

JUNE 12. 65

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



**Canada Puts on
a Food Festival
in Jamaica**

A Canadian Looks at Advertising in the EEC

The author has spent the last six months in Europe, administering his company's European affiliate. He has observed advertising media and practices there with a shrewd eye—and he offers equally shrewd advice on spending one's EEC advertising dollar wisely.

WILLIAM POGSON, *Shaver Poultry Breeding Farms Ltd.*

ACCEPT the Common Market as being five separate units (Benelux being singular) and you are halfway to success with your advertising program. Ignore this fact at your peril. If it is your intention to penetrate them simultaneously, you must consider the great differences, despite the over-all success of the EEC, which still exist. One has only to cross a frontier to become acutely aware of this.

Many factors accentuate these differences—which will persist during the foreseeable future—and they are by no means exclusively historical. All are sovereign peoples. As such they have entirely separate laws. These laws, coupled with cultural, economic and linguistic differences, are compounded in the commercial sense by different currencies and an entirely different outlook on life generally. The five areas are separate in their requirements and therefore should be approached separately.

The key to appreciating these differences, as they apply to the best manner in which to advertise your products, is to understand the

national characters—that, and certain irrefutable economic facts that unity may have minimized but has not entirely dispelled.

The Netherlands—Challenging

A comparatively small market (12 million). But don't sell the Dutch short. They own three of the largest trading corporations in the world—Royal Dutch Shell, Unilever and Philips. They are rapidly making a name for themselves in the quality textile field, are global traders, internationally minded, extremely conservative—and very shrewd. If you can sell (depending on your product) in Holland, the EEC is your oyster.

The Dutch can be relied upon implicitly to go by the book. They are not interested in doing business on any other basis. Lay down a course of action, define terms of reference, and they will be followed to the letter. But they are by no means unimaginative. You will receive in Holland exactly what you ask for. State from the outset what you require and that is what you will receive—no more, no less.

Printing costs in the Netherlands are low; only Italy within EEC will come through with a cheaper rate. But the quality of the workmanship is superb. At Utrecht, some 40 kilometres from Amsterdam, there is one of the largest and most modern litho and offset plants in the world and 75 per cent of its business is export business. Companies in North America find it cheaper to use this plant, ship the material across the Atlantic, and presumably pay duty on it.

Advertising at grass roots successfully uses a medium long since forgotten in Canada: the movie house. All cinemas screen 15 minutes of highly colorful and often very imaginative slides and 'quickies'. They are screened immediately following the newsreel and before the feature. This type of advertising enjoys a captive audience. And there is a great deal of co-operation between the manufacturer and the local stockist. Either part of the costs is defrayed or a 'backup' piece is screened simultaneously.

Direct mail and door-to-door advertising are very popular. The peak

period in Arnhem, an average-sized city where I have lived for several months, appears to be Saturday afternoon. Top score twelve pieces, the majority of which were attractively printed (complete with multi-colored, properly addressed wrappers) and well laid out. There is nothing cheap about the Dutch.

Nation-wide circulation of newspapers is unknown. The local and city-based papers are well patronized. One city of less than 50,000 inhabitants has ten daily newspapers. Quarter-page spreads seem to be the most popular size of advertisement for consumer goods. The weekend editions bring the occasional full-page ad but certainly not on the scale used in Canada and the United States. This is because the department stores and supermarkets (what few there are) are located in the bigger cities and there is therefore less need for national-type advertising. It is a fact that the Dutch, although they are great international travellers, do the majority of their purchasing in their own localities. Ergo, newspapers have a minimal effect on their buy-

ing habits. They probably prefer to window-shop—which explains the spate of direct mail and house deliveries.

There are six radio networks and two T.V. channels. Paradoxically, although they manufacture the finest electronic equipment in the world, the Dutch succeed in turning out the drollest of programs. The hard sell in this way is out. But many Dutch commercial concerns happily use at least one seaborne 'pirate' radio/T.V. station, and Radio Luxembourg—for once, not going by the book.

The Netherlands is an interesting country and a very challenging market for Canadians. It could break your heart. But the company that cracks the pattern will not only make a fortune but will win accolades from many foreign manufacturers who have yet to produce the magic (advertising) formula.

Italy—Try Weeklies

An economic enigma within an atmosphere of Common Market progress and prosperity, Italy has yet to bridge that gap between the

poverty of the south and the island, and the new-found affluence of the industrial north. There is a great deal of unemployment (in fact, full employment in the other EEC countries has brought Italians, Spaniards, Turks and Greeks flooding into them).

Your advertising pitch and sales approach are very important in Italy. What section of the market are you aiming at? If it is a competitive consumer product, Milan, Genoa, Bologna, Naples, and possibly Rome are the main areas of interest. You can do your product a great deal of harm in Italy by going off half-cocked. Give it a lot of thought. It is a growing market but can be a frustrating one. The Italian buyer is astute, but being Latin, he will go for the colorful and gaudy rather than the plain and durable.

Distances are great. There are no truly national newspapers. Afternoon and evening papers, except in the four most populous areas, enjoy relatively small circulations. The chief medium for printed advertising is the weekly magazine. Profusely illustrated, these enjoy tremendous popularity and massive circulations. They are Latin in outlook, well printed, and extremely cleverly laid out. The Italians have reduced the use of color printing in advertising to the point where it has become almost commonplace. If you wish to cover the mass market in Italy most effectively (not necessarily cheaply), these magazines offer the best medium.

Italy has developed in recent years a tremendous export trade in the quality printing business. Many British and continental firms have all their artwork done either in Italy, the Netherlands or West Germany (the staid British *Sunday Telegraph* weekend supplement is printed in Germany). But advertising rates are pretty steep. The only advantage is that you are assured of maximum coverage.

The Italian trade press is strong, influential, well established and



Direct mail is not the most popular form of advertising in Belgium, though several companies specialize in it. They commonly use messengers to distribute material.

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widely used. One journal in the agricultural field has three times the circulation of its French opposite number, and contains four times the number of pages. It is illogical, because no such ratio exists between industry in the two countries.

Radio and T.V. are a mixed bag. Of the two T.V. networks, only one carries commercial advertising and has merely 30 minutes saleable time spread over seven hours every evening. It is therefore expensive, keenly contested, and in my opinion, mainly ineffectual. Two of the three radio networks accept spot commercials. If quality is any criterion, even to my untuned Italian-language ear, it does not appear to be an effective means. Either that, or the average Italian has mastered the art of doing three things at once, including listening to radio commercials.

Unfortunately I have few statistics to go by, but I would hazard an educated guess that outdoor advertising enjoys wider acceptance in Italy than elsewhere within the EEC. Many of the billboards are an eyesore. Strange, because the Italian Government controls all the main sites (those on the throughways, for example). Large companies rent from the authorities and then sublet. Some of these hoardings are colorful and imaginative. This aspect of advertising in Italy is coming along fast.

Trade literature is well produced. The average trade journal is well supported with advertising, carefully edited and well illustrated. There is an almost lavish use of color. Ads outnumber editorial content by two to one.

The Italians are lottery and giveaway conscious. Premiums, prizes and contests enjoy even wider acceptance than in Canada, the United States and Britain. Other conventional methods of advertising used are public transportation and railway stations, and neon signs and strip lighting saturate the night-life in the majority of fair-sized cities. And there are some

not-so-conventional methods used: I spotted two helicopters trailing signs behind them in Genoa.

Italy is a developing market, but how to advertise there must be given a lot of attention. Your Italian ad agency will operate directly opposite to the Dutch in terms of reference. Italians are highly imaginative and you have to keep after them. You may not recognize your own advertisement if you don't.

France—Need French Image

Independent and even chauvinistic the Frenchman is inherently suspicious of anything that does not bear a 'Made In France' label, at least in the realm of advertising, publicity and public relations. If you wish to be successful, you must project an entirely French image—sometimes difficult without watering down your Canadianism.

Of all the ECM countries, France *appears* to know and understand the power of advertising the best (a possible exception, in a different way, is West Germany). It is certainly used skilfully and to great effect in business and commerce and is highly developed. As pure commercial propaganda, advertising has been employed for a long time. The French were the first people in Europe to use the large brick-ended walls of houses as semi-permanent advertising sites.

In France the newspaper situation is complex. The strictly local press is ineffective, but at provincial level—mainly in the eight population-saturated areas—it really comes into its own and wields tremendous influence.

The provincial press is widely read and circulations range from 200,000 up. Distance dictates the lack of a national press. City-based newspapers have a large coverage in the surrounding country, Paris primarily, but to a lesser extent around Reims, Lyon and Marseilles.

France is the home of the weekly magazine. My current issue of

Paris Match (March 6, 1965) contains 158 pages, costs twenty cents (Can.) and carries no less than 80 pages of single/double page ads in color and black and white—over 50 per cent, which is some indication of the popularity of this media. Not as many magazines are published as in Italy, but they have tremendous acceptance and terrific circulations—ranging from 200,000 to nearly two million. In France, the weekly magazine is paramount in advertising—and untouchable.

The trade press is large and there are trade papers covering the main industrial and distributive activities. Newspaper and magazine rates are high, especially when equated at lower circulation levels. Rates in the weekly magazines range from the sublime to the ridiculous.

The state-owned RDF, which operates both T.V. and radio stations, does not accept commercials. This, however, does not affect coverage. At least five radio stations and four television stations outside Metropolitan France do carry French commercials, and between them cover some 75 per cent of the country. One recent survey estimated that over 65 per cent of the French listening public tunes into a non-French commercial radio station every day.

Movie houses are used only slightly. Outdoor advertising is used effectively and discreetly. Neon and strip signs are becoming popular, but they have to be leased on long-term agreements and are very expensive.

BLEU—Language Complications

Advertising in Belgium and Luxembourg (BLEU) is somewhat complicated by language. In Belgium, Flemish (which is basically Dutch) and French are used; in Luxembourg, French and German. Areas become pretty clearly defined. French-language newspapers and magazines are published in Liege, Charleroi, Antwerp and Brussels.

There are Flemish-language dailies in Ghent and Antwerp—the latter is a seaport and a commercial centre and is influenced by both languages. It has two names—Antwerpen and Anvers.

There is no commercial advertising on the Belgian state-owned radio networks, but adjacent Radio Luxembourg broadcasts around the clock in six languages, including English and the Lux dialect, Letzeburghesch. (The other programs are in Dutch, French, Flemish and German.) Radio Luxembourg, which has been operating for years, is probably one of the most lucrative commercial operations in the broadcasting world. It is widely listened to throughout Europe (and Britain) and extremely popular with the younger set.

All other normal means of advertising are used. Direct mail does not appear to be popular, although the Brussels technical directory lists several companies which specialize in it and they must make a living.

The trade press is small, specialized and very active. It is mainly backed by trade associations or major industries. One of the major feed companies, for instance, publishes its own magazine and accepts ads from its competitors. But the Trade Commissioner Service in any of these countries keeps this information, constantly up-dated, on file.

However, as a market, one thing sets BLEU apart from the rest of the ECM. It is the attitude of the average Belgian businessman to commerce. He will have a go. And if a venture fails, he does not stay up half the night bemoaning his fate; he is devising some fresh approach for the following morning. In BLEU, and in Belgium particularly, money is meant to be spent—and circulated.

West Germany—Try Duesseldorf

Last, but by no means least. **THIS IS THE MARKET TO AIM FOR!** Advertising per se, agencies

and techniques are more highly developed in West Germany, even though the market can be unsophisticated in patches, mainly in the rural areas.

Nearly \$2 billion will be spent on advertising in the Federal Republic this year, which is big money by any standards. And yet the pattern is strange. There are, for example, over 2,500 publications, with circulations ranging from the thousands to the millions. One popular daily (three million circulation) carries very little advertising.

Again, because of distance, the most popular publications are the local, or city, newspapers. There are possibly ten major cities in West Germany and each has at least one big newspaper, with circulations rising to 500,000. They serve immediately a radius of approximately 50 kilometres.

In common with France and Italy, there are some mass-circulation weekly magazines which give service on a regional basis. The six biggest span Germany from Hamburg to Munich, from the North Sea to the Austrian border. They have a similar impact to their French and Italian counterparts but because of the German nature, are more profound and conservative. They are beautifully produced and the layouts, both in imagination and quality, are possibly the best in Europe.

It depends very much on your product but the business, commercial and economic press—highly developed and supported—is worth examination. All the local Boards of Trade and Chambers of Commerce publish their own house magazines, an invaluable avenue at the local level for your product ads. Many producers of consumer goods, foreign and domestic, use the trade union newspapers and magazines for advertising.

Display advertising and cinemas are becoming popular but the most spectacular advance in recent years has been direct mail. The federal post office maintains a special sec-

tion to deal with this and offers reduced rates under certain clearly defined rules.

Radio and television stations are owned and administered by the Länder, or state governments. They enjoy wide coverage and acceptance. Their programs are first class. In the T.V. field West Germany seems to be ahead of North America and Britain. Rates for radio advertising are low (by our standards) but T.V. rates are high, even with a second network.

But the overriding factor about the West German market is its potential and its acceptance of quality products. And it is the market (next to Holland) that I know best, comparatively.

If I had an average consumer product to sell in Germany (and my product is not average), I would choose the Duesseldorf area for testing—advertising, sales and acceptability. It is the most sophisticated city in West Germany, it is definitely the most prosperous (because of its proximity to the booming Ruhr), and it is the most expensive. If you can sell in Duesseldorf, all things being equal (which they probably will not be) you can sell anywhere in West Germany.

Use the Agencies

Space precludes more than a superficial glance at sales promotion, publicity and public relations. They are allied to advertising, although there are forty good reasons why they should not be.

Before you make a move, establish yourself with a reputable agency within the EEC. The majority of the European agencies have a tie-in with Canadian, United States and British companies; the latter are very active in the Common Market. Those I have come in to contact with are efficient and produce top-flight work. Their media conferences are excellent and despite the fact that our German account executive speaks extremely good English, he insists upon having an interpreter present. They

leave no margin for error. German thoroughness in commerce is most evident in the field of advertising.

But before you take the plunge, a word of warning based on experience. Remember that you will be dealing in at least one foreign language, possibly more. Have someone on your staff in Canada who is fluent in that language. Never insist, merely because your ads are successful in Canada, that the captions be literally translated word for word. Very often they lose their meaning—or what is even

worse, when translated into a foreign tongue mean nothing.

Having paid your agency a good retainer or fee, at least show your trust in it by allowing caption and text of native inspiration to go with your artwork. And don't be too disappointed when these are translated into English; they may convey nothing, because this block works both ways.

Aside from that, and the peculiarities of the market and the differences in languages and customs, there is absolutely no reason why

your advertising should not succeed. The ECM is an exciting part of the world. It is progressing at a faster rate than anywhere else—East or West. You can have a part of it. Others have.

But heed the simple warnings. Go slowly. Build your image, based upon a fine product, from the grass roots upwards. You are not going to conquer this economic "Fortress Europa" overnight—not unless you are Unilever, an Olivetti or a Mercedes Benz.

