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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Canada's Fisheries Exports Reach All-Time Record

FOREIGN TRADE

MAY 15, 1965 Vol 123 No. 10

COVER: The Canadian fisheries industry has a reputation for quality products and exports are growing. A good line in 1964 was scallops and foreign sales reached $8.4 million. The U.S., France and Belgium were the best customers. Here in a modern Halifax sea-food factory we see scallops being made ready for frying.

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COMING—DEVELOPMENTS AND BUSINESS PROSPECTS IN INDIA AND PAKISTAN

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Canada's Fisheries Export

- Canadians sold $202.6 million worth of fisheries products in foreign countries last year, an 18 per cent increase over 1963.
- Shipments went to 90 countries, with the U.S. taking nearly 65 per cent and Europe 23 per cent.

T. R. KINSELLA,
Assistant Director (Fisheries), Agriculture and Fisheries Branch.

Success requires considerable hard work and commercial fishing is no exception. These British Columbia fishermen are bringing a net filled with fish aboard a trawler.

EXPORTS of Canadian fisheries products reached an all-time record of $202.6 million in 1964, an increase of nearly 18 per cent over 1963. Shipments went to 90 countries. Shipments of fresh or frozen seafish, whole or dressed, amounted to 133.71 million pounds ($27.8 million) against 94.96 million ($23.3 million) in the previous year. Prominent in this group were Pacific and Atlantic salmon and halibut—in particular, coho salmon. Exports of frozen seafish blocks and fillets totalled 187.4 million pounds ($45.3 million) compared with 152.5 million ($36.2 million) in 1963. Frozen cod blocks and slabs alone totalled 76.5 million pounds compared with 1963 shipments of 50.9 million. Exports of fresh or frozen freshwater fish (whole or dressed and in fillet form) were down, but those of smoked fish increased over the previous year. Exports of salted groundfish decreased, at 93.6 million pounds compared with 106.4 million in 1963. Consignments of pickled and dry salted fish also fell but shipments of canned fish, including canned salmon, sardines and lobster, increased. Exports of molluscs and crustaceans, (especially scallops) were up, as were sales of fish meal and whale meal and marine oils.

Imports Also Rose

The value of imports of fisheries products into Canada during 1964 reached $22.9 million, or about $100,000 higher than in the previous year. Shipments were received

.each All-Time Record

- **Frozen seafish blocks and fillets, led all exports, at nearly 188 million pounds.**
- **Export sales of canned salmon reached some 39.8 million pounds, worth $25.8 million.**

from 45 countries. Leading imports included fresh or frozen shrimp from the United States, Mexico, Hong Kong, and Nicaragua. Canned shrimp imports too were significant, with the United States, Japan and India the principal suppliers. Purchases of canned tuna were higher than in 1963 and came chiefly from Japan and Peru. Frozen tuna was imported from Japan and Malaysia. Lobster and ocean crayfish are grouped together in the import returns, which show the United States, Cuba, and Australia as suppliers. Norway and Portugal provided the bulk of the canned sardines imported into Canada. Limited supplies of canned salmon were imported from the United States and Japan. South Africa increased its sales of fish meal to Canada to 9.6 million pounds worth $534,000, compared with only 500,000 pounds valued at $33,594 in 1963.

Fresh and Frozen Fish

There was an exceptionally strong demand for fresh and frozen fish during 1964 and exports reached a record value of $126.2 million, compared with $108.7 million in 1963. The trend towards processing cod and related species in the blocked form continued in 1964, and the bulk of it was exported to the United States for making fish portions and fish sticks. However, sales to Britain, where the convenient packs of fish sticks or fingers are proving popular with the British housewife, were also larger. Shipments reached 9.74 million pounds as against only 2.02 million in 1963. Australian importers of frozen fish have also shown considerable interest in the high quality Canadian products. An encouraging feature for the freshwater fish industry was the several shipments of inland fish to European countries.

The Icelandic-Soviet Trade Agreement for 1965 calls for the delivery of 10,000 tons of frozen fillets and 6,000 tons of frozen herring from Iceland to the U.S.S.R.; these shipments in 1964 totalled 16,700 tons of frozen fillets and 7,000 tons of frozen herring. The 1965 deliveries will be considerably below the 1964 protocol but nevertheless should continue to have a steadying influence on the world market for frozen fish.

Fresh and frozen ocean perch and groundfish fillets and blocks (cod and related species). Preliminary returns indicate that total imports from all sources into the United States during 1964 were the largest in history—246.6 million pounds, compared with 231.8 million in the previous year; Canadian exporters furnished 152.8 million pounds (127.7 million in 1963). Canada was the leading supplier of fresh and frozen cod fillets, providing 21.7 million pounds of the 33.4 million imported into the United States. Iceland was second with 10.3 million pounds, followed by Denmark, Norway, and other producing countries.

Fresh and frozen haddock, hake, pollock and cusk—Imports into the United States from all countries totalled about the same as in the previous year—24.01 million pounds compared with 24.2 million in 1963. Canada's share reached 15.6 million pounds. Other suppliers were Iceland 6.2 million, Norway 945,000, and Denmark 842,000.

Ocean perch or redfish fillets—Imports were higher, at 22.9 million pounds as against 21.6 million in 1963. Shipments from Canada totalled 16.9 million pounds and from West Germany 3.3 million. Iceland was the third supplier, with 1.2 million pounds.

A major development was the increase in imports of frozen blocks or slabs into the United States in 1964—some 166.2 million pounds as against 153.3 million in 1963. Canada was the main source, shipping 98.7 million pounds (75.7 million in 1963), followed by Iceland 39.3 million (31.8 million), Norway 9.2 million (17.5 million), Denmark 4.7 million, (12 million), West Germany 2.7 million (4.3 million), Republic of South Africa 2.2 million (2.8 million). The remainder was furnished by a few other fish producing countries. These frozen blocks or slabs were shipped to 42 manufacturers of fish sticks and to 46 firms processing fish portions in the United States, who produced 73.5 million pounds of fish sticks and 105.6 million pounds of fish portions in 1964, compared with 79.3 million pounds and 94.6 million respectively in 1963. Prohibitive tariffs on imports of these particular products into the

The Production Picture

- In 1964, the landed catch of the Canadian sea fisheries reached 2.2 billion pounds, up slightly from the 2.19 billion taken in 1963.
- The landed value of this catch totalled $129.8 million, or nearly 13 per cent more than in 1963.

ATLANTIC FISHERIES

- Yield of 1,515,916 pounds with a landed value of $82,667,000 in 1964 showed a gain over the 1,425,148 pounds worth $74,662,000 in 1963.
- Increased landings in Nova Scotia, New Brunswick, and Prince Edward Island compensated for smaller ones in Quebec and Newfoundland.
- Catches of cod, ocean perch, and lobster were smaller, but those of haddock, pollock, flounders and sole, herring, mackerel and scallops were larger.
- Lobster, despite the smaller catch, continued to be the most important fisheries product in value, with landings of 41,842,000 pounds valued at $24,218,000 compared with 44,375,000 pounds worth $21,281,000 in 1963.
- Cod maintained its position as the second major species, although the catch, at 568,756,000 pounds, was 7 per cent below that of 1963.

PACIFIC FISHERIES

- Catch in 1964 totalled 705,437,000 pounds, a decrease from the 773,209,000 pounds in 1963, mainly because of a labour dispute that tied up B.C. herring operations for about a month last fall.
- Total value of the catch rose nearly 17 per cent to $47,214,000.
- Herring catch declined from 572,579,000 pounds in 1963 to 503,501,000 in 1964.
- Over-all landings of salmon decreased to 118,593,000 pounds valued at $28,841,000 in 1964 from the 119,339,000 pounds worth $22,578,000 in the previous year. The rise in value resulted from higher unit prices for several species.
- Coho salmon topped all other species in value for the second successive year, achieving new records in both volume and value.
- Landings of molluscs and crustaceans reached 18,258,000 pounds, compared with 21,132,000 in 1963. Value was up, at $1,517,000 compared with $1,429,000 in the previous year.

INLAND FISHERIES

- Landings of the inland or freshwater fisheries in 1963 (latest available figures) reached 120 million pounds worth $12.5 million, a decrease from the 137 million pounds worth $13.3 million in 1962.
- Main species taken were whitefish, yellow pickerel, perch, pike, trout, and smelt.
- Ontario was the leading producer, followed by Manitoba, Saskatchewan, Alberta, the Northwest Territories, New Brunswick, and Quebec.

United States limit Canadian sales to the domestic market. However, as indicated above, Canada continues to be the leading supplier of frozen blocks to United States manufacturers of fish sticks and portions. Most of these firms are located in Atlantic coast states, although there are a considerable number in the inland and Gulf States, and on the Pacific coast.

Atlantic and Pacific frozen salmon—There was an exceptionally strong demand for both, in the whole or dressed form, in 1964. Shipments of frozen coho salmon went to some 23 different countries, with France and Britain taking the major quantity. Exports totalled 9.2 million pounds worth $5.8 million, in comparison with 7.4 million ($4.5 million) in 1963. Frozen spring salmon was second in importance, with sales of 5.2 million pounds ($3.9 million) in relation to 1963 shipments of 3.9 million valued at $3.2 million. The United States, France, Britain, Belgium and Italy were the leading outlets. Exports of frozen chum salmon and Atlantic salmon were also considerably higher than in the previous year.

Frozen Atlantic and Pacific halibut—Sales of these increased both in quantity and value. Shipments of the Pacific species of halibut—12 million pounds ($3.99 million) compared with 8.99 million ($3.2 million) in 1963—went mainly to the United States and Britain.

Salted Fish

Exports of Canadian salted groundfish (cod and related species) in 1964, at 93.6 million pounds, were down from the 106.4 million pounds shipped to foreign markets in the previous year, but the over-all value of $21.16 million was just slightly below the $21.26 million of 1963. A firm market faced exporters because there was no excessive carryover of stocks of salted fish, either in the major producing countries or the markets at the end of the 1963 season. Jamaica continued to be the most important outlet and Portugal, Puerto Rico, and Spain were also major purchasers. Some sales were made to Cuba and Brazil, but the shortage of foreign exchange in Cuba and the very high cost of exchange to pay for imports into Brazil hindered the expansion of sales to these countries. Price ceilings on salt cod imposed by the Jamaican authorities in September 1963 were still in effect.

Returns for light salted cod (43 per cent moisture content or less) were a little higher. Shipments in 1964 amounted to 25.8 million pounds valued at $5.9 million, compared with 25.8 million pounds ($5.5 million) in the previous year. Jamaica, Spain, Portugal, Puerto Rico and Italy were the main markets. However, exports of heavy salted cod (43 per cent moisture content or less), at 28.14 million pounds worth $5.97 million, were down from the 1963 figures of 37.99 million pounds ($7.14 million). Jamaica was the leading outlet, followed by Cuba, Trinidad, Portugal, Leeward and Windward Islands, and Puerto Rico.

Of considerable interest during 1964 were the sales of salt cod to Norway, one of our major competitors. Shipments consisted of 2.24 million pounds of heavy salt cod (46 to 50 per cent moisture content), 1.8 million pounds of heavy salt cod (44 to 45 per cent moisture content), and 2.23 million pounds of green salted cod for further processing. Norway had a short production and purchased these quantities in order to supply some of its traditional markets. Spain, Greece, and Britain, in addition to the United States, also bought quantities of the wet salt product.

Exports of boneless salt cod increased from 7.2 million pounds ($2.6 million) to 10.1 million pounds ($3.34 million). The bulk of it went to the United States, Portugal, Puerto Rico, Trinidad, Spain, Bermuda, and the Dominican Republic.

The over-all quantity of salted scale fish (pollock, hake, and cusk) shipped in 1964 declined, although more salted hake was sold to the Dominican Republic. Exports of pickled herring, whole or dressed; vinegar-cured herring fillets, and pickled mackerel fillets increased slightly over the previous year. The quantity of hard-cured smoked herring bloaters shipped in 1964 was larger. The principal markets were the Dominican Republic and Haiti.

Table I

Canadian Exports of Fisheries Products by Forms, 1960-1964

	1960	1961	1962	1963	1964
	(millions of dollars)				
All Fish Products	138.13	143.35	156.62	172.13	202.61
Fresh and Frozen	89.47	94.97	103.12	108.67	126.25
Whole or dressed	34.94	35.53	37.70	37.50	41.50
Fillets	33.89	37.00	40.59	43.95	52.86
Shellfish (in shell and meat)	20.64	22.44	24.83	27.22	31.89
Cured	22.16	20.68	21.35	25.59	25.53
Smoked	1.31	1.30	1.38	1.65	1.74
Bloaters and kippers	0.85	0.82	0.90	1.16	1.18
All other	0.46	0.48	0.48	0.49	0.56
Salted and dried	18.48	17.07	17.57	21.27	21.17
Cod	14.98	14.50	14.67	17.94	17.77
All other	3.50	2.57	2.90	3.33	3.40
Pickled	2.37	2.31	2.40	2.67	2.62
Herring	1.40	1.53	1.52	1.66	1.66
All other	0.97	0.78	0.88	1.01	0.96
Canned Fish and Shellfish	17.77	19.87	21.90	25.63	34.60
Salmon	10.93	13.00	15.53	19.21	25.83
Sardines	3.52	3.62	2.61	3.52	4.96
Lobster	2.45	2.06	2.54	1.79	2.70
All other	0.87	1.19	1.22	1.11	1.11
Miscellaneous	8.73	7.83	10.25	12.24	16.23
Meal	3.83	4.53	6.51	7.68	8.85
Oil	2.05	0.61	0.54	1.07	3.01
All other	2.85	2.69	3.20	3.49	4.37

Canned Fish

Sales of canned fish were higher in 1964, both in quantity and in value. Over-all shipments amounted to 58.8 million pounds valued at $31.8 million, in relation to 48.3 million pounds ($23.8 million) in the previous year. The major type was canned salmon, with pink, sockeye, coho, and chum all showing gains. Exports of canned sardines reached an all-time high in volume and value. Shipments of canned herring and canned kippered snacks were lower.

Canned salmon—The 1964 pack, in cases of 48 pounds with the 1963 figures in brackets, was as follows: sockeye 343,276 (158,375), springs 9,033 (10,000), steelheads 1,211 (771), bluebacks 36,392 (11,384), coho 167,883 (146,099), pinks 463,968 (757,452), and chums 229,855 (119,190). Total Canadian output was 1,251,618 cases compared with 1,203,271 in 1963.

The United States salmon pack in 1964 was a little larger than in the previous year, at 3.76 million cases (3.3 million in 1963). Increased packs of sockeye, chum or keta, and coho species were important factors in the total United States figures. However, the Japanese 1964 output remained about the same as in the previous year—1,116,000 cases in comparison with 1,115,830 in 1963. The reduced pack of sockeye salmon was counterbalanced chiefly by a larger production of the silver or coho species. There are no official returns on the U.S.S.R. canned salmon output in 1964 but indications are that it was smaller. Soviet exports of canned salmon in 1963 totalled 188,300 cases compared with 194,100 in 1962. Britain principally and Cuba were the main markets.

Canadian exports of all species of canned salmon in 1964 reached 39.8 million pounds ($25.8 million) as against 33.6 million worth $19.2 million in 1963. Canned pink salmon led the other species in quantity and value, followed by sockeye, coho, and chum. The principal market for Canadian canned salmon was Britain; other important outlets included Belgium, Australia, the Netherlands, New Zealand, France, Ireland, Italy, South Africa, Trinidad, Switzerland, Jamaica, Venezuela, the Netherlands Antilles, Denmark and Sweden. There are no restrictions on imports of canned fish into Australia but shipments into New Zealand are under global licence. There has been no change in South Africa, where a quota system governs imports of canned fish.

Canned sardines—The pack in 1964 totalled only 685,904 cases (20 pounds) compared with 993,653 cases in the previous year. However, there was a strong demand in traditional markets, including some 56 countries, and this led to all-time record high exports by quantity and value. Shipments reached 15.4 million pounds worth $4.96 million in comparison with 10.6 million ($3.5 million) in 1963. Principal markets were Jamaica, the Dominican Republic, Australia, Trinidad, British Guiana, Barbados, Britain, South Africa, Leeward and Windward Islands, Austria, Panama, New Zealand, Fiji, and the Bahamas. Sales of Canadian sardines introduced into Britain during the past few years continue to expand.

