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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

How Canadian Stylists Invaded Philadelphia

Ceylon Shakes the Tea Bush

Mexico Is Buying Electrical Equipment

Geographical Listing for Exporters

FOREIGN TRADE

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Quality women's wear can be sold in the United States, but it takes a well-organized initial effort and—just as important—persistent cultivation of contacts. Some Toronto manufacturers recently tested this in the City of Brotherly Love.

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Big drive to increase electric power capacity, begun in 1963, maintains its momentum, continues to offer sales opportunities to Canadian companies and a chance to put their expertise in hydroelectric projects to work in a nearby market.

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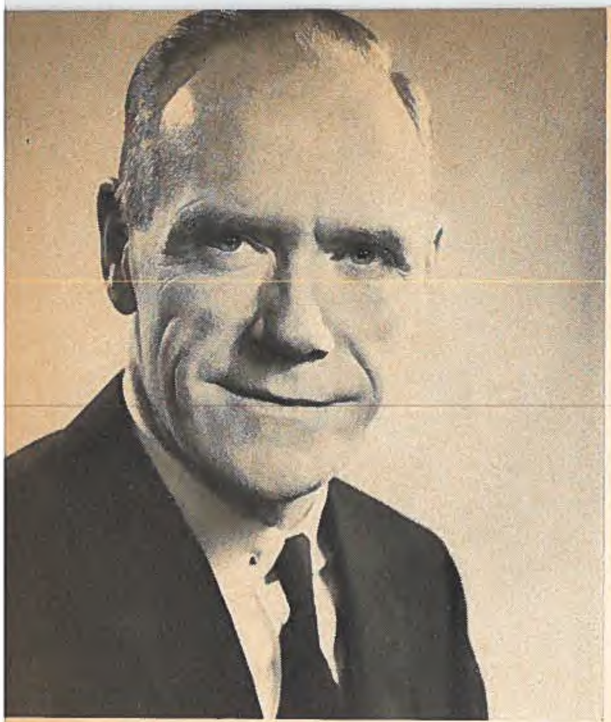

A Message from the Minister

"Canadian exporters can take great pride in their performance during 1964. Exports exceeded the $7 billion figure of 1963 by well over $1 billion.

"The extraordinarily large wheat sales, which received so much public attention, contributed to this record but equally important were the substantial gains in the export of industrial and manufactured goods.

"These gains have demonstrated clearly what the editors of Foreign Trade *have long maintained—that Canadian manufacturers can compete successfully in today's world markets.*

"I hope that the successes of 1964 will spur exporters to even greater efforts in the coming year. Canada needs to maintain steady growth in its external trade if we are to hold our present favourable balance of trade.

"The Canadian Government will continue to work, through various international organizations, towards obtaining easier access for Canadian goods in international markets. In this regard, we consider the current Kennedy Round of negotiations at the GATT very important and we will play our full part in working for its success.

"The Department of Trade and Commerce will again provide aid to exporters through its programs of trade fairs and trade missions and through assistance offered to individual businessmen by the Head Office staff and by Trade Commissioners in its 65 posts around the world. Foreign Trade *will, of course, continue to supply up-to-date information and business tips to exporters throughout the country.*

"I hope that Canadian exporters will continue to make fullest use of the services of the Department and that exports will again reach a record in 1965."

Mitchell Sharp

How Canadian Stylists Invaded Philadelphia

Can Canadians sell high-fashion goods in major U.S. metropolitan areas? "No," said the sceptics—but they have been proved wrong. Here is the story of how AMEGO, a Toronto group, by perseverance has made a breakthrough in a tough market.

W. J. MILLYARD, *Consul and Trade Commissioner, Philadelphia.*

THE recent experience of a group of Toronto garment manufacturers in Philadelphia proves the truth of the old maxim: "If at first you don't succeed, try, try again." Thanks to their persistence, they have succeeded in breaking into the tough Philadelphia market and have proved beyond a doubt that high-fashion, high-priced Canadian women's wear can be sold in the United States. But behind their success lies a story of trial and even some error.

For several years Highland Queen Sportswear Limited of Toronto has been selling its attractively designed women's sportswear to high class shops in the Philadelphia area and in other cities in the central and eastern United States. Its success wasn't easy or haphazard but came as a result of systematic repeated calls on buyers by a sales representative, John Munro, whose determination and patience have paid dividends.

Selling Group Formed

Both Mr. Munro and Highland Queen's president, Murray Warner, were convinced that if their firm could sell in the United States, other Canadian manufacturers of high-quality women's wear could too. In fact, they felt that a group approach by several companies making non-competing lines could help them all. They proceeded to discuss the project with several carefully selected manufacturers in the Toronto area, only one or two of whom had made any previous sales in the United States market. The idea appealed to these firms and in June 1964 AMEGO (Apparel Manufac-

At the Canadian Fashion Show in Philadelphia last November, Linda Barks, the Canadian Birch Girl, (right) strolls down the runway with a tiny Philadelphian. Both Linda and her companion are wearing the Maple Leaf tartan developed by Highland Queen Sportswear in Toronto.

turers' Export Group of Ontario) was born. Seven companies were the founders: Highland Queen Sportswear, Ruth Dukas Designs (suits, cocktail dresses, evening gowns), Claire Haddad Limited (lingerie), Norman Rogul Furs Limited (fur garments), Elen Henderson (children's wear), David E. Rea Limited (dresses), and Allenby Fashions (women's suits and coats).

The AMEGO bylaws set out that the prime object was to promote the export of merchandise to the United States and that members must give high priority to orders from American customers. These people recognized that the Canadian market for high fashion is necessarily limited and that if their firms were to expand, the natural thing to do was to look to the large and lucrative market south of the border. The group's president is Murray Warner and Mrs. Ruth Dukas is the secretary-treasurer. Membership is not restricted to the seven original companies: others may join provided they make merchandise of a class and quality acceptable to the group as a whole.

Charitable Organization Helped

Once organized, AMEGO'S next problem was how best to invade the American market. The members had an enviable reputation for quality and original design with leading Canadian retailers, but they were an unknown quantity to store buyers in the United States, many of whom are unfamiliar with Canadian couturiers. After considering several alternatives, Philadelphia was selected as the city most likely to give them the success they were seeking. It is large, it is wealthy, it boasts many fine stores, and it is far enough removed from the fiercely competitive New York market to be a fashion centre in its own right. The best medium, they felt, through which to attract favourable attention from the press, from buyers and from the general public was a charity fashion show sponsored by a respected women's organization. With the assistance of our office, AMEGO came to a happy arrangement with the "Main Street Fair", an annual October bazaar organized entirely by women of the fashionable Chestnut Hill area, with proceeds going to the support of the Chestnut Hill Hospital.

These Philadelphians were intrigued by the novelty of a Canadian Fashion Show plus the chance to earn additional money for the hospital and decided to hold the Fashion Show on October 8, the day following the bazaar, in the ballroom of the Sheraton Hotel. Happily this coincided with the second annual "Canada Week", October 5 to 10, duly proclaimed by Philadelphia's Mayor. In honour of the occasion, the 45-piece Royal Canadian Navy Band from Halifax was in town and the Canadian Ambassador made his first official visit to the city, presenting an impressive sculpture carved from Canadian birch plywood to the Mayor for his reception room in City Hall. Not far away and open for public inspection throughout the week was the beautifully panelled "birch trailer" sponsored by the Canadian Lumbermen's Association with Linda Barks, the "Canadian Birch Girl", as receptionist.

Although the whole Canada Week program received gratifying press, radio and TV coverage, the outstanding event by far was the Fashion Show featuring cruise and winter fashions and attended by 250 of Philadelphia's leading citizens. The elegance of the fashions shown was something they hadn't expected from Canada and the result was a smash hit. The only disappointing feature was the failure of a considerable number of buyers to keep their appointments despite the promises made in advance by telephone.

Follow-up Visit Made

Nevertheless, those who did come commented favourably on what they saw and enough orders were written to indicate that with further effort some worthwhile business could be developed. What we kept pointing out to the members of the Group who expressed disappointment was that the door had been opened, even though slightly, and that it would be foolish not to capitalize on this with a follow-up visit as soon as their spring fashions were ready. Three of them decided to take our advice and elected to come back in the first week of December. They were Ruth Dukas Designs (evening gowns), Claire Haddad Limited (lingerie), and Elen Henderson (children's wear).

We had all learned a great deal from the first visit and we altered our techniques accordingly. We had seen the disappointing response of buyers to appointments made by telephone and in the weeks preceding the second visit, officers from the Consulate called in person on 51 department stores and specialty shops, some of them as far as 15 miles from the centre of the city. This time, in contrast to the earlier visit, we had photographs and press clippings to show and laid-down prices to give, all of which were a great help. The names of those who expressed interest we promptly passed on to the appropriate manufacturer in Toronto, who then followed up with a friendly note of thanks, confirming the arrival date and giving the name of the hotel where the garments would be on display. This courteous gesture made a favourable impression on the local merchants and helped establish goodwill from the outset.

This painstaking groundwork involved a tremendous amount of time on the part of our small staff in the Consulate, but it paid off. On the day the Toronto manufacturers arrived we had at least twelve good appointments for each one in their respective hotel showrooms, plus the telephone numbers of others who awaited a call from them. Only one store failed to keep its commitment and by the third and last day the Canadians were free to take their samples to suburban shops that had been unable to send anyone to the hotel.

To say that the buyers were surprised and delighted with the garments is putting it mildly. They had no idea that Canada could turn out such original and impressive fashions and they admitted this freely. As one merchandise manager put it, "These styles are distinctive! They're not just replicas of garments we can get from plants across the river in Jersey."

Most important, however, was the fact that the three companies each returned to Toronto with orders amounting to some thousands of dollars from leading department stores and specialty shops in metropolitan Philadelphia and they are now well established with the buyers. They realize the importance of prompt delivery and they don't intend to "spoil the brew" at this stage.

To those of us at the Consulate, their success proves a theory we have held for a long time—that distinctively designed, high-fashion Canadian merchandise can be sold here despite the U.S. tariff. In our efforts to make appointments for the AMEGO companies we encountered many who told us that New York, the fashion centre of the country, and not Philadelphia, was the market they should be trying for and that their visit would prove unproductive. Much to our delight, these purveyors of gloom have been proved wrong. The doors have been opened in Philadelphia to Canadian brand names and it is our hope that other Canadian manufacturers will follow in the steps of the trail-blazers. Once they get a foothold in Philadelphia, they can then try other cities.

What we want to emphasize is that we have all worked on behalf of more than the seven Toronto companies. We have been working on behalf of all those in the Canadian clothing industry who can turn out garments of a kind acceptable to this market and who want to sell here. A significant breakthrough has been made and we shall be disappointed if more do not seize the opportunity now open to them. What they must appreciate, though, as the AMEGO members do, is that repeat visits with new and original designs, plus the closest personal attention, are necessary to get business in the United States in the first instance and then to keep it. These buyers will pay the price if Canadians can give them what they want. ●

Mexico Is Buying Electrical Equipment

Canadian manufacturers of equipment for hydro and thermal electric projects and power transmission systems should investigate the selling opportunities that Mexico's vast power projects offer.

J. E. G. GIBSON, *Assistant Commercial Secretary, Mexico City.*

MEXICO began 1964 with a total installed electrical capacity of 4,208,740 kilowatts, a 16 per cent increase over the previous year and double the figure six years ago. This achievement is the result of the investment of U.S.$80 million in power projects during 1963. New projects are already under way or scheduled.

Major electrical installations completed during 1963 include thermoelectric plants in Tijuana, Baja California, Monterrey, Poza Rica, the Valley of Mexico and the State of Sinaloa. These five new plants have a total generating capacity of slightly more than 650,000 kilowatts. Of Mexico's total installed capacity, 63 per cent is in the form of thermalelectric plants. However, it is expected that this proportion will become smaller when current projects are completed.

These figures may not appear large when compared with Canada's electric power capacity, but they are of great significance to this rapidly expanding nation. Each year an average of one million Mexicans realize for the first time the benefits of electricity. And the creation of new sources of electric power brings nearer the day when the plentiful natural resources of Mexico can be exploited on a large scale.

Even with this substantial increase in generation, plus a concentrated program of rural electrification, one half of Mexico's 39 million inhabitants are without electricity. This fact alone ensures future expansion.

New Hydroelectric Projects

A number of large hydroelectric projects are under way and some of these are tied in with important land reclamation schemes. Two deserve special mention.

Two hundred miles west of Mexico City near the mouth of the Balsas River lies the El Infiernillo (Little Hell) dam and hydroelectric plant. The first and largest stage of this project was due to go into operation late in 1964 and will produce 624,000 kilowatts. This power is destined for the Mexico City area and will be transmitted by a 380,-000-volt tension line some 218 miles

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TABLE I

MEXICAN IMPORTS OF ELECTRICAL MACHINES AND MATERIALS

(dollars)

	1962	1963
Dynamos and generators	5,957,527	3,812,273
Turbines	2,264,095	1,371,381
Stators and rotors	256,762	568,915
Electric motors	3,114,989	2,946,928
Storage batteries	201,602	128,016
Transformers	1,960,885	3,805,958
Metal cables	901,197	1,170,317
Insulators	1,068,544	2,439,807
Terminals	144,050	137,800
Aerial transmission and connection accessories n.o.p.	934,555	1,090,051
Sockets, fuses, etc.	211,879	329,241
Switches, contacts, etc.	1,817,825	4,003,145
Interrupters	3,825,024	3,685,232
Switchboards and panels	2,388,012	1,099,352
Capacitors and conductors	1,580,112	1,225,470
Rheostats	150,418	57,608
Resistors	295,421	215,000
Apparatus and accessories for the installation of conductors	2,429,390	2,535,790
Total	**31,824,986**	**35,201,499**

