SEPTEMBER 4. 65

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Ohio - - a Market within a Market

Getting and Keeping Salesmen Abroad

Baja California: An Unusual Mexican Market

Geographical Listing for Exporters

FOREIGN TRADE

SEPTEMBER 4, 1965 Vol 124 No. 5

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

The Hon. MITCHELL SHARP, Minister.

J. H. WARREN, Deputy Minister.

O. MARY HILL, Editor.

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

Subscription: $5.00 a year in Canada $7.00 abroad.

Single copies: 25 cents each.

Please forward all orders to: Queen's Printer, Government Printing Bureau, Ottawa.

COMING—PROSPECTING IN THE PERUVIAN MARKET, SEPTEMBER 18 ISSUE

OHIO - - a Market within a Market

"WHY DON'T MORE CANADIAN MANUFACTURERS SELL IN OHIO?" This comment came from a Cleveland manufacturers' representative on the occasion of his first visit to Canada's newest Consulate in the United States. His remark arose from his success in selling the products of a Canadian company whose representation he had recently secured with the assistance of the Trade Commissioner.

Established a year ago, the Canadian Consulate in Cleveland serves a high-income market that many Canadians could cultivate. This article draws a picture of the state, its manufacturing and agricultural activities, and its main centers. Later reports will cover specific opportunities for Canadian suppliers of many types of products.

A. WORDEN EVANS,
Consul and Senior
Trade Commissioner, Cleveland.

His firm now holds four Canadian agencies and sales this year on behalf of his principals could reach a million dollars.

Many Canadians consider the United States a vast single market dominated by giant industrial organizations with an efficiency stemming from large-scale output that they cannot hope to match. The reality is far different. The major portion of the goods required by this prosperous and dynamic economy are supplied by small manufacturers. There is also no such thing as a single U.S. market. The country is broken up into a number of regional sales areas, of which Ohio is one of the richest and most compact, "a market within a market".

The fact that Ohio, with only ten million people, has a total personal income approaching that of the whole of Canada gives some idea of the richness of this market. Ohio is unique because, although it is only 300 miles long by 275 miles wide, it has more large cities than any other state in the Union and these constitute a series of compact marketing areas. Another attractive feature of selling in Ohio is the ease of access from all parts of Canada. There are first class air connections and for those travelling by road, superhighways join the state and Canada both to the east and west. Within Ohio, frequent air connections and a first-class highway network facilitate travel between population centers.

Third Manufacturing State

In spite of its relatively small size, this state ranks third in the U.S. in manufacturing. Thus, in addition to the excellent retail market afforded by higher-than-average incomes, Ohio as a great industrial state has an excellent potential for makers of components. It comes first in the country in the manufacture of business machines, machine tools, tires and tubes, roadbuilding and earthmoving equipment, stoves and ranges, bolts, nuts, washers, rivets, buckets, pails, drums, aluminum articles, coffins, screw machine products, glassware and soap. Ohio comes second in the production of foundry and machine shop products, flat glass, motor vehicle bodies and parts, rubber goods, and machine tool accessories and instruments, to mention only a few. It has a large and growing electronics industry. From this, the reader will realize that Ohio, with a growing number of manufacturers now approaching 15,000, has much to offer in marketing opportunities.

Cleveland Dominates Northeast

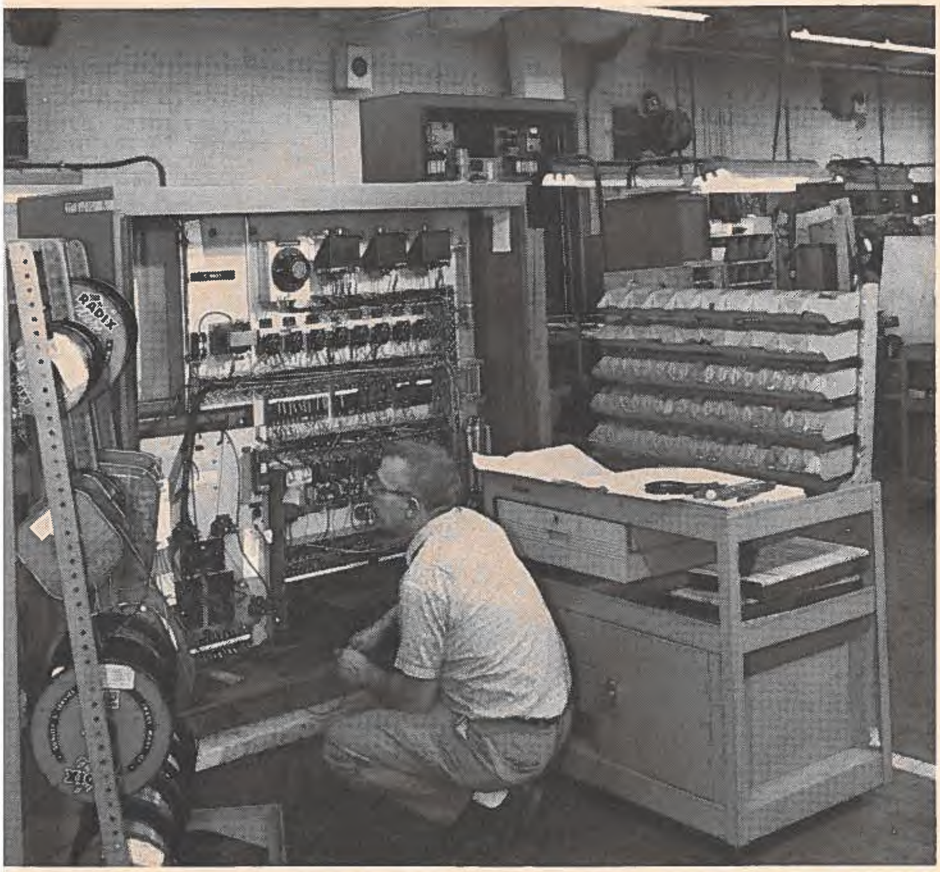
In considering sales areas in the state, the spotlight tends to focus on the largest city, Cleveland, which ranks seventh in size in the United States. This thriving metropolis dominates all of northeastern Ohio. It used to be known as a steel center but the picture has changed considerably over the past few years. Today its metropolitan area has the second largest automobile manufacturing complex in the world and one that is rapidly approaching that of Detroit. General Motors, Ford and Chrysler are among the top ten employers in the area, which also includes T.R.W. Inc., the world's largest producer of automobile parts. The principal industrial products of this area are machine tools, industrial equipment, motor vehicles and refined petroleum products. There are important printing and publishing firms.

Cleveland is also headquarters for many national companies. In addition, a number of nationally known companies have large manufacturing facilities there, including General Electric, Westinghouse, U.S. Steel, Union Carbide, Alcoa and Du Pont. There are also 15 locally based companies which in 1962 were among the top 500 corporations in the United States. Sales by these firms for that year totalled $4.2 billion.

Akron and Canton

A few miles south of Cleveland lies Akron, the world's largest manufacturing center for rubber products and the home of such leading producers as Firestone, Goodyear, Goodrich and General Tire. One-third of all tires made in the United States are produced there. This fact often overshadows the existence of other industries in Akron. It is interesting that it contains the world's largest plants for producing fishing tackle, cereals, and children's books.

Adjacent to and forming part of the same market is the city of Canton. Major industrial employers in this area include Hoover, Timken Roller Bearing, and Diebold, Inc., manufacturer of safes and vaults.



Industries turning out electronic instruments and electrical devices, like the one pictured above, are expanding fast in Ohio. This worker is completing the assembly of electrical equipment in the plant of Reliance Electric and Engineering.

Cincinnati in the Southwest

In the southwest corner of the state lies the "Queen City" of Cincinnati. It is a major commercial center and is also the machine tool capital of the world and home of the Cincinnati Milling Machine Company. Here are the headquarters of the world's largest producer of soaps and detergents—Procter and Gamble. In addition to having the largest producer of playing cards in the world, it is the major base of operations for the Kroger Company, a national retail supermarket chain. It ranks high among the national leaders in meat packing, printing and publishing, brewing and distilling, and the manufacture of office machinery.

Due north from Cincinnati is Dayton, known as the birthplace of aviation and the home of the Wright brothers. Appropriately, Dayton is a leading aeronautical research center although General Motors is the city's major industrial employer. Located here are the Frigidaire Division (household refrigeration), Delco Products (electrical equipment), Delco Moraine Division (motor vehicle parts and accessories) and the Inland Manufacturing Division of GM. Second largest employer is National Cash Register whose large complex of buildings covers many acres.

Columbus and Toledo

Columbus, the state capital, located near the geographic center of Ohio, is a lively city with several hundred industries. The fastest growing center in the state, it has five universities and contains the world's largest privately financed research institute. Columbus also plays an important role in whole-

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saling and distribution in the mid-western United States. Manufacturing in the area is diversified, ranging from the production of aircraft and nuclear instruments to furnaces and shoes.

Toledo is located at the western end of Lake Erie. Noted as the glass capital of the U.S., it is also rich in other industrial resources. From its plants come automobiles, auto parts, industrial furnaces, plate glass, processed foods, refined oils and ships.

Of particular note has been the growth of the port of Toledo. Coal is the major bulk commodity handled, although the volume of manufactures is expanding steadily. Toledo also has the only foreign trade zone on the Great Lakes. Within this bonded area, processing and manufacturing are carried on and there are adequate storage facilities at reasonable rates.

Agricultural Ohio

The agricultural region of Ohio lies in the central west and north-western sections of the state. Farming is the largest single industry and production is concentrated within the area between Dayton and Toledo. Ohio has top national ratings in certain farm commodities: for example, it is first in the United States in production of both soft red winter wheat and greenhouse vegetables. Tomatoes are also an important product, with output ranking second in the country; all nursery products are a close third. Other important farm products are tobacco, corn, oats, eggs, milk and turkeys.

Ohio's over-all agricultural cash income places it eleventh among all states in the Union. This is surprising when one considers the heavy industrial concentration sprawled across it.

For all its great agricultural and industrial potential, Ohio is far from being self-sufficient and succeeding articles will indicate where some of the marketing opportunities for Canadian firms lie. ●

New Zealand in 1964-65

- **Exported goods worth £372.1 million in fiscal 1964-65.**
- **Imported goods worth an estimated £353.9 million.**
- **Had a deficit of £22.5 million on overseas exchange transactions.**
- **Had smaller income from shipments of wool, butter and cheese.**

W. B. McCULLOUGH, *Commercial Counsellor, Wellington.*

NEW ZEALAND had an over-all deficit of £22.5 million in overseas exchange transactions for the licensing year ended June 30, 1965, according to the Reserve Bank of New Zealand. This compares with surpluses of £4.5 million for the year ended June 30, 1964, £21.0 million for 1963, and £6.9 million for 1962.

On current account the deficit totalled £27.1 million compared with a surplus of £2.0 million in 1963/64. This deterioration of £29.1 million resulted from a fall of £23.0 million in the surplus on trade transactions and an increase of £6.1 million in the deficit on invisible transactions.

The Trading Picture

Export receipts totalled £372.1 million, £14.6 million lower than for the year ended June 1964. Receipts for wool, butter and cheese all were down. The average price for greasy wool sold at auction in New Zealand during the past season was 42.1 pence a pound compared with 55.1 pence in the 1963/64 season; as a result, receipts fell by £30.0 million to £108.7 million. Despite falls late in the season, the average prices received overseas for both butter and cheese during 1964/65 were higher than for 1963/64, but a smaller volume of sales caused a decrease of £1.1 million and £500,000 respectively in receipts for these commodities.

Receipts from exports of other products increased. Higher prices for lamb and mutton sold overseas brought a rise of £7.3 million in meat receipts to a record £106.5 million. Receipts from dairy products other than butter and cheese were up £5.8 million, animal products other than meat and wool up £1.3 million, forest products up £0.5 million, other primary products up £0.5 million, and miscellaneous exports up £1.5 million.

The provisional total for imports for the year ended June 30, 1965, was £353.9 million (c.i.f.), or 3.5 per cent over the previous year. Imports of machinery and transport equipment, which make up over a third of the total, increased by £8.1 million and manufactured goods by £3.8 million. There was a drop of £6.9 million in the over-all category of food and live animals, largely because of lower prices for sugar.

The over-all deficit for the year is reflected in the decrease of £20.8 million in the net overseas assets of the banking system, which totalled £80.4 million on June 30, 1965.

Raising Loan in N.Y.

In July the Minister of Finance released information on the terms which have been negotiated for a $20 million (£7 million) loan raised in New York by the New Zealand Government. The loan will be for a period of twenty years, bear interest at 5¾ per cent, and be issued at 97½.

Although the loan is being raised and will be repayable in New York, it is being organized as a Euro-dollar issue, with particular appeal to non-residents of the United States who control funds in that country. Subscriptions by these non-residents are exempt from certain United States taxation applying to residents of the United States.

Exchange Control Regulations

New regulations under the Reserve Bank Act passed by Parliament last year to make better provision for the control of overseas exchange and other transactions will be promulgated shortly. The regulations will deal with exchange control and capital issues.

In discussing this in a speech to the Economic Society in Wellington on July 22, the Under-Secretary for Finance, Mr. Muldoon, said it was necessary for the Government to take power to deal with economic problems arising in the areas of overseas investment. The powers that had been taken were adequate without being excessive.

There was a lack of statistics on portfolio investment, both of overseas residents in New Zealand and of New Zealand residents in overseas companies. Mr. Muldoon said he believed the general approach which New Zealand should take towards overseas investment was:

"That international economic cooperation was essential for our own economic well-being as well as for the remainder of the world.

"That the private enterprise system, with the reasonable regulation in the public interest necessary in complex modern managed economies, had the inherent ability to produce the incentive to develop to the greatest extent the constructive and creative ability of a nation."

Vital Problems

The Australia and New Zealand Bank Limited, in its *Quarterly Survey* dated July 1965, commented as follows on the New Zealand situation:

"New Zealand's chronic tendency to spend abroad over and above the level of overseas exchange earnings again dominates the current economic scene. The extent of the problem became evident in April, with the release of information on the level of firm orders placed overseas by local importers. The restricted survey carried out by the Government Statistician indicated that firm orders placed in the March quarter were 13.5 per cent above the orders placed in the same quarter of last year, but for the month of March were an alarming 40 per cent above 1964.

