

**JULY 25. 64**

# **FOREIGN TRADE**

**DEPARTMENT OF TRADE AND COMMERCE, OTTAWA**



**Setting Up an  
Export-Import  
Business**



# FOREIGN TRADE

JULY 25, 1964

Vol. 122 No. 2

*COVER: This shipment of Polysar rubber made in Canada is destined for a foreign market. It's one of thousands of Canadian products, from small manufacturers and large, moving overseas. It's a good time to get into the export business—if you know the ropes. If you don't, turn to the article on page two for sound advice.*

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

The Hon. MITCHELL SHARP, Minister.

J. H. WARREN, Acting 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.

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

## Setting Up an Export-Import Business 2

Every day the Department receives letters from or is visited by Canadians who want to set up their own export-import firms, or small manufacturers hesitating about going after foreign sales. Here is the advice these inquirers are given about the first steps to take in export trade. It's part one of a two-part article.

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The author looks at Mexico with the eye of a businessman, not a tourist; sees a rapid pace of industrial expansion, greater production of consumer goods, growth of a middle class, slow rise in standard of living. He then discusses the implications of these developments and their effect on the composition of imports.

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Britain doesn't begin and end in London—and Canadians cultivating this market should move outside the London orbit. Our active office in Liverpool covers a wide area containing vital industries and major cities. It's a market worth study.

## Brazil Moves towards Recovery 16

Canadian businessmen often find it difficult to keep abreast of economic changes in Brazil. Last April a new government took the reins of power. The Commercial Counsellor in Rio de Janeiro reviews the early weeks of that regime, discusses the problems it faces, the measures already adopted, and the long-term outlook.

## The Canadian Businessman's Norway 21

Norway has only 3.7 million people but it's an active little market, where Canadians can sell other things besides raw materials. This "market profile" will help you decide whether your product can be sold there—and how to go about it.

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COMING—SETTING UP AN EXPORT/IMPORT BUSINESS, PART II, AUGUST 8

# Setting Up an

## Export-Import Business

Thinking of starting an export/import business? You'll want to ensure success by first briefing yourself thoroughly and obtaining expert help and advice before you take off. This two-part article, written out of long experience, will point you in the right direction.

A. M. TEDFORD, *Director,  
Industrial Materials Branch.*

THE export climate has never been better than it is today. The stimulus provided by the lower value of the Canadian dollar, the increasing opportunities to sell manufactured goods of many types in many foreign markets, and the growing realization among Canadians that they can compete are boosting our foreign sales. At the same time, foreign importers are becoming alive to the fact that Canada has a growing and diversified secondary manufacturing industry and can provide a wide range of products of good quality, competitively priced.

All these developments enhance the new exporter's or the new agent's chances of success. Nevertheless, the development of export markets presents many challenges and many obstacles. The Canadian producer who is preparing to export or the man who wishes to set up an export-import business must be equipped to meet these challenges and overcome these obstacles. He must be prepared to give the same serious attention to export as he would to domestic business. He must realize that a dissatisfied customer in a foreign country is difficult to appease and can damage not only the reputation of the exporter

himself but also that of Canada as an international trader.

A businessman proposing to go into export-import business should, for these and other reasons, be fully aware of what this involves. A number fail because they do not first consider or consider too lightly the ingredients of success.

The most important element in an export enterprise is the man establishing it. He should ask himself a number of searching questions before he launches out. For instance, has he the personal traits—such as leadership qualities, organizing ability, perseverance, and abundant health and energy? Has he had enough experience in export or import trade? Has he specialized in handling certain products or does he have special knowledge of or connections in specific markets abroad considered attractive for Canadian goods? Does he know how much capital he needs to run his business and does he have enough reserves and assets to support the venture until it is making a profit?

### Initial Research

The next step is to determine the commodities in which he wants to specialize and the most promising prospective markets. This calls for some research—even before he gets in touch with the Department of

Trade and Commerce, which is organized to help both the experienced exporter and the man entering this field for the first time.

The best way of discovering the commodities that Canada exports and the countries to which they go (or what we import and from what countries) is to study the following publications in the *Trade of Canada* series, prepared by the External Trade Section of the Dominion Bureau of Statistics:

#### Exports by Commodities

Monthly. Single copies 75 cents,  
\$7.50 a year.

#### Exports by Countries

Quarterly. Single copies \$1.00,  
\$4.00 a year.

#### Imports by Commodities

Monthly. Single copies 75 cents,  
\$7.50 a year.

#### Imports by Countries

Quarterly. Single copies \$1.00,  
\$4.00 a year.

Most public libraries in Canada carry this series or copies can be purchased from the Publications Branch, Queen's Printer, Ottawa, or in the stores that the Queen's Printer maintains in Montreal and Toronto. (If they are ordered from Ottawa, payment must accompany the order.)

For a variety of reasons, many commodities are combined in a

single statistical classification in these publications. On occasion, it is possible to obtain from the Bureau of Statistics a detailed breakdown of certain classifications, particularly if this does not reveal the commercial interests of any Canadian firm.

Careful study of these publications will help the potential exporter/importer to determine what commodities have good prospects and in which areas. At this point, he should consult other directories that list commodities manufactured or handled in Canada and the firms involved. This will give the exporter/importer some knowledge of possible sources of supply of goods. He will discover, for example, that eleven Canadian companies make metal powders and that eight of these are engaged in or are seriously interested in export trade.

Among these directories are:

1. *Canadian Trade Index*, published by the Canadian Manufacturers' Association, 67 Yonge Street, Toronto 1. Price \$24.00.
2. *Fraser's Canadian Directory*, published by Maclean-Hunter Publishing Co., 481 University Avenue, Toronto 2. Price \$12.50.
3. *Scott's Directories of Ontario and Quebec*, published by Penstock Publications Ltd., 2 Forsyth Street, Oakville, Ontario. Price, Quebec, \$39.00; Ontario, \$40.00.
4. Provincial Trade Directories published by the Departments concerned with trade and industry. These departments will be listed in part II of this article.

### Trade and Commerce Services

At this point, the prospective exporter should approach the Department of Trade and Commerce, which stands ready to provide help and guidance, particularly on export trade promotion. His first contact in the Department is with the appropriate commodity branch. There are three altogether—the Agriculture and Fisheries Branch, the Industrial Materials Branch, and the Manufacturing Industries and Engineering Branch. These branches are staffed by specialists who provide the main link between the Department and industry. No matter

what the product, there is a commodity officer to serve the Canadian exporter. These officers will visit plants, sit down with the businessman, learn about his operations, and discuss his products and problems. In years of carrying on export trade promotion the Department has acquired a wealth of information and this is available to Canadian exporters.

The commodity officers also constitute an important channel through which information on Canadian products reaches Canadian trade

offices abroad and information on sales opportunities abroad reaches industry in Canada. One of the commodity officer's main functions is to help new companies to understand the techniques of export trade and to provide counsel and guidance on export problems.

Other branches of the Department specialize in other fields. The Office of Trade Relations and Trade Policy can provide information on documentation needed for exports to any country and on tariffs in foreign countries. They can also supply de-



*In Belize, British Honduras, the Assistant Commercial Secretary in Jamaica discusses Canadian products with the owner of a hardware business. He is only one of more than 150 Trade Commissioners stationed around the world, ready to report on the potential market for Canadian products and assist exporters in many other ways.*

tails about restrictive licensing and quota systems, foreign exchange regulations, and discriminatory practices of all kinds that affect the ability of Canadian exporters to gain access to or maintain their sales in foreign markets. Officers of this branch can also report on economic conditions and the market in various countries. Because this is the branch concerned with trade policy, its officers can discuss the implications of any developments that may affect the short- or long-term prospects for Canadian exports.

The Trade Services Branch carries responsibility for certain trade services in support of the work and the functions of other branches. These include transportation, traffic re-research, confidential trade directories, export and import controls, and related fields. Specialists in the branch are concerned about inadequate transportation facilities or high freight rates and conditions of carriage that prevent industry from competing effectively with foreign suppliers in markets abroad. They also keep in close touch with developments in air freight, freight forwarding, warehousing, packaging, containerization and port facilities, and study and report on ocean charter rates.

The overseas arm of the Department is the Trade Commissioner Service, which has more than 150 officers stationed in 65 posts in 47 different countries. These Trade Commissioners are in a position to prepare market reports and to suggest the best methods of operation to the Canadian exporter. They can report on the current supply of and demand for any product, on prevailing prices, on competition, and also on import and export controls, tariffs and tariff preferences, and customs regulations. They can provide information on shipping and packaging requirements, terms of payment, sales and distribution channels. They can also give information about and recommend suitable agents. Many of the reports that the Trade Commissioners send back to Canada are published in the Department's offi-

cial magazine *Foreign Trade*, which is produced 26 times a year to help the Canadian exporter.

### Regional Offices

The Department of Trade and Commerce maintains regional offices throughout Canada, and these provide useful points of contact for industry because they have at their disposal the entire resources of the Department to help them solve trade problems arising in their area. New exporters should take the opportunity to discuss their trading interests and plans with the regional officers. The offices and the territory each covers are:

#### Newfoundland

Mrs. B. Robertson  
Regional Officer  
Sir Humphrey Gilbert Building  
Duckworth Street  
St. John's, Newfoundland.  
Mail: P.O. Box 5458  
Telephone: 2698

#### Nova Scotia

New Brunswick  
Prince Edward Island  
Mr. D. J. Packman  
Regional Manager  
5525 Artillery Place  
Halifax, Nova Scotia.  
Telephone: 422-8491

#### Quebec

Mr. R. C. Montreuil  
Acting Regional Manager  
Room 2325  
No. 1, Place Ville Marie  
Montreal 2, Quebec.  
Telephone: 878-9114

#### Manitoba

Saskatchewan  
Alberta  
Mr. W. Mackenzie Hall  
Regional Manager  
Room 521, 269 Main Street  
Winnipeg, Manitoba.  
Telephone: WH3-7496

#### British Columbia

Mr. R. F. Renwick  
Regional Manager  
Room 405, 325 Granville Street  
Vancouver, B.C.  
Telephone: MU1-7161

*Part II of this article will be published in the August 8 issue of Foreign Trade—Ed.*

## Japan Develops New Power

JAPAN'S electric power industry has grown remarkably since the war from a state-controlled monopoly with severe power shortages to nine private utilities with sales of 106,145 million kilowatt hours in 1963. Supply capacity, rated at 20,062 mw. in 1962, has more than tripled in ten years and demand has maintained a steady 20 per cent increase.

Distribution, co-ordinated by a central planning group, is instituted through a grid system, with the companies writing agreements between each other covering interchanges of power, material inventories and technical knowhow. In addition, the private companies purchase power from the Electric Power Development Company. This government-owned body, formed in 1952 for the purpose of developing power resources economically out of reach of private companies, now supplies 4.2 per cent of the nation's power.

The lack of accessible sites for hydroelectric development coupled with the immediate need for power during Japan's economic expansion stimulated the development of thermal-electric plants, which by 1962 outrated hydro capacity. Ten years ago most thermal station equipment was being imported but today Japanese manufacturers are producing and exporting modern efficient equipment.

The changeover from coal to more efficient oil is causing repercussions in the over-all national energy program because at the present growth rate Japan will be dependent by 1970 on outside sources for 58.8 per cent of its fuel. To sustain domestic coal production and to enable coal to compete effectively with petroleum, the Government has instituted a complicated plan which in effect subsidizes private utilities if they purchase power from five large coal-fired stations to be built by the EPDC.

An interesting new development is the use of atomic powered generating plants. The first Japanese-built nuclear power reactor, a 166 mw. British-designed Calder Hall type, is scheduled for operation in 1965. By 1970 three new nuclear reactors will be operating with a total capacity of about 1,000 mw. The second stage of nuclear power development will be based around the construction of a Japanese-designed and engineered heavy water system. Considering Canadian experience in this field, there may be an opportunity for close collaboration between the two countries in the development of commercial nuclear power.

—D. A. HILTON,  
Assistant Commercial Secretary, Tokyo.

# Mexico: a Changing Market



F. B. CLARK has spent nearly five years in Mexico as Commercial Counsellor in Mexico City. Now he is back in Canada and travelling across the country to discuss with businessmen the potential and the problems of trade with Mexico. In this article he outlines how industrial expansion has transformed the Mexican market and how this has affected or will affect foreign suppliers.

EVERY city and town in Mexico has at least one public market and the variety of merchandise for sale is wide-ranging—live turkeys, medicinal herbs, clothing, furniture, food and handicrafts of the region. This is the old, picturesque Mexico. Today, however, it also has its supermarkets and discount stores in the cities—and its North American sales methods. The cook of the “casa” used to do all the food shopping daily. Today a steadily growing number of householders have their own cars and refrigerators, so shopping is more of a family affair and is done once or twice a week.

Foreign suppliers would find many more sales opportunities in Mexico if the protective trade barriers were lowered. But Mexico is a country with nearly 40 million people and a high birth rate, and the Government has decided that local industry must be promoted to provide employment for the half-million young Mexicans who enter the labor force every year—a number that will double within two decades.

The shift from a selection of imported consumer goods to practically 100 per cent “made in Mexico” offerings is not so obvious to the consumer because many of the well known U.S. trade names are now stamped on local products: for

example, Del Monte, Kraft and Campbell in foods and General Electric, Hoover, Admiral, etc., in appliances. These are just a few of the names familiar in this country, previously because of the reputation of their imports and now because they are made in modern Mexican plants and heavily advertised. Most of these branch operations represent U.S. investment but European companies are also building in Mexico, particularly in the chemical, pharmaceutical and automotive fields.

## Effects of Industrialization

Industrialization was an early development that has accelerated under the present six-year regime of President Lopez Mateos. Mexico is now in the secondary stage of industrial growth and more consumer goods are being produced. In the initial period (the past 10 to 15 years) the Government actively encouraged domestic production and the first company to manufacture a product previously imported was given complete protection against foreign suppliers. This led to abuses and often to higher prices for a poor quality product.

Now the market is big enough to sustain more than one local supplier of most consumer goods and this competition has resulted in better merchandising, improved quality, and some second thoughts before

raising prices. Market research, management programs, and technical training courses have helped to put Mexican products on a more equal footing with those of other countries. And even though labour is always available and wages are low, automation is advancing in all industries.

Most of the new factories are located near the principal markets of Mexico City, Guadalajara and Monterrey and accelerate the inevitable trek of workers from rural areas to these cities. Mexico City is nearing the saturation point for industrial sites and to disperse this concentration the Federal Government is encouraging the states to promote the establishment of new enterprises.

## Living Standards Improved

Modern Mexico is especially evident in the urban centres. Visitors are impressed with the many new attractive office buildings and those under construction, all of them designed and engineered by local firms. In selected suburbs, factories of contemporary design blend harmoniously with the older colonial structures. Modern Mexico is gaining ground in the country also. Farmers in the high regions of the plateau used to be a colourful sight in their ponchos, an over-the-shoulder protection from the rain. Today a plastic raincoat is more in style. Burros used to transport men and material along the country roads; now they must wait to cross in front of an endless stream of cars and trucks. Tourists may be disappointed by these changes but the country folk are pleased with more modern conveniences.

Although the advent of industry is improving the standard of living, Mexico has a long way to go to match either the United States or Canada. The per capita income of

U.S. \$309.00 is respectable among Latin American countries but far short of the Canadian figure. Of the 40 million population, only 70,000 families report earnings over U.S. \$800.00 a month.

The middle class is growing rapidly and is estimated to be in the U.S.\$300.00 to U.S.\$800.00 per month income group. These are the people who are buying automobiles (soon to be made rather than just assembled here) television sets, and a wide variety of household appliances. A considerable number of them, mostly living in rural areas, earn less than U.S.\$50.00 a month, but with a network of irrigation projects under way and improved farming methods, incomes from agricultural operations are rising.