And it took them a long time. ●

FAIRS AND EXHIBITIONS

Kingston Festival Features Foods

THERE ARE probably very few Jamaicans who do not regularly enjoy at least one of the many food products imported from Canada. In fact, Jamaicans look to Canada for one of the main ingredients of their national dish "saltfish and ackee". Each year Jamaica buys several million pounds of Canadian salt cod.

In addition to cod there are many other food items from Canada which find favour with the Jamaican consumer. Sausages, bacon and ham, canned salmon and sardines, canned vegetables, soups, flour, fresh apples and cheese are just a few of the products of Canada's food industry that are found in most Jamaican supermarkets and grocery stores. For almost 200 years, Jamaica has been buying food products from Canada and in 1964 Jamaican imports of Canadian foodstuffs were valued at \$16 million. This represented 55 per cent of the total value of exports to Jamaica in that year.

To help promote the established lines already being sold to Jamaica and also to introduce a number of new products, it was decided by our office to organize a Canadian Food Festival and this was held in Kingston during the last week of March and the first week of April this year. Seventeen supermarkets participated in this event and the festival consisted of two parts. The stores were supplied with posters, banners and pennants for decoration and also with give-aways, while the local agents representing Canadian food lines offered these at special prices during the two-week period. The supermarkets co-operated by running advertisements telling customers of the Canadian lines which would be on sale.

The festival featured 26 different Canadian food lines. These included such items as peanut butter, canned vegetables, salmon, spices, milk powder, biscuits, cheese, meats, apple juice, spaghetti and macaroni, pickles, sardines, catsup and canned fruit. Several other products were introduced during the festival including new brands of canned corn, peas, apple and other fruit juices and new varieties of sweet biscuits.

Promotion plans also included taste demonstrations. If you had visited any of the larger Jamaican supermarkets in this period you might have been given a sample of Canadian cheese, meatballs and gravy, soup, or powdered milk. The lady of the house might have received a shopping bag, a maple leaf pin, or even a rain cap. The shopping bags were a particularly popular gift and can now be seen all over the island.

We feel the festival was a success. The object was to make the customer more conscious of brands as well as the fact that certain products were imported from Canada. During the two-week period approximately \$100,000 worth of those Canadian food products offered as specials were sold. We are hoping that the customers who tried the various featured products will have found these to be of such good quality and value that they will purchase them on a regular basis. Repeat business, therefore, could be more significant than that done initially. The important thing now is to follow up on what has been achieved. We intend to encourage the local agents representing Canadian manufacturers of foodstuffs to continue to identify their products as originating from Canada, particularly when these are being offered as specials.

Canadian firms exporting food lines to Jamaica should also make sure their agents are aware of any "point of sale" advertising material they have available. Such material is being used increasingly in Jamaica, and when sent from Canada is usually different from that available locally. It can help considerably in creating customer interest and is well received by the stores.

With the increasing competition in Jamaica from other suppliers of foods such as the U.S., Australia and New Zealand, unique and unusual forms of trade development such as the in-store promotion carried on during the Food Festival are necessary if we are to retain, let alone expand, our sales to this market.

—L. D. BURKE,
Commercial Secretary, Kingston.

Women's Wear in the Windy City

*"The style's the man, so books avow;
The style's the woman anyhow."*

WHETHER you agree with Oliver Wendell Holmes or not, it's none the less a fact that women's clothing is big business. Canadian designers have always been interested in getting a larger slice of the lucrative (and highly competitive) United States market. The logical place to start building a solid Canadian image is in a metropolitan centre where department stores and specialty shops are concentrated.

This was why Chicago was chosen as the site for a recent showing of women's and children's wear. Held from April 27 to 29 inclusive in the newly-renovated wing of the Palmer House hotel, the Canadian Apparel Show featured products from 32 garment manufacturers. The display (it filled 24 exhibit rooms) included women's coats and suits, skiwear, suede and leather coats and suits, knitted nylon suits, gloves, handbags, slippers and snow boots.

Sponsored by the Department of Trade and Commerce with the close co-operation of the Manitoba Government, the exhibit was promoted by a comprehensive and carefully planned advertising campaign. Six quarter-pages of paid ads were run in *Women's Wear Daily*, the bible of the industry. Four of these ran before the show and two during its run. A general press release was sent out to about 20 trade magazines, to newspapers in the Chicago area, and to a selected list of consumer publications. Other releases were made up for magazines specializing in such fields as handbags, gloves, etc.

The Canadian fashion-trade magazine, *Style*, worked with Publicity Officers from the Department to produce a 12-page export supplement. Copies were flown to Chicago and were mailed out to 5,500 manufacturers' representatives, buyers and trade press contacts. Two special mailing lists were purchased for this purpose. The editor attended the exhibit himself to gather



One of the "Fashions of the Future" designs shown at the Canadian Apparel Show in Chicago was this bright and perky outfit for the teenager of tomorrow. This Canadian public relations ploy caused a lot of comment from those attending.

material for a first-hand report to other Canadian garment makers.

This show was one of the first of its kind for Canadians and both the Federal Government and the Governments of Ontario and Manitoba took a more than usual interest in its success and sent officials to it. Even the National Film Board became interested. For the first time in trade-show history, a cameraman was sent along to do a still-film feature on the proceedings. The U.S. Customs Department also sent an official to answer any questions from buyers.

Two major receptions highlighted the visit. The first was a get-acquainted gathering for about 165 agents held on the opening night of the show in the hospitality room. A press reception and fashion show was presented the next day at Chicago's Press Club. Models displayed current Canadian fashions to the 200 guests and also gave a "Fashions of the Future" presentation. Fanciful costumes were intended to show what the North American woman of 2075 may wear. A special tape recording of "electronic music" provided the background for the commentary by the Trade Publicity Officer. The special section of the show was designed

and the garments made by the Dōmil Company, a subsidiary of Dominion Textiles Ltd., Montreal. Although the company did not show any garments at Chicago, its assistance, said officials, was invaluable. This reception attracted reporters from *Time*, the *New York Times*, *Women's Wear Daily* and most of the Chicago newspapers.

"Fashions of the Future" attracted such attention that the Commodity Officer from Ottawa was asked to appear on a morning television show on the ABC network. She brought the costumes with her and modelled one of the Canadian dresses. During the course of the 33-minute interview she described the various lines.

Most exhibitors were enthusiastic about the response they received from the Americans. They reported that direct sales were good and that several agency agreements are either in the works or have been concluded.

One of the Canadian advertisements put out during the show said: "These are things that women from all over the world can't help picking up and handling. And maybe holding against their cheek. And buying." Hard-bitten clothing buyers felt the same way. They came; they saw; they bought.

Wide Range of Foods Sells Well at British Fair

CONSUMER advertising has become a vital part of modern merchandising, and the Department of Trade and Commerce is fully aware of this fact of business life. That is why the Department sponsors exhibits at a number of consumer fairs and exhibitions.

One of the most important of these shows on the itinerary this year was the Daily Mail Ideal Home Exhibition which was held at the Olympia in London from March 2 to 27. This is the largest fair of its kind in Britain, and Canada had already participated in three previous shows.

Three Ottawa-based officers joined forces with officials from our London office to assist the 13 companies who were showing their wares. These producers brought with them a great variety of the best of Canadian foods: cheese, canned meats and fish products, honey, apples, canned fruits and vegetables, maple syrup, lobsters, liquors, pickles and nuts.

The 1.5 million visitors to the show were obviously impressed with what the Canadians had to offer. Average weekly sales for each stand were \$3,000. On Saturdays (the busiest days by far) over 1,000 people an hour visited the exhibit which was situated on the Olympia's second floor between a major food section and the international area.

A 28-page booklet entitled *With a Canadian Flavor* was prepared for the show by the Trade Publicity Branch of the Department. It was handed out at the stands along with maple leaf pins and shopping bags. The exhibit generated a great deal of interest and

picture stories featuring the staff appeared in both the *Daily Mail* and *Evening News and Star*. Canadians made several appearances on the ITV television network and on BBC radio. The British food trade magazines were not to be outdone: *Scottish Grocer* and *Catering Management* both ran stories on Canada's part in the exhibition, and the Trade Publicity Officer from Ottawa contributed a major story for *The Grocers' Gazette*.

The purpose of participating in the Ideal Home Exhibition was to expose Canadian food products to the public at large rather than to the trade itself. However, exhibitors had a chance to meet representatives from British companies at a special reception arranged by the London office. Several firms reported that they had made useful contacts at this gathering.

Detroit Office Features Giftware

IN-CONSULATE exhibitions have proved to be an effective and inexpensive way to promote Canadian products abroad, and the Department's officers in Detroit are particularly staunch supporters of this kind of show. Their latest effort took the form of a giftware showing last March 23 and 24 and was open to department store buyers and gift shop owners in the Detroit area.



Giftware was the order of the day when the Canadian Consulate in Detroit opened its doors for the recent Canadian Giftware Show. Gerry Daigle (left), one of the 17 exhibitors, shows one of the hand-blown glass ornaments that he displayed to Assistant Trade Commissioner Kenneth Taylor.

The show attracted 17 individual exhibitors as well as a group exhibit of handicrafts from New Brunswick. The products on display included cutlery, jewellery, glassware, ceramics, lithographs and silk screen reproductions, pottery, wood carvings and leather goods.

A brief press release along with an invitation to the display was sent to newspapers, trade publications and radio and television stations. The coverage by the local news media, say officials, was excellent.

As a result of the display, nine manufacturers secured trial orders and three agency and two distributorship agreements are pending as well as one licensing contract.

The Canadian Giftware Show in Detroit was designed to be a small, low-cost effort—and it was. But it was also very successful. As most giftware manufacturers will be only too glad to tell you, good things *do* come in small packages.

Michigan Store Plans Fair for Canadian Goods

"THE BEST CROWD-ATTRACTOR that Canada can provide is an interesting product which people want to buy." These were words of advice from a department store executive to I. V. Macdonald, Canadian Consul and Trade Commissioner in Detroit, during preparations for an in-store promotion at the Wurzburg Company of Grand Rapids, Michigan.

Both the Department of Trade and Commerce and the management of Wurzburg Company are convinced that Canadian exporters can sell consumer goods that are unique in design, competitive, and appealing to Michigan shoppers. In order to reinforce Canadian sales efforts, a "Canadian Festival" is scheduled for October 11 to 23, 1965, at Wurzburg's two stores in Grand Rapids.

The fair offers an effective means to penetrate this lucrative market. Wurzburg, a subsidiary of Sperry & Hutchinson Company, is the leading department store in Western Michigan. The downtown site covers 300,000 square feet and the branch 100,000 square feet. Altogether there are over 1,100 employees. The fact that the effective buying income per household in the Grand Rapids metropolitan area is \$7,657, and total retail sales for 1965 are estimated at \$675 million gives some idea of the buying potential. Apparel sales should reach \$35 million and general merchandise sales about \$90 million.

Grand Rapids is about a three-hour drive from Detroit on Highway 16 (Inter-State 96) and can also be reached from Detroit by the Chesapeake & Ohio Railway or by air (United Airlines or North Central Airlines).

Wurzburg's Canadian Fair is the only in-store promotion to be sponsored by the Department of Trade and Commerce in the United States during 1965. Its

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success will depend on the response and enthusiasm of Canadian companies. Whether or not you are already exporting to the United States, the fair will offer unrivalled opportunities for advertising and increased sales at a minimum cost to Canadian firms.

For its part, Wurzburg has indicated that it will devote all of its combined forty windows, newspaper advertisements and radio-T.V. coverage to feature and promote Canadian products and will also co-operate enthusiastically in preparing interior displays, store fronts, special events, demonstrations and shows. Should you wish to stage special events or demonstrations for direct product promotion, please advise Donald Van Suilichem, Vice-President and Sales Promotion Director of Wurzburg's, Grand Rapids, who will be pleased to help you. When writing direct to Mr. Van Suilichem, please send a copy of your letter to this office.

A number of Canadian companies have been approached about the festival, although there are still many we have not had the opportunity to notify. If you are interested, please write the Consul and Trade Commissioner, Canadian Consulate, 1139 Penobscot Building, Detroit, Michigan 48226.

We strongly recommend that you contact us as soon as possible. Some of the key Wurzburg buyers are already planning buying trips to Canada and many are also expecting visits by Canadian exporters to Grand Rapids. The President of Wurzburg Company has instructed his buyers that they are "open to buy" competitive Canadian products. Plan to participate in the exciting Canadian Festival and take advantage of a rare merchandising opportunity.

—K. D. TAYLOR,

Consul and Assistant Trade Commissioner, Detroit.

ECIC Reports

ON April 13, 1965, the Minister of Trade and Commerce tabled the Annual Report for 1964 of the Exports Credits Insurance Corporation (ECIC).

This Crown Corporation, established in 1945 to protect Canadian exporters from non-payment by foreign buyers, insured export sales valued at \$346 million last year, more than double the value of insured export sales in the previous year.

The Corporation also provides long-term financing for capital exports, such as the nuclear power plant to be built in India, which was among the \$68 million of export sales financed by ECIC last year.

Since its inception 20 years ago, the Corporation has insured a total of \$1,700 million of export sales to more than 100 markets abroad.



How to Win World Markets 7

Would-be exporters must choose between two methods of getting their products into the hands of foreign buyers. One is entrusting their export business to an intermediary. The other is doing the job themselves or combining with a group of companies active in the same field. What are their advantages and the disadvantages?

JOHN SMITH is making headway with methodical plans to begin exporting. He has enough production to look after his domestic customers and supply export markets too. He has carried out market research and has discovered that his product stands a good chance of selling in certain foreign countries, perhaps with some adaptations. He has calculated his export prices carefully. What is his next step?

in them, and how much effort he, the manufacturer, is ready to put into exporting. Many firms begin with indirect exporting and when their export sales are well established, assume the entire responsibility for them. Others combine both methods, using intermediaries only for distant or specialized markets.

Indirect Exporting

Suppose John Smith chooses indirect exporting because he feels ill-equipped to handle the complexities of export or does not wish to become deeply involved until he is convinced that there is a long-term market for his goods. He must now make another choice—which of the several methods of indirect exporting suits him best. The several types of export intermediaries and how they operate are discussed below.

Combination Export Manager—

The combination export manager is a man who, for a fee or a commission on sales or both, acts as export manager for a number of firms, normally those with related products but not competitive with one another. The CEM puts his expertise to work for the individual company. He studies its products, picks out those with export potential, searches for markets overseas using the network of foreign agents that he has built up, promotes the products by advertising or other means, and when they are sold, looks after the export documentation and shipping. Usually he works under a two-year contract with a company (in some instances, one

Organizing for Export

The next step is organizing for export—deciding what is, for John Smith, the best method of selling his product to foreign customers and getting it into their hands. He must now choose between two methods of exporting: the direct and the indirect. Indirect exporting means that he will hand over the selling of his product outside Canada to an experienced intermediary, such as a combination export manager or export agent, an export merchant, or perhaps a manufacturer of allied products. In direct exporting, his own organization will take on the job, probably with the aid of commission agents in the various countries in which he seeks markets.