"Unless checked, this dangerous increase in import payments could well gain impetus, partly because of the greater freedom recently granted to importers but, more important, because internal incomes and spending continue to rise and will be accompanied by an increasing demand for all types of imported goods. Growth of internal activity and demand has continued despite a series of adverse developments. These include a marked drop in wool incomes, a drift in butter export prices and prospects, the substantial transfer of funds to Government over the March tax period, the rapid growth of small savings and, to a lesser extent, the announcement at intervals of various steps taken by Government to reduce the strain on scarce economic resources, especially in the construction industry.

"Whatever the means chosen, the Government's main problem will be to convince the public that, although incomes should continue to improve, growth will be less buoyant than in the recent past and that a more cautious attitude to spending would be prudent. The dampening factors mentioned at the beginning of this article suggest that if the community is at all responsive to alterations in economic policy, comparatively moderate measures could be sufficient to induce restraint and to achieve a better balance between domestic activity and exchange availability." ●

The Market for Lumber in Israel

ISRAEL, notwithstanding its reforestation program, produces only 10 per cent of its lumber and timber needs and must import substantial quantities. In 1964, imports totalled about U.S. $25 million and the volume is growing every year.

The plywood industry imports the largest quantity of lumber, mostly tropical species from Africa. Building contractors obtain their timber primarily from southeast Europe and Canada. Manufacturers of citrus packing boxes buy large amounts of ready-cut lumber, more than U.S. $5 million worth every year. Because citrus fruit growers are continually extending their groves, the amount of wood they need for packing accounts for an ever-increasing part of the total imports of lumber.

Canada's share of the Israeli market is still small but it could be increased substantially. Last year it amounted to only $765,488. Shipments of Douglas fir (1964, $102,959) and white spruce ($116,012) arrive regularly from the West Coast and quantities of spruce ($300,605) come from Eastern Canada. Canada also supplies some lodgepole pine ($6,984) and hemlock ($19,290). Veneer sheets in maple ($165,812), birch ($27,537) and hardwood n.e.s. ($25,814) practically complete Canada's exports of wood products to Israel. Shipments of Douglas fir and hardwood plywood n.e.s. totalled only $232 and $242 last year.

There is certainly a large market to be exploited in Israel if exporters are in a position to ship full cargoes. The cost of transportation often makes a difference in price sufficient to attract the Israeli importer.

—G. L. GAGNE,
Assistant Commercial Secretary, Tel Aviv.

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How to Win World Markets 12

Getting and Keeping Salesmen Abroad

Selecting the right representative in a foreign market is a vital step in any export campaign. Keeping him happy and productive is even more important. The experience of many successful exporters is reflected in these suggestions for achieving both objectives.

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

PRODUCTS don't sell themselves, however well designed and competitively priced they may be. Selecting, training and supervising a sales force has become an important part of doing business in Canada; it is even more vital in carrying on export trade. Your salesmen in foreign countries are farther away, they often have to carry greater responsibility, and they must operate with less supervision. They must not only be good salesmen but also good ambassadors for your firm and perhaps for Canadian business as a whole. Selected with care, encouraged and supported, they can spell the difference between success and failure in export markets.

The product that you wish to sell and the service that you expect will determine what type of foreign representative you choose. Basically, there are two types:

1. The agent—who solicits orders for a product, passes these on to his principal, and receives a commission on sales. He does not take title to the goods nor does he assume the credit risk. Generally speaking, only the largest agencies maintain inventories and very few provide servicing. Agencies run the gamut from those handling two or three lines to those handling hundreds.

2. The distributor—who buys from the principal for his own account, maintains stocks, and ships from these stocks to fill the orders that he secures. He sets his own resale prices, employs his own salesmen (many agents do this also), extends credit to customers, and provides installation and servicing as needed. In fact, the distributor is the overseas equivalent of our wholesaler.

If your product is one that will be sold in a large number of retail outlets, an agent is sometimes the best choice because he can keep in close touch with these stores. He is especially useful in marketing "package" merchandise and also large and expensive products that are mainly custom-made to the individual order. The distributor, on the other hand, is well suited to selling consumer durables and other products that require servicing and replacement parts, such as heating equipment.

Some Canadian firms employ both commission agents and distributors, depending upon the individual market and its needs. One of them, in the games business, uses in West Germany and Belgium distributors who buy for their own account and warehouse the goods. But when the customer is a large one, he often makes direct sales and ships from Canada. A refrigerator maker uses commission agents in the West Indies and distributors who stock in the Middle and Far East.

Direct selling, of course, is often possible; many large department stores prefer this direct contact with the supplier, as a big manufacturer of hockey boots and other sports equipment has discovered. It is also possible to sell to "buyers for export" located in Canada, the United States or Britain, who buy for foreign governments, for companies with interests in many countries, or for large retailers. Direct selling may also be preferable when the transaction involves complicated negotiations.

Choosing the best qualified representative, either agent or distributor, will repay the time and effort that you devote to it. Pick the right man and you usually have it made; pick the wrong one and your troubles persist. The choosing will take time. One Brantford exporter says: "If you get a satisfactory distributor on your first contact, count yourself abnormally lucky; if you get him on your first five contacts, your score is above average."

They Keep Their Agents Happy . . .

1. Two Canadian companies dealing in canned fish products send to their newly appointed agents complete docnmentation on all their lines. The literature describes their prodncts in detail, the method of packing, and the standards for grading fish. They also maintain regular contact with their agents by periodic hulletins and letters.

2. A Canadian distiller who had given his agency to a Bonded Stores dealer supported him hy placing a full-page advertisement in the dealer's Diplomatic Corps catalogue, which is widely distributed.

3. A West Coast paper company selected a top agent in Central America and agreed to support him generously during an introductory period. After the agent had made a few sales, the company flew him and his wife to British Columbia to visit the company's mills and head office. The representative sent down from Canada also spent four days with the agent in each Central American country, visited all the newspapers and also inspected port unloading facilities, etc.

4. Keen selling, visits from head office personnel, and good technical promotion support of the local agents made possible outstanding sales of a cellulose film.

5. A paper manufacturer helped his European agents hy deciding to have them carry stocks in bond, so that they could counter competition from Scandinavia by offering equally fast delivery.

6. Exporters of a mineral prodnct made inroads into a large market by sending out top executives to visit it, hy choosing good agents and supporting them, and hy adapting their approach to the market as conditions warranted and the agent directed.

Finding Prospects

To begin with, you need names of prospective agents. There are a number of sources to which you can turn:

1. Canadian Trade Commissioners stationed abroad. This is usually the best source because you can write to the Trade Commissioner and ask him to recommend one or a number of agents from whom you can choose. He is familiar with Canadian ways of doing business, has many local contacts, and can do interviewing for you.

2. Associations of agents, distributors, importers, etc., in various countries. Most of these associations act as clearing-houses for requests for representatives and often circulate these to their members.

3. Canadian exporters of complementary but non-competing lines. They may be willing to give you the names of their representatives or to ask these representatives to recommend good agents or distributors.

4. Your bank, which may have branches or correspondents in the countries in which you are interested and can pass your request along.

5. Trade fairs abroad. If you make a product that can be exhibited at a trade fair, especially in Europe or the U.S., this is often an excellent way to contact good agents, who come to these fairs looking for accounts to handle. This applies especially to highly technical products, because the agent can actually see what you are selling and how it works, and can discuss selling points with you.

Whatever source you select, your first approach will probably be by letter. The more specific you are in your letter, the better the results will be. Don't write to the Trade Commissioner and say, "I want to sell women's wear in your territory. Please find me an agent." Tell him what types of women's wear you can offer, the price range, what volume of orders you can handle, how quickly you can deliver, and the sales channels that you use in Canada. Give him your idea of the ideal representative. If you can, mention c.i.f. prices and the rate of commission you expect to pay. This information will help the Trade Commissioner to make a good preliminary selection.

Making a Choice

Once you obtain a list of prospective agents, three courses lie open. One is to ask the Trade Commissioner to make his recommendation—though he invariably prefers that you make the choice yourself. A second is to write to the agents, give them all the details you can about your line, and send them samples, descriptive literature or pictures. Then ask each one to write and tell you why he wants the agency for your product and how he would market it. Make your selection on the basis of these replies. The third—and undoubtedly the best—way is to go and do the choosing yourself. The Trade Commissioner will be glad to line up appointments with candidates so that you can make good use of your time.

What are the important things to keep in mind in selecting a representative in a foreign country? The traditional answer is the three C's—character, capital, and capacity—and this covers a good deal of the ground. Many of the factors are the same as in Canada: a sound credit rating, a good reputation in the business community, the right contacts, a large enough organization to operate efficiently. Some of these factors may be even more important than they are in Canada. Take contacts. In certain markets, it is vital that your agent stand in well with government officials, such as those who issue import licences or the customs authorities. In Latin America and the Far East, who he knows may be just as important as what he knows, but entrée must be teamed with ability. Where importing calls for a great deal of paperwork, make sure that the agent has an efficient clerical staff to deal with it. If yours is a technical product, find out whether he has sufficient technical knowledge and salesmen who are well trained. In many of the less developed countries, your representative should be familiar with government purchasing procedures and methods, because in certain fields the government is the only possible customer. If he is a non-national, make sure that he speaks the language of the country and that he will be acceptable to the authorities.

Other obvious questions are:

—How much sales experience has he had?

—Does he have enough working capital?

—What other lines does he carry? Are they complementary to or competitive with yours?

—Does he handle any other Canadian products?

—What territory does he cover? Can he cover it adequately? Does he employ subagents in other centres?

—Do you think that he can make money handling your product?

One of the advantages of on-the-spot selection of agents is that you can answer many of these questions by visiting their offices and, if they are stocking distributors, their warehouses as well. Go with them to call on firms that might become customers; observe how they are received and their sales approach. Check references with some of their principals, especially other Canadian firms. Say to each candidate: "If I gave you the agency, how would you go about selling my product?" Ask each to draw up a list of potential customers.

Experienced or New?

Eventually you may have to choose between a large, well-established firm with excellent credit and an impressive setup and a younger one with its fortune to make. Which is better is a never-ending argument among exporters and the answer is that old standby, "it depends". The large one may have so many accounts to look after that it is apt to concentrate on the biggest and most profitable and you get the short end of the stick. The newer agency will hustle for business but choosing it involves more risk, especially financial risk. One exporter remarked that you may find yourself "balancing motivation against reputation when both are not available in the same firm." For products that call for a lot of technical knowledge, you may be better with the experienced agent.

When you have thoroughly investigated all the candidates, you can make a selection then and there. This will or should give you time to train the agent in the good points of your product and how to sell it. But some exporters feel that it is better not to make a choice until you return home, in the belief that when you are rested and relaxed, you make a better decision. This means that you cannot start the agent off personally and some training time is lost.

You may want to supplement the informal training that you do during your visit with something more formal later. A United States firm that sells mechanical packing and mechanical seals for industry offers all its distributors a correspondence course and pays each one for completing it. The course is designed to make the distributor able to service customers with a minimum of instruction and help from head office. The course literature is provided in the distributor's own language whenever possible; it is already available in six languages.

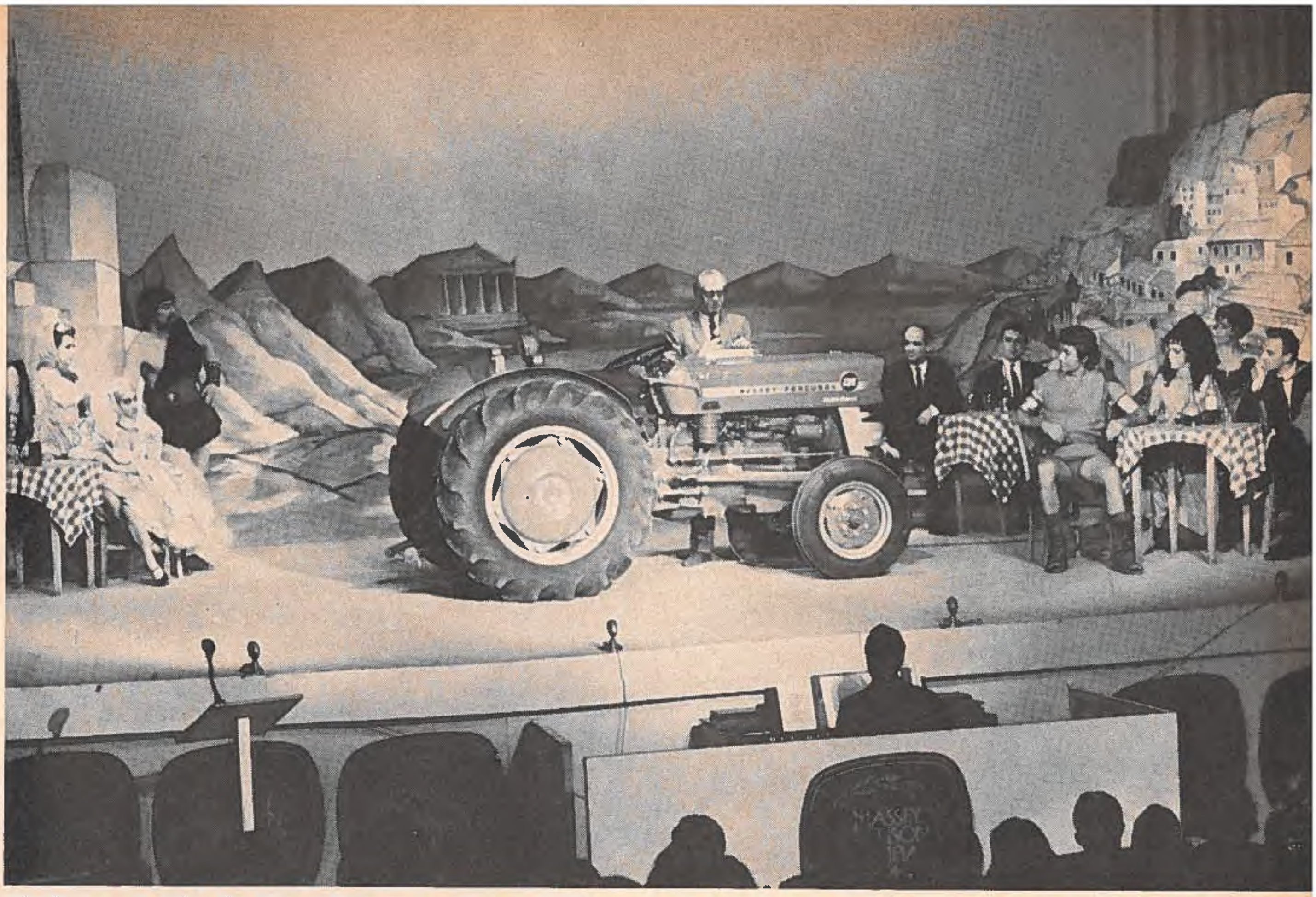
In some active markets the shoe is on the other foot and you must sell the agents you want on accepting your line. They won't take on what in the U.S. they term a "dog" (or non-mover) and they want to be sure that handling it will mean a good profit. In these instances, make your sales pitch carefully.