Molluscs and Crustaceans

Exports of molluscs and crustaceans during 1964 soared to a new high of 44.1 million pounds ($34.6 million) compared with 40.3 million

Table II

Canadian Exports of Fisheries Products by Countries, 1960-1964

	1960		1961		1962		1963		1964	
	$'000	Per cent	$'000	Per cent	$'000	Per cent	$'000	Per cent	$'000	Per cent
All Areas	138,130	100.0	143,347	100.0	156,621	100.0	172,126	100.0	202,611	100.0
United States	98,839	71.6	103,824	72.4	114,303	73.0	115,879	67.3	130,880	64.6
Total Europe	18,006	13.0	20,143	14.1	22,710	14.5	32,761	19.0	46,548	23.0
Britain	11,525	8.3	12,965	9.0	14,126	9.0	17,104	9.9	26,867	13.3
Belgium and Luxemburg	1,081	0.8	1,077	0.8	1,603	1.0	2,400	1.4	2,941	1.5
France	640	0.5	1,010	0.7	2,027	1.3	3,947	2.3	5,049	2.5
West Germany	438	0.3	525	0.4	675	0.5	709	0.4	1,276	0.6
Italy	1,132	0.8	1,147	0.8	1,404	0.9	1,973	1.1	1,460	0.7
Netherlands	604	0.4	597	0.4	824	0.5	1,027	0.6	1,866	0.9
Portugal	906	0.7	1,255	0.9	41	*	1,835	1.1	2,298	1.1
Spain	878	0.6	514	0.4	609	0.4	1,145	0.7	1,098	0.6
Other	802	0.6	1,053	0.7	1,401	0.9	2,621	1.5	3,693	1.8
Total British Caribbean	8,191	5.9	8,491	5.9	9,483	6.0	10,166	5.9	11,318	5.6
Jamaica	4,372	3.2	4,495	3.1	5,263	3.0	5,693	3.3	6,275	3.1
Trinidad and Tobago	1,145	0.8	1,364	0.9	1,256	0.8	1,407	0.8	1,558	0.8
Leeward and Windward Islands	1,040	0.7	1,019	0.7	1,204	0.8	1,338	0.8	1,436	0.7
Barbados	464	0.3	540	0.4	540	0.3	586	0.3	728	0.3
British Guiana	926	0.7	836	0.6	949	0.6	883	0.5	996	0.5
Other	244	0.2	237	0.2	271	0.2	259	0.2	325	0.2
Total non-British Caribbean	8,907	6.7	7,182	5.0	6,993	4.5	7,385	4.3	7,303	3.6
Puerto Rico	3,635	2.6	3,709	2.6	2,984	1.9	3,341	2.0	1,393	0.7
Dominican Republic	1,723	1.3	1,294	0.9	2,472	1.6	2,792	1.6	3,605	1.8
Haiti	724	0.5	645	0.4	550	0.4	573	0.3	523	0.2
Cuba	1,839	1.3	693	0.5	308	0.2	....	....	949	0.5
Panama	195	0.2	143	0.1	137	0.1	52	....	180	0.1
Other	791	0.6	698	0.5	542	0.3	627	0.4	653	0.3
Total All Other Countries	4,187	3.0	3,707	2.6	3,132	2.0	5,935	3.5	6,562	3.2
Australia	1,335	1.0	1,477	1.0	1,293	0.8	2,039	1.2	2,513	1.2
New Zealand	1,412	1.0	906	0.6	511	0.3	1,062	0.6	1,124	0.5
Other Commonwealth	591	0.4	504	0.4	419	0.3	729	0.4	1,168	0.6
Brazil	22	*	143	0.1	76	0.1	161	0.1	619	0.3
Other Non-Commonwealth	827	0.6	677	0.5	833	0.5	1,944	1.2	1,138	0.6
Total Commonwealth Countries	23,054	16.7	24,343	17.0	25,832	16.5	31,100	18.1	42,990	21.2

*Less than half the unit used

Fisheries Research Continues

Fish Unloading Systems—The Fisheries Research Board of Canada has made rapid progress in developing two original fish-unloading systems. The first of these employs alternate suction and pressure cycles without passing the fish through the centrifugal pump which provides the necessary water velocity required to lift them. A full-scale model of this unloader was built by a local company and used successfully for unloading cannery salmon. The second device employs the "air-lift" pumping principle and appears to offer great promise for "low-lift" transfer of fish. An 8-inch model successfully passed field tests.

Fish Protein Concentrate—Scientists of the Fisheries Research Board of Canada's technological station in Halifax are working on the evaluation of several poorly utilized species for use as raw material for making fish protein concentrate (FPC). The use of less expensive raw materials, such as cod trimmings (eviscerated cod after the fillets have been removed), whole cod, eviscerated cod, press cake, and oily fish such as herring for making fish protein concentrate has also been studied. These materials also yield an excellent product, although the colour is slightly off-white (cream coloured). The presence of bones causes a slight reduction in the percentage protein. The use of these low-cost raw materials for fish protein concentrate makes available a source of fish protein concentrate of excellent nutritional quality at a lower cost where the white colour and soft texture of the cod fillet concentrate is not required.

Pacific Salmon in Atlantic Waters—The Fisheries Research Board of Canada is also associated with the experimental project involving the introduction of a Pacific salmon to the Atlantic in 1962 but its researchers are not entirely satisfied with the results to date. They are convinced that there must be further transplants before proper appraisal is possible. In the fall of 1964, up to five million eggs were airlifted some 5,000 miles from British Columbia and placed in the prepared channel of the Avalon Peninsula River in Newfoundland, which accommodated the original transplant. By 1966, when the survivors from this transplant should be ready for spawning, the fisheries scientists hope to be able to state with certainty whether or not it is possible to introduce pink salmon from British Columbia into Newfoundland.

Lamprey Menace Decreasing—The Great Lakes Fishery Commission, made up of three members each from Canada and the United States, has reported continuing success in efforts to control sea lampreys and restore lake trout to Lake Superior. Since joint control efforts began in 1958, lampreys in Lake Superior have been reduced by about 80 per cent. Lake trout, primary target of the lamprey, is showing improved survival rates and increases in natural spawing. At one time the predatory lamprey had virtually eliminated lake trout in the Great Lakes. Efforts to control the sea lamprey by selective controls have been concentrated primarily in streams feeding into Lake Superior where some lake trout remained. Treatments have recently been extended to Lake Michigan where the initial series will be completed by the summer of 1966.

pounds valued at $29.1 million in 1963. The lobster catch in 1964, at 41.8 million pounds, was down considerably in comparison with the 44.4 million pounds produced in the previous year. However, the landed value, at $24.2 million, was over the $21.3 million of 1963.

Lobster—Shipments of lobster in the shell, fresh or frozen, during 1964 were valued at $15.5 million in relation to $13.6 million in 1963. Major markets were the United States, France, Belgium, Britain, Netherlands, Switzerland, and West Germany. Fresh or frozen lobster meat returns totalled $7.1 million as against $6.8 million in the previous year. Most of the supply was marketed in the United States, although Britain purchased important quantities. Canned lobster exports were worth $2.7 million in 1964 compared with $1.8 million in 1963. The United States, West Germany, Britain, Sweden, Belgium, the Netherlands, and Switzerland were the leading outlets.

Scallops—Landings of scallops in 1964 increased to 16.7 million pounds (landed value $7.3 million) in comparison with 16.2 million pounds ($6.3 million)—a record. Exports totalled $8.4 million and were consigned chiefly to the United States, France, and Belgium, with Bermuda, Britain, West Germany and the Netherlands taking relatively small quantities.

Others—Output of Atlantic squid and clams was higher but that of oysters was lower. Production of Pacific coast crabs increased; landings of oysters, clams, and shrimp, however, were below the 1963 figures.

Fisheries Byproducts

Landings of herring in British Columbia during 1964 amounted to 503.5 million pounds, down from the 1963 catch of 572.6 million pounds, mainly because of a labour dispute between the fishermen and the reduction companies during the fall. As a result, the output of herring meal in the Pacific fisheries reached only 44,040 tons as against 51,818 in 1963. Production of herring oil in British Columbia was also lower—4.8 million gallons compared with 5.7 million in the previous year. The principal markets for Pacific fish meal were the United States and Britain. There was a strong export demand for herring oil in 1964, with shipments reaching 23.3 million pounds ($2.1 million) in comparison with 947,000 pounds ($84,000) in 1963. Britain and the United States took the bulk of the supply, with a relatively small quantity exported to Australia.

Fish meal production in the Atlantic coast area was a little lower—some 32,363 tons as against 33,649 tons in the previous year. It was made up of 25,200 tons of ground-fish meal (28,371 tons), 6,247 tons of herring meal (4,667), and other fish meals 916 tons (611). The major portion was sold in the Canadian market although some 12,000 tons were exported. Britain and the United States were the principal outlets, with Ireland, Cuba and Sweden taking lesser quantities.

Production of Atlantic coast fish and marine mammal oils was higher in 1964, at 1.5 million gallons in relation to 1.3 million in 1963; shipments went mainly to the United States and Britain. Exports of whale oil were consigned to Britain, Italy, Australia, and the United States. Whale meal, seaweeds, fish solubles, and fish scales found ready markets in the United States; fish liver visceral oils were shipped mainly to Britain, the United States, and Italy. Demand for fish roe was firm and Japan was the leading buyer.

According to preliminary reports, world fish meal production in 1964 rose considerably over 1963. This increase resulted from expanded production in Peru, which accounts for about half of world output. Estimated world production in 1964 of marine oils, including fish body and liver oils, was a little above the 1963 figure.

Conferences, Missions, Fairs

New impetus was given to modernization of the Canadian fishing industry as a result of the Federal-Provincial Conference on Fisheries Development held in January 1964 and construction of new fishing vessels, introduction of new fishing techniques and improvement of fish-handling facilities are now going forward rapidly.

In line with recommendations made at this conference, officers of the Fisheries Division participated in Federal-Provincial studies of the Atlantic salt fish industry and the inland fisheries of the Prairie Provinces and Ontario. A Commission of Inquiry into the salt fish industry of the Atlantic Provinces, sponsored jointly by the Departments of Trade and Commerce and Fisheries, was implemented in the fall of the year.

During 1964, Fisheries Reconnaissance Missions travelled to Japan, Hong Kong, Iceland, Norway, and Denmark. Earlier this year, a Mission visited Liberia, Ghana, Nigeria and Greece. Additional Fisheries Reconnaissance Missions will be undertaken in 1965-66.

Several Canadian exporters of fisheries products continued to take advantage of the facilities provided by the Department of Trade and Commerce and displayed their products at trade fairs specializing in food products during the year.

The first North American Fisheries Conference, involving the Canadian, United States and Mexican fishing industries, took place in Washington, D.C., from April 30th to May 5th. Officials of the Department were present and participated in panel discussions dealing with exports of fisheries products. ●

Question Period

For the information of our readers, we are presenting answers to questions raised in the House of Commons that have a direct or indirect bearing on our external trade and trade relations.

Tariff Change for Live Turkeys Recommended

The Minister of Finance tabled a report by the Tariff Board recommending that the duty on live turkeys be increased from two cents per pound under the B.P. and MFN tariffs to 10 per cent, but not less than three cents per pound.

The Minister pointed out that, since the current rate of duty was bound under the GATT, the implementation of the Board's recommendation would have to be preceded by negotiations, and he assured the House that the Government would give serious consideration to the proposal.

"Interested parties who may wish to comment on this report", the Minister said, "should do so promptly."—Hansard, House of Commons, April 9.

IWA Extended

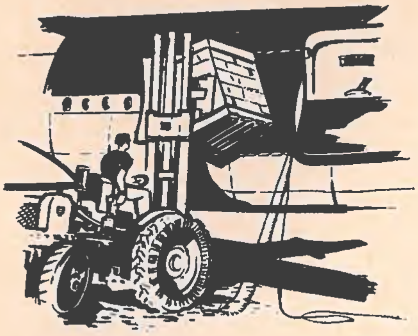
The Minister of Trade and Commerce announced that on April 22 Canada had signed a protocol extending without amendment the current International Wheat Agreement for one year, to July 31, 1966.

The Minister said, "The International Wheat Council agreed at its session last February to recommend to member governments this extension of the agreement, pending the possible development of broader international arrangements on grains under the Kennedy Round of trade negotiations, which could have implications for the International Wheat Agreement."—Hansard, April 26.

Proposed Increase in Tariff on Live Turkeys

In reply to a question regarding plans of the Government to implement the recent recommendations of the Tariff Board on import of live turkeys, the Minister of Agriculture said that the Government was giving serious consideration to this matter.

"I realize", the Minister continued, "that these things have to be negotiated as far as GATT is concerned. The Minister of Trade and Commerce is very familiar with this situation, and has been aware of the recommendation since the report was made."—Hansard, April 28.



Enterprising Exporters

Canadian Furniture Attracts British Buyers

IF ANYONE had asked a British furniture buyer six months ago to consider Canadian upholstered furniture, his reaction would probably have been an incredulous snort ("*Furniture,* from Canada!"), or at best some comment about prohibitive freight costs.

This response is now outmoded. The change began last summer when Mr. Sam Sklar, president of the Sklar Furniture Co., was holidaying in Britain with his family. Encouraged by our London office, he decided to spend two days surveying a cross-section of top London buyers. These meetings convinced him that stylings were acceptable to the British market and that his prices were competitive, provided he could obtain volume orders to lower unit freight costs.

By sheer good fortune, the very day Mr. Sklar arrived in London John Cole of Eastleigh, Hampshire, owner of a chain of furniture outlets, was also in the Trade and Commerce office seeking information on the Canadian furniture trade. A meeting between the two men started a chain of events which soon took Mr. Cole to Canada to visit the Sklar plant, led Mr. Sklar to return to Britain for a further examination of the market, and finally resulted in the setting up by Mr. Cole of a new company, Canadian Furniture Limited, to promote Sklar products in Europe.

Selling from a catalogue and without samples, Canadian Furniture Limited in only three months set up over 100 selected accounts in southern England. When the first shipment arrived last December (in perfect condition, thanks to Sklar's well-designed domestic cartons and careful handling by the Canadian shipping company), buyers found that the furniture was every bit as good as promised. Until then, they had only half believed that its competitiveness resulted from Sklar's efficient production methods. When repeat orders started flowing in from formerly slow-moving buyers, Mr. Cole knew that his new venture was really promising.

He next turned his attention to Europe. An introduction from our local office led to an arrangement with an aggressive London-based Canadian firm with Continental offices to act as Canadian Furniture Limited's sub-agents. Then, during the major furniture exhibition in London in the first week of February, Canadian Furniture Limited took advantage of the arrival of its second large shipment to stage an impressive exhibition in our London display rooms.

Twenty-four suites and ten reclining chairs were shown, suitably set off by Canadian lamps, wall plaques and mirrors. A press reception was held to introduce the Sklar line formally to Britain and the High Commissioner for Canada, the Hon. Lionel Chevrier, P.C., Q.C., attended and toured the exhibition. Mr. and Mrs. Sklar flew in from Canada and stayed for the week, indoctrinating Canadian Furniture Limited's sales staff and meeting the many British and Continental buyers who placed substantial sample orders.

Trade reaction to the exhibition was aptly summed up by the chairman of one of Britain's largest furniture

At the SKLAR display Mr. H. M. Maddick, our Commercial Counsellor in London (left), and a Dutch buyer examine the features of a chair that proved popular. One dealer is convinced Canadian stylings will affect the British industry.

firms when he said, "I came expecting rubbish; what I have seen convinces me that the British furniture industry will be decidedly affected by these stylings. As a progressive firm, we welcome this new influence."

Mr. Cole—an ex-Royal Navy officer with fond memories of leaves in Halifax—is emphasizing the Canadian origin of his furniture strongly because he believes this is an asset. Each suite and chair bears a Canadian place name instead of a number, which is the Sklar practice in Canada. Delivery trucks are emblazoned with huge red maple leaves and red letters two feet high on a cream background, not unlike the colours of the new Canadian flag. Says John Cole, with a chuckle, "My vans will really make Englishmen and the Continentals sit up and take notice when they start delivering suites from Southern England to Paris, Rotterdam and Frankfurt."

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

Hardly a Piece of Cake!

WHAT'S the recipe for successful Canadian bakery sales abroad? Guenther Guenel of Baker Guenel in Scarborough, Ontario, maintains that he has discovered it. It goes like this:

Take one quality cake with a particularly Canadian flavor; add in the services of the officers of the Department of Trade and Commerce; stir well with personal visits abroad, and garnish with carefully prepared and manned exhibits at trade fairs. The results are sure to please.

Three years ago his company came into possession of a recipe for a fruit cake said to have been a favorite of King Henry VIII. The cake, although extremely rich and appetizing, was so expensive that the firm felt that there was little chance of selling it at a profit.

In the faint hope of clearing a few of the first batch of 120 cakes off his shelves, Mr. Guenel gave samples to various salesmen and visitors who came to his plant. The ensuing rush of orders was beyond all expectations. The cake was, in fact, a huge success.

After the Christmas rush in 1963 the company decided that the $2\frac{1}{2}$ pound cake could also be sold abroad. Maple syrup was added to give it an unmistakably Canadian flavor, a new red and green gift box was designed, and the cake was christened the Bond Street Confection Fruit Cake.

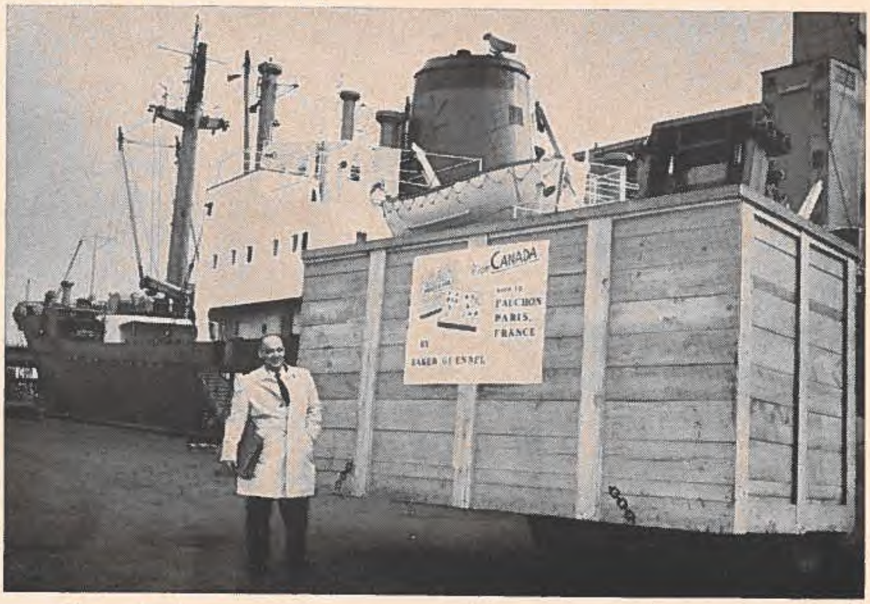
Mr. Guenel then asked the Department of Trade and Commerce for assistance. The Commodity Officer responsible for bakery products contacted individual Trade Commissioners in various countries to find out whether the cake would sell. When the T.C.'s replied, it became obvious that there were definite markets for this product and the Department stood ready to help Baker Guenel further.

