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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Sell to Supermarkets in Sunland

FOREIGN TRADE

OCTOBER 30, 1965 Vol. 124 No. 9

COVER: Ookpik, the endearing little owl from Canada's North, roosting beneath a Canadian flag, crowns a display of Canadian apple juice, canned fruit and beer in a San Fernando, California, supermarket. Advertising of this type helps boost our food sales in this booming market.

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COMING—FOREIGN PATENTS AND THE EXPORTER, NOVEMBER 13 ISSUE

Sell to Supermarkets in Sunland

California's San Fernando Valley has over a million people with average earnings close to $10,000 each. They support 325 food stores with total sales of $364 million last year. Some Canadian companies are already winning for themselves a share of this rich market. In-store promotions are a useful way to promote these products; the Food Giant clerk is standing beside one such display arranged by our Los Angeles office.

JOHN H. SUGGITT, *Vice Consul and Assistant Trade Commissioner, Los Angeles.*

LOS ANGELES, America's second market, is so big that food-product merchandisers divide it into 17 areas, each distinguished by different demand, consumption, growth and competition. Canada is sharing in this fast growing retail market and there are great opportunities for further participation, provided a policy of imaginative, aggressive exploitation is initiated and maintained. This article outlines the opportunities for astute Canadian businessmen in the greater Los Angeles market and more specifically the San Fernando Valley.

"The Valley", as it is known locally, is some 14 miles wide and about 22 miles long. Almost but not quite a desert, it is ranged on all sides by dark rocky hills and mountains and is geographically separate from the major portion of this megalopolis. It was named after the Mission San Fernando Rey de Espana founded on September 8, 1797.

Throughout the 19th and well into the 20th century the Valley's development, following the general trend of the Los Angeles area, was leisurely and predominantly agricultural. By 1940 its population had grown to 155,000 and nearly half lived in its major city—Burbank. Today—25 booming years later—it has over one million inhabitants and by 1980, if population forecasts are at all accurate, there will be 1½ million. By then the metro area of Los Angeles and Orange Counties will have grown from 1965's estimate of 7.7 million to almost 12 million.

The Valley dweller is a family man, usually a university graduate, a home-owner, and relatively better off than those who live in other areas of Los Angeles and Orange Counties. For instance in 1960, according to the U.S. Bureau of Census, the average Valley family earned $9,307; the Los Angeles and Orange metro average was

$8,299. The median family income was $7,982 and $7,066 respectively. These 300,000 Valley families buy houses, cars, pools, colour T.V.'s, air-conditioners and a lot of food, some of it from Canada.

Many Food Retailers

The Valley has two community shopping centres, five regional shopping centres, and seven major retail marketing districts. Each of these latter areas—Burbank, North Hollywood, Van Nuys, Canoga Park, Reseda, San Fernando and Studio City—has annual retail sales of over $35 million. In 1964 there were 325 food stores in the Valley (8.2 per cent of the Los Angeles and Orange total) with sales of $364 million, some 13 per cent of the Los Angeles and Orange total of $2.8 billion. As of April 1965, about 14 per cent or 147 of all the supermarkets in the Los Angeles metropolitan area (see Table I) were located in the Valley.

The Los Angeles metropolitan food market is not dominated by a few national chains. Although there are three national grocers in this market (see Table I), the largest Southland food chain is Mayfair, a locally-owned company that operates over 200 supermarkets. In addition to Mayfair there are 22 other locally-owned chains operating more than 11 stores and 23 more with from 4 to 10 outlets. In fact, it is not a matter of a big two or three but a big five or six and in certain areas the small chains set the pace.

TABLE I

RETAIL FOOD OUTLETS METROPOLITAN LOS ANGELES, 1965

	San Fernando Valley	L.A. and Orange Metro Total
Supers	122	819
Class A	44	408
Class B	48	753
Class C	95	1,829
Safeway	14	131
A & P	2	19
Volume General	9	49
	334	4,008

Source: *Los Angeles Times.*

Note: These classifications were arbitrarily established by the *Los Angeles Times* and are "based upon the opinions of an experienced staff . . . . Criteria for such judgments which have remained consistent from year to year are comprised of such facts as size of store, location, amount and condition of stock, etc.