Contract or Informal Agreement?

The choice made, the next step is coming to terms with the representative. A number of points should be settled, including the following:

1. The products to be covered. At the beginning it may be better not to give the agent your whole line, but to let him introduce one or two products at a time.

2. The territory to be covered. Many agents demand more territory than they can cover adequately. Be sure that he employs good subagents, and perhaps provide for a later expansion of territory if he proves himself.



Distributors attending the Massey-Ferguson conference in Greece last November were entertained by a stage musical with a Grecian theme. Jason and the Argonauts searched the world for the Golden Fleece through three acts and found it at last in a village in Greece—in a new form—the 1965 Massey-Ferguson tractors. Twenty actors and dancers took part.

3. The rate of commission to be paid and how it is to be assessed. Will the representative be paid a commission on sales that are made directly by the company? (The most common range of commissions is between 5 and 15 per cent.)

4. What the terms of sale are to be —the f.o.b. point, discounts, special arrangements covering introductory orders, guaranteed sales, and special "deals".

5. Sales aids, premiums or advertising assistance that the principal will undertake to provide.

6. Services that the representative will provide, such as installation and servicing, warehousing, etc.

7. Whether or not sales to government are to be reserved to the principal.

8. Other details, such as confirmation of orders (they should be in writing), shipping, invoicing, customer credit ratings, minimum orders, samples, etc.

9. Information that the representative is to provide regularly to keep you abreast of market changes and developments.

10. Arrangements for terminating the contract. Any cancellation clause should be thoroughly understood by both parties.

Many firms are content with a verbal agreement with a representative, consummated by a handshake. Others prefer an exchange of letters on company letterhead, setting out the points mutually agreed upon. Still others hold out for a formal written contract.

Whatever arrangement you make, insist upon a trial period of six months or more, and let your agent know that you are trying him out. One Canadian paper company enters into an informal, open-end agreement for six months and then signs a formal contract. (The International Chamber of Commerce has a useful pamphlet "Guide for Drawing Up Agency Contracts". See the "For Reference" list on page 10.)

Training and Supporting

Getting the right representative is only the beginning; next comes the equally important matter of encouraging and supporting him. How well he performs depends on his principal as much as it does on his own efforts. The important thing with an agent or distributor in a foreign country is to make him feel that he is a real and vital part of your organization, even though he may be thousands of miles away. Essentially he is your employee.

Remember that he will be the first and sometimes the only representative of your company that the foreign buyer will see. He needs to be educated about your product and what it can do and must also have background information about your company and perhaps be trained in suitable selling techniques. Sit down with him and work out a marketing plan, however rough. This should include the timing of sales calls and the method of making them, what arguments to use in discussing competing products, what types of advertising and promotion will be most effective, and so on. It will pay you to spend several days with him on a first visit and perhaps include in your training some of his salesmen. Whenever you visit this market, go with him to call on important customers or those who have some problem or complaint. This will not only enhance his prestige but will give him a chance to see how you handle sales problems. Include him in any entertaining that you do while you are in his city so that he can meet potential clients under your sponsorship.

The ideal arrangement is for you or someone else in your company to visit all your foreign representatives at least once a year or every 18 months. Between visits, keep in close touch by letter or other means. Don't forget the telephone—you can telephone an agent in most parts of Europe for about $4.00 a minute. There is also telex. In Latin America, where fewer companies have their own telex service, there is a central organization that will take your teletype and relay it to your agent. Write to him frequently and also answer his letters promptly, even when your answer to his questions has to be negative or temporary. Many companies make sure that their representatives receive letters, sales bulletins, or other literature every month and sometimes more often. If it will help, let him write to you in his own language if you can get the letters translated readily. Reply to him in English if translation service is unsatisfactory.

Here are other suggestions about keeping him happy:

- Ship sample orders to him promptly and if delivery of other orders is delayed, tell him right away and tell him why.

- Make sure that quality is kept constant and that goods live up to specifications.

- Where possible, and especially in Europe or the United States, encourage him to take part in suitable trade fairs and perhaps offer to share costs with him.

- When he needs a new supply of catalogues, consider sending them to him by air.

- Be sure to send the documentation on a shipment at once, and by airmail.

- Make sure that he gets full details about any new lines.

- If it is practical, pay him his commission out of the proceeds of each collection.

Many exporters encourage their agents to come to Canada, visit the plant, and see the product being made. Some even pay his expenses. More commonly, the agent pays his own way and the company entertains him while he is here. He may want to look for non-competing agencies and if he has paid his own fare, he feels more free to look around. Don't be too busy to pay attention to him. If you make a technical product, give him a chance to spend some time with your factory and sales people.

Staging Get-Togethers

A big company with a large number of agents or distributors sometimes devises more elaborate methods of keeping them at the top of their form. Canadian Chemical Company, for example, gathers all its European agents together at some central point every two or three years. For several days, they discuss with head office personnel technical advances in the field, any new products, and the company's sales policies. There is plenty of time left for informal social gatherings.

Perhaps the most imaginative meeting of this kind was staged by Massey-Ferguson in Greece last November. Known as Olympiad 1964, it was planned to introduce the "new look" in its range of tractors and implements and was held at a seaside resort 25 miles from Athens. About 70 distributors from 57 countries and their wives came to the four-day meeting, and so did M-F's chairman of the board and chief executive officer, its president and many company personnel from both North America and overseas branches. A stage musical with an authentic Greek setting told the story of the company and its products and on the grounds of a nearby agricultural college, equipment (especially 1965 equipment unveiled for the first time) was exhibited and demon-

For Reference

Institute of Export. *Specimen Agency Agreements for Exporters as Suggested and Approved by the Institute of Export.* London, 1964. 15 p.

Price: Free

Order from: The Institute of Export House, 14 Hallam St., London, W. 1, England.

International Chamber of Commerce. *Commercial Agency: Guide for the Drawing Up of Agency Contracts Between Parties Residing in Different Countries.* Paris, 1961. 23 p. (Brochure No. 213)

Price: 60 cents.

Order from: Canadian Council, International Chamber of Commerce, 1224 St. Catherine St. W., Montreal 25, Que.

strated. At kiosks modelled after the street kiosks in Athens, sales aids were displayed and the visiting distributors could discuss product training, advertising, servicing, etc.

When Sales Slump

No matter how carefully they are chosen and how much encouragement and help they receive, some representatives just don't make the grade. The principal should check on the performance of an agent regularly to detect quickly when sales begin to slip. Don't fire him out of hand; look for the reason first. Perhaps it is the fault of the company: his letters may be lying unanswered or his orders may not be getting prompt attention and he is losing interest. His rate of commission may not be high enough in current market conditions, he may be handling too many lines, or he may have a health or financial problem. A letter to the Trade Commissioner asking him to drop in on the agent or to investigate may provide some answers or it may be worthwhile sending someone from head office to do some trouble-shooting. One veteran believes that "a jeopardized relationship can frequently be saved; a broken one, generating ill will, could interrupt a profitable export trade."

If you do decide to sever the connection with an agent, go about it carefully. Even though your agreement contains a cancellation clause, you may run into trouble, especially in Europe. In a case referred to the EEC's Court of Justice, a large U.S. chemical company discovered that an agent in one of the Common Market countries had the right to as much as a year's earnings when the firm dropped him. No matter what the settlement, the principal's reputation almost always suffers in a change of representatives and it may prove difficult to find someone else to take on the account.

One Trade Commissioner who has served in a number of posts, when asked for a recipe for good relations with agents, put it this way:

"The positive approach is simple. Support the agent under your agreed terms. Visit him as often as possible and make calls with him . . . . After the initial assault on the market, sit down with him and decide where to go from there. If the prospects are at all encouraging, he will repay your attention with his special efforts on your behalf." ●

Why Not Stop at the Canaries?

EXPORTS of agricultural products, the tourist trade, and bunkering services for ships have become the economic mainstays of the Canary Islands, Spanish possessions which lie 28 degrees north of the equator and 70 miles off the African coast. The islands also carry on a brisk import trade, with imports worth nearly $210 million in 1963—approximately $200 for each of the inhabitants or 10 per cent of total imports into Spain.

The mountainous terrain of the islands permits the cultivation of a wide variety of crops at different altitudes. Tomatoes, bananas and potatoes are among the most important and are exported to European countries in volume. Local production cannot, however, meet the need for other foodstuffs and grocery products in particular are in great demand. The fishing industry is becoming more important and the Japanese have established a fishing fleet based at Las Palmas.

The boom in tourist travel, so apparent in mainland Spain, has also helped economic expansion in the Canaries. Last year 103,000 visitors arrived in the islands by plane. Another 300,000 transit visitors came by sea (the islands are on the main shipping routes) and helped to swell the volume of retail business. The Spanish Ministry of Information and Tourism is convinced that the tourist business in the Canary Islands is still in its infancy and that the number of visitors could double in the next four years. Many people in Northern Europe are finding that an inexpensive vacation in the Canaries is an ideal way of breaking up the long winter and charter flights from Sweden, Britain, Germany and France arrive every day during that season.

Its location on the shipping lanes from the Americas and Africa to Europe has made these islands useful ports of call. Oil terminals have been set up and the volume of shipping has increased so rapidly in the last few years that Las Palmas is now said to be the second largest bunkering port in the world. This port also ships refined petroleum products to markets in Europe and the nearby African countries.

As a market, the Canaries are particularly interested in food products, as mentioned before, and in manufactured goods. All the machinery and equipment, for example, in use in the islands must be imported. The tourist boom has led to a great demand for construction materials and speculation in land and building is at a high pitch. Canadian suppliers of prefabricated houses and pre-cut lumber should be able to do some business here, because traditional construction methods using cement and brick cannot keep pace with demand and construction time is becoming an important factor. In the food field, canned goods are perhaps the best opportunity; the United States holds the greater part of the market for wheat because tender specifications favour U.S. grades.

The rigid trade controls still in force in mainland Spain do not apply to the Canary Islands nor do the normally high import duties. There is a system of import quotas but there are few complaints that the allocations are not large enough. Port taxes and other charges usually add from 8 to 10 per cent to the c.i.f. value of merchandise.

The principal obstacle to developing greater Canadian trade with the Canaries is the high shipping rates. There is no direct shipping service from Canada and only two lines offer service from the U.S. east coast ports. (Three lines operate to the islands from Gulf Coast ports.) Modest-sized vessels that come to load tomatoes and bananas for Northern European ports offer very attractive rates southbound and this works to the advantage of European suppliers. Canadian exporters who must transship through European ports are placed at a competitive disadvantage and must allow for longer delivery times as well. United States suppliers have been trying to overcome the same problems.

Canadian exporters who are planning winter business trips to the Mediterranean, however, will find it convenient and possibly profitable to stop off at the Canary Islands. The Commercial Secretary at the Canadian Embassy in Madrid will be glad to arrange appointments with local businessmen and particularly with agents, importers or distributors.

—R. M. DAWSON,
Commercial Secretary, Madrid.

Baja California: an Unusual Mexican Market

Here is a region which accounts for 10 per cent of Mexico's total imports, or Can. $125 million a year—and offers duty-free entry. The principal cities have high standards of living and are excellent outlets for consumer goods. This report discusses sales prospects and how Canadians can cultivate this market.

J. E. G. GIBSON, *Assistant Commercial Secretary, Mexico, D.F.*

VISITORS to Mexico City often remark on the high standard of living in this, the second most populous city in the Western Hemisphere. They are usually surprised to learn that the standard of living is even higher in Tijuana, Baja California, 1,500 miles to the northwest. And it is there that a lucrative export market can be developed for a wide variety of products.

Nearly thirty years ago the State of Baja California, the adjoining northwestern corner of the state of Sonora, and the Territory of Baja California Sur, as well as the Territory of Quintana Roo in southeastern Mexico, were declared to be customs free zones. This was done to compensate residents of those areas who would otherwise have had to bring in goods at excessive cost from the distant centres of distribution within the Republic. The result was that as the remainder of Mexico became increasingly restrictive about imports, the free zones remained relatively open.

For the past two years, imports into the free zones have averaged 10 per cent of the over-all Mexican total, or approximately Can.$125 million. The United States was by far the major exporter to these areas, with 89 per cent of the total. Japan, France and West Germany also made substantial sales. On the other hand, Canada, with the advantage of proximity, sold only Can.$80,000 worth of merchandise, mostly women's nylon hosiery.

Three Distribution Centres

The most important distribution centre in Baja California is Tijuana, a city long known for its night life and a number of other tourist attractions. Fully one half the goods imported into the state find their way into Tijuana outlets. This city of 250,000 receives no less than one million tourists a month. Most of them are Americans "just down for the day"—visitors from neighbouring San Diego, California, and its environs. Naturally these tourists gravitate to the many stores selling imported merchandise, often at prices lower than those back home.

It is clear that this city, which depends upon the tourist industry for its livelihood, represents an excellent outlet for consumer goods. Sales prospects for high class men's and women's apparel and furnishings are particularly good.

Mexicali, the state capital, lies 130 miles east of Tijuana in the middle of the Mexican extension of the rich Imperial Valley. A border city like Tijuana, Mexicali derives its high living standard not from the tourist industry but partially from the free labour exchange that allows 15,000 of its citizens to work in the United States. Most of its income comes from cotton growing and from the secondary industries processing cotton. Although constructed on a more solid economic base, Mexicali does not wear the same air of prosperity as Tijuana. In spite of its population of 350,000, the quality of consumer merchandise there is not equal to that of Tijuana. This results from the fact that the residents of Mexicali do their shopping "across the street", which happens to be the United States border.

Baja California's only deepwater port is at Ensenada, 60 miles south of Tijuana. Apart from the harbour facilities, which exist principally for the export of cotton, there are substantial tuna and sardine fishing interests. Although Ensenada's population amounts to just 60,000, it is an important centre for the tourist industry and, with increased investment being made in this industry, the market for imported goods should expand.