The firm's first appearance outside Canada was at the Pacific Fine Foods and Beverage Fair at Los Angeles in July 1964. Because neither Mr. Guenel nor his wife was able to attend, Canadian Trade Officers on the West Coast arranged to have the stand manned. The exhibit drew a great deal of attention and elicited a number of inquiries from prospective brokers. Several on-the-spot sales were made.

September brought Britain's Food Fair and Baker Guenel was among the exhibitors there too. Because of the press of business in Canada, Mr. Guenel delegated his wife to attend the two-week show.

Before the fair the Guenels were not represented in Britain. However, at a reception for buyers and mem-

Mr. Guenther Guennel, the 'Baker Guennel' of Canadian fruit cake fame, inspects the first shipment of his product destined for France. With the assistance of the Plant Products Division, Agriculture and Fisheries Branch, Ottawa, and the Department's offices abroad, the Scarborough firm is now exporting to Britain, France and the United States and anticipates sales in West Germany and other countries abroad.



bers of the press at the Canadian High Commission, Mrs. Guenel was introduced by a Trade Publicity Officer to a British importer who subsequently became the company's agent. One large department store in London placed a substantial trial order at this time, and a leading British women's magazine published a story on the cake's unique packaging.

After the show Mrs. Guenel travelled to France; her visit there resulted in a sale to the Fauchon Company in Paris.

One of the secrets of Baker Guenel's success is the quick and thorough attention Mr. Guenel gives to contacts referred to him by the Government. His reply to a recent inquiry from abroad included a personal letter to the company, three advertising pieces for different products (the price per case, f.o.b. Toronto is included), and a copy of a short bulletin *The Fancy Food Trade* which Mr. Guenel produces.

This company provides a good example of how private industry can work with the Government to promote Canadian goods beyond our borders. However, a quality product, personal contacts and perseverance are absolute essentials for successful foreign selling. That's not surprising: few firms find exporting a "piece of cake".

Canadian Circulars For Britain

MONITOR Publishing Co. of Montreal is printing unaddressed Canadian-style flyers for British department stores, shipping them by sea to Liverpool, and still beating domestic competition on price and delivery.

Success did not come easily or quickly. Mr. John Sancton, the firm's president, began investigating the possibilities for the circular type of trade promotion in densely populated Britain over two and a half years ago. He found that because of strong union control, newspaper letterpress could not be used for printing circulars and that rates were high. Although this was encouraging, he also discovered that there was no post office system of distribution like the non-addressed route method used in Canada.

Mr. Sancton had a major pioneering job on his hands. He approached the Post Office, which showed keen interest; several months later they introduced the Canadian routing method. Mr. Sanction then filled his first order, a 130,000 trial run for a Coventry department store. Since then similar programs have been carried out in Glasgow, Leeds and Cardiff, in the face of competition from offset printers whose prices are generally 50 per cent higher than Monitor's.

Despite the distance involved, the Canadian company's response time is ahead of most British firms. Proofs are sent and returned by jet. An order (which can vary from 100,000 plus to 5 million) is prepared in tabloid form, printed by letterpress on newsprint, folded to British Post Office regulation size, routed in Canada, and finally shipped by sea (six days) to the Post Office in Liverpool for delivery.

Although Monitor has now opened a London office to serve the British market better, Mr. Sancton plans to keep up his frequent visits (an average of four per year) to Britain. "I believe in personal contact," he says, "Besides, I find the U.K. project an exciting one, with great possibilities."

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

Canadian Westinghouse in Distant Markets

APPROXIMATELY $1 million worth of heavy electrical apparatus will be manufactured by Canadian Westinghouse Co. Ltd. for export to Australia and India.

The Snowy Mountains Hydro-Electric Authority of New South Wales has ordered seven 96,000 kilovolt-ampere power transformers for a new system being installed to meet peak load demand. The 50-cycle transformers will step up 17,000-volt power from generators to 346,000 volts for transmission over the system. They will be shipped late in 1966.

The company will also manufacture three 42,000 KVA power transformers for the Kota Dam project under construction by the Government of Rajasthan. These units will be installed at a new hydro station being built on the Chambal River in north central India as part of an irrigation and power development program. Delivery is scheduled for early next year.

Westinghouse will also supply approximately $1.5 million worth of natural uranium fuel for a nuclear power station to be built in the same state. The fuel represents half of the initial loading for the station and was ordered by Atomic Energy of Canada Ltd. on behalf of the Department of Atomic Energy of India. The contract is one result of an agreement signed in New Delhi by H. J. Bhabba, chairman of India's Atomic Energy Commission, and C. A. Ronning, Canadian High Commissioner in India.

The natural uranium fuel will be supplied in welded assemblies by the firm's Atomic Fuel Department at Port Hope, Ontario. Indian engineers will be trained at the plant to direct the manufacture in India of the remainder of the initial fuel loading for the nuclear power station.

The Canadian-designed station will be built at Rana Pratap, 275 miles from Delhi, and will feed electric power to a regional grid covering a large area that includes considerable desert. Bulk of the output will be consumed by the rapidly growing industrial area of Kota, a city about 24 miles from the plant with a population of 120,000.

Financing of the fuel order has been arranged through the Export Credits Insurance Corporation. ●

How to Win World Markets 6

Product, promotion, price—these are the three P's of export. An experienced export agent discusses the main elements in the third, export pricing, presents a practical costing sheet, explains it item by item, and gives an actual example of how it works.

How to Work Out Export Prices

J. R. ARNOLD, *Vancouver.**

ONE of the early steps in campaigning for export markets is working out realistic export prices—or "costing", as it is sometimes called. Too often goods are priced for export merely on the basis of domestic price plus freight and insurance. Sometimes the resulting price is unrealistically high; occasionally it is too low. The would-be exporter should remember that foreign buyers usually have quotations from many countries to compare and will seek the best possible prices. Export quotations should therefore be kept as low as possible commensurate with a reasonable profit—and certainly a profit no higher than on domestic sales. Manufacturers who want eventually to make volume foreign sales should bear in mind that these will result from good quality offered at a fair price and should keep their profit to a minimum.

Start with Domestic Price

The manufacturer who wants to calculate an export price usually begins with his domestic price and the export merchant or agent must start in the same way. But certain elements in the domestic price do not apply when goods are to be exported. Costs that are not directly related to export sales, such as domestic sales and advertising expenses, can be eliminated. Similarly, some administrative costs may not be applicable. Obviously it is sensible to price for export as realistically as possible. To include costs that are unrelated to foreign selling is certain to make a product less interesting to a price-conscious foreign buyer. Above all, there are two specific reductions to be considered in export pricing. First, the federal sales tax of 11 per cent does not apply to export sales. Second, the exporter benefits from the export drawback regulations. If he has paid customs duty on any imported materials or components that go into a product that is exported, he may apply for a drawback (or rebate) of 99 per cent of that duty.

A certified Canadian Customs B-13 Form is proof of export and is accepted by the sales tax auditors. The same form marked "for drawback purposes" will ensure a minimum of delay in obtaining the rebate. Making allowance for the drawback and for the absence of sales tax means a lower export price.

Watch for Special Problems

Before he settles down to the actual pricing process, the exporter should give thought to one or two other points. One of these is foreign customs duties. Normally it is the importer who pays the duty unless he insists upon being quoted a duty-paid delivered price, a fairly common practice in the United States market. In any circumstances, the duty is a vital element in the price at which the buyer will sell the product and in determining

*Mr. Arnold is the author of *Practical Exporting and Importing in Canada*, published by the University of Toronto Press.

whether he will be able to make a profit on it. In addition, the exporter may be required to supply his customer with the information that is needed if the goods are to be properly classified. He must also know what the retail price in the foreign country is likely to be before he decides whether he can compete with local producers or with other suppliers. For help in finding out what the rates of duty are, the businessman can get in touch with the Office of Trade Relations, Department of Trade and Commerce, or with the Trade Commissioner in the foreign post. In many Commonwealth markets, the Canadian manufacturer can benefit from preferential tariffs, provided his product meets the requirements for preference. (The subject of foreign tariffs and how to understand them will be covered in a later article in this series.)

Export prices quoted should be compatible with any anti-dumping legislation in the country or countries in which the goods are to be sold. Here again, the Office of Trade Relations can supply information on anti-dumping regulations in various countries.

Goods entering a foreign country, such as the United States, are "valued for duty" in various ways and the Canadian exporter should know something about the methods used. Any exporter who is selling mainly in the United States should make a special study of the "value for duty" provisions and the correct way of working out his prices for a U.S. customer.

Use a Costing Sheet

Once the exporter is actually ready to work out his prices the first thing he needs is a costing sheet, like the one shown on pages 16 and 17.

This costing sheet is a necessity first, to make sure that all possible charges are added if they apply, and second, to provide an exact record of quotations to each overseas buyer, including prices, terms and conditions. To be effective, prices must be quoted c.i.f. the port nearest the buyer's city. C.i.f. (cost, insurance, freight) means that the exporter pays all charges to the wharf at the foreign port. The buyer can add to these prices his "terminal charges" for handling the goods at the port in his country, the duty paid on entry into the country, and transport charges to his warehouse. He thus obtains his true cost.

Because of the number of charges that could apply, costing sheets should be mimeographed on legal-size paper. Of course there could be some other costs, depending on the product and the market, such as advertising costs, although these are sometimes shared with the agent.

Once he understands the costing sheet and the possible pitfalls in some of the items, the exporter should have no difficulty in quoting accurate c.i.f. destination prices. For this reason, I will comment on it item by item. To begin with, for your records, put in the date, the name, address and cable address of the firm quoted, as well as any special conditions—such as "subject (to) supply" or "immediate acceptance"—and the terms.

Item 1, cost of unit, has already been covered.

Item 2, profit. This is the place to add the profit. The exporter cannot hope to make foreign sales if profit is expected on freight and other charges, so add it at the start and not after all costs are added.

Item 3, overseas agents' commission. Comment on item 2 applies here also.

Item 4, packing. For certain products this requires thought. Some experts suggest that 10 per cent be added for export packing but I consider this incorrect. Some articles can be shipped in domestic packing, such as canned vegetables or fruits; others require expensive packing, such as machinery for paper mills. For products in the latter category, the exporter can, if he is at seaboard, go to the shipping company's office and arrange to see the supercargo on one of its vessels. He is the man who is responsible for stowing and safety of cargo and will give excellent advice. If the exporter is not on the coast, he can employ a forwarding agent in the seaboard city to get this information. Then he prices the packing exactly.

Item 5, labels. Foreign printing may be required either by law or to make your products readily saleable overseas. Find out from the agent and the Trade Commissioner.

Item 6, marking. All shipments for export require a stencil mark on each package for identification. Cost is not high but must be included.

Item 7, strapping. Cartons must be wire-strapped, and if small in size, two or more must be bundled together to prevent loss and pilferage.

Item 8, cartage to the train or ocean wharf if at seaboard.

Item 9, freight to seaboard. It is wise to explore all routes and carriers including rail, pool car, truck or aircraft if goods are light in weight or to take advantage of a seasonal market. In one instance, it was found to be both cheaper and much faster shipping goods from Vancouver to Montreal by air, and from there by ocean carrier to Italy, than by direct vessel from Vancouver. If the railroad is used, be sure to note the minimum and maximum weights for carload lots.

Item 10, unloading charge. Usually trucking companies do not charge for unloading but there is always a charge for unloading railroad cars. In ascertaining this as well as other charges to be made by the railroad, the exporter must tell them the shipment is for export, because charges on export shipments are often lower than on domestic shipments. The foreign freight department of the railroads will obtain ocean freight rates to any destination or, the local freight agent will wire for this information for inland customers without charge.

Item 11, terminals. These are the charges made by the wharfage company and are made up of three charges covering handling, wharfage and harbor dues. The total varies with each port and sometimes with each wharf, and with each class of commodity. Wharfage companies will quote terminals, or the local freight agent will get the information.

Item 12, long load or heavy loading charge. These charges apply only to cargo of exceptional length or weight. If the product falls within either category, make sure the wharf and the vessel are equipped to handle this length or load. A number are not. Be sure to record the extra charges for extra length or weight.

Item 13, consular documents. Some countries, especially in Latin America, require consular documents that can be quite expensive. If the exporter is shipping steady repeat orders, he will soon know these charges for his costing. But because initial orders often are small until the products have achieved acceptance, this item can eat into profit on those initial orders. It is suggested that in quoting these countries for the first time an exporter add "plus cost of consular documents."

Item 14, other charges. Because no costing sheet can cover all possible or probable charges for every product, this item is included. In some instances the exporter may anticipate excessive charges for overseas phone calls or cables, as an example. Storage tank charges for fish oil is another example.

Item 15, ocean freight. Look at the first six things listed. Then tick off the appropriate one of the first two and the appropriate one out of the next four for the record. Make sure when obtaining the freight quotation that the currency quoted is clear. Some ocean carriers quote in Canadian and some in U.S. dollars. Some even quote Canadian currency, plus a percentage premium to convert it to U.S. dollars, without considering fluctuations in the rate. Because all the calculations so far are in Canadian money, convert freight to Canadian dollars if necessary so you have a common denominator.

Item 16, forwarding agent's fee. If the exporter uses this service, the forwarding agent will supply him with a list of fees in advance. These fees are usually very low and the convenience of having all export documents compiled and completed expertly until the exporter is familiar with them is invaluable. For a firm not at seaboard, the forwarding agent will obtain ocean space and make all other arrangements. Shipments should be consigned to the right dock for a named vessel, and marked "Notify (named) forwarding agent" unless the agent gives other instructions.

Item 17, export credits insurance. If the firm expects to make many credit sales abroad, this insurance must be considered. There is extra accounting and reporting involved, and it may be considered necessary to make a small charge for this as well as the premium.

Item 18, financing charge for credit sales. Because the exporter's money will be tied up for 30, 60, or 90 days he must consider interest on the total. Even if he offers terms, "sight draft with documents attached," the foreign buyer will not pay the draft until the shipment arrives.

Item 19, total. This will be the total c. and f. cost. Make sure all items are in Canadian currency. Recheck each calculation and each item before accepting this total as correct. One error can be vital.

Item 20, marine insurance. Because ocean shipments usually are insured for 110 per cent of the total cost, follow this calculation carefully. The insurance Open Policy or the agent will give you the exact rate to the destination quoted. The exporter should note that he has not insured the amount of the insurance premium, but because the charge for insurance is usually low, he can either ignore it or add to it a few dollars to cover this. As an example, if the premium is $100.00 and the rate is 1 per cent, then the extra premium to insure the premium would actually be $1.00, plus one cent for this extra dollar. Unless the rate is high or the shipment very large, this charge usually is absorbed.

Item 21, c.i.f. Canadian funds. This is the total of item 19 and the insurance premium.

Item 22, convert, if necessary. It is useless to quote Canadian dollars to an area that deals only in U.S. dollars or in sterling. The Department of Trade and Commerce will advise on which currency should be quoted for any particular area.

As a final step, recheck everything before quoting. The exporter should not attempt to quote one unit unless it is very large. He can calculate how many units are in one ton, and base his figures throughout on this quantity. Then when he has the c.i.f. price for one ton, he can if he wishes reduce it to "per unit" or "per case of . . ."

Commodities such as logs, lumber, sulphur, coal and grain that take bulk loading and special product knowledge cannot be dealt with in a general way. Usually a vessel is chartered and freight charges depend on the current charter rates. These commodities usually have unique hazards against which the exporter must seek protection. The general costing methods, however, can be followed step by step, taking these unique circumstances into consideration.

Beaver Hoists' Pricing

This pricing process can perhaps be made even clearer by using as an example an actual company exporting an actual product. (This example is given with the firm's permission.)

The manufacturer of Beaver Hoists had made some foreign contacts and wished to quote c.i.f. prices to Southern European ports. The product is a compact one-man rope-and-pulley hoist made in North Vancouver, B.C. The manufacturer has done a good deal of research in materials, testing various types of metal, plastic and synthetic ropes for light weight, breaking point and stretch. The packaging and appearance are attractive and the utility of the hoists is unquestioned. The smaller Model 1000 lifts 500 pounds, though it weighs, boxed, just over 1½ pounds. The larger Model 2000 weighs just over 2½ pounds and is capable of lifting 1,000 pounds. The hoists are boxed individually and six boxes are packed in one shipping carton. Unique distinctive products such as this sell readily in many countries abroad if they are priced realistically.

After finding the lowest f.o.b. plant price as already described, the firm adds normal profit. An overseas agent is employed so his commission is added at this stage. If the cost of the product and profit is $10.00, 5 per cent is added for overseas agent. The company does not quote his commission as a percentage, but advises him that he will receive 50 cents Canadian on each hoist sold.

Before going on to item 4 on the costing sheet, weights and volume must be calculated. Model 2000 cases containing six hoists measure 11.5 × 8.5 × 15 inches, which when multiplied is 1,466.25 cubic inches. One cubic ton for ocean freight is 40 cubic feet, or 69,120 cubic inches. Now divide 1,466.25 into 69,120 to find how many cases are in one cubic ton. This works out to just over 47 cases, but for safety, the company uses exactly 47 cases. Because each case contains 6 hoists, 282 hoists would take up 40 cubic feet.

The gross weight of a case of 6 hoists is 17 pounds. Therefore 47 cases would weigh 47 × 17 pounds, or 799 pounds. Because ocean freight is calculated on either weight of 2,000 pounds *or* space of 40 cubic feet, whichever gives the shipping company the greater revenue, the hoists will be charged by "cubic". If the 47 cases that take up 40 cubic feet weighed over 2,000 pounds, the firm would be charged by weight. They weigh only 799 pounds, so the charge is by "measure" or "cubic". Therefore 282 Model 2000 hoists can be shipped as one "ton" ocean freight.

