
| Thailand | Baht | Free | .05194 | 19.25 | (4) |
| Tunisia | Dinar | | 2.6252 | .3809 | |
| Turkey | Lira | | .1200 | 8.33 | (4) |
| United Arab Republic | Pound | Official | 2.4847 | .4025 | |
| United States | Dollar | | 1.0803125 | .92565 | |
| Uruguay | Peso | Free | .05569 | 17.96 | |
| Venezuela | Bolivar | Official Free | .2405 | 4.16 | |
| West Indies | Dollar | | .6298 | 1.59 | (6) |
| | Pound | | 3.0232 | .3308 | (7) |
| Yugoslavia | Dinar | Official | .001440 | 694.44 | |

# Notes

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

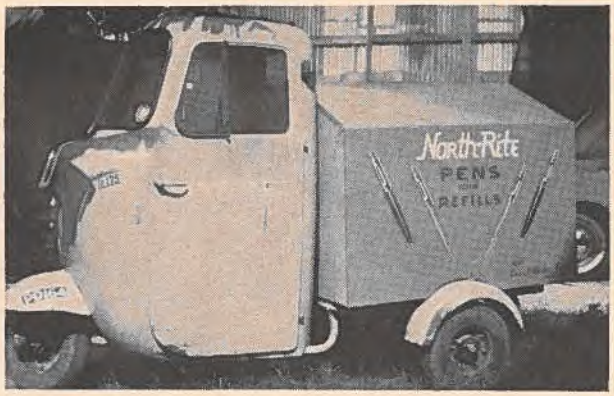
# How Canadians Promote Sales Abroad

**Top, left:** A Canadian manufacturer of ballpoint pens gives his foreign distributors a free hand with advertising. In Trinidad, the result is this delivery scooter which carries the product name through the streets of Port-of-Spain daily.

**Below, left:** A Canadian Holstein breeder believes in the extra touch that promotes goodwill and keeps customers coming back. He presented a bull calf (son of a Grand Champion) to the daughter of a German customer who, during a holiday trip to Canada, bought six cows from him.

**Top, right:** The St. Lucia (Windward Islands) agent for a Canadian salt company caught the attention of a big audience by sponsoring a team in the dance contest held during the Carnival at Castries. They won, too!

**Below, right:** This Canadian vice-president and general manager says his personal visits to Australian buyers resulted in a substantial "measure" of business. You can see from this photo that his tape measure aroused interest.




*If undelivered return to:*
The Queen's Printer, Ottawa, Canada

CANADA
POSTAGE PAID
PORT PAYÉ