Together these three cities have nearly three quarters of the state's population. Most of the remaining residents of the state work on the land, growing cotton, olives, and a wide variety of vegetables, the bulk of which earn important foreign exchange for Mexico. In spite of the large size of the state, there is normally little need for the businessman to visit other places besides Tijuana and Mexicali because these two account for nearly 95 per cent of Baja California's imports. Sellers of marine equipment or fancy goods aimed at the tourists who flock to this seaside resort could usefully make a day's outing to Ensenada.

Visiting the Area

Baja California is most easily reached from Canada by flying to

San Diego, California, a mere thirty-minute drive from Tijuana. From the south, there is a daily non-stop flight from Mexico City to Tijuana plus a direct route to Mexicali. Once in the area, you will find that inter-city travel is easiest by bus. There is frequent, rapid and comfortable service between Tijuana, Ensenada and Mexicali, all of which are connected with each other by good highways running through interesting and at times spectacular countryside.

Hotel accommodation in the state is below standard and many visitors have found it more convenient to sleep in San Diego, California, when visiting Tijuana or Calexico, California, when visiting Mexicali. Ensenada can normally be covered in a day's trip from the Tijuana area. In all of these cities, the Mexican peso or the United States dollar is acceptable currency.

From the point of view of personal comfort, the best time in which to visit Baja California is October through April, when the climate is relatively temperate. During the summer months, the area around Mexicali is one of the hottest places in North America.

Business hours vary widely within the state. In Mexicali and Ensenada, businessmen are usually at work by half-past eight in the morning and their day finishes by six in the afternoon. Tijuana, where nightlife is supreme, does not come to life until ten each morning but appointments may often be made up to eight o'clock at night.

In your dealings with Baja California businessmen, you will find them alert to new products and certainly quality conscious. Most of the people with whom you will deal speak English and usually talk in terms more familiar to Canadians than many other Mexicans do. Nevertheless these people are nationalistic and proud of the position their area occupies within the national economy.

TABLE I

PRINCIPAL IMPORTS INTO MEXICO'S FREE ZONES—1963

(U.S.$ million)

Item	Value
Automobiles	$ 8.90
Electric power KWH	6.13
Fertilizers	4.34
Trucks	3.54
Fresh/prepared milk	3.42
Tractor parts	2.90
Gas butane/propane	1.59
Iron/steel pipe & connections	1.47
Fresh fruit, n.o.p.	1.46
Tinplate—sheets	1.33
Corn	1.31
Tractors	2.46
Machinery parts, n.o.p.	2.29
Clothing—cotton	1.95
Automobile spare parts	1.92
Lubricating oils	1.79
Aromatic solutions	1.73
Beans	1.29
Gasoline	1.27
Construction lumber	1.24
Tin cans/containers	1.14
Wooden furniture, n.o.p.	1.09
Tobacco leaf	1.04
Pneumatic tires	1.01

Source: Direccion General de Estadistica Comercio Exterior

Planning for the Market

When the free zone was first created, it was possible to import virtually any product into the area. In recent years, however, some industrialization has taken place and in line with the Mexican Government's protectionist policy, the border has been closed to certain imports. Prohibited are products of a class or type made in the area as well as a number of others which in the opinion of the authorities can be supplied economically from other parts of the Mexican Republic.

In spite of this, demand is still substantial for numerous other products which may be imported into the area. Table I lists all free-zone commodity imports in excess of U.S. $1 million during 1963.

Besides the items listed, the following products are in demand in the free zone: insecticides, seed potatoes, forage seeds, footwear, women's nylons, high quality cotton and woollen clothing for men and women, marine hardware and equipment, radio and television components, fancy goods and giftware.

The first step in approaching the market in Baja California is to request our office in Mexico City to conduct a preliminary survey of the sales potential of your product in the free zones. If there are indications that your product will sell, we will recommend that you take the next important step—a personal visit.

Bear These in Mind

You can make your first business trip to Baja California worthwhile if you bear a number of important factors in mind. These are:

- Because of its distance from Mexico's distribution centres, this area is a completely separate market. Few manufacturers' representatives in Mexico City are sufficiently familiar with the northwest to give proper coverage in that area. Therefore, if you appoint an agent, make certain that he resides in the Baja California area.

- Quote your prices c.i.f. Ensenada or f.o.b. San Diego, California, or some other convenient border point. Although most businessmen in the area talk in terms of U.S. dollars, your initial approach should be in Mexican pesos and of course literature should be in the Spanish language wherever possible.

- To get repeat business, be able to deliver quickly. Many people regard this area as a trading arm of the United States because of the proximity of California's larger centres and the convenience of ordering from these. One farm implement dealer in Mexicali told me that he had no need to maintain stocks because a phone call to his supplier in San Francisco would bring delivery in 24 hours. A Canadian supplier may safely assume that his product will start on an equal footing with the U.S. equivalent but how well he services his agent will determine continuity in this market.

- Capitalize on the substantial fund of goodwill for Canada in this area.

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If this is properly exploited and maintained, you may expect a good reception for your products.

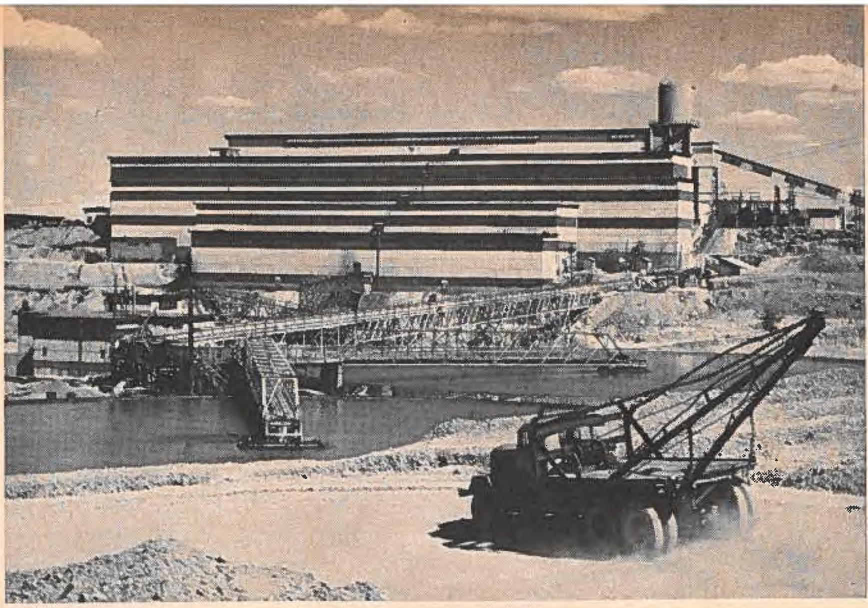
Free Zone to Continue?

The Mexican Government some time ago stated its intention to abolish the free zone concept as soon as such a move is feasible. Accordingly when manufacture of a product begins in the free zones, all imports of similar products are prohibited. Today the list of prohibited imports is becoming a long one as more and more commodities are added to it.

To improve conditions along its border with the United States, the Mexican Government in 1960 initiated the National Frontier Program. This is aimed at improving facilities for residents and tourists alike, improving and increasing means of transportation and communication with the interior of the Republic (i.e., the distribution centres), and creating more jobs by promoting new industries in these outlying areas. There can be no doubt that this scheme will succeed and it is already affecting commerce within the State of Baja California.

The life span granted to this free zone at its birth thirty years ago will come to an end next year. At that time the Mexican Government will have to decide whether to renew the dispensations or abolish them permanently. Some firms in the area are adopting a wait-and-see attitude before proceeding with expansion plans. If the free-zone privileges of this area are renewed, a large commercial boom may be expected. If they are eliminated entirely, a long and painful period of adjustment will be in store for most sectors of the economy.

The majority opinion here is that the total abolition of the free zones is many years away and that the process of withdrawing duty-free privileges will be a gradual one. Therefore, the time is certainly ripe for aggressive Canadian exporters to examine the potential market in the rich state of Baja California. ●



This concentrator serves Mexico's principal copper mine at Cananea, Sonora, a southward extension of the Arizona copper belt. It was developed by Anaconda.

Mexico Revitalizes Mining Industry

A major upsurge in this country's mining industry is coming; when it does, equipment and services will be in demand. Canadians already have the advantages of capability and proximity but personal contacts are also necessary. And for reasons explained in this report, this is the time to make these contacts count.

H. S. HAY, *Commercial Secretary, and*

J. E. G. GIBSON, *Assistant Commercial Secretary, Mexico, D.F.*

MINING was the catalyst in the development of modern Mexico. The Spanish were the first to profit from the country's mineral wealth when more than half of the world's silver and much of its gold came from Mexican mines. After Mexico gained independence, British, Germans, French and Americans successively replaced them. Commercial exploitation of industrial minerals and petroleum began at the end of the nineteenth century and railways built then helped transport the products of the mines to national and international markets.

Then came the Mexican Revolution in 1910. It shook the stability of the industry and the confidence of the foreign concessionaires severely. Mines closed not to re-open, exploration declined and equipment aged. Once bustling towns became somnolent villages. Hundreds of abandoned sites, with ore bodies intact, dotted the Mexican landscape. Many of the mines which continued to operate spent little on new machinery or techniques.

Total output is still over $300 million a year and Mexico continues to be a leading world producer of silver, fluorspar, lead, zinc, and mercury. But in relation to the past, to the potential, and to the rapid current expansion in almost all other fields, mining has fallen off badly. Of the 32 states and territories, all but four have commercial mineral zones and systematic exploration will undoubtedly prove reserves greater than those now known. Revitalization of the industry has been given one of the highest priorities in planning for the next few years.

Most Products Exported

The industry is now recovering 20 metallic and 37 non-metallic minerals. Some of the output of lead, zinc, copper and other industrial minerals goes to the booming industrial sector but most is destined for foreign markets. Copper output is, however, in danger of falling behind local demand and almost all iron and coal is for home consumption. Only nickel, asbestos, magnesium, phosphate rock, certain earths, and abrasives come into the country and their total value is scarcely more than $25 million.

Exports of minerals and metals in unprocessed forms totalled $231 million in 1963, and approximately 80 per cent went to the United States. Favourable prices of lead, zinc, silver and mercury have helped offset the effect of low production.

TABLE I

MEXICAN MINERAL PRODUCTION 1963

Metallic	Production (metric tons)	Exports (metric tons)
Iron	1,396,882	1,978
Zinc	239,818	211,853
Lead	189,987	128,647
Copper	55,861	24,168
Manganese	53,341	53,937
Arsenic	9,486	10,620
Antimony	4,826	4,016
Silver	1,310	1,435
Tin	1,072	647
Cadmium	724	650
Mercury	562	647
Bismuth	427	143
Gold	7	.9
Non-metallic		
Sulphur	1,553,462	1,506,781
Coal	893,422	1,639
Fluorspar	481,619	510,269
Barite	256,954	146,688
Graphite	29,996	29,890
Calcium sulphate	n.a.	1,069,180
Common salt	n.a.	1,004,459
Phosphorite	n.a.	23,969

Trade with Canada

Canada and Mexico exchange a significant quantity of minerals and metals on a continuing basis. In 1964, Mexico sold Canada over $2.5 million worth of fluorspar, gypsum, salt and litharge.

During the same period Canada exported to Mexico $6 million worth of asbestos, tin concentrates, nickel, aluminum, lead concentrates, and magnesium. Traditionally important, aluminum sales have fallen off since Mexico opened its first smelter in Veracruz.

Mexico uses its excess refining capacity in the north to process tin and lead concentrates from Canada and then apparently exports the refined metal to the United States.

Sierra Madre's Minerals

Most of Mexico's mining wealth is in the Sierra Madre ranges that run from the United States border to Guatemala. There are three main zones: a northern one, comprising the States of Chihuahua, Durango and Zacatecas; a middle one, embracing Guanajuato, Michoacan, Jalisco and San Luis Potosi, and a Pacific region that includes Colima, Guerrero and Oaxaca. There are a few important mines in other states.

Iron ore for the smelters of Monterrey and Monclova comes from isolated "cerros" or hills in the north-central plateau. The largest deposits, however, are on the Pacific slopes in Colima and Michoacan and exploitation will almost surely begin in the near future. Coal is open-pit mined in the northern area of the State of Coahuila, just south of the Rio Grande and close to the steel smelters.

Petroleum and gas deposits are in the thousand-mile coastal strip from the Texas border to the Isthmus of Tehuantepec. Close by the Isthmus are the salt domes, famous as the world's second largest producer of sulphur.

A handful of large, formerly foreign-controlled companies dominate non-ferrous mining. Most important is the Compania Asarco Mexicana, S.A., in which American Smelting and Refining has a minor share. There are several mines in Chihuahua, San Luis Potosi and Guerrero, and smelters at Chihuahua (lead), Rosita, Coahuila (zinc), and San Luis Potosi (copper).

San Francisco del Oro in Chihuahua is the site of Minera Frisco, S.A., Mexico's most important single base metal operation and reputedly the world's fifth largest producer of zinc. Until recently controlled by the Union Corporation of Britain, the mine produces over 40,000 tons a year of acid-grade fluorspar in addition to zinc, lead, silver and gold.

Compania Metalurgica de Penoles, S.A. is the former subsidiary of the American Metals Corporation and operates mines in several northern states and a lead smelter at Torreon. It is planning a new zinc refinery and sodium sulphate and sulphuric acid plants.

The Compania Fresnillo, S.A., until recently also U.S.-controlled, has an old but productive site at Fresnillo, Zacatecas, and a modern operation at Naica, Chihuahua.

The Anaconda Company founded Mexico's principal copper operation, Compania Minera de Cananea S.A., at Cananea, Sonora, a southward extension of the Arizona copper belt. The government-owned Real del Monte y Pachuca mine, 60 miles northeast of Mexico City, is still one of the world's largest single sources of silver.

In contrast to the big companies, there are dozens of shoestring operations using the crudest methods and dependent upon the big mines for custom milling. There are also dozens of non-operating mines with flooded shafts and tumbledown mills.

A Canadian has just finished directing a UN mineral survey which cost some $2.5 million. It used the latest equipment and techniques to explore thoroughly several mineral-bearing areas along the Pacific coast. The results announced so far are promising.

Miners Seek New Incentives

The enigma of depressed production in the face of abundant reserves and bullish world markets is not easily explained. The disruption of the Revolution is long past, yet its effects remain. The Mexican economy has long been stable by any standard and is now enjoying an unprecedented upsurge.