"In essence, the grading system is based to a great extent on the *visual impression* of a given market and as such it is not strictly scientific or easily reduced to statistical data."

Expect Keen Competition

The retail food business here is competitive, as it is everywhere. Shelf space is precious, butchers earn $13,000 a year, advertising is costly and returns per square foot of sales area are watched closely by even the smallest store-owner. You will find that large-volume unit chains like Hughes Markets follow a store-drop buying policy while others earn an additional discount by doing their own warehousing and delivery.

Sunday shopping, night shopping, car shopping and 24-hour shopping, loss leaders, twelve for the price of ten—these are but a few examples of the methods used by retailers to garner a larger share of the consumer's food dollar. Food store advertising is metro-wide through the *Los Angeles Times* (circulation 830,000 weekdays), and the *Herald Examiner* (circulation 718,345 weekdays). There are also daily area papers like the *Valley Times* and the *Valley Green Sheet,* and local biweeklies like the *Montrose Ledger* and the *Sunland-Tujunga News* which are usually important in food merchandising. In-store promotions following the same pattern are chain-wide, area-wide and frequently store-wide. Chains like Food Giant (67 supermarkets, 1964 sales $307 million) encourage store managers to promote their own neighbourhood store and this is how we recently became involved down in the Valley with one of the chains, Food Giant.

The Food Giant promotion in their Van Nuys branch was not a major in-store promotion nor was it exclusively Canadian, but it illustrates the type of assistance that this office can give to Canadian companies currently selling or introducing new products in this huge food market. It was organized as a three-way co-operative effort by the Trade Commissioners in Los Angeles, local representatives of the Canadian firms involved, and Food Giant store management. Canada posters, free travel literature, and attention-getters throughout the store helped to sell Canadian hams and bacon from the meat counter. In another Food Giant store, a Canadian flag and an Ookpik (this syndicated comic strip appears in the *L.A. Times*) helped to draw attention to the display near the entrance of Canadian apple juice and beer. The promotion also obtained additional publicity for Canada, the Canadian firms whose products were on display, and the store through a write-up in the *Merchandiser,* a supermarket trade paper.

It is not easy to reach this market but the intense competition compels chain buyers, co-operative wholesalers and brokers to search continually for new products in new packages with new names to create new demands. Well-priced and attractive food-store merchandise will always receive a fair hearing from the buyer. Let me emphasize that it is not necessary to have enough of a product to supply 80 or 200 more stores; there are good smaller markets. Flexibility and service are the keynotes to a successful market visit. There are opportunities too for bulk institutional packages, delicatessen items, produce, fish, meat, private labelling, gourmet lines, health foods and gadgets.

Los Angeles has a voracious appetite—with almost eight million mouths to feed in its 17 major economic areas. Aim for the whole or a slice or a piece of the San Fernando Valley market. May we help you by planning your selling visit to Los Angeles?

91880—2

Libya Needs Knowhow

W. J. JENKINS,
Commercial Secretary, Rome.

This rich young country not only needs tools, but also the men to tell her how, when and where to use them. Canadian firms could well join the British and U.S. consultants doing business there.

LIBYA is committed to economic development and thanks to the new wealth from oil, can pay for it from its own resources. The country needs consultants and contractors, the Government recognizes this need, and it also realizes that it will have to look abroad for the individuals and firms it requires. A country which achieved independence only 15 years ago and which has an illiteracy rate of more than 90 per cent and a mere handful of university graduates cannot hope to meet all its immediate engineering requirements from its own nationals.