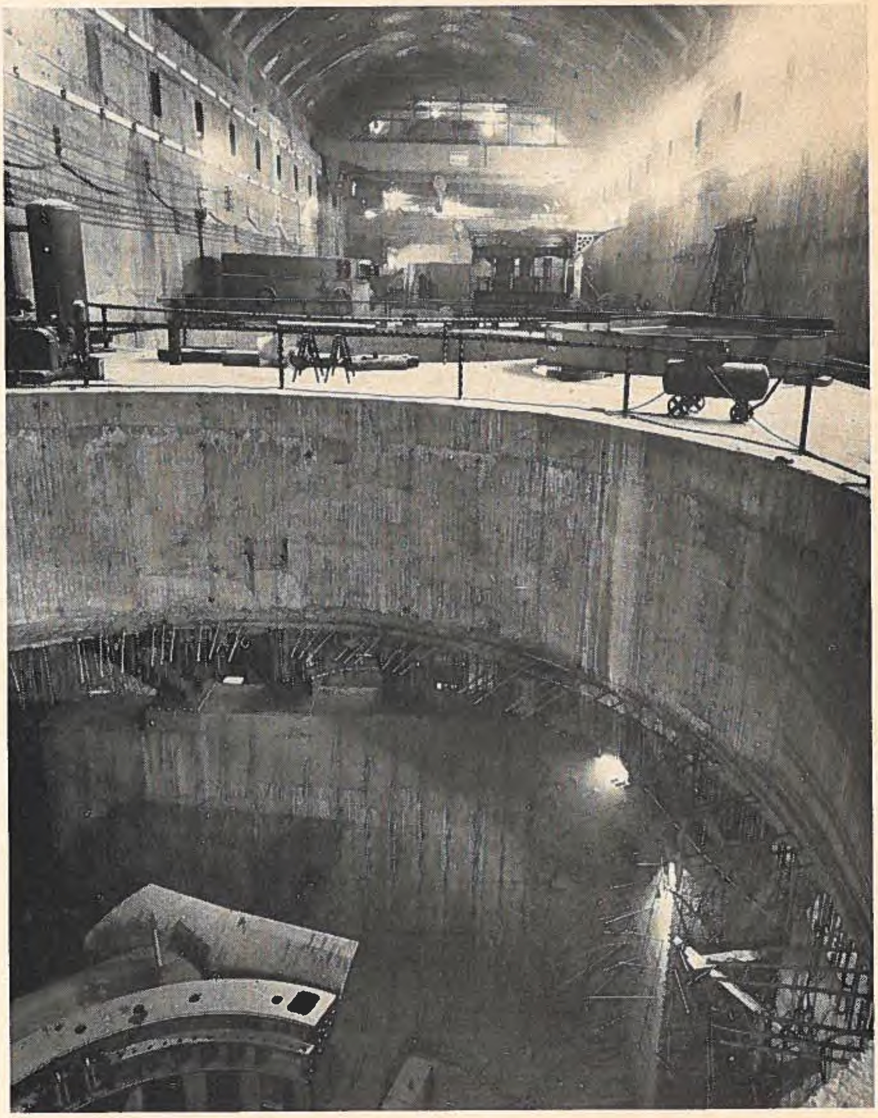
long. As a matter of interest, this project is the largest yet undertaken in Latin America and the three 218,000-kilowatt turbines which were purchased from Japan are said to be the largest in the Western Hemisphere. Naturally, El Infiernillo is a source of pride and great credit to Mexico's engineers. A second stage, to be put into operation in 1965, will raise the total output to 936,000 kilowatts. Plans for another hydro dam 30 miles down stream at the mouth of the Balsas River were announced recently. La Villita will generate 300,000 kilowatts, bringing the generating capacity of the area up to 20 per cent of the total for the whole country.

Of equal importance is the Malpaso hydro project which is to be completed in 1959. Located on the Grijalva River some 500 miles southeast of Mexico City, Malpaso is part of a gigantic land reclamation scheme in the States of Tabasco and Chiapas. The first stage of the project will be completed in 1967; four turbines and four generators each with a capacity of 150,000 kilowatts have been purchased from Japan and Sweden. By 1969 the plant should be completed and will generate over 900,000 kilowatts. Tenders will be called in the near future for two more large turbines and a 500-mile transmission line. Both of these tenders should be open to Canadian companies. It is already being predicted that other hydro projects will follow to use the enormous power potential of this area.

Also planned or under construction are a 240,000-kilowatt thermal-electric plant in the State of Mexico which will serve the rapidly growing industrial and consumer requirements of greater Mexico City, and two 75,000-kilowatt thermal-electric units in Tijuana. These, added to the three similar units installed in 1963, will considerably reduce imports of power from the United States, which in 1963 stood at 600 million kilowatt hours.

Equipment Required

A wide range of electrical equipment is either totally manufactured or assembled in Mexico, including less complicated pieces such as small



Under construction here is the powerhouse at the big El Infiernillo hydroelectric project. When it is completed, it will house three huge generators and will produce about 624,000 kw. per year, to be transmitted over a 218-mile high-tension line.

transformers, switchgear, control panels, welding equipment, ignition switches, and small and fractional horsepower motors. Mexico is self-sufficient in most types of electrical wiring and lighting materials, although it continues to import pole-line hardware and other transmission equipment.

Industrial controls, power generators, heavy electric motors and special industrial electrical apparatus are still imported because local production is limited. Special transformers, heavy-duty motors, control and measuring devices, and substation equipment are purchased abroad almost entirely. Table I gives a selected list of imports for 1962 and 1963 and shows that there are opportunities on a smaller scale for the sale of industrial electrical equipment, particularly the more sophisticated varieties.

Mexico is currently in a period of unprecedented industrial expansion and new plants are being erected almost every day. An alert local representative can improve your chances of supplying these new equipment needs.

The Mexican Government protects domestic industry and encourages its growth through high tariffs and import licensing. Most electrical apparatus requires a licence but this is usually easy to obtain if the equipment is not manufactured locally. The following are among the electrical products subject to licensing: stators and rotors, small motors, storage batteries, transformers, circuit breakers, switchboards, rheostats, resistors, magnetic switches, plugs and fuses, wire and cable.

If you wish to find out whether your product is subject to import control, the Embassy will be pleased to make inquiries on your behalf. although the final decision rests with the responsible Mexican authority.

Selling to the CFE

The Comisión Federal de Electricidad was formed in 1937 to organize and direct a national system of generation and distribution. At the beginning of 1960, it controlled 54 per cent of Mexico's electrical capacity. In that year, the two other principal companies were nationalized but only one was brought under the control of the CFE. The result is that today the Commission is responsible for two thirds of Mexico's electricity output. This figure will increase steadily over the coming years because this organization is responsible for almost all the capital electricity projects being undertaken in the Mexican Republic.

For 1964, the CFE had programmed the construction of 13 plants and 47 substations, bringing electric power for the first time to 698 villages and 792,200 people. The estimated cost of this program is U.S.$160 million.

Clearly, the CFE is the most important purchaser. Because it is interested in the electrification of rural and new areas, it needs particularly all types of switchgear and distribution equipment. It is able to purchase equipment abroad without having to obtain an import licence. Naturally, a made-in-Mexico product receives priority if it is satisfactory and readily available. The most recent statistics indicate that in the year ended April 30, 1964, the Commission imported U.S.$22 million worth of equipment.

The Commission makes almost all its purchases by tender. To be eligible to sell to it, you must first be registered; you can do this by writing a letter to the Commission listing the products you make, their specifications, and prices c.i.f. Mexican port. Brochures and other information comparing your products with those of competitors will also be helpful. Once registered, you will receive copies of the appropriate tenders. The Embassy will be pleased to assist in your presentation to the Commission.

An even better approach is to employ a local agent who will act as a continuing link with the Commission, ensure advance warning on upcoming tenders, assist with the translation of specifications and quotations, and provide continuous information on the Mexican market.

In the electrical field, many agents and distributors both import smaller items on their own account and handle heavy or expensive equipment on commission for direct shipment. It has been our experience that agents in the heavy electrical field are usually highly specialized and very aggressive. We would be pleased to introduce Canadian firms to these agents.

This article has attempted to point out import opportunities for Canadian suppliers. The next step is for you to come down and make an on-the-spot assessment or, if you prefer, send us your brochures and c.i.f. prices and we will do a preliminary survey on your behalf.

New Export Control List Issued

THE Export Control List, established under the Export and Import Permits Act, has been revised and a new List was brought into force on January 1. Copies of the new Export Control List are being distributed to Canadian exporters and trade associations which are included in mailing records of the Trade Controls Division, Trade Services Branch, Department of Trade and Commerce. Anyone who is not included in the general distribution may obtain a copy on request without charge.

The revision of the Export Control List has resulted in the deletion of cobalt, nickel (except nickel powder with a particle size less than 200 microns), plant and components for the production of titanium or zirconium metal, ice-breakers (ships), mobile electric power generating units, and positive iron sources. A number of commodity items have been transferred to the "Arms, Munitions, Military, Naval or Air Stores" group. Eight new items have been added to the List. These include machinery for the working of synthetic film used as a dielectric or as magnetic recording tape; cold cathode tubes and switches; artificial graphite; polypyromellitimide and polybenzimidazole; continuous yarns, rovings and tapes for filament wound structures; automatic speed-of-sound measuring devices; neutron generator tubes; and process control instrumentation for certain atomic energy purposes.

Ceylon Shakes the Tea Bush

"Shaking the tea bush" is a wry pleasantry that Ceylonese planters use when referring to taxes in Ceylon—and taxes are going up. And the approach to and the pattern of trade are changing too—developments that Canadians would do well to watch.

W. G. BRETT,
Trade Commissioner, Bombay.

SOMEHOW Milton's phrase, "utmost Indian isle of Taprobane" catches the romance of Ceylon, one of the loveliest places in the world. It is a green and gold island, rich and fertile, and the Ceylonese are a handsome, mild-mannered people. There is an almost Polynesian languor about the place, yet there is an odd excitement and spice in the atmosphere too. Getting to know something about Ceylon is a delightful and worthwhile experience. The country has its troubles, but to one used to grappling with the sprawling misery of India there is a gratifying manageability about Ceylon. There it is: separate, compact, uncomplicated, rather like a textbook example of an economy. Let us take a look at the basic strengths of Ceylon and at the same time probe some of its present problems.

Basically Ceylon depends on the export of three things—tea, rubber and coconut products. These form 95 per cent of its exports. Recent times have seen soft spots appearing in all of these sectors. There was a severe buffeting of the 1963 coconut crop and a lag in the rate of rubber production. Tea had quite a good production record (4 per cent increase in 1963 over 1962), but the tea producers are faced with markets slipping away and the spectre of over-production from new sources in East Africa and South America.

The Ceylonese authorities feel strongly that there is a far more ominous and pervasive threat in declining terms of trade. They estimated a 9 per cent drop in 1963 because of an increase in import prices. In his budget speech, the Minister of Finance translated the data to inform the nation that the 9 per cent drop had the effect of nullifying export sales of Rs.177

million, thereby causing a trade deficit of Rs.42 million instead of a trade surplus of Rs.135 million.

Another factor affecting the exchange situation in Ceylon, happily less pervasive but none the less severe, was a strike in the beginning of 1964 which crippled the port of Colombo. By March the British and European conference lines applied a freight surcharge of 50 per cent, the highest on record. The Minister of Finance calculated the foreign exchange thus lost at Rs.35 million. Conditions in the port have improved considerably and the surcharge has now been reduced to 30 per cent.

Returning to the budget, other features include an increase in the wealth tax and a property tax which seems to be designed to force a large number of properties onto the market. There are several other provisions but the net effect of these measures seems to be a mistrust of the productivity of accumulated wealth.

Conditions of Import

Canadian exporters should be aware of the provisions surrounding import of goods into Ceylon, which by and large result from the same social motivation seen in the budget provisions mentioned above.

The first of these is the proposed formation of a State Trading Corporation, to pattern foreign trade in terms of government policy, to deal in imports of specified commodities, to investigate export possibilities, and to implement the government policy of "Ceylonization" of trade. The formation of this corporation, congenial as it is to the Government's trading philosophy, has long been expected. Ceylon is no stranger to official participation in foreign trade. The government-owned Co-operative Warehousing Establishment, with exclusive right to deal in several basic foods, has been established for some time, as have several other specific boards dealing in milk, steel, fertilizers, etc. A number of state-owned industrial enterprises are used to doing their own purchasing. Although its exact responsibilities have not yet been set out in legislation, it appears that the State Trading Corporation will have some sort of "supra" status above all these, orchestrating the affairs of each in accordance with general government policy. Recently imports of tires, tubes, newsprint and canned fish have come directly under government control. Since the advent of state trading in Ceylon there has been a natural tendency to favour bilateral arrangements with other state-trading countries. Most observers in Ceylon are expecting this orientation to continue in the enlarged and strengthened State Trading Corporation.

Exchange Control Measures

The budget referred to above contains several exchange control measures, some of which have caused a certain amount of uneasiness even beyond the borders of Ceylon. Perhaps the most striking was a flat moratorium on all remittances of profits, dividends, interest and other investment income for a period of one year . . . "When the external assets position improves, it would be possible to reconsider this decision," the Minister of Finance stated. The moratorium has recently been lifted on remittances earned from investment in certain approved new industries. Again, no non-national will be granted facilities for travel abroad on furlough "until the foreign exchange situation improves". There are further strictures on remittances for education, business travel, medical treatment abroad, migration and pilgrimage.

Taxation Increased

There are several new fiscal provisions in Ceylon which more or less reflect the present socialistic approach of the Government. Since many of the plantations are foreign-owned, they come in for searching scrutiny. As a result, replanting subsidies are now considered taxable income—a ruling which will hardly advance the original design of the subsidy. Other changes touching on tea particularly include an extra tax of 10 Ceylonese cents per pound on tea auctioned in London rather than in Colombo.

At the same time, an ad valorem tax on tea exports will be replaced by a land tax on all estates over 100 acres. The rate will be differentiated: "high-grown" tea acres will pay Rs.300, and "low-grown" tea acres Rs.60. As you will infer, high-grown tea usually is of higher quality and brings higher prices.

I mentioned above the Ceylonization of trade, one of the avowed aims of the Ceylonese Government. From January 1, 1965, a Ceylonized trader must, if he is an individual or a private company, have 100 per cent Ceylonized capital and directors must not have any interest in non-national companies. For public companies, the majority of the capital must be held by bona fide Ceylonese.

One method of redirecting trade to the advantage of Ceylonized traders is to reserve certain markets for them. At the present time these include "former enemy territories" (e.g. Japan), Communist China and Eastern European countries which have been partners in the bilateral treaties which are, as we have seen, rather a recent feature of Ceylonese trade patterns. It is expected that certain groups of commodities as well as geographical areas will be reserved for Ceylonese traders.

Import Channels

Let me pause now to superimpose the various patterns I have been tracing and see what impression of the Ceylonese market emerges. It seems clear that we can expect more and more centralized buying, tilted in accordance with long-term bilateral agreements towards Eastern European suppliers. The market will be for essential commodities only. Present free market features will diminish and trade will be concentrated more and more in Ceylonese hands.

There are certain persistent obstacles to full-scale Canadian participation in the Ceylonese market; one is freight charges. However, we can only maximize the opportunities by consciously tailoring our approach to the market. First, an exporter obviously must make sure that he has a Ceylonized agent, and also that the agent is in good standing with the appropriate official buying authority. A Canadian exporter may deal directly with the state buying authorities but particularly at this time it is important for him to have an agent to inform him of developments as they occur. Imports into Ceylon will be limited as much as possible and those that do enter will be coming in by a different door. But certainly Ceylon is going to keep on importing and needs many things that Canada produces. In any case, the official buyer is going to want more or less what any customer wants—samples, catalogues, and firm c.i.f. prices. I think it important that Canadian businessmen should not ignore Ceylon. It is intrinsically a worthwhile market and there is an almost palpable goodwill towards Canadians.