Apart from the current UN program, only about $10 million has been spent on basic exploration in the past half century and few new mines have been opened. The entire country has been thoroughly prospected—but only on the surface. Existing mines have all been founded where mineral deposits could actually be seen and one can only conjecture the richness of the ore bodies waiting to be proved by modern exploration and drilling methods.

Mexican mining policy probably presents no impediment to revitalization of the industry. It calls for Mexican ownership and control of subsoil resources, and the increasing local use of minerals where compatible with related sectors of the economy.

The Mining Law of 1961, the first of a series of recent measures, was the start of Mexicanization of foreign-held concessions. It gave companies 25 years in which to arrange 51 per cent local ownership. Now, four years later, all but one or two of the big groups are Mexican, and the few still left will probably be Mexicanized. Tax concessions and technical help encourage the changeover.

In 1963, additional measures provided a 50 per cent reduction in production and export taxes for Mexican companies and broader subsidies for small-and medium-sized mines. In March 1965 came a new decree to protect the rights of small-and medium-sized operators.

Mexican miners are actively seeking still more measures, primarily fiscal. They want new production tax exemptions for small operators and for the exploitation of low-yield and high-cost minerals, exemption from customs duties on imported machinery not manufactured in Mexico, abolition of export duties on minerals, and depreciation and amortization incentives for opening up new mines and re-opening abandoned properties.

There are good indications that the Government is sympathetic to the need for further direct assistance and incentives. The Secretary of Finance recently announced that his Department is studying a new mining taxation program designed to give greater incentive to this industry. In all likelihood the results will be made public by year's end.

Canadians Could Profit

A major upsurge in Mexican mining activity is almost surely coming. Canadians are in a favourable position to play a leading part because of our capabilities in mining and because of our closeness to Mexico.

Intensive exploration and drilling for new deposits is now essential. Several Mexican universities are graduating an adequate number of competent geological and mining engineers but there is some shortage of specialized geophysicists, geochemists, and so on. Canadian consulting companies with such personnel should examine the opportunities in this field.

Canadians will find even greater opportunities in machinery and equipment sales. Mexico's import policy is rather restrictive and any product manufactured domestically is completely protected against foreign-made equivalents which are simply prohibited. Although many foreign equipment suppliers have suddenly found themselves shut out of the Mexican market, this is not likely to happen to those selling mining equipment.

The mining industry here has lain relatively dormant for the past several years, with the result that the recent boom in Mexico's industrial growth has not included manufacturing companies catering to that industry. Accordingly the border remains open to imports of almost all types of mining equipment. The only exception is drilling equipment, many types of which are manufactured locally.

A number of the mines in this country are using equipment which they will soon phase out in favour of new units. And many of the dormant mines which would re-open under a more favourable taxation system have equipment which predates the turn of the century and which they would almost certainly need to replace.

Canadian and U.S. mining publications are widely read by Mexican technical experts and purchasing agents and they are aware of our processes and the equipment we have to offer. Apart from this, a large number of Canadians hold important positions with Mexican mining companies.

Few Canadian suppliers have yet shown much interest in this market and fewer still have appointed on-the-spot representatives to look after their interests. When the predicted renaissance of Mexico's mining industry becomes a reality there will be good opportunities for the company on the scene with the best product, prices and terms. Now is the time for Canadian suppliers to lay the groundwork. The Commercial Division of this Embassy would welcome the opportunity to help. ●

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Foreign Tariffs and Trade Regulations

Jamaica

IMPORT CONTROLS—The Jamaican Government has, since June 1, 1965, added the following items to the list of goods that are subject to import control:

Metal manufactures for use in making furniture as follows:
Formed or stamped chair seats and backs; semi- or pre-formed tubing, castings, roll-formed sections, wire mesh and helicals for bedsprings
Cotton and sisal pads or padding or wadding
Men's jackets
Sugar machinery
Vending machines
Brake fluid
"Milk" table glassware of all colours
Moulded or laminated products of acrylic plastics including plastic signs, souvenirs, etc., with embedments in plastic forms
Partitions of any material, whether made up or knocked down for assembly, and including ancillary parts thereof
Bodies for trucks, whether separate or attached to trucks
Brooms and brushes of all kinds, including paint brushes and hair brushes

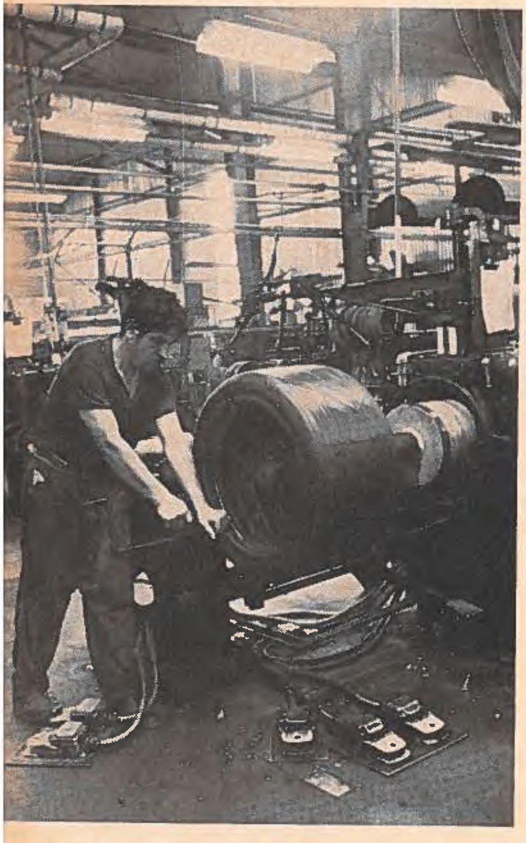
Japan

DUTY EXEMPTION FOR INDUSTRIAL MACHINERY—The Japanese Ministry of Finance announced on August 3 exemption from Customs import duty on a temporary basis for certain items of industrial machinery until March 31, 1966. The exemption period may be extended. The types of machinery affected by this measure are as follows: boilers; turbines, generators; automatic circuit testers; vertical drums for air or gas compressors; C.G.P. vertical digesters (pulpmaking machinery); continuous strip cold mills, cold tube rolling mills, casting mills; extrusion maxipresses, hydraulic vertical cold extrusion presses; and certain other machinery not specifically classified such as shear cutters, washing towers, round-table type valve inside assembly machines.

Guatemalan Expansion Provides Opportunities

New incentives to industrial expansion in the Central American Common Market will change pattern of Canadian exports. We will ship fewer manufactured goods, more raw materials, machinery and equipment. This article details some of the opportunities.

JOHN H. NELSON, *Commercial Secretary, Guatemala City.*



The Central American Common Market encourages the growth of industry by providing for the duty-free exchange of manufactures among its members. This plant in Guatemala turns out automobile and truck tires and sells them to customers throughout the area.

THE outstanding economic development in the Central American republics in recent years has been the establishment of new or expanded manufacturing facilities. In many instances, this has meant a serious loss of markets for the manufactured goods of other countries which have up to now been sold to these primarily agricultural nations.

Canada is no exception to this continuing trend and there is no doubt that in future more Canadian firms will find their markets here contracting. However, we expect that Canadian exports over-all will benefit from this new emphasis on industrialization. Central America's principal natural resources are rich soil and a good climate and thus most industrial enterprises must depend on imported raw materials.

All of the Central American Governments realize that industrialization will help them to provide employment and to overcome the problems resulting from over-dependence on a few agricultural crops. In many instances, individual countries cannot offer a sufficiently large market to warrant the establishment of a factory. However, the Central American Common Market Agreement provides for the duty-free exchange of products among the five member countries of the CACM (Central American Common Market—Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica). A common tariff on imported goods is aimed at protecting domestic industries and creating in effect a customs union, the main objective of which will be to ward off competition from outside the CACM for goods produced or manufactured within it.

Industrial Incentives Provided

Every CACM member country also encourages domestic industry and services by granting special concessions. The type of incentives extended is similar in all member countries and the Industrial Development Law of Guatemala will illustrate how industry benefits.

The objective of this law is to assist in the development of domestic industry and industrial services. Among those which benefit from its provisions are industries that process raw materials by modifying their physical or chemical properties; extract non-metallic minerals; mix, assemble, recondition, or repair products, and provide industrial services through investment in special machinery and equipment. For firms falling within these categories, the law provides concessions, certain fiscal exemptions, and other advantages for "new" industries and "existing" industries.

"New" industries are given a ten-year exemption from all import duties and taxes. This covers construction materials for the projected plant itself, machinery, equipment and parts, and all raw materials, containers and semi-finished products. For the first five years, profits are tax-free and for the next five they are taxed at only 50 per cent of the normal rate in force.

"Existing" industries are defined as those ready to expand either by the addition of a new plant or the expansion or improvement of an existing one. Firms which are granted this concession are exempt from import duties and taxes on the same goods as new industries, but for five years only. Such firms may also write off previous business losses and the amount of their new investment against the taxes normally payable on profits.

An indication of the degree to which the Industrial Development Law is being used by Guatemalan industrialists is the fact that during the first three months of 1965 alone, 18 licences were granted and there is no doubt that the number of applications exceeded that figure. Table I lists some of the information provided by applicants for concessions.

TABLE I

WHAT GUATEMALAN INDUSTRIES WILL IMPORT

Product	Value of imports in the first five years of operation	(U.S.$)
EXISTING INDUSTRIES		
Toffees and candies	Machinery and equipment	76,000
	Raw materials	21,750
Wet cell batteries	One million pounds of lead	74,000
NEW INDUSTRIES		
Sewing machines	Cases, machinery parts, and metal sections	135,000
Furniture and bed springs	120,000 pounds of spring steel per year	
Pharmaceuticals	Equipment	235,800
	Raw materials	1,887,911
Concentrates and special animal feeds	Machinery and equipment	88,572
	Pre-mixes, fish meal, bone meal and vitamins	72,000
Spiral furniture springs	Automatic spring manufacturing machine	3,000
	Steel wire, 10, 12, 14, and 17½ gauge, at the rate of 400 tons a year	100,800
Mouldings and moulding frames	Machinery and equipment	77,000
	Varnish, bronze powder, glue, gold leaf, silver leaf, brass leaf, aluminum leaf, calcium carbonate, solvents, etc.	198,385
Commercial and industrial refrigeration equipment	Compressors, steel, electrical parts and fiberglass	350,000
Folding doors and partitions	Machinery and equipment	9,500
	Plastic coverings	30,000
	Component parts	42,000
	Hardware	15,000
	Steel and aluminum shapes and parts	87,000
Spaghetti and macaroni	300,000 pounds of semolina	18,750
Ribbon and trimming	Cutter and winders	40,000
	Raw materials	2,285,000
Structural steel and aluminum beams, girders, steel, angles and shapes, silos, galvanized tubes, and tanks	Machinery and equipment	420,000
	Raw materials	2,400,000
Paper for serviettes, towels and sanitary paper	Pulp, caustic soda, calcium hypochlorite, resins, detergents, and colors	1,119,453
Synthetic fibres (banlon type)	Machinery and equipment	350,000
	Synthetic fibre	4,752,000
Aluminum shapes, tubes, rods, and wire	Machinery and equipment	70,000
	Aluminum ingots and billets	726,000
Semolina	Machinery and equipment	181,000
	Amber durum wheat	1,816,000
Rayon filament, fibre, and products	Raw materials	744,185

These 18 new enterprises represent a proposed capital investment of U.S.$6,754,000, and their imports over five years have an estimated value of over U.S.$18 million.

Market for Canadians

The figures for imports are of course subject to variations because of probable changes in investment plans or differences in rates of production from those proposed in the Industrial Development Law application. But for Canadian firms, this industrial expansion represents a sizable market potential even though a few of the firms are or will become committed to their sources of supply by licensing agreements, etc. It is important to keep in mind that the statistical data contained in this report cover Guatemala and for three months only. El Salvador, Honduras, Nicaragua, and Costa Rica are also expanding their industrial bases in the same manner.

How can Canadian exporters offer their machinery, equipment, raw materials, and component parts to these new industries? Most buy their imported requirements from the agents of foreign companies. A few manufacturing firms buy direct from overseas exporters but they are the exception. If your firm is already represented in any or all of the Central American republics, be sure to remind your agents to watch closely the industrial expansion taking place under the Industrial Development Law of each country. If you are not represented and would like to appoint agents to solicit business from these new industries as well as from established ones, officers of the Commercial Division of the Canadian Embassy, P.O. Box 400, Guatemala City, C.A., will be pleased to assist you and to recommend suitable agents. When writing to this office, you should send descriptive literature and export prices in U.S. dollars, preferably quoted c.i.f. main port of entry for each country in Central America. ●

Leather

New England—**Imports of leather into the United States totalled almost $60 million in 1964 but Canada supplied only $4 million worth, less than 7 per cent. Canadian tanners could obtain a bigger share and the best place to start is New England.**

M. R. M. DALE, *Consul and Senior Trade Commissioner, Boston.*

ARE Canadian leather producers obtaining the desired share of the United States market? A look at the attached United States leather import statistics suggests that there are missed opportunities, in spite of the fact that the statistics are not broken down specifically for New England.

A recent survey conducted by the Boston office indicates that New England is an important market for leather and a natural and sympathetic one for Canadian tanners. Eighteen Canadian tanners were approached by the Boston office, given a copy of the above statistics, and asked to comment and to tell us where we could help them to increase their sales. We suggested also participation in, or at least attendance at, the Greater Boston Leather Show. Over half of the tanners replied and the majority indicated that they were interested in this market. One company participated in this year's Leather Show and one other sent a representative.

The Greater Boston Leather, Fabric and Allied Products Show was held this year on May 5 and 6 and comprised exhibits in the Hotel Essex as well as in distributors' showrooms in the Boston leather district. One hundred and

TABLE I IMPORTS OF LEATHER INTO THE UNITED STATES—1964
(Showing total imports from Canada and imports from the principal supplier of each class.)