### Import Trends

With all the protection given to local industries, one would expect a smaller volume of imports. Substantial purchases of capital equipment by the Government and business community, however, give foreign suppliers over one billion U.S. dollars each year in sales. If the Canadian exporter has the right product to sell, there is still a sizeable market. This is especially true for all types of heavy machinery, specialized industrial equipment, precision instruments, and primary materials not found in Mexico. Competition is overwhelmingly from the United States—which holds an average 65 per cent share of the market—followed far behind by Germany 6.6 per cent, Canada 4.1 per cent, and Britain 3.5 per cent.

The Government, with its many departments, agencies, corporations, etc., is an important and influential customer. Pemex, (the petroleum and petrochemical producer), the National Railways, the Federal Electricity Commission and Conasupo, (the huge organization for handling basic food products) all buy considerable quantities of goods from abroad for their own account. The best way to share in this business is to appoint a local representative who has proven influence rather

than technical ability alone. When the point of sale is reached, a visiting Canadian technician can help wrap up the transaction. Negotiations call for patience because orders from official sources often take time to obtain. Government officials are favourably disposed towards imports from Canada but the price must be competitive.

Import agents and distributors who concentrate on sales to commercial and industrial outlets find that their volume is declining each year. Most products now require an import licence and if the application for a licence is not rejected, approval is only obtained after much time and paperwork. Foreign offers that do not provide for a large-volume sale are usually ignored because the commission earned would not justify the effort to promote sales. The number of commission agents handling imports only is necessarily shrinking and distributors of special-

ized lines have had to expand their offerings in order to survive.

Both commercial sales and those to Government require a representative in Mexico City. Those responsible for signing orders are located there, in the capital and metropolis of Mexico. The representative can fly to either Guadalajara or Monterrey and back in one business day to pursue sales in these important distributing centres.

The pattern of the Mexican import trade is changing but the volume remains about the same. It is easy to serve Mexican customers because Mexico City is no farther away from Toronto or Montreal than these two cities are from Vancouver, and six jet flights a week will soon be scheduled. Most businessmen in Mexico are reliable and responsible, with a good record for paying their bills. Canadians are invited to visit Mexico more often and discover this for themselves. ●

## South Africa Builds Storage Dam

The Makatini Flats, situated between the Pongola and Mkuzi Rivers in Northern Zululand, is a wide low-lying region comprising 1.3 million fertile acres. During the next 13 years construction of a large storage dam in the rugged Pongola River gorge will change the sleepy subtropical and isolated flats into a thriving irrigation settlement with complementary industries.

Work on the water scheme, controlled by the Department of Water Affairs, has been under way since 1960. Total cost on completion in 1976 is expected to be \$54 million. The Pongola port dam will have a gross capacity of over two million acre-feet and will be one of the largest dams in South Africa. It will straddle the Transvaal/Natal border and its northernmost arm will stretch into Swaziland.

The main dam will be a dome-like arch structure, designed to transmit a considerable portion of the water load directly to the foundations, instead of transferring the full load to the flanks, as in the more conventional type of arch design. When completed, the wall will be 293 feet high and 2,000 feet in length along the crest.

In 1973 the Assegai River will be diverted near Piet Retief into the Pongola to augment the supply to the new dam.

A system of canals will carry water from the dam through the Lebombo Mountains to irrigate some 150,000 acres of the Makatini Flats. On completion of the irrigation settlement, the canals will be carrying approximately 1,500 million gallons of water a day.

The first farms, to be allotted in 1965, will have about 53 acres each. Initial production is expected to concentrate on sugar cane although other crops will include coffee, citrus, pineapples, kenaf, rice, tobacco, maize, and legumes. The new project in particular will provide many new acres of sugar cane needed to avoid a predicted shortage of sugar in 1980. The new settlement will have its own sugar mills even during the early years and eventually four mills with a total annual capacity of 560,000 tons will be in operation.

On completion of this ambitious project, this once remote area will be a thriving settlement with a total population of 100,000.

# What's current in commodities?

## Frozen Foods

**West Germany**—German purchases of frozen foods are doubling every year. Canadians can get some of this business if they can face the stiff European competition—and if they understand and apply the methods of selling used by local manufacturers.

G. D. VALENTINE, *Vice Consul, Duesseldorf.*

HAVE you ever bought frozen cucumber slices? frozen kale? frozen sour cherries? These products and many more are selling in Germany in ever increasing quantities and demand is growing by leaps and bounds.

The convenience of frozen foods, so often taken for granted in North America, has only recently been dis-

covered by housewives in the Bundesrepublik—and that is putting it rather mildly. Their purchases of frozen foodstuffs have gone up 100 per cent for three successive years and today are valued at \$125 million a year. Optimists predict that sales will reach \$1 billion in the next ten years. In 1957 the individual German consumed half a

pound of frozen food; last year he consumed six pounds. Why the big increase and why is it expected to continue?

### Factors in Growth

Experts point to five factors which have contributed to the phenomenal growth of frozen food sales—factors which they say will make for continued expansion.

- The ever-increasing standard of living in Germany which means that more people will buy refrigerators and freezers.

- The growing number of self-service food stores with refrigerated sales cases. In the six years since 1957, the number of frozen food counters in stores has risen from 10,000 to 100,000.

- The apparent broadening in the tastes of the German people to include imported frozen foods such as fruit juices, chicken parts, shrimps, oysters and other seafoods.

- The drastic shortage of labour, which results in more working housewives and a severe shortage of domestic help. To the 100 million working women who have less time to prepare meals, frozen foods are proving a boon.

- The adoption of production and advertising techniques from North America, where frozen foods enjoy great popularity and where consumption is now estimated at 44 pounds per person.

### Domestic Production Up

Production of frozen foods in Germany is rising too. However it has not kept up with demand and imports of over \$10 million in

TABLE I  
GERMAN PRODUCTION AND IMPORTS OF FROZEN VEGETABLES

	May 1, 1961, to April 30, 1962		May 1, 1962, to April 30, 1963	
	Production	Imports	Production	Imports
Spinach	13,379	3,040	21,107	4,686
Peas	1,006	1,984	2,159	3,415
Carrots	705		1,409	
Lima beans	728		914	
Cucumber, sliced	479		952	
Beans	681	200	901	613
Brussels sprouts	303		526	
Kale	1,675		1,167	
Mixed vegetables	551		1,549	
Other vegetables	388		1,029	
<b>Total</b>	<b>19,895</b>		<b>31,713</b>	

TABLE II  
CONSUMPTION OF FROZEN FOODS IN GERMANY

	1959	1960	1961	1962
		(in metric tons)		
Poultry	12,000	25,000	65,000 <sup>1</sup>	80,000
Fruits and vegetables	9,000	14,000	24,600 <sup>2</sup>	30,000
Fish	3,000	5,100	8,250 <sup>3</sup>	11,000
Ice cream	2,500	2,800	5,000 <sup>4</sup>	5,000
Meat and game	.....	3,100	3,000	4,000
Potato products	.....	1,000	1,000	2,000
Pre-cooked foods	4,000	.....	900	2,000
Pastry mixes	.....	1,000	150	300
Dairy products	.....	.....	500	5,700 <sup>5</sup>

<sup>1</sup>Includes approximately 80 per cent imported poultry.

<sup>2</sup>Includes approximately 4,480 tons of imported fruits and vegetables.

<sup>3</sup>Includes approximately 900 tons of imported fish.

<sup>4</sup>Sales by retailer cabinets only.

<sup>5</sup>Dairy products and specialties.

fruits and vegetables alone were needed last year to bridge the gap. (Figures for imports of frozen fish, meat, and bakery products are not available.) German production of frozen foods has been hindered by a scarcity of fruits and vegetables to freeze and a lack of plant capacity. Considerable sums of money are being spent to find vegetables that can be grown in West Germany for at least 200 days of the year. New plants are being built, particularly near the Dutch border where vegetables grow quickly because of the favourable climate and soil.

Until last year, the largest single frozen food imported was chicken

from North America and Denmark. Then came the now-famous "Chicken War" and as a result of the protection given the German poultry producers, domestic production of poultry has risen by approximately 50 per cent and imports from countries outside the European Economic Community have dropped to almost nothing. (Berlin is an exception, because special allowances were made for imports into that city.) German housewives are pleased with this protection because they can now get fresh poultry at lower prices than frozen poultry and Europeans have traditionally preferred the fresh product.

During the past five years, domestic manufacturers of frozen food products have been competing vigorously with each other for a share of the market. So strenuous has the battle been that of the 42 firms engaged in production in 1958, only 25 remain—and of these, four control some 30 per cent of the market in fruits and vegetables. The promotion efforts of these large companies have given the entire industry a lift and have helped to account for the 140,000 tons of frozen food consumed in 1962.

Canadian producers of frozen foods can enter this growing market, and once in, can benefit from the

**TABLE III**  
**FROZEN FOOD IMPORTS INTO GERMANY**

	1960 U.S.\$	1961 U.S.\$	1962 U.S.\$	1963 U.S.\$
<b>Fruit containing added sugar</b>				
Sweden	38,700	39,000	115,000	250,000
United States	.....	7,750	26,000	8,000
Netherlands	7,000	.....	5,000	.....
Denmark	.....	.....	5,000	9,500
Poland	.....	.....	4,000	4,500
Japan	8,200	.....	.....	.....
Hungary	.....	.....	.....	6,000
<b>Total, including all others</b>	<b>54,500</b>	<b>53,000</b>	<b>158,000</b>	<b>285,000</b>
<b>Fruit not containing added sugar</b>				
Yugoslavia	322,500	710,000	1,257,000	1,418,000
Netherlands	555,100	767,700	1,078,000	248,000
Poland	557,100	593,000	878,700	900,000
Rumania	.....	20,000	165,200	410,000
France	51,000	142,700	222,200	224,000
Switzerland	36,700	55,500	80,000	206,000
Denmark	10,000	70,000	22,000	151,000
Bulgaria	.....	26,000	188,700	147,000
Hungary	5,500	7,000	214,500	133,000
United States	.....	.....	230,000	49,000
Canada	.....	.....	.....	39,500
<b>Total, including all others</b>	<b>1,709,000</b>	<b>2,514,000</b>	<b>4,487,000</b>	<b>5,071,000</b>
<b>Vegetables</b>				
Sweden	214,200	567,500	1,099,000	2,268,000
Netherlands	326,000	156,700	274,000	1,071,000
Denmark	50,000	182,700	186,500	546,000
Italy	.....	28,200	108,200	351,000
United States	30,000	.....	14,200	295,000
Belgium/Luxemburg	.....	.....	136,000	140,000
Hungary	54,500	46,500	79,500	172,000
Czechoslovakia	70,500	27,200	77,200	75,000
Poland	.....	.....	14,000	28,500
Canada	.....	.....	11,700	.....
<b>Total, including all others</b>	<b>939,000</b>	<b>1,142,700</b>	<b>2,090,000</b>	<b>5,107,000</b>

No separate breakdown on frozen meat, fish or poultry is given in German import figures.

**TABLE IV**  
**AVERAGE RETAIL PRICES OF FROZEN FOODS (FEBRUARY 1964)**

Product	Size of Package (grams)	Price (Can.\$)
Green beans	140	0.14
Cut green beans	250	0.40
Carrots	300	0.271
Broccoli	250	0.40
Spinach	325	0.271
Cucumber slices	300	0.298
Mixed vegetables	450	0.474
Green peas	250	0.40
Peas and carrots	300	0.325
Whole strawberries	400	0.80
Sour cherries	300	0.41
Raspberries	300	0.54
French fried potatoes	300	0.34
Fish sticks	280	0.50

**TABLE V**  
**TARIFFS ON FROZEN FOODS IMPORTS INTO GERMANY**

Classification No.	Product	Tariff (per cent)
0201	Meat	
	Beef	13
	Pork	17.2
0301	Fish (fresh)	
	Trout	22.3
	Salmon:	
	May-1-October 31	5.1
	November 1-April 30	11.4
	Herring:	
	February 15-June 15	Free
	June 16-February 14	6
0303	Crustaceans	
	Lobster whole	22
	other	23.5
	Shrimp	26.4
0702	Vegetables	26.7
0810	Fruit not containing added sugar	27
2003	Fruit containing added sugar	31.5

increasing popularity of these foods. Import restrictions, which once hindered the import of food products into Germany, are rapidly being lifted and remain only on processed foods, such as French fried potatoes, TV dinners, and so on. Labelling in the German language is a must and the label must also show the net weight in grams. This regulation is easily met by using a small sticker as many of the Scandinavian exporters do, plus a picture of the product on the label.

### How to Start

German importers say that they try to make a 35 to 44 per cent profit on a package of frozen food—but if quality and delivery are good, they may consider less. Canadian exporters should send a complete list of products showing prices c.i.f. German ports to the larger importers of frozen foods in Germany. Labels and any other pertinent information should also be included and the labels must state what food preservative, if any, is used. Samples of the products should not be sent until requested. The names of the leading German importers of frozen foods can be obtained from Canadian Trade Officers stationed in Hamburg, Bonn/Bad Godesberg and Duesseldorf.

Vegetables seem to be the fastest growing segment of the frozen foods market, with an increase of over 100 per cent in the first 11 months of 1963, compared with twelve months of 1962. In dollar totals, imports of vegetables and of fruit containing no sugar are nearly equal—with \$4.75 million of each imported from January to November of last year.

Tables I to V give import statistics plus retail prices and tariff information and should give Canadian producers an insight into the market. By studying closely these facts and figures and by observing German regulations on labelling and weights, Canadian frozen food processors may soon see their products find their way into the frosty interiors of German deep freezers. ●

## Electrical Appliances

**Belgium**—Refrigerators (larger sizes), freezers, and small appliances like frying pans and mixers offer the best sales possibilities to Canadian manufacturers. And this is a good place to test and appraise the European market for these products.

MARC FAGUY, *Assistant Commercial Secretary, Brussels.*

THE most important feature of the market for electrical appliances in Belgium is the large part that foreign manufacturers play in supplying this country's needs. A glance at the official statistics for the past few years confirms this. For instance, imports of refrigerators in 1962 accounted for no less than 95 per cent of Belgian refrigerator sales that year. Other small household appliances such as electric irons, mixers and frying pans are nearly all foreign-made and imports of these account for well over 60 per cent of total Belgian appliance sales.

This situation is likely to continue because of a relative lack of mass-production facilities among Belgian manufacturers. There is thus a potential market of 9.5 million people open to any foreign manufacturer able to offer his products competitively. Belgian demand is still strong and is likely to increase with rising living standards. Future prospects are reasonably good.

Nevertheless, if the Canadian manufacturer is to take advantage of this market he must consider certain factors. The first is the difference in the electrical characteristics in Belgium. Throughout the country, 50-cycle alternating current is employed as opposed to 60 cycles in Canada. The voltage may be either 220 or 110, although plans are being made to standardize on 220 volts. Foreign-made appliances must be adopted to the electrical norms of the country.

Another factor is the preferential tariff which naturally favours products coming from manufacturers in other EEC countries. Table I gives the rates of duty on Canadian products and those levied on products

coming from EEC manufacturers. The third column gives the rates of duty for third countries once complete customs union has been achieved in a few years' time. At that point, imports into the Benelux countries from France, Germany and Italy will be duty-free.

TABLE I  
DUTY RATES ON ELECTRICAL APPLIANCES

	General Tariff (Canada)	EEC Tariff 1964	Common External Tariff
Refrigerators	10.8	4.8	10.0
Freezers	8.4	2.4	10.0
Electric irons	16.0	6.0	16.0
Mixers	13.8	4.8	15.0
Other small domestic electrical appliances	15.0	6.0	15.0

Finally, because of the tariffs that give EEC producers an advantage, a judicious choice of the type of appliances to be introduced here by Canadian manufacturers may prove to be the key factor in a successful sales effort. The following seem to have the best chances.