Before going on to item 4, the total of the first three items is taken and multiplied by 282. This gives the cost for one "ton" of merchandise.

Item 4, packing. Domestic considered satisfactory.

Item 5 does not apply, though it may to some destinations.

Item 6. A charge of 5 cents per carton for export marking, so the total is 47 × 5 or $2.35.

Item 7, strapping. Because the packages are small, pilferage is nearly certain to result unless a number are wire-strapped together. It is considered best to strap four cartons together at a cost of 15 cents per bundle. Twelve bundles, to the closest figure, at 15 cents is $1.80.

Item 8, cartage. One dollar per 100 pounds, or $7.99 per "ton" because the cubic ton weighs 799 pounds.

Items 9 and 10 do not apply.

Item 11, terminals. The wharf charges are $3.60 per ton.

Item 12 is not applicable, nor are items 13 and 14.

Item 15. After checking the shipping guide to find which lines offer service to required destination and the name of the local agents, the firm finds this product takes an n.o.s. (not otherwise specified) rate, which is very high—$80.00 per "ton" U.S. When converted to Canadian dollars, this is $86.40. Minimum shipment is 200 pounds or 15 cubic feet. These details are noted.

Item 17. The firm has export credits insurance and is not quoting letter of credit, so the premium is added. It is such a small percentage that it can be added at this stage, though strictly speaking, it should be added after item 21. Financing charge to cover interest on the investment until payment is received and bank collection charges, item

For Reference

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EXPORT COSTING SHEET

Beaver Hoists

Date: March 9/65

Quoted to: Address: Box 56 Milan Cable address: HYKINA

Special terms or conditions quoted: L/C—minimum order 108 hoists

Unit quoted: c/s 47 x 6 Gross weight: case of 6 17 lbs. 47 c/s - 799 lbs. Cubic measure: 1,466.25" 47 c/s per 40

1. Cost of unit (not including taxes) 282 units @ 10.00 $ 2,820.0

2. Profit: Per cent_____ Amount included

3. Overseas agent's commission at 5 % Amount:__________ 141.0

4. Packing domestic — nil

5. Special labels, labelling or containers__________

6. Marking @ 05 ¢ c/s 2.3

7. Strapping 12 x 15 ¢ 1.8

8. Cartage__________ 7.9

9. Freight to seaboard_____

(a) Route & carrier

(b) If rail: l.c.l._____ or c.l._____ (c.l. weight_____)

(c) Rate: $_____ per _____ Amount:__________

10. Unloading charge $_____ per _____ Amount:__________

11. Terminals, check one: Weight_____ Measure ✓ Amount_____ 3.6

12. Long load or heavy loading charge or other__________

details of No. 12:

13. Consular documents, amount__________

14. Other charges ____________________

15. Ocean Freight: Weight or Measure ✓

Reefer on Deck Ventilated

Under Deck ✓ Currency U.S.

Minimum shipment 15 cu. ft.

Rate: 80.00 Amount: 80.00

Convert amount to Canadian 8% ____________________ 86.40

16. Forwarding agent's fee ____________________

17. Export credits insurance: ____% Amount ____________________

18. Financing charges for credit sales ____________________

19. Total in Canadian funds ____________________ 3,063.14

20. Marine insurance: total as in 19 3,063.14

add 10% 306.31

Premium, approx. 16.00

amount to be insured 3,385.45

Type: all R Rate: 50¢ per $100 Premium: ________ 16.73

21. C.i.f. in Canadian funds (19 plus premium) ____________________ 3079.87

22. Convert to U.S. or other currency if necessary less 7% 215.00

QUOTED c.i.f.:

282 hoists — U.S. 2,864.87

1 hoist – $10.15

Quoted c.i.f. $10.20 U.S. – L.C. – prompt delivery minimum order 108 hoists – (to make bull 18 c/s)

18, must be added as well if quotations allow credit terms.

Item 20. It is found the rate is 50 cents per $100 for all risks which will cover all hazards except inherent vice. To this point the costing sheet for hoists, assuming $10.00 per hoist was the f.o.b. plant sales price including profit, is as follows for 282 hoists:

Sales price at $10.00 each	$2,820.00
Overseas agent at 5 per cent	141.00
Marking	2.35
Strapping	1.80
Cartage	7.99
Terminals	3.60
Ocean freight	86.40
Total thus far (item 19)	$3,063.14

The shipment is insured for 10 per cent over this total, or for $3,369.45. To take the insurance premium into consideration, about $16.00 more is added to the insurable total. The exact calculation to insure the insurance premium can be worked out but it is not worth spending the time for such a small amount. So $16.00 is added to make the insurable value $3,385.00. At 50 cents per $100, the premium is $16.73.

Total thus far, item 19	$3,063.14
Plus insurance premium	16.73
Total c.i.f. in Canadian funds	$3,079.87

Item 22. Because quotations must be in U.S. dollars for this destination, the c.i.f. price of $3,079.87 is converted by deducting, say, 6¾ or 7 per cent. (The exact percentage to be deducted should be checked with a bank but the deduction must be made when quoting in U.S. dollars.) Some exporters attempt to take the exchange as extra profit but the firm wants sales, not quotations, so it deducts for exchange. The deduction is 7 per cent or $215, reducing the c.i.f. price in U.S. funds to $2,864.00 for 282 hoists. The quote for one hoist is obtained by dividing by 282, giving a price of U.S. $10.15 per hoist.

Before quoting, the firm rechecks all figures. It keeps in mind the quantities for minimum shipments and quotes $10.15 (or $10.20 for a safety factor) per hoist c.i.f. in U.S. funds, with minimum initial order of 15/40ths of 282 hoists to comply with the minimum shipping rate. (Some initial orders are small so the exporter should protect himself by covering minimum shipping space requirements.)

Check on Shipping

Before quoting, an exporter should investigate alternative shipping routes. For the hoists, the ocean rate of $80.00 U.S. per ton is extremely high and the length of time for the voyage is about eight weeks. For this reason, the manufacturer checked rates by air and truck to Montreal and had a forwarding agent there give him the terminal charges and ocean freight rate. Air rates were found to be too high, but the truck rate of $5.86 per 100 pounds and ocean rate of $30.00 per ton combined were less than the ocean rate from Vancouver. So the buyer was quoted from a costing by that route, and subsequently shipments were made and delivered in approximately half the time that would have elapsed if shipments had gone forward by vessel from Vancouver. The Montreal forwarding agent advised of sailing dates, designated the wharf for the truck line to deliver the shipment, and as the truck line notified the forwarding agent on delivery, he handled all arrangements and documents for a very small fee.

Inland manufacturers are advised to employ a forwarding agent at seaboard, but can obtain preliminary information on sailings and ocean rates from the Foreign Freight Department of the railroads.

If an exporter's products are small, such as cutlery, he might find parcel post a convenient and economical way to ship. The main point is to investigate all shipping methods before quoting and consider both speed of shipment and total cost.

By following the costing sheet step by step, any commodity can be correctly costed c.i.f. destination. If an exporter is in doubt about any item, he should consult the expert in that field, such as his marine insurance agent. ●

Government Wheat Policy

IN a speech to the Diploma Agricultural Graduates Association in Winnipeg on February 24, the Minister of Trade and Commerce attributed the increased exports of wheat and wheat flour equivalent to long-term sales negotiated under trade agreements with Communist countries and to the credits made available by the Government.

Exports have risen from a rough average of 300 million bushels several years ago to 600 million bushels in 1963/64, and estimates for the present and following crop years were placed by the Minister at about 400 million bushels.

Wheat payments to farmers (initial and final payments) amounted to a record $915 million in 1963/64, compared with $720 million and $567 million during the crop years 1962/63 and 1961/62 respectively. For the current year, the Minister said that the expectation is that it will be second only to the previous year in terms of exports and one of the biggest in terms of the value of export sales.

On the proposal "that the price to the producer should be fixed above the market and that the Wheat Board should sell at a loss . . . and that exports should be subsidized," Mr. Sharp said that "the inevitable result . . . would be to convert the Wheat Board from a producer's marketing agency to a government agency."

"The right policy for Canada and for Canadian wheat producers . . . is to build upon these sturdy and well-tried foundations of the Wheat Board system."

Mr. Sharp continued: "We therefore do not intend to adopt any policies that will interfere with the efficient operation of this producer's marketing agency, or reduce the Board's incentive to go after markets on behalf of producers."

The Government's role, the Minister said, was "to move Canadian wheat within internationally agreed price limits into world markets in steady and large volumes. This, he said, "is and will be the cornerstone of our policy." ●

South Africa: Prosperity a Mixed Blessing

The Republic's economy is healthy although a shortage of transport and skilled labour may slow up future expansion and import controls are causing some inflation. But Canadians should still be able to sell industrial machinery, equipment and materials.

C. R. GALLOW,
Trade Commissioner, Johannesburg.

EXPANSION will continue in the Republic in 1965 but present indications are that it will be at a slower rate than last year. Trade associations reporting the reactions of their members are in general agreement with this forecast. It is based on the fact that nearly all industries are working to capacity, that labour, especially skilled labour, is scarce and getting scarcer, that money is tight and becoming progressively more expensive, and that bank credit is stretched and the days of easy liquidity only a memory.

Imports Cause Deficit

The latest estimate of the foreign trade position of the Republic shows that exports increased about 5 per cent in 1964 over 1963 but imports rose nearly 25 per cent; the charges for services went up by some 2 per cent. Gold production gained by about 4 per cent. Thus for the first time since 1958 South Africa has a balance-of-payments deficit on current account of just over $105 million as against a surplus of nearly $225 million in 1963.

SOUTH AFRICAN BALANCE-OF-PAYMENTS

	1963	1964
	$ millions	
Exports	+1,525	+1,594
Imports	−1,944	−2,389
Trade balance	− 419	− 795
Net gold output	+1,032	+1,080
Balance	+ 613	+ 285
Net services	− 426	− 435
Net goods and services balance	+ 187	− 150
Transfers	+ 35	+ 44
Current a/c balance	+ 222	− 106

Only general figures on foreign trade are available so far and they show that South Africa's exports in 1964 consisted mainly of inedible crude materials (except fuels), manufactured goods, and foodstuffs. Imports from Europe on the average increased 20 per cent, from Asia 45 per cent, and from the U.S. 39 per cent. Imports of machinery and transportation equipment accounted for 40 per cent of the total, and manufactured goods for 23 per cent.

Figures for Canada's total trade with South Africa for 1964 show a gain of over 14 per cent over 1963 for a total of just over $69 million. Exports of motor vehicles and parts rose substantially and there were encouraging increases in newsprint, writing paper, wood pulp, tire fabrics, polyethylene resins, plastics and synthetic rubber, steel, aluminum, metal-working machines, equipment and parts, inedible tallow and oats. Exports of canned fish, leather, lumber, wrapping paper, wheat, aircraft engines and parts, and machine computers and parts decreased.

Canada's imports from South Africa for the first nine months of 1964 increased by more than 5 per cent over the same period in 1963, to total almost $19 million.

Local Production Favoured

Import controls and the Government's determination to speed industrialization restrict sales prospects to items not produced domestically or to those necessary for the growth of local industries. As the 1965 import licensing policy shows, these items are granted relatively easy access. Capital investment—especially when linked with technical knowhow, licensing arrangements and offers of industrial machinery, equipment and materials—arouses the most interest in the South African market. The possible domestic shortage of certain items in 1965 could result in pockets of opportunity, with prospects for further development or continuity of sales uncertain.

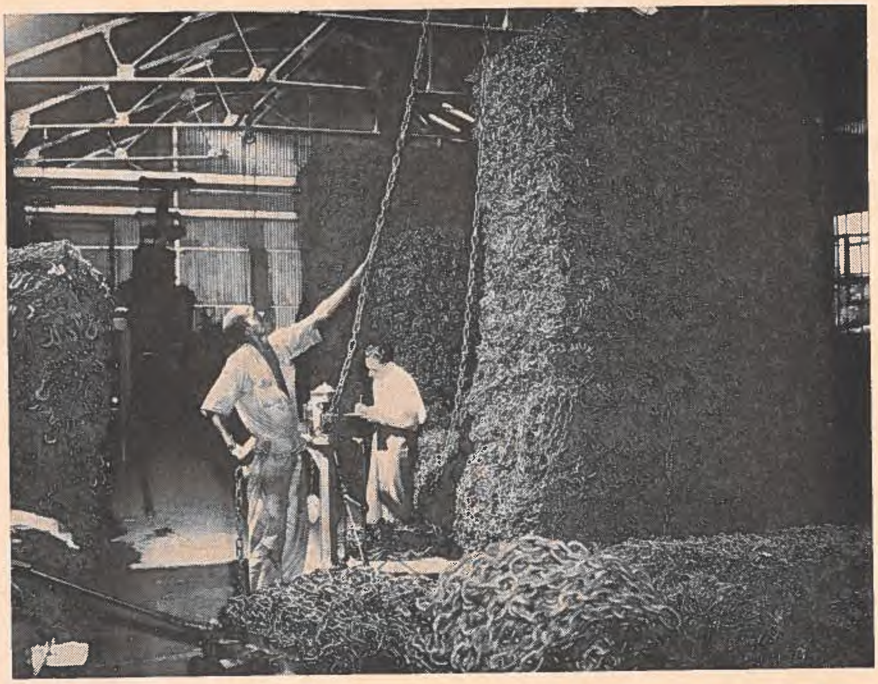
Although the balance-of-payments position of the country remains sound and the gold and foreign exchange reserves are at a relatively high level, the Reserve Bank reports that the economy is tending towards the early stages of general demand inflation. Interest rates are rising and the Reserve Bank is encouraging the commercial banks and allied institutions to be more restrictive when making credit available for non-essential purposes.

For the past year and more, the economic expansion has resulted mainly from substantial consumer spending and private capital investment, plus continued public capital expenditures. Exports and gold production have played little part in it because the former have increased only marginally and the latter has moved upward more gradually than in preceding years. In the first six months of 1964, income was generally higher than in the same period in 1962. The increase in manufacturing income was 19 per cent, commerce 15 per cent, gold mining 3 per cent, other mining 17 per cent, and transport 9 per cent. Agricultural income was down 4½ per cent, with poor weather given as the main reason. The record gold output of some 29 million ounces was valued at over $1 billion.

Outlook Remains Favourable

A professional survey of business shows the gross national product, in real terms, increased approximately 6.76 per cent during 1964 and forecasts an increase in the neighbourhood of 5.45 per cent for 1965. It reports that the tempo of sales and orders received slowed somewhat during the fourth quarter of 1964 and the slower rate is expected to continue this year. There are now more indications of overstocking in the market, the shortage of skilled labour is still increasing, the utilization of plant capacity is very high, and delivery times are lengthening. The general business climate remains favourable.

Commerce has reached similar conclusions and has drawn attention to the danger of inflationary pressures increasing unless investment in capital goods and expansion are moderated to compensate for the acute shortage of skilled labour and the heavy demands being made on transportation and steel supplies. It points to the fact that the fostering of industries by import control may put an additional strain on these and that a logical move by the authorities would be to relax import control on consumer goods in tight supply to offset the growing demand inflation. In support of the effort to increase exports, Chambers of Commerce are organizing trade missions to explore potential markets. Participating members pay their own expenses.



These are not hay stacks but mounds of tightly packed cbain in a chain manufacturing works at Vereeniging, Transvaal. The metal industries are working to capacity but are unable to meet demand and the shortage of steels will likely lead to continued imports.

Industrial Problems

Industry too is apprehensive about the bottlenecks in transport, labour, fuels and possibly raw materials. It forecasts an 11 per cent increase in the industrial use of rail transport in 1965—which might well strain the country's facilities—plus shortages in skilled labour and raw materials. In 1963 some 27 per cent of the firms reported slack capacity but in 1964 none did and about 60 per cent reported plans to expand capacity. During the past year, pig iron production rose 18 per cent to nearly 3 million tons, steel ingot production went up 10 per cent to over 3 million tons, and steel castings increased 13 per cent to 105,000 tons. Nevertheless a serious shortage of various steels has developed and imports on tender are likely to continue throughout this year.

Despite overtime, there was not enough skilled labour to meet industrial requirements in the second half of 1964. The metal industries in particular reported some slowing down of deliveries and curtailment of output. So far, the delays in rail transport have really only affected industry by late deliveries of coke to foundries. But in view of the heavy steel import program and the burden it could impose on port and rail facilities, uneasiness is growing. However, a further increase of from 10 to 15 per cent in over-all industrial production is anticipated this year, provided the bottlenecks become less restrictive.

Building plans approved during 1964 totalled nearly $450 million, an increase of more than one-third over 1963. All the major centres showed increases, with Cape Town leading in value—followed by Johannesburg, Durban and Pretoria, in that order. The principal ports all handled more cargo in 1964 than in the previous year, with Durban up 30 per cent. Its over-all total exceeded the combined total of the other major harbours. Port Elizabeth registered an increase of 28 per cent and Cape Town 13 per cent.

Economy Still Vigorous

The current upswing in South Africa has now lasted for more than three years. South Africans are confident of future expansion, perhaps at a reduced pace.

By the end of 1963 the economy reached a state of virtually full employment and consequently the index of industrial production, after climbing sharply during 1962 and most of 1963, levelled off. During the first half of 1964 it rose again and by mid-year had struck an average about 16 per cent higher than in 1963. The largest contributions were made by metals and metal products, non-metallic mineral products, petroleum and coal products, chemicals and products, and electrical machinery. Construction and real estate transactions were also major contributors.