Each method has its advantages and disadvantages and the choice that John Smith makes will depend to some degree on the size of his company, the product to be sold, where the likely markets lie, the distribution and consumption patterns

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



—Air Liquide

Only a sound export organization makes foreign sales of complicated machinery like this possible. The stainless steel process tower being loaded is part of the cryogenic processing equipment made by a Montreal company and on shipment to Algeria.

year), especially when his client is new to exporting and it may take time to mount a sales campaign and produce results. Normally the CEM uses the company's letterhead and signs his name as its export manager.

Using a CEM does not mean that the company itself need not bother about any aspect of exporting. The CEM must have the full support of his client to achieve results. The firm must be willing to modify the product if this is considered essential, it may have to do its share in promotion, and it must above all live up to the delivery

dates that the CEM gives a foreign customer.

Using a CEM has advantages, in addition to the obvious one of profiting by his long experience in the export market. The expenses of business travel abroad and the overhead generally are shared among several firms, not borne by one alone, and the client firm profits from the good distribution network that the CEM has built up overseas. But nothing is all gain and there are disadvantages too to this form of exporting. One is financial; the commission paid to the combination export manager may run as

high as 25 per cent, though this usually includes the overseas agent's fee. Another is that the foreign customer does not get to know his real source of supply at first hand—and these close contacts are often vital. Moreover, the ability of combination export managers and the quality of their service vary. One may be trying to handle too many accounts or operating on too narrow a financial margin. And the exporter should remember that he bears the financial risk of any export venture himself, not the CEM whom he employs.

Sometimes a company just getting started in export elects to use a CEM. When it becomes clear that the product is doing well and that volume sales are possible, it switches to doing its own exporting. One authority believes that when companies build up foreign sales of between \$300,000 and \$400,000 a year they tend to go into direct exporting, although they may retain the CEM's services for a few markets. Most combination export managers prefer to specialize in certain fields, such as agricultural products, pharmaceuticals, or pulp and paper.

Export Agent—The export agent operates in much the same way as a combination export manager, though not on as large a scale. He also works on commission and may specialize in certain commodities.

Export Merchant—Another method of indirect exporting is dealing with an export merchant. Export merchants grew up in Europe in the Middle Ages and in Britain in the last century they carried on a good share of the country's export and import trade. In fact, they still do and a number of the export merchants currently operating in Canada are branches of British or United States companies.

The export merchant differs from the CEM or the export agent in one important way—the merchant buys his client's products outright and

then finds markets for them. Often he specializes in a group of commodities (such as agricultural products, minerals, chemicals, or automotive parts) or sometimes in one market area (such as the West Indies or Eastern Europe). He builds up his own sales organization in various countries and relies upon an excellent commercial intelligence system. In this way he can follow trends abroad and can often make spot sales or switch from one market to another as circumstances dictate. He may sell products under the manufacturer's label or he may put his own label on them and thus consolidate shipments from several suppliers.

What are the main advantages of dealing with an export merchant, especially for a small or inexperienced firm?

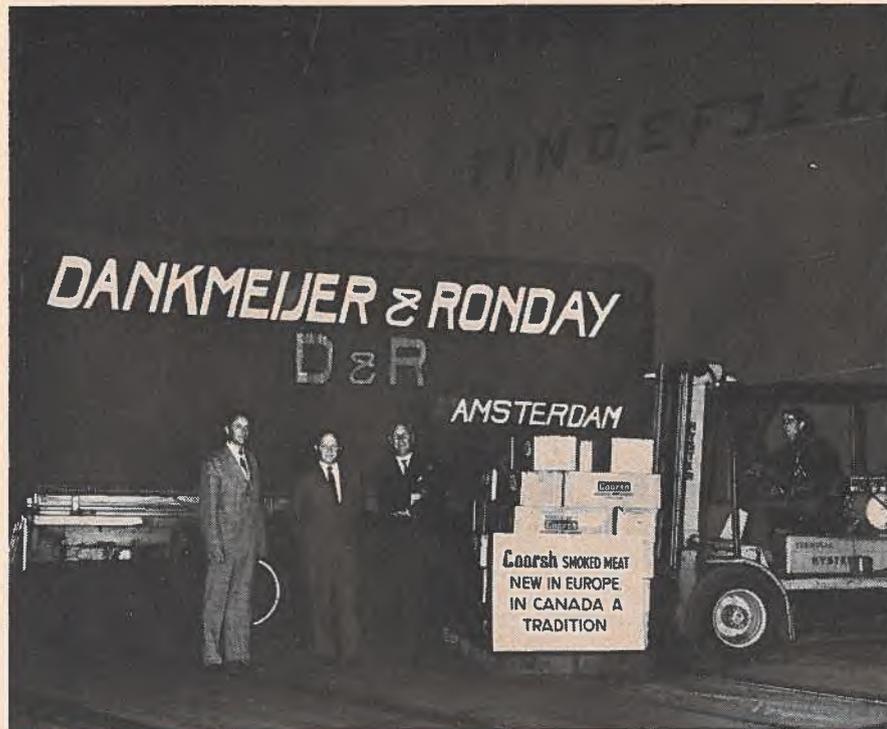
1. The manufacturer is paid cash on the barrelhead for his goods. This appeals to businesses without much capital which do not want to tie it up in foreign sales for which payment may be delayed. The export merchant takes the financial risk.

2. The manufacturer need not go to the expense of setting up an export department and does not have to select and train his own commission agents abroad.

3. Using an export merchant is a good way of finding out whether there really is a continuing foreign demand for a Canadian product.

4. It is a useful method of selling to distant or difficult markets, where knowhow is all-important. In fact, some firms with experienced export departments still use an export merchant in certain areas and often for "package" markets—those that buy in limited quantities. It would scarcely be worthwhile for the manufacturer to ship direct but he sells to the merchant, who can combine several shipments into one.

5. The manufacturer is left free to concentrate on production; in ship-



The export method chosen depends partly on the product; many CEM's and export merchants specialize in handling food products and can often introduce new ones into a market. Or the Canadian firm may work through its own commission agents.

ping, packaging, etc., he merely follows the merchant's instructions.

What are the disadvantages in this form of exporting? First, the manufacturer receives a lower net return on export sales. Second, selling through an intermediary means that a product may not become as well known and the supplier misses the direct contacts with buyers that can stimulate sales. Third, results may be slow in coming because a hard-headed export merchant does not usually take on a product until he has established that there is or could be a demand for it.

Many firms begin by using an export merchant but decide eventually to sell on their own or to enter the more promising markets directly. The U.S. Department of Commerce recently carried out a study of how more American manufacturers could be encouraged to enter export markets by using export merchants. One member of the Department touched on this point:

"Some manufacturers have employed export merchants until they could establish and maintain a particular market. Others use these specialized services on a global basis year after year to sell an impressive amount of goods in all parts of the world."

Manufacturer of Related Products

—Sometimes a manufacturer who has built up a good network of agents abroad decides to take on selling Canadian products that complement his own line. Normally he buys these goods outright and then sells them wherever he finds opportunities—thus in effect becoming an export merchant. Occasionally he acts merely as an export agent and charges a commission on sales.

A good example of this operation in Canada is Maple Leaf Mills Limited, which four years ago began to sell other processed foods. Today it handles the products of Culverhouse Canning Co. Ltd., McLarens Foods Ltd., E. D. Smith

& Sons, St. Lawrence Starch Co. Ltd., and Canada Vinegars Ltd. Sometimes, because of previous arrangements, it sells for clients in specific areas only. For instance, it markets E. D. Smith products in the United States, South Africa and Australia but not in Britain.

What does Maple Leaf offer to companies entering into an arrangement of this type?

- Its clients benefit from the experience it has gained in sales to 63 different countries and from the fact that its representatives visit nearly all these markets regularly and study opportunities on the spot.

- In many countries it is difficult for a new exporter to find a good agent willing to take on an untried line. It is easier to persuade this agent to sell a product offered by a principal whom he knows, especially if that product is related to but not directly competitive with those he already handles.

- In areas where there is import licensing or where import quotas are in effect, the Maple Leaf agent may have a quota as an established importer and thus has a distinct advantage over other agents.

- Like any export merchant, the company can guide its clients in matters like documentation, packing for export, credit and shipping problems.

It is important to select the right company to ensure that dedicated and continuing interest is maintained in the sale of the related products. Failing such arrangements, a company might do better to enter the export market on its own.

Direct Exporting

Suppose John Smith, after studying the various methods of indirect exporting, decides that his firm would prefer to handle export sales itself. How it does this depends upon the size of the company and also upon the markets to which it

is exporting. Many companies selling in the U.S. market merely train their personnel to look after these export sales as well and perhaps enlist the services of a U.S. customs broker at the border. If shipping and documentation problems loom large, a freight forwarder may be the answer. It is not too difficult in the small firm to train staff to handle both domestic and export orders and few conflicts should arise.

Larger firms entering into exporting organize the job in one of two ways. The first is, like the small company, to use the same set-up for both domestic and foreign business. The general sales manager takes on the additional responsibility of directing foreign sales, perhaps with the help of an export manager who reports to him. The treasurer looks after export financing, the traffic manager copes with routing shipments overseas, and the credit man supervises export credits. Clerks are trained to process both types of orders. Only direct out-of-pocket expenses are charged to the export operation.

This arrangement seems simple and economical and it often works well, especially if export sales are largely concentrated in one area. It is also effective when a company is selling to large overseas customers who maintain their own buyers in North America, especially in the New York area. These "buyers for export", as they are called, may represent foreign governments or large companies (such as the oil companies) with operations in many countries.

In addition, certain firms do buying for department store chains or co-operative organizations both in North America and in Europe, and these too may be approached directly.

Are There Disadvantages?

Direct exporting does not provide the perfect solution for all export problems. One of the problems in this method is that when the

domestic demand is large and the export demand small, exporting may not receive enough attention, particularly from top management. The setting-up of a committee to decide upon export policy and to push exports may help, if the committee is a high-level one and includes the president, the sales manager, the export manager, the treasurer, and the production and advertising managers.

Within the organization the problem of serving two masters—domestic and foreign customers—sometimes creates friction. The production department may be reluctant to make needed changes in a product or the shipping department may not expedite foreign orders enough. In a conflict of interests, it is usually the export side of the business that is the loser. If production falls short, the temptation is to neglect the foreign buyer.

Separate Department or Company

A second method of direct exporting, customary in Canadian firms with a serious long-term interest in export trade, is to set up a separate export department, often headed by a vice-president in charge of exports to whom the export manager (on the working level) reports. This export department carries out all functions except production and may be allocated a certain amount of annual output and left to find foreign markets for it. The export manager supervises sales, travels widely, trains staff in export procedures and in the handling of export correspondence, and carries out related duties. Expenses directly connected with export are charged to this export department.

As the company grows and its export trade expands, the time may come when it establishes a separate company to look after foreign sales; many of the large pulp and paper companies, for example, operate in this way. This subsidiary then becomes responsible for conducting

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Price \$7.25

Order from: W. J. Gage Limited, Box 550, Scarborough, Ontario.

OECD. *Export Marketing Groups for Small and Medium-Sized Firms*. Paris, 1964. 71 p.

Price: \$1.25.

Order from: Queen's Printer, Ottawa.

United States. Small Business Administration. *Export Marketing for Smaller Firms*. Washington, U.S. Government Printing Office, 1963. 89 p.

Price: 50 cents.

Order from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

the company's entire foreign trade. It buys from the parent company, which bills it as it does other customers.

Grouping for Export

A method of selling abroad that has become popular in recent years combines the advantages of direct exporting with the economies achieved by spreading export costs over a number of companies. Known as "grouping for export", it is particularly well suited to small firms in which the owner/operator handles most of the management himself or shares it with a few fellow executives with a minimum of specialization.

It works something like this. A group of companies turning out similar or closely related products decides to pool resources in exploiting foreign markets and to set up an export sales company. Several years ago a number of Canadian fruit and vegetable growers and processors formed FAVPEP (Fruit and Vegetable Products Export Promotion). The FAVPEP Council contracts with the member com-

panies for supplies of tomato juice, which are then marketed in Britain by its sales company (FAVEX) under a common label. Even the suppliers, such as the makers of tin cans, contribute their share of FAVEX expenses and thus lessen the burden on the members. So far this experiment has been confined to one product and one market, but the hope is to move out into other areas eventually.

Another rather different example is the AMEGO group (Apparel Manufacturers Export Group Ontario) formed last year. It consists of seven Ontario companies in the women's and children's wear fields, who have subscribed to certain standards and who are pooling their resources for carrying on promotion in the United States market. Their first combined effort was a fashion show in Philadelphia last November in which the seven companies participated; several of the firms have since followed up the leads obtained at that time. Other manufacturers in this field may join the group, provided that they conform to the standards that have been set up and provided also that all the members consent to their admission.

Other exporting groups operating in Canada include one sponsored by Ontario poultry producers, one by 28 lumber firms in Eastern Canada, and one by lumber companies in the northern interior of British Columbia. The poultry group was organized in Ontario but holds a federal charter and firms in any part of Canada may join it. Its products too are sold abroad under a common label.

This method of exporting has long been popular in Europe and many countries have fostered it successfully. One example is the Danish group which sells in the United States textiles made in Denmark and used in interior decoration. Another is a French group that markets bicycles and bicycle parts co-operatively. The organization for Economic Co-operation and

Development produced last year a useful study entitled *Export Marketing Groups for Small and Medium-Sized Firms* and the Queen's Printer stocks it.

It is recommended that Canadian exporters who are considering organizing a group of this type approach the Combines Investigation Branch of the Department of Justice, Ottawa, and obtain advice on whether their intentions are within the law, which permits grouping for export, subject to certain provisos relating to the effects on domestic competition and on the export business of domestic competitors.

To succeed, these export groups need at least four things:

- Enough initial capital to launch an export promotion campaign and to sustain it until it begins to show results.
- A good export manager to get the venture off the ground and to keep it going, with adequate material and moral support from all members.
- Precise and contractual terms of association, which delineate members' rights and obligations—and, preferably, a defined trial period for the group effort.
- Continued careful attention to quality control, to build up and maintain a reputation in export markets.

Confirming House

One type of organization with an indirect interest in promoting export trade is the confirming house. It was developed chiefly in Britain and is almost unknown in Canada; recently, however, two overseas houses have set up branches in Canada and a third may soon do so. Generally speaking, the confirming house offers its clients services mainly in the fields of financing, shipping and insurance, though originally it performed most of the functions of an export merchant. It is geared primarily to serving im-

porters. For example, it "confirms" to the exporter, on behalf of its importer client, that the order will be paid for when the confirming house receives the invoices and the title documents. It thus assumes all the financial risk. Some Canadian companies shipping to West European countries are paid by confirming houses in New York acting for European importers. Or the confirming house may have a British client who requests it to investigate, say, sources of supply of Canadian canned peaches. It would then seek out suppliers, arrange to purchase the peaches, and speed the shipment on its way, looking after the needed documentation, and perhaps insuring the shipment under its own policy or that of the buyer.

If the confirming house is largely oriented towards the foreign importer, how can it be of use to the Canadian exporter? First, it can place at the latter's disposal the knowledge of foreign markets that it has acquired. A Canadian maker of lawnmowers might approach a confirming house in Toronto and ask whether, in its opinion, the mower is likely to sell in certain countries. If the answer is yes, after due investigation, the confirming house may conclude a sale to some of its foreign clients or it may turn the names of possible customers over to the Canadian firm and leave to it the follow-up. The exporter should realize, however, that a confirming house does not make contracts nor participate in contractual agreements. But if some of its clients actually buy the lawnmower, it will advise the maker on the proper packing of the product, preparation of documents, and so on, and in due course will pay him for the shipment.