### Refrigerators and Freezers

Although most of the refrigerators sold in Belgium are imported, the Canadian manufacturer will find it profitable to concentrate on the larger sizes—the 240-litre and up, or in approximate Canadian terms, the 12 to 22 cubic-foot range. Though volume sales in these sizes are not large, the field is relatively freer from competition because European manufacturers have concentrated on the more popular small refrigerators, the 180-litre and smaller models. As incomes increase, consumers are more and

more inclined to consider bigger and more sophisticated appliances. In 1962 alone, close to 20,000 units of the larger type were imported, with a substantial share of these orders going to non-Community manufacturers. As an indication of the retail prices, a 180-litre refrigerator sells for approximately 11,350 Bfrs. or Can.\$245. The largest model, 385 litres, sells for as much as 50,000 Bfrs. or Can.\$1,081.

For freezers, the prospects are even brighter. The over 12,000 sold in Belgium in 1962 were foreign-made; they are not produced within the country. The United States and Sweden were far in the lead, sharing more than half of the market. The popular sizes range from 16 cubic feet up. As an indication of retail prices, a horizontal 340-litre freezer sells for approximately 30,000 Bfrs. or Can.\$648; the vertical model is slightly cheaper at 25,000 to 26,000 Bfrs., Can.\$540 to \$560.

#### **Small Household Appliances**

Perhaps the most promising field for Canadians is small household equipment such as electric irons,

mixers, frying pans, and new appliances not yet or only recently introduced into the European market. Once again, the share of imports in sales of these appliances is substantial, over 60 per cent. In 1962, 166,726 electric irons and 82,574 mixers of various types were imported. Very few electric frying pans are being sold because the market for these has still to be developed. In general, Belgians have reached the stage where a growing number have already purchased the larger electrical appliances and are now becoming interested in useful but less essential articles. This applies particularly to products such as mixers and electric frying pans.

#### **Getting Distribution**

The first step for the Canadian manufacturer who wishes to enter this market is to find a reliable distributor who will cover the principal retail outlets. Except in a few instances, these outlets do not handle exclusive brands and this means stiff competition even within the store itself. But because most of the largest retailers of such equipment operate in the same way, there is really

no alternative and it has the advantage of establishing the competitiveness of the product from the standpoint of quality and price.

Though there are no government regulations setting up fixed standards to which all electrical appliances must conform, a distributor may give the exporter some useful advice regarding the market characteristics and requirements. There are also at least two unofficial organizations which provide information on the norms and standards which should preferably be followed in Belgium.

The exporter should also bear in mind that Belgium can be an excellent test area in appraising possibilities in Europe. The market here is extremely competitive, free from restrictions, subject to the same tariffs as the other Common Market countries, and small enough to measure the results. It should therefore provide manufacturers with a fairly accurate picture of conditions prevailing in the Community as a whole. The Trade Commissioner's office in Brussels will be happy to provide further information and to help any Canadian exporters interested in giving it a trial. ●

## **BUSINESSMAN'S BOOKSHELF**

### **For Summer Reading**

#### **A History of Transportation in Canada. Two volumes.**

*G. P. de T. Glazebrook. 443 pages. \$4.90 (\$2.45 each).*

#### **The Economic Background of Dominion-Provincial Relations**

*W. A. Mackintosh. 183 pages. \$1.95.*

#### **The French Canadian Outlook**

*Mason Wade. 87 pages. \$1.95.*

#### **The Western Interior of Canada**

*John Warkentin (Editor). 287 pages. \$2.95.*

THE Canadian businessman who feels in need of some background on the problems that beset Canada today

might well take with him on his holiday some of the books reviewed below. They are numbers 11 to 15 of the Carleton Library—a series of reprints of Canadian books and new collections of source material relating to Canada issued under the editorial supervision of the Institute of Canadian Studies, Carleton University, Ottawa.

MR. GLAZEBROOK'S definitive two-volume work on the methods and the problems of transportation in Canada traces the major rôle that it has played in the development of this country. Volume I begins with the French and English navigators of the 16th and 17th centuries and ends with the first railway-building era about the time of Confederation. Volume II deals with the part the railways played in creating a nation "from sea to sea" and also lays bare the heart of the railway

problem. It covers also the development of modern rail, air, highway, waterway and pipeline transportation and the effect upon the economy.

PROFESSOR MACKINTOSH, writing in 1939—this book became one of the appendices to the Rowell-Sirois Report on Dominion-Provincial Relations—concentrated on the economic aspects of this relationship. He examines in turn the effects on regional economies of the Canadian tariff, transportation, and monetary policy from Confederation to 1938. After outlining the basic national decisions made shortly after 1867 that set up guidelines for succeeding policymaking, Dr. Mackintosh goes on to trace the welding of the isolated colonies into one nation. He concludes with a summary of major features of the Canadian economy, as seen from the standpoint of federal-provincial relations.

MASON WADE ranks as one of the eminent English interpreters of French Canada and writes perceptively on the "French fact in North America". This short review was written in 1945, the author says, "in the hope of dispelling some of the tensions between English and French Canadians". What he has to say has even greater value in the light of happenings in Quebec in the last two years. Probing for the origins of the unique French Canadian perspective, Wade analyzes the profound changes taking place in Quebec today and the threat to Canadian unity. Concise and with a readable style, this volume should be of vital interest to every Canadian who feels the need to understand the French Canadian point of view.

IN *The Western Interior of Canada*, John Warkentin has assembled excerpts from the actual logbooks and reports written by early explorers of the wilderness between Lake of the Woods in present-day Manitoba and the Rockies in western Alberta. A dip into these pages reveals the years of travel and toil undertaken by the men who opened up the West. Before 1819 mariners, amateur naturalists and adventurous fur traders made and recorded western history. Later observers, working more scientifically, completed our knowledge of western geography, incomplete until 1917. The impact of the country's vastness on the explorers and the differences in personality show through in many of the reports.

*Published by: McClelland & Stewart, 25 Hollinger Road, Toronto, Ontario.*

### **The ABC of the Foreign Exchanges**

*By Norman Crump. 405 pages. \$4.25.*

AS the title implies, this book is designed as a fundamental text on a broad topic. In addition to primary theory, the author has included current postwar de-

velopments, and deviations from and modifications of standard practice in international finance.

Foreign exchange theory is fully covered in several chapters, ranging from banking through international bank balances, credits and exchange rates to devaluation. From a businessman's viewpoint, the early chapters on currency, bills of exchange, export credits, and foreign exchange and trade are probably the most interesting, although some of the information on the latter is useful only to the British exporter. Modern innovations such as the International Monetary Fund, the World Bank, the Marshall Plan, and British Exchange Control are covered in the later chapters, and there are analyses of European recovery, security dealings, and the restoration of convertibility.

This book is written in a logical, concise style, with the author trying to be and succeeding in being objective. Although it is British-oriented, it should serve as a basic text, a means of keeping abreast of changes, and an excellent reference work for those interested in this subject.

*Order from: The Macmillan Co. of Canada Ltd., 70 Bond Street, Toronto, Ontario.*

### **The Growth of World Industry, 1938-1961: National Tables**

*United Nations Department of Economics and Social Affairs. 850 pages. (Alternate columns, English and French). U.S.\$10.00.*

THE Statistical Office of the United Nations has brought together in this volume information on the industrial sector in 95 countries and territories. Data were obtained from national statistical publications, annual national accounts, questionnaires, and correspondence with national authorities. The publication is a more up-to-date and expanded version of Part II of *Patterns of Industrial Growth, 1938-1958*, with statistical series presented for later years, and on more countries and more items.

The book gives details of index numbers of industrial production and employment; value added in industrial production; employment, wages and salaries paid in various industries; electricity and fuels consumed in industrial production; capacity of installed power equipment; number of industrial units, etc. Other analytical measures—such as annual rates of growth in output and employment, consumption of energy per unit of labour employed, and value added per unit of labour employed—are also listed in most instances. Obviously, the countries included are at various stages of industrialization and operate under different economic and social institutions, but considerable care has been taken to keep all the data internationally comparable. A separate chapter is devoted to each country or territory, and for index numbers of industrial production and

employment, the introductory text of the chapter describes briefly the field covered and methods used by the national statistical authorities in compiling these numbers.

This is not a book for day-to-day reference, but could prove valuable in the library of large firms or trade organizations interested in long-term expansion in foreign markets.

*Order from: Queen's Printer, Government Printing Bureau, Ottawa, Ontario.*

### **World Economic Survey, 1962, Part 1: The Developing Countries in World Trade**

*United Nations. 120 pages. \$2.20.*

EACH year since 1955 the World Economic Survey has studied a particular problem in the field of economic development. This year's topic is the position of the developing countries in world trade to capitalize on the interest aroused by the decision to convene a United Nations Conference on Trade & Development last spring.

The agenda for the conference was drawn up and the United Nations Secretariat then prepared papers on each of the main items. The most important of these studies have been published here. Topics include trends in world trade, international commodity problems, methods of increasing exports of manufactured goods from developing countries, the implications of Western European integration for developing countries, trade between developing countries and the Soviet Bloc, and financing the expansion of international trade.

These papers have been printed to promote discussion of the issues before the conference and to make the problems known to a wide public. However, the layman will find that they are highly technical, are couched in the language of the economist, and abound in intricate statistical data. The book will interest chiefly the student of international economics or the research departments of firms concerned with trade with the developing countries.

*Order from: International Section, Queen's Printer, Ottawa, Ontario.*

### **Commonwealth Development and Its Financing**

*New Zealand. Nigeria. Australia. Commonwealth Economic Committee. About 60 pages each. \$1.75.*

CANADIAN businessmen who wish to familiarize themselves with the economies of other Commonwealth countries may find this series of booklets valuable.

These studies of the progress of economic development in these three countries are only one of a series

of similar ones dealing with economic development and its financing within the Commonwealth.

Each study summarizes the basic features of an economy as they have developed in recent years and the sources and uses of investment funds. It also analyzes the progress of development in the main sectors. In addition, each booklet contains numerous tables giving statistics of population, labour force, national income, the balance of payments, transportation, production and consumption of energy, production and consumption of electricity, and value of physical production by sectors.

*Order from: Queen's Printer, Government Printing Bureau, Ottawa, Ontario.*

### **Commonwealth Trade 1962**

*Commonwealth Economic Committee. 105 pages. \$1.10.*

THIS booklet prepared by the Commonwealth Economic Committee is primarily a statistical study of international trade divided into three facets: international trade per se, intra-Commonwealth trade, and Commonwealth trade with the rest of the world. The authors go one step beyond a statistical study by analyzing the composition, price structure and price trends of Commonwealth trade vis-à-vis the rest of the world.

A few points in the study at first appear startling. Commonwealth trade, although it contributed to an increase in international trade, accounted for a smaller proportion of the total. Prices of primary products (which constitute a considerable portion of Commonwealth exports) remained weak, in line with the trend in recent years because of over-supply. But the prices of manufactured products, which constitute over 50 per cent of imports, continued steady. Lately trade with non-Commonwealth countries has tended to increase more than intra-Commonwealth trade. Anglo-Canadian trade is an example. Although Canadian exports to Britain in the postwar years have been rising, British exports to Canada have been declining when imports from non-Commonwealth countries have been going up.

The trade of individual Commonwealth countries is reviewed in detail and the record shows that the value of imports into Canada, Pakistan, Malaya, Hong Kong and Trinidad reached new highs in 1962.

For the student or businessman concerned with U.S.-Canadian trade, this study has particular significance. The composition, volume and value of Canadian-U.S. trade is examined in the context of total international trade and in its significance for Commonwealth and more specifically British trade.

*Order from: Queen's Printer, Government Printing Bureau, Ottawa, Ontario.*

# British Markets: the North and the Midlands



W. ROSS VAN, Trade Commissioner in Liverpool, is currently visiting parts of Canada to meet businessmen who want to develop sales in the area that his office covers. Here he discusses that area, its current prosperity, and its potential for Canadians ready to undertake a campaign in the industrial north.

TO many Canadian exporters, and more especially new ones, Britain means London. But although London and the surrounding area provide an extremely attractive market, one equal in size and in many ways more diversified lies to the north, covers a major portion of England, and has a population of well over 23 million people. This area contains the industrial heart of England and several great ports, especially Liverpool, second only to the port of London itself. This area shares in general the prosperity to be found in Britain as a whole. Even the few weak spots are gradually being revitalized, with diversification of older industries and the establishment of new ones.

The major cities within the area include Liverpool, Manchester, Birmingham, Leeds, Sheffield, Newcastle and Hull—to name only a few. The average Canadian visitor still knows too little about this area, and this report will provide him with background information on what could become an increasingly profitable market for a wide range of Canadian goods. Last year for the first time Canada's exports to Britain topped the one-billion-dollar mark. A substantial proportion of these sales were made in the area covered by the Liverpool office of the Trade Commissioner Service.

The area for which the Liverpool office is responsible consists of four distinct regions and each has its own characteristics. They are the Northern, Yorkshire, Northwestern, and Midland regions. They contain a substantial proportion of the British population and they also make a substantial contribution to the gross national product. There is no better way to feel the pulse of the area than to study briefly the economic structure of each region.

## Northern Region

This region consists of the counties of Cumberland, Durham, Northumberland and Westmorland and the North Riding of Yorkshire. The population, 3.3 million, represents 6 per cent of the total population of the British Isles. In 1960—the latest over-all figures available—the average personal income, at about \$2,100, fell short of the national average by only about \$100. Like the other three regions, the North is largely industrial, although industry accounts for a smaller percentage of the working population than in the other three regions or in the country as a whole—33 per cent against a national average of 38 per cent. This is chiefly because coal mining is the most important activity and employs 11 per cent of the working population, the highest

proportion for any region in the country. In fact, the coalfields of Northumberland and Durham account for 18 per cent of British coal production. Manufacturing industry in the North is chiefly oriented towards heavy industry—steel, heavy engineering, chemicals and shipbuilding. Middlesbrough is an important centre for the production of heavy chemicals. In shipbuilding, the yards on the northeast coast rank among the more efficient in the country. By virtue of their position as ports, Tynemouth and Sunderland are important centres of communication and distribution. A Newcastle shipping firm provides the only scheduled service to Churchill, Manitoba, during the brief summer navigation season.

Although in general the Northern Region, and more specifically the eastern sector, has caused some concern because of higher unemployment than in other parts of the British Isles, government intervention plus the buoyant economic conditions within Britain as a whole has stimulated this area as well. Unemployment, at 4.1 per cent, although still considered too high, is expected to fall to 3 per cent within the next six months. Mining continues to decline and the longer-term outlook for shipbuilding remains uncertain, as it does everywhere. Yet the outlook for the North is better now than it has been for years. All sectors of activity have shown progress but the most notable advance has been made in these fields:

*Steel industry*—A marked recovery in this industry which nationally is now producing 25 per cent more than twelve months ago.

*Heavy engineering*—a considerable revival.

*Shipbuilding*—greatly improved as a result of the "Marples Subsidy" introduced last June. Swan Hunter and Hawthorn Leslie, two of the bigger shipbuilders in the North, report full order-books for the next two years.

*Investment*—Investment is increasing again, partly because of the widening of the scope of government assistance to areas of high unemployment and the publication of government plans for the northeast. Big investments announced already include the ICI expansion on Tees-side and the Chrysler investment at Darlington. Volvo and Saab, the Swedish motor firms, have also set up factories in the area.

### **Yorkshire Region**

This region consists of the East and West Ridings; (the North Riding falls within the Northern Region). Yorkshire, with a population of 4.2 million and just under 8 per cent of the national total, is the largest county in Britain. Average personal income during 1960 amounted to over \$2,100. The Yorkshire economy, like that in the regions to the north and west, is basically industrial. Coal mining makes an important contribution and occupies 6 per cent of the working population. The industrial structure is more diversified than in the North, although there is a substantial volume of steel and heavy engineering. There is a new \$78 million English Steel Corporation works in Sheffield. At full capacity, the plant will roll 7,500 tons a week and for the first time puts special steel production on a flow basis. A number of important investments, such as the Port of Hull development and the Shell refinery at Tees-side, were announced last year.