Five Year Development Plan of Libya 1963-68

Agriculture

Land reclamation, farm modernization

Vegetable oils for foreign markets, refineries

Castor oil plants

Water resource development, soil conservation, water wells, irrigation, windmills, pumps

Heavy and light farm machinery

Technical advice and training programs

Reforestation and range development

Sand-dune fixation

Seedling program, pine forests, windbreaks

Livestock development, increase in herds

Improvement of breeds, cattle and sheep

Veterinarian services, training, laboratories

Education

Construction of primary and preparatory schools, 3,000 classrooms, laboratories, libraries, educational aids, schoolbooks

University building construction, teacher housing, school feeding program

Public Health

61 health centres, 183 dispensaries, 2,143 hospital beds

Tuberculosis, trachoma, malaria, bilharziasis control programs

Sanitation project, bacteriological and chemical laboratories

Mobile medical services

General Projects

Low-cost housing, playgrounds, theatres, public halls

Reconstruction of Barce (el Marj)

Public administration institute

Development plan installation

Industry

Industrial estates

Group services, factory sites for textiles, clothing, leather, wood products, furniture, pottery, chemicals, metal products, etc.

Mineral resources prospection

Fisheries development

Market fish, tuna, sardines, sponge

Industrial research, training programs

Communications

Major highways, arterial roads, traffic studies

Telephone expansion, port and harbor extension

Airport construction and improvement

Meteorological observatory, climatological station

Public Works

Water wells, pipelines, purification, storage

Extension of electrical stations, transmission, distribution, secondary power stations

Main city sewerage extension, town projects

Reclamation of salt flat in Sebkha near Benghazi

Flood control and soil conservation

Oil production has now passed one million barrels a day and the Government's annual revenue from this oil totals almost $350 million. The budget for the fiscal year 1965-66 contains $260 million for development projects.

The opportunities are there but the competition is rugged. During the postwar British occupation most of the engineering assignments went to British firms, a number of which established Libyan offices that are still operating actively. Since oil exploration began in 1957, several other foreign consultants have opened offices in Libya and according to an official of the Ministry of Planning and Development, a number of other engineering firms are planning to do the same. This official told us that "about 1,000" consultants are registered with the Ministry. To date, one Canadian firm has received an assignment in Libya, three or four others have made proposals for specific undertakings, and about 30 have registered with the Ministry of Planning and Development.

Private Opportunities Limited

The oil companies operating in Libya require surveying firms and occasionally consultants, but there are several Libyan surveying and engineering firms that meet their routine requirements. If the oil companies had an assignment that was too complex for one of the local companies, it is probable that a consultant from the United States would be selected, because the two largest oil producers in Libya are American.

Libyan businessmen could conceivably require consultants but the country's manufacturing is embryonic and the impetus to create industries is coming from the Government. The Ministry of Industry has recently contracted for a series of industry feasibility studies. The Arthur D. Little Co. of the U.S. will do four of these studies (pharmaceuticals, paper, small appliances, glass bottles), the Economist Intelligence Unit of Britain will prepare a feasibility study for soap and detergents, a German firm will prepare a study on automobile assembly, and a feasibility study on blankets is expected to be given to a U.S. firm.

Government Is Best Client

Because the private sector does not offer many opportunities to the Canadian consultant, the best client is the Libyan Government. The Ministry of Planning and Development in Tripoli is responsible for the co-ordination of the Government's development projects, but the technical ministries, mainly Agriculture and Industry, (which also has responsibility for geology) originate most engineering requirements. Libya is entering the third year of its Five Year Development Plan but this plan should merely be considered an indication of the Government's intentions and both are subject to change. And it is difficult to learn from a distance what will be required. In addition, the Government's revenues have increased vastly since the plan was created so that new projects are being added constantly.

The first step in investigating the possibilities for your company in Libya is to write the Ministry of Planning and Development in Tripoli expressing your interest in registering. The Ministry will return a questionnaire to you to complete and although registration is obligatory, you should not consider it as more than a necessary formality. You could also write the Ministry or Ministries that encompass the technical competences of your firm, expressing your interest and asking about their requirements. This, however, will be considered little more than a gesture and you should not expect a reply.