The really basic threat to Canadian sales in Ceylon lies in the long-term bilateral arrangements with other countries. This could make for a future set pattern of suppliers which could ignore our traditional interest in the market.

As expected, Ceylon's industrial expansion is being carefully fostered. The Development Finance Corporation is active but industry is still almost entirely confined to a range of light products and to conversion or assembly operations. However, the future may hold possibilities for supply of capital equipment and participation in the aid projects that may take shape.

Generally speaking, however, Ceylon is going through a difficult, uncertain and perhaps crucial period. Let us hope that our friendship and regard for the Ceylonese will foster warmer relations in all fields and a mutually advantageous free flow of trade. ●

Australian

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

AUSTRALIA experienced a record level of exports in the fiscal year 1963/64 ended June 30, 1964. Receipts reached £1,374 million (Can.$3,260 million), an increase of £309 million (or 29 per cent) over the previous year.

About one-half of this increase is attributed to a rise in average prices of several of Australia's principal exports, in particular wool and sugar, and the remainder was largely accounted for by a rise in volume of output and sales of wool and wheat.

Australia's successful balance-of-payments situation continues to depend upon earnings from exports of agricultural commodities. In fact, sales abroad of the country's four major agricultural products (wool £480 million, wheat and flour £202 million, meat £125 million, and sugar £78 million) represented 65 per cent of total export income for 1963/64. Strong world demand for these commodities enabled the country to increase its gold and foreign exchange holdings by a record £228 million over twelve months to £854 million. Exports of all foodstuffs and wool for 1963/64 totalled £1,025 million compared with £1,374 million for all exports.

Export Income High

During the past fiscal year, a number of records were set in marketing Australian produce overseas. The successful sale of its largest wheat crop, largely because of purchases by the Soviet Union and by Communist China, was concluded at the end of the 1963/64 crop year (December 1, 1963-November 30, 1964). A record wool clip was disposed of at the best prices since the 1956/57 year. Brisk world demand for sugar has allowed Queensland mills to crush at capacity.

Wheat Sales Brisk

Australia had 23 million bushels of wheat from the previous year at the outset of the 1963/64 wheat year last December first. The new crop totalled 331 million bushels and by October of this year, 200 million bushels had been exported. Flour exports in terms of wheat totalled 26.7 million bushels. If estimated domestic requirements for the year of 78 million bushels are included, Australia should conclude the 1963/64 crop year with only a nominal carryover, following successful disposal of a record harvest at attractive prices.

The continued interest of Communist China and the emergence of the U.S.S.R. as a substantial importer were important factors in the disposal of a large 1963/64 crop. China has purchased 40 per cent of Australian wheat exports over the past three years.

The 1964/65 wheat harvest is expected to establish a record. The new crop year commenced on December 1, 1964, and the results of an excellent growing season, to-

TABLE I

AUSTRALIA'S EXPORT PICTURE

	Per cent	1963/64 (millions of A£)
Total exports—all items	**100**	**1,374**
Wool	35	480.8
Wheat and flour	14.7	202.3
Meat—all types	9.1	125
Sugar	5.7	78
Butter	2.0	27.9
Canned fruit	1.2	16.6
Apples and pears	1.1	14.6
Dried fruit	.8	10.8
All other items	29	398

Source: Bureau of Census and Statistics.

Agriculture Sets Records

gether with an area sown to wheat greater than the 16.4 million acres in 1963/64, should produce a crop larger than the 331 million bushels harvested in the current crop year.

Although disposal of a large 1964/65 crop will probably be affected by the sharp increase in wheat production in many Northern Hemisphere countries, a major contract with Communist China alleviates concern over sales prospects. China has agreed to purchase 1.5 million tons of wheat for delivery during the first six months of the 1964/65 crop year, commencing December 1. In addition, further sales of an additional 1.5 million tons of off-grade wheat in the last half of the crop year are forecast. In this latest sale to China, Australia has maintained a limit of twelve months' credit but the price has not been revealed.

In the 1963/64 Season, Australian Farmers . . .

- **Exported foodstuffs and wool to a value of £1,025 million.**
- **Disposed of a record wool clip at the best prices since 1956/57.**
- **Sold nearly all the 331 million bushels of wheat produced, except for nominal carryover.**
- **Produced over 30 per cent of the world's wool, and over 50 per cent of its merino wool.**
- **Marketed some 1.14 million tons of sugar abroad.**
- **Were Canada's largest suppliers of dried fruit, fresh mutton and lamb, canned corned beef, and raw sugar.**
- **Exported 395,000 tons of meat, 60 per cent of it to the United States.**

Wool Clip Reached Record

During the 1963/64 fiscal year, Australian exports of wool totalled £480 million, or 35 per cent of total exports by value. In fact, Australia produced over 30 per cent of the world's wool, nearly 40 per cent of its apparel wool, over 50 per cent of its merino wool, nearly one quarter of its cross-bred wool.

A record clip of more than five million bales sold at an average of 69.7d. per pound (greasy). This average price was 18 per cent higher than the 1962/63 average and resulted primarily from comparatively low stocks in the main importing countries following a severe winter. Increased demand for wool from Japan kept that country well to the fore as the principal export market, accounting for 29 per cent of the total.

Since the start of the 1964/65 selling season, prices have eased slightly, possibly because of increases in world carryover stocks and a slight decline in consumption. The Australian Wool Board has recently proposed that a reserve price scheme be included in the normal wool auctioning system. The proposal requires serious considera-

TABLE II

AUSTRALIAN WHEAT EXPORTS

(July-June)

rincipal larkets	1961/62 ('000 tons)	Per cent	1962/63 ('000 tons)	Per cent	1963/64 ('000 tons)	Per cent
ommunist China	1,922	35	2,041	50	2,502	37
ritain	624	11.5	437	10.7	744	11
pan	420	7.7	339	8.3	503	7.4
'est Germany	299	5.5	54	1.3	222	3.2
dia	567	10	191	4.7	202	3
ew Zealand	167	3.1	163	4	179	2.6
.S.S.R.	....	....	....	....	134	2
kistan	....	....	150	3.7	55	.8
otal all countries	**5,441**		**4,070**		**6,803**	

Source: Bureau of Census and Statistics.

TABLE III

AUSTRALIAN WOOL EXPORTS

(Year ended June 30)

Principal Markets	1962/63 (A£'000)	Per cent	1963/64 (A£'000)	Per cent
Japan	111,117	29	141,286	29
Britain	57,002	15	76,765	15.6
Italy	32,627	8.6	42,026	8.6
France	33,270	8.8	41,565	8.5
Germany	20,471	5.4	28,399	5.8
Belgium	18,955	5	24,153	5
United States	22,952	6	20,680	4.2
U.S.S.R.	14,582	3.8	16,996	3.5
Communist China	10,378	2.7	15,481	3.2
Total all markets	**379,356**		**480,767**	

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tion because of its effect on Australia's most important export and the expected initial cost of £80 million.

Sugar Becoming Important

Sugar is becoming one of Australia's important exports as a result of strong world demand. There are now 34 sugar mills and six refineries operating in Australia and, with the completion of new bulk sugar terminal facilities, it will be possible to store 1,285,000 tons of raw sugar.

Most Australian sugar is grown in the State of Queensland and the 1964 crop there is expected to reach 1,927,000 tons. Permitted cane acreage is being increased this year by 145,000 acres to 737,000 acres. The Sugar Board expects to market this quantity at favourable terms, even though world prices have declined in recent months.

Although the total quantity of sugar exported by Australia has increased 40 per cent—from 796,000 tons in 1960/61 to 1,143,000 tons in 1963/64—the value of exports reached £A35 million in 1963/64 because of the exceedingly high price on world markets.

Meat Exports Increased

Australian livestock numbers for the year ended June 30, 1964, again increased over the previous record year of 1963. Cattle went up by 455,000 head to 19 million and sheep, at 164.7 million, were six million above the previous year. This growth in numbers was matched by higher prices for beef, lamb and mutton.

Australia exported 395,000 tons of meat in the year ended June 1964, compared with 362,000 tons in the previous year. The United States took 60 per cent of these exports. But although there was an increase of 25,000 tons of beef in the first half of 1963/64, the trend in meat exports to North America was down, with shipments to the United States decreasing by 6,000 tons and to Canada by 3,000 tons. This downward trend has continued into the present year as prices in North America have not been as attractive as elsewhere and also because of the voluntary restraint by Australia. In August, legislation was passed in the United States placing a ceiling on meat imports and this will affect Australian sales to that market.

The British market proved more attractive to Australian meat exporters and 77,000 tons were shipped in the year ended June 1964, compared with 66,000 tons in the previous year. The increase is attributed to a decline in British production of beef and veal and a fall in the availability of Argentine chilled beef. Prospects for sale of Australian meat on the British market remain bright.

Japan is now Australia's third best customer for meat. Exports increased by more than 16,000 tons over the previous year to a total of 24,182 tons. With per capita consumption growing rapidly, Japan undoubtedly has the best potential for growth of any of Australia's export markets.

Canada-Australia Trade

Australia exports significant quantities of a number of agricultural products to Canada. For example, Australia is our largest supplier of dried fruit, fresh mutton and lamb, canned corn beef, and raw sugar. In addition, she supplies Canada with beef, wool, wine and canned fruits. In 1963, 93 per cent of Australia's exports to Canada consisted of a small range of agricultural products.

Canadian agricultural products do not have a large place in our trade with Australia. Although the balance of trade with Australia is two to one in our favour, agricultural products make up about 1 per cent of our exports. Our exports to Australia totalled more than $100 million in 1963 but the principal agricultural items were processed foods at $655,000 and tobacco at $593,000. Processed foods include packaged items such as frozen potato products, soup, confections, pickles, relishes, etc., not currently produced in Australia. We also sold to Australia small quantities of dairy and meat products. •

TABLE IV

AUSTRALIAN SUGAR EXPORTS

Principal Markets	1960/61	1961/62	1962/63	1963/64
		(thousands of tons)		
Britain	330	376	438	422
Japan	125	121	298	354
United States	21	67	172	148
Canada	192	166	148	114
New Zealand	67	73	50	54
Total, all markets	**796**	**843**	**1,145**	**1,143**

TABLE V

AUSTRALIA'S AGRICULTURAL EXPORTS TO CANADA

Commodity	1962 Value (Can.$'000)	Per cent of all exports	1963 Value (Can.$'000)	Per cent of all exports
Sugar	11,800	26	17,580	31
Meat, all forms	11,824	26	14,840	26.7
Dried fruits	7,850	17.4	8,306	15
Wool	5,172	11.5	5,250	9.5
Canned fruit	1,813	4	3,285	6
Sausage casings (natural)	1,640	3.6	1,847	3.3
Wine	783	1.7	674	1.2
Fresh fruit	....	....	89	....
Total, above items	**40,883**	**90**	**51,868**	**93**
Total, all Items	**45,216**	**100**	**55,650**	**100**

Source: DBS.

What's Coming in British T.V.?

The Post Office Tower in London, when completed, will rise 580 feet and will be topped by a 40-foot trellis mast. It will provide microwave radio channels to carry telephone and television traffic between London and all parts of Britain.

Switchover to 625-line standard, great popularity of T.V. rentals, interest in wired relay, pay T.V., closed circuit and colour transmissions—these are the "hot" developments in Britain's T.V. industry. Do they also mean a bigger market for T.V. components?

E. L. BOBINSKI, *Assistant Commercial Secretary, London.*

THE pattern of T.V. broadcasting in Britain is undergoing dramatic changes. Recently, the London office has noted that Canadian firms are taking greater interest in these developments, especially those companies engaged in supplying components and equipment to T.V. set manufacturers in Canada. It is in the hope of making more Canadian firms aware of the potential of this market that the following highlights of current T.V. developments here are presented.

Introduction of 625 Lines

Until recently, the T.V. broadcast standard was solely 405 lines. In 1962 the government-appointed Committee on Broadcasting urged that the 625-line standard be adopted and early this year the first 625-line U.H.F. channel began operations, supplementing the two existing 405-line channels. The herculean task of switching completely to the new standard will take at least another ten years, and by then an additional channel is expected to be added.

For the industry, the introduction of 625 lines will mean higher technical costs, hundreds of U.H.F. transmitters, special wide-band vision circuits, multi-standard studios and so on.

For the consumer, this gradual switchover means a requirement for dual-standard sets capable of receiving both 405- and 625-line transmissions. Sets made before September 1962 cannot be converted to receive the new standard and will eventually have to be replaced; those described as "convertible" (made within the last two years) can be altered to receive 625 lines by means of an U.H.F. tuner and an U.H.F. aerial, at a cost which can be as high as $70.00. Even the purchase of a dual-standard set requires the use of an U.H.F. aerial which can cost from $24 to $45 including installation.

British set manufacturers see the switch to the 625-line standard as an opportunity for increasing exports, especially to the Continent, as well as accelerating the replacement of existing sets. The doldrums of recent years appear to have ended and all indications point to a good year in 1964. British exports in the first six months of the year were up by 17.3 per cent over last year and production is currently 51 per cent ahead of 1963. If this rate continues, 2.3 million sets will have been produced by the end of 1964.

T.V. Rentals Popular

The most striking feature of the T.V. market is the terrific growth in the rental business. Of the 13.5 million sets in use (or a set in nearly four out of five homes), roughly one-third are rented. This proportion has been rising impressively in the last five years. In 1959 no more than 40 per cent of deliveries were for rental; this year the figure is estimated to be running at between 70 and 80 per cent.

Recent surveys have shown that the main reason for renting is still the better and quicker service that goes with the set. In addition, there is a growing belief that renting is cheaper. In view of public uncertainty about changes in line standards and the advent of colour, everything points to the predominance, at least in the foreseeable future, of the rented set market.

Eighty per cent of rentals are table models and more than 52 per cent are slim line sets. The most popular screens currently made are the 19 inch (80 per cent of the market) and the 23 inch (19 per cent). Preference for the larger screen, however, is growing and production of 23-inch sets has doubled in the last two years.

Roughly two out of five sets are obtained through local radio or electrical shops; the other three are rented from specialist rental firms whose share of the market has been

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increasing. Because of the amount of capital involved and the need for a large number of servicemen (one firm has 1,700), there is a tendency for the larger operators to become even larger. The largest rental company as a result of a recent takeover now has nearly 750 shops, with plans for a further 120 during the next twelve months. This gives some idea of the scope of the rental business. This firm alone controls about one quarter of the 3,000 or so specialist shops now in existence.

Because of their large volume requirements, the rental companies have the advantage of being able to obtain their sets at lower cost. In addition, there are also some direct links between some of the manufacturers and renting organizations and some renting companies even have their own manufacturing facilities.

The T.V. market is dominated by five large manufacturing groups who market more than twenty brands. Three firms of almost equal size account for some 60 per cent of the market: Pye of Cambridge, Thorn Electrical Industries and the Rank Organization. The other major groups are Philips and G.E.C.