To date, the increase in wholesale and retail price levels has been relatively moderate because:

- The balance-of-payments position is favourable and imports have eased some of the pressure.
- Domestic production increased substantially despite industrial problems.
- The rate of increase of private consumption slackened off slightly.
- The budget did not stimulate the economy along inflationary lines.
- The Reserve Bank's policy has been cautious and has generally encouraged stability in the financial sector.

Future Course Charted

At the close of 1964 the Department of Planning of the South African Government released its Economic Development Program for 1964-1969. It is not a forecast and commerce and industry will not be compelled to follow it. Rather, it sets a goal for the country and it will be adjusted each year to five years ahead. It plots the course that should be followed and the targets to be achieved by each sector of the economy in order to realize the desired rate of growth for the country as a whole. The base year was 1964 and as such has no targets. For the years to 1969, the Prime Minister's Economic Advisory Council recommended to the Cabinet that an average growth rate of 5½ per cent in gross national product be established. To achieve this rate, the EDP gave priority to the following:

1. During the whole of the period, net national savings will have to be between 14.5 and 15 per cent of net national income; estimates indicate that savings were below 13 per cent in 1964.

2. Exports will have to increase about 25 per cent in volume by 1969.

3. An increase in productivity of about 3 per cent a year will have to be maintained. This means that education and training will have to be improved and the best possible use made of available labour.

4. The strategic sectors of the economy—coal, iron and steel—will have to maintain a prearranged schedule of production and bottlenecks in transport, communications and the supply of power will have to be avoided.

5. Consumption by consumers must not increase more than 2.94 per cent a year; price increases will have to be controlled to accomplish this and to increase exports.

The report emphasizes the fact that the balance-of-payments position will have to be watched closely and imports and capital movements will need to be kept under control. Exports must be promoted and the import replacement policy vigorously pursued to save foreign exchange by encouraging local production. It is pointed out, however, that import substitution should not be pushed too rapidly or too far, as it could have a detrimental effect on the price and cost structure, especially if it can only be achieved by high tariff protection. It will probably be a year or two before the progress being achieved under the program can be assessed adequately. ●

Kuwait to Register Contractors

IN compliance with the provisions of Articles 7, 8, 9, and 59 of the Public Tenders Ordinance No. 37/1964, the Classification Committee is now ready to accept applications for registration of First Category Contractors capable of carrying out large construction projects of high engineering standard, the initial estimation of which exceeds KD 1,000,000. Such contractors may participate in all types of public undertakings within a ceiling of KD 5,000,000 but may not participate in tenders initially estimated at less than KD 500,000. Those desiring registration are to obtain the forms prepared therefor from the CTB as from March 14, 1965, and return them duly filled in and accompanied by pertinent supporting documents. The CTB reserves the right to call for any additional data or documents it deems fit. Foreign firms may apply for registration in this category provided they have a duly accredited Kuwaiti partner or agent. Present classification lists in respect of world-known contractors shall, within a period to be determined by the CTB, no longer be accepted.

Canadian firms which have Kuwaiti agents can write directly to the Central Tenders Board, Kuwait, Middle East, for the necessary forms. Those companies requiring Kuwaiti agents should first correspond with the Trade Commissioner's office in Beirut for a list of potential representatives. Once they have chosen their Kuwaiti agent, he can perform the registration. ●

Four Countries - - Four Electronic Markets

A Canadian Electronics Products Trade Mission, sponsored by the Department of Trade and Commerce, recently visited the Philippines, Burma, Thailand and Malaysia. Here is how the Mission, after its on-the-spot studies, evaluated opportunities for Canadian electronics companies in these four areas.

"There is a rapidly expanding need for electronic equipment and services in Southeast Asia . . . Each country visited offers a market potential to Canadian suppliers, subject to several factors . . . However, Canadian suppliers can effectively participate in all countries visited, provided that the necessary and aggressive techniques are employed."

With these encouraging words, the Canadian Electronics Products Mission reports to industry on the results of its recent visit to the Philippines, Burma, Thailand and Malaysia. Sponsored by the Department of Trade and Commerce, the Mission included four representatives from electronic firms manufacturing a wide range of products, two representatives from consulting engineering firms, and a Commodity Officer from the Engineering and Equipment Division of the Department. Because the members represented a wide range of experience, the Mission was able to obtain information of interest to the entire industry.

Its primary objectives were to undertake market surveys in the countries visited and to acquaint prospective purchasers with the communications and electronic products and services available from Canada. In the course of their four-week tour, members met officials of government and private organizations, power companies, firms using communications equipment, research establishments, avionic organizations, data-processing establishments, plants using electronic equipment, and manufacturing and assembling firms.

Here are some of the Mission's findings in the four countries visited.

The Philippines - - Purchasing Difficult

There is a great need for electronic equipment but insufficient funds hamper purchasing. Financing is difficult, interest rates are high, and effective selling is generally tied to some form of foreign aid. Regulations also demand that the full purchase price of foreign equipment be deposited with the Central Bank and held there until the goods are delivered and payment due.

The Philippines is striving to improve its telecommunications network but is hampered by lack of precise planning and the Government seems undecided whether it or private enterprise should handle communications. However, the Long Distance Telephone Company, a private firm, has placed a very large order for Canadian equipment with the help of a loan from ECIC, and this seems a step toward improving communications.

There is a natural preference for U.S. designs and standards but Japan is a large supplier and favorably known. Government systems tend to obtain their major equipment through Japanese reparations which could be a factor for another 11 years.

Burma - - All Equipment Imported

Burma requires telecommunications equipment of all types and Canadian manufacturers could supply equipment and services if an adequate sales effort were mounted. The potential market is, however, retarded by lack of capital within the Union and it may be some time before finances permit a possible expansion of telecommunications and other facilities.

All government purchasing is through the People's Stores Corporation, a procurement agency for the various departments. Purchases are made through international tender and requests are sent to known suppliers who may be able to meet specifications. All government departments contacted by the Mission expressed a wish to receive literature from Canadian electronic firms.

These were the members of the Canadian Electronic Products Mission:

Standing in front of the Hotel Filipinos in Manila with J. L. Mutter, Canadian Consul General and Trade Commissioner, and R. C. Anderson, Consul and Trade Commissioner, in the Philippines (fourth and six from left), are (l. to r.):

**R. N. P. Evans,
Commercial Sales Manager,
E.M.I.—Cossor Electronics Limited,
Dartmouth, Nova Scotia.**

**Herbert A. Hoyles, P. Eng.,
Partner,
Hoyles, Niblock and Associates,
North Vancouver, B.C.**

**P. Macfarlane,
Export Manager,
Central Dynamics Limited,
Pointe Claire, Quebec.**

**John J. Kingon,
Director of Telecommunications,
Montreal Engineering Company Limited,
Montreal, Quebec.**

**W. W. Ashworth, P. Eng.
Chief Engineer,
Automatic Electric (Canada) Limited,
Brockville, Ontario.**

**F. V. Topping, P. Eng.,
President,
F. V. Topping Electronics Limited,
Toronto, Ontario.
(absent when photograph taken)**

**R. Sangster, P. Eng.
Secretary of the Mission,
Commodity Officer,
Engineering and Equipment Division,
Department of Trade and Commerce,
Ottawa, Ontario.
(absent when photograph taken)**

This should be sent in three copies—one to the department concerned, one to the People's Stores Corporation, Rangoon, Burma, and one, for information, to the Canadian Trade Commissioner, Singapore.

Interested departments are:

1. Equipment Control Committee, Ministry of National Planning.

2. Director of Procurement, Ministry of Defence (all types of telecommunications equipment).

3. Department of Posts and Telegraphs (HF, VHF, microwave, tropospheric scatter, telephone).

4. Management of the Port of Rangoon (HF, UHF).

5. Burma Railways (HF, VHF, microwave).

6. Burma Broadcasting Service.

7. Union of Burma, Applied Research Institute (any scientific reports, data or instrumentation).

Apart from normal purchases at agreed prices, all questions of long-term financing are decided by the Burmese cabinet. There is no domestic production of engineering products and the only local competition is from one small firm assembling radio receivers. All telecommunications equipment is imported, mainly from Britain, Japan, the U.S. and Sweden, and import and exchange controls are rigidly administered.

Equipment to be acceptable must be tropicalized to a reasonable degree in order to minimize maintenance and breakdown (impregnated coils, plastic insulated wires, enclosed contacts, etc.), otherwise the high dust content and humidity require expensive air conditioning which affects over-all costs and competitive position. The Mission was advised that British equipment had received preference in the past because, apart from quality, delivery and price factors, it had been designed and proved suitable for use in the tropics.

In general, there is a need for more equipment, engineers and technicians in Burma. The Government is considering the engagement of telecommunications consultants but has not decided whether they will be from international, selected tender or UN sources.

Thailand - - Market Expanding

A population of 30 million people, a strong economy, and an established need result in a good market for electronic equipment and services in Thailand. In the past seven years, U.S.$25 million has been spent on electronic equipment and it is reasonable to assume that purchases over the next five years will equal or exceed this figure. The demand for electronic products is centered in government departments or agencies and the number of purchasing avenues is reduced. Some electronic purchases in Thailand over the past five to seven years have been made with international grant and loan assistance.

Imports are permitted freely from all countries, including Canada. Although exchange control approval is required for advance payment of imports, it is normally granted freely. International competition is keen and major suppliers include L. M. Ericsson, GEC, RCA, Nippon Electric, Motorola, Collins, Pye, Philips and several small- to medium-size U.S. suppliers. Japanese, British and European manufacturers of consumer products are exporting heavily to the Thailand market and some broadcast and television receivers are produced locally in small quantities.

Malaysia - - Some Expansion Planned

The climate for trade in Malaysia is good and will improve as Canadian financial and technical assistance becomes better known. Assuming competitive prices, Canada can expect to be at least as well favored as any other supplier if industry gives proper attention to the necessity to sell harder and more consistently. Malaysia is a recipient of Colombo Plan aid and is making good use of funds now available. Increased assistance has been requested and a number of broadcast and telecommunication projects are included in lists submitted to Ottawa. There is no local electronic manufacturing industry of any magnitude.

Products Must Be Promoted

Generally speaking, the members of the mission found in the countries they visited little knowledge of the Canadian electronic industry. To overcome this handicap, interested Canadian manufacturers should supply prospective purchasers with technical and descriptive literature. It is also essential to have as an agent an accredited national, experienced in the business ways of the country. In some instances the successful bidder may not receive a contract unless he is represented by such an agent. In some countries requests for bids are either sent to local agents or briefly advertised in the local press.

Considerably more information is contained in the Mission's full report. If you wish a copy, write to the Trade Fairs and Missions Branch, Department of Trade and Commerce, Ottawa. ●

Members of the Mission examine the production facilities at Radio Electronic Headquarters Inc., Manila, during a visit to the Filipino company's plant. Left to right are W. W. Ashworth, R. C. Anderson, Consul and Trade Commissioner in Manila, P. Macfarlane, H. A. Hoyles, E. Hornbostel, President and General Manager of Radio Electronic Headquarters Inc., J. J. Kingan, and M. J. A. Contreras, Manager of the company's Telecommunications Division.

West Germany Developes Nuclear Power

West Germany is advancing rapidly in the field of nuclear energy and now has fifteen reactors, with five more under construction. Canadians may be able to sell technical knowhow, special equipment and possibly uranium in this developing market.

CLAUDE RENAUD, *Assistant Commercial Secretary, Bad Godesberg.*

WEST GERMANY has decided to go ahead with the construction of Europe's biggest nuclear reactor for the production of electricity. This is just one more indication of the country's progress in industrial nuclear power.

West Germany's first plans for the production of electricity by nuclear energy were made in 1957. A Ministry for Atomic Affairs responsible for co-ordinating all government activities in the peaceful use of nuclear energy and an Atomic Energy Advisory Committee were created at that time. The first plan they approved called for the construction of a series of small reactors of various types, capable of developing a total of 500 mw.(e) of electricity.

Reactors Planned or Built

In 1958 a new company was formed by RWE (80 per cent) and Bayernwerke (20 per cent)—two electric power companies—and construction of a nuclear boiling water power plant was started in Kahl, outside Frankfurt. (See Table I.) It was built by AEG, Germany's second largest electrical equipment producer, in collaboration with General Electric of the United States and Hochtief, one of the largest civil engineering firms in West Germany. By 1962 it was in full operation and producing 15 mw.(e). This is still the only nuclear power plant completed today. In 1961 construction of two more nuclear power reactors was started. One in Juelich (AVR), near Aachen —gas-cooled with enriched uranium —should be completed this year and producing 15 mw.(e). It is being built by BBC and Krupp. The second (MZFR) in Karlsruhe—natural uranium heavy water cooled —should also be ready this year and capable of producing 50 mw.(e) of electricity. It is being built by Siemens-Schuckert-Werke.

TABLE I

COMPANIES IN NUCLEAR POWER FIELD

RWE
largest German power utility company.

Bayernwerke
largest power utility company in Southern Germany.

AEG
the second largest electrical company in Germany, has done much work in collaboration with General Electric.

Hochtief
one of the largest German construction firms.

BBC
Brown, Boveri & Co., a Swiss company, which collaborates closely with Krupp.

Krupp Reaktorbau-GmbH
part of the Krupp group.

Siemens-Schuckert-Werke
the largest electrical company in Germany; has done much work in collaboration with Westinghouse.

Deutsche Babcock
German affiliate of British Babcock and Wilcox Co.

Deutsche Atomkommission
Atomic Energy Advisory Committee, an organization to co-ordinate the activities of research, private enterprise and government in the nuclear field.

NUKEM
a subsidiary of Degussa, the largest German metal processor, Rio Tinto, the Canadian company, and a U.S. company.

Interatom
Internationale Atomreaktorbau-GmbH Bensberg.

Long-Range Plans

The rapid development of nuclear science in West Germany resulted from a long-range plan. In 1960 the German Atomic Commission conceived a series of small reactors, capacity 10 to 30 mw.(e), which would allow German scientists and contractors to familiarize themselves with the latest techniques. Based on both the 1957 and 1960 plans, the German Atomic Energy Program was established in 1963. Work had already started on a reactor in Gundremmingen (KRB) and it was decided to build two additional high-capacity nuclear power plants according to methods already well proven abroad and three experimental reactors of smaller capacity.

High-Capacity Plants

In 1962, RWE and Bayernwerke, under the joint EURATOM/U.S. nuclear power program, started construction of the first high-capacity reactor (KRB) on the Danube, at Gundremmingen, near Augsburg. Like their first joint project, it is a uranium dioxide boiling water system and is being built by the same main contractor, AEG. Electricity production is expected to reach 235 mw.(e) by 1966.

In the fall of 1964 work started in Lingen, near the Dutch border, on the second plant, another boiling water reactor (KWL). The contractor is again AEG and capacity, 250 mw.(e) of electricity, is expected to be reached in 1968.

The decision on the third plant has now been taken. It will be a pressurized reactor (the KBWP) with a capacity of 280 mw.(e) of electricity. The location is Obrigheim, north of Stuttgart. This plant could produce enough electricity for a city such as Stuttgart, with over half a million inhabitants.

Research Reactors

The three high capacity reactors are part of the demonstration program. The West German Government was not required to make a large financial contribution to these plants because well known construction techniques were used. However, the smaller reactors are for experimental purposes and the Government is therefore the main provider of funds for Juelich and Karlsruhe (mentioned previously), other planned research reactors and the ship *Otto Hahn*.

Among the planned research reactors are:

1. The AKB, a heavy water reactor with pressure tubes and gas cooling developing 100 mw.(e). It will be built by Siemens in Upper Bavaria.

2. The HDR, a boiling water reactor with nuclear superheating producing 25 mw.(e). It will be constructed in Kahl by the AEG company beside its first nuclear reactor.

3. The KNK, a 20 mw.(e) zircaloy type reactor. Interatom has designed this reactor and will erect it in Karlsruhe.

West Germany also intends to build another 500 mw.(e) reactor before 1970, the completion of which would give the country a potential of about 1,500 mw.(e) in 1970. Plans call for an additional 1,000 mw.(e) in 1971 and production as great as 5,000 mw.(e) in 1976. (See Table II.)

TABLE II

FOR COMPARISON . . .

Some Power Reactors under Construction	Output in mw.(e)
CANADA	
Douglas Point—pressurized heavy water	220
WEST GERMANY	
Gundremmingen—boiling water	235
Lingen—boiling water	250
Obrigheim—pressurized water	250
Estimated Growth	
CANADA	
1964	20
1965	220
1969	720
1970	1,220
and 500 more a year from 1970 onward, which gives for 1980	6,200
WEST GERMANY	
1963	....
1975	5,000
1980	20,000

Nuclear Freighter

The *Otto Hahn*, the first German ship designed for nuclear propulsion, was launched in Kiel in June 1964. The contractors for this ship, the first European-built nuclear freighter, are Deutsche Babcock and Interatom.

Future Developments

There are 15 nuclear research reactors in West Germany and five more are being built. Until now, only one has been designed and built entirely by German scientists, engineers and contractors. For all the others foreign help, mostly from the United States and Britain, was enlisted.

At the moment, the U.S. is the most important, if not the only, supplier to Germany of enriched uranium and plutonium for industrial and scientific purposes. Certain nuclear materials are being obtained from Britain. Whether future nuclear power plants in Germany will use natural or enriched uranium may determine to a certain extent the amounts of fuel which will be purchased in Canada. West German officials and industrialists have not yet decided that any particular design is best suited to German conditions. Their approach is pragmatic and they are gaining experience in many fields. There seems, however, to be a definite trend towards the light water enriched uranium reactor.

Understandably, Germany expects to design its own nuclear equipment; many Canadian firms have, however, gained experience in the nuclear field and there is room for fruitful collaboration with their German counterparts. Technical knowhow and special equipment can be promoted profitably.