However, the largest single manufacturing industry continues to be textiles. This accounts for 9 per cent of the working population. The greater part of the industry is devoted to the production of woollen goods. Bradford and Leeds, among others, are well known woollen centres. The Yorkshire woollen in-

dustry is world famous and ranks as one of the more competitive of British industries in world markets.

Like the rest of the country, Yorkshire has prospered with the country as a whole. Unemployment during the last year has fallen by over 50 per cent and now is only 1.6 per cent of the working force.

### **Northwest Region**

The counties of Cheshire, Lancashire, and the High Peak District of Derbyshire constitute the Northwest Region. The population, at over 6.6 million or 15 per cent of the national total, is higher than in the other regions with the exception of the Midlands. The average personal income totals about \$2,100. Lancashire, the county in which the cities of Liverpool and Manchester are located, is more urbanized than any other county in Britain apart from Middlesex, the London area.

Here, as in the other two regions, coal mining is a significant activity, but it is of less consequence. The Northwest Region is heavily industrialized and manufacturing employs 48 per cent of the working population—a much higher proportion than the national average. The industrial structure is diversified. Just over 10 per cent of the working population is engaged in engineering and 8 per cent are employed in textiles, chiefly cotton. The cotton industry, though it no longer holds the predominant position it did in former years, still remains important. There is less emphasis in the Northwest on metal manufacturing but chemicals make an important contribution to its economy.

Unemployment during the last year has fallen by a spectacular 40 per cent and now stands at 2.5 per cent of the national average. Throughout the region there is a feeling that 1964 should be a good year and that unemployment will continue to decrease. Confidence has been reinforced by two following developments during the past twelve months.

*Cotton industry revival*—the fortunes of this industry have improved

greatly. Employment in cotton has been increasing and the rate of mill closures is reported to be slowing down. Exports of textiles, including manmade fibres, are rising.

*Investment increasing*—a number of important investments in the northwest have been announced. These include investments by ICI at Runcorn, by the Rio Tinto Zinc Corporation at Widnes, and by Shell at Charington.

On Merseyside particularly—an area on either side of the Mersey River leading up from the estuary—confidence has been greater than for some time. Unemployment has been falling off, and with rescheduling of this area for government assistance a number of firms have recently set up factories. Others are expanding and modernizing their plants. The coming of the motor industry to Merseyside should give a powerful stimulus to employment and industrial expansion in general. The Ford Motor Company last year opened at Halewood, a few miles from Liverpool, the largest motor manufacturing plant in Europe under a single roof. At full capacity it will produce 200,000 cars a year. Vauxhall Motors, at Ellesmere Port on the other side of the river from Liverpool, has recently announced a \$90 million plant expansion scheme that will double the size of the existing plant. When completed, Vauxhall will have an annual manufacturing potential of over 90,000 cars.

### **Midlands Region**

This region, which is larger than any of the others in both size and population, is made up of the counties of Derbyshire, Leicestershire, Northamptonshire, Nottinghamshire, Herefordshire, Shropshire, Staffordshire, Warwickshire, and Worcestershire. The Midland counties have a population of 8.5 million, or about one-sixth of the British total. Average personal income was higher than in the other three regions, ranging from over \$2,100 in the North Midlands to over \$2,200 in the rest of the area.

Although mining in the North Midlands is an important activity, the manufacturing industry employs nearly half the working population. Nearly 50 per cent of those engaged in manufacturing are in the engineering, vehicles, and metal manufacturing industries, yet the industrial pattern is diversified.

The biggest industrial centre is Birmingham and the "Black Country", the area which stretches from Wolverhampton to Birmingham. Coventry, Leicester, Northampton, Derby, Nottingham and Stoke—the centre of the potteries—are all important industrial centres.

Activity continues to be brisk throughout the Midlands and unemployment has continued to fall rapidly. Two big features of the economic expansion have been the rapid rise in motor car production, which is now running 50 per cent higher than a year ago, and a revival in industries producing capital goods.

#### Market for Canada

This resumé of the area covered by the Liverpool office has emphasized the importance of this heavily industrialized and heavily populated area to the wellbeing of the British economy. The increasing vigour of industry in the area, providing record exports and, in turn, more jobs and more income, means a big market for Canadian products. With a rising standard of living and more money to spend, the demand is not only for more of the essentials of comfortable living but for luxuries as well.

Apart from the traditional Canadian exports going to the area (such as lumber and wheat) there is an ever-increasing range of Canadian manufactures found in stores throughout the four regions. Examples include canned fruits and vegetables, pickles, other packaged foodstuffs, clothing (both casual and sports), gloves, slippers, fur garments, pottery and lamps. These are only a cross section. The demand exists, provided we have the products—preferably new and different

ones—and offer them at a competitive price.

There is no set rule about what can or cannot be sold. Each product must be treated as a separate challenge.

In the four regions there are importers, agents, distributors, mail order houses and department stores. The main point of entry into the area covered by the Liverpool office is Liverpool, known as the "Gateway to Canada." A substantial proportion of cargoes both to and from Canada pass through this port.

Canadian exporters with an interest in at least exploring possibilities in this area should send our office literature—at least six sets—and c.i.f. prices in sterling. Additional information or samples will be requested as required. Every effort will then be made to inform you about the potential for your products and to suggest the most suitable contacts.

Address letters and literature to:

Canadian Government Trade  
Commissioner,  
Martins Bank Building,  
Water Street,  
Liverpool 2, ENGLAND.

Although the Trade Commissioner's office will endeavour to guide you, personal contact is essential. This is a buyer's market. If on a trip to London you discover that there is a potential market for your product, it would not be a waste of time to set aside several days to visit key points as suggested by the Liverpool office. These might be in Liverpool, Manchester or Birmingham. Transportation connections by train, road, and air, between all key points is good. And pleasure can quite easily be mixed with business, because some of the loveliest countryside in Britain lies within the area under review. ●



*James A. Roberts, (centre), Deputy Minister of the Department of Trade and Commerce since 1960, who will take up his new appointment as Deputy Secretary General for NATO in Paris on September 1, received two presentations on the occasion of his departure from the Department. The Hon. Mitchell Sharp, Minister of Trade and Commerce (right), in presenting him with a silver cigar box from his colleagues in Ottawa, voiced the general regret at Mr. Roberts' loss and spoke appreciatively of his work as Deputy Minister. B. C. Butler (left) Minister (Commercial) London, and now in Canada, presented Mr. Roberts with a desk set from the Trade Commissioner Service.*

# Brazil Moves towards Recovery



*These bags of coffee being loaded in the port of Santos represent Brazil's biggest export. Production of coffee, it is estimated, will drop sharply in the 1964-65 season because of frost and drought damage in some areas and export earnings will be affected.*

Government that took over in April is attacking long list of economic problems, headed by inflation and deterioration of the currency. Here is a report on steps taken so far and measures yet to come. If these succeed, long-term prospects for our exporters will improve.

WM. JONES, *Commercial Counsellor, Rio de Janeiro.*

WHAT effect will the Brazilian political changes have on business in Brazil? How will they affect Canadian firms doing business with Brazil? These are undoubtedly two of the questions that spring to the mind of any Canadian executive interested in this country.

It would be easy to predict a bright and rosy economic future for

Brazil or alternatively a period of economic recession, depending upon the outlook of the observer. It is probable that this country's economic future and the health of business here lies somewhere between these two extremes.

The Government which took office as a result of the April 1 overthrow of the regime headed by

President Goulart has no easy task before it. It has taken the reins after a long period of indecisive government and political unrest that resulted in almost uncontrolled inflation and a virtually complete lack of confidence in whatever economic and financial steps the Government took and in the continuation of these measures for a worthwhile period. Businessmen have, however, an abiding faith in the human and physical resources of the country, and they generally believe that in the long run most economic obstacles will be overcome.

Whether the present attitude of relief will be maintained and whether the current cautious but buoyant

optimism so essential to a business community will prevail in the face of the measures that must be taken if the country is to be pulled out of its present economic mess remains to be seen. Practically all manufacturing businesses and indeed most others have become accustomed during the past ten years to making plans based on an increasing rate of or continuing inflation. The debts that they contracted and the production facilities that they installed were predicated upon a continuing real loss in the value of the currency and a continuing high rate of demand for their manufactured products. Table I shows the annual percentage increases in currency in circulation and in cost of living over the period. Predictions of the cost-of-living increase for 1964 under the previous regime ranged from 100 to 140 per cent. The increase for the first four months of the year appears to bear them out because the rate normally accelerates during the second half of the year.

**TABLE I**  
**INCREASES IN CURRENCY AND**  
**COST OF LIVING**

Year	Currency in Circulation (per cent)	Cost of Living
1964 (4 mos.)	12.9	30.5
1963	75	80.7
1962	62	52.7
1961	52	43.2
1960	33.1	23.8
1959	29.1	52.1
1958	24.1	18.2
1957	19.5	12.5
1956	16.6	21.7
1955	17.4	19.1
1954	25.6	26.2
1953	19.7	16.8

Sources: Conjuntura Economica  
Bank of Brazil Annual Reports

It would appear that although moderate inflation has stimulated the economy in the past, the excessive rate of the past few years, combined with indecisive government, has been too much to absorb. The economy began to falter in 1962. The growth rate in that year was 3.7 per cent compared with 7.7 in 1961 and between 6 and 7 per cent over a ten-year period. Preliminary fig-

ures indicate that in 1963 the growth rate was only 2 per cent, less than the population growth, so that the average standard of living of the Brazilian population has fallen by an estimated 1 per cent during the year. Since the Second World War, 1956 and 1963 have been the only years in which the growth rate of the economy failed to keep pace with the rate of population growth. Because the decline in 1963 was accentuated in the second half of the year, it has been predicted that if last year's conditions had prevailed, 1964 would have seen a net decline in production.

### The New Government

The Ministers of the new government apparently have been appointed for their ability and technical knowhow; each one is an expert in his own field. These Ministers during the month of April by and large kept their own counsel, apparently reviewing the entire government organization and the financial structure with a view to taking a co-ordinated and well-thought-out series of decisions. One of the announced objectives was to reduce government expenditure by 30 per cent and they appear to be pursuing that objective assiduously.

### Foreign Exchange

Another objective announced but not followed by visible action was stabilization of the currency. However, it became fairly clear during the month that the Bank of Brazil or some related government organization was actively intervening in the foreign exchange market. The currency dropped from a high of between Cr.\$1,800/2,200 per U.S. dollar just before the change of government to about Cr.\$1,300 shortly thereafter and then to about Cr. \$1,200. There it has remained with remarkable consistency. Financial authorities seem to consider this latter figure a current fair exchange value of the cruzeiro. It is a level which was maintained not only for the official "free" exchange market but also for the unofficial or "paral-

lel" one. The weekly fluctuations in the foreign exchange market apparently have been taken up by the exchange authorities.

### Preferred Rates Eliminated

Perhaps the clearest indication of the firm intention of the Government to straighten out the foreign exchange problem was the issuance of SUMOC Instruction 270 of May 9. This Instruction eliminated the preferred exchange rate applied to imports of wheat, oil and newsprint of Cr.\$620 per U.S.\$1.00 which had been maintained for well over a year, even in the face of the obvious deterioration of the foreign exchange value of the cruzeiro to about half that rate. The official "free" rate in the third week of May was Cr. \$1,200 per U.S.\$1.00. Because road transport plays a large part in the distribution of goods within the country, the change in the exchange rate applicable to oil imports is expected to have a noticeable effect on the price of goods of domestic origin. Moreover, the domestic price of wheat will almost double and because about 90 per cent of Brazil's supplies are imported, this is expected to have a great impact on the price of bread. The new price of exchange for newsprint is a measure of the Government's determination to straighten out the economy, even in the face of the obvious concern of the press. The effect that the new exchange rates will have on the retail prices of wheat and oil products is a clear indication of a recognition that the rise in the cost of living cannot be stopped in short order.

### Impact of Measure

Government spokesmen have minimized the impact that this measure will have on the cost of living and one of them has stated that the Government plans to restrict the increase in living costs during 1964 to 70 per cent. Whether it will be successful in this objective is questionable. As of the end of April this year, the cost of living in the State of Guanabara was reported to have

risen by 30.5 per cent since the beginning of the year; thus it would seem that during the remainder of the year the Government hopes to hold the average monthly rise to 5 per cent. The 30.5 per cent figure mentioned above is a measure of the problem. During the first four months of 1963 the cost of living in Rio de Janeiro increased by only 20 per cent but the total for the whole year was 80 per cent.

### **The Supply Problem**

Probably in recognition of the fact that one of the important contributors to increased prices in the major cities is the lack of a smooth supply organization—once the price of a product rises substantially as a result of a temporary shortage it is unlikely to drop back to its original level—the Government is making strenuous efforts to ensure smooth distribution of domestic products. At the same time it is perhaps absorbed in the problem created by the low level of agricultural production during 1963. One of the most highly regarded economic institutions in the country has estimated the increase in agricultural output of all types during 1963 at only 0.1 per cent, compared with 6 per cent in 1962 and 7.7 per cent in 1961. This low rate of increase in 1963 was largely the result of unfavourable weather but also to a certain extent stemmed from the same lack of confidence in the Government on the part of the agricultural population.

To keep prospective rises in prices of basic foodstuffs to a minimum the Government has been continuing discussions with the major suppliers on holding the price line. In some instances it has imposed price ceilings at current market levels and in others it has revised previously fixed selling prices upwards to ensure that supplies from the agricultural areas continue to flow smoothly to the main consuming centres.

### **Foreign Agricultural Aid**

On May 15 the Brazilian Government signed an agreement with the

U.S. Government designed to provide an additional \$93.1 million worth of agricultural aid to Brazil under the PL480 program. In addition to 1.1 million tons of wheat, this agreement also provides for the supply by the U.S. of 20,000 tons of edible vegetable oils, 2,000 tons of powdered milk, 10,000 tons of lard, 500 tons of butter, 8,000 tons of dried peas, 1,000 tons of lentils, and 10,000 tons of grain sorghum for animal feed. If these supplies are moved to Brazil quickly and come onto the market smoothly, they should serve to allay continuing fears of food shortages. The agreement itself is a measure of the Government's willingness and ability to reach an understanding with its principal creditors. It is also an indication of the desire and willingness of the U.S. Government to help the country get on its feet.

### **Export Earnings**

The new Government appears to be taking steps, even in the face of internal food problems, to export Brazilian goods in larger quantity to earn foreign exchange. Towards the end of April it authorized the export of 15,000 tons of beef. The reasons given for the authorization of this export was that cattle stocks in the main supply areas are adequate and that with the resulting foreign exchange earnings, food with a value greater than these exports can be purchased from abroad. An export council consisting largely of cabinet ministers and experienced civil servants has been set up and is calling for suggestions about ways and means of increasing exports. It is expected that efforts of this nature and the proven willingness of the Government to take measures that may not be popular will substantially improve Brazil's trade balance during the months to come.

### **Foreign Investment**

The new President and his Ministers, with a view to encouraging new foreign investment, have gone out of their way to stress that the Government wishes to be fair to foreign

investors—not only the ones already here but those whom it hopes will come here. Ministers and committees are re-examining the Profits Remittance Law which proved to be such a deterrent to foreign investment. Some revisions in the regulations covering remittances from Brazil which were issued as a result of that law are expected and also in the application of them.

### **Agricultural Reform**

Probably one of the most important political issues in Brazil in the past year has been agricultural reform—not whether there should be agricultural reform but rather how it should be implemented. The taking of power by the new government probably reflected to some degree the disagreement with the avowed intentions of the previous one on methods of implementing agricultural reform. The Government has announced that it is studying the problem and hopes to produce a formula for redistribution that will be acceptable to all.

### **The Outlook**

Undoubtedly, if the Government is to succeed in its economic reform and recovery program, there will have to be a substantial period of belt-tightening, probably accompanied by an increased rate of insolvencies. Companies on a shaky financial basis and with poor administration and production methods will in many instances go by the board. The Government's task will be to see that not too many of them collapse at the same time by ensuring that the demand for the products of the relatively healthy companies continues.