	Quantity ('000)	Value (U.S.-$'000)
Leather board		
Total (pounds)	5,826	1,235
CANADA	398	115
West Germany	3,873	829
Leather, upper, calf and kip		
Total (square feet)	12,213	8,463
CANADA	670	456
France	5,348	4,028
Leather, lining, calf and kip		
Total (square feet)	10,531	3,011
CANADA	97	31
Britain	9,705	2,735
Leather, calf and kip n.s.p.f.		
Total (square feet)	7,439	4,556
CANADA	29	16
West Germany	4,744	3,475
Leather, upholstery		
Total (square feet)	1,666	637
CANADA	....	....
Britain	1,263	490
Leather, upper, bovine, not fancy		
Total (square feet)	12,589	2,700
CANADA	6,233	1,567
Argentina	2,726	548
Leather, belting, bovine, not fancy		
Total (square feet)	873	934
CANADA	29	16
Britain	826	896

	Quantity ('000)	Value (U.S.-$'000)
Leather, glove and garment, bovine, not fancy		
Total (square feet)	2,371	699
CANADA	2,164	556
France	75	67
Leather, bovine, n.s.p.f., not fancy		
Total (square feet)	19,224	4,473
CANADA	1,486	487
Argentina	6,246	1,248
Leather, fancy, n.s.p.f.		
Total (square feet)	1,160	789
CANADA	50	19
Britain	464	340
Leather of sheep and lamb skins, not fancy		
Total	....	1,991
CANADA	....	....
Spain	....	685
Leather, goat, vegetable-tanned, in the rough		
Total (pounds)	2,918	4,274
CANADA	4	12
India	2,461	3,653
Leather, goat and kid, not fancy, n.s.p.f.		
Total (square feet)	9,006	3,834
CANADA	4	1
West Germany	2,356	1,127
Leather, goat and kid, fancy		
Total (square feet)	2,342	1,092
CANADA	....	....
Britain	2,162	997

	Quantity ('000)	Valu (U.S. $'000
Leather, chamois, oil-tanned		
Total (dozen pieces)	263	3,324
CANADA	....	1
Britain	152	2,206
Leather, patent, genuine		
Total (square feet)	1,548	664
CANADA	670	235
Sweden	752	332
Leather, imitation patent not cellulosic		
Total (square yards)	11,579	3,260
CANADA	....	....
West Germany	7,900	2,220
Leather, pig and hog		
Total	....	1,600
CANADA	....	99
Poland	....	1,205
Leather, reptilian and shark skin, not fan		
Total	....	2,816
CANADA	....	....
Brazil	....	1,413
Leather, n.s.p.f., not fancy, including parc ment and chamois, except oil-tanned		
Total	....	2,310
CANADA	....	13
France	....	847

forty-four firms exhibited. It is the opinion of many in the trade that regional shows such as the Boston Leather Show are of greater commercial value than the large national shows and that participation by a Canadian company can result in useful contacts and substantial sales.

Come to Boston

It is suggested, therefore, that Canadian tanners, individually or collectively, come to Boston. Our office is prepared to assist in making contacts, supporting both Canadian principals and their agents. But it is important that Canadian tanners themselves visit the market to understand its requirements and the competition, to give support to existing representatives or to appoint new ones, and to take steps to create a more meaningful image of Canada's capacity to supply. ●

	Quantity ('000)	Value (U.S.-$'000)
Belting leather in finished or semi-finished form or shape for conversion to belting		
Total (pounds)	181	600
CANADA	2	1
West Germany	94	389
Leashes, collars, muzzles, harnesses and similar dog equipment		
Total	....	432
CANADA	....	....
Japan	....	317
Harness, saddles, saddlery and parts		
Total	....	1,683
CANADA	....	12
Britain	....	661
Leather, cut or shaped, for conversion into footwear		
Total	....	1,397
CANADA	....	41
Italy	....	635
Leather straps and strops		
Total	....	579
CANADA	....	2
Hong Kong	....	174
Leather articles, n.s.p.f., book bindings, covers, shoelaces etc., made in part of leather		
Total	....	2,435
CANADA	....	246
Japan	....	809

Meat and Meat Products

Britain—Imports of meat and meat products last year totalled over 3 million tons. Consumption is rising and so is the demand for variety. There are signs that the time is opportune for increased sales of Canadian fancy meats, canned meat and poultry products, offals, and possibly frozen cuts, portion packs and carcass meat.

W. M. MINER, *Commercial Secretary (Agriculture), London.*

NEARLY every day, some British newspaper carries a story about meat. This is understandable because Britain spends some $4,250 million (more than 7 per cent of total consumer spending) on meat and meat products each year. A change in the meat market affects everyone and there have been important developments in the last two years; the main one was a significant rise in the prices of most meats, particularly beef. This change means that British meat prices are moving closer to Canadian. If this trend continues, Canadian beef and pork will become competitive and if supply permits, a greater quantity may move to this market.

Canada is now exporting a considerable range of meats to Britain although the volume is small and somewhat insignificant in such a huge market. A visit to the famous Smithfield Wholesale Meat Market in the centre of London reveals Canadian beef tenderloins, oxtails, offal, pork hearts, livers, kidneys, and perhaps frozen loins and legs. Within the last year, trial shipments of Canadian beef sides were made to test the market. Buyers were impressed with the quality of the leaner sides although prices were not competitive.

Food shops carry a variety of Canadian canned meat products such as weiners, chicken, kosher meats, meat dinners, pastes, and other processed specialities. These shipments demonstrate that Canada can export some meat products at present price differentials. There are prospects for a strong market in the future and Canadian meat companies looking for overseas sales should consider this area.

Market Is Varied

British production of carcass meat has almost doubled since the war. The industry, encouraged by an active government support program and the rising demand for meat, now provides 71 per cent of the beef and veal, 43 per cent of the mutton and lamb, 98 per cent of the pork, and 36 per cent of the bacon and ham used in Britain. Meat imports have not expanded with the growth in consumption but the total volume is impressive and remains fairly constant. The chart summar-

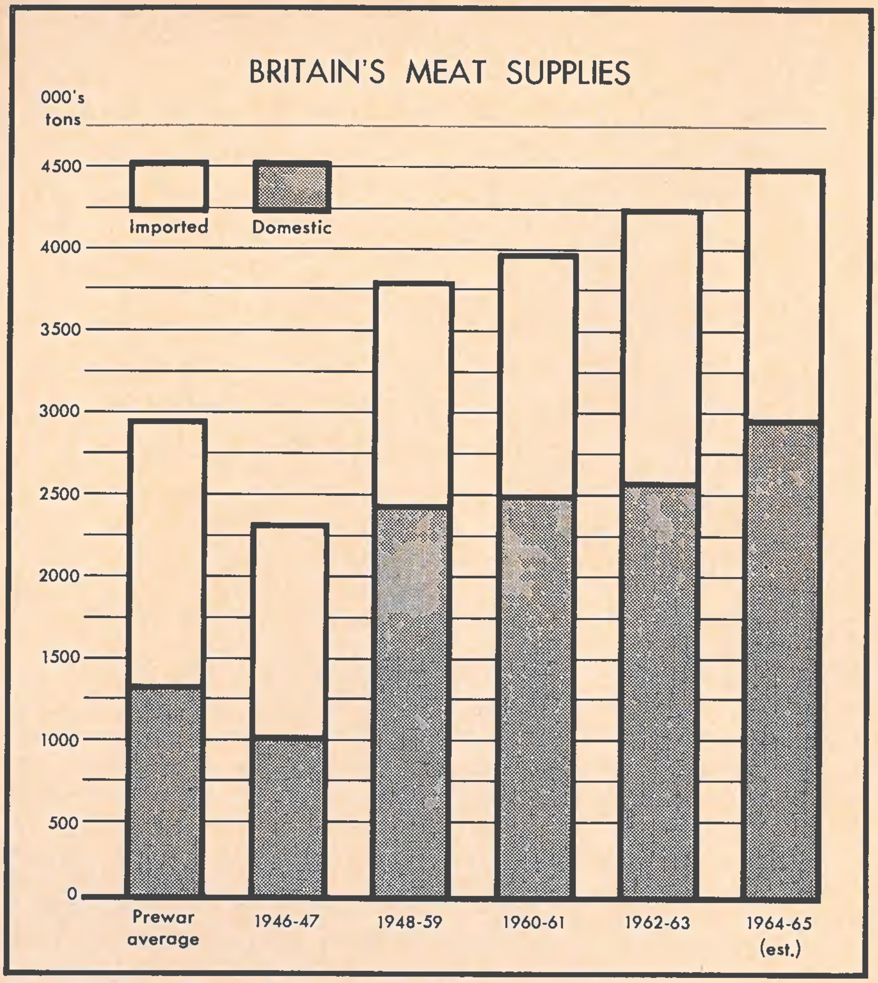
TABLE I

BRITISH IMPORTS OF MEAT AND OFFALS

(long tons)

	1960	1963	1964
Fresh beef with bone	13,778	17,384	17,286
Chilled beef with bone	207,785	247,949	168,359
Frozen beef with bone	76,657	48,672	56,486
Boneless beef	49,175	39,442	96,522
Veal	5,383	4,188	6,261
Fresh mutton and lamb	9,120	10,565	8,861
Chilled or frozen mutton	54,729	31,994	35,894
Chilled or frozen lamb	311,406	300,196	295,295
Fresh pork	2,861	7,896	5,297
Chilled or frozen pork	18,717	3,423	4,418
Bacon	405,412	384,864	390,733
Beef offal	40,647	49,253	52,243
Veal offal	2,367	1,914	1,716
Mutton and lamb offal	22,416	25,491	26,617
Pork offal	16,470	16,508	19,739
Poultry meat	5,620	2,329	9,295

Source: "Intelligence Bulletin", CEC, London.



Source: H.M.S.O. Command 2621

izes these developments and demonstrates the consistently high level of imports.

Over 600,000 tons of beef and veal were imported before the war but imports now total about 350,000 tons a year. Most are chilled, frozen or fresh sides but shipments of frozen boneless beef are increasing. As Table I indicates, chilled beef constitutes well over half of the imports in this sector. The main supplier is Argentina but its share is declining and it dropped significantly last year. Yugoslavia is gaining a firm foothold and Uruguay is the other principal source. Imports of frozen beef carcasses have been much smaller and these also come from Argentina and Uruguay, although Australia and New Zealand are important suppliers. The rising boneless beef imports come mainly from Commonwealth countries but last year the United States shipped over 1,000 tons. Ireland exports fresh carcass meat and cattle for slaughter and for fattening.

British imports of mutton and lamb are substantial and New Zealand monopolizes this trade. Bacon purchases amounted to 391,000 tons in 1964; 75 per cent was obtained from Denmark and 13 per cent from Poland. Fresh pork is imported from Ireland and frozen and chilled pork mainly from Yugoslavia. Offals are imported from over 20 countries including Canada, which shipped 3,308 tons of beef and 3,428 tons of pork offal in 1964. Canadian exports of offals arrive regularly, with only price and supply limiting expansion. Poultry meat imports are limited because the strong, integrated domestic industry is almost self-sufficient.

With the exception of offals, a small quantity of boneless beef from the United States, frozen pork from Canada, and frozen cooked poultry meat from both countries, there is little movement of unprocessed meat from North America to Britain. This is because wholesale prices in all three countries are similar despite the rise in Britain, and there is no margin for shipping and handling. Other countries pack their products by hand with care and command a premium but the extra cost involved may rule out similar packs from Canada.

Processed Meat in Demand

For the present, the market for non-carcass meat offers the best opportunity for Canadian exporters. Although supply is important and continuity is essential, there is normally a greater margin for adjusting prices to meet competition. This sector also permits Canadian processors to apply ingenuity in product or pack. There are indications that companies with quality products to export should investigate this segment of the market.

The British market for canned and other processed meat is broad and diversified and all the main meat exporters are striving for a share. Domestic processors supply a much smaller proportion of the total—for example, about 80,000 tons of canned meats last year compared with 176,000 tons imported. Table II summarizes the trade in canned meats in the last two years.

Imports of corned beef make up more than 25 per cent of the total trade in this sector although they have declined somewhat since 1962. Argentina is the main supplier, followed by Paraguay, South Africa and other African countries. The leading brands are well advertised and the market is quite competitive. Canned ox tongue is imported primarily from the Netherlands, although Argentina is increasing shipments and Canada and the United States are supplying more tongues for processing here. Other canned beef products are imported mainly from Australia, Ireland, Argentina and South Africa. Poland is the principal supplier of canned veal.

Another volume line is pork luncheon meat, which is being imported in increasing quantities from a number of countries; the leading ones are Denmark, Holland, Yugoslavia and Poland. There is an expanding trade in chopped pork and ham-type products. Imports of canned hams and shoulders, usually from Denmark, Poland, West Germany and Yugoslavia, continue to be large although more of this product is being channelled to European cities. Catering outlets are important buyers of hams and shoulders. A wide variety of canned sausage also moves into Britain.

The market for canned ready-cooked meat meals has been expanding quickly but domestic production is rising to meet this new development. Special products such as curries, stewed steak, meat sauces, casseroles and goulash are attracting the modern British shopper interested in convenience or gourmet foods. This section of the market is susceptible to new lines and imported brands find a ready sale. Various forms of cured meats,

TABLE II

BRITISH IMPORTS OF CANNED MEAT

Product	Volume (long tons) 1960	1963	1964
Corned beef	40,296	48,321	40,100
Beef tongues	5,467	4,394	3,824
Other forms of beef	28,393	13,902	19,419
Veal	3,133	3,621	4,025
Mutton and lamb	5,146	1,799	1,236
Other mutton and lamb	4,878	2,335	2,327
Bacon and hams	35,747	30,436	36,056
Pork	1,978	1,545	1,485
Other forms of pork	48,257	53,741	57,341
Poultry meat	4,348	4,422	5,163
Meat, n.e.s.	10,175	5,263	4,906
Total	**187,836**	**169,779**	**175,882**

Source: "Intelligence Bulletin", CEC, London.

smoked or otherwise, come to Britain from many countries and provide a challenge to Canadian specialty meat exporters.

There is a growing demand for cooked poultry meat and Canada is obtaining its share of the market. Practically any form is of interest but specific inquiries have been received for canned boneless chicken, chicken breasts, meat pieces, and frozen (cooked) meat in small packs and rolls, or in bulk for reprocessing.

Import Restrictions Are Few

All forms of meat from Commonwealth sources enter Britain free of duty but duties apply to most products from EFTA and other countries. These range from 3/4d. a pound for chilled beef, 2/3d. for fresh or frozen beef, and 3d. for poultry meat to 20 per cent for boneless beef, most beef offal, and sausages or meat pastes. The duty on canned pork is 5 per cent and on other canned meats 10 to 12 per cent. Some products such as beef sweetbreads and tongues, pork offal and canned pork tongues are free of duty regardless of source.