May Need to Experiment

The important thing for a newcomer to export to realize is that it may take time to establish just what method of exporting is the right one for him. He may begin by using an export merchant. After

he acquires some knowledge of foreign markets, he may choose to turn to a combination export manager. If his export business grows, he may eventually set up his own export department. How fast he moves and in what directions may depend upon his product, the time

and energy that he wishes to devote to the export side of the business, and on many other factors. But he should understand at the start the many types of service to exporters that are available in Canada and the ways in which he can make use of them. ●

Britain's "Ironmongers" Like Canadian Hardware

MANY Canadian manufacturers would probably be incredulous if they were told that there is a growing market for Canadian hardware in Britain. But a look at some figures will show that this is true. During 1964 Canadian hardware exports increased 25 per cent over 1963. Here is a breakdown. Sales of locks, keys and parts rose from \$131,457 in 1963 to \$164,961 in 1964; basic hardware n.e.s. soared from \$131,457 to \$317,099 during the same period. The only products to show a decline in sales were nuts, bolts, screws and washers: these went down slightly to \$236,248 in 1964 from \$255,959 during the previous year.

The most significant fact is that before 1963, Canada had never exhibited at the important International Hardware Trades Fair held each year in London. In late April 1964 the first Canadian exhibit opened at this five-day show. Many of the exhibitors were participating in their first overseas exhibition and were amazed to discover that their prices were competitive and their merchandise acceptable. Canada exhibited again in the fair in February of this year and the results were even more gratifying.

Many factors make it possible for Canadians to sell hardware here. Britain is experiencing its most forceful postwar building boom and this has meant an upsurge in the sales of builders' supplies. Individuals are now more house-conscious and there is a growing awareness—particularly among young Britishers—that fresh wallpaper in the living-room once every five years really isn't good enough. Greater leisure and more money to spend, plus a fantastic growth in the number of do-it-yourself addicts, have all contributed to making the hardware trade one of the fastest growing in Britain.

What factors will affect Canadian sales? The experience gained from our 1965 IHTF exhibit suggests that packaging is playing a bigger part in British hardware merchandising. Buyers expressed great interest in those Canadian

items that were sensibly designed and attractively packaged. Probably any item now being sold in a Canadian hardware store, particularly if it is oriented to the self-service trade, will be accepted by British "ironmongers". Canadian design and tastes are closely allied to those of the United States and this gives us a great advantage over our Continental competitors. To make matters even more attractive, manufactured products from Canada are generally allowed in duty-free although the temporary surcharge (reduced to 10 per cent as of April 27) makes selling a little more difficult.

If your company is now manufacturing for or selling to the hardware trade in Canada, why not consider Britain as a market? The three offices of the Department of Trade and Commerce in Britain are well acquainted with the hardware trade here and would be glad to initiate a market survey for you.

First check with the Department of Trade & Commerce in Ottawa to establish your tariff classification and the possibility of duties. Then work out a sensible export price list, taking into consideration shipping seasons, minimum quantities, etc. If your product line is not too extensive, do try to establish a price structure c.i.f. British port, expressed in sterling. Both your bank and your freight forwarder can be of great help with these all-important details. Then write to our offices airmail and forward at least six sets of your descriptive literature.

Armed with this information, the Trade Commissioner through his contacts in the trade can quickly assess your chances here. If things look encouraging, we may recommend a business trip to Britain. Having once set up distribution arrangements here, you'll be well on your way to success. Canada will be exhibiting again in the International Hardware Trades Fair in April 1966; shouldn't your company be there?

—N. L. WILLIAMS,
Assistant Commercial Secretary, London.

Philadelphia: a Four-Year Success Story

W. J. MILLYARD, Consul and Trade Commissioner in Philadelphia since the Consulate opened in 1961, began a tour of major business centres in Canada on May 31. For the benefit of businessmen who will be meeting him later, he discusses the market in his territory, suggests how to cater to it, and lists what Canadians can sell there. The photo on the right shows Mr. Millyard (left), as part of his official duties, receiving the proclamation of "Canada Week" from the Mayor of Philadelphia.



THIS month marks the fourth anniversary of the opening of the Philadelphia office and for me the four years have been exciting and challenging ones. Back in 1960 our New York office realized it was no longer able to cover adequately the expanding Pennsylvania market for which it had long been responsible. Accordingly a separate office in Philadelphia was recommended and this office was opened in June 1961. The decision proved to be right.

At that time, only about 25 Canadian companies had agents or buying connections in the area and it was unusual to find Canadian merchandise in the retail stores. Today over 100 Canadian exporters have established representatives and sales outlets here and the "Made in Canada" label is better known. This growth is hardly spectacular but neither is it insignificant, particularly in a market as competitive as this one. We have used various means to achieve it, some more effective than others.

Agents Are Necessary

In a newly opened office with no precedents to follow, one has to

learn by trial and error. However, from the outset we correctly sensed that Philadelphia and the Delaware Valley area over which it presides is a distinct and separate market from New York. And we have constantly maintained (and still do) that Canadian exporters should appoint local agents to make the most of the opportunities. If a New York representative is doing a good job in that vast metropolis, he is not likely to have sufficient time to cover Philadelphia properly.

One of our earliest moves was to compile a directory of agents and distributors interested in handling Canadian lines—a process that is still going on. This directory now contains over 600 names and the range of products in which they are interested covers 80 categories. It is so all-encompassing that we feel that there is hardly any Canadian product for which we could not find an agent handling complementary and non-competing lines. It has proved to be one of our most useful tools and has been the means of matching up a good number of Canadian manufacturers with ideal representatives. But the surface has

hardly been scratched and we will not be satisfied until dozens more of our exporters are actively selling here.

Promoting Canadian Products

One of the major tasks that a newly opened office faces in a big city like Philadelphia (the fourth largest in the United States) is to make itself as well known locally as it is in Canada. To do this means taking advantage of every chance for good publicity through articles in the press, radio and TV appearances, and speaking engagements with service clubs and business associations. However, over and above these devices, the Philadelphia Consulate has benefited from a number of unusual aids not normally available to a newly established office. Among these are:

- The 1962 and 1963 Sample Shows in Toronto and Montreal sponsored by the Department of Trade and Commerce in Ottawa and to which we took as our guests in chartered planes as many as 50 department store buyers.

• The 1963 Canadian Trade Fair in Philadelphia, in which 108 of our manufacturers exhibited. This was the largest solo trade show ever organized by the Department of Trade and Commerce and it was an unqualified success. Not only were many agents appointed but the manufacturers themselves gave estimates of one million dollars' worth of new business expected for 1964. The favourable publicity that the Consulate derived from "Canada Week", of which the trade fair was the focal point, really put us on the map in Philadelphia. We are now said to have one of the best and most active Consulates in the city, even though some of these have been established for over a hundred years.

• Several government - sponsored trade missions (both federal and provincial) which have brought selected groups of Canadian manufacturers to survey the market. About 80 per cent of these visitors have either appointed agents, made direct sales, or succeeded in doing both.

Many Products Selling

Pennsylvania and Philadelphia in particular represent a market almost as large as all of Canada. A substantial number of Canadian goods are subject only to moderate rates of duty and can be laid down in Philadelphia at prices that make them competitive with those of domestic and other foreign suppliers. Under these favourable circumstances, the list of products which have been sold here in the past four years, either directly or through local agents or distributors, is impressive. It includes:

- Aluminum concrete buckets
- Animal feed
- Art equipment
- Asbestos
- Automobile accessories
- Boats
- Building equipment
- Camping and outdoor equipment
- Carpets and rugs
- Candy
- Christmas trees

- Clothing, men's, women's, and children's
- Commercial display materials
- Commercial refrigeration
- Cookies and shortbread
- Drafting equipment
- Dump truck bodies
- Electric motors
- Electronic equipment
- Electrical equipment
- Fertilizers
- Fabrics
- Fish, fresh, frozen, canned
- Footwear
- Fruit
- Garden equipment
- Glassware
- Handicrafts (leather, ceramics, wool)
- Hand tools
- Harvest twines
- Household furniture
- Industrial machinery
- Industrial chemicals
- Jams and jellies
- Kitchenware
- Lamps and shades
- Lumber
- Materials handling equipment
- Major appliances, refrigerators, stoves, etc.
- Meat, especially hams
- Metals
- Oral resuscitators
- Packaging equipment
- Precision machine parts
- Radio, TV and stereo equipment
- Restaurant equipment
- School furniture
- Soaps
- Sporting equipment
- Synthetic rubber and plastics
- Valves and pumps
- Wallpaper
- Whisky and beer

Formula for Success

Canadian sales in the Philadelphia market have not been achieved by luck. There is a definite pattern which any exporter planning to sell here for the first time would be wise to follow in the light of the experience of successful Canadian firms. The formula as outlined below is a simple one.

1. Have someone from your company come to Philadelphia to appoint the agent. We can set up the appointments with likely candidates, but only the person familiar with the technicalities of his product can "sell" it. A trip to Philadelphia rarely fails to pay dividends.

2. Have prices worked out c.i.f. Philadelphia (duty included) in U.S. funds. This frequently involves

considerable paperwork and effort but it is the only way that an agent or a customer can discover whether a product or line is really competitive. (Tariff advice is available from U.S. Division, Office of Trade Relations, Department of Trade and Commerce.)

3. Make sure that the product has a design and packaging acceptable in this market, where tastes and customs frequently differ from those in Canada. More than one Canadian manufacturer has had to make modifications before selling here.

4. Do not be content with a single visit but maintain, as you do in your Canadian operations, close contact with agent and customers. Regular follow-up visits are essential.

The Canadian Consulate in Philadelphia is busy but never too busy to look after visitors from Canada who are out to get business. Because of excellent opportunities that are still open, we hope that many more Canadians will make the effort. There is no better place to start selling in the U.S. than the "Friendly City" of Philadelphia.

Gibson-Smith to Iran

The Trade Commissioner Service has announced the posting of W. Gibson-Smith to Tehran, Iran, as Commercial Counsellor. Mr. Gibson-Smith's previous post was as Commercial Counsellor in Cairo, United Arab Republic.

Shipping Services to Far East

We have been advised by the Transportation Division that the list of shipping services from Canada to the Far East, published in the April 17 issue of *Foreign Trade*, omitted the Maersk Line service from St. Lawrence and Atlantic ports to Japan, Taiwan, Hong Kong, Thailand, Philippines, Indo-China, South Korea, South Vietnam and Malaysia. The Maersk Line is represented in Canada by the Robert Reford Company Limited, Montreal and Toronto.



From the bakery . . .

Here is the container at the Morrison-Lamothe plant in Ottawa, fully packed with 2,000 cartons, each containing six pies. The container is first backed directly up to the deep-freeze storeroom at the plant and the cartons loaded. They will remain in the container until they reach the importer's deep-freeze storeroom.

Canadian Pacific Solves a Pieman's Problem

SEVERAL months ago an Ottawa company, Morrison-Lamothe Bakery Limited, found itself faced with a difficult problem. The firm had built up a good market for frozen pies and cakes—distributed through its Farm House Frozen Food Division—in Britain. Orders from its British distributor, H. S. Whiteside and Co. Ltd., were coming in well but there were disquieting reports about the condition in which the cakes and pies were received. Each shipment was normally made up of a large number of small cartons which had to be kept at freezing temperature and were easily damaged in transit. Conventional shipping methods had proved unsatisfactory because the cartons were always in danger of exposure to outside temperatures, rough handling and possible pilferage. In fact, seventy-three cases in one shipment arrived in England in such bad shape that they could not be sold. Obviously some better method of shipment had to be found.

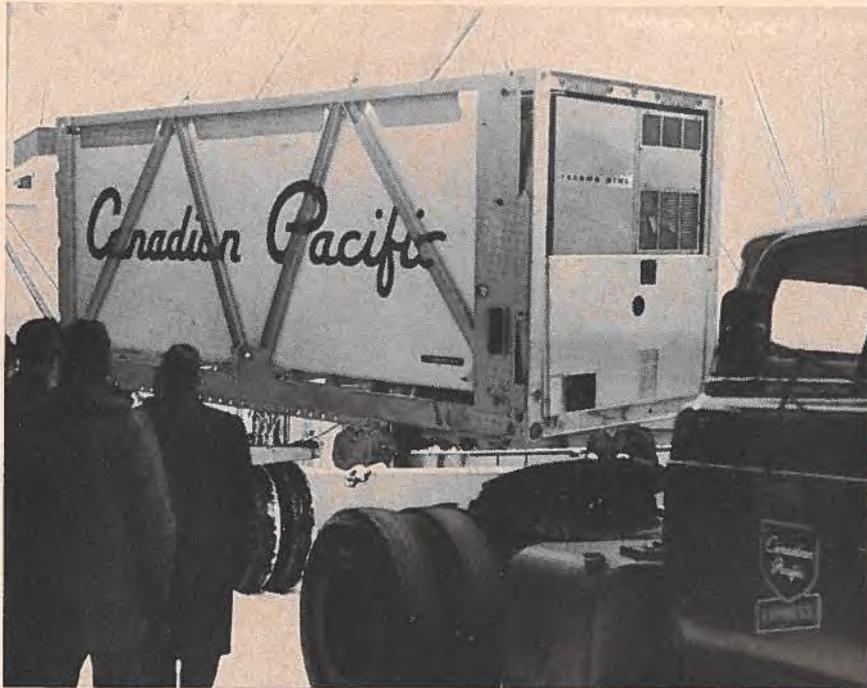
Morrison-Lamothe executives took the problem to the Canadian Pacific Railway Company, because they learned that the railway had developed a portable refrigerated container unit that was airtight, did not conduct outside heat, and had a number of other special features. In this container, the pies and cakes could travel from Canadian plant to British distributor undisturbed. The first M.L. container shipment in January 1965 consisted of 2,000 cartons which landed in Britain in perfect condition. The problem was solved.

Canadian Pacific spent about two years developing this container unit, which is expected to come into widespread use. Basically, it consists of two layers of fiberglass, resilient and non-corrosive, with a layer of polyurethane in between. This 20-foot container body is built in Britain for Canadian Pacific by Mickleover Transport, and can be hand moulded by unskilled labour. Onto the front of the container goes a compact heating and cooling unit supplied by Thermo King of Minneapolis. The outside fittings for the container, to make it more flexible for land use, are made by Strick Trailer Mfg. Co. of Philadelphia. The final component is an envelope air cooling system developed by the National Research Council, which circulates air completely around the interior, maintains a uniform temperature, and prevents the contents from drying out.

This method of shipment can be adapted to many products other than frozen pies, D. W. Francis, Supervisor of Transportation Research for Canadian Pacific, points out. For example, it could transport hanging chilled beef across the ocean or could be used to protect high value shipments or any demanding a constant temperature. Products shipped in the container do not require special export packing and this saves about 10 per cent on export costs. The container has undergone rigid tests by Lloyd's and has been granted a Lloyd's certificate. Late this summer, Canadian Pacific expects to have in service a new sea-going cargo liner with special facilities for container cargo. ●

onto the rail car . . .