This belt-tightening procedure will probably tend to reduce imports and this to some extent will affect Canada's sales. In the short term this is not too pleasant an expectation. But from the long-run point of view, if the program is successful we may expect larger and increasing markets for the Canadian products that Brazil has shown it needs. ●

# Mozambique Today

- is pushing industrial and resources development
- has imposed severe credit restrictions
- is acutely short of investment capital
- has increased both exports and imports
- will have future needs in engineering and machinery.

S. B. McDOWALL, *Assistant Trade Commissioner, Johannesburg.*

DRASTIC credit restrictions imposed during the last half of 1963 caused a near crisis in some sectors of Mozambique's economy. The country has also been feeling the effects of political disturbances in neighbouring territories and other overseas provinces of Portugal. Nevertheless, this 300,000-square-mile country (population 6.6 million; 85,000 Europeans) continues to progress under the Second Development Plan, and it is probable that in the long run the tight money measures will help to stabilize the economy by eliminating some of the extended commercial paper. A decree for the abolition of customs duties between Portugal and the overseas provinces by 1971 was issued in November 1961 and is being implemented as part of the "natural economic unity" which Portugal proclaimed in March 1963.

Mozambique is one of the developing countries of Africa with a dual-purpose agricultural economy: to raise food crops for domestic use and the export crops that make up 90 per cent of its sales abroad. It is Africa's largest producer of cashew nuts and copra, third largest exporter of sugar and tea, and a major producer of cotton, sisal and bananas. (A new decorticating machine for cashew nuts has just been installed in North Mozambique.)

Severe floods in the south last year damaged some of the minor agricultural crops extensively, but

in the rest of the country, official reports say, the food crops are sufficient to meet needs. However, production will probably fall short of the original expectations.

## Industry Needs Capital

Industrialization is just beginning in this country; plants already established are turning out cement (over \$5 million has been invested in a plant in the north), tobacco, soaps, birch veneers, beer, refrigerators, asbestos cement, and cotton goods. Although about \$113 million\* has been invested in industry to date, there is an acute shortage of capital for development. Small industries, most of them processing agricultural products, have been particularly hard hit by the lack of investment funds. Retail sales of less essential goods have been sluggish, as smaller imports of motor vehicles indicate.

Mozambique has not yet been completely surveyed, but it is known to have a large potential for hydroelectric power and indications of mineral wealth. The Second Development Plan, which began in 1961 and concludes at the end of this year, includes major expenditures for communications and transport (\$75 million), education and health (\$13 million), and industry and electric power (\$9.4 million). One of the largest of the recent under-

takings is the oil refinery recently completed in Lourenco Marques.

Large sums have also been allocated for scientific services and hydroelectric schemes in which it is expected private capital will participate. The biggest of these proposals is a \$56 million hydroelectric irrigation project on the Pungue River. The sponsors of the Beira and Umtali pipeline are considering plans to export four million tons of coal a year (worth about \$60 million) via a 500-mile pipeline from Wanki in Southern Rhodesia to the east coast. Mineral exploration and production are continuing; \$2.2 million worth of minerals was exported in 1962. Mozambique Gulf Oil Company is doing exploratory drilling for gas and oil and there is talk of a motor assembly plant in Lourenco Marques.

Mozambique Railways has announced that it will build a 500-mile line from the port of Nacala to Villa Cabral. It is also studying a water link between these two centres, as well as a rail line from Nacala to Fort Johnston in Malawi (formerly Nyasaland). The Government has authorized construction of a plastics and fertilizer plant, a pulp and paper mill at Beira, and a flour mill near Nacala.

Projects like these make it worthwhile to keep an eye on developments in Mozambique.

Tourists are an important factor in the economy: it is estimated that Mozambique's beaches and game reserves attract over 200,000 visitors a year.

\*All figures used in this report are the latest available and are expressed in Canadian dollars by using the conversion rate of Can.\$1.00=Escudos 26.6.

**TABLE I**  
**MOZAMBIQUE'S FOREIGN TRADE**

	1961	1962
	(Can.\$'000)	
<b>EXPORTS</b>		
<b>Total</b>	<b>94,180</b>	<b>96,400</b>
Of which:		
Portugal	42,444	42,039
India	12,595	9,356
South Africa	3,807	9,355
Britain	7,938	6,723
United States	6,115	6,318
Canada	30	40
<b>IMPORTS</b>		
<b>Total</b>	<b>139,500</b>	<b>146,550</b>
Of which:		
Portugal	44,752	46,008
South Africa	16,200	19,481
Britain	18,468	15,188
West Germany	14,013	12,960
Iraq	10,044	8,100
United States	10,733	7,816
Canada	2,023	2,504

**TABLE II**  
**PRINCIPAL IMPORTS**  
**January-December 1962**

	(Can.\$ million)	
Products of animal origin	5.79	
Products of vegetable origin	8.64	
Processed foodstuffs, tobacco, etc.	12.72	
of which wines		7.5
Mineral products	14.40	
of which crude petroleum		7.5
Chemical products	9.09	
Paper and paper products	3.00	
Textiles	22.77	
of which cotton piecegoods		9.45
Metals and metal products	15.90	
Machinery, apparatus, electrical goods	17.13	
Transport equipment	20.85	
of which motor vehicles		8.25
<b>Total, all imports</b>	<b>146.55</b>	

### Foreign Trade

The value of both exports and imports rose in 1962, as Table I shows. Portugal took 47 per cent of Mozambique's exports and India and South Africa 10 per cent each; this was a considerable increase for South Africa over 1961. Sales reached \$109 million in 1963, of which ginned cotton made up 18 per cent, cashew nuts 16 per cent, sugar 11, sisal 9, copra 7, tea 5.5, and timber 5. The 13 per cent increase in last year's exports was the result mainly of higher world prices

(especially for sisal) and a 50 per cent increase in the volume of cashew nuts shipped. The current cashew crop in the north is reported to be the largest ever.

Imports into Mozambique have been rising during the past few years—from \$137 million in 1960 to \$140 million in 1961 and \$147 million in 1962. The import of nearly 400,000 tons of crude oil worth \$7.5 million, the first shipment brought in for treatment at the new refinery, was almost entirely responsible for the 1962 rise.

Goods that could eventually be produced locally make up 40 to 50 per cent of the total—such as cotton articles, rayon fabrics, fish, timber, fresh and preserved meats. (See Table II.)

Portugal still supplies about 35 per cent of Mozambique's imports. South Africa has become a more important source in the last few years but Britain's share of the market has declined.

### Import Licences Required

Generally speaking, customs duties in Mozambique are low. There is no duty on goods shipped between Portugal's overseas provinces, and imports from Portugal are subject to only half the rates applicable to goods from third countries. Many products for which there is no domestic source come in duty-free, such as raw materials, building materials, and machinery.

All imports, however, are subject to licence, which is in effect an allocation of the foreign exchange necessary for payment. Products from the dollar area are subject to considerations of essentiality, domestic supplies, and the amount of foreign exchange available. Preference in import allocations is given to goods from OECD countries, including Canada, and to goods coming from countries that have commercial agreements with Portugal.

Foreign exchange regulations were tightened further on June 30, 1962, with the publication of a comprehensive list of goods that may not be imported from non-Portu-

guese sources or (for a few items) may be imported only against the import of a stipulated quantity of similar goods of Portuguese origin.

### Business Methods

It is advisable to have agents in both Beira and Lourenco Marques because many tenders are issued on short notice and stipulate that firms must be represented locally. Most of Mozambique's imports are made by (a) retailers for their own account, (b) wholesalers who do their own retailing, and (c) commission agents who handle a wide range of goods and act as indent agents, retailers and wholesalers.

The unit of currency is the Escudo, which equals 3.76 Canadian cents. Mozambique uses the metric system.

The main bank is the Banco Nacional De Ultramarino. The Standard Bank of South Africa and Barclays Bank DCO have branches in Beira and Lourenco Marques, which are the principal business centres and ports.

### Trade with Canada

Canada is still a relatively small trading partner of Mozambique: our exports increased by only 5.5 per cent in 1963. Our imports, however, almost trebled, with black tea and sisal showing big gains.

Canada sells to Mozambique today mainly raw and semi-finished materials, and no doubt will continue to do so. But with the steadily improving standard of living in this Portuguese province and the increasing mechanization, new opportunities for our more sophisticated machinery and engineering products should develop.

### Index to Foreign Trade

The index to Volume 120 of *Foreign Trade*, covering the issues from July 13 to December 28, 1963, has now been printed. Readers who wish to have copies should write to the Editor.

What are Norway and Norwegians like? How does one do business there? Does it offer good opportunities for selling Canadian products? The author raises and answers these and other questions for the businessman who may be pondering this market.

# The Canadian Businessman's Norway

JOHN E. LANCASTER, *Commercial Secretary, Oslo.*



*This Canadian-built airport runway sweeper that has just been landed on the dock at Oslo is one of the two dispatched to Norway for testing by the Norwegian Air Force.*

THE Canadian writing about Norway is tempted to dwell on the similarities between the two countries and their peoples. Yet there are differences too—and the Canadian businessman looking to Norway as a potential market should be aware of both.

## **Some Similarities**

Some of the similarities are obvious; others are not. Like Canada, Norway is a northern country with a northern climate. It is relatively underpopulated for its size; distances are great and transportation is a problem. Economically, Norway is industrializing and increasing its exports of secondary manufactures. It is also incurring deficits in its over-all balance of payments and is covering them with foreign borrowings. A small nation, it is confronted with problems relating to the formation of powerful economic groupings in Europe, particularly the EEC. It is itself a member of EFTA.

## **Some Differences**

Unlike Canada, Norway owes its wellbeing to the sea. The benefits include the operation of its merchant marine, the third largest in the world, the fisheries industry, and the amelioration of its climate by the Gulf Stream from south to extreme north, with the related advantage of ice-free harbours. Unlike Canada, it supports only limited agriculture; Norwegians farm only some 6,000 square miles of territory and thus must import a substantial portion of the foodstuffs they use. Although its forest industries are very important, only 46,000 square miles are

covered with merchantable timber and Norway must import some of the raw materials these industries need.

The population is homogeneous and long-established as a community. Despite their desire for independence as individuals and as a nation, the Norwegians are nevertheless realizing that they are part of Europe and that their interests and wellbeing are affected by "the winds of change" blowing throughout that continent.

### Market Profile

The Norwegian market is limited by the small population, 3.7 million, increasing at less than 1 per cent a year. Yet the standard of living is high, somewhere in between that of Western Europe and of North America. In fact, the Scandinavian countries plus Switzerland provide the highest physical standards of living for their peoples in Europe. High personal income taxes, however, remove excess purchasing power so that the average Norwegian family has less disposable income than its Canadian counterpart. As in Canada, the majority of Norwegians congregate in the south. Two thirds of them live in the country and the remainder in urban areas, although the trend to the latter is apparent. There are four major centres of population: Oslo (500,000), Bergen (160,000 with suburbs), Trondheim (110,000), Stavanger (80,000 with suburbs).

The Norwegian as an individual is European in his tastes and standards. He is conservative and tends to follow well-tried paths rather than experimenting with ideas and innovations. He normally has to be introduced to new products by a personal demonstration of their advantages over the old. He is trustworthy and generally experienced and knowledgeable in his line of business. He is willing to consider Canadian products provided they are properly introduced and if it is made clear that the Canadian supplier can offer competitive prices and quality and make prompt de-

livery. Servicing for technical gear is a major consideration.

At present, optimism pervades the business community. Last year was a good one for Norway and this one seems equally promising. Exports are burgeoning. A major problem is how to keep the balance-of-payments deficit within bounds. At present foreign borrowings are covering it and foreign exchange reserves have so far been well maintained. Proceeds of these foreign loans are being directed into capital investment in ships, and in hydro-electric and industrial plants. A further concern is that wage negotiations slated to take place in coming months and embracing large blocks of the labour force could serve to overprice Norwegian goods in the export market if excessive wage demands have to be met.

The authorities are aware of the inflationary threat inherent in the situation and have proposed in the budget a tightening of private credit which will not apply to government expenditures. Questions are being raised about whether this policy will mean a slowing-down in the modernization and expansion of Norwegian secondary industry at a time when its output for the foreign market is increasing.

There are uncertainties over the EEC and the EFTA; Norway has a vital trading stake in EEC markets. Both official and business circles realize that as a small country, it must accommodate itself to the changes taking place in Europe and this could mean closer economic relations with the Continental countries.

### Methods of Doing Business

In general, methods of conducting business in Norway are much like those practised in Canada. English is widely used and understood. Sales literature in English may be used, although there are benefits in adopting the local language. English phraseology should be simple and clear. Advertising is not as all-pervasive as in North America. There are no billboards, fewer electric

signs in city centres, and no commercials on radio and television. Credit plays a large part in making sales: 60- and 90-day terms are common where in Canada terms might be payment against documents or 30 days.

The seasonal aspects of the market are important, with winter the most important season. Delivery on schedule of imported goods is a cardinal point. Quotations should be c.i.f. whenever possible. To assist in the introduction of goods and in building the market, agents should be appointed whenever possible. Norwegians in general are loyal to established brands and the Canadian exporter, after introducing his line and appointing an agent, should take care to stress quality, price, delivery and service.

### Sales Prospects

Canada enjoys a good market in Norway, selling \$73.4 million worth of goods there last year. However a substantial proportion of our exports to Norway consists of ores and other raw materials for processing there, and also wheat and other basic foodstuffs. Although Norway is itself exporting a number of industrial lines and consumer goods, it still depends heavily on foreign industry to supply many of its needs and there seem to be good possibilities for the products of Canada's secondary industry which have not yet been explored completely. But the increasing number of Canadian businessmen coming to Norway and the recent visit of a Canadian Fabrics Mission show that they are being studied.

### Is It Worthwhile?

While more could be done, in a small market like Norway would the effort be justified? No categorical answer can be given valid for all products, times and circumstances. Nevertheless, here are certain points to consider in assessing the possibilities of the Norwegian market:

- There is some similarity between the three Scandinavian countries. If

the Norwegian market is too small, consider a sales effort covering all Scandinavia.

- There are no restrictions in Norway against the import of industrial goods from Canada, although agricultural products frequently face quantitative restrictions.

- There are no payments problems between Canada and Norway; kroner are readily convertible into dollars to pay for imports.

- Norwegian tariffs are generally low. However, as a member of EFTA, Norway has cut its tariffs for most industrial goods to EFTA member states by 60 per cent and plans to abolish them completely by 1966. (An exception is made for

manmade fibres and fabrics, men's and women's clothing, electrical refrigerators and washing machines for domestic use, for which the date has been delayed until Dec. 31, 1969.)

This means that goods from these countries\* enjoy a tariff preference against those from non-members such as Canada. Furthermore, the Norwegian customs duties are levied on the c.i.f. value of the import, which means that the shipping charges are important.

- Norway maintains strict regulations for electrical gear, which must be tested and approved by NEMKO

\*EFTA partners: Britain, Switzerland, Portugal, Austria, Sweden, Denmark, Finland (associated status).

(Norwegian Electrical Control Board, Oslo).

- There are excellent shipping connections between Canada and Norway, with services offered between the Great Lakes and Oslo. There are also direct shipping services from Vancouver, via the Panama Canal.

The Canadian businessman who decides to visit Norway will find a friendly people, well disposed towards Canada, their interest stimulated by the similarity of Canada's northern geography to their own, by Canada's exciting history and current development, and by the number of Norwegians who have made Canada their home. It's a good basis for a sales campaign if you decide your product has a chance. ●

## FAIRS AND EXHIBITIONS

### Canada Scores at N.Y. Exhibition

THE CANADIAN EXHIBIT at the National Office Products Exhibition in New York's Coliseum, May 21-24, won the Grand Prix for the Most Original Display offered by the National Office Furniture Association in competition with 357 other exhibitors.

Sponsored by the Department of Trade and Commerce, the display showed office furniture and equipment manufactured by 12 Canadian companies. Coordination and design were handled by the Canadian Government Exhibition Commission.