There are restrictions on pork products from dollar countries. Imports up to 25,000 long tons a year of fresh, chilled or frozen pork are permitted but shipments of pork products, except pork offal and a few minor items, are prohibited. Britain is currently examining the entire structure of meat marketing, including these restrictions, and there seems to be some promise of relaxation.

Britain has stringent pure food and health regulations that recently have been tightened even further. However, products from federally inspected plants in Canada are accepted readily when accompanied by the proper Canada Health of Animals Branch certificates. Only cooked poultry may be imported from countries, including those in North America, which have Newcastle disease. The marking and labelling requirements differ from those in Canada in many ways and potential shippers must check these details with the importer or the Department of Trade and Commerce when entering the market.

TABLE III

SOME CANNED MEATS IN RETAIL DISTRIBUTION

Product	Size (ozs.)	Suggested Prices (s.&d. 12d.=1s.*) Trade per doz.	Retail each
Corned beef	12	38/6	3/10
Corned beef hash	7½	15/5	1/6½
Stewed steak	15½	44/6	4/6
Ox tongues	16	96/–	10/–
Minced beef with onion	11½	30/10	3/1
Roast beef slices & gravy	8	27/6	2/9
Beef and 4 vegetables	15½	26/8	2/8
Meat balls and gravy	16	27/6	2/9
Pork luncheon meat	12	24/–	2/5
Chopped ham & pork	11½	37/–	3/9
Hamburgers in meat sauce	16	28/–	2/10
Hamburgers and 4 vegetables	15½	24/2	2/5
Baked beans with frankfurters	8	13/5	1/4
Chicken breasts	5	78/–	8/6
Chicken fillets	10	92/–	9/9
Minced chicken in jelly	1¾	14/4	1/6

*One shilling equals approximately 15 cents Canadian.

Many Brands Are Available

There are more than 50 brands of canned meats on the retail market and a similar variety of frozen meats. Several large domestic packers sell a broad range including some imported products and to compete successfully for the limited shelf space, overseas brands must have some unique feature. Prices and margins vary considerably and Table III lists some of the more common retail packs of canned meats. The suggested trade prices include costs and margins from c.i.f. or factory price to regular wholesale levels.

Methods of Selling

Although buying for the food trade is being handled by fewer buyers each year, very little importing is done by retail companies.

Most imports of fresh, chilled or frozen meat are handled by wholesale companies which sell to volume buyers. Processed meats are also brought in by these companies or by specialty food importers who may not handle fresh or frozen products but who do offer a broad range of delicatessen items. Buyers for catering establishments do not normally import direct. Distribution channels differ in various parts of Britain and though some London-based companies have a national sales network, separate agents in the Midlands, Scotland and Northern Ireland are often desirable for retail lines.

Canadian exporters must therefore obtain an agent or buying connection and the type and location selected will depend on the form of product offered. The best method of selecting an agent is through a personal visit to Britain, which should be made only after obtaining an initial assessment of the market. Much time and expense can be saved by making preliminary inquiries through Trade and Commerce offices about the market, labelling and health requirements.

The size of the market and higher meat prices, combined with an expanding use of convenience foods, indicates that a visit at this time could be worthwhile. The best prospects are for offals and fancy meats, canned specialty meat and poultry products. There may be opportunities for frozen cuts and portion packs but this trade requires careful pricing and research. The carcass meat trade may also hold prospects for further Canadian sales. There is every indication that closer attention to the British meat market will pay dividends. ●

COMMODITY NOTES

Acrylic Fibres

MEXICO—The firm Celulosa y Derivados, S. A. (CYDSA) recently announced that it will produce acrylic fibres. Initial output will be from 4,000 to 7,000 metric tons a year. It is planned that Mexico will eventually become self-sufficient in this product which is now being imported in amounts totalling U.S.$9.6 million a year—Mexico, D.F.

Automobiles

COSTA RICA—A second automobile assembly plant is under construction. The plant will assemble the products of a U.S. manufacturer who specializes in four-wheel drive type vehicles—Guatemala City.

SWEDEN—In April 1965, sales of new automobiles totalled 24,314 compared with 22,212 in April 1964.

The total sold in the first four months of this year is 75,090—8,904 more than in the first four months of 1964—Stockholm.

Cement

GREECE—Cement production increased from about 1.4 million tons in 1959 to 2.6 million in 1964 and is expected to reach 5 million by 1970. The majority comes from two large companies, with three smaller firms supplying the remainder.

Although foreign firms find it difficult to compete with the Greek producers, this industry provides an important and growing market for Canadian fire bricks and refractories—Athens.

THE NETHERLANDS—Consumption of cement has trebled and domestic sales have increased five times since 1950. In 1964 the Netherlands cement industry met approximately 65 per cent (2.9 million metric tons) of domestic requirements. The remainder was supplied by Belgium and West Germany. The industry is planning to increase its share of the market and a new cement factory will be put into operation at Rozenburg near Rotterdam this year. The capacity of the factory, which will manufacture refractory cement, will be 330,000 tons a year—The Hague.

Chinchilla

ISRAEL—The country imported 60 chinchillas in 1962 but only 20 survived. An additional 150 were brought in from South America and experience gained from the first shipment resulted in most of the second shipment surviving. Natural increase soon raised the size of the brood to 400, thus launching chinchilla breeding in Israel. Initial exports of chinchilla have begun—Tel Aviv.

Coal

BRAZIL—National coal production increased from 2.6 million tons in 1963 to 3.2 million in 1964. In the same period consumption increased only about 140,000 tons, from 1.54 million to 1.7 million tons. Coal imports, mostly from the eastern seaboard of the U.S., remained at a high level (1,007,433 tons in 1963 and 1,016,083 in 1964). Although domestic coal is available, it is not entirely suitable for coking purposes and large quantities will continue to be imported for the production of gas and for use in steel mills—Rio de Janeiro.

Coffee

MEXICO—After a drop in coffee returns a few seasons ago, Mexico is hopeful that decisions taken by the International Coffee Organization to reduce world export quotas during 1964/65 will, in effect, improve export prices.

Coffee production in Mexico during 1964 rose to 2.9 million sacks compared with 1.6 million in 1959. Exports have also risen at a comparable rate, with close to 90 per cent of Mexico's total coffee exports going to the United States market—Mexico, D.F.

Cotton

ARGENTINA—Production of cotton has been officially estimated at 135,000 metric tons for 1964-65. This is 36.1 per cent over the previous year and 22 per cent and 15.8 per cent respectively above average production for the last five- and ten-year periods.

The country is self-sufficient in the production of cotton, except the long fibre variety which is imported from Egypt and Peru. Argentina exports important quantities of cotton yarn and fabrics, mainly to the United States—Buenos Aires.

RHODESIA—The yearly seed cotton crop is increasing rapidly. The 1963 production of slightly over seven million pounds jumped to 13 million in 1964 and this year's crop is expected to reach 40 million. A 200-million-pound crop by 1970 is forecast; it would be worth approximately £6 million to the Rhodesian economy.

Rhodesian cotton is well received in world markets because it is hand-picked and therefore very clean, and because grading standards are kept high—Salisbury.

Energy Consumption

WEST GERMANY—In 1964, fuel oil consumption rose 19.5 per cent, electricity consumption 8.4 per cent, and gas consumption 5.3 per cent. Coal consumption decreased 0.5 per cent—Duesseldorf.

Fertilizers

GREECE—The Nea Karvali Phosphoric Fertilizer Co. and the Liptol Fertilizer Co., with combined outputs exceeding 500,000 tons a year, have commenced production.

The $33 million Nea Karvali plant, founded by the Commercial Bank of Greece and its affiliated Ionian and Popular Bank of Greece with the technical association of the French Compadec, is designed to produce 250,000 tons of ammonium superphosphate fertilizer per year.

The Liptol plant, a subsidiary of the state-owned Public Power Corporation, began operations in 1964. Its expected annual output is 170,000 tons of ammonium sulphate, 70,000 tons of ammonium nitrate, and 40,000 tons of liquid anhydrate ammonia. This company purchased some 20,000 tons of Canadian sulphur worth approximately $500,000 in 1964—Athens.

SWEDEN—Three new factory units built by Svenska Saltpeterverken (owned jointly by the Swedish Co-operative Union and the Farmers' Purchasing and Marketing Association) have now been opened at Koping, west of Stockholm. These three units have a yearly capacity of 50,000 tons of ammonia, 65,000 tons of complex fertilizers, and 55,000 tons of urea. This is the first time Sweden has produced urea.

The fertilizer complex employs only women on continuous shift and is said to be the first of its type in the West. The women will work a 28-hour week and will receive the same hourly rates as men. The total investment, including the previously opened Kvarntorp ammonia plant, amounts to $33.6 million over a three-year period—Stockholm.

Honey

MEXICO—During 1964 honey production amounted to 37,000 metric tons. The State of Yucatan, situated in the southeastern part of the country, accounted for over 50 per cent.

Mexican honey exports for the first nine months of 1964 amounted to 19,670 metric tons, an increase of 30.3 per cent over the same period of 1963. Exports were valued at U.S.$4.6 million—Mexico, D.F.

Iron Ore

BRAZIL—Iron ore exports continued to expand in 1964 and it is now one of the principal Brazilian exports. From a total of U.S.$70 million in 1963, the value of exports increased to U.S.$87 million last year. In 1964 they totalled 7.8 million metric tons, of which seven million were exported by the government-controlled company, the Companhia Vale do Rio Doce, and the remainder exported by SAMITRI (of the Belgo-Mineira group). West Germany continued to be the leading customer (2.4 million tons and 34.27 per cent of total exports), followed by Italy and the United States—Rio de Janeiro.

Livestock

MEXICO—The State of Yucatan in southeastern Mexico is taking measures to improve its economy through increased dairy production. Plans call for the purchase of 1,000 head of dairy cattle that will readily adapt to the tropical lowland climate. Present consumption of fresh milk in the area is low but consumption of powdered milk is high—between U.S.$2.4 million and U.S.$4 million.

The authorities will also encourage hog raising and will acquire high quality domestic breeding hogs from the central area of Mexico—Mexico, D.F.

Plywood

ITALY—The Italian plywood industry, with 150 factories, has an annual production of roughly 400,000 cubic metres. Most of this is manufactured from poplar; other commonly used varieties include Italian beech and elm, and imported exotic woods such as okoume and mahogany. Three ply is the most common thickness, although five and seven ply are also produced.

Plywood exports in 1964 totalled over $7 million, compared with imports of less than $1 million. Douglas fir accounted for less than $500 of these imports; the only shipment from Canada was a small trial order. Yugoslavia, Rumania and Israel are the principal suppliers.

Italian import taxes on plywood and veneer are approximately 25 per cent of the c.i.f. value for imports from third countries, including Canada, and about 15 per cent from EEC countries. There are no exchange controls in Italy affecting plywood imports and import licences or permits are not required for this product—Rome.

Power Saws

FINLAND—Since 1958 Finland has imported over 200,000 power saws. The record year was 1964 when 43,029 saws were imported. About 110,000 are now in use. Last year the leading supplier was the United States (14,884 saws), followed by Sweden (11,364), West Germany (10,605), Belgium (4,614), and Canada (1,312)—Stockholm.

Pulp and Paper

GREECE—The Ladopoulos Company, which already operates the largest Greek paper mills at Patras, laid the foundation stone early in May for a new paper mill at Salonika. It will be one of the most modern of its kind in Europe, is expected to cost $36 million, and is designed to produce 150,000 tons per year of a wide variety of papers, including kraft paper bags for cement, fertilizer, flour, and feeds—Athens.

GREECE—The new plant of the Thessalian Pulp and Paper Industries Ltd. at Larissa is to begin production in September 1965. This company is wholly owned by the Parsons and Whittemore-Lyddon organization. It will produce 90 to 100 tons of chemical pulp per day and 50 tons per day of writing and printing papers, using local wheat straw. This process is expected to save $4 million in foreign exchange which was previously spent on imported papers—Athens.

MEXICO—Paper and cardboard production in 1964 rose to 557,664 tons, a 10.4 per cent increase over 1963. Production of cellulose and pulp totalled 619,616 tons, 8.4 per cent more than in the preceding year. Expansion plans for paper and cellulose plants indicate an estimated output for 1964 of 615,000 to 618,000 tons of paper, and 370,000 to 375,000 tons of cellulose and pulp. According to these figures, Mexico's output rose at a rate of 1 per cent compared with 5.8 per cent for world production—Mexico, D.F.

Steel

BRAZIL—Steel ingot production reached 3,015,698 tons for the first time in 1964. This is an increase of 6.8 per cent over 1963 production of 2,824,045 tons.

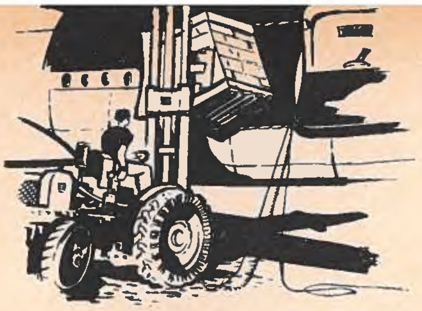
The value of Brazilian steel exports in 1964 increased 431 per cent to total U.S.$17.1 million compared with U.S.$3.2 million in 1963. Some 249,700 tons of steel were exported—Rio de Janeiro.

SWEDEN—The new Domnarvets Kaldo steel and oxygen plant is expected to begin production this month, when the smelting reduction furnace will be in full operation. The plant will use the new Dored method and produce pig iron from unsintered phosphorous concentrate by injecting oxygen into a rotary furnace. Yearly capacity of rolled steel is expected to reach 800,000 tons—Stockholm.

Sugar

BRITISH HONDURAS—Tate and Lyle is planning to spend about $29 million in British Honduras over the next ten years. It is hoping to expand sugar production to 45,000 tons in the next three years and eventually reach a peak of 135,000 tons. About $14.5 million will be spent on a new mill at Orange Walk (some 60 miles northwest of Belize City), on equipment, and on the development of cane acreage from virgin land. At the current international sugar price, eventual production from the factories would provide the country with a yearly export income from sugar of $14 million compared with the total export income in 1963 of $18.4 million—Kingston.

MEXICO—Production during the 1964/1965 crop year is estimated at slightly over two million metric tons. Of this amount, 1.4 million tons will be for domestic consumption and 400,000 tons will be exported to the United States. An additional 200,000 tons will be shipped to overseas markets—Mexico, D.F.