Arrived at railhead, the whole unit can be backed onto a piggyback rail car. It can then move to the port supported by a piggyback hitch after the tractor has been moved away. No worry here about damage from rough handling. Note the heating and cooling unit at the front, which takes up a minimum of space. The envelope cooling system means that the cartons can be loaded right up against the walls and air will still circulate around them. No space is wasted.



to the dockside . . .

Arrived at dockside, the container can be driven onto the wharf and out onto the apron. The rigging is then attached to the corner casting at the four top corners, the wheels are disconnected, and a jumbo 20-ton crane lifts the container aboard and sets it down gently in one of the ship's holds, where it will stay until it reaches port of destination.



and into the hold . . .

Once the container is in place in the hold, the heating and cooling unit is plugged into the ship's power plant; on the road or railroad, it operates on a self-contained diesel engine. The desired temperature setting is made and the unit will maintain this within two degrees during the voyage. The refrigeration condenser system is cooled by air on land and by sea water during the ocean voyage.

What's current in commodities?

Seed Potatoes

Greece—Imports of Canadian certified seed potatoes into Greece have risen sharply and in 1964 totalled over \$1 million. Not only is the value rising, but the Canadian share of the Greek market is also growing—last year it reached 57 per cent.

F. I. WOOD, *Commercial Secretary, Athens.*

WHEN the first shipment of Canadian seed potatoes, a modest 477 metric tons, was landed in Greece in 1954, the prospect of a million-dollar market must have seemed remote indeed. Yet this figure was exceeded in less than ten years, thanks to the ability of Canadian suppliers to meet the exacting requirements of a rapidly growing market. Sales of Canadian certified seed potatoes to Greece in 1962 (13,755 metric tons) and 1964 (10,550 metric tons) were valued at well over a million U.S. dollars. Seed potatoes have become one of our most important exports to Greece.

- What has led to this significant rise in local demand?
- How have Canadian suppliers kept pace with this growth?
- What are the preferred varieties of seed?
- Where does our competition lie?
- What are the methods of purchasing?
- What does the future hold for Canadian seed?

This article attempts to answer these and other pertinent questions about the market for seed potatoes in Greece.

Most individuals familiar with the history of ancient Greece would probably associate the town of Eleusis with the "Eleusinian Mysteries"—religious ceremonies of initiation cloaked in such strict secrecy that even today there is speculation among archaeologists about what went on.

To a particular segment of the Canadian agricultural community, the name undoubtedly has a more mundane connotation. It is at the port of Eleusis, hardly a stone's throw from the ancient Temple of Demeter, that part of the large shipments of certified seed potatoes is received each year from Canada.

First introduced in 1954, when 477 metric tons of *Sebago* and *Katahdin* were imported, Canadian seed has in ten years gained the complete acceptance and respect of local growers and government authorities alike. This fact is reflected in the steady growth of sales to this important market.

TABLE I
GREEK POTATO PRODUCTION

	1963		1964	
	Acres	Metric Tons	Acres	Metric Tons
Spring	48,500	254,000	48,058	261,120
Summer	45,750	193,000	43,790	204,869
Fall	29,000	136,000	31,633	166,533
	123,250	583,000	123,481	632,522

Once an item as alien to the Greek table as blubber is to ours today, the potato has since the turn of the century become a staple in the local diet. In recent years the potato has emerged as the most important vegetable crop grown in Greece.

Production and Planting

Domestic production of table stock in 1963 amounted to almost 583,000 tons. By far the largest part of this was consumed locally. However, the same year saw some 9,500 metric tons valued at Can.-\$417,000 sold to Britain, West Germany, France and the Netherlands. Unfortunately a seasonal shortage at home later necessitated the import of 6,608 metric tons of table potatoes and substantially cut net export earnings.

The 1964 crop year witnessed a record production of 632,522 metric tons of table potatoes. This represented a 5 per cent increase in volume although cultivated acreage increased only 2.7 per cent.

In many parts of Greece two crops of potatoes are harvested each year. Seed yielding early table stock is planted in the spring (January-March) with an eye to the European market. The second crop is planted in late summer (August, early September) largely for home consumption during the winter months. The climate permits one crop only (planted April-May) in the mountainous areas of the Peloponnesus and Northern Greece. Table I lists table potato acreage and production.

Sebago, one of the three more popular Canadian varieties, is

FOREIGN TRADE



These bags of Canadian seed potatoes have been unloaded at the Greek port of Eleusis and stevedores are stacking them up to await transport to the potato areas.

planted principally in the Northern Peloponnesus, on the island of Naxos, and in Macedonia. *Katahdin* is especially productive in the central Peloponnesus and *Kennebec* thrives in the more northerly climes of Epirus and Macedonia.

Seed for the spring crop is obtained almost entirely from Canada and Europe and in 1964 amounted to 19,788 metric tons valued at over U.S.\$1.7 million. Experiments have been carried on for nine years or more with a view to substituting local seed eventually for the spring planting but without apparent success. Competent officials here agree that in the foreseeable future at least, Greece's steadily rising requirements of seed will have to be met by imports.

Small amounts of seed grown near Patras and on Naxos Island (where, by the way, Theseus abandoned the helpless Ariadne) for the summer are derived almost exclusively from *Foundation* (Canadian) or *Elite* (European) stock.

Varieties Preferred

About 16 to 20 varieties of certified seed are imported into Greece each year. The volume of

purchases may range individually from a minimum of five tons of an experimental variety such as *Asoka* up to 9,700 metric tons of *Sebago*.

Sebago has gained rapidly in popularity. In the last few years, purchases of this Canadian variety have displaced Ireland's *Arran Banner* in volume and value. Imports of *Katahdin* and *Kennebec* from Canada, *Ari* from the Netherlands, and *Fina* from Germany are also made in substantial if less significant quantities. Other imported varieties in descending order of importance (based on 1964 purchases) include *Majestic*, (Poland) *Avenir*, (Netherlands) *Irish Cobbler*, (Canada) *Up-to-Date*, (Ireland) *Alpha*, (Ireland) *Isola*, (Germany) *King Edward*, (Ireland) *Bintje*, (Netherlands) and *Contessa*, (Germany). *Irish Cobbler* has shown signs of decreased popularity because early maturing varieties are more readily available from Europe.

The Greek market pays particular attention to the size and weight of potato seed. Tubers weighing between 1.6 and 5.6 ounces are specified. Under the terms and conditions of purchase contracts, all

shipments of seed must show a normal distribution between these weights and the larger size must not exceed 5 per cent of the entire order.

Canada Leads in Sales

The combination of high-quality seed and excellent yield has gained Canada first place among all supplying countries, including Ireland, the Netherlands, West Germany and Poland. In fact, since 1962 Canadian sales of certified seed potatoes to Greece have exceeded both in volume and value those to all other supplying countries combined.

In the period 1961 to 1964, Canadian exporters managed to supply on the average over half the total seed required by Greece. The exceptionally good year experienced by Canadian suppliers in 1962 was a direct result of the failure of the Irish *Arran Banner* crop and the substitution of Canadian varieties to fill the gap. The 1963 Canadian sales figures reflect the recovery of the crop in Ireland and Canadian suppliers had to be content with the original quota assigned by the Greek authorities.

The across-the-board increase in Greek purchases in 1964 improved our position appreciably over the previous year. Although the total amount of Canadian seed sold in the Greek market was less than the record volume achieved in 1962 (10,550 metric tons compared with 13,755) prices were better and the financial return only slightly less (U.S.\$1 million compared with U.S.\$1.1 million).

The Canadian *Sebago* leads the field in seed potato sales to Greece. Contracts for 8,250 metric tons valued at U.S. \$796,000 were concluded in the fall of 1964, the bulk of delivery to be made in 1965. *Arran Banner* from Ireland (6,710 metric tons, U.S.\$501,000) was second in popularity, followed at some distance by *Kennebec* from Canada (1,500 metric tons, U.S.\$137,500), *Ari* from the Nether-

lands (830 metric tons, U.S.-\$97,500), *Fina* from West Germany (750 metric tons, U.S.\$77,000) and *Katahdin* from Canada (650 metric tons, U.S. \$58,600).

Sebago, *Kennebec* and *Katahdin* together accounted for more than half the volume and 57 per cent of the value of total Greek purchases last year (19,788 metric tons valued at U.S.\$1.77 million).

Purchasing Channels

All offshore procurements of seed potatoes are effected exclusively by the Association of Agricultural Co-operative Unions for the Administration of National Products (KYDEP). This organization enjoys a state monopoly for the import and distribution of all tested potato seed to Greek potato farmers. All private trading in this product is prohibited.

The import of table stock is controlled directly by the Ministry of Agriculture. Few imports are permitted and then only at the discretion of the Ministry during times of short domestic supply.

Method of Purchase

As a quasi-governmental body, KYDEP is obligated by law to effect all purchases exceeding U.S.\$5,000 by public tender. For seed potato procurements, an international call for tenders is issued only once each year. No separate purchases can be made although the terms of tender provide for an increase (or decrease) of up to 30 per cent in the tonnage. Canadian sales have in the past largely benefited from this clause.

In 1962, the Greek authorities acknowledged the ever-increasing popularity of Canadian seed by specifying different tender dates for North American and European seed. Since that time the European tender has usually been called at the end of September and the North American one in early October.

Terms and Conditions of Tender

Each year the KYDEP authorities draw up their estimates for seed requirements, bearing in mind the previous year's domestic crop and the anticipated home and foreign demand. As mentioned previously, this may call for purchases of more than 16 to 20 varieties to meet all contingencies.

The documentation of the call for bids is printed in English and Greek. It comprises 16 to 18 pages of exacting and strictly enforced terms and conditions and no deviation whatsoever is permitted.

The preamble lists the varieties and quantities required from Europe and North America, states the approved method of payment (letter of credit for Canadian suppliers) and gives the time and place of tender and delivery.

In the terms relating to bidding formalities, it is underlined that only *Sebago* originating in Prince Edward Island will be accepted.

Articles 1, 2 and 3 list the genealogical, hygienic and country of origin inspection standards which must be met. Canadian seed potatoes must be accompanied by a "PP207F" certificate issued by the Plant Protection Division, Canada Department of Agriculture, as well as a declaration that the seed meets

the phytopathological specifications of Article 2.

The remaining articles cover such diverse topics as packing, shipment and delivery, payment, agent's responsibility, participation and performance guarantees, penalty clauses, etc.

The delivery schedule usually demands shipments from Canada in four parcels. The first two are to be landed at Patras and Eleusis (or Piraeus) within the first two weeks of December, the last two at Calamata (Southern Peloponnesus) and Eleusis (or Piraeus) around the end of January. Each shipment is carefully inspected at dockside by Ministry of Agriculture plant pathologists and KYDEP officials.

The participation and performance guarantees required must equal 2 per cent and 10 per cent of the total value of the bid. The participation guarantee is released to unsuccessful bidders immediately after the award. Only the supplying firm must substitute a performance bond for the participation guarantee and this is refunded upon satisfactory completion of the contract.

Canadian suppliers have had occasion to protest certain extreme demands made of them under the tender. Happily, most differences have been settled amicably. The one source of friction that remains is a provision whereby KYDEP reserves the right to reject out of hand one or all tenders and re-schedule a sealed or verbal tender if the originals are deemed "disadvantageous" to the Greek State. On two occasions in recent years Canadian suppliers have clashed in a verbal "Dutch Auction". In both instances the result was a cut in price and a loss to the Canadian grower. Unless Canadian participants agree not to submit to verbal tenders, it is unlikely that this clause will be eliminated.

Agents Are Necessary

The services of an agent are indispensable. Not only does this considerable business demand undi-

TABLE II
GREEK SEED POTATO PURCHASES

	Canada		Other Countries		Total		Can. share by value (per cent)
	Metric tons	U.S.\$	Metric tons	U.S.\$	Metric tons	U.S.\$	
1960	4,350	359,695	5,054	327,954	9,404	687,649	52
1961	6,605	414,660	6,260	545,592	12,865	960,252	43
1962	13,755	1,103,154	3,977	427,846	17,732	1,531,000	72
1963	8,950	610,000	8,842	607,343	17,792	1,217,343	50
1964	10,550	1,006,890	9,238	760,786	19,788	1,767,676	57

vided and close attention to developments immediately before and during the annual tender but a watching brief must be maintained throughout the year. Certain documentation must be translated into Greek and it is especially important that this be delivered at the appointed time and place. The agent should witness the opening of other bids and be prepared to clarify that of his principal should this be necessary. Should a verbal tender be called, the agent is in a position to cable Canada and receive guidance. There is no guarantee that KYDEP advice to this effect would reach Canada in time for an unrepresented company to review the situation and perhaps dispatch a company man before the rescheduled tender date.

Future Prospects

Past performance, the present trend and reliable projections all point to a promising future for Canadian seed in Greece. Much will depend, of course, on the availability of the European varieties that are equally popular. Failure of the *Arran Banner* crop in 1962 boosted Canadian sales to over 13,000 metric tons. Local demand and European purchases of Greek table stock will also have considerable influence on sales.

The important potential the Greek market offers Canadian suppliers has not escaped the eye of the Canadian Government. Official interest in promoting future sales has manifested itself in three ways:

- Promotion of frequent contact between the Commercial Division of the Canadian Embassy in Athens and the competent Greek authorities.
- The visit to Canada in August 1961 of two phytopathologists of the Greek Ministry of Agriculture for an on-the-spot look at Canadian seed potato growing areas and facilities.
- The visit to Greece in the fall of 1963 of the Chief of the Seed

Potato Certification Section, Plant Protection Division, Canada Department of Agriculture, Ottawa.

These tangible expressions of our willingness to co-operate with

the Greek Government in all aspects of the seed potato trade have been warmly welcomed and have served to consolidate our position as a supplying country. ●

Paper

Central America and Panama—There is a considerable market for paper products—\$32 million a year. Closer attention to this developing area could increase Canada's share which is now less than 2 per cent of its total annual paper imports.

P. D. DONOHUE, *Assistant Commercial Secretary, Guatemala City.*

THE six small countries stretching in a thin line between North and South America represent a surprisingly large market for paper and paper products, a market which, statistics indicate, warrants closer scrutiny by Canadian producers.

Though the five republics of Central America plus Panama are not in themselves large markets, combined they comprise a developing area with a population approaching 12 million people.

The key word is "developing". Industrialization is taking place in these countries rapidly and it heralds an ever-increasing consumption of paper—paper for packaging, for advertising, for stationery, and for many more applications. With industrialization, improvements in social welfare, particularly in education, are helping to raise the demand for paper.

Total annual imports of paper and paper products, exclusive of newsprint,¹ are valued at approximately \$32 million.² Of this impressive amount, Canada's share

amounts to about \$500,000, or only 1.56 per cent.

The following summary of imports of paper and paper products by the individual countries shows that in each one, there is definitely room for greater sales by Canadian producers.