The market for isotopes is also very promising. Imports have grown from less than 2 million DM in 1958 to over 25 million DM in 1963; exports remain at about 1 million DM a year. That is to say that Germany is still far from providing its isotope needs.

Ghana Changes to Decimal Currency

ON May 1, 1965, a new currency based upon the decimal system became legal in Ghana. From now on, prices are to be quoted in both the new and old systems until July 19, 1965, when the new notes and coin will be issued. The banks will be closed July 15, 16, and 17, 1965, to enable them to change over completely to the new system. After July 19, all prices and cheques are to be exclusively in the new currency.

Business firms are expected to operate fully in the new currency by December 1965, with one exception. Oil companies will be allowed until July 19, 1966, to convert their pumps to the decimal system. They will display conversion tables, supplied by the Bank of Ghana, to enable easy payment in the meantime.

The new system is based upon the "pesawa", which equals one "penny" under the old system. A "cedi" (¢1) equals 100 "pesawas" (100 p.). At the rate of exchange prevailing on January 25, 1965, one "cedi" would equal Can. $1.249.

Argentina's Agricultural Trade

Agricultural commodities account for over 90 per cent of all Argentine exports and only 5 per cent of imports. But the market there is open to products designed to improve both the quality and quantity of agricultural production—the country's mainstay.

H. E. RYAN, *Assistant Commercial Secretary (Agriculture), Buenos Aires.*

THE economy of Argentina is and will continue for many years to be based on agriculture, although great efforts are being made to build up industry. The country has a fertile soil and a climate ranging from sub-tropical to sub-arctic, and output of most temperate-zone food products greatly exceeds domestic needs. Primary and processed agricultural products make up the bulk of exports and these supply the foreign exchange to import many of the manufactured products needed by 21 million people. A study of Tables I and II makes this trade pattern clear.

In 1964, over 92 per cent of all exports were derived from agriculture, and meat, wheat, wool and corn normally account for almost 70 per cent of all export earnings. There are also sizable exports of oats, barley, rye, vegetable oils with their meals and expellers, hides, quebracho extract and various fruits, particularly apples and pears.

A wide range of foodstuffs is produced in Argentina and only 5 per cent of all imports in 1964 consisted of food products. Beverages, fruit, and fish (particularly fresh and frozen shellfish from Spain), and yerba maté were the main items. But other products—such as livestock, poultry, and forage seeds—were brought into the country to provide improved breeds or varieties to bolster production of quality produce.

Direction of Trade

Argentina's trade with LAFTA countries consists primarily of exports of wheat, particularly to Brazil and Peru, against imports of fruit (primarily from Brazil) and some manufactured goods, again mainly from Brazil and from Mexico. Exports to the United States are invariably smaller than imports from that country. The British market has always been important to Argentine exporters but because of smaller meat shipments, trade between the two countries has declined. The EEC is an important market for all major Argentine agricultural products and is consequently its leading trading partner. Argentina is now paying greater attention to this area. Communist China has also emerged as a new market for wheat over the past year and Argentina has been able to place sizable quantities there.

Two commodities, wheat and beef, dominate Argentine trade but from the viewpoint of marketing, they present contrasting problems. At present between seven and eight million metric tons of wheat are available for export, the largest amount in some time. This represents needed foreign exchange but with the recent weakening in international wheat prices and strong

TABLE I

ARGENTINE EXPORTS

	1963 U.S.$ (million)	1963 Per cent	1964 U.S.$ (million)	1964 Per cent*
Grain	281.3	(20.7)	490.0	(34.8)
Agricultural byproducts	244.9	(17.9)	210.0	(14.9)
Meat	334.1	(24.5)	330.0	(23.4)
Wool	160.6	(11.7)	120.0	(8.5)
Hides	78.0	(5.7)	58.0	(4.1)
Other livestock products	92.5	(6.8)	82.0	(5.8)
Sugar	63.9	(4.9)	6.0	(0.4)
Forest products	13.1	(1.0)	15.0	(1.1)
Mining products	22.6	(1.6)	13.0	(0.9)
Hunting & fishing	8.5	(0.6)	4.0	(0.3)
Manufactured products	65.5	(4.5)	82.0	(5.8)
Total	**1,365.0**	**(100)**	**1,410.0**	**(100)**

*Estimated.

TABLE II

MAJOR ARGENTINE WHEAT MARKETS

	1962/63 (metric tons)	1963/64 (metric tons)
Communist China	....	1,041,710
Brazil	537,665	843,218
Peru	293,886	295,043
Britain	183,353	187,221
Italy	245,537	136,983
Netherlands	148,855	234,027
West Germany	63,326	246,225

TABLE III

MAJOR ARGENTINE BEEF MARKETS

Country	1963 (metric tons)	1964 (metric tons)
Total Exports	**652,000**	**502,000**
of which:		
Britain	270,000	168,500
Italy	94,000	111,500
West Germany	20,000	46,000
France	6,500	18,000
United States	25,000	16,000
Netherlands	....	12,500
Switzerland	....	2,700
Canada	1,500	1,300
Spain	38,000	....
Greece	27,000	....
Chile	14,000	....
Belgium	11,000	....

competition from other exporting countries, placing this surplus may prove difficult. A loss of or decline in the market for wheat in China would mean an intensified effort to place it elsewhere.

On the other hand, international beef prices are strong, the supply in Argentina is greater, and the country has made a serious and successful effort in its attempts to expand beef exports by diversifying markets. This may well have a bearing on the future pattern of production, because resources now used for wheat could be diverted to beef production if international prices should favour such a move. Thus Argentina, which is trying hard to increase agricultural output, is at the same time attempting to hedge against fluctuations in international prices and demand.

Canadian Opportunities

Canadians looking for export markets may well ask about the opportunities in Argentina. It does provide a market for agricultural products that will help to improve the quality of its own output, as well as for certain commodities in short supply. But in the latter group, the advantage lies with LAFTA countries which benefit not only from preferential tariff rates but also from lower transportation costs. For commodities designed to improve the quality of production, however, the market is wide open.

Canadians are shipping dairy cattle, baby chicks, seed potatoes and forage seeds into Argentina. Beef breeding stock is imported from many countries, including Britain and Continental Europe. U.S. hybrid corn is currently being tested.

Although imports in the agricultural sector are relatively small, there is still a market in Argentina—and one that should not be ignored. Any Canadian company wishing to explore it is invited to get in touch with the Commercial Counsellor at the Canadian Embassy in Buenos Aires. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

Denmark

NEW LIBERALIZATION FORESEEN—Denmark has published a tentative list of goods for which import licences will no longer be required from July 1, 1965, on. Included are refrigerators with a cubic content of 200 litres and less, washing machines, bicycle tires and tubes, conveyor belting, wallpaper and granite.

A staggered schedule of further liberalizations has been prepared by the Danish Ministry of Commerce, setting January 1 and July 1, 1966, and January 1, 1967, as the dates for progressive withdrawal of import controls. Chocolate, candy and biscuits are among commodities for which import controls will be lifted last.

RATE OF SALES TAX INCREASED—The rate of the general sales tax of 9 per cent at the wholesale level, which applied both to domestic and imported goods, has been increased to 12½ per cent as from April 1, 1965.

Philippines

DOCUMENTATION REQUIREMENTS AMENDED—In a Customs Administrative Order dated March 24, 1965, the Philippines issued new regulations regarding documentation requirements. According to the order, consular invoices must now be accompanied by an authenticated copy of the Shippers/Exporters Export Declaration Certificate that was filed in the exporting country. The corresponding form in Canada is the Canadian Customs Export Entry or Form B. 13.

For the purposes of the order, the certificate will be considered as authenticated when certified by an authorized official of the government office of the exporting country. In other words, a copy of the Canadian Customs Export Entry, a Form B. 13, certified by a Customs officer would appear to be sufficient. If the required certificate cannot be obtained, then a copy of such certificate that has been attested before a notary public or person authorized to administer oaths to be a true copy of the certificate filed with the appropriate Government Department of that country can be substituted.

This Customs Administrative Order takes effect and applies to all imports arriving on or after June 1, 1965.

Venezuela

COMPULSORY IMPORT LICENSING—Effective March 24, 1965, all imports of fertilizers into Venezuela are subject to compulsory import licensing—Caracas.

What's current in commodities?

Tobacco

Switzerland—**Consumption of flue-cured tobacco is rising, local growers are unable to expand production and the tobacco industry must rely on imports. Canadian sales should show a moderate rise because of the growing popularity of blended cigarettes.**

BERNARD HORTH, *Assistant Commercial Secretary, Berne.*

A RECENT SURVEY by the Berne office has shown that the market for Canadian flue-cured tobacco in Switzerland remains rather small—confirming a similar investigation conducted three years ago. Consumption of flue-cured tobaccos is rising about 10 per cent a year because of the growing popularity of American-blend type cigarettes but Rhodesia and the United States continue to be the principal suppliers.

Most Tobacco Imported

Maryland-type tobacco is the most popular among imported tobaccos and it is used in more than 50 per cent of Swiss cigarette production. Indeed, Swiss manufacturers usually purchase about one-fifth of the entire Maryland crop and the better grades at that. They also support the Maryland Tobacco Improvement Foundation, Upper Marlborough, Maryland, which distributes approved seed and instructs the local growers in the best cultural practices.

In 1963 imports of cigarette tobacco of all kinds amounted to 12,700 metric tons—an 8 per cent gain over 1962. More than half of this came from the U.S. Imports of cigar and pipe tobaccos showed little change at 3,000 and 770 tons. Because the domestic tobacco crop normally varies between 1,700 and 2,500 tons, the vital dependence on imports can be readily appreciated. Home production is unlikely to increase and is, in fact, more likely to decline because of the ever-increasing pressure on farmland in Switzerland. At present, some 4,000 to 5,000 growers cultivate some 2,500 acres. Four-fifths of them own farms of less than 25 acres and they devote an average of two-thirds of an acre to tobacco. The main growing areas are in the Ticino (25 per cent of production) and Western Switzerland (60 per cent). With domestic growers furnishing only about 10 per cent of the raw tobacco consumed by the processors at the present time, the trend is definitely towards greater imports to meet any increase in demand.

Industry Well Regulated

The tobacco-manufacturing industry in Switzerland is characterized by diversity. The 21 cigarette, 26 cigar and 28 pipe-tobacco factories, plus the five integrated plants in the so-called Ticino group, turn out a disconcerting array of brands. In 1963 they produced 15,209 million cigarettes, 611.5 million cigars and 1,755 tons of pipe tobacco. At present about 300 domestic and 150 imported brands of cigarettes are available on the market. (The tourist trade is largely responsible for the variety of imported brands.)

The manufacturers are organized into four associations—the cigarette, cigar and pipe-tobacco producers, together with the independent Ticino group. Since 1951 they have been joined together in the all-embracing Swiss Association of the Tobacco Industry (SOTA) with headquarters at Fribourg. Each autumn this body determines the prices it will pay for the succeeding year's crop as well as the quantities of specific grades it will purchase. The growers' organizations then meet and decide on acreage allocations for the production of the set quantity.

Distribution arrangements are similarly well regulated. The basic marketing divisions are manufacturing, importing, wholesale trade, specialist trade, and subsidiary outlets. The importer is also a wholesaler who has equal status with the manufacturers insofar as ownership of brands is concerned. Retail sales are largely in the hands of the specialist who receives a special discount from the manufacturer or wholesaler. There are about 1,200 of these specialists in Switzerland and they account for something like 75 per cent of all retail sales. All other outlets, including hotels, stores, restaurants, newstands, cinemas, etc., are classified as subsidiary outlets.

Taxation and Import Duties

As in most countries, tobacco is a fiscal product in Switzerland and both raw and manufactured tobacco are taxed. Since 1946 these tax returns have been used to finance the Old Age and Disabled Persons Pensions Scheme; an amount equal to the total returns from the fiscal taxation of tobacco must, by law, be turned over to this plan. Fiscal levies on tobacco in Switzerland at present comprise:

1. The import duty on raw tobacco and wastes as well as on tobacco manufactures. This varies greatly from Sw.Fr.30 to 80 per 100 kilograms gross weight for cigar tobacco to Sw.Fr.300 per 100 kilograms for pipe tobacco and to Sw.Fr.675 per 100 kilograms for cigarette tobacco. For manufactured products the duty rates are much higher, ranging up to a maximum of Sw.Fr.4,000 per 100 kilograms gross weight for cigarettes and cigarette tobacco not packed in retail containers.

2. A factory tax on all domestic tobacco manufactures broken down as follows:

Sw.Fr.11 per 1,000 cigarettes.

Sw.Fr.90 per 100 kilograms of raw tobacco used in the manufacture of cigars.

Sw.Fr.153 per 100 kilograms of raw tobacco used in the manufacture of pipe tobacco.

3. An import duty on cigarette papers of Sw.Fr.0.20 per 100 which reaches those who roll their own.

The total returns from tobacco taxation have increased from Sw.-Fr.76 million in 1946 to 256.6 million in 1963.

Apart from taxation, the Federal Government also regulates the retail trade in tobacco products and cigarette papers. Legislation has been passed requiring the manufacturer's name or trade mark and the retail price to be clearly marked on every package of cigarettes. In practice, however, these regulations must be considered more relative than absolute because local rebates are often in effect.

At present, the principal problem confronting tobacco manufacturers and traders in Switzerland is that of adapting existing taxation levels to the fact of membership in EFTA. The manufacturers are particularly concerned because EFTA rates have already been reduced 60 per cent for most manufactured products. They are pressing the Government to pass new legislation which would protect their market position at home and improve their access to other EFTA markets.

Canada Penetrating Market

The Canadian position in the Swiss market for flue-cured tobacco has improved over the past few years. Imports from Canada were nil in 1961, 2,000 kilograms in 1962 and 12,000 kilograms in 1963—compared with total imports of about 150,000 kilograms a year. Swiss buyers have no particular prejudices against Canadian tobacco but they are well satisfied with the supplies they are receiving from the U.S. and Rhodesia. In a few instances, manufacturers are not in a position to switch to alternative sources. The market is otherwise unrestricted, so that imports of Canadian leaf should continue to show a modest increase in conformity with the growing popularity of American-blend type cigarettes. Greater increases appear possible only if normal market supplies are disrupted. ●

Fruits and Vegetables

France—Potatoes from Canada cannot be imported. Spot sales of onions and carrots possible when domestic supplies run short. Prospects for apple sales are better as the import period now begins in November, but quotas are still in effect.

J. E. MONTGOMERY,
Assistant Commercial Secretary (Agriculture), Paris.

FRANCE is a large-scale producer, exporter and seasonal importer of fruit and vegetables. Practically every type of fruit adaptable to a temperate climate is grown and production has increased steadily in the last 20 years.

Apple Import Period Changed

In the past, imports of apples were limited to the late spring months when Canada is not normally in a position to supply a good competitive product. Although quotas on apple imports are still in effect, it was announced last May that the import period would now begin in November and this should assist Canadians in penetrating this market. Table I gives imports.

Imports may be made freely within the prescribed limits and when the limit for any period is reached, additional deliveries may be stored until the next period or re-exported. French Customs keeps count of all imports.

North American varieties such as Red and Golden Delicious, Winesap and Jonathan are becoming more popular and the French consumer is beginning to show a distinct preference for them. Apples, in fact, account for a large part of the increase in consumption of fresh fruit.

Arrange Sales in Advance

Canadian firms wishing to sell apples in France should make their arrangements well in advance of the quota openings each year. Imported apples are normally sold through

TABLE I

IMPORTS OF APPLES INTO FRANCE

	1962	1963
	(metric tons)	
Total	**159,000**	**80,000**
of which:		
Australia	....	76
Argentina	22,624	22,630
Chile	386	1,171
Denmark	66	....
United States	674	73
Britain	....	403
Italy	127,008	50,300
Lebanon	182	....
New Zealand	2,280	985
Netherlands	3,563	2,357
Switzerland	1,668	530
Belgo-Luxembourg Union	64	216
South Africa (Republic)	172	739
Others	130	157

TABLE II

IMPORTS OF ONIONS INTO FRANCE

	1962	1963
	(metric tons)	
Total	**57,300**	**67,600**
of which:		
Germany	392	165
Argentina	449	....
Chile	757	....
Egypt	....	8,363
Spain	5,679	6,953
United States	1,018	133
Italy	15,700	23,450
Lebanon	259	....
Netherlands	18,222	21,675
Spanish Provinces in Africa	65	....
Belgo-Luxembourg Union	1,775	1,128
South Africa (Republic)	1,957	107
Algeria	476	....
Morocco	3,619	245
Tunisia	729	433
Others	136	241

brokers and some importers who buy for their own account for resale to wholesalers and distributors. A large number of middlemen is an established pattern in the French trade in fresh fruit and vegetables although the Government is trying to encourage vertical market integration. In addition to the usual customs formalities, apples must meet EEC grade standards and undergo inspection to ensure freedom from plant disease and insects.

Imports of onions, carrots and potatoes are still restricted but Tables II to IV indicate the demand for these products.

TABLE III

FRENCH IMPORTS OF CARROTS AND TURNIPS

	1962	1963
	(metric tons)	
Total	**42,677**	**31,900**
of which:		
Italy	1,815	3,962
Netherlands	....	1,487
Belgo-Luxembourg Union	1,689	926
Algeria	36,709	18,869
Morocco	929	1,740
Tunisia	1,316	3,820
Others	219	92

TABLE IV

FRENCH IMPORTS OF POTATOES

	1962	1963
	(metric tons)	
Total	**202,600**	**244,100**
of which:		
Germany	....	361
Egypt	....	2,490
Canada*	298	....
Spain	32,969	30,694
Greece	646	291
Italy	5,578	546
Netherlands	1,960	4,555
Poland	27,655	....
Portugal	1,474	193
Spanish Provinces in Africa	293	....
Belgo-Luxembourg Union	5,578	25,065
Algeria	66,949	45,364
Morocco	55,721	60,362
Tunisia	3,398	3,369
Others	96	330

*Canadian trade statistics for 1962 show no exports of table potatoes to France. However, the figure here may represent the re-export of Canadian potatoes shipped to another European country.