Enterprising Exporters

Feeding Cyprus the Canadian Way

CLINGING to the northern slopes of the Kyrenia mountains in Cyprus is a small village which has lent its name to a group of poultry farms which help to feed the islanders. The name of the village is Bellapais.

Broiler production on Cyprus amounts to about 2.5 million chickens per year. Of this number, between 70 and 75 per cent are produced by Bellapais Farms Limited, owned by a group of businessmen and operated on site by Dr. Rodolph Goldstein, who is also the managing director. Bellapais Farms and Bellapais Hatcheries incorporate a completely integrated movement of broiler chickens from breeding right through to wholesale marketing. The breeding stock originates in Canada with Peel's Poultry Farm Limited, the largest Canadian breeder of broiler chickens. This parent stock is shipped direct to Cyprus as day-old chicks. These chicks are raised under the expert care of the Bellapais staff and the offspring are grown on the firm's own broiler farms.

Organizing a broiler industry on a island where there is little local production of grain has called for long-range planning. Bellapais Farms must budget and order well ahead to have feed grains such as corn, soybean oil meal, vitamin and mineral supplements and medications stored in warehouses ready for use.

Bellapais Farms manufactures its own feeds and operates its own hatchery, grows its own broilers, produces its own hatching eggs and breeding stock from seed stock (grandparent stock) imported from Canada. Thus, the operation of poultry meat production has been completely integrated with the import of concentrated materials from outside Cyprus. Imported grain and breeding stock, plus Cypriot facilities and manpower, are producing high-quality food for Cyprus.

The unsettled situation in Cyprus has caused some strain on the routine operation of Bellapais Farms. However, since reasonably good relations have been restored, the workers are free to move about to carry out their duties and poultry production goes on uninterrupted.

One of the interesting phases of producing poultry in Cyprus is that the market calls for distribution not only to the domestic market but also to the various bodies of troops on the island. Bellapais Farms, because of its strategic and important position in food production, has been called upon to produce chickens for the Cypriot Army, the British Army and base, and the UN forces. So Canadian breeding stock and technical knowledge are actually helping to feed Canada's troops serving with the UN abroad.

The success story of Bellapais Farms and its officers has hinged on surmounting local difficulties with intelligent decisions and diligent work. To this has been added the breeding stock from Peel's Poultry Farm in Canada, making it possible to produce chickens efficiently in Cyprus. ●

Aqua-Marine Studies French Market

GETTING STARTED in the French market by entering an English trade fair sounds unusual—but that's exactly what happened to Aqua-Marine Mfg. Ltd. of Toronto.

Among the visitors to its stand at the Boat Show in Earl's Court, London, were several from France interested in the Aqua-Marine products. One of them

This Cypriot girl works in the Bellapais Farms plant, helping to process the broiler chickens raised from Canadian parent stock. They will be used in Cypriot households and also by the United Nations peace-keeping forces stationed on the island.

asked for and obtained the representation for a year, though the company now believes that the decision was hasty and the arrangement did not work out well.

When the year ended, Aqua-Marine decided to study the French market thoroughly before mounting another sales effort. It sent staff over to size up the potential demand, find out what the competition was doing, and investigate methods of distribution.

Armed with this firsthand information, the company decided that it could probably compete but first it calculated the cost of ocean shipping and marine insurance, added all other costs, and came up with c.i.f. price quotations in French currency. This exercise proved that its prices were indeed in line with those of its competitors.

The next step was getting the right kind of distribution. On the basis of its market research, Aqua-Marine decided to choose a distributor who would hold stocks, who was familiar with the marine field, and who had excellent dealer outlets lined up. It took about three weeks' hunting, but eventually the right firm was found.

For promoting its products, the company relies mainly on a well-prepared catalogue. It encourages its distributor to take part in trade shows and makes certain that the exhibit meets certain standards. Personnel from head office visit the distributor regularly and work with him closely. The result: sales in France are increasing every year.

Aqua-Marine looks forward to the time when it can open its own warehouse in France, employ its own French sales staff, and do its own distribution. This it considers the most desirable method when sales potential warrants it.

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.

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

Montreal—September 7-15

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

Britain—Finlay Sim, Trade Commissioner in Glasgow, Scotland:

Montreal—September 14

France—R. Campbell Smith, Minister-Counsellor (Economic/Commercial) in Paris:

Montreal—September 9-19
Toronto—September 20-22
Guelph, Preston, Galt—September 23
Hamilton—September 24

Ghana—M. S. Strong, Commercial Counsellor in Accra:

Montreal—September 27-30
Toronto—October 1-6

When he completes his tour, Mr. Strong will be posted to Lisbon, Portugal, as Commercial Counsellor.

Singapore—J. H. Bailey, Special Assistant to the Assistant Deputy Minister, External Trade Promotion, who will be posted to Singapore as Trade Commissioner later this year:

Montreal—September 14-16
Vancouver—October 4-6
Winnipeg—September 17

Temporary Duty in Ottawa

R. Campbell Smith, Minister-Counsellor (Economic/Commercial) in Paris, France, September 27-. Contact European Division, phone 992-8727.

M. S. Strong, Commercial Counsellor in Accra, Ghana, October 7-27. Contact Commonwealth Division, phone: 992-2421.

In Territory

Afghanistan—R. D. Lee, Assistant Commercial Secretary in Karachi, Pakistan, will visit Afghanistan September 27-October 1.

Australia—J. D. Tennant, Assistant Commercial Secretary in Melbourne, will visit Adelaide October 4-8.

Costa Rica—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit San Jose September 20.

Nicaragua—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Managua September 19.

Panama—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Panama City September 21-23.

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

Need Information on Foreign Markets?

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

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

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

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

Country	TC Post	OTR Division
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Pbilippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese Guinea	Lisbon	Europe
Portuguese West Africa	(see Angola)	(see Angola)
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Rhodesia	Salisbury	Commonwealth
Rio de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Rio Muni	Madrid	Europe
Rumania	Vienna	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Sabah	(see Singapore)	(see Singapore)
Sarawak	(see Singapore)	(see Singapore)
Saudi Arabia	Beirut	Asia and Middle East
Scotland	Glasgow	Commonwealth
Senegal, Republic of	Lagos	Europe
Seychelles Islands	Salisbury	Commonwealth
Sierra Leone	Lagos	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	Singapore	Commonwealth
Somali Republic	Cairo	Asia and Middle East
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Tanganyika	(see Tanzania)	(see Tanzania)
Tanzania	Dar es Salaam	Commonwealth
Thailand	Singapore	Asia and Middle East
Togo	Accra	Europe
Tonga	Wellington	Commonwealth
Trinidad and Tobago	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Dar es Salaam	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Cleveland Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Accra	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Wales	London	Commonwealth
Western Samoa	Wellington	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zambia	Salisbury	Commonwealth
Zanzibar	(see Tanzania)	(see Tanzania)

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 .9275.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 19	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2200	4.55	
Argentina	Peso	Free	.006301	158.70	
Australia	Pound		2.4074	.4154	
Austria	Schilling		.04179	23.93	
Bahamas	Pound		3.0093	.3323	
Belgium and Luxembourg	Franc		.02172	46.04	
Bermuda	Pound		3.0093	.3323	
Bolivia	Peso		.09164	10.91	
Brazil	Cruzeiro	Official Free	.0005867	1,704.44	
Britain	Pound		3.0093	.3323	
British Guiana	Dollar		.6269	1.60	
British Honduras	Dollar		.7523	1.33	
Burma	Kyat		.2264	4.42	
Ceylon	Rupee		.2257	4.43	
Chile	Escudo	Bank rate	.3406	2.94	
		Free	.2813	3.55	
Colombia	Peso	Free	.05645	17.71	
		Certificate	.1198	8.35	
Congo, Republic of	Franc		.007188	139.13	(1)
Costa Rica	Colon		.1627	6.15	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1497	6.68	
Denmark	Krone		.1553	6.44	
Dominican Republic	Peso		1.07813	.9275	
Ecuador	Sucre	Official	.05990	16.69	
		Free	.05822	17.18	
El Salvador	Colon		.4313	2.32	
Fiji	Pound		2.7111	.3689	
Finland	Markka		.3369	2.97	
France, Monaco, etc.	Franc		.2200	4.55	(2)
Franco-African Republics, etc.	Franc		.004400	227.27	(3)
French Pacific	Franc		.01210	82.64	(4)
Germany	D Mark		.2688	3.72	
Ghana	Cedi		1.2539	.7975	
Greece	Drachma		.03593	27.83	
Guatemala	Quetzal		1.07813	.9275	
Haiti	Gourde		.2156	4.64	
Honduras	Lempira		.5391	1.85	
Hong Kong	Dollar	Free	.1869	5.35	*Aug. 6
		Official	.1881	5.32	

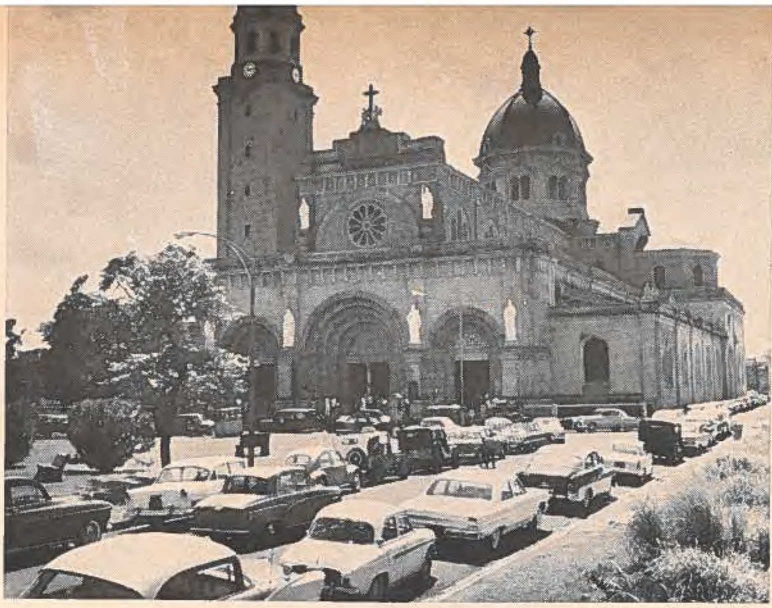
‡There is no trading in Cuban pesos in U.S. or Canadian banks at present.

*Latest available date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 19	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02507	39.89	(1)
India	Rupee		.2257	4.43	
Indonesia	Rupiah		.004313	231.88	(1)
Iran	Rial		.01423	70.26	
Iraq	Dinar		3.0188	.3313	
Ireland	Pound		3.0093	.3323	
Israel	Pound		.3594	2.78	
Italy	Lira		.001726	579.37	
Japan	Yen		.002995	333.89	
Lebanon	Pound	Free	.3326	3.01	
Malaysia	Dollar		.3522	2.84	
Mexico	Peso		.08625	11.59	
Morocco	Dirham		.2156	4.64	
Netherlands	Florin		.2997	3.34	
Netherlands Antilles	Florin		.5717	1.75	
New Zealand	Pound		2.9985	.3335	
Nicaragua	Cordoba		.1540	6.49	
Nigeria	Pound		3.0093	.3323	
Norway	Krone		.1507	6.64	
Pakistan	Rupee		.2257	4.43	
Panama	Balboa		1.07813	.9275	
Paraguay	Guarani	Free	.008556	116.88	
Peru	Sol	Free	.04019	24.88	
Philippines	Peso	Free	.2766	3.62	
Portugal & Colonies	Escudo		.03750	26.67	(5)
Sierra Leone	Leones		1.5094	.6625	
South Africa	Rand		1.5047	.6646	
Spain and Dependencies	Peseta		.01801	55.52	
Sweden	Krona		.2084	4.80	
Switzerland	Franc		.2495	4.01	
Syria	Pound	Free	.2825	3.54	
Thailand	Baht	Free	.05218	19.16	(1)
Tunisia	Dinar		2.0646	.4844	
Turkey	Lira		.1198	8.35	(1)
United Arab Republic	Pound	Official	2.4797	.4033	
United States	Dollar		1.07813	.9275	
Uruguay	Peso	Free	.01781	56.15	
Venezuela	Bolivar	Official Free	.2398	4.17	
West Indies	Dollar		.6269	1.60	(6)
	Pound		3.0093	.3323	(7)
Yugoslavia	Dinar	Official	.0008625	1,159.42	

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.

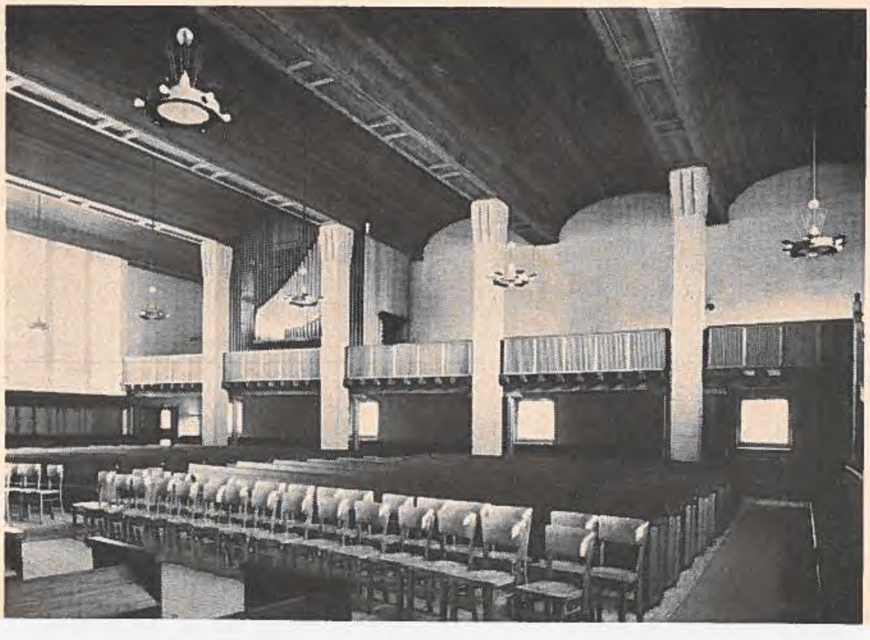


In the Philippines—Copper from Canada provides a gleaming cap for the dome of this cathedral in Manila, the capital city.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Britain—A housewife considers buying one of the variety of canned kosher meats her local food store imports from Canada.



In the Netherlands—Canadian western red cedar was chosen for the roof of this modern church in the old city and famous seaport of Flushing.

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