Costa Rica—Costa Rica's purchases of paper and paper products from abroad during 1963 totalled \$9.23 million. Of this amount, Canada supplied \$144,000 or 1.56 per cent of the total. Over \$90,000 of our exports were of one item—sanitary paper.

The U.S. share of this market, on the other hand, was \$7.68 million or 83.28 per cent. The four Scandinavian countries accounted for 6.24 per cent and the remainder

TABLE I
COSTA RICA'S IMPORTS OF PAPER

Paper and Cardboard Cartons	
United States	\$3,670,140
Central America & Panama	331,319
Canada	7,678
Others	12,324
Total	\$4,021,461
Wrapping & Packing Paper, including Kraft	
United States	\$1,787,293
Scandinavia	199,681
Canada	7,908
Others	11,548
Total	\$2,006,430

¹Newsprint has not been included in this article as Canada now exports the lion's share of that product to the area.

²All values are in U.S. dollars and all statistics from local sources. These statistics do not always agree with those compiled by DBS because re-exports through the U.S. do not always show the country of origin.

was supplied by several countries, including Britain, West Germany, and Japan.

The two main categories of Costa Rican paper imports are shown in Table I.

Plans are now afoot in Costa Rica to build a mill to produce all types of paper, excluding newsprint. But even when these plans reach fruition, there should still be considerable room for Canadian producers to increase their sales in this market.

El Salvador—This, the smallest but most densely populated and most industrialized country of Central America, imported paper products valued at \$4.65 million during 1963. Canada's sales were \$10,000 or 0.28 per cent, compared with U.S. sales of \$2.86 million or 61.45 per cent. Scandinavia's exports of \$500,000 accounted for 10.82 per cent.

The main categories were the same as for Costa Rica but in reverse order as shown in Table II.

TABLE II

EL SALVADOR'S IMPORTS OF PAPER

Wrapping and Packing Paper	
United States	\$1,276,302
Scandinavia	168,388
Canada	7,985
Others	160,300
Total	\$1,612,975
Paper and Cardboard Cartons	
United States	\$ 242,170
Netherlands	120,957
Canada	45
Others	68,482
Total	\$ 431,654

Though the two categories shown in Table II account for almost 44 per cent of El Salvador's total paper imports, there is still a balance of over \$2.5 million being imported in all other categories.

Guatemala—The latest statistics for this country are for the first half of 1963 only, but there is every indication that Guatemala's imports of paper products exceeded \$4 million in the full 12 months.

U.S. sales for the first half of 1963 amounted to \$1.3 million (62.88 per cent), Scandinavia's \$250,000 (12.23 per cent) and Canada's \$80,000 (3.7 per cent).

During that period, cardboard boxes were the big item. The total was \$364,811 of which El Salvador accounted for \$244,984. Countries outside the Central American Common Market supplied the remainder, but the tariff protection on this commodity afforded members of this trading bloc will undoubtedly restrict future imports from non-member countries.

Writing paper was another important Guatemalan import during the period under consideration. Purchases amounted to \$299,314, of which the U.S. accounted for \$257,873, Norway \$22,735, and Canada \$13,906.

These categories are representative only and there are several other classifications that merit the attention of Canadian producers.

Honduras—Though Honduras is the least industrialized of the six countries being reviewed, it nevertheless imported in 1963 paper products worth \$3.66 million. Canada's share of this lucrative market was \$84,000.

The U.S. accounted for 76.55 per cent of the market with sales of \$2.82 million and Scandinavia accounted for 8.06 per cent with sales of \$300,000.

Packing and wrapping paper was the largest category and the U.S. supplied \$1.75 million out of a total of \$1.87 million. Purchases of cardboard boxes reached \$437,525 and the U.S. accounted for slightly more than half.

Nicaragua—In 1963, Nicaragua imported \$2.81 million worth of paper products, an increase of 21.6 per cent over 1962. The U.S. share was smaller than for the other five countries and amounted to \$1.37 million or 48.75 per cent. Canadian sales to Nicaragua were \$41,568 or 1.42 per cent. The other Central American republics and Panama

accounted for \$780,000 or 27.76 per cent, mostly containers.

Total purchases of paper and cardboard containers amounted to \$1.88 million and this was by far the most important category. The main suppliers were Panama \$435,287, the U.S. \$293,827, and El Salvador \$245,196.

Another important category was printing and writing paper. Of purchases totalling \$346,973, the United States accounted for \$173,921, Scandinavia \$102,007 and Japan \$19,027.

Nicaragua is striving with considerable success to increase her industrial output and at the same time expand her agricultural production. Improvements are also taking place in the educational field and several new schools are under construction. All this means more paper.

Panama—Of the six countries being reviewed, Panama represents the second largest market for paper and paper products. For the first nine months of 1963, imports amounted to \$6 million and should have been close to \$8 million by the end of the year.

Though a breakdown by country of origin is not available for 1963, the U.S. usually supplies about 75 per cent of Panama's requirements, and Canada's share is between 1.5 and 2 per cent. The remainder comes mainly from Scandinavia, West Germany, and Britain.

Panama's chief requirement during the first nine months of 1963 was cardboard boxes and imports of this item reached almost \$1.7 million. Packing and wrapping paper purchases exceeded \$1.1 million. These two classifications, however, account for only about half of Panama's requirements for the period and the balance is made up of every type of paper product.

These six countries, together in area about the size of France, offer Canadian paper products a considerable market and one that should have even greater potential in the near future. ●

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:

Toronto—June 16-22 Quebec City—June 30
Montreal—June 23-29 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:

Winnipeg—September 1-3 Quebec City—September 16
Montreal—September 7-15

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

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

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

Japan—J. D. Blackwood, Commercial Secretary, Tokyo:

Vancouver—June 14-15 Montreal—July 6-7
Calgary—June 16 Winnipeg—July 9-12
Edmonton—June 17-18

When he completes his tour, Mr. Blackwood will be posted to Caracas, Venezuela, as Commercial Secretary.

Mexico—H. S. Hay, Commercial Secretary, Mexico City:

Montreal—June 14-18 Toronto—June 28-July 5
Southern Ontario—June 21-25

For details of Mr. Hay's Southern Ontario tour, please get in touch with W. B. Walton, Assistant to the Director, Trade Commissioner Service, Department of Trade and Commerce, Ottawa, phone: 992-3058. When his tour is finished, Mr. Hay will be posted to Detroit as Consul and Trade Commissioner.

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

Toronto—June 14-23 Montreal—June 30-July 9
Southern Ontario, Quebec City—July 2
including Hamilton—
June 24-29

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

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

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

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

W. J. Millyard, Consul and Trade Commissioner in Philadelphia:

Regina—June 17 Montreal—August 9-16
Edmonton—June 18 Quebec City—August 17
Vancouver—June 21-23 Halifax—August 18-19

West Germany—H. E. Campbell, Consul, Duesseldorf:

Montreal—June 28-July 3 Calgary—July 14
Toronto—July 4-10 Edmonton—July 15
Winnipeg—July 12 Vancouver—July 16-20
Regina—July 13

Temporary Duty in Ottawa

J. D. Blackwood, Commercial Secretary in Tokyo, Japan, June 21-July 5. Contact Asia and Middle East Division, phone: 992-5642.

H. E. Campbell, Consul in Duesseldorf, West Germany, June 14-26. Contact European Division, phone: 992-8727.

R. R. Parlour, Commercial Counsellor in Washington, June 7-18. Contact United States Division, phone: 992-5176.

In Territory

Barbados and St. Vincent—L. D. R. Dyke, Commercial Secretary in Port-of-Spain, Trinidad, will visit Barbados and St. Vincent July 26-30.

Paraguay—M. B. Bursey, Commercial Counsellor in Buenos Aires, Argentina, will visit Paraguay for one week beginning June 20.

Tasmania—R. D. Lucas, Assistant Commercial Secretary in Melbourne, Australia, will visit Tasmania June 15-23.

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

Trading with Colombia and Ecuador



J. G. IRELAND, Commercial Secretary in Bogotá for the past year, begins a tour of major business centres in Canada in mid-June. Businessmen who intend to confer with Mr. Ireland later will find this outline of the market in his territory useful.

Colombia

THE Colombian economy entered 1964 on a buoyant note but business conditions deteriorated during the last quarter of the year and 1965 may be marked by industrial and commercial recession.

For some two years the "free market" (or non-merchandise) rate of the Colombian peso was stabilized at ten pesos to the U.S. dollar, but imports were made at the "import certificate" rate of 9.01 pesos to the U.S. dollar. The free rate has been declining in the last six months but the Government has maintained the import rate at its former level and has placed further strict controls on trade in order to conserve foreign exchange.

Imports Further Restricted

Before October 1964, all goods were classified in three lists. List I, prohibited imports, included most luxury and consumer goods; List II included those that could be imported freely, such as raw materials and capital equipment, and List III, imports subject to prior licence. On December 1, 1964, however, all items on the free list were moved to the prior licence list, and although this measure was intended

to be in effect for only three months, as of May 1, 1965, there was no indication that it will be rescinded.

The Government is currently making every effort to restrict imports to approximately U.S. \$360 million a year compared with between U.S. \$500 million and U.S. \$550 million a year from 1960 to 1963. This substantial restriction has hampered both commercial and industrial activity because imports at this level are not sufficient to cover even the raw and semi-processed materials that industry needs. To aggravate matters further, additional prior deposits were levied on all imports at the beginning of the year. Although these two were said to be provisional, no hint has yet been given about when they may be removed.

It is fortunate that during this difficult period Colombia's exports of coffee—which account for some 70 per cent of its total export trade—have remained high and coffee prices have continued to be buoyant. Its 1964 coffee exports totalled 6.41 million bags (6.13 million in 1963) and the average price in New York was 48.82 cents a pound in 1964 compared with 39.55 cents in 1963 and 40.76 cents in 1962. During recent months Colombia has therefore had a favourable balance

on foreign trade account. This has helped to compensate for the serious balance-of-payments deficit brought about by the heavy foreign debt and other non-trading deficits. Gold and foreign exchange reserves at mid-February 1965 totalled U.S.-\$133 million compared with U.S.-\$149 million at the end of 1964.

There are no official statistics to indicate the rate of foreign private investment in Colombia but many members of the financial community are of the opinion that the present recession has had the effect of reducing this investment substantially. Potential investors are adopting a wait-and-see attitude. On the other hand, there are few if any indications of interest in Colombia on the part of foreign governments and international lending agencies. Although most government Ministries are suffering from a severe shortage of development funds, the development program in the public sector continues to make headway.

Trade with Canada

Because Canadian exports to Colombia consist largely of raw and semi-processed materials, our sales have suffered less than those of many other industrialized countries. In 1964, they were valued at \$21.3 million compared with \$23.3 million in 1963, and some of the decrease resulted from smaller sales of capital equipment and a few other products, which are not necessarily in demand every year. The additional restrictions placed on imports into Colombia of practically all luxury and non-essential products earlier this year and the severe limitation placed on most imports mean that short-term prospects for many Canadian exporters are not too encouraging. As a developing country, Colombia will of course need increasing amounts of raw materials for its expanding industry. But in the immediate future, the best prospects for broadening the range of Canadian exports lie in the development program.

Ecuador

ECUADOR has been enjoying something of a boom since the present government came to power in mid-1963 and the high rate of commercial and industrial activity is expected to continue within the foreseeable future. The Government has adhered steadfastly to orthodox economic policies and has consequently received the support of most sectors of the business community. One important accomplishment is the recent reform of the tax system and the consolidation of 315 different taxes into a mere 16. Although Ecuador by Latin American standards is a relatively free import market, Canadian exporters should remember that the purchasing power of Ecuadorians is extremely low. It is estimated that half the total population of just under five million still lives at a subsistence level.

The economy of Ecuador is still in the early stages of development. Since 1950, the gross national product has increased at an average annual rate of 5.4 per cent and per capita income has risen from \$130 in that year to \$225 in 1963. Industrial development is still very limited and most of this growth has resulted from an expansion in exports, particularly of bananas, coffee and cacao, which in most years account for 85 per cent of total foreign exchange earnings. Two-thirds of exports consist of bananas and Ecuador is now the world's leading exporter of this fruit.

Exports in 1964 were valued at U.S. \$133.8 million, compared with U.S. \$135 million in 1963. Imports last year reached U.S.\$138 million compared with U.S.\$118 million in 1963. Banana exports brought in U.S.\$118.3 million as against U.S. \$107.4 million in 1963.

Because Canada buys important quantities of Ecuadorian bananas, the balance of trade is usually in the latter's favour. Last year, for example, we bought Ecuadorian

products worth \$9.35 million and supplied goods worth \$5.72 million. About half the rise last year in our sales to Ecuador—to \$5.72 million from \$3.91 million in 1963—was made possible by increased exports of wheat and certain capital equipment.

Ecuador represents a small but relatively open market for a wide range of goods, including consumer products. Only the comparatively few items that are made in the coun-

try are subject to import restrictions or prohibition. At present, Canadian shipments are made up of a large number of items of all kinds and all degrees of manufacture, although in most years wheat and newsprint account for some 70 per cent of the total. Competition from other developed countries is extremely keen but Canadian firms which can offer at competitive prices would be well advised to explore this small but interesting market further. ●

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.

Sugar Price Control

Responding to a question in the House, the Parliamentary Secretary to the Minister of Trade and Commerce said: "The Canadian Government continues to support efforts to stabilize world sugar prices through international arrangements.

"In concert with principal producing and consuming countries, we are working toward a more effective international sugar agreement, one that will afford adequate protection to both consumers and producers."

He added that close consultation with representatives of Canadian sugar beet producers and refiners had been maintained, and that their views were taken into account in any international discussions in which Canada has participated.

"We are always pleased to receive submissions from those concerned," he concluded.—Hansard, House of Commons, May 17.

Canadian Cattle Import Procedures

Responding to suggestions that Canadian imports of cattle from countries where foot and mouth disease was not fully under control were jeopardizing exports of cattle to the United States, the Parliamentary Secretary to the Minister of Agriculture presented a statement outlining Canadian import procedures.

The statement explained that Canada imports cattle only from countries where foot and mouth disease is under control.

The animals are tested first in the country of origin before being moved into quarantine for a period of 30 days, where further tests are performed. "Following that," the statement continues, "they will come to the security quarantine station in Canada at Gros Isle. Our regulations require quarantine here for a period of 90 days, but in most cases it will be up to five months. They will again be tested at the Canadian station.

"All the blood samples are to be sent to the Foot and Mouth Disease Research Institute at Pirbright, England, to be tested for foot and mouth disease. This is one of the outstanding research stations for that disease in the world, and the whole program has been developed with the co-operation of the authorities there. We are completely satisfied that this program involves no risk of introducing foot and mouth disease into Canada, and that American livestock interests need have no concern on this score.

"The United States authorities have been kept fully informed of our program. There has been agreement on the soundness of the procedures which we will follow and there has been no indication in the consultations with American officials that, under those procedures, there would be any health grounds for restrictions on the movement of Canadian cattle or meat to the United States."—Hansard, May 25.

Wheat Sale to Mainland China

The Minister of Trade and Commerce announced today that the Canadian Wheat Board "has concluded negotiations in Hong Kong for the sale to Mainland China of 1½ million long tons of Canadian wheat, [representing] approximately 58.7 million bushels."—Hansard, May 25.