Potatoes Prohibited

It should be noted that France has long prohibited the import of potatoes from North America for fear of introducing insects and plant diseases not currently found in France. In January 1963 it was announced that potatoes from North America could be imported, provided they were treated on arrival with an anti-germination product. However, table potatoes from all sources remain under strict import licensing and licences are granted only in periods of extreme shortage. Seed potatoes from North America still can be imported only for experimental purposes.

Seasonal quotas for onions, carrots and potatoes are granted within the EEC and the franc zone, and under bilateral trade agreements. Outside of this regime, quotas are normally available only in cases of shortage. Vegetable sales must be treated as spot sales when special or seasonal quotas are announced and a prime requisite is good contacts with the French trade. Nevertheless, when the French Government is in a position to liberalize imports of these vegetables, Canadian sales prospects would probably be encouraging.

Consumer preferences play an important role. The French housewife prefers a Spanish-type onion, a mildly yellow-fleshed potato, and a field-grown carrot. She buys almost exclusively from open air markets or small corner vegetable stores. Frozen fruit and vegetables are available in a limited number of the new supermarkets but their use in French cooking is frowned upon. The market still remains one for fresh produce.

There are no exceptional requirements for packaging of imported produce. Importers prefer tray-packed apples and accept potatoes, onions and carrots in sacks ranging from 30 to 100 kilograms in weight. Rail and road transportation facilities are prompt and adequate but distribution of refrigerated produce is costly.

Exhibition at Blackpool

A CANADIAN Trade and Way of Life Exhibition will be held from June 21 to September 11, 1965, at Blackpool, England. It is being organized by Trans Atlantic Exhibition Services Ltd., a private company located at 1156 Crawford Avenue, Windsor, Ontario. Canadian firms interested in participating in this fair (which will have Western, trade and industrial, travel, and social sections) should address their inquiries directly to Trans Atlantic Exhibition Services. The organization and promotion of this exhibition is entirely undertaken by private enterprise.

Aluminum Products

WEST GERMANY—A plant making aluminum accessories for windows, doors, shop fronts, etc., was recently opened in Rheydt, West Germany, by American Metal Climax Inc. of New York. The company, called Kawneer GmbH, is a subsidiary of the U.S. firm and will have a yearly capacity of 10,000 tons. Half of this production will be exported to other European countries. A second Kawneer plant is to be erected in Germany in the near future, according to a company spokesman—Duesseldorf.

Automotive Components

NORTHERN IRELAND—The Walker Manufacturing Company of Racine, Wisconsin, makers of car exhaust systems (mufflers and related parts) will start production in a 70,000-square-foot government-built factory at Newtownbreda near Belfast. The enterprise will be known as Walker U.K. and it is the twenty-first U.S. company to establish a base in Ulster in recent years—Glasgow.

Carbon Black

WEST GERMANY—German production of carbon black, used primarily in the production of rubber tires, is at present about 140,000 tons a year and will reach 160,000 tons when a factory being built near Frankfurt by Cabot GmbH comes on stream early next year. The German company is a subsidiary of Godfrey Cabot which has branches in many countries including one at Sarnia, Ontario. The plant is estimated to cost $5 million and when completed will produce a full range of oil furnace carbon blacks—Duesseldorf.

Ductings

SCOTLAND—Flexible Ducting has opened a £90,000 factory at Milngavie. The company was formed 12 years ago when the parent firm George MacLellan & Co., Maryhill, accepted a licensing offer to make ductings which had been developed in the U.S. Since then the labour force has grown to 70 and markets have been opened up in 20 countries—Glasgow.

Graphite Electrodes

SOUTH AFRICA—African Metals Corporation (AMCOR) will form a subsidiary to manufacture graphite electrodes at a plant to be built in Vereeniging, Transvaal, at a cost of over $7.5 million. Two German firms, Farbwerke Hoechst and Siemens-Planiawerke will become partners in the project. Manufacture is planned to start in mid-1966 with a capacity of 5,400 tons of finished electrodes. This is expected to meet local demand and save a total of $3 million a year in foreign exchange—Johannesburg.

High-Speed Drills

SOUTH AFRICA—A new high-speed drill plant will soon be erected at Vereeniging by Motor & Industrial Investments Limited. The manufacturing rights and equipment for a German process have been obtained by Motor and Industrial Investments Limited, and it is expected that about $750,000 will be invested in this enterprise during 1965. More than 80 per cent of the steel drills now being used in the country are imported and the establishment of this industry will result in a considerable saving of foreign exchange—Johannesburg.

Hockey Sticks

SWEDEN—What is described as Europe's largest factory for manufacturing ice-hockey sticks has just been opened near Boden in northern Sweden. The annual output of sticks, including those used for the Swedish game of bandy, will be about 300,000, worth some $420,000.

The Labour Market Board and the Norrland Fund as well as other organizations provided capital to build and equip the factory. The owner himself provided less than 10 per cent of the $420,000 invested—Stockholm.

Locks and Hardware

SCOTLAND—The world's largest lock and hardware manufacturers, Yale & Towne, will open a factory in Livingston, New Town, this year. The project, costing more than £1.25 million, will provide 1,000 new jobs—about half of them for women—by the end of 1969.

It is estimated that production at the new factory, which will be built in three phases of 60,000 square feet each, will start within the next 12 months. Meantime, Yale and Towne has agreed to rent a government-built factory of 23,000 square feet, where basic production is expected to begin in June—Glasgow.

Watches

SWITZERLAND—In 1964 Swiss watch exports reached the record figure of Sfr. 1,630.8 million or 8.3 per cent more than in 1963. Leading markets were Europe (Sfr.626.8 million, up 7.9 per cent); North and South America (Sfr.560.3 million, up 10.7 per cent); Asia (Sfr.339.2 million, up 13.8 per cent); Africa (Sfr.

71.5 million, down 7.8 per cent), and Australia and New Zealand (Sfr.33 million, down 4.1 per cent)—Berne.

Wood Pulp

SWEDEN—The Swedish Cellulose Association expects Sweden's output and deliveries of wood pulp to approach 3.6 million tons in 1965. Production will be about 6 per cent more than in 1964. The demand for bleached qualities of wood pulp noticed during 1964 is expected to continue, and the new pulp prices applicable to 1965 deliveries will mean a return to about the level prevailing on the West European market in 1957. These increases must, however, be regarded as modest in view of the large increases in costs in recent years—Stockholm.

TRADE COMMISSIONERS ON TOUR

In Canada

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

Australia—E. E. Price, Assistant Commercial Secretary in Sydney:

Vancouver—June 7-10
Edmonton—June 11
Regina—June 14
Winnipeg—June 15
Toronto—June 16-22
Montreal—June 23-29
Quebec City—June 30
Ottawa—July 2-15

When he completes his tour, Mr. Price will be posted to Athens, Greece, as Assistant Commercial Secretary.

Belgium—L. H. Ausman, Commercial Counsellor in Brussels:

Toronto—May 31-June 4
Ottawa—June 7-11
Winnipeg—September 1-3
Montreal—September 7-15
Quebec City—September 16

When he completes his tour, Mr. Ausman will be posted to London, England, as Minister (Commercial) .

Colombia—J. G. Ireland, Commercial Secretary in Bogota:

Ottawa—June 14-24
Quebec City—June 25
Montreal—June 28-July 2
Toronto—July 5-9
Winnipeg—July 12-13
Regina—July 14
Edmonton—July 15
Vancouver—July 16-20

Hong Kong—N. R. Gish, Assistant Trade Commissioner in Hong Kong:

Vancouver—June 21-24
Edmonton—between June 26 and July 21
Regina—July 23
Winnipeg—August 9
Toronto—August 11-12
Montreal—August 13-16
Quebec City—August 17
Ottawa—August 18-27

Nigeria—G. F. Mintenko, Commercial Secretary in Lagos:

Ottawa—May 13-26
Montreal—May 27-June 1
Quebec City—June 2
Toronto—June 3-8
Southern Ontario—June 9-15

Philippines—J. L. Mutter, Consul General and Trade Commissioner in Manila:

Vancouver—May 17-28
Calgary, Edmonton—May 31-June 2
Regina—June 4
Winnipeg—June 7-8
Toronto—June 14-23
Southern Ontario, including Hamilton—June 24-29
Montreal—June 30-July 9
Quebec City—July 2

United States—R. R. Parlour, Commercial Counsellor in Washington:

Ottawa—June 7-18
Montreal—June 21-14
Quebec City—June 25
Toronto—June 28-July 2

N. L. Currie, Consul and Trade Commissioner in Cleveland:

Montreal—June 14-18
Toronto—June 21-25

In Territory

Barbados—L. D. R. Dyke, Commercial Secretary in Port-of-Spain, Trinidad, will visit Barbados during the last week of May.

Britain—W. R. Van, Trade Commissioner in Liverpool, will visit Birmingham June 8-11.

British Guiana—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit British Guiana during the second week of June.

Italy—J. J. R. Gagnon, Assistant Commercial Secretary in Rome, will visit Sicily May 17-22.

Libya—W. J. Jenkins, Commercial Secretary in Rome, Italy, will visit Tripoli May 24-30.

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

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Argentina Paraguay	M. B. Bursey Commercial Counsellor H. E. Ryan Assistant Commercial Secretary (Agriculture)	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	J. A. Stiles Commercial Counsellor for Canada R. L. Richardson Assistant Commercial Secretary	21st Floor A. M. P. Building Circular Quay SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Phone:* 27-7565 *Telex:* SYD 600 (CANADIAN SYD)
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada R. D. Lucas Assistant Commercial Secretary J. D. Tennant Assistant Commercial Secretary	Mobile Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-3473 *Telex:* MLB 501 (CANADIAN MLB)
Australia	J. B. O'Neill Commercial Secretary D. I. Campbell Assistant Commercial Secretary	Office of the High Commissioner for Canada Commonwealth Avenue CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Phone:* 7-2541 *Telex:* CBA 62017 (DOMCAN CBA)
Austria Albania, Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	C. F. Wilson Minister-Counsellor (Commercial) W. J. Collett Commercial Secretary R. J. L. Berlet Assistant Commercial Secretary	Obere Donaustrasse 49/51 VIENNA II	*Mail:* P.O. Box 190, Vienna 1/8 *Cable:* CANADIAN *Tel.:* 23-32-94 *Telex:* 07-5320 (DOMCAN VIENNA)
Belgium Luxemburg, European Economic Community, European Atomic Energy Com- munity, European Coal and Steel Community	Commercial Counsellor (absent) M. Faguy Acting Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 13.38.50 *Telex:* 221613 (DOMCAN BRU)
Brazil	C. M. Forsyth-Smith Commercial Counsellor J. P. Richards Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164-ZC-00 *Cable:* CANADIAN *Phone:* 42-4140 *Telex:* RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. W. Burchill Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SÃO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Phone:* 36-6301
Britain	S. G. Tregaskes Commercial Counsellor	Office of the High Commissioner for Canada One Grosvenor Square LONDON, W.1	*Mail:* (City Address) *Cable:* SLEIGHING, LONDON, W.1 *Phone:* MAYfair 9492 *Telex:* 22526 (DOMINION LDN)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Britain	J. M. Rochon Commercial Counsellor (Metals and Minerals) G. E. Woollam Commercial Counsellor (Agriculture) H. M. Maddick Commercial Counsellor W. M. Miner Commercial Secretary (Agriculture) E. J. Ward Commercial Secretary (Timber) O. Hickie Commercial Secretary (Timber) G. W. Rooney Assistant Commercial Secretary (Industrial Development) N. L. Williams Assistant Commercial Secretary E. L. Bobinski Assistant Commercial Secretary H. G. Garland Attaché (Fisheries) Miss M. A. Armstrong Attaché (Exhibitions)		*Cable:* TIMCOM, LONDON, W.1
Britain (Midlands, North England)	W. R. Van Canadian Government Trade Commissioner D. S. Armour Assistant Trade Commissioner	Martins Bank Building Water St. LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* MARitime 2177
Britain (Scotland)	Finlay Sim Canadian Government Trade Commissioner D. H. Leavitt Assistant Trade Commissioner	Cornhill House 144 West George St. GLASGOW C.2	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* DOUglas 6751
Britain (Northern Ireland)	Finlay Sim Canadian Government Trade Commissioner D. H. Leavitt Assistant Trade Commissioner	15-17 Chichester St. BELFAST 1	*Mail:* (City Address) *Phone:* 21867
Cameroun Central African Republic, Chad, Congo (Brazzaville), Gabon		Canadian Embassy Soppo Priso Bldg. rue Joseph Clerc YAOUNDE	*Mail:* P.O. Box 572 *Phone:* 38-03
Ceylon	Commercial Division	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Phone:* 91341 *Telex:* 106 (DOMCAN COLOMBO)
Chile	R. E. Gravel Commercial Counsellor Z. W. Burianyk Assistant Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Phone:* 64189
Colombia Ecuador	J. G. Ireland Commercial Secretary (absent) J. C. Bradford Acting Commercial Secretary	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 8582 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Phone:* 43-00-65