The 2,030-square-foot exhibit was formed of reusable steel supports holding natural wood and painted wall panels; these carried large photographic enlargements of office installations and buildings. The distinctive display made full use of the high ceiling, rising to 18 feet. Other exhibitors restricted their designs to eight feet or less, and so the illuminated crests of Canada could be seen from most parts of the floor. The Commission deliberately omitted booth partitions in order to create an air of spaciousness.

The participating firms were unanimous in their approval of the exhibit. Many made good sales during the exhibition, several appointed new agents, and all made many promising contacts for future business.

"This has been a first-rate show," reported one manufacturer. "Our inquiries have been far more than expected. We feel a substantial amount of sales will result."

Another company wrote: "We are very happy indeed to have been able to participate in the high calibre of display as produced by the Canadian Government."



*This is a view of Canada's prize-winning exhibit at the National Office Products Exhibition in New York. The clean, functional display with its open-air interior was purposely designed to show the office equipment and furnishings in the best way.*



Members of the City of Glasgow Police Pipe Band are shown with Trade and Commerce representatives at the Canadian display in Scotland's Food Exhibition. The Canadians are, from left to right, W. J. Curran, Agriculture and Fisheries Branch, N. L. Williams, Assistant Commercial Secretary, Glasgow, H. J. Provost, Canadian Govt. Exhibition Commission.

### Scotland's Food Exhibition

GIANT umbrellas for the pavilion, sashes and western-style hats for the staff, and colorful shopping bags for visitors were Canada's attention-getters at the recent Scotland's Food Exhibition in Glasgow.

Twelve Canadian food producers exhibited a wide range of sauces, frozen and canned vegetables, pickles, lobster, cheese, honey, nuts, tomato juice and doughnuts. All were enthusiastically received by the more than 200,000 visitors at the show. "Canada for Quality" was the theme of the exhibit, and all displays were directed almost exclusively toward consumers.

The 3,000-square-foot stand was designed for a "hard-sell" technique and reports indicate that this was very effective. Sales during the exhibition amounted to approximately \$14,000.

The government's promotion literature was a fold-out brochure in color which described and illustrated the various products offered. A "get acquainted" reception was held on the second day of the show, with invitations going to those people actively concerned in the trade.

### Trade Fairs in Holland

HERE is a selection of coming trade fairs and exhibitions which make up part of the 1964 program of the Royal Netherlands Industries Fair. Companies desiring

further information on any of these events should write to the Commercial Division, Royal Netherlands Embassy, Ottawa, Ont. All are held at Utrecht.

**14th International Foodstuffs & Beverage Trade Fair "ROKA"**—This biennial event, to be held September 7-11, will house 400-500 exhibitors. It is intended exclusively for food processors and retailers. Store equipment will be included.

**International Autumn Fair (83rd General Fair)**—Running from September 14 to 22, the exhibition will feature the traditional range of consumer goods. These include travel and leather goods, toys, jewellery, pottery and handicraft products. Office furniture and supplies will also be shown.

**VOM '64**—Inaugurated this year, the fair will feature paint and varnish products; painters' and decorators' supplies; finishing equipment, materials and processes. The show will be held Oct. 20-24.

### Barcelona Samples Fair—1964

ON JUNE 1, 1964, the 32nd International Samples Fair opened in Barcelona; it ran for 15 days. Twenty-one foreign countries participated officially in this year's fair compared with 40 last year. This year the fairground occupied 275,000 square meters; last year it took up 277,100. The drop in participation by foreign countries could be attributed in part to the considerable reduction of Spanish imports of finished products during the past two years, coupled with a substantial increase in the imports of raw materials.

Canada's participation this year was limited to an information booth and film projection facilities where Canadian documentary films were shown on an average of 10 times daily to capacity audiences.

June 4th was Canada Day. The president of the executive committee of the fair, Senor Ramon Par Tusquetes, made a short speech during which he expressed satisfaction that Canada had participated for the second time in the Samples Fair. He emphasized that Spanish imports of Canadian products were increasing year by year. He pointed out, however, that Spanish exports to Canada are still limited, and that during the past four years have only increased by 19 per cent.

A number of inquiries were received at the Canadian booth from Spanish firms interested in items ranging from prefabricated housing to asbestos fibres.

### Exhibitors "Delighted" with Delicatessen Show

CANADA was among the three countries which mounted national exhibits at the Fifth Delicatessen Exhibition in London early this year. Ten Canadian firms vied for the attention of almost 13,000 visitors and by far the greatest number of viewers came from the food trade.

Promotion activities included paid advertisements in two British food magazines. Over 1,000 descriptive brochures were distributed by mail before the fair and 4,800 more were handed out at the display itself.

The pamphlets, entitled "Delicatessen à la canadienne", were printed in green and yellow and featured a red maple leaf in a white circle as an eye-catcher. Photographs both illustrated the products and added a touch of human interest.

Among the products displayed were pickles, cheeses, tinned and bottled fruits and vegetables, maple syrup, kosher meat products, processed meat and poultry, sauces and relishes, and tinned fish products.

The exhibitors, without exception, said they were delighted with the results. They stated that the show was one of the best means of advertising and selling to the local trade. Both executives of the firms and demonstrators manned the booths.

A government spokesman said, "Our participation can be considered highly successful. The expenditure was small, and our section was one of the brightest in the show. Exhibitors, visitors and organizers repeatedly commented that it was the nicest in the exhibition."

### **B.C. International Trade Fair**

SUCCESS crowned the B.C. International Trade Fair held in Vancouver from May 13-23, 1964—for exhibitors, buyers, and the general public alike. Exhibitors from over forty nations attending the third triennial B.C. Government-sponsored Trade Fair expressed satisfaction at the number of inquiries from buyers and interested visitors. Officials expressed the hope that the

BCITF "will lead to further and stronger economic ties with our overseas trading partners."

Exhibitors with products for sale at the Fair did well and others received numerous business leads. Although it was mainly an importer's show, many participants provided information about their particular services and activities. For example, the Canadian Department of Trade and Commerce exhibits, which illustrated the variety and destinations of Canadian exports, showed models of the Department's exhibits at foreign trade fairs, displayed and distributed departmental publications, and explained the promotion activities of Trade Missions and the Canadian Government Travel Bureau.

Of a total 170 exhibitors, about 15 were from foreign governments. Japanese diesel-powered cars, Bulgarian wines and liquors, German machinery, French leather goods and Indian carpets and textiles suggested the wide range of products and extent of foreign participation. About 10,000 buyers helped make up the estimated 150,000 total attendance. Most buyers were Canadian, however; the 15-member Board of Trade Mission from Scotland and some United States buyers also made extensive purchases and business contacts.

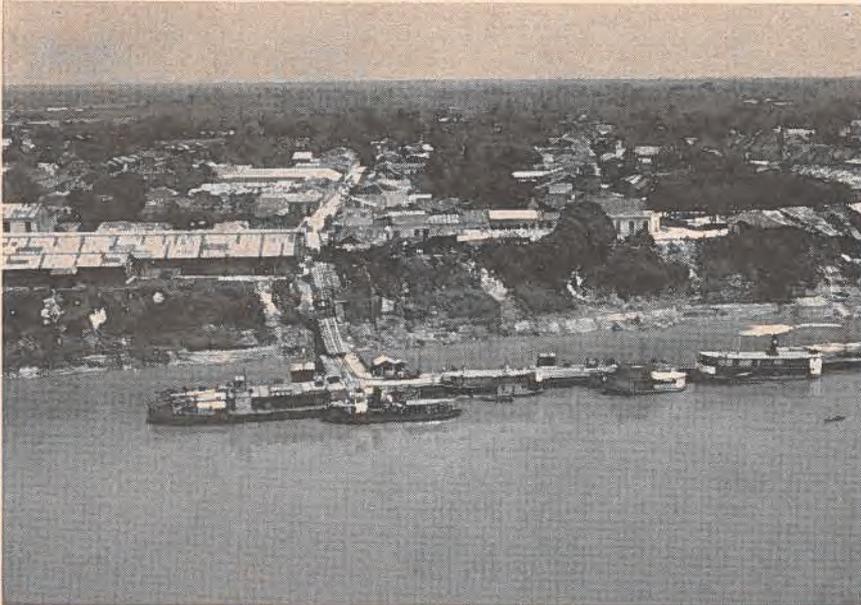
Because of Expo '67, BCITF officials are planning to schedule the next B.C. fair either in 1966 or in 1968 rather than in 1967. Those interested in participating should contact B. F. Holloway, BCITF, Department of Industrial Development, Trade and Commerce, Parliament Buildings, Victoria, B.C.

This year, exhibit space cost a flat two dollars a square foot in any of the five buildings in Vancouver's Pacific National Exhibition grounds.



*Among the distinguished visitors present at the B.C. International Trade Fair in Vancouver was His Excellency W. A. Rose, High Commissioner to Canada for Trinidad and Tobago (second from right). Standing beside him is Reg T. Rose, general manager of the Vancouver Board of Trade. They were visiting the Department of Trade and Commerce booth and talking to D. F. Alger (far left), Trade Services Branch, and R. B. Fournier, Trade Fairs and Missions Branch.*

# Try Personal Selling in Peru



*The visitor to Peru will discover that it is made up of three distinct regions. One is the tropical Amazon jungle, of which Iquitos is the centre. This area constitutes a small but distinct market, into which goods enter free of duty and fiscal taxes.*

But first ask the Lima office to look into prospects for your product. If these are promising, make your plans and get on a plane, prepared to spend four or five working days in Lima and perhaps visit other parts of the country as well. The results may surprise you.

D. J. McEACHRAN, *Assistant Commercial Secretary, Lima.*

PERU is a prosperous country and offers a diversified, accessible, expanding and competitive market. Through correspondence you may perhaps—with a lot of effort and luck—sell to Peru. But to consolidate your company's position and expand your sales in this buyer's market, you should come here yourself. Peru is easy to reach, pleasant to visit, and profitable to know at first hand.

Successful business visits are not haphazard affairs. Advance planning pays off. Perhaps you will let us

help you before you make your reservations. Some of the questions you will want answered will include:

- Does Peru import my product?
- What is the average annual value of these imports?
- Does Peru manufacture similar products and are they protected by high duties?
- What is the import tax?
- What types of representatives are available?

— What competing brands are sold?

— Do my competitors have any particular advantages?

— What are competitive prices?

— Do the prospects justify a visit?

We can obtain most if not all of the answers for you. The information we need to assess the prospects properly varies of course from product to product. Generally speaking, however, you should send us information on specifications (metric), detailed prices (in U.S. dollars, c.i.f. Callao, the port adjacent to Lima), approximate weights (tariffs are based on weight, with ad valorem surcharges) and the names of any previous contacts you have made. The provision of literature in the Spanish language by foreign firms wishing to develop this market is so standard that its lack is a serious disadvantage.

Once the broad sales possibilities have been explored and a visit is indicated, we can arrange appointments for you according to the time you will have to spend. If you wish to explore the market thoroughly, appoint a representative, and call on potential customers, you will need at least four or five working days. Shorter visits will give you an idea of the opportunities but you probably won't have time to go into detail. For example, even if you appoint an agent you will still find several large customers who buy direct through the United States or Europe and on whom you should call personally. Explore the opportunities with us before coming and if they justify a visit, stay long enough to cover the market.

## When to Come

January to April—perhaps as a result of the Canadian winter—are the months most frequently chosen for visits to Peru. This is the best

time of the year if you are thinking of the weather but it is not necessarily the best time from the business viewpoint. Government offices are open only from 8 a.m. to 1 p.m. and business firms start early (8 a.m.), take an extended lunch/siesta (between noon and 4 p.m.), and then work until 7.30 p.m. Some offices work through from 8 a.m. to 2 p.m. and then close for the day. For the rest of the year, hours are generally 8.30 a.m. to 12.30 p.m. and 3 p.m. to 7 p.m. If the business visitor plans his days with these hours in mind, he can carry out an effective program—and leave plenty of time for a relaxed business luncheon.

There are so many national and religious holidays in Peru that it needs care to avoid them so that they will not interfere with business visits. They are listed below.

### Getting There

Lima is on the route of all airlines serving the west coast of South

America and connections both to and from north and south are frequent. Canadian Pacific maintains an office here and offers flights to Lima from Montreal, Toronto, Calgary and Vancouver via Mexico City. Other major carriers serving Lima include Avianca, Lan Chile and Panagra from New York, BOAC from the Caribbean, Varig from Los Angeles, Air France and KLM from Europe, and so on. Your travel agent is probably the best person to advise you on routes—particularly if you are planning to combine your visit to Peru with stops in other South American countries.

Customs procedure is simple. You will need a tourist card (valid for 90 days and obtainable from Peruvian Embassies or Consulates, the airline, or the immigration authorities on arrival) and an up-to-date smallpox vaccination certificate. Reasonable quantities of samples without commercial value can usually be brought in duty-free provided they are obviously not suitable for use or resale. Consular invoices are not necessary for samples accompanying the traveller but they must be obtained if the samples precede or follow you. Should you wish to send the samples ahead, it is often worthwhile to have them cleared as a commercial shipment. This will give you a better picture of the normal tariff charges and clearance costs that apply to your product; these are often difficult to estimate correctly in advance.

### Hotels, Tips and Taxis

Most Peruvian businessmen expect Canadian visitors to stay at either the Gran Bolivar or Crillon Hotels in the center of town. Rates for single rooms are in the \$15-\$18 range. The smaller hotels, though considerably cheaper, are not as convenient. Service and tax charges of some 15 per cent are added to all bills but tips are still expected—and necessary if you want to be welcomed when you come back a second time. Taxis are easy to get at reasonable rates, except during

### Why Visit Peru?

- Imports of over \$500 million per year
- No import licensing
- No exchange control
- Dollars freely available
- Prior deposits not required
- Experienced and qualified agents available
- Development projects expanding
- Toronto, Montreal and Vancouver to Lima—ten hours
- Stable currency
- Excellent banking facilities
- Good sales prospects

the rush hours when they turn into "colectivos" in order to carry more customers. Some of the cars are not exactly new—it's not every city in which you can ride to your appointments in the remnants of a once-glorious 1931 Packard Phaeton! It is a good idea when you find a capable driver to hire him by the hour.

Do not try to fit too many appointments into one day (four or five is a good average) because getting about the city can be confusing and time-consuming and when you arrive at your destination you may be kept waiting. If you do not speak Spanish and have to work through a translator, your appointments will, of course, take considerably longer. Neither English nor French is widely spoken and thus even a slight knowledge of Spanish is useful and much appreciated by your agents and customers.

### Climate and Clothing

Despite the fact that Lima is closer to the Equator than either Bombay or Bangkok, the climate is much cooler than one would expect. Temperatures normally vary between 60 and 80 degrees F. Although it is often cloudy and the humidity is generally high, Limeñians are proud of the fact that it NEVER rains in their city. You will be comfortable wearing the

### Holidays in Peru

- New Year's Day—January 1
- Epiphany—January 6
- St. Joseph—March 19
- Maundy Thursday—April 19
- Good Friday—April 20
- Easter Day—April 22
- Labour Day—May 1
- Ascension Day—May 31
- Corpus Christi—June 21
- St. John—June 24
- St. Peter and Paul—June 29
- Independence—July 28-30
- Assumption—August 15
- St. Rose of Lima—August 30
- Our Lady of Mercy—September 24
- Columbus Day—October 12
- All Saints Day—November 1
- Battle of Tarapaca—November 27
- Immaculate Conception—December 8
- Christmas Day—December 25

same suits you would wear in Canada at the same season—but remember the seasons are reversed. You will not need a topcoat and a hat is the mark of a stranger. Should you plan to visit the Andean regions (most centres are at 10,000 to 12,000 feet elevation), you will need warmer clothing but in the fully tropical jungle of the Iquitos area, open white shirts are the standard dress.