Wired Relay

Interest is increasing (spurred on by local government authorities who would like to rid their towns of their forest of aerials) in replacing the household aerial by centrally sited aerial reception points which can feed television programs by wired relay into homes within an entire community.

The T.V. relay industry has been growing steadily over the past ten years. Today nearly 800,000 householders subscribe to wired T.V. Leaders in the field, accounting for 70 per cent of all vision subscribers, are Rediffusion, British Relay and, recently, the Rank Organization. The systems offered by these firms differ in certain respects but in general they distribute signals at high frequency and offer subscribers the opportunity of connecting any conventional receiver or a special simpler "wired" one. The alternative technique distributes signals at V.H.F.

Pay Television

In the last months of 1963, the Postmaster General announced the setting up of a three-year experiment to determine whether there is scope in Britain for a permanent pay-as-you-view or subscription T.V. service. Five companies are to conduct the experiments. Progress to date has been rather slow and the first licence was issued last summer. Another company using the U.S. Paramount-developed Telemeter coin-in-the-box system of payment is hoping to be ready by spring of this year; most of the others should be beginning operations later in 1965.

Has pay T.V. a future? This will depend to a large extent on the programs offered and the charges made for viewing. The operating companies are confident that pay television can work well and point to North America as an example.

Colour by 1967?

As a result of extensive development work and experiments carried out with the N.T.S.C. system in the United States, Britain has been ready for colour T.V. for some time. The arrival of the French Secam (Sequential and Memory) and the West German P.A.L. (Phase Alternation Line) techniques on the scene, however, have caused a delay in choosing a system in this country. At present there is disagreement among the European nations about which of the three systems should be adopted. If a decision is not reached by next spring, Britain has announced she will take unilateral action aimed at providing a limited colour service on 625 lines by 1967. This service would probably use the proven NTSC system, preferred in this country. Colour T.V., when it does become available, will prove to be a tremendous stimulus to the television industry in Britain, most persons agree.

Although the past two years have been disappointing ones, there are indications that the demand for closed-circuit T.V. has begun to move ahead strongly. One firm, the leader in this field with over half the market, estimates that it will better its 1963 sales by 60 per cent.

Closed-Circuit T.V.

There are various systems available, many of which have sold quite well but none has achieved the much-hoped-for breakthrough. However, the completely automatic systems that industry prefers are expensive; when a low-cost automatic system with some sophistication is developed, there should be a mass industrial market waiting. In addition, dramatic growth could come in the educational sphere, because many teaching colleges are now experimenting with closed-circuit television.

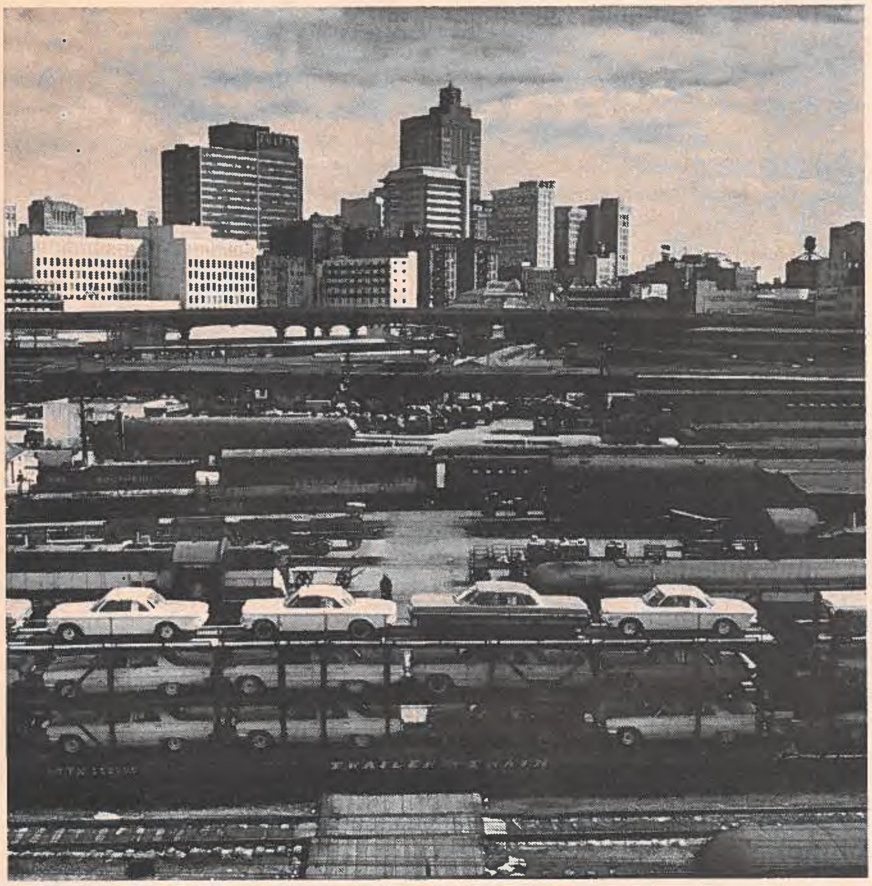
Trends in Set Design

The new sets unveiled at the recent Television and Radio Show in London illustrated a number of changes in receiver design. The general trend seems to be towards solid state and the long low line for cabinets. In the small-screen field a 10½-inch, truly portable set retailing at $186.00 was the only set of this type marketed until this year. Now several other firms have introduced competitively priced, smartly designed 15-inch portables (electric mains not battery-powered) in the hope of capturing a portion of the second set market.

Some 52 million television viewers constitute a market that those Canadian firms in the T.V. industry which have not yet examined the possibility of doing business in Britain should not ignore. Because the Commonwealth preferential tariff permits Canadian components to enter duty free, the new developments taking place in British television might mean good opportunities for Canadian suppliers. The London office would welcome the opportunity to provide additional information and assistance. ●

Try the South This Winter

We don't mean a Florida beach—that is, if you're interested in selling. Make a circuit of six southern cities as the New Orleans office suggests. This will mean personal contacts—vital if you want to exploit the many opportunities in this fast growing area.



The city of Atlanta, capital of Georgia, is the market centre of an area containing ten million people, with buying power estimated at $15 billion a year. It has become the transportation hub of the Southern States and a major distribution point.

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

THE ice and snow of winter now have settled over Canada. It will be winter in the Southern States too, according to the calendar. If it is an exceptionally severe one, there might even be snow. As a matter of fact, it snowed in New Orleans last year on New Year's Eve and it lasted nearly 48 hours—the snow, that is! It might be another ten years before it happens again, so if it is snow you are interested in, look somewhere else. But if you are interested in the export market, read on.

The eleven Southern states for which the New Orleans office is responsible contain nearly one fourth of the area and population of the continental United States. Today the South is, economically speaking, the fastest growing area in the country after California. The prospects for most Canadian exporters in this market are certainly worth investigating first hand. There are 35 cities with a population of over 100,000. It will obviously not be possible to visit them all on one trip but with a minimum of inconvenience you can visit Houston, Dallas, New Orleans, Memphis, Atlanta and Miami (ranked according to size). These six cities will provide you with the feel of the South and they offer a variety of opportunities and marketing possibilities.

There are a number of important steps to take in planning your trip.

Hotel Reservations

The first step is to reserve hotel accommodation in each of the cities you will visit. A great many conventions are held in the South during the cooler months and you might find the hotel of your choice

You Will Want to Visit . . .

Houston

Houston, with a population of 938,000, ranks seventh among U.S. cities. The metropolitan population is 1,243,000. One of the world's leading spot cotton markets, its industrial expansion has been paced in recent years by the chemical industry, notably petrochemicals. Other principal industries are oilfield machinery, tools and equipment, iron and steel, synthetic rubber, paper, building materials, cement, bags and bagging, clothing, the processing of petroleum, cotton, seed, and livestock products, and rice and flour milling. Houston is the home of the NASA Manned Spacecraft Center. The port of Houston ranks from second to fourth nationally, according to year and definition of traffic establishing the rank.

Dallas

Big "D"—as Dallas, Texas, is known—has a metropolitan population of 1,084,000 people. It is the hub of the eleventh largest urban market (approximately 20 million people and $32 billion in annual buying power). It is the first in the Southern United States, east of Los Angeles, in the number of manufacturing points, insurance companies, home offices, volume of business administered, banking, wholesale sales, and number of conventions booked for all future dates. The local market itself (two million people) represents some $4 billion in annual buying power. Dallas is headquarters for the majority of manufacturers' representatives covering the South Central and Southwest U.S.

The privately financed Dallas market center—five buildings on 100 acres of land, only 10 minutes from downtown Dallas—deserves a large amount of the credit for the fact that Dallas is a major market and convention city. This is where the National Lumber and Building Material Dealers Show, in which Canada had an exhibit, was held from November 18-20, 1964.

New Orleans

The population of metropolitan New Orleans is 917,700. Retail sales for the basic trading area totalled $1.6 billion in 1963. Shipbuilding and allied services have been the major industries in the immediate New Orleans area although Chrysler and Boeing are now building Saturn booster rockets under NASA contracts as part of the manned spacecraft program. The presence of Chrysler and Boeing is expected to attract satellite industries. New Orleans' chief fame is as a major U.S. port: in dollar value it is exceeded only by New York and it is number one in grain and other bulk cargo. The Free Trade Zone—with its facilities for cleaning, grading, packing, repacking, fumigating, drying, cutting and sampling—has been directly responsible for New Orleans becoming a major coffee and spice processing center.

Memphis

Memphis, Tennessee, with a metropolitan population of 627,017, is the distribution center for a 76-country trading area in Tennessee, Arkansas, Missouri, Mississippi and Kentucky, with over $3 billion a year in buying power. In rate of growth it ranks seventh nationally. Memphis is the world's largest spot cotton market and the largest inland hardwood market. It is also the biggest producer of cottonseed products, hardwood and charcoal, and hardwood flooring. It ranks after Houston and Dallas in wholesale sales in the South. Memphis is a major transportation center with eight trunk railway lines, twelve federal highways converging at Memphis, seven airlines and 88 freight lines. In addition, Memphis is the number two port of the Mississippi River system and is served by five barge lines. There are over 900 plants manufacturing everything from aspirin to automobile tires and mechanical cotton pickers.

Atlanta

Greater Atlanta, with a population of 1,017,188, is the capital of Georgia and the center of a market of 10 million with an annual buying income of $15 billion. Virtually all of the largest U.S. industrial corporations listed annually by *Fortune* Magazine have operations of one type or another in Atlanta. There are 1,800 manufacturers and assembly plants. Atlanta is the southeastern headquarters for most national companies and manufacturers' representatives. As the transportation hub of the South it is a major distribution point and is served by 13 railroad lines, 75 truck lines and 7 airlines. The city is the headquarters for the 6th Federal Reserve District and ranks 12th in bank clearances.

Miami

Miami, with a metropolitan population of 935,041, is well known as a vacation and convention center. Little known is the fact that Miami ranks 13th among the nation's metropolitan markets, with total retail sales reaching $1½ billion a year. There are at the present over 2,600 manufacturing plants in Miami and these plants have been increasing at a rate of 200 a year for the past several years. Fabricated metal products, fabricated products, glass, stone, clay products and furniture and fixtures are among the principal items made in Miami. Because of its location and excellent transportation services Miami is fast becoming the number one air shipper of export goods. It is a major distribution center for goods destined for sale both in the U.S. and Latin America. ●

completely booked if you arrive without a confirmed reservation. Rates for a single room with bath range from $8 to as high as $20, depending on the size and location of the room. Decide what you want to spend and have the hotel confirm at that rate—and make sure you have the confirmation with you on arrival. With the exception of Miami, where the rates are higher during the cool months, the following hotels all have very good rooms available at approximately $12 for single occupancy: Memphis—Hotel Peabody; Dallas—Adolphus Hotel, Sheraton-Dallas and the Statler Hilton; Houston—Rice Hotel, Hotel America and the Sheraton-Lincoln Hotel; New Orleans—Roosevelt Hotel, Sheraton-Charles, and in the

French quarter, the Royal Orleans Hotel and the Monteleone; Miami —Columbus Hotel, McAllister Hotel; Atlanta—Dinkler Plaza Hotel, Henry Grady Hotel. These hotels are all centrally located and are within walking distance of the downtown department stores and office buildings. If you wish, we are prepared to make hotel reservations for you.

Check on Samples

Samples accompanying a commercial traveller who presents an adequate descriptive list or a special customs invoice may be entered on the baggage declaration instead of coming in by formal entry. This means that the personal bond of the commercial traveller is accepted to guarantee the timely export of the samples under customs supervision. No surety or cash deposit in lieu of surety is required on this bond. Loss of the privilege on future trips is the penalty for failure to export the samples under customs supervision within the prescribed time. For additional details, you should write to the Chief, U.S. Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa.

Going by Air

Air Canada has a number of daily flights from Toronto and Montreal to both Chicago and New York. If you decide to make Memphis your first stop, you will probably find that it is more convenient to travel via Chicago. Delta Air Lines has a direct jet service from Chicago to Memphis that takes only 1 hour and 19 minutes. From Memphis to Dallas the flying time is 1½ hours and from Dallas to Houston, 45 minutes. Houston to New Orleans takes 50 minutes and from New Orleans to Miami the flying time is 1 hour and 35 minutes. It is 1 hour and 20 minutes by air from Miami to Atlanta and from there to New York, 2 hours and 45 minutes and to Chicago 1½ hours. If, leaving from Miami, you decide to bypass Atlanta, you can fly to Tampa (48 minutes) and from there directly to Toronto by Air Canada in 3 hours and 20 minutes.

It is suggested that you have your travel agent make round-trip reservations for you. If after departure from Canada you decide to make any changes, this can be done easily with the airlines concerned.

What to Take

The Southern climate is generally ideal from November to April. Nights are cool with an occasional freeze that may last for several days. Normal maximum daytime temperatures range from 50 degrees F. in Memphis to 76 degrees in Miami. Generally speaking, a light spring and fall suit and a heavy gabardine raincoat will be adequate for any weather during this period. The summer months are hot and humid and if you are travelling then, you should bring a lightweight tropical suit and plenty of short-sleeved shirts. If you dislike travelling with an umbrella, you should be prepared to buy one because on rainy days it is too hot for even the lightest raincoat. White tropical clothing is not used to any extent and shorts are out except as sportswear. You will probably find that a hat is more trouble than it is worth and they are seldom seen except on the coldest winter days. A bathing suit is a must for Miami during any season of the year and you can put one to good use in the other cities because many of the hotels have swimming pools that are open most of the year.

When to Come

As already suggested, November to April is the most pleasant time to visit the South. You should try to avoid certain national holidays and local events which disrupt business and make hotel reservations difficult. Among these are:

1. July and August, when many businesses close down completely for two weeks for summer vacation.

2. Mardis Gras in New Orleans, which is the Tuesday before Ash Wednesday. At this time, the hotels usually accept reservations only for the four-day period, Saturday to Mardi Gras Tuesday. An advance deposit is required and room rates are considerably higher than normal. Nevertheless, Mardi Gras is great fun and you might well consider planning your whole itinerary around this event, which is unique in North America.