Visit Is Essential

If the officials of these Ministries are to consider your firm seriously and if you expect them to provide you with any useful information, you must visit them. Although you may not be prepared to make a trip solely to explore the possibilities in Libya, if any of your staff are working in the Middle East or Africa they could accomplish a great deal by stopping for a few days in Libya on their way to or from Canada. Libya can also be easily included in a European trip because Tripoli is only 1½ hours by air from Rome and there is at least one flight a day. There are also regular direct flights from London and other European capitals.

Anxious to Assist

If you decide to visit Libya we would be pleased to help you with your arrangements and particularly to suggest the people you might contact there. You will want to meet as many government officials as possible and to examine the need to appoint a local representative or correspondent. Opinions vary as to whether a local representative is necessary; in our opinion, he is. If you pass through Rome on your way to Libya, we would like to discuss your trip with you and we are always willing to make inquiries for you during one of our periodic trips there. Both the Commercial Counsellor, Mr. J. H. Stone, and I expect to be in Tripoli fairly regularly. ●

Basic Facts for the Traveller to Libya

Formalities

You will require a passport, smallpox vaccination certificate and a visa. Libyan visas are not issued in Canada, but you can obtain one from a Libyan Embassy in one of several cities, including New York, London, Paris, Rome, Cairo and Beirut.

Climate and Clothing

You will need a tropical-weight suit in tbe summer and wool suit with raincoat or topcoat in the winter. June to August are bot and dry althougb temperatures rarely rise mucb over 100°. Winter temperatures range from near freezing to about 70°, witb occasional rain. Spring and fall are pleasantly warm.

Currency

The Libyan pound is at par with sterling. It is freely convertible to and from major currencies.

Office Hours

Government offices are open from 8 or 8:30 a.m. to 2 or 2:30 p.m., depending on the season. Business offices are generally open in the morning and afternoon. All Libyan offices are closed on Friday, although some businesses are open in the morning. A number of foreign companies and Embassies close on Sunday rather than Friday.

Holidays

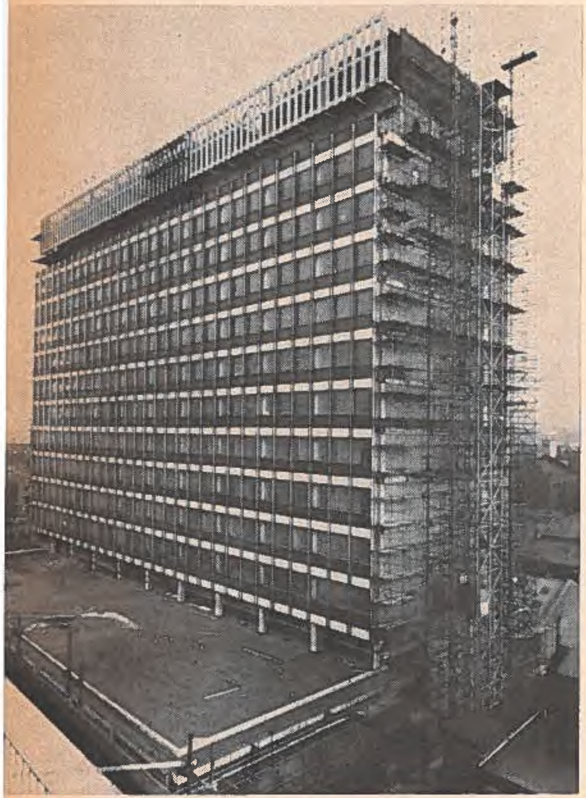
The public holidays for the remainder of this year are Novemher 21 and December 24. The Muslim holy montb, Ramadan, will be observed from December 24 to January 23, 1966; if possible you should avoid scheduling your trip at that time.