How to Visit the U.S.S.R.

If you have an industrial product or capital equipment that the Soviet Union might buy, come to Moscow and try selling it to a state trading organization yourself. It's not difficult to arrange a visit if you follow the right procedure—and you'll find it rewarding.

MALDWYN THOMAS, *Commercial Secretary, Moscow.*

THE SOVIET UNION is very different from Canada in many ways but an increasing number of Canadian businessmen are finding out that it is not really the remote country they once thought it to be. In recent years Soviet trade with Western countries has been increasing rapidly and Western businessmen and tourists are becoming a familiar sight on the streets of Moscow.

Even though the Soviet Union is already an important industrial power, it is continuing to expand its industry on a large scale. To do this, it is turning to the economically developed Western countries for technical knowhow, particularly in the form of plant and equipment. It also imports industrial materials from the West. Between 1958 and 1963 Soviet trade with the industrialized Western countries grew by almost 100 per cent—from R.1,-223,500,000 to R.2,416,200,000. With its population of approximately 225 million, the U.S.S.R. represents a huge potential market and the consensus among Western observers is that, despite periodic fluctuations, exports of industrial products and capital equipment to the Soviet Union will continue to expand in the years to come.

Mainly in Moscow

The best way to investigate the market potential is to come to the Soviet Union and meet Soviet officials face to face. Such a visit, in addition to being useful, will give



The business visitor to the U.S.S.R. will undoubtedly become familiar with this view of the Kremlin because he will be able to transact practically all his business in Moscow, where the head offices of the Soviet state trading corporations are located.

the Canadian business visitor an insight into a huge, important and fascinating country. Although there are a number of interesting centres in other parts of the U.S.S.R. which Westerners may visit, most visitors find that they can accomplish all their business in Moscow. All foreign trade is in the hands of a limited number of state trading organizations which have a monopoly on trade in the products in which they specialize. All these organizations, which are listed in the attached box, have their headquarters in Moscow. In fact, it is often possible for the Canadian business visitor to do all his business without ever leaving the Foreign Trade Ministry building. Naturally, there are times, particularly when discussions reach a technical stage, when he may find it necessary to go to other parts of the country.

Visas for Visitors

Coming to Moscow nowadays is relatively easy. Although there are no direct airline connections between North America and the Soviet Union, there are regular jet services to Moscow from the major West European capitals. Travellers with more time on their hands may enter the U.S.S.R. by train at several points or by ship from London.

The traveller's wardrobe is usually no problem. The Canadian visitor will find the climate in Moscow much like that of Eastern Ontario or Quebec, except that the winters are somewhat darker and the summer a little milder. Consequently the type of clothes worn in Montreal or Ottawa will be perfectly suitable for Moscow and most of the European U.S.S.R.

There are normally two methods open to Canadian businessmen wishing to obtain visas to enter the Soviet Union. If the businessman has already been in touch with one of the state trading organizations and has been invited to visit the U.S.S.R., he may apply directly to the Soviet Embassy, 285 Charlotte Street, Ottawa, for a visa. If he has

not made any prior business arrangements but simply wishes to explore business opportunities after he arrives in Moscow, then he should approach one of the several travel agencies in Canada which are agents of Intourist, the Soviet State Travel Organization. The agency, in addition to making his travel arrangements and booking accommodation for him in the U.S.S.R., will also undertake to obtain his visa. This usually takes about a week, according to the Soviet authorities, and the visas tend to be valid for one or two weeks, the length of time depending to a degree on the visitor's business and travel arrangements. If the Canadian businessman finds it necessary to extend his stay in the U.S.S.R., there is normally provision for renewing his visa.

Hotels Are Comfortable

There are two general ways of making travel arrangements and booking accommodation in the U.S.S.R. If a businessman has been invited by one of the state trading organizations, his host will book his hotel, arrange his tours of Moscow, etc., and see that he is met and seen off at the Moscow airport. Visitors who arrange their visits through tourist agencies, however, are the responsibility of Intourist, which is equipped to look after all their physical requirements and accommodate them in special Intourist hotels.

Hotel accommodation in Moscow is not luxurious by Canadian standards but is quite comfortable. Prices vary, depending on the class of accommodation and on the type of tour arranged. Some typical Intourist rates are:

(a) *Deluxe*—two-room suite, bathroom, television, breakfast. Service includes being met and seen off at the airport, as well as a car for three hours per day plus guide. Single—U.S.\$35.00 per day; double—U.S.\$25.00 per day.

(b) *Business tour*—first-class accommodation; single or double room with bath, breakfast. Service in-

cludes being met and seen off at the airport. U.S.\$10.00 per person per day.

(c) *Pension*—room with bath; three meals per day; includes four-hour tour of Moscow every other day; single—U.S.\$19.00 per day; double—U.S.\$16.00 per day.

Accommodation for businessmen travelling independently of Intourist (i.e., at the invitation of a state trading organization, etc.) appears to be a little cheaper, ranging on the average from U.S.\$4.00 to \$6.00 per day for a single room without breakfast.

Getting Around

The Canadian visitor may exchange his dollars or travellers' cheques for roubles at exchange bureaux located in the major hotels. There are also tourist shops in some of the hotels which sell souvenirs, etc., for convertible currency at special prices. The traveller should note, however, that it is illegal to bring roubles into the U.S.S.R., and he will be asked to cash them in for convertible currency on leaving the country.

Although Moscow has an extensive bus system and an underground railway known as the "Metro", of which the Russians are very proud, most foreign business visitors find it more convenient to use taxis to get around the city. There are taxi stands at all the major hotels and fares are quite reasonable by Canadian standards. Because taxi-drivers sometimes have difficulty in changing rouble notes, it is wise to have a supply of small change on hand with which to pay the fare. (This also applies to small purchases in the shops.) Because the Russian alphabet is difficult to decipher without prior training and taxi-drivers cannot be depended upon to speak foreign languages, the traveller is also advised to have one of the staff at his hotel write out his destination in Russian on a slip of paper before boarding a taxi.

When the Canadian visits the foreign trading corporations them-

selves, language usually presents no problem. All Soviet organizations that deal with foreigners are staffed with competent interpreters. English is the most widely used foreign language but a number of corporation officials speak French as well.

The corporations generally work from 9.00 a.m. to 5.00 p.m. on weekdays and on Saturdays until 1.00 p.m. Although the foreign trading organizations operate 12 months a year, the Canadian business visitor would do well to avoid the months of July and August. Many Soviet officials are away in the country on their holidays at that time, in order to take advantage of the brief Russian summer. Official organizations are closed on January 1st (New Year's Day), May 1st and 2nd (May Day), November 7th and 8th (Anniversary of the October Revolution) and December 5th (Constitution Day).

Making Plans

Before coming to the U.S.S.R., the prospective exporter is advised to write the Commercial Secretary at the Canadian Embassy, 23 Starokonyushenny Pereulok, Moscow, for information on the Soviet market. It is useful to accompany initial inquiries with a good selection of brochures and preliminary c.i.f. price indications in English or French and in metric measurements. This information will enable the Soviet Foreign Trade Organizations to assess the products offered and to indicate whether or not a visit to Moscow would be worthwhile. If a businessman is invited to the U.S.S.R. by one of the state trading organizations, samples accompanying him are normally admitted duty-free. If he visits the Soviet union as a tourist, he may have to surrender his samples at the Customs entry point. However, if he later has dealings with a Foreign Trading Organization, there are provisions for releasing the samples from Customs. Unused samples must be taken out of the U.S.S.R. when the visitor leaves.

Negotiations in the Soviet Union tend to take longer than in the West and although the Canadian business visitor will probably visit only a few

organizations, he should allot plenty of time for his discussions. In fact, if he is not too pressed for time, he will find spending a few days in

Soviet Foreign Trading Corporations

All addresses are in Moscow.

AVIAEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports aircraft and parts. Aviation equipment of all kinds.

AVTOEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports cars and trucks, garage equipment.

EXPORTKHLEB

Smolenskaya
Ploshchad', 32.

Exports and imports grain, technical and other crops, seeds thereof.

EXPORTLES

Smolenskaya
Ploshchad', 32.

Exports and imports lumber products.

EXPORTLYON

Smolenskaya
Ploshchad', 32.

Exports and imports cotton and its products, textiles, ropes.

LICENSINTORG

Smolenskaya
Ploshchad', 32.

Handles patents and licences.

MACHINOEXPORT

Smolenskaya
Ploshchad', 32.

Exports mining, electrical, hoisting equipment and turbines.

MACHINOIMPORT

Smolenskaya
Ploshchad', 32.

Imports mining, electrotechnical and mining equipment, and also imports and exports railway rolling stock.

MASHPRIBORINTORG

Smolenskaya
Ploshchad', 32.

Exports and imports communication, scientific, electronic equipment; watches, cameras and optics.

MEDEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports pharmaceuticals and medical equipment.

MEZHDUNARODNAYA KNIGA

Smolenskaya
Ploshchad', 32.

Exports and imports printed matter, stamps, maps and records.

PRODINTORG

Smolenskaya
Ploshchad', 32.

Exports and imports foodstuffs, pedigree and slaughter cattle, and animals for zoos.

PROMMACHIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports pulp and paper equipment.

PROMSYRYOIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports steel products and rolled ferrous metals.

RAZNOEXPORT

Kalayevskaya St., 5.

Exports and imports consumer goods, sanitary equipment and wares, certain building materials.

RAZNOIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports non-ferrous metals and alloys, cables and rubber products, corkwood.

SOVEXPORTFILM

Kalashny Pereulok 14.

Exports and imports films.

SOVFRAKHT

Smolenskaya
Ploshchad', 32.

Undertakes ship chartering and acts as agent for Soviet and foreign charterers.

Moscow quite worthwhile. Apart from the fascination of observing a way of life very different from his own, he will be able to visit historic monuments such as the Kremlin and the Novy Devitchy Convent and share in the rich cultural life of the Russian capital. Through In-

tourist he can arrange tours of Moscow or book tickets for the famous Bolshoi Ballet, an opera, the Moscow State Circus, a puppet show, one of the numerous concerts of classical music, an evening watching a dance ensemble, or, if he speaks Russian, a classical play at one of the repertory theatres. There are also a number of popular regional restaurants which foreign visitors find interesting to visit. However, there is no "night club" life in the Western sense.

Although large tracts of the Soviet Union are still closed to foreigners, a number of interesting centres are open to the travellers with the time and the inclination. Intourist will arrange trips to such places as Kiev in the Ukraine, the Black Sea Coast, Tbilisi, the capital of Georgia, Samarkand and Tashkent in Central Asia, and Leningrad, as well as a number of small but attractive former religious centres in the Moscow region. Leningrad, the former capital, situated on the Baltic Sea, can be reached from Moscow by plane in one hour and is particularly popular with Western visitors, for whom its classical architecture evokes the atmosphere of the St. Petersburg of Russian 18th and 19th century literature. The famous Hermitage art gallery in the former Winter Palace of the Tsars alone justifies a trip to Leningrad in many people's eyes. Kiev, the Black Sea resorts, Tiflis, Samarkand and the other centres also have their special attractions for Westerners.

Tourism is a growing industry in the U.S.S.R. and the Canadian traveller who comes to Moscow will find that he is treading a path trod by an increasing number of Western businessmen and tourists. In addition to exploring the opportunities of a potentially large export market, he will be able to view with relative ease a land which bears a strong physical resemblance to some parts of Canada and yet is very different. For the enterprising businessman, the journey could prove both interesting and profitable. ●

Soviet Foreign Trading Corporations

All addresses are in Moscow.

SOYUZCHIMEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports chemicals, cinema-photo materials, perfumery.

SOYUZNEFTEEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports oil and its products.

SOYUZPROMEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports manganese, chrome, ores, coal and other minerals, asbestos, mineral fertilizers.

SOYUZPUSHNINA

Smolenskaya
Ploshchad', 32.

Exports and imports various kinds of raw, dyed and dressed furs, bristles and animal hair; carpets.

SOYUZVNESHTRANS

Smolenskaya
Ploshchad', 32.

Acts as carrier, dispatch and storage agency for shipments to and from the U.S.S.R.

STANKOIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports machinery and equipment, including drilling, grinding, woodworking, metalworking machinery and foundry equipment.

SUDOIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports various types of vessels and equipment.

TECHMASHIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports equipment for chemical industry, refrigeration equipment.

TECHNOPROMIMPORT

Smolenskaya
Ploshchad', 32.

Exports and imports technological equipment for many industries, including textile, food, glass and cable industries.

TECHSNABEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports atomic industry equipment, including medical equipment, radioactive materials.

TRACTOROEXPORT

Smolenskaya
Ploshchad', 32.

Exports and imports farm and construction machinery and equipment.

VNESHTORGIZDAT

Oruzheiny Pereulok, 25-a.

Publishes literature on foreign trade.

VNESHTORGREKLAMA

Smolenskaya
Ploshchad', 32.

Advertises Soviet products abroad and foreign products in the U.S.S.R.

VOSTOKINTORG

Smolenskaya
Ploshchad', 32.

Exports and imports to and from Oriental countries.

INTOURIST

Prospect Marxa, 16

Travel agency handling Soviet and foreign tourism.

THE U.S.S.R. CHAMBER OF COMMERCE

6, Kuibyshev Str.

A public organization with voluntary membership. Its main task is to promote Soviet economic ties and trade with foreign countries and to promote domestic trade. It sponsors Soviet trade and exhibitions abroad, assists foreign firms in the arrangement of national exhibitions in the U.S.S.R., and also facilitates their participation in international specialized exhibitions held in the U.S.S.R.

Argentina

ELECTRIC POWER—The Empresa Provincial de Electricidad de Cordoba has received from the Inter-American Development Bank a loan of U.S. \$4.5 million to help finance the second stage of the expansion of the primary electric power system in Cordoba. EPEC is a provincial government entity, formed in 1952 to operate a power plant and promote power co-operatives in the Province of Cordoba.

A three-stage program to raise installed capacity from 6,700 kw. to 190,000 kw. began in 1962 and will be completed in 1967; total cost is U.S. \$61.6 million. The first stage included the installation of power plants, transformer stations and distribution centres in the city of Cordoba.

The second stage includes complementary works, a 132 kw. underground interconnection network, a 13.2 kw. underground distribution network in the City of Cordoba, a 132 kw. transmission line from Cordoba to Pilar and Villa Maria, a transformer station in Villa Maria, and a centralized command and operation control port. Total cost of the second stage is approximately U.S. \$10 million—Buenos Aires.

Bahamas

TOURIST INDUSTRY—Figures released by the Bahamas Government show that in 1964 some 605,171 tourists visited the island, or 10 per cent more than in 1963. This was the fifteenth consecutive year in which the number increased. Forty different cruise ships called at Nassau during the year—Kingston.

Britain

HEATING CENTRE—The first comprehensive heating centre in Britain has just been opened in Liverpool. Now householders interested in central heating will be able to compare the different systems and fuels available. Efforts by any one fuel producer to knock competitors will be barred. It is estimated that in the next 20 years about five million dwellings will be equipped with central heating—Liverpool.