3. Week of January 1 in Dallas, New Orleans and Miami. The traditional Cotton, Sugar and Orange Bowl football games take place in these cities on New Year's Day and the hotels are usually booked to capacity for the preceding two or three days. Here again, if you want to mix business with pleasure the pre-game and half-time shows are tremendous spectacles well worth seeing and the crowd reactions to the game are always exciting, even when the game is not.

4. The July 4 weekend can also interfere with your plans. So can Thanksgiving Day which is celebrated the third Thursday in November. With a few regional exceptions, other holidays are the same as in Canada.

There is no hard and fast rule about how long you should stay in any one city, because this will depend on what particular buyers or industries you wish to see. Department store buyers, for instance, can be covered fairly quickly because the larger stores are usually located close to each other in the downtown area. However, a number of stores have important suburban branches with their own buyers and it would take longer to call on them. In some cities, food brokers are centrally located in one or two buildings and it is possible to see six or seven in a few hours. Lumber wholesalers, on the other hand, are often miles from each other.

A Suggested Itinerary

If you visit the six cities which we have suggested, two weeks should suffice. This is one way to do it.

1. Arrive in Memphis Sunday evening, spend Monday there, and fly to Dallas that evening.

2. Spend Tuesday and Wednesday in Dallas.

3. Fly to Houston Wednesday evening and spend Thursday and Friday there.

4. Fly to New Orleans Friday evening for the weekend. This will give you more time to see the French Quarter and to try some of the famous restaurants like Antoine's (for dinner), Brenan's (for breakfast—a must for Sunday morning), and Galatoire's. (Incidentally, if you like steak, don't miss the Cattlemen's in Dallas or Bud Bigelow's in Houston, and for a Texas version of the exotic, have dinner at La Tunisia in Dallas.)

5. The second week, spend Monday and Tuesday in New Orleans, flying from there to Miami Tuesday evening.

6. Have Wednesday in Miami and fly to Atlanta Thursday morning.

7. Leave Atlanta for home Friday evening.

Arranging Appointments

When you have chosen a time for your visit, let us know your itinerary and the exact date of your arrival. Give us as much advance notice as possible so that we can arrange suitable appointments for you. Appointments are not essential but they are the best way of assuring that the person you want to see is in his office when you call. Business hours are much the same as in Canada and most business entertaining is done at lunch time. For cities outside New Orleans, bear in mind that we will have to arrange these appointments by mail and that this takes time. When you write, let us have as much information as possible with particular attention to the following:

Purpose of your visit—Are you coming to survey the market? To appoint an agent? To check on your present agent? To call on buyers? We must have this information to know what contacts we should make for you.

Product information—What are you offering for export? Are you already selling in other areas of the country and to whom? What is the cost of the product, delivered to central points such as Dallas, New Orleans and Atlanta? What is the U.S. duty? (For assistance on this point, contact the Chief of the U.S. Division in Ottawa.) We have found from experience that it is next to impossible to interest buyers here in a product unless prices are quoted delivered *and* including duty. This is particularly true for items that are competing with domestic products and those imported from other countries. Without this information, the buyer is not able to compare the cost with that of similar goods available from these sources. Although price is important, it is not always the deciding factor—many buyers put quality first. If your product is something new or different, it will help to have a list of typical customers or end users.

Follow Through

When you return to Canada, the local businessmen whom you met will expect to hear from you. Those who appear to be good prospects are anxious to have full details in writing as soon as possible. If your first trip is promising, plan to visit the area again within six months to take advantage of the interest aroused, and possibly to visit some of the cities bypassed earlier, such as Fort Worth, Texas; Birmingham, Alabama; Tulsa and Oklahoma City, Oklahoma; Tampa, Florida, and Charlotte, North Carolina.

In the South perhaps more than elsewhere personal contact is the key to a successful business relationship. The New Orleans office will be happy to help you in your initial planning, to provide contacts while you are here, and to maintain these contacts between your visits. But it is the personal relationship between you and your Southern customer that really counts in making sales. ●

Spain's Automobile Industry

SPAIN'S automobile industry came into being in 1946, when a state-controlled company turned out the first series of Pegaso trucks. Two companies, SEAT (INI-government-controlled), making Fiat cars under licence and FASA making Renault cars under licence produced their first cars in 1953, although in very small numbers. During the 1950's, eight other companies were formed to manufacture industrial vehicles, but output did not expand until 1960, when 25,500 industrial vehicles and 78,700 automobiles were produced. By 1963, the figures had risen to 46,200 vehicles and 126,100 cars. At present, five companies are manufacturing automobiles and fifteen firms industrial vehicles. Using 1955 as a base year, production in 1963 was four times larger for cars and 30 times greater for vehicles. The industry's original target for 1964 was 127,000 automobiles and 70,000 vehicles but it later modified these figures and the totals for the year are now expected to be 90,000 cars and 56,000 vehicles.

Estimated demand for cars in 1964 was 106,008 (176,449 by 1967), and for industrial vehicles 34,255 units (39,641 by 1967). Production scheduled under the Development Plan is 200,000 cars and 50,000 vehicles by 1967; the vehicle figure was surpassed in 1964. In spite of insufficient production, Spain permits only a small annual quota of foreign vehicles to be imported. Prices are highly inflated because of the protective customs tariff.

Several other foreign manufacturers have expressed interest in recent months in manufacturing under licence, including General Motors and Austin, and Chrysler and Barreiros Diesel have reached an agreement for the manufacture of the Dodge Dart in Spain—Madrid.

Brazil Seeks for Stability

This is Vitória, Brazil's major iron ore shipping centre, on the coast about 300 miles north of Rio. The new port of Tubarão is being built at the mouth of this bay; Canada has provided some equipment and engineering services for it.

With some of its commercial debt refinanced, with a good coffee harvest expected in 1964-65, and with substantial foreign aid, Brazil is gradually achieving economic stability. Canadian exports, down in 1964, should recover as the financial picture improves.

J. P. RICHARDS, *Assistant Commercial Secretary, Rio de Janeiro.*

IN 1964 Brazil was shaken by one of the most dramatic and potentially important events of the postwar era when the Government was taken over on April 1 by the military in a bloodless revolution. The coup was carried out partly to halt the economic stagnation of the past two years that had been featured by runaway inflation, agricultural setbacks, slow industrial progress, a seriously deteriorating foreign exchange position, and astronomical budget deficits. At the time the new government was installed, there was near-chaos politically and the country was on the verge of economic collapse. Present economic aims are to contain inflation, stimulate industrial development, reform agricultural production, improve the deteriorating foreign exchange situation, and stabilize the currency. Some progress has been made toward the achievement of these objectives and present prospects seem to indicate slow but steady recovery.

Cost of Living

The cost of living rose by 80 per cent in 1963 and by another 42.3 per cent in the first six months of 1964. Large government budget deficits in recent years have contributed to the inflationary spiral and steps have been taken to remedy both of these problems. The intention is to hold the cost-of-living increase to 70 per cent for the current calendar year and it is hoped that by 1966 the rate of inflation can be limited to a manageable 20 per cent. Some of the measures adopted include the removal of import subsidies on wheat, newsprint and petroleum; strict measures to restrict government expenditures; emergency taxes to increase government revenues; administrative improvements in the tax-collection mechanism, and the cancellation of government projects of an unproductive nature. As a result, the estimated budgetary deficit for 1965 has been cut from Cr.$1½ trillion to Cr.$775 billion, with revenues estimated at Cr.$3,000 billion and expenditures at Cr.$3,775 billion.

Balance of Payments

Brazil's foreign obligations have been estimated at U.S.$3 billion, including some $300 million of overdue commercial debt, some of which dates back as far as December 1962. In July of last year most of Brazil's major creditors met in Paris and agreed in principle that 70 per cent of the medium-term commercial debt falling due in 1964-65 should be refinanced to ease the payments burden of the new government. Since that time, bilateral agreements have been signed with most of Brazil's major creditors, including an agreement with the U.S. Eximbank to reschedule some $92.5 million due during this period. In addition, arrangements have recently been made with most of the major U.S. private creditors to reschedule 70 per cent of the payments falling due in 1964-65.

Agriculture

Coffee continues to be the major foreign exchange earner for Brazil, although the country's share of the world market has declined from 73 per cent at the turn of the century to approximately 39 per cent in 1964. As a result of severe frosts and generally unfavourable weather in the growing areas, there was a coffee crop failure in 1963-64 and production was the lowest since 1900. In view of the anticipated shortage, the world price rose sharply and Brazil was able to sell large quantities of surplus stocks at favourable prices during the latter part of 1963 and the first quarter of 1964. Coffee prices slipped from 49 cents a pound in January 1964 to the present level of between 41 and 43 cents per pound. Current prices are, however, still considerably better than last year's low of 32 cents. In an effort to maintain a higher world price, Brazil is currently keeping its coffee exports below the permissible level and will not meet its export quota of 18,-480,420 bags under the terms of the International Coffee Agreement.

Brazil's vulnerability to fluctuations in coffee prices is emphasized by the realization that a drop in price of one cent a pound can result in a foreign exchange loss of $18 million a year. The outlook for the 1964/1965 crop is very good and the anticipated crop of 25 million bags (against last year's 10 million) could aggravate the downward pressure on world prices.

Other agricultural and livestock production in 1964 will likely be lower than in 1963 as a result of unfavourable weather. The Government is attempting to introduce an effective agrarian reform program aimed at encouraging productive farmers and dealing with the problem of absentee landlords by means of a progressive taxation system based on utilization.

Industrial Development

Most of the data available so far for last year indicate there was a considerable decline in industrial activity in 1964. There are several factors responsible for this drop, including the shortage of electricity caused by the prolonged drought, which forced many plants to restrict production. The political crisis was also responsible for numerous shutdowns and strikes and caused a great deal of concern about the security of private prosperity. Industrial production now appears to be returning to more favourable levels and there is more interest in reinvestment and new development than there has been for a number of years.

Private Foreign Investment

New investment in Brazil from private foreign sources has declined progressively over the past few years, as the following figures indicate.

1958	$104,176,000
1959	86,816,000
1960	85,086,000
1961	26,464,000
1962	10,608,000
1963	8,419,000

Source: Bank of Brazil S.A. —1963 Report.

In an effort to encourage foreign investment, the Brazilian Government approved in September of last year amendments to the Profit Remittance Law of September 1962. The original law, in addition to prohibiting the remittance of profits to foreign principals, also inhibited the remittance of royalties and contained unfavourable conditions for the reinvestment of profits. The amendments now provide in most instances for the remittance of profits up to 12 per cent free of tax, with a progressive supplementary tax applied to remittances above this level. Some restrictions still remain on royalty remittances but the terms for reinvestment within Brazil are more favourable and as a result a number of announcements have been made recently on expansion plans or new investment using these funds.

So far, there has been no indication of substantial renewed interest in the investment of new foreign funds although a number of foreign subsidiaries have announced expansion plans to be financed by accumulated local funds. Indications are that there will be a net outflow of investment funds this year but this situation could change in 1965 if progress toward economic and political stability continues as planned.

Foreign Aid Increased

Under the "Alliance for Progress", the U.S. Government made available to Brazil more than $1 billion in aid in the three-year period ended June 30, 1964. Of this, well over $230 million has been provided since April 1, indicating the U.S. Government's renewed interest in supporting Brazil's social and economic development. The funds are provided in the form of dollar grants, food for peace, food and agricultural commodities under PL 480, and many other project assistance agreements that have been signed between the United States and Brazil since April of last year.

The International Development Bank and the Inter-American Development Bank have both authorized loans recently, including a $28 million credit for an iron pelletizing plant in Vitoria. In addition, the World Bank, which suspended financial activiites in Brazil in 1958, recently sent a team to study economic development programs. Assistance from this source is possible in the fields of agriculture industry, transportation, telecommunications and electric power development.

Imports Cut Back

Brazil's terms of trade have tended to be adverse in recent years relative to the more industrialized countries. Coffee accounts for well over 50 per cent of its exports; other important exports are cotton, sugar and iron ore. Main imports are machinery and vehicles, fuel and lubricants, food and beverages, manufactures of metal, and chemicals. Import and export trade were roughly in balance in 1963 at about U.S.$1.4 billion in each direction. A favourable balance is expected for 1964, partly because of the large coffee earnings and partly because imports have been sharply reduced as a result of changes in import requirements. These changes, although including a cut in the prior deposit requirements, established an import surcharge of 30 per cent and a more realistic exchange rate for imports. These measures have resulted in costs for imported goods up as much as 200 per cent in some cases. On the positive side, exports are being encouraged by a more favourable exchange rate and the simplification of export procedures. These measures have met with some success and have led to a moderate degree of diversification of exports—such as sales of ships to Mexico, lathes to Canada and steel plate to Argentina.

Trade with Canada

Canadian exports to Brazil have suffered as a result of the measures to restrict imports and they dropped sharply in 1964. The principal commodities sold to Brazil in 1963 were aluminum, steel, newsprint, locomotives and asbestos, and sales of most of these items were expected to be smaller last year. Despite this decline, longer-term prospects for Canada in this market should improve if the trend toward economic and political stability can be maintained. Main Brazilian exports to Canada are coffee, peanuts, cocoa butter and sisal fibre. Brazilian sales to Canada have increased steadily over the past few years and this trend is likely to continue.

In summary, Brazil has undergone serious dislocations in the past few years but the events of 1964 should result in greater future stability. The country is rich in natural and human resources and its ability to recover has been amply demonstrated in the past. The standard of living for Brazil's 80 million people is rising and if the Federal Government continues its program of political stability and sound economic development, Brazil should regain its position as one of Canada's major trading partners. ●

Switzerland Pushes Clothing Exports

SWITZERLAND, well known as a producer of precision instruments, machines, machine tools, electrical equipment, chemicals, pharmaceuticals and dyestuffs, is perhaps less known for its excellent women's clothing industry. In fact, this industry is an important element in the industrial complex of the Swiss Federation and not only serves the domestic market but has also developed an important export trade.

Twice a year at "Zurich Presents", some 80 manufacturers of a wide variety of women's and children's garments show their lines in a series of fashion shows. The wide range of garments paraded includes women's coats, costumes and dresses, girls' and children's dresses, skirts, knitted dresses, pullovers, cardigans and jackets, skiwear and other sportswear, house dresses, knitted underwear, raincoats, leather and suede clothing, car coats and hats. Hundreds of buyers from many countries come to Zurich for the shows.