Services

There are good hotels and restaurants and plenty of taxis and rental cars in Tripoli.

91880—2½

The British Buy in Billions . . .



This is the nearly completed new office of Littlewoods (Liverpool), one of the three mail order giants. This company alone spent over $1.35 million advertising its five mail order operations last year. Most mail order houses carry both brand-name goods and their own ranges which make up approximately two thirds of their total public offerings.

. . . from mail order houses. Sales last year topped one billion dollars; they're still going up. It's a tough market for the exporter to tap—but some are doing it. Here are some hints on how.

W. ROSS VAN,
Trade Commissioner, Liverpool.

MAIL ORDER in Britain, a small, densely populated country of 53 million people? Impractical and unnecessary. Mail order purchasing was designed to cater to people in far-flung, sparsely populated areas such as in Canada and the United States. This is what people thought. The fabulous success of mail order in Britain within a short period of time has proved them wrong.

The growth of British mail order sales has been nothing short of phenomenal. Much to the dismay of the normal retail outlets—department stores, chain stores and smaller shops—mail order firms have doubled their sales within the last five years and now, at $1 billion a year, are still forging ahead. The growth rate of recent years has slowed to a steady 10 to 12½ per cent, compared with an average of 4 per cent in the retail trade as a whole. It is not difficult to understand why outsiders are becoming interested in this bonanza, which, however, is known to be one of the toughest businesses to break into. Many have tried and are trying but relatively few have succeeded.

Concentrated in the North

Although some 550 companies altogether are involved in mail order, most business is concentrated in a few hands. Well over half the entire market is held by three companies located in the north of England. These are:

- *Great Universal Stores* (*Manchester*) with almost one-third of the over-all market.
- *Littlewoods* (*Liverpool*), a private company.
- *Grattan Warehouses* (*Bradford*).

Much of the remaining business is taken by Empire Stores (Bradford), Freeman's (London), and John Myers (Stockport).

It is these companies, with their inch-thick, glossy, eye-catching catalogues of up to 1,000 pages, part-time agents (earning commissions of 10 to 12½ per cent or higher) and considerable advertising budgets (Littlewoods spent over $1.35 million in 1963 advertising its five mail order interests) that have shown the greatest growth. And this trend is likely to continue in the immediate future.

Favourable Factors

The question remains—will this expansion be a long-term one? There are two factors which indicate that it will. First, there is still some scope for extending the range of goods offered and second, the geographical spread of mail order business can be widened.

At the moment, clothes dominate sales by mail order, women's wear taking 28.5 per cent of all sales and men's wear 11.1 per cent. With footwear (10.8 per cent) they account for just over 50 per cent of all business. Household equipment is prominent among the remainder, and furniture (6.1 per cent), soft furnishings (7.6 per cent), and goods such as cycles and prams take almost one-quarter of all mail order trade.

In the major catalogues, about one-third of goods on offer may be branded and the remainder sold under a house name; Littlewoods, for instance, has successfully developed its "Spinney" range of goods.

The major companies have, in fact, been expanding their catalogues steadily for some years so that, food apart, there are few fields they do not touch in some way. Most, for instance, now offer car and house insurance as a service, though this is intended more as an addition to the general comprehensive appeal of mail order rather than as a money-spinner in its own right. But what several of the larger companies are now doing is building up the new sections of their business in depth. Two examples are wines and spirits and motor accessories.

As for widening the geographical spread of mail order, the smaller companies tend to insist that they are already well placed in most regions. Both G.U.S. and Littlewoods concede, however, that a much bigger part of their turnover proportionately comes from the industrial north where the tallyman (one who supplies goods on credit and is paid by instalments) has long been a familiar figure. Both think that the south offers the greatest scope for immediate expansion.

Getting Products Accepted

For a product to be accepted by mail order houses for inclusion in their catalogue, one of the prime requirements is quality. Competition is too keen to allow for inferior products. Consequently, the Canadian who, after reading this article, would like to make a go of selling to the mail order houses should first of all bear this in mind. Again, with the intensive competition there is a continual search for new and different products to offset the well-established ones.