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Congo	Chargé d'Affaires	Canadian Embassy C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Phone:* 2706 *Telex:* LEO 268 (DOMCAN LEO)
Cuba	Commercial Division	Canadian Embassy Calle 30 No. 518 esquina 7ª Avenida Miramar HAVANA	*Mail:* Gaveta 6125 *Cable:* CANADIAN *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor G. H. Musgrove Assistant Commercial Secretary (Agriculture)	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Hilda 3306 *Telex:* 5036 (DOMCAN KH)
Dominican Republic Puerto Rico	K. F. Noble Commercial Counsellor and Consul J. E. Kepper Assistant Commercial Secretary	Canadian Embassy Edificio Copello 408 Calle El Conde SANTO DOMINGO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Phone:* 2-8138
France Algeria, Morocco	R. Campbell Smith Minister-Counsellor (Economic/Commercial) J. E. Montgomery Assistant Commercial Secretary (Agriculture) G. P. Morin Assistant Commercial Secretary D. H. M. Branion Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* BALzac 99-55 *Telex:* 20600 OR 20601 (DOMCAN A PARIS)
Germany Federal Republic (States of Baden-Wuerttemberg, Bavaria, Hesse, Rhineland-Palatinate, Saar; West Berlin)	H. J. Horne Commercial Counsellor W. F. Hillhouse Commercial Counsellor (Agriculture) C. Renaud Assistant Commercial Secretary	Canadian Embassy Kennedy-Allee 35 BAD GODESBERG	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 76995 *Telex:* 886421 (DOMCAN BONN)
Germany (State of North Rhine-Westphalia)	H. E. Campbell Consul J. A. Elliott Consul G. D. Valentine Vice Consul	Canadian Consulate Koenigsallee 82 4 DUESSELDORF 1	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 2-05-25
Germany (City States of Bremen and Hamburg, States of Lower Saxony and Schleswig-Holstein)	R. W. Blake Consul General D. S. McCracken Vice Consul	Canadian Consulate General Ferdinandstrasse 69 HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 326149
Ghana Guinea, Ivory Coast, Liberia, Mali, Mauretania, Togo, Upper Volta	M. S. Strong Commercial Counsellor R. A. Kilpatrick Assistant Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Phone:* 4824 *Telex:* 224 (DOMCAN ACC)
Greece Turkey	B. A. Macdonald Commercial Counsellor F. I. Wood Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS 138	*Mail:* (City Address) *Cable:* DOMCAN ATHENS 5584 *Phone:* 714-041 *Telex:* 5584 (DOMCAN ATHENS 5584)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Guatemala Costa Rica, El Salvador, Honduras Nicaragua, Panama and Canal Zone	H. E. Lemieux Commercial Counsellor J. H. Nelson Commercial Secretary P. D. Donohue Assistant Commercial Secretary	Canadian Embassy 5a Avenida 11-70, Zone 1 GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Phone:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	R. K. Thomson Senior Canadian Government Trade Commissioner P. M. Roberts Trade Commissioner R. G. Woolham Trade Commissioner	P & O Building 11th Floor 21-23, Des Vœux Road, Central HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Phone:* 224087 *Telex:* HKG 391 (DOMCAN HKG)
India (except States of Gujerat, Maharashtra, Andhra Pradesh, Mysore, Madras, Kerala) Bhutan, Nepal, Sikkim	W. G. Roberts Acting Commercial Secretary	13 Golf Links Road NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Phone:* 61-8254 *Telex:* 346 (DOMCAN DLI)
India (States of Gujerat, Maharashtra, Andhra Pradesh, Mysore, Madras, Kerala)	W. G. Brett Canadian Government Trade Commissioner	Gresham Assurance House Mint Road BOMBAY 1-BR	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Phone:* 255154
Iran	W. Gibson-Smith Commercial Counsellor	Canadian Embassy Bezrouke Building Corner of Takht Jamshid Ave. and Forsat St. TEHRAN	*Mail:* P.O. Box 1610 *Cable:* CANTRACOM *Phone:* 4-9291
Ireland	P. V. McLane Commercial Counsellor for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44251
Israel Cyprus	B. C. Steers Commercial Secretary for Canada G. L. Gagne Assistant Commercial Secretary	84 Hahashmonaim St. TEL AVIV	*Mail:* (P.O. Box 20140) *Cable:* CANADIAN *Phone:* 37161/2 *Telex:* 740 (DOMCAN TV)
Italy (Toscana, Marche, Umbria, Lazio, Abruzzi-Molise, Puglia, Campania, Basilicata, Calabria, Sicilia, Sardegna), Libya, Malta	J. H. Stone Commercial Counsellor W. J. Jenkins Commercial Secretary J. J. R. Gagnon Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 864-327 *Telex:* 61056 (DOMCAN ROME)
Italy (Emilia-Romagna, Lombardia, Piedimonte, Trentino-Alto Adige, Veneto, Liguria, Trieste, Valle D'Aosta, Friuli-Venezia)	A. B. Brodie Consul General and Trade Commissioner N. R. Cumming Consul and Assistant Trade Commissioner	Canadian Consulate General Via Pirelli 19 MILAN	*Mail:* C.P. 3977 *Cable:* CANTRACOM *Phone:* 652-485/652-600 *Telex:* 31368 (CANTRACOM MILAN)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Jamaica Bahamas, British Honduras	L. D. Burke Commercial Secretary	Office of the High Commissioner for Canada 32 Duke St. (corner Duke and Barry Sts.) KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Phone:* 26948
Japan Korea, Okinawa	R. G. C. Smith Minister (Commercial) P. A. Savard Commercial Counsellor J. D. Blackwood Commercial Secretary E. L. Gray Assistant Commercial Secretary	Canadian Embassy 16, Omote-Machi 3-chome, Akasaka, Minato-ku TOKYO	*Mail:* Canadian Embassy c/o Akasaka Post Office, Tokyo *Cable:* CANADIAN *Phone:* 408-2101/8 *Telex:* TK 2218 (DOMCAN TK 2218)
Lebanon Iraq, Jordan, Persian Gulf area, Saudi Arabia, Syria	L. A. Campeau Commercial Counsellor V. G. Lotto Assistant Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Phone:* 250955 *Telex:* 652 (DOMCAN BERYT)
Malaysia Burma, Thailand, Brunei	Geo. Hazen Acting Trade Commissioner F. M. Mulkern Assistant Trade Commissioner	American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Phone:* 74633
Mexico	M. B. Blackwood Commercial Counsellor H. S. Hay Commercial Secretary J. E. G. Gibson Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado Postal 5-364 *Cable:* CANADIAN *Phone:* 33-14-00 *Telex:* 00017716 (DOMCAN MEX)
Netherlands	D. A. B. Marshall Commercial Counsellor J. B. McLaren Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-41-11 *Telex:* 31270 (DOMCAN HAGUE)
New Zealand Fiji, Tahiti, Tonga, Western Samoa	W. B. McCullough Commercial Counsellor C. A. Carruthers Assistant Commercial Secretary	Office of the High Commissioner for Canada 3rd Floor, ICI Building Molesworth Street WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Phone:* 70-644 *Telex:* WELLINGTON NZ 3505 (DOMCAN NZ 3505)
Nigeria Dahomey, Gambia, Niger, Senegal, Sierra Leone	G. F. Mintenko Commercial Secretary (absent) R. A. Food Acting Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	*Mail:* P.O. Box 851 *Cable:* CANADIAN *Phone:* 25262
Norway Iceland	J. E. P. Lancaster Commercial Secretary M. R. Bell Assistant Commercial Secretary	Canadian Embassy Fridtjof Nansens Plass 5 OSLO 1	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Phone:* 33-30-80 *Telex:* OSLO 1880 (DOMCAN OSLO)
Pakistan Afghanistan	R. D. Sirrs Commercial Secretary R. D. Lee Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Road KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Phone:* 50322 *Telex:* KRC 10 *Telex:* KARACHI 10 (DOMCAN KHI)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Peru Bolivia	K. G. Ramsay Commercial Counsellor D. J. McEachran Assistant Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Phone:* 72760
Philippines Republic of China (Taiwan)	J. L. Mutter Consul General and Trade Commissioner (absent) R. C. Anderson Consul and Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Phone:* 5-85-97
Portugal Angola, Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor P. A. Thébèrge Assistant Commercial Secretary	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 55-31-18
Rhodesia Malawi, Seychelles Is., Zambia	I. R. Smyth Acting Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Ave. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Phone:* 26571
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner S. B. McDowall Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Sts. JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Phone:* 834-6521
South Africa (Cape Province), St. Helena, South West Africa	H. W. Richardson Canadian Government Trade Commissioner R. G. Godson Assistant Trade Commissioner	13th Floor African Life Centre St. George's St. CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANADIAN *Phone:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Spanish Sahara	M. T. Stewart Commercial Counsellor R. M. Dawson Commercial Secretary	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Phone:* 47-54-00
Sweden Finland	G. A. Browne Commercial Counsellor J. P. Bell Assistant Commercial Secretary	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Phone:* 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor B. Horth Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 44-63-81 *Telex:* 22686 (DOMCAN GENEVE)
Trinidad and Tobago Barbados, Leeward and Windward Islands, British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	L. D. R. Dyke Commercial Secretary	Office of the High Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 1246 *Cable:* CANADIAN *Phone:* 34787

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Union of Soviet Socialist Republics	J. M. T. Thomas Commercial Secretary	Canadian Embassy 23 Starokonyushenny Pereulok Moscow	*Mail:* (City Address) *Cable:* CANAD *Phone:* 415142 *Telex:* 945 (DOMCAN MSK)
United Arab Republic Aden, Sudan, Ethiopia, Yemen	Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Phone:* 23110
United States	W. J. Van Vliet Commercial Counsellor R. R. Parlour Commercial Counsellor W. R. Hickman Commercial Counsellor (Agriculture) N. W. Boyd Commercial Secretary S. G. Harris Assistant Commercial Secretary	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 36, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011 (Area Code 202) *Telex:* 0089664 (DOMCAN WSH)
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 36, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011 (Area Code 202)
United States (Connecticut, the eleven northern counties of New Jersey, New York) Bermuda	C. J. Van Tighem Deputy Consul General (Commercial) A. A. Lomas Consul and Trade Commissioner W. G. Huxtable Consul and Trade Commissioner C. G. Bullis Consul and Assistant Trade Commissioner J. D. Welsh Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* JUdson 6-2400 *Night Line:* JUdson 6-2321 (Area Code 212) *Telex:* 00126242 (DOMCAN NYK)
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	M. R. M. Dale Consul and Senior Trade Commissioner W. A. Stewart Consul and Trade Commissioner D. S. Baker Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston St. BOSTON 16	*Mail:* (City Address) *Phone:* 262-3760 (Area Code 617) *Telex:* 0094567 (DOMCAN BSN)
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Kentucky, Missouri, Nebraska)	D. H. Cheney Consul and Senior Trade Commissioner V. B. Chew Consul and Trade Commissioner R. H. Gayner Consul and Trade Commissioner M. Rowan Consul and Assistant Trade Commissioner L. G. Lee Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 310 South Michigan Ave. Suite 2000 CHICAGO, ILLINOIS 60604	*Mail:* (City Address) *Phone:* 427-7926 (Area Code 312) *Telex:* 0025571 (DOMCAN CGO)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
United States (Ohio)	A. W. Evans Consul and Senior Trade Commissioner N. L. Currie Consul and Trade Commissioner	Canadian Consulate Illuminating Building 55 Public Square CLEVELAND	*Mail:* (City Address) *Phone:* 861-1660 (Area Code 216) *Telex:* 00985364 (DOMCAN CLV)
United States (Michigan)	I. V. Macdonald Consul and Trade Commissioner K. D. Taylor Consul and Assistant Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT, MICHIGAN 48226	*Mail:* (City Address) *Phone:* WOodward 5-2811 (Area Code 313) *Telex:* 0023445 (DOMCAN DET)
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	F. B. Clark Consul and Trade Commissioner L. J. Taylor Consul and Assistant Trade Commissioner J. H. Suggitt Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 510 West Sixth St. LOS ANGELES 14	*Mail:* (City Address) *Phone:* MAdison 2-2233 (Area Code 213) *Telex:* 00674119 (DOMCAN LSA)
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. E. Blackstock Consul and Trade Commissioner	Canadian Consulate General Suite 1710 225 Baronne St. NEW ORLEANS 12	*Mail:* (City Address) *Phone:* JAckson 5-2136 (Area Code 504) *Telex:* 0058237 (DOMCAN NLN)
United States (Delaware, Maryland, the nine southern counties of New Jersey, Pennsylvania, Virginia, West Virginia)	W. J. Millyard Consul and Trade Commissioner R. F.Turcotte Consul and Assistant Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* LOcust 35838 (Area Code 215) *Telex:* 0083396 (DOMCAN PHA)
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 333 Montgomery St. SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* YUkon 1-2670 (Area Code 415) *Telex:* 0034321 (DOMCAN SFO)
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1	*Mail:* (City Address) *Phone:* MUtual 2-3515 (Area Code 206) *Telex:* 0032462 (DOMCAN SEA)
Uruguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	*Mail:* Apartado 11452-Este *Cable:* CANADIAN *Phone:* 32.40.41.44

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, 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 .9267.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 30	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2201	4.54	
Argentina	Peso	Free	.006310	158.48	(9)
Australia	Pound		2.4166	.4138	
Austria	Schilling		.04179	23.93	
Bahamas	Pound		3.0207	.3310	
Belgium and Luxemburg	Franc		.02174	46.00	
Bermuda	Pound		3.0207	3310	
Bolivia	Peso		.09172	10.90	
Brazil	Cruzeiro	Official Free	.0005872	1,702.99	
Britain	Pound		3.0207	.3310	
British Guiana	Dollar		.6293	1.59	
British Honduras	Dollar		.7552	1.32	
Burma	Kyat		.2266	4.41	
Ceylon	Rupee		.2266	4.41	
Chile	Escudo	Bank rate	.3627	2.76	
		Free	.3053	3.28	
Colombia	Peso	Free	.07053	14.18	
		Certificate	1199	8.34	
Congo, Republic of	Franc		.007194	139.00	(1)
Costa Rica	Colon		1629	6.14	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1499	6.67	
Denmark	Krone		.1562	6.40	
Dominican Republic	Peso		1.07906	.9267	
Ecuador	Sucre	Official	05995	16.68	
		Free	.05773	17.32	
El Salvador	Colon		.4316	2.32	
Fiji	Pound		2.7213	3675	
Finland	Markka		.3372	2.97	
France, Monaco, etc.	Franc		.2201	4.54	(2)
Franco-African Republics, etc.	Franc		004402	227.17	(3)
French Pacific	Franc		.01211	82.58	(4)
Germany	D Mark		.2712	3.69	
Ghana	Pound		3.0207	.3310	
Greece	Drachma		.03597	27.80	
Guatemala	Quetzal		1.07906	.9267	
Haiti	Gourde		.2158	4.63	
Honduras	Lempira		.5395	1.85	
Hong Kong	Dollar	Free	1873	5.34	April 23
		Official	.1888	5.30	

*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 April 30	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	02509	39.86	(1)
India	Rupee		.2266	4.41	
Indonesia	Rupiah		.004316	231.70	(1)
Iran	Rial		.01425	70.18	
Iraq	Dinar		3.0214	.3310	
Ireland	Pound		3.0207	.3313	
Israel	Pound		.3597	2.78	
Italy	Lira		.001727	579.04	
Japan	Yen		.002998	333.56	
Lebanon	Pound	Free	.3536	2.83	
Malaysia	Dollar		3525	2.84	
Mexico	Peso		.08634	11.58	
Morocco	Dirham		.2158	4.63	
Netherlands	Florin		.2995	3.34	
Netherlands Antilles	Florin		.5722	1.75	
New Zealand	Pound		3.0099	.3322	
Nicaragua	Cordoba		.1542	6.49	
Nigeria	Pound		3.0207	.3310	
Norway	Krone		1510	6.62	
Pakistan	Rupee		.2266	4.41	
Panama	Balboa		1.07906	.9267	
Paraguay	Guarani	Free	.008634	115.82	
Peru	Sol	Free	.04022	24.86	
Philippines	Peso	Free	.2770	3.61	
Portugal & Colonies	Escudo		.03753	26.65	(5)
Sierra Leone	Leones		1.5107	.6619	
South Africa	Rand		1.5104	.6621	
Spain and Dependencies	Peseta		.01802	55.49	
Sweden	Krona		.2092	4.78	
Switzerland	Franc		2482	4.03	
Syria	Pound	Free	.2825	3.54	
Thailand	Baht	Free	.05223	19.15	(1)
Tunisia	Dinar		2.0664	.4839	
Turkey	Lira		.1199	8.34	(1)
United Arab Republic	Pound	Official	2.4818	.4029	
United States	Dollar		1.07906	.9267	
Uruguay	Peso	Free	.02847	35.12	(6)
Venezuela	Bolivar	Official Free	2402	4.16	
West Indies	Dollar		.6293	1.59	(7)
	Pound		3.0207	.3310	(8)
Yugoslavia	Dinar	Official	.001439	694.93	

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. New official rates established March 18, 1965, were Pesos 23 and 24 per U.S. dollar. The corresponding free market rates on March 19, 1965, were Pesos 29.90 and 30.70 per U.S. dollar. Rate quoted is the selling rate on the free market on March 19, 1965.
7. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
8. Jamaica.
9. Argentina devalued its currency by about 12 per cent on April 20, 1965.

New Currents in International Trade and Implications for Canadian Commercial Policy

"Three key issues of commercial policy facing Canada today are trade with the less developed countries, East-West trade, and the progress of the Kennedy Round of Tariff negotiations", the Honourable Mitchell Sharp, Minister of Trade and Commerce, said in an address to the 1965 Annual Conference of the Canadian Importers Association on April 6.

He pointed out that the aspirations of the less developed countries will not be realized merely through external aid. Canada maintains only minimal barriers to imports of tropical products. Increased trade opportunities and the development capital thereby attracted to the less developed nations can multiply the benefits of external aid. Some of the manufacturing industries in less developed countries have a competitive edge in international markets because of relatively low labour costs. Disruptive trade is neither in our interest, nor in the interest of less developed countries. Canada has arrangements to avoid the disruption of domestic commerce and the dislocation of labour which can be associated with a flood of such imports. Because of these precautionary measures, which apply to a limited list of imports, we have been able to go a long way towards developing mutually advantageous trade with these countries along orderly lines. We will continue to build on this as our market grows.

Mr. Sharp sees East-West trade as a relatively unexploited field of commerce. "Canada has a major stake in the development of trade relations with the Sino-Soviet bloc. On the one hand, we cannot afford to ignore the potentialities of trade with the planned economies. Nor, on the other hand, can we ignore the kind of competition that is bound to arise from such economies both in export and domestic markets.

"Except for wheat and flour, we do very limited business with the Sino-Soviet group. The scope for East-West trade is severely circumscribed by the very nature of socialist planned economies and by the prevailing attitudes towards trade in both market economies and such planned economies. Access to the Canadian market is in general a matter of law; in other words an importer is free to bring goods into Canada from any country on payment of the duties set forth in the customs tariff. Apart from Commonwealth preference, every member of the G.A.T.T. and every country with which we have a most-favoured-nation treaty is subject to the same rates of duty. This includes all the significant trading countries with socialist planned economies recognized by Canada, except Rumania and Albania.

"As far as imports are concerned, our basic policy is non-discrimination. Access to a country with a socialist planned economy, on the other hand, is a matter of administrative decision as part of an overall plan.

"Trade negotiations between countries with market economies, and those with socialist planned economies, differ greatly from negotiations between countries with market economies. That is why in negotiating trade agreements with the U.S.S.R., Bulgaria, and Hungary, Canada has insisted upon minimum purchase commitments for Canada's produce in return for most-favoured-nation treatment in the Canadian market.

"One of the special difficulties for any country with a market economy like Canada is the matter of valuing imports from countries with a planned economy. The general rule is, as you know, that imports shall be valued at their fair market value in country of origin. This rule was devised for imports from countries with a market economy like our own where competition prevails. In socialist planned economies, however, prices at home are fixed not by competition but on some other basis which may not be directly related to costs, and may be quite different from the prices at which the same goods are offered for export.

"It is by no means easy to build a bridge between East and West over which goods can move freely to the mutual advantage of both. I believe, however, that it is well worth making the effort. One way of reducing the barriers, and of changing the attitudes that now prevail, is to demonstrate the advantages of trading by actually engaging in it.

"As I have said, the Canadian market is open to goods on a non-discriminatory basis from practically all countries. Except for strategic goods, there are no limitations imposed by Canada on the sale of Canadian goods to any destination. Accordingly, East-West trade is a field for Canadian importers and exporters to demonstrate their initiative and enterprise."

With regard to the Kennedy Round, Mr. Sharp said a great deal of the future evolution of international trade relations will depend on the outcome of these negotiations. World trade in agricultural products and industrial raw materials shows a decline relative to trade in manufactured goods. Thus Canada, which in the past has relied very heavily on the export of these products, must look to manufacturing and service industries to provide jobs for the record numbers of young people entering the labour force. In this the Kennedy Round is significant. The Kennedy Round will not achieve all its goals—indeed it may fall far short—but it promises nevertheless to be the most far reaching step ever taken towards freeing trade on a global scale. We will be bargaining hard for improved access to markets for our exports, and stand ready to reciprocate in full measure for the concessions we receive. Foreign tariffs on most of our primary exports are already low. Barriers to imports of manufactured goods, particularly into the rich U.S. market however, have limited the expansion of our secondary manufacturing. The Minister continued, "A successful outcome to the Kennedy Round negotiations could help a good deal to strengthen and diversify Canadian manufacturing, which I believe to be essential for continued prosperity."

Since international competitiveness is to a considerable extent a function of size, our future in world trade will have to be based on specialization. We will continue to search for those lines in which we have a competitive advantage, and secure access for them so that production runs for the limited Canadian market can be supplemented by sales abroad. A successful outcome to the Kennedy Round resulting in reduced barriers to Canadian manufactured goods could strengthen and diversify Canada's manufacturing industry. ●

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