The importance of these collections is reflected in the export trade which has been steadily developed by Swiss garment manufacturers over the years. In 1963 exports of ready-made clothes, knitwear and hats were valued at Sfr.146 million, of which knitted outer garments accounted for Sfr.41 million* and women's outer garments of woven fabrics for Sfr.50.5 million. These were record figures; the increase in the over-all total in comparison with 1962 (Sfr.132.5 million) was more than 10 per cent and compared with 1960 (Sfr.115.7 million) more than 25 per cent.

West Germany has been Switzerland's leading market for this clothing by a large margin—in both the over-all export trade and most individual commodity groups. In 1963, West German purchases reached Sfr.43.4 million, or about 30 per cent of total exports. This is a rather remarkable figure when one takes into account the steadily increasing tariffs resulting from the EEC progress towards a common external tariff. Sales to West Germany that year were approximately 25 per cent higher than in 1960 and nearly three times as large as at the beginning of the '50's.

The United States, with purchases worth Sfr.18.2 million, was Switzerland's second most important market in 1963, followed by the Netherlands Sfr.16.4 million, Britain 15.7 million, Sweden 13.9 million, Belgium-Luxemburg 5.7 million, Italy, 5.4 million, Austria 4.3 million, Denmark and Canada 3.4 million each.

The volume of women's and children's clothing exported to each of these countries has increased steadily in the last few years. (It is becoming commonplace to see displays of Swiss women's and children's clothing in department stores and specialty shops across Canada.) This trend is expected to continue in the years ahead, although perhaps at a slower rate. In the first half of last year, there were comparative increases in sales to each of Switzerland's main markets. Total sales in the first six months of 1964 rose by about 11 per cent to Sfr. 72.3 million, compared with Sfr.65.1 million in the same period of 1963.

—SHIRLEY G. MacDONALD,
Commercial Counsellor, Berne.

*Sfr.1.00=Can.$0.25 approximately.

What's current in commodities?

Foodstuffs

Middle East—The five Middle Eastern countries covered in this report imported $38 million worth of foodstuffs in 1962; Canada's sales reached only $108,000. Here are some suggestions on how we could increase our share of this expanding market.

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

THE diet of Middle Eastern Arabs still resembles descriptions given by Lawrence of Arabia, but tastes are changing. The freshly slaughtered lamb or goat, rice, dates and a wide variety of locally grown fruits and vegetables are more and more being augmented or replaced by foodstuffs imported from abroad.

The five countries covered in this report—Lebanon, Iraq, Jordan, Kuwait and Saudi Arabia—bought over Can.$38 million of foreign foodstuffs in 1962. This figure does not include sugar, rice, tea, wheat, flour, malt, other bulk commodities, or fresh vegetables and fruits available locally or purchased from neighbouring Arab countries. And a close look at the breakdown of food imports in Table I reveals that all the items are produced in, and could be exported to this area from, Canada.

This large market for imported foods is a result of the limited local meat packing and canning industries and, in Kuwait and Saudi Arabia, the generally undeveloped state of agriculture. In addition, the rapid growth and scattering of the foreign community, coupled with ever-increasing use of advertising and retail merchandising techniques, is creating a demand for new food products and particularly those associated with North America.

Sales Methods

The growing popularity of Lebanon, the Holy Land and other countries of the Middle East as tourist centres and the oil industry have also contributed to a change in tastes and have increased the retail market. The Army, police forces and (as in Kuwait) the education and health departments in these countries purchase huge quantities of foodstuffs by tender through local import houses, thus permitting the local food brokers to do business at wholesale.

A good number of importers operate as agents, wholesalers, distributors and even store-owners. Other key contacts are caterers to oil companies, firms specializing in government tenders, and companies holding retail concessions in foreign communities, such as oil company and construction townsites. Good agents are those with a refrigerated warehouse, an integrated marketing system, and a sizable business volume. There is no shortage of keen, capable local firms with these qualifications.

In all these countries, distribution is well organized. There are adequate handling and cold-storage facilities in the major ports of Beirut, Basra, Aqaba, Jeddah, and Kuwait. Stocks of non-refrigerated goods are also warehoused and forwarded to all the main population centres. Bazaar shops, very small and packed with goods, are still the general rule, but supermarket merchandising is catching on quickly and it is not unusual to find large, busy self-service stores in Baghdad, Amman and Jeddah, well stocked and with good displays. Lebanon and Kuwait have by far the most supermarkets and the most sophisticated advertising campaigns.

Few Import Restrictions

There are very few import restrictions or labelling requirements apart from Syria, which does not permit the import of canned or preserved foodstuffs and hence is not

TABLE I

FOODSTUFFS IMPORTS—1962

Product	Lebanon	Saudi Arabia	Kuwait	Iraq	Jordan
	Country (thousands of Can.$)				
Meat (fresh, frozen)	645	500	991	33	624
Meat (canned, prepared, smoked)	1,561	843	230	225	558
Poultry (fresh, frozen)	200	100	352	28	(live only)
Fish (fresh, frozen, canned, prepared)	1,000	472	490	150	855
Milk powder	2,585	2,216	1,180	926	715
Butter	1,090	423	280	33	52
Cheese	2,290	280	560	500	519
Sugar confectionery	430	810	1,336	168	228
Biscuits, cakes, pastry	160	732	386	38	276
Vegetables, fruits, juices (canned, prepared, frozen)	846	1,376	3,600	1,952	484
Food preparations, n.e.s.	1,000	274	326	462	129
Total	**11,807**	**8,026**	**9,731**	**4,515**	**4,440**

Total imports to area 1962 = Can.$38.5 million
Canadian exports to area 1962 = Can.$108,000
Canadian exports to area 1963 = Can.$178,000

covered in this article. There are controls in Lebanon to protect apple- and orange-juice producers; Iraq prohibits the import of biscuits, cakes and pastries, animal fats and beer to protect its local industry, and Saudi Arabia bans pork on religious grounds. Import duties vary according to country and, in many instances, also according to commodity. However, no country receives preferential treatment and exporters everywhere face identical duties. Labelling, where required, is orthodox. A label must contain the manufacturer's name, country of production, specifications, and, most important, the size or weight of the contents in both grams and ounces. The label can be in any language but the more astute suppliers (or their agents) paste an additional small notice in Arabic on the container to give pertinent information on the product and directions for its use.

For Canadian Suppliers

Canadian suppliers appear to have overlooked this market in the past for we only sold Can.$108,000 (or less than 1 per cent of the area's total food imports) in 1962. European and U.S. brands may be well established but they are not so firmly entrenched that the market is not open to Canadian goods, and some Canadians have succeeded in selling here. In fact, our sales increased 70 per cent in 1963 but there is still considerable room for expansion.

Price and the degree of local advertising have more influence on the buyer than the world reputation of the product. Local importers, like distributors in Canada, fully realize this and will not take on a new line unless it is competitive with brands already on the market and is supported by some form of promotion. Failing advertising support by his principals, the importer expects a higher markup so that he can institute his own sales promotion program. Extended credit terms are not essential but can be helpful during the introductory period.

The quality of Canadian foods is well known and respected; it is the laid-down cost of Canadian products that is the main obstacle to volume business. High ocean freight rates on some items add to the problem and wipe out the advantage of a lower factory price. Despite this, there is a genuine interest in Canadian brands and regular shipping services assure speedy delivery once a price and selling policy have been agreed upon.

Any Canadian producer of foodstuffs who is doing volume business at home has an excellent base from which to exploit the Middle East market. The Beirut office can suggest names of alert, aggressive and competent local representatives. But even with the best agent, the task will not be easy. Publicity, prompt delivery, attractive packaging, quality products at the right price, and a firm desire to do business cannot help but achieve results. ●

Domestic Heating Equipment

Britain—Central heating installations in 1963-64 totalled over 200,000; gas systems are becoming more popular than those using solid fuel or oil. Sales of portable space heaters are also rising. Demand for heating systems will expand.

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

THE number of domestic gas central heating systems installed in Britain in 1963-64 is provisionally estimated at 90,000, an increase of 60 per cent over the 56,000 of the previous year. Solid fuel (coal and coke) installations in 1963 were estimated at 75,000 and oil installations at 45,000. In other words, gas central heating is now becoming more popular than oil and coal central heating. (Installations of the three together totalled 210,000.) Many of these installations were made in existing homes and this indicates that of the 350,000 or more new homes built in 1964, many were without central heating.

The lead taken by gas may be explained by several current developments in the British market. More efficient gas heating units are now available; these include Canadian gas-fired warm air furnaces. Moreover, the price of gas has remained constant but oil prices have increased slightly. Third, the Gas Council and the Gas Boards have been outdoing the oil companies in national advertising campaigns.

Hot water systems still have the same share of the market as warm air systems but the balance is rapidly being shifted to warm air. A great many warm air systems are being installed in multi-storey apartment blocks on government housing estates all over the country.

Full and Partial Heating

There is still no accepted definition of central heating in Britain and many of the above installations do not give full heating in the Canadian sense. Some only give 65 degrees F. in the sitting room and 55 degrees F. elsewhere, or no heat at all upstairs. Others are called "selective" heating systems and merely provide ducted heat in one room at a time. When the occupants move to another room, a lever has to be adjusted to divert heat into the next room—with most unsatisfactory results. It is expected that when Canadian warm air heating units become better known they will be more sought after than ever.

Meanwhile, sales of small heating appliances are filling the gap. Fewer than 200,000 electric fires were sold in the 1958-59 season but sales climbed steadily to more than 500,000 in 1963. The total sales of oil heaters, chiefly portable space heaters, will probably exceed the million mark for 1963-64.

There is also a trend towards off-peak electric storage heaters. With these, an effect like central heating is achieved by placing three or four units around the house. A sales campaign for these heaters began in 1962 and 150,000 were sold in 1963. The standard units range in price from $50 to $90 each with $18 added to each for installation.

It has been estimated that to date only about 5 to 10 per cent of British homes have a proper system of central heating in spite of the tremendous increase in demand for installations over the past five years. There are about 15 million homes in Britain and new ones are being built at the rate of about 350,000 per year. And the British people are no longer prepared to endure the discomfort of badly heated homes. Indeed a doctor in the west of England stated in a journal recently that 100,000 old people would die of hypothermia (lack of heat) in the next cold spell if something is not done about heating their homes. Decreases in the cost of fuel because of the import of Sahara gas and North Sea gas may further persuade them to demand full central heating in all new homes and in more existing homes in the next five years. Canadians can help meet this demand if they watch this market closely and make plans for export or manufacturing arrangements. ●

TRANSPORTATION NOTES

Belgium

CANAL DEVELOPMENT—Work is progressing on an extensive project for enlarging and modernizing the Terneuzen Canal which in 1967 will allow ships of 50,000 tons to enter the port of Ghent.

The present canal, accommodating ships under 10,000 tons, is 20 miles long and more than half is in Dutch territory. Under the terms of a treaty signed in 1960, the cost of the operation (approximately $80 million) will be shared by Belgium (80 per cent) and the Netherlands (20 per cent)—Brussels.

Britain

AIRPORT EXPANSION—The City Council of Manchester has approved a project to extend the runway at Manchester Airport from 7,500 to 9,000 feet. Extension of the main runway will mean that Manchester can become fully competitive with other airports attracting major airlines. A drive will be made to persuade U.S. airline companies to fly transatlantic aircraft on scheduled services direct to Manchester. Previously, aircraft to the United States have had to make a fueling stop at either Shannon or Prestwick because they could not leave Manchester fully loaded—Liverpool.

Ceylon

JET AIRCRAFT—Air Ceylon has purchased an AVRO 748 from Hawker Siddeley Co. Ltd. of England for its regional and domestic services. The cost, including spares and equipment, is said to be a little over Rupees 5 million. The decision to purchase the AVRO was made after demonstrations of two other aircrafts, the Fokker Friendship and the Dart Herald—Colombo.

Mexico

MERCHANT FLEET—Possibly with an eye to increased trade with the LAFTA countries, Mexico has been building up its merchant fleet and seeking new international routes. By the end of 1964, total vessel tonnage was expected to be 500,000 tons. Additional purchases recently announced should expand the fleet considerably by the end of 1964.

Another spur to this expansion was the recent assignment to Mexico by the Atlantic Shipping Conference of 19 per cent of the pool of cargo shipped between Mexico and Europe. To date all vessels have been purchased abroad, but the construction of shipyards capable of building up to 18,000-ton vessels is proceeding—Mexico City.

Northern Ireland

AIRCRAFT—A program of extension and modernization that will cost £250,000 is under way at the Royal Naval Aircraft Yard at Sydenham, Belfast. New buildings will provide 25,000 square feet of workshops, stores and hangars. The old terminal building at Sydenham airport has been adapted and opened as an apprentice training school—Glasgow.

South Africa

SHIPBUILDING—Two new mail ships are being built in Britain for the Union-Castle Line, which plies between Cape Town and Southampton. Both ships have a gross tonnage of 12,000 tons and are expected to be in operation by July 1965. They have a novel feature —special tanks to carry wine in bulk—Cape Town.

Sweden

RAILWAYS—Swedish State Railways are conducting a series of experiments in shunting switch locomotives by remote control. The UHF radio transmitter used has a radius of about one kilometre and was developed by the Copenhagen firm, Storno Radio—Stockholm.

Trinidad and Tobago

AIR AGREEMENTS—Trinidad and Tobago, as a result of achieving independence, has been renegotiating air agreements with other countries whose airlines operate into Trinidad's Piarco International Airport.

An agreement with France was signed in Port-of-Spain last fall. This agreement allows any French-designated airline to land in Trinidad and Tobago, and designated airlines of Trinidad and Tobago to land in the French overseas departments of Guadeloupe and Martinique.

Pick-up rights or cabotage, previously in effect, remain unchanged—i.e., Air France may not carry passengers from one British territory (BWIA), to another British territory in the Eastern Caribbean, and British West Indian Airways, Trinidad's national airline, may not carry passengers from Guadeloupe to Martinique or vice-versa.

Meanwhile, Caribbean Atlantic Airline (CARIBAIR) of Puerto Rico has applied to the Civil Aeronautics Board, Washington, to operate a Caribbean service similar to the one now operated by BWIA. CARIBAIR now serves Puerto Rico, the U.S. Virgin Islands, St. Martin and Guadeloupe with a fleet of 14 aircraft.

There has recently been discussion about the possibility of the smaller islands of the Eastern Caribbean obtaining their own airline and probably in an effort to avert this action, as well as to ward off the threat of competition by CARIBAIR, BWIA officials met with the local governments of the islands of St. Vincent, St. Lucia, Dominica, Antigua, Montserrat and St. Kitts. At the same time, BWIA announced plans for improvement of service between Puerto Rico and Trinidad by the introduction of Viscount services, which are to come into effect by mid-February. These Viscount services will be additional to the present DC-3 service—Port-of-Spain.