Mail order houses in general prefer to buy either from domestic manufacturers or imported goods that are actually warehoused here. The reason is that the catalogue runs for a six-month period. Customers and agents expect all the goods advertised to be available throughout the whole of that period. Sales forecasting for mail order is correspondingly more important than it is for ordinary shops which can dispose of their mistakes in the sales and replace sold-out lines with new ones. Because of the success of mail order, these firms are deluged with offers and it is here that a personal visit is essential, accompanied by samples and prices. In their never-ending search for new ideas, the bigger mail order houses at least show an increasing tendency to send their representatives abroad to look for goods. They might even visit Canada.

Should you be interested in trying your luck with the British mail order houses, please contact me at the following address:

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

If you are not able to visit this area personally at the present time, we will be happy to forward samples and prices to the various mail order houses in our territory. Prices should be c.i.f. and in pounds sterling. We will be pleased to let you have their reaction. If it is favourable, you might then be encouraged to find an importer here with warehousing facilities. Better still, if you can visit Britain yourself, let us know and we will arrange appointments for you.

Swaziland—Small but Developing

SWAZILAND, a tiny protectorate containing 6,705 square miles and 156,700 people, has the brightest economic prospects of the three British Protectorates in the southern part of Africa. It has mineral resources, a fertile soil, and abundant supplies of water—a critical factor in this part of the continent.

Sugar has become one of the country's largest single producers of revenue. The first crop was planted in 1955 and since then production has risen to almost 120,000 tons; the current forecast ceiling is 190,000 tons. Citrus exports are doubling every season, and are expected to earn the country $15 million a year in foreign currency by 1970. Cotton and maize output have expanded impressively.

An industrial complex of secondary industries is rapidly taking shape around the recently established railhead for the line linking Swaziland with the port at Lourenco Marques, Mozambique. A cotton ginnery, a petroleum and oil dump, and an abattoir are the pioneers. Approximately 50 additional acres have been allocated for industrial sites and already a cement company, a chemical manufacturer, a gas company, a brewery, a road-equipment factory and a road transport firm have taken options.

Base metals are the basis of the most optimistic forecasts for this country's future. Asbestos deposits appear to be almost inexhaustible and there are also deposits of coal, iron ore and kaolin, plus a number of other less important minerals such as diaspore, pyrophyllite, andalusite, sillimanite, barytes and mercury.

The Anglo-American Corporation and Guest, Keen and Nettlefold from Britain are developing a vast iron ore project with known reserves of some 47 million tons estimated to last for 30 years. They have negotiated contracts to supply Japan with 14½ million tons of iron ore over the next ten years.

Reserves of some 300,000 tons of high grade semi-anthracite coal are indicated and Swaziland Collieries is now looking into prospects for exporting the washed product. Kaolin also shows great potential as a mineral export. Reports say that the deposits of kaolin are unique in geological formation and purity. The open-pit mine is estimated to contain a kaolin deposit of about 500,000 tons and there are six other large deposits in the area. A processing plant will be installed to break down the crude kaolin to the correct particle size—Johannesburg. •

Selling through Resident Buying Offices

Want to sell to department and apparel specialty stores across the United States by simply going down to New York? You can—by making your sales pitch to the resident buying offices there which purchase for nearly every major U.S. store in these groups.

D. L. RUSSELL,
Commercial Officer, New York.

NEW YORK resident buying offices—there are more than 150 of them—sometimes are corporate entities of the out-of-town retail establishments they serve or they may be totally independent, in a corporate sense, of their out-of-town affiliates. In either case, the seller does not pay for the services they give.