As the experienced traveller knows, frequent changes in food and water can upset the internal plumbing. Though you need not worry about either the water or the food in the better hotels and restaurants, it may be a good idea to stick to drinking mineral water and to avoid fresh vegetables and unpeeled fruits. Be careful of the sun—it is deceptively strong and can leave you with a painful burn after only a short time.

#### Where to Work

You will probably find that you can concentrate your efforts in Lima, the capital city and commercial centre. Business activity is centered almost exclusively in this city and many of the larger firms offer distribution facilities throughout the provinces of Peru. As a result, nearly all the representatives of foreign suppliers operate in and from Lima.

Arequipa in southern Peru, the country's second city, does import some goods direct through the ports of Matarani and Mollendo (these ports also handle goods in transit to Bolivia) and you may feel prospects there are worth investigating. On your way you may want to take a day off to visit Macchu Picchu, the historic center of the Inca civilization.

Iquitos, Peru's jungle city on the Amazon River, should be considered as a separate—although small—market. This city is accessible from Lima by plane but the majority of goods reaching the area are shipped by steamer up the river from the Atlantic Coast. Iquitos is in that area of Peru declared free from all

fiscal taxes and all goods enter duty-free. Companies in Lima cannot offer close contact or proper coverage and local agents or representatives are necessary. The area offers opportunities primarily for exporters of foodstuffs.

If your interests are specific and your products specialized, you may also wish to visit the mining industry in the Andes, the fishing or petroleum industries along the coast, or the sugar and cotton haciendas throughout the country. Domestic air connections are good and you can reach most areas within a few hours, spend one working day, and return to Lima the following morning.

#### Weights, Measures and Banks

Peru uses the metric system for most weights and measures although there are certain exceptions. If possible, any price quotations you bring should be based on the units and standards used. For example, fluid measures are in U.S. gallons, weights are metric, units are based per hundred or per thousand, and electrical

standards are North American. Quotations based f.o.b. or f.a.s. are not well received and the time taken to calculate c.i.f. prices in U.S. dollars is well spent. There are no exchange controls and no import licences. The exchange rate for the Canadian dollar has been stable at approximately 25 to 1 for over five years. The Royal Bank of Canada maintains a branch here; so do the First National City Bank and the Bank of London and South America. In addition, all large Peruvian banks have correspondent relationships with their Canadian counterparts and can offer full services.

Once you have returned to Canada, you will want to follow up on the leads you have developed. If you have made quotations or appointed an agent, be sure to confirm the details by airmail. Surface mail takes so long that your contacts may well have made other arrangements by the time your letter arrives. By sending us copies of your correspondence you can let us know how best we can help you in your personal selling in Peru. ●



*The arid desert that surrounds Independence Bay, 170 miles south of Lima, extends along the Peruvian coastline; is another of Peru's three zones. General San Martin landed at this spot in 1820, one year before he declared the independence of Peru.*

# FOREIGN TARIFFS

## AND TRADE REGULATIONS

### Britain

**IMPORT LICENSING OF CANNED APPLES**—In a press release dated July 9, the British Board of Trade announced its intention to remove the present restrictions on the import of bottled or canned apples and mixtures of fruit containing apple imported from the dollar and relaxation areas and Japan.

Until August 1, when the licensing requirement will be completely abolished, licences will be freely issued for these products. This means that until August 1, licences will still be required for the import of these items from Canada, but licences will be issued without restriction. After August 1 licences will not be required.

In the last quota year, July 1, 1963, to June 30, 1964, the quota for the dollar and relaxation areas and Japan was £800,000.

### Britain

**COMMONWEALTH PREFERENCE ON DEHYDRATED PRODUCTS**—The Commissioners of Customs and Excise, London, point out that goods which have been merely dehydrated, dried or accelerated freeze dried (including those packed in hermetically-sealed containers) are regarded as "grown or produced" and not as manufactured goods. Where a further process is involved, such as cooking, each case is considered on its merits. For the purpose of their entitlement to Commonwealth Preference, consignments of these goods to the United Kingdom must therefore be entirely of Commonwealth origin. Each shipment should be accompanied by Certificate of Origin D Form No. 119 (Sale) or when the producer is also the exporter Certificate of Origin D/Com Form No. 112 (Sale). Guidance to the completion of the certificate and the entitlement of goods to Commonwealth Preference is given in Notice No. 27A issued by the Commissioners of Customs and Excise—London.

### Denmark

**FURTHER LIBERALIZATION OF TRADE**—In Notice No. 216, the Danish Ministry of Trade liberalized imports of the following goods as of July 1, 1964:

#### Tariff Item

ex 06.04	Adiantum and asparagus.
ex 19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, cornflakes and similar products).
ex 40.09	Piping and tubing of soft rubber.
ex 40.14	Mats, corks, weather-strip, as well as bands and rings for packing purposes, etc. (including so-called coupon rings and rings for preserve jars) of soft rubber.

No. 86.01-86.10	Railway and tramway locomotives, rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered).
ex 87.02	Ambulances
ex 87.03	Fire engines
ex 87.05	Coach work and driver's cabs for ambulances and fire engines.

*Further information may be obtained from the Office of Trade Relations and Trade Policy, Department of Trade and Commerce.*

### Japan

**CUSTOMS TARIFF AMENDED**—Effective from April 1, 1964, the Japanese Government has amended the rates of import duty on 61 items and sub-items of the current import tariff. Of these changes, 25 represent increases and 17 decreases. On nine items the duty has been changed from an ad valorem to a specific basis.

Articles affected by this amendment that are of interest to Canada include the following:

#### **Commodities on which the rate of duty is increased:**

poultry, fresh or frozen, 10 per cent to 20 per cent; whisky of 50 per cent or more alcoholic content, 550 yen to 660 yen per litre; brandy of 50 per cent or more alcoholic content, 650 yen to 780 yen per litre; lead monoxide and minim, from 10 per cent to 18 per cent; basic lead carbonate, from 10 per cent to 18 per cent; calcium citrate, from 5 per cent to 15 per cent. Boilers generating steam, steam turbines and electric generators are now subject to duty at the rate of 20 per cent ad valorem irrespective of capacity.

#### **Commodities on which the rate of duty is decreased:**

pumice stone and other abrasives; metallic lithium, lithium fluoride and hydride; synthetic tanning substances; lithopone; alloys, rods, wire, plates, sheets, strips, hollow bars of beryllium copper; lumps of zinc of less than 97 per cent zinc content, zinc waste and scrap.

#### **Commodities on which the rate of import duty has**

**been changed from ad valorem to specific:** soda ash, ethylhexyl alcohol, polypropylene; lumps of copper of more than 95 per cent copper content; lumps of brass or bronze, lumps of lead, lumps of zinc of more than 97 per cent zinc content, lumps of zinc of more than 3 per cent aluminum, and other lumps of zinc.

The rate of duty on whale meat has been reduced from 7 yen per kilogram to exemption from duty.

*Details regarding the amendments affecting any particular commodity may be obtained from the Asia and Middle East Division, Office of Trade Relations and*

*Trade Policy, Department of Trade and Commerce, Ottawa.*

### **Turkey**

#### **NEW FOREIGN TRADE REGIME ANNOUNCED**

—The new Turkish foreign trade regime for July-December 1964 was published in the official *Gazette of Turkey* dated July 3. A less comprehensive free list for imports is now divided into two instead of three sections for the purpose of guarantees payable by importers against licence withdrawal. These now amount to 70 per cent and 100 per cent respectively. (The previous rates were 50, 60 and 70 per cent.) All imports on the free list (goods which may be imported free from restrictions into Turkey) must now be made on a letter of credit basis. Deposits and guarantees on quota list items are unchanged but the list is reduced.

Under the new foreign trade regime, some 30 items are transferred from the free list to the quota list. These include: printing ink; mineral chemical fertilizers; anti-knock preparations; kraft paper for bags; yarns of arti-

cial and synthetic textiles; iron and steel sheets; alloy and high carbon steel, aluminum sheets and strips; furnace burners; agricultural machinery; harvesting and threshing machines; electric lighting and signalling equipment; surveying, medical, dental, surgical and veterinary instruments; X-ray and other apparatus; certain other measuring instruments.

In the schedule of AID imports, the following items have been added for the second half of 1964: iron alloys and aluminum sheet and strip. Withdrawals from the AID schedule are X-ray films, packaging machinery, discontinuous artificial textile fibres and waste, and iron and steel strips in widths of 250 millimeters or less.

All new applications for imports into Turkey against the free list were suspended from June 19, 1964, until the announcement of the new foreign trade regime.

The new regime provides for fewer controls and formalities on exports.

Detailed information regarding the new foreign trade regime will be available when the official text is received.

## **TRANSPORTATION NOTES**

### **Australia**

**RAILWAYS**—Commissioners of four of Australia's main railway systems recently discussed details for completion of the final links which will give standard gauge (4 feet 8½ inches) freight and passenger rail connection between Sydney and Perth.

The transcontinental system is scheduled for completion by 1968, with the building of standard gauge lines between Broken Hill, N.S.W., and Port Pirie, South Australia, and between Kalgoorlie and Perth in Western Australia. The new links will enable passengers from Sydney and Perth to travel across the continent without changes at break-of-gauge stops.

The transcontinental link will operate over the following systems: Federal Railways 1,108 miles, New South Wales 699 miles, Western Australia 380 miles and South Australia 255 miles—Sydney.

### **Belgium**

**SCHELDT TUNNEL**—The Belgian Ministry of Public Works has approved a consortium of five contracting firms for the construction of a new tunnel under the Scheldt River in Antwerp. The project, to start in August at the latest, is part of a vast Belgian road construction program that will link it with the Netherlands, France and Germany.

The tunnel, which will be approximately 300 feet long and 150 feet wide, will consist of six motor-vehicle

lanes (three in each direction) and two railroad tracks. The project is expected to take four years to complete and will cost well over \$60 million.

Canadian firms wishing to inquire about supplying structural steel for use in this type of construction should write to the Department of Trade and Commerce in Ottawa for the names of the contracting firms in charge of the project—Brussels.

### **Costa Rica**

**ROADS AND CANALS**—The Government of Costa Rica is considering a bond issue to finance the cost of a road between San Jose and Puerto Limon at a cost of approximately U.S.\$2 million, and a canal to connect the Lagunas del Tortuguero at a cost of approximately U.S.\$600,000. Both projects are still in the planning stage—Guatemala City.

### **Jamaica**

**PORT FACILITIES IMPROVED**—Port facilities in Jamaica are to be improved and modernized on a large scale. Two local companies with sites adjacent to each other in Newport West (a newly built-up area of Kingston) have begun construction of a port terminal which will consist of nine deep-water berths, adequate transit-shed space, and modern passenger terminal

facilities. The total cost of this new project is estimated to be over Can.\$15 million. The old congested wharves in the heart of Kingston will be closed down in phased stages as new facilities in Newport West become available.

On the north coast, Kaiser Bauxite Co. has begun work on a private project in Discovery Bay estimated to cost over Can.\$30 million. This will provide a railway system and modern deep-water berthing facilities. Final plans are now being drafted for the establishment in Montego Bay of a modern port along the same lines as Newport West—Kingston.

### **Mexico**

**IMPROVEMENTS AT MANZANILLO**—The important Pacific port of Manzanillo is being enlarged at a cost of U.S.\$5.8 million, of which U.S.\$2.4 million will be spent on harbour dredging and enlarging the channel leading to the inland lagoon of San Pedrito, where interior port facilities will be constructed. In addition, access highway and rail facilities will be provided.

The importance of Manzanillo, which handles an average of 600,000 tons yearly (mainly cotton and minerals), should increase in the future once the iron rich deposits in the adjacent State of Colima are developed—Mexico City.

### **Mozambique**

**ORE-LOADING TERMINAL**—The biggest ore-loading terminal in Africa is being constructed on the Matola Wharf in Lourenco Marques. The total cost of the project is about \$45 million; Link-Belt is providing the ore-handling installation, valued at some \$5 million—Johannesburg.

**RAILWAY EXTENSION**—Mozambique Railways reports that a line from the port of Nacola to Villa Cabral in Niassa district, north of Beira, is soon to be constructed, and a water link from Villa Cabral to Lake Nyasa, where a port is to be built, is under study. The new 500-mile line will be the longest section in Mozambique—Johannesburg.

### **New Zealand**

**RECORD TONNAGE**—In the year ended December 31, 1963, New Zealand's ports handled a record 13.5 million tons of cargo. This was an increase of 1.3 million tons over the 1962 total, and of 864,223 tons over 1961, the former record year—Wellington.

### **Poland**

**ELECTRIFYING RAILWAYS**—Replacement of steam locomotives by electric ones in Poland is continuing, according to a press report. Over 1,800 km.

(8 per cent of the Polish State Railway network) has already been electrified and by 1967 a further 4,000 km. (25 per cent of the network) will be included. By 1967, 61 per cent of freight transport and 52 per cent of passenger transport will move by electric railways. Electrification of the railways will conserve coal, ease maintenance problems, and increase transport capacity by speeding up train operations—Copenhagen.

### **South Africa**

**TONNAGE HANDLED**—During 1963 ports in the Republic of South Africa handled nearly 16 per cent more tonnage than during 1962, or a record total of nearly 25 million tons. Durban not only showed the highest percentage increase, 19.46 per cent, but also handled a greater tonnage, 13,264,818 tons, than all the other ports combined. Port Elizabeth came second with an increase of 18.42 per cent over the previous year, and Cape Town was third with an increase of 10.89 per cent—Johannesburg.

### **Switzerland**

**AIR TRAFFIC**—Passenger and freight traffic at all Swiss airports, with the exception of Berne, was heavier in 1963 than in 1962. The percentage increases were: Zurich, passengers 11, freight 20; Geneva, passengers 11, freight 35; Basle, passengers 17, freight 35. Transport of automobiles from Britain to Switzerland accounted for the freight increase at Geneva and Basle.

In 1963, 35 regular foreign airlines and seven British charter companies were landing on Swiss airfields. Their share of the traffic was 44 per cent for passengers and 54 per cent for freight. The remainder was handled by Swissair, which flies to 54 cities in 38 countries over a network of 130,661 kilometers—Berne.

### **United States**

**CROSS FLORIDA BARGE CANAL**—Digging of the Cross-Florida Barge Canal has started under the supervision of the Jacksonville District of the Army Corps of Engineers. The Barge Canal will provide a channel 150 feet wide and 12 feet deep between the Gulf of Mexico and Atlantic intracoastal waterways. It is hoped that the 100-mile waterway will be ready for use before 1970—New Orleans.

### **Uruguay**

**NEW AIRLINE**—A new airline, Aerolineas Colonia (ARCO), has recently begun passenger service between Colonia, Uruguay, and Buenos Aires using 50 passenger Curtiss Super C-46's. The three flights per day schedule to Buenos Aires and return will take 12 minutes. Flights are timed to connect with fast bus service to and from Montevideo. The return fare is pesos 114.00, approximately U.S.\$6.00—Montevideo.

# LAFTA Membership and Uruguay's Trade

Imports from and exports to LAFTA partners are rising slowly; Brazil and Argentina are well in the lead in this trade. Some concessions made to LAFTA may affect certain Canadian exports.

G. TYRELL, *Commercial Division, Montevideo.*

URUGUAY'S trade with the Latin American Free Trade Association—and this is true of most of the LAFTA members—still represents only a small percentage of its total trade, as the figures below show.

1961—Imports from LAFTA,  
16 per cent of total imports  
—Exports to LAFTA,  
3 per cent of total exports

1962—Imports from LAFTA,  
14.8 per cent of total imports  
—Exports to LAFTA,  
5.2 per cent of total exports

1963—Imports from LAFTA,  
17.9 per cent of total imports  
—Exports to LAFTA,  
9.1 per cent of total exports

Brazil and Argentina, the two important neighbouring countries, have

the lion's share of this trade. One of the main reasons for this is the good transportation services by sea and, to Brazil, by road also; transportation routes to other member countries are not as well established. Some of these transportation problems may be remedied when the inter-zonal merchant fleet, creation of which was approved at a meeting of shipowners in Valparaiso in July 1963, comes into operation. This fleet, when it is set up to carry on trade among members, will have 737 oceangoing and coastal vessels with a total of 4.2 million tons, all belonging to the various LAFTA countries.