United States

RAIL MERGER—A large rail merger has recently taken place in this city. Six railroads were merged into the Norfolk & Western Railway, making an estimated U.S.$1.6 billion transportation system serving major centers in the States of Virginia, New York, Pennsylvania, Ohio, Michigan, Illinois, Missouri and Nebraska. The railroads involved were the Norfolk & Western Railway, the New York, Chicago & St. Louis Railroad (Nickel Plate), the Wabash, a branch line of the Pennsylvania Railroad, the Sandusky line of the Pennsylvania Railroad, the Akron, Canton & Youngstown, and Pittsburgh & West Virginia—Cleveland.

U.S.S.R.

HYDROFOIL TURBOSHIP—A group of designers from Sormova have built a new high-speed hydrofoil vessel designed to carry 150 passengers. The ship is fitted with light but powerful gas turbine engines which, coupled with water jet nozzles, enable it to travel at 110 kilometres an hour. It is said to be the fastest river vessel in the world—Moscow.

Trade Commissioners on Tour

In Territory

Caribbean—L. D. R. Dyke, Commercial Secretary in Port-of-Spain, Trinidad, will visit Surinam and British Guiana January 25-February 5.

El Salvador—J. H. Nelson, Commercial Secretary in Guatemala City, will visit San Salvador February 1-5.

Ethiopia—W. Gibson-Smith, Commercial Counsellor in Cairo, United Arab Republic, will visit Ethiopia for about ten days beginning January 20.

Honduras—J. H. Nelson, Commercial Secretary in Guatemala City, will visit San Pedro Sula and Tegucigalpa January 25-29.

Pakistan—R. D. P. Lee, Assistant Commercial Secretary in Karachi, will visit East Pakistan February 21-27.

Panama—H. E. Lemieux, Commercial Counsellor in Guatemala City, will visit Panama January 17-22.

Turkey—B. A. Macdonald, Commercial Counsellor in Athens, Greece, is visiting Ankara and Istanbul until January 20.

United States—A. W. Evans, Consul and Senior Trade Commissioner in Cleveland, will visit the following cities in his territory: Middleton and Dayton January 19-21, Springfield and Columbus January 26-28, Toledo February 2-4, Canton and Akron February 9-11, Youngstown and Warren March 2-4, Mansfield and Marion March 9-11, Lima and Findley March 16-18.

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

Want to Exhibit in Britain?

Canada's exhibit at Britain's Food Fair last September attracted a great deal of attention for its skilful design and special features. One of these was a walk-in replica of the famous Mammoth Cheese, produced by Perth, Ontario, cheesemakers in 1892.

The London office of the Canadian Government Exhibition Commission can help you in many ways—whether your exhibit is a large one in a big vertical trade fair, an in-store promotion, or a small stand at a local agricultural fair. Here's advice too on ways to make exhibiting more rewarding and trouble-free.

MARY A. ARMSTRONG, *Attaché (Exhibitions), London.*
As told to O. Mary Hill.

EACH year the British put on hundreds of strictly trade and general trade fairs, both large and small, featuring products as diverse as boats and computers, processed foods and wallpaper. In most of them, foreign exhibitors are welcome because an international fair attracts more buyers. Entering one of these fairs, either on your own or in company with other Canadian firms, can be an excellent way to test your products in the British market, to train or get in touch with good representatives, or to broaden the scope of your operations in the British Isles.

Many Canadian exporters are not aware of the ways in which the Department of Trade and Commerce in Ottawa and the representatives of the Canadian Government Exhibition Commission in London can make participation in British trade fairs simpler and more effective. Whether you want to go into the Canadian section in a fair, exhibit on your own in one of the big vertical fairs or at a hotel, take part in a local fair, or encourage your British agent to do some exhibiting or in-store promotion on his own—we can help you.

Getting Started

The Department of Trade and Commerce sponsors an exhibit in at least six or seven major trade fairs in Britain every year, and there may be a place for your products in one of these Canadian presentations. So write to the Department in Ottawa and inquire about the possibility of participating in this program. At the same time, you should inquire about all trade fairs in Britain which specialize in the products that you have to offer. Then, if you cannot be included in any of the official presentations, you will be in position to start making plans to participate on your own.

You will find that both the Department in Ottawa and its staff in London can do a great deal to assist you in mounting your own exhibit. For example, if you decide to investigate further one or more of the British trade fairs that appear, on the surface, to be suitable for your own product promotion, write or phone the Canadian Government Exhibition Commission at 2487 Kaladar Avenue, Ottawa, (phone 992-3558, area code 613). Or if you have an agent in Britain or are visiting London yourself, get in touch with the London branch of the Commission at One Grosvenor Square, London, W.1., and ask for further information about the fair or fairs you have in mind. Either way, we can tell you about the commodities covered; the number of firms that exhibited the last time the fair was held; the number, origin, and types of buyers who attended; the cost of space; what kind of display would be suitable, and so on.

On Your Own

If you wish, we can negotiate for space for you. Later, we are prepared to help clear your goods through customs, store them for short periods if they cannot go directly to the fair site, and help with the planning and decorating of your stand. Going into one of the larger fairs on one's own costs money and you will want your display to attract plenty of attention. The Exhibition Commission maintains in London a stock of exhibition furniture—such as counters, name plates, stand structures, etc. —and also of Canadiana to serve as decor—things like maple leaves, crests of provinces, travel posters, and so on. These we will be glad to lend you for displays in any part of the country.

In calculating the cost of exhibiting at any major fair, be sure to include the cost of sending someone over from Canada to man the booth. And for the best results, come yourself or send someone with authority—someone who can discuss the possibility of volume orders, talk over small changes in design, make promises on delivery dates, and so on. If your man can make decisions on the spot, your chances of doing business will be that much greater. In addition, he can give assistants hired for the period of the exhibition a sound briefing on the products on display. We will be happy to hire this temporary help for you.

Local or Hotel Show

Naturally, the big trade fairs are not the only exhibitions in Britain. There are literally hundreds of local agricultural shows, for example, and if you are selling processed foods or some allied product, displays at several of these may bring results. Perhaps your British agent will want to go into some of them on his own. We in London, will be glad to advise him about which ones to choose, to lend him material for his display, and to help him design a good-looking exhibit. Sometimes the big department or chain stores offer space for an in-store promotion. We can help you and your agent to make the most of this opportunity too.

Some Canadian firms have put on special showings of their goods in an hotel and invited buyers to come and see them. From its experience, the London office can make up lists of buyers to be asked to your display and can help set it up. Some companies have chosen the trade centre in our own Macdonald Building; the toy manufacturers put on a show there last year. Under ordinary circumstances, however, the Department feels that going into a commercial trade fair probably gives the best results.

But Remember . . .

No matter what method of displaying your products you choose, your success will depend largely on how well you do your homework before trying to pass the trade and consumer test that awaits you at British fairs. Pay attention to the matters outlined below and you will be set fair for success.

Work out prices c.i.f. British port— Unless you specifically state otherwise, quote prices in sterling and make sure that they are the prices at which the agent can offer the goods and include his markup. The price should include the cost of the goods, sea and air transport costs, and insurance where applicable. These shipping costs and any other expenses incurred in delivering the goods to Britain are required for British Customs who will ask for these figures and will not be content with a notional value for the shipment.

Select a good British agent—and do it before the fair opens, if possible. When you are working on your stand, you won't want to be preoccupied with choosing a representative. And the buyers who come to see your products will want to know where to get them. If you don't have an agent, you may lose a sale. The London office will be glad to line up three or four suitable agents and you can interview them and make a personal selection before the fair opens. Some exhibitors mount the agent's as well as the firm's name on their booth. If for some reason you can't pick an agent beforehand, a trade fair is a good place to get in touch with potential representatives. And they aren't necessarily only looking for agencies in Britain; at the recent Hardware Show in London agents appeared from many parts of Europe.

Check on patents—if your product is one that can be patented and you do not have a world patent already, check with us in London about whether it comes under the British patent laws and on the right procedure to follow. Some Canadians selling in Britain have had patent trouble, so be forewarned. If your product is an electrical one, it may have to conform to certain standards which should be carefully checked.

Ship in good time—Goods destined for a trade fair should arrive in Britain at least two weeks before the fair opens. This leaves time for getting them through Customs, for checking to make sure that nothing is missing. and for setting up the display without a last-minute mad scramble. There have been instances of products arriving after the show opened.

Watch your documentation—If your firm does not have its own export department, you would be well advised to use the services of a forwarding agent; otherwise the shipment may arrive with some essential document missing. Goods to be displayed at the trade fairs are bonded by the clearing agent and if they are sold or turned over to the firm's British agent, the duty must be paid. If the exhibitor intends to sell them off the stand (this is done at the Ideal Home Exhibition) they must be cleared through Customs in the usual way, including the payment of duty.

One last word. We will do all we can to help you mount a professional looking exhibit but we can't sell your goods for you. And they won't sell themselves, no matter how attractive they may be. Come over yourself and man your stand—and you'll make success more certain. ●

COMMODITY NOTES

Automobiles

AUSTRALIA—A £20 million plan for expansion over the next five years has been announced by Volkswagen (Australia) Pty. Ltd. The plan includes building and plant extensions and a new engine plant and foundry. Volkswagen's Australian-made content will rise from 72 to over 95 per cent as required by the Federal Government—Melbourne.

Diamonds

SOUTH AFRICA—The Central Selling Organization of de Beers Consolidated Mines in Kimberley sold uncut diamonds worth R70,921,762 (Can.$106,382,593) in the quarter ended September 30. This is a record for a third quarter and the second highest for any quarter. Sales in the third quarter of 1963 reached $88,020,960—the previous high for a third quarter. Total sales for the first nine months of 1964 have reached a record $300,785,722—Cape Town.

Generators and Motors

COLOMBIA—U.S.$500,000 will be invested in a plant in Bucaramanga to produce fractional horsepower motors and small generators. The plant is expected to achieve a yearly production of 12,000 units, and exports to Venezuela and other countries of the Latin American Free Trade Area are being projected—Bogotá.

Lead-Zinc

NEW ZEALAND—The first commercial lead-zinc mine in New Zealand was expected to begin its initial workings at Tui Mountain, Te Aroha, late in 1964. Investigations by North Island Mines Limited and South Pacific Mines Limited have indicated reserves of about 100,000 tons. After the construction of a crusher and flotation battery, actual mining will begin in about a year and it is hoped to produce 100 tons of ore a day. The mine metallurgist stated that assays show an average ore content of 5 per cent lead, 15 per cent zinc, and 0.5 to 0.75 per cent copper. Two ounces of silver and a trace of gold were also found in each ton. Ore concentrates, he said, would be obtained by a flotation process which would enable the recovery of up to 98 per cent of the metals. The concentrates would probably be sent to Japan for smelting—Wellington.

Linen

NORTHERN IRELAND—Estimated consumption of flax and flax tow decreased from 22,400 tons in 1962 to 21,000 in 1963. The industry makes extensive usc of other materials, either separately or in conjunction with flax; in 1963, some 52 per cent of the cloth produced was made wholly or partly from fibres other than flax. Sales by merchant converters of finished piecegoods and made-up articles during 1963 amounted to £27.2 million. Some 52 per cent consisted of linen and union goods, 32 per cent of cotton (including mixtures with rayon), and 13 per cent of spun and continuous filament rayon. Approximately 61 per cent of these sales was made in the home market (Britain), and 39 per cent in overseas markets (37 per cent in 1962 and 34 per cent in 1961). British exports of the type of linen goods made in Northern Ireland were valued at £12,739,000 in 1963, an increase of £99,000 over 1962. The most important export markets continued to be the United States (£5,668,000 in 1963), Italy (£887,000), Canada (£834,000), Australia (£785,000) and West Germany (£614,000)—Glasgow.

Nuclear Power

SPAIN—During the recent visit of French Minister Palewski to Spain the construction of the first joint French-Spanish nuclear power plant was agreed on. This will be the first nuclear power plant in Spain to use natural uranium; all others use enriched uranium of the U.S. type. During the next few weeks, a committee of power producers and nuclear experts from both countries will meet to decide on details. According to the French paper *Figaro,* the firm Electricité de France will hold 25 per cent of shares in the new company which will also benefit from the French credit of November 1963. The reactor will probably be of 500 or 600 mw., larger than Spain's other nuclear power projects which range from 150 mw. (Zorita plant) to 300 mw. (Nuclenor and Censusa projects)—Madrid.

Nylon

SWEDEN—The Swedish woman uses 16 to 17 pairs of nylons per year—a rate equal to that in the U.S.—and in 1963 56 million pairs were sold. Imports made up 60 per cent of this volume, with Italy as the leading supplier. Prices have fallen steadily over the last ten years and at present they average about $4.40 per dozen pairs—Stockholm.

Oil Refinery

SPAIN—The Gulf Oil Corporation has announced approval by the Spanish Government of the construction of an oil refinery in Huelva. Gulf oil will contribute 40 per cent of the capital and the remaining 60 per cent will be provided by the Spanish mining company, Compañía Española de Minas de Rio Tinto S.A. This is the first private oil refinery with foreign capital participation authorized by the Spanish Government. It will have a capacity of 40,000 barrels of petroleum per day—Madrid.

Platinum

SOUTH AFRICA—The withdrawal of Soviet supplies of platinum from the world market made 1963/64 a boom year for South Africa's sales. The industry here has found it necessary to draw on stocks to try to cope with the world shortage and the large demand, particularly from European countries, but has not been able to fill the gap completely. The Republic's regular customers are still being supplied at reasonable prices, but it is not possible to supply all the countries that formerly depended on Russian production—Johannesburg.

Salted Herring

WEST GERMANY—As the result of extensive advertising, consumption of salted herring in Germany has increased during the past few years and this fish is no longer regarded as the poor man's lunch. Fixed retail prices gave way to free competition in 1963 and salted herring has become more interesting to retailers, who have had to turn to items offering a larger profit margin. The fish are now being vacuum packed, (as well as being sold from open barrels), which means they can be sold in self-service stores.

In 1963, some 313,795 barrels of 100 kilograms (approximately 220 pounds) worth DM32 million (approximately $8.65 million) were marketed and similar sales were expected for the season finishing at the end of December. Up to the beginning of October, 162,000 barrels had been sold—12,000 more than in 1963.

The average annual German catch over the past 12 years has been 250,000 barrels. Up to 80,000 barrels were sold to East Germany and a further 20,000 exported. As West German consumption is usually about 400,000 barrels, a considerable quantity must be imported—Hamburg.

Silicon Carbide

NORWAY—The Norwegian authorities have given permission to the United States firm, Norton Company, to build a factory at Lillesand in the south for the production of some 8,000 tons of silicon carbide a year. Construction will start shortly and production is expected to begin next summer. The silicon carbide will be shipped to Norton's subsidiaries in Europe for further processing into abrasives—Oslo.

Sponge Iron

MEXICO—Fierro Esponja S.A., a producer of sponge iron, has announced a six million-dollar plant expansion aimed at nearly doubling present production to 1,200 metric tons daily. The plant is described as being the only one of its kind in the world operating on a commercial basis. The sponge iron process, developed in Mexico during the 1940's when it became difficult to import scrap steel, is now said to be less expensive than preparing scrap for ingot steel production. The Mexican company is currently considering licensing applications from Brazil, Japan and the Philippines—Mexico City.