Guatemala

REFRIGERATION EQUIPMENT—It has been announced that a new plant to manufacture commercial and industrial refrigeration equipment will be established in Guatemala. The proposed investment is U.S. \$100,000. The undertaking has been given a "new industry" classification, which makes it eligible for tax and import duty concessions—Guatemala City.

New Zealand

GEOHERMAL POWER INVESTIGATION—The Government has approved in principle a five-year program of geothermal steam investigations at a preliminary cost of about £3 million (\$9 million). These investigations are primarily to discover steam for electric power generation; the initial allocation is £450,000 (\$1,350,000).

This investigation follows a recommendation in the 1964 report of the Power Planning Committee that the Government should attempt to develop the country's geothermal resources wherever practicable and economic. The 150-megawatt station tentatively scheduled for 1974 could come into service considerably earlier if these investigations find the expected steam resources—Wellington.

Northern Ireland

INSTALMENT DEBT—Provisional figures issued by the Ministry of Commerce show that new instalment buying by finance houses with headquarters or offices in Northern Ireland amounted to £1,119,000 during November; repayments were £1,060,000.

The total value of instalment buying and other credit instalments outstanding at November 30, 1964, was £13.84 million, an increase of £59,000 over October 1964 and of £1.24 million over November 1963. The index of instalment buying transactions for November was 126 compared with 121 for October and 102 for November 1963—Glasgow.

Norway

HARVEST DISAPPOINTING—The unfavourable weather throughout the summer and most of the autumn, particularly in the Western districts, resulted in rather disappointing crops, especially in quality. The grain crop, however, amounted to some 620,000 tons, the bulk of which consisted of barley and oats. This is 103 per cent of an average year, but the quality is rather uneven. The potato crop totalled 804,000 tons compared with over 1.2 million tons in 1963 and the quality varied considerably from district to district. There is no potato shortage, as the total annual demand for food potatoes and seed potatoes is about 500,000 tons. Root crops declined considerably, from 747,000 tons in 1963 to 608,000 tons in 1964. Crops of green fodder, totalling 54,000 tons, were about the same as in 1964. Hay was of poor quality and totalled 2,777,000 tons compared with 2,837,000 tons in 1963, and the fodder situation may result in reduced milk production. The total fruit crop was 82,000 tons compared

with 80,000 tons in 1963. The supply of apples on the whole is about normal, with a decrease in the important west country crop counterbalanced by an increased crop in Eastern Norway. The quality is better than average. Other fruits declined in quantity. Vegetable crops, excluding hothouse products, declined from 135,000 to 110,000 tons, and garden berries from 33,000 to 31,000 tons—Oslo.

Saudi Arabia

AMMONIA PLANT—The Saudi Arabian Government recently signed a contract with the Occidental Petroleum Corporation of the United States for the construction and operation of a \$20 million ammonia plant near Dammam. Capacity of the ammonia plant will be 600 tons a day and facilities will include a sulphuric acid plant capable of producing 35 tons a day—Beirut.

Sweden

CORROSION-PROOF TANK—A Swedish engineer and AB Svenska Jarnvagsverkstaderna from Linköping, south of Stockholm, have collaborated in designing and making a new type of storage tank for fuel oil which is corrosion proof.

The tank is made of stainless steel protected internally against corrosion and enclosed in a sheath of chemically resistant, fibreglass-reinforced polyester resin. It is cylindrical in shape with domed ends and is designed for horizontal installation below or above ground. In the space between the internal and external shells, there is a third layer designed to keep out corrosive liquids.

Known as the Secu tank, it is the first one approved by the Swedish authorities for installation without special measures where subsoil water protection is enforced—Stockholm.

United States

UTILITY EXPANSION—Union Electric Company, St. Louis, Missouri, plans to spend more than \$400 million on new construction in the next five years. About \$32 million of the \$90 million to be spent this year will cover continuing work on the first and second sections of the Sioux plant on the Mississippi River near Alton, Illinois, north of St. Louis. The remainder is slated for transmission, distribution and other facilities.

Union Electric is willing to purchase foreign electrical equipment and would be pleased to see any Canadian manufacturer—Chicago.

FASTENER IMPORTS—National Screw and Manufacturing Company of Cleveland, Ohio, has established a wholly-owned marketing subsidiary to import fasteners. The company, World Fasteners Inc., 336 W.

Ontario Street, Chicago, Illinois, will operate independently of National Screw and will actively pursue the simple fastener market where "it is impossible for domestic manufacturers to compete with imports on price."

Prime examples given are "wood screws, solid rivets, cotter pins, stove bolts and washers imported from Japan and other countries". World Fasteners Inc. occupies 16,000 square feet of space in Chicago's wholesale, hardware and mill-supply district—Chicago.

West Germany

WEST BERLIN HOTELS—If you sell to hotels you may do well in 1965 to consider West Berlin because the city intends to increase considerably the number of its hotel beds. Four new hotels will be built and most of the important ones plan extensions. There are over two million hotel nights a year in West Berlin and by 1966 it is expected that visitors will fill all the estimated 12,000 hotel beds—Bad Godesberg.

Foreign Tariffs and Trade Regulations

Saudi Arabia

ANNOUNCES AMENDMENT TO CERTIFICATION OF DOCUMENTS—In February 1964, the Ministry of Commerce and Industry of Saudi Arabia issued regulations affecting documentation covering shipments to Saudi Arabia, effective March 14, 1964. (See *Foreign Trade*, February 27, 1964, for previous notice.) According to these regulations the exporter should supply the following certificates together with the shipping documents:

(1) A certificate from the shipping company stipulating that the carrying vessel is not blacklisted and will not enter any Israeli port on its way to Saudi Arabia.

(2) If insurance on the goods is made abroad, a certificate from the insurance company attached to the shipping documents confirming that it is not blacklisted.

(3) A certificate of origin duly certified by the Chamber of Commerce evidencing that the goods are of the national produce of the exporting country.

Under an amendment effective from January 1, 1965, the various certificates mentioned above should be certified by a Saudi Arabian representative if one is stationed at the port of export. If there is no Saudi representative at the port of export, the certification of a Chamber of Commerce, Board of Trade or similar trade or industrial organization is sufficient.

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 .9259.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 28	Units per Canadian dollar	Notes (see below)
Algeria	Dinar .....	.....	.2204	4.54	
Argentina	Peso	Free .....	.006316	158.33	
Australia	Pound .....	.....	2.4130	.4144	
Austria	Schilling .....	.....	.04184	23.90	
Bahamas	Pound .....	.....	3.0163	.3315	
Belgium and Luxemburg	Franc .....	.....	.02176	45.96	
Bermuda	Pound .....	.....	3.0163	.3315	
Bolivia	Peso .....	.....	.09180	10.89	
Brazil	Cruzeiro	Official Free .....	.0005878	1,701.25	
Britain	Pound .....	.....	3.0163	.3315	
British Guiana	Dollar .....	.....	.6284	1.59	
British Honduras	Dollar .....	.....	.7541	1.33	
Burma	Kyat .....	.....	.2268	4.41	
Ceylon	Rupee .....	.....	.2262	4.42	
Chile	Escudo	Bank rate .....	.3541	2.82	
		Free .....	.2996	3.34	
Colombia	Peso	Free .....	.06297	15.88	
		Certificate .....	.1200	8.33	
Congo, Republic of	Franc .....	.....	.007200	138.89	(1)
Costa Rica	Colon .....	.....	.1630	6.13	
Cuba	Peso .....	.....	‡	‡
Czechoslovakia	Koruna .....	.....	.1500	6.67	
Denmark	Krone .....	.....	.1559	6.41	
Dominican Republic	Peso .....	.....	1.08	.9259	
Ecuador	Sucre	Official .....	.06000	16.67	
		Free .....	.05778	17.31	
El Salvador	Colon .....	.....	.4320	2.31	
Fiji	Pound .....	.....	2.7174	.3680	
Finland	Markka .....	.....	.3375	2.96	
France, Monaco, etc.	Franc .....	.....	.2204	4.54	(2)
Franco-African Republics, etc. ..	Franc .....	.....	.004408	226.86	(3)
French Pacific	Franc .....	.....	.01212	82.51	(4)
Germany	D Mark .....	.....	.2705	3.70	
Ghana	Pound .....	.....	3.0163	.3315	
Greece	Drachma .....	.....	.03600	27.78	
Guatemala	Quetzal .....	.....	1.08	.9259	
Haiti	Gourde .....	.....	.2160	4.63	
Honduras	Lempira .....	.....	.5400	1.85	
Hong Kong	Dollar	Free .....	.1878	5.33	
		Official .....	.1885	5.31	*May 7

*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 May 28	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02512	39.81	(1)
India	Rupee		.2262	4.42	
Indonesia	Rupiah		.004320	231.48	(1)
Iran	Rial		.01426	70.13	
Iraq	Dinar		3.0240	.3307	
Ireland	Pound		3.0163	.3315	
Israel	Pound		.3600	2.78	
Italy	Lira		.001729	578.37	
Japan	Yen		.003000	333.33	
Lebanon	Pound	Free	.3510	2.85	
Malaysia	Dollar		.3528	2.83	
Mexico	Peso		.08640	11.57	
Morocco	Dirham		.2160	4.63	
Netherlands	Florin		.2996	3.34	
Netherlands Antilles	Florin		.5727	1.75	
New Zealand	Pound		3.0054	.3327	
Nicaragua	Cordoba		.1543	6.48	
Nigeria	Pound		3.0163	.3315	
Norway	Krone		.1509	6.63	
Pakistan	Rupee		.2262	4.42	
Panama	Balboa		1.08	.9259	
Paraguay	Guarani	Free	.009720	102.88	
Peru	Sol	Free	.04026	24.84	
Philippines	Peso	Free	.2771	3.61	
Portugal & Colonies	Escudo		.03757	26.62	(5)
Sierra Leone	Leones		1.5120	.6614	
South Africa	Rand		1.5082	.6630	
Spain and Dependencies	Peseta		.01804	55.43	
Sweden	Krona		.2094	4.78	
Switzerland	Franc		.2486	4.02	
Syria	Pound	Free	.2827	3.54	
Thailand	Baht	Free	.05227	19.13	(1)
Tunisia	Dinar		2.0682	.4835	
Turkey	Lira		.1200	8.33	(1)
United Arab Republic	Pound	Official	2.4840	.4026	
United States	Dollar		1.08	.9259	
Uruguay	Peso	Free	.02171	46.06	
Venezuela	Bolivar	Official Free	.2401	4.16	
West Indies	Dollar		.6284	1.59	(6)
	Pound		3.0163	.3315	(7)
Yugoslavia	Dinar	Official	.001440	694.44	

Notes

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

Lines Written While

Waiting for a Fish Mission

"WHAT on earth does a Trade Commissioner do anyway?" asked a sceptical, tax-paying Canadian friend of mine on a recent Christmas card. What indeed? He eats malaria pills, he gets dysentery, he sits in airports, he pleads with importers and, hopefully, he promotes trade. He hopes that some Canadian exporters, sound of mind and stomach, can say, "There but for you go I."

"Be informal," pleads the editor of *Foreign Trade*, "be readable." Well, if this article is not the utmost in readability, I can assure you it is the utmost in informality. In fact, it is being sent to the editor with the simple caption, "I dare you."

As I sat waiting for the arrival of a Canadian Fish Mission, I thought some exporters might be interested in hearing of the mundane things we do for our country. Maybe it will give you some ideas about what we might do for you.

"It has been decided," says the typical impersonal departmental memorandum, "to send a fish mission to your territory." "By whom?" says the overworked (it is true) Trade Commissioner. Not content to confine the visit to our home base of Ghana, it is also scheduled to visit Liberia.

So, off I go to Monrovia to make final arrangements and to meet the mission. My plane (sorry, Ghana Airways plane lest you think your taxes provide us with private planes) touches down in Liberia via the Ivory Coast. The trip was made interesting by conversations with two fellow passengers. "Gee, isn't it exciting to be in Africa," said a young American tourist. "Would you mind taking my picture?" "Don't you find it frightfully fascinating to see the contrast between our ex-colonies and those of France?" articulates a British civil servant seated beside me.



Off the plane and into a bargaining session with a taxi driver. "Why don't you walk?" says he, leaning on a sign which says, "MONROVIA—50 miles." O.K., you win and the Government loses. (Sorry, Mr. Taxpayer.) Into a hotel, out with the file and up with the phone. "Would you please get me the Chief Fisheries Officer" "What is so funny about that?" "Oh, the phones never work." "What are government office hours 7:30 to 3:30" Fine.



Taxi to Fisheries Department—time 8:30—nobody there Department of State nobody there a private importer there and hard at work. (Quit saying, "I told you so," Mr. Businessman.) "Glad to see you," says he, "why don't Canadian exporters give me 90 days credit like everybody else? Why don't they package things the way I want? Why don't they follow shipping instructions?" "I'm sorry," says I on your behalf, "I'll write and tell them of your complaints." "Incidentally," says he, "the prices are good and the quality great." "Thank God for small mercies," says I to myself.

Back to the hotel for lunch. I neglected to say that I had left a note for one of the government officials I wanted to see, suggesting he join me for lunch if he came to the office before noon. There he was, waiting for me. Civil servants never pass up a free lunch—especially when it's offered by another civil servant. So, over lunch, we agree on our itinerary for the visiting mission. So much for the Fish Mission until it arrives.

Time to relax? Oh no! Time to visit the local banks to get reports on local companies being considered as agents by Cana-



dian companies. Time to visit importers of Canadian products to listen to their problems and to see how things are going. Time to find out what items are of interest to other importers, emphasizing the discounted Canadian dollar and the improved shipping facilities. Time to obtain tariff information. The time—Saturday noon.

A free weekend? Are you kidding? Who ever heard of a mission arriving during the week? This one was no exception. Arrival time, Saturday night or rather Sunday morning at 1 a.m. So, off 50 miles to the airport to negotiate this time with two taxis and customs officials. Then, smiling, I greet our fellow countrymen. At this point comes the welcome confirmation that, as usual, they are great fellows prepared to do their utmost to promote Canadian products.



So, after a satisfying tour unearthing some interesting possibilities, we are off to Ghana and here we go again.

What on earth does a Trade Commissioner do? Just about everything, which makes it the most interesting and satisfying job I know.

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

FOREIGN TRADE

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A Canadian Trade Commissioner wears many hats.

The Canadian Government Trade Commissioner wears many hats. During the course of his career in the foreign service he will live in as many as eight or ten different countries, for varying periods of time. Wherever he may be posted, he is quick to settle in as an active member of his adopted community.

In effect, he puts on the hat of that country and sets out to learn all he can about its economy, business conditions and way of doing things. He develops an intimate knowledge of the country, its people, its markets, its needs for materials, products,

equipment and services. He places this knowledge at your disposal to make it easier for you to design, produce and package goods the way your foreign customers want them.

Your Canadian Government Trade Commissioner is intensively trained in the business of international trade. He has been schooled to make sound judgments. He is ready to be your friend and adviser in your plans for expansion through export. Consult him soon, directly or through the Ottawa or regional offices of the Department.

Department of Trade and Commerce, Ottawa, Canada