Uruguay's volume of trade with the other LAFTA members fluctuates widely from year to year, as Tables I and II show. The drop in imports from all sources in 1963 was partly the result of its policy of encouraging bilateral balancing of its trade with countries that take its products. The products that Uruguay buys from LAFTA countries are limited: from Brazil it purchases mainly lumber, coffee, cocoa and yerba; from Argentina, seed and table potatoes, forage and grains,

TABLE I  
URUGUAY'S IMPORTS FROM LAFTA

From	1961		1962		1963	
	U.S.\$'000	Per cent	U.S.\$'000	Per cent	U.S.\$'000	Per cent
Argentina	11,927	5.7	8,626	3.7	9,628	5.4
Brazil	17,527	8.3	20,527	8.9	13,876	7.8
Colombia	96	0.04	108	.....	202	0.1
Chile	1,772	0.08	1,136	0.5	1,373	0.8
Ecuador	13	0.006	3	.....	10	.....
Mexico	163	0.07	726	0.3	1,325	0.8
Paraguay	1,667	0.7	1,755	0.8	2,373	1.3
Peru	1,358	0.6	1,152	0.6	2,963	1.7
<b>Total imports from LAFTA area</b>	<b>34,526</b>	<b>16.0</b>	<b>34,037</b>	<b>14.8</b>	<b>31,751</b>	<b>17.9</b>
<b>Total imports from other American countries</b>	<b>64,458</b>	<b>30.0</b>	<b>62,256</b>	<b>26.9</b>	<b>44,800</b>	<b>25.4</b>
<b>Total imports from other countries</b>	<b>110,087</b>	<b>54.0</b>	<b>134,191</b>	<b>58.3</b>	<b>100,348</b>	<b>56.7</b>
<b>Total Imports</b>	<b>209,073</b>	<b>100.0</b>	<b>230,484</b>	<b>100.0</b>	<b>176,899</b>	<b>100.0</b>

TABLE II  
URUGUAY'S EXPORTS TO LAFTA

To	1961		1962		1963	
	U.S.\$'000	Per cent	U.S.\$'000	Per cent	U.S.\$'000	Per cent
Argentina	1,829	1.04	1,625	1.1	916	0.6
Brazil	1,841	1.05	3,006	2.0	9,694	5.9
Colombia	537	0.3	1,983	1.3	1,657	1
Chile	773	0.4	925	0.6	1,471	0.9
Ecuador	145	0.08	133	0.1	237	0.1
Mexico	33	0.01	36	.....	89	.....
Paraguay	519	0.2	226	0.1	375	0.2
Peru	144	0.08	81	.....	563	0.4
<b>Total exports to LAFTA area</b>	<b>5,826</b>	<b>3.03</b>	<b>8,015</b>	<b>5.2</b>	<b>15,002</b>	<b>9.1</b>
<b>Total exports to other American countries</b>	<b>26,936</b>	<b>15.0</b>	<b>26,196</b>	<b>17.1</b>	<b>20,449</b>	<b>12.4</b>
<b>Total exports to other countries</b>	<b>141,952</b>	<b>81.0</b>	<b>119,220</b>	<b>77.7</b>	<b>129,755</b>	<b>78.5</b>
<b>Total Exports</b>	<b>174,715</b>	<b>100.0</b>	<b>153,431</b>	<b>100.0</b>	<b>165,206</b>	<b>100.0</b>

TABLE III  
URUGUAY'S CONCESSIONS TO LAFTA PARTNERS\*

Pedigree livestock
Field and garden seeds
Medicinal herbs
Vegetable oils—unrefined
Tobacco
Plastic raw materials
Sulphur
Lubricating oils and greases
Chemicals, industrial and medicinal
Lumber
Wood pulp
Newsprint
Iron and steel sheets, bars and ingots
Copper, refined and unrefined
Railway ties
Railway coaches, freight and passenger
Seed and table potatoes
Copper sheets and tubes
Zinc, refined and unrefined
Lead in ingots or bars
Synthetic resins

\*Selected list of products of interest to Canada.

industrial alcohol, steel and iron; from Chile, newsprint and copper. Manufactured goods make up a very small part of the trade.

Generally speaking, Uruguay exports grain, wool and meat to the LAFTA members. Table III lists some of the products of interest to Canadian exporters on which Uruguay has granted tariff concessions. Most Latin American countries, Uruguay included, have a comparatively high level of tariffs and surcharges on imports and there is thus room for substantial conces-

sions among members. As an example, when import surcharges on many products were doubled in May 1963, Uruguay exempted LAFTA-negotiated products.

On the question of a common external tariff, Uruguay has apparently reviewed its position. At present, it imports large quantities of semi-manufactured goods from non-LAFTA countries for processing locally. In many instances, similar products are available within the Zone, but they are more expensive than those now imported from

traditional sources. The danger lies in the fact that, in order to benefit other Latin American countries, Uruguay would have to use the more expensive semi-manufactured goods that they could provide. This would increase the cost of the finished product and in turn would raise the cost of living.

None the less, it is inevitable that with the passage of time more of Uruguay's imports will be obtained from LAFTA suppliers and that they will in turn buy from Uruguay whenever possible. ●

## TRADE COMMISSIONERS ON TOUR

### In Canada

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

**Britain**—B. C. Butler, Minister (Commercial) in London, who will be returning to his post.

Fredericton—Sept. 1-2                      St. John's—Sept. 8-11  
Halifax—Sept. 3-4

**Greece**—B. A. Macdonald, Commercial Counsellor, Athens, who will be returning to his post.

Winnipeg—July 27-28                      Calgary—July 30-31  
Regina—July 29                              Vancouver—August 3-8

**Jamaica**—R. W. Blake, Commercial Counsellor, Kingston, who is being posted to Hamburg as Consul General.

Quebec City—July 28-29

**Lebanon**—L. A. Campeau, Commercial Counsellor in Beirut, who will be returning to his post.

Montreal—August 5-12                      Quebec City—August 13-14

**Mexico**—F. B. Clark, Commercial Counsellor, Mexico City, who is being posted to Los Angeles as Consul and Trade Commissioner.

Toronto—July 24-30                      Windsor—August 7  
Hamilton—July 31                      Winnipeg—August 10-11  
Welland-St. Catharines—              Regina—August 13  
August 4                                      Edmonton—August 17  
Brantford, Galt, Kitchener—              Calgary—August 19-20  
August 5                                      Vancouver—August 24-28  
Stratford—August 6                      Victoria—August 31

### Temporary Duty in Ottawa

**L. D. Burke**, Commercial Secretary, London, England, August 5-14. Contact Commonwealth Division, phone: 99-2-2421.

**L. D. R. Dyke**, Consul and Trade Commissioner, Boston, August 22-September 2. Contact United States Division, phone: 99-2-5176.

**H. A. Gilbert**, Commercial Counsellor, Melbourne, Australia, August 13-26. Contact Commonwealth Division, phone: 99-2-2421.

**D. S. McCracken**, Assistant Trade Commissioner, Singapore, August 31-September 11. Contact Commonwealth Division, phone: 99-2-2421.

**J. B. McLaren**, Consul and Assistant Trade Commissioner, Philadelphia, Pennsylvania, August 4-13. Contact United States Division, phone: 99-2-5176.

**R. F. Turcotte**, Consul, Hamburg, Germany, August 3-7. Contact European Division, phone: 99-2-8727.

### In Territory

**Afghanistan**—R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, will visit Kabul the last week in August.

**Bahamas**—R. H. M. Cathcart, Assistant Commercial Secretary in Kingston, Jamaica, will visit Nassau August 3 to 7.

**British Honduras**—R. H. M. Cathcart, Assistant Commercial Secretary in Kingston, Jamaica, will visit Belize July 27 to 31.

**Mozambique**—C. R. Gallow, Trade Commissioner in Johannesburg, South Africa, will visit Lourenco Marques October 5 to 9.

**Pakistan**—R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, will visit Peshawar the last week in August.

**South Africa**—C. R. Gallow, Trade Commissioner in Johannesburg, will visit Durban August 17-28.

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

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 .92432.

## Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 13	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2208	4.53	
Argentina	Peso	Free	.007874	127.00	
Australia	Pound		2.4156	.4140	
Austria	Schilling		.04190	23.87	
Bahamas	Pound		3.0195	.3312	
Belgium and Luxembourg	Franc		.02172	46.04	
Bermuda	Pound		3.0195	.3312	
Bolivia	Peso	Free	.09200	10.87	
Brazil	Cruzeiro	Official Free	.0009168	1,090.75	
Britain	Pound		3.0195	.3312	
British Guiana	Dollar		.6291	1.59	
British Honduras	Dollar		.7548	1.32	
Burma	Kyat		.2272	4.40	
Ceylon	Rupee		.2265	4.42	
Chile	Escudo	Bank rate	.4602	2.17	
		Free	.3355	2.98	
Colombia	Peso	Free	.1084	9.23	
		Certificate	.1202	8.32	
Congo, Republic of	Franc		.007212	138.65	(4)
Costa Rica	Colon		.1633	6.12	
Cuba	Peso		†	†	
Czechoslovakia	Koruna		.1503	6.65	
Denmark	Krone		.1565	6.39	
Dominican Republic	Peso		1.08188	.9243	
Ecuador	Sucre	Official	.06010	16.64	
		Free	.05788	17.28	
El Salvador	Colon		.4328	2.31	
Fiji	Pound		2.7203	.3676	
Finland	Markka		.3381	2.96	
France, Monaco, etc.	Franc		.2208	4.53	(1)
Franco-African Republics, etc.	Franc		.004416	226.45	(2)
French Pacific	Franc		.01214	82.37	(3)
Germany	D Mark		.2723	3.67	
Ghana	Pound		3.0195	.3312	
Greece	Drachma		.03606	27.73	
Guatemala	Quetzal		1.08188	.9243	
Haiti	Gourde		.2164	4.62	
Honduras	Lempira		.5409	1.85	
Hong Kong	Dollar	Free	.1887	5.30	*July 3
		Official	.1887	5.30	

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

\*Latest available date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 13	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02516	39.75	(4)
India	Rupee		.2265	4.42	
Indonesia	Rupiah		.004328	231.08	(4)
Iran	Rial		.01428	70.02	
Iraq	Dinar		3.0293	.3301	
Ireland	Pound		3.0195	.3312	
Israel	Pound		.3606	.2773	
Italy	Lira		.001731	577.70	
Japan	Yen		.003005	332.78	
Lebanon	Pound	Free	.3505	2.85	
Malaysia	Dollar		.3534	2.83	
Mexico	Peso		.08655	11.55	
Morocco	Dirham		.2164	4.62	
Netherlands	Florin		.2994	3.34	
Netherlands Antilles	Florin		.5737	1.74	
New Zealand	Pound		2.9989	.3335	
Nicaragua	Cordoba		.1546	6.47	
Nigeria	Pound		3.0195	.3312	
Norway	Krone		.1512	6.61	
Pakistan	Rupee		.2265	4.42	
Panama	Balboa		1.08188	.9243	
Paraguay	Guarani	Free	.008552	116.93	
Peru	Sol	Free	.04033	24.80	
Philippines	Peso	Free	.2775	3.60	
Portugal & Colonies	Escudo		.03763	26.57	(5)
South Africa	Rand		1.5098	.6623	
Spain and Dependencies	Peseta		.01803	55.46	
Sweden	Krona		.2104	4.75	
Switzerland	Franc		.2504	3.99	
Syria	Pound	Free	.2833	3.53	
Thailand	Baht	Free	.05125	19.51	(4)
Tunisia	Dinar		2.6181	.3820	
Turkey	Lira		.1202	8.32	(4)
United Arab Republic	Pound	Official	2.4883	.4019	
United States	Dollar		1.081875	.92432	
Uruguay	Peso	Free	.05303	18.86	
Venezuela	Bolivar	Official Free	.2409	4.15	
West Indies	Dollar		.6291	1.59	(6)
	Pound		3.0195	.3312	(7)
Yugoslavia	Dinar	Official	.001443	693.00	

## Notes

1. Franc is also used in 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.



## J. H. Warren Becomes Deputy Minister

J. H. WARREN, the newly appointed Deputy Minister of the Department of Trade and Commerce, at 43 has already spent nineteen years in the public service, which he entered in 1945 after Navy service. Since the war he has served with the Departments of External Affairs, Finance, and Trade and Commerce, and has been posted in London, Washington, and Paris. He has acted as Canada's resident representative in Washington on the Boards of the World Bank and the International Monetary Fund. In Paris he represented Canada on various committees of the OEEC and on the NATO Council of Economic Advisers. He has twice led Canada's delegation at conferences to renew the International Wheat Agreement, and is now serving a second

term as chairman of the Contracting Parties to the GATT. As Assistant Deputy Minister of Trade and Commerce since 1958, he has carried prime responsibility for trade policy.

An Ottawa boy, his interest in public service developed early and naturally. Before he finished high school he went to see H. L. Keeneleyside, then one of our career diplomats, about a career in the foreign service. Keeneleyside recommended university courses stressing economics, history, and politics. Young Warren went to Queen's, took the proposed courses and, after four years with the Royal Canadian Navy, wrote the foreign service examinations and entered the Department of External Affairs in October 1945.

At first he was involved in one way or another with what he terms the "general sorting out of international life after the war." His apprenticeship with External brought him into touch with problems such as reparations, peace treaties, and the setting-up of the United Nations. When he was posted to Canada House in London in 1948, he concentrated on economic matters in close concert with his Trade and Commerce colleagues there. His three years in London coincided with the period of anxiety over the dollar gap, the inconvertibility of sterling, and other financial and trade problems of war's aftermath.

On his return to Ottawa in 1951 he served in the Economic Division of External Affairs until he transferred to the Department of Finance for service in Washington as Financial Counsellor to the Canadian Embassy and Alternate Executive Director for Canada at the International Bank for Reconstruction and Development and the International Monetary Fund. In the latter capacities he helped to present the Canadian point of view on the problems being dealt with by these important international economic organizations. One of his concerns was to ensure that Canadian businessmen were alert to opportunities presented by projects financed by the World Bank.

The years 1957-58 saw him in Paris serving on the Canadian delegation to NATO and to the OEEC—another External Affairs assignment. This too was a stimulating time because it covered the period of negotiations for a European Free Trade Area between European

countries not members of the EEC and those which under the Treaty of Rome had set up the European Common Market.

Returning to Ottawa in 1958 as Assistant Deputy Minister of Trade and Commerce (Trade Policy), he found himself more deeply involved than ever in international meetings and negotiations. In some years, he remarks, he has spent as much as half the working year away from his Ottawa base. He participated in the extensive discussions on negotiations over British entry into the European Economic Community, represented Canada at International Wheat Conferences, and was a deputy leader of Canada's delegation to the last major round of GATT tariff negotiations. His work in trade negotiations for Canada has brought him into close touch with the many Canadian businessmen whose interests are affected by tariff and other trade developments in the international field.

The promotion of Canada's export trade, both by government and by individual businessmen, he views not as a short-term spectacular effort but as a continuing and very important part of Canada's economic policy. How can the individual exporter succeed? In Mr. Warren's opinion, "by keeping efficient, by making the necessary effort to go out and exploit foreign markets, and by keeping up-to-date." And this effort is doubly worthwhile: securing markets in other countries means that the manufacturer can profit from resulting economies of scale and thus become more competitive both at home and abroad.

He welcomes the opportunity that his new post provides of meeting more of Canada's business community, of working with the provincial authorities concerned with trade, and of visiting more of our trade offices abroad.

"It is my hope," he told *Foreign Trade*, "that Canadian businessmen will make maximum use of the services available in the Department, both here and abroad. The effective promotion of Canadian trade requires the closest co-operation between business and government, and we at Trade and Commerce are determined to do everything in our power to see that success continues to attend the efforts which are being made throughout the country." ●



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