Sulphate

FINLAND—The sulphate mill built at Kuusanniemi by Kymmene AB is now producing with a capacity of 125,000 tons of pulp a year. Of this, 80,000 tons will be exported and the rest used as raw material at the Kuusankoski fine paper mill and the Voikka newsprint mill. The main raw material used will be 400,000 cubic metres of birchwood, yielding 80,000 tons of birch pulp a year from the continuous Kamyr birch digester. The remainder, 45,000 tons, will be pine sulphate pulp—Stockholm.

Tires and Tubes

TURKEY—Following the signing of an agreement granting a U.S.$4.7 million AID loan, the Goodyear Lastikleri plant at Izmit (which began production in 1963) will increase its current annual capacity of 140,000 to 150,000 tires and tubes substantially. U.S. Royal (190,000 tires and tubes annually) and Pirelli (120,000 tires and tubes) also have plants in Turkey. The Government's Five Year Development Plan (1963-67) envisages a fourth foreign investment in tire manufacturing. For some time now, tire imports into Turkey have been restricted to special sizes and qualities not yet produced in the country—Athens.

Wine

SOUTH AFRICA—Exports of port wine to Britain during the past five years have risen 116 per cent, according to a survey by the Co-operative Wine Farmers Association, making South Africa the third largest (after France and Spain) seller of wine in Britain. Canada is the second largest market for South African wine. A few years ago the turnover was negligible, but by 1963 sales had risen to 188,000 gallons of wine and 217,000 gallons of brandy, 31 per cent of Canada's brandy imports. The South African industry is also making efforts to develop a market in Japan—Cape Town.

FOREIGN TARIFFS AND TRADE REGULATIONS

Argentina

PAYMENTS FOR IMPORTED CAPITAL GOODS REGULATED—The Argentine Central Bank has issued regulations, dated November 20, governing the payments for imports of capital goods. The main provisions stipulate that the minimum number of instalments which may be made abroad are as follows:

(a) Up to U.S.$5,000—one payment, at sight.
(b) From $5,000 to $20,000—in four equal semi-annual instalments, beginning six months after shipment.
(c) From $20,000 to $50,000—in six equal semi-annual instalments, beginning 12 months after shipment.
(d) From $50,000 to $100,000—in eight equal semi-annual instalments, beginning twelve months after shipment.
(e) From $100,000 to $200,000—in ten equal semi-annual instalments, beginning twelve months after shipment.
(f) From $200,000 to $500,000—in twelve equal semi-annual instalments, beginning 24 months after shipment.
(g) From $500,000 to $1,000,000—in 14 equal semi-annual instalments, beginning 24 months after shipment.
(h) Over $1,000,000—to be agreed upon with the Central Bank, but in no case in fewer payments than the foregoing.

The amounts mentioned correspond to f.o.b. values. Freight and insurance may be paid at sight.

For imports falling within the provisions of Laws 14780 and 14781 (Foreign Capital Investments), and Decree 13277/59 (Machinery and Equipment for Production Lines), 10 per cent may be paid cash and there is a slightly different schedule of instalment payments (e.g., from $500,000 to $1,000,000—in 12 equal semi-annual instalments, beginning 24 months after shipment).

Excluded from the provisions of this regulation are:

1. Imports of pedigree animals.
2. Imports of capital goods from member countries of the Latin American Free Trade Association.
3. Operations which, as of November 20, 1964, were covered by credits granted by international organizations.

Although the list of materials considered to be capital goods is not yet completed, the Bank Circular indicates that the following may be taken to fall under this heading: machinery, equipment, motors, transportation and communication material; the provision and distribution of electric power, and, in general, all fixed asset goods used for production of goods and services.

Bermuda

SURCHARGE—The Bermuda House of Assembly has continued in force for 1965 the surcharge of 10 per cent of the duty which applies to imports from all countries.

British Guiana

IMPORT OF DETERGENTS RESTRICTED—The British Guiana Government announced on November 4, 1964, that the import of detergents from any source is prohibited, except under the authority of a licence. Licences will be issued to importers on the basis of their average annual imports.

Licences will not be issued for bleaches.

These measures were taken to protect local manufacturers of bleaches and detergents.

Ghana

IMPORT LICENCES 1965—Ghana's present shortage of foreign exchange is reflected in a notice recently published by the Bank of Ghana. The Bank is now accepting applications for 1965 import licences only from firms that wish to import goods of all types under suppliers' credits of from 90 to 180 days, except imports under short-term acceptance credits.

Geographical Listing for Exporters

Need Information on Foreign Markets?

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

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

Country	TC Post	OTR Division
Dominican Republic	Santo Domingo	Latin America
Ecuador	Bogota	Latin America
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America
England	London and Liverpool	Commonwealth
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	Yaounde	Europe
Gambia	Lagos	Commonwealth
Germany	Bad Godesberg, Duesseldorf, Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Accra	Europe
Haiti	Port au Prince	Latin America
Hawaii	San Francisco	United States
Honduras	Guatemala City	Latin America
Honduras, British	Kingston	Commonwealth
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi and Bombay	Commonwealth
Indonesia	Djakarta	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Northern	Belfast	Commonwealth
Ireland, Republic of	Dublin	Commonwealth

Country	TC Post	OTR Division
Israel	Tel Aviv	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Accra	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East
Jordan	Beirut	Asia and Middle East
Kenya	Salisbury	Commonwealth
Korea	Tokyo	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonwealth
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxemburg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malawi	Salisbury	Commonwealth
Malaysia	Singapore	Commonwealth
Mali, Republic of	Accra	Europe
Malta	Rome	Commonwealth
Martinique	Port-of-Spain	Europe
Mauretania, Republic of	Accra	Europe
Mauritius	Johannesburg	Commonwealth
Mexico	Mexico City	Latin America
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	(see Surinam)	(see Surinam)
New Caledonia	Sydney	Europe
New Guinea (Northeast) and Papua	Sydney	Commonwealth
New Hebrides	Sydney	Europe
New Zealand	Wellington	Commonwealth

Country	TC Post	OTR Division
Nicaragua	Guatemala City	Latin America
Niger, Republic of	Lagos	Europe
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese Guinea	Lisbon	Europe
Portuguese West Africa	(see Angola)	(see Angola)
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Rhodesia	Salisbury	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Rio Muni	Madrid	Europe
Rumania	Vienna	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Sabah	(see Malaysia)	(see Malaysia)
Sarawak	(see Malaysia)	(see Malaysia)
Saudi Arabia	Beirut	Asia and Middle East
Scotland	Glasgow	Commonwealth
Senegal, Republic of	Lagos	Europe
Seychelles Islands	Salisbury	Commonwealth
Sierra Leone	Lagos	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	(see Malaysia)	(see Malaysia)
Somalia	Cairo	Asia and Middle East
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe

Country	TC Post	OTR Division
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Thailand	Singapore	Asia and Middle East
Togo	Accra	Europe
Tonga	Wellington	Commonwealth
Trinidad and Tobago	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Salisbury	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Cleveland Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Accra	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Wales	London	Commonwealth
Western Samoa	Wellington	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zambia	Salisbury	Commonwealth
Zanzibar	Salisbury	Commonwealth

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 .9305.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 21	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2193	4.56	
Argentina	Peso	Free	.007189	139.10	
Australia	Pound		2.3990	.4168	
Austria	Schilling		.04164	24.01	
Bahamas	Pound		2.9987	.3335	
Belgium and Luxemburg	Franc		.02163	46.23	
Bermuda	Pound		2.9987	.3335	
Bolivia	Peso		.09135	10.95	
Brazil	Cruzeiro	Official Free	.0006802	1,470.15	
Britain	Pound		2.9987	.3335	
British Guiana	Dollar		.6247	1.60	
British Honduras	Dollar		.7497	1.33	
Burma	Kyat		.2257	4.43	
Ceylon	Rupee		.2249	4.45	
Chile	Escudo	Bank rate	.4141	2.41	
		Free	.3332	3.00	
Colombia	Peso	Free	.08380	11.93	
		Certificate	.1194	8.38	
Congo, Republic of	Franc		.007165	139.57	(1)
Costa Rica	Colon		.1622	6.17	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1493	6.70	
Denmark	Krone		.1554	6.44	
Dominican Republic	Peso		1.07469	.9305	
Ecuador	Sucre	Official	.05970	16.75	
		Free	.05803	17.23	
El Salvador	Colon		.4299	2.33	
Fiji	Pound		2.7015	.3702	
Finland	Markka		.3358	2.98	
France-Monaco, etc.	Franc		.2193	4.56	(2)
Franco-African Republics, etc.	Franc		.004386	228.00	(3)
French Pacific	Franc		.01206	82.92	(4)
Germany	D Mark		.2704	3.70	
Ghana	Pound		2.9987	.3335	
Greece	Drachma		.03582	27.92	
Guatemala	Quetzal		1.07469	.9305	
Haiti	Gourde		.2149	4.65	
Honduras	Lempira		.5373	1.86	
Hong Kong	Dollar	Free	.1869	5.35	*Dec. 11
		Official	.1874	5.34	

*Latest available date.

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

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 21	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02499	40.02	(1)
India	Rupee		.2249	4.45	
Indonesia	Rupiah		.004299	232.61	(1)
Iran	Rial		.01419	70.47	
Iraq	Dinar		3.0091	.3323	
Ireland	Pound		2.9987	.3335	
Israel	Pound		.3582	2.79	
Italy	Lira		.001720	581.40	
Japan	Yen		.002985	335.01	
Lebanon	Pound	Free	.3522	2.84	
Malaysia	Dollar		.3511	2.85	
Mexico	Peso		.08598	11.63	
Morocco	Dirham		.2149	4.65	
Netherlands	Florin		.2991	3.34	
Netherlands Antilles	Florin		.5699	1.75	
New Zealand	Pound		2.9782	.3358	
Nicaragua	Cordoba		.1535	6.51	
Nigeria	Pound		2.9987	.3335	
Norway	Krone		.1502	6.66	
Pakistan	Rupee		.2249	4.45	
Panama	Balboa		1.07469	.9305	
Paraguay	Guarani	Free	.008598	116.31	
Peru	Sol	Free	.04006	24.96	
Philippines	Peso	Free	.2759	3.62	
Portugal & Colonies	Escudo		.03738	26.75	(5)
Sierra Leone	Leones		1.5046	.6646	
South Africa	Rand		1.4994	.6669	
Spain and Dependencies	Peseta		.01795	55.71	
Sweden	Krona		.2088	4.79	
Switzerland	Franc		.2491	4.01	
Syria	Pound	Free	.2813	3.55	
Thailand	Baht	Free	.05098	19.62	(1)
Tunisia	Dinar		2.0634	.4846	
Turkey	Lira		.1194	8.38	(1)
United Arab Republic	Pound	Official	2.4718	.4046	
United States	Dollar		1.07469	.9305	
Uruguay	Peso	Free	.04554	21.96	
Venezuela	Bolivar	Official Free	.2391	4.18	
West Indies	Dollar		.6247	1.60	(6)
	Pound		2.9987	.3335	(7)
Yugoslavia	Dinar	Official	.001433	697.84	

Notes

1. Additional rates are in effect.
2. Franc is also used in French Guiana, Guadeloupe and Martinique.
3. 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.
4. New Caledonia, New Hebrides, French Polynesia.
5. Portugal: approximately same rate for Portuguese territories in Africa.
6. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
7. Jamaica.

Choosing a Representative in West Africa

Want an active, efficient agent in West Africa? Select him carefully, but first try to understand the special characteristics of this market. The Trade Commissioner can help you to make the right choice.

R. A. KILPATRICK, *Assistant Commercial Secretary, Accra.*

SOME Canadian companies seem to take less care in choosing their agents abroad than they do in selecting their representatives and salesmen in Canada. But if these companies wish to be successful in selling in these distant markets, it is imperative that they appoint efficient representatives and then give them their fullest co-operation.

In the choice of a foreign representative, it is important that the companies forget the criteria in use in Canada and rather use those which apply to each specific market. The peculiar characteristics of trading in West Africa provide an excellent example.

One of the main functions of the Trade Commissioner is to assist Canadian companies to find the right representatives. "Assist" is the key word. This we are only too happy to do. In most cases, our thorough knowledge of the country in which we work can be very useful, but the Canadian company, with its knowledge of its own product and sales techniques, must play an important rôle. To our thinking, the best way to proceed is for the interested Canadian company to ask us to select a certain number of interesting prospective agents, and then send out someone from the firm who can help us to make the final choice.

Market Is Changing

Trade in West Africa seems to be changing rapidly, and this change is affecting manufacturers' agents and representatives. In Ghana, for instance, a good number of British companies representing various British, European and U.S. manufacturers were able to sell the products of these firms readily to companies established in the country from the very beginning. But in several instances, these representatives attempted to handle too many different articles and therefore failed to promote all of them successfully. With the level of education and the purchasing power of the consumer steadily increasing, the traditional conservatism of this market seems to be disappearing. In addition, a growing number of Africans have set up small companies for the purpose of representing manufacturers throughout the world. The markets of West Africa are becoming much more sophisticated and there will be increasing opportunities to sell a greater variety of consumer goods through promotion campaigns stressing quality and design.

In Ghana and a few other countries in that part of the world, the present foreign exchange difficulties tend to hamper the development of the market. This situation, however, is temporary and does not influence the changes taking place in purchasing and sales techniques.

What Changes Imply

In the past Canadians selling or wishing to sell in this area may have tended to overlook African representatives and to concentrate on foreign companies established in West Africa since the beginning. They should now realize the evident willingness of the small African companies, because of their desire to grow, to make a sustained effort to develop sales. For instance, African representatives have recently managed to sell in Ghana such Canadian products as lingerie, hats, fabrics and other goods that would not normally be competitive in this market because of cheaper products coming in from the Far East and Eastern Europe.

What does all this mean?

- Canadian companies should remember that the West African markets are not static but change very rapidly.
- These companies should make sure their representatives are capable of changing with the markets.
- A larger number of Canadian companies seriously interested in developing export markets should be willing, with our help, to seek and choose agents or representatives with care.
- These representatives should be provided with a complete range of samples in addition to sufficient sales literature (if available) and price lists. Samples seem to be particularly important in this market and often mean the difference between making or losing a sale.

As previously mentioned, some countries in West Africa, Ghana in particular, are experiencing at the present time serious foreign exchange problems which have resulted in import restrictions. Even though these may limit sales possibilities temporarily, Canadian companies interested in this market should not consider it an obstacle to finding agents capable of taking advantage of sales opportunities once these temporary problems have been solved.

The Trade Commissioners in West Africa are prepared to assist Canadians to choose efficient representatives but to do this they need the support and the full co-operation of the companies concerned. This means that, if possible, Canadian company personnel should visit this area. •

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