Fundamentally, the function of the New York resident buying office is to keep its associated stores informed of latest market trends, uncover new and interesting products and sources of products, coordinate merchandising programs, and make purchases. The exporter should, however, realize that the resident buying office is not in itself a retail establishment. Although it may at times initiate the purchase of sample merchandise for its associated stores, any purchases in depth are more likely made at the behest of its retail associates. Canadian firms approaching the New York resident offices, therefore, should regard their presentation to the resident buyer—or, more accurately, market representative—as only an initial step with the ultimate decision to purchase remaining largely in the hands of the affiliated store buyers. In short, the resident buyer is primarily the intermediary through whom business may come but who does not generally decide to buy.

In approaching resident buying offices, Canadian firms will find, particularly with the larger organizations which may sometimes service accounts enjoying collective annual sales of over one billion dollars, that they are organized on much the same specialized merchandise basis as the stores they serve. Each category of merchandise is under the purview of a resident buyer, with a merchandise manager at the head of several related departments. The resident office is set up primarily to report on and consider merchandise from U.S. firms, with some maintaining separate divisions for direct imports, staffed by a separate group. Thus it becomes imperative for Canadian firms wishing to have a resident buyer consider their merchandise to offer a duty-paid landed price in U.S. funds to some specified U.S. point, preferably New York. This in turn enables the resident office to offer the product to its affiliated stores in the same way as merchandise acquired from domestic sources.

The function of a resident office is to provide services to its affiliates and among these services is the recommending of new and interesting products. That is why Canadians will generally find resident buyers receptive to their requests for interviews, provided these requests are appropriately timed. Any exporter naturally wishes to have his product called to the attention of the out-of-town affiliates of the resident offices when their buyers are in New York in large numbers for the periodic "market weeks" and "buyer meetings" which take place here. But he should realize that at such times the resident buyers are so

TABLE 1

BUYER MEETINGS FOR A MAJOR NEW YORK RESIDENT BUYING OFFICE

January

- China and glass
- Upstairs intimate apparel
- Upstairs young world
- Basement children's and infants' wear
- Basement subteens
- Basement dresses, lingerie, loungewear
- Basement coats, suits, sportswear
- Lamps
- Upstairs accessories
- Basement accessories
- Basement hosiery
- Smallwares

February

- Notions
- Ready-to-wear dresses

March

- Daytime dresses
- Upstairs men's clothing

April

- Electronics
- Bridals

May

- Toys
- Misses', women's and junior coats and suits
- Basement children's, subteen, infants' wear
- Children's underwear
- Basement men's wear
- Basement boys' wear
- Stationery
- Upstairs young world
- Designer shop

June

- Upstairs intimate apparel
- Upstairs sportswear
- Fashion accessories
- Basement lingerie
- Basement house dresses
- Basement coats, suits, sportswear
- Furs
- Basement accessories and hosiery
- Ready-to-wear dresses
- Basement home furnishings
- Lamps

September

- Upstairs men's clothing

October

- Major appliances
- Upstairs men's furnishings, sportswear, boys' wear
- Designer shop

November

- Bridals
- Better, formal, moderate and daytime dresses
- Upstairs girls' wear
- Basement men's and boys' wear
- Upstairs women's, misses' and junior coats and suits
- Upstairs women's sportswear

deeply involved in merchandise programs with their out-of-town stores that it is virtually impossible to gain their attention. Moreover, resident buyers will hesitate to direct their out-of-town associates to view products which they themselves have not first examined and deemed to be of merit. Canadian firms will find that it is to their advantage to contact the resident offices well in advance of any market activity in New York for their particular product, to give the resident buyer opportunity to evaluate it and possibly arrange to include it in any future presentation or recommendation being planned for the out-of-town stores.

When the resident buyer has shown considerable interest and where presentation of the product to the out-of-town affiliates upon their arrival in New York is planned, the Canadian exporter will find it an advantage to be present in New York at that time. Invariably questions will arise that only he can answer. Or perhaps after considering a submitted sample, out-of-town buyers will wish to view the entire line. Although some Canadian exporters offer to return to New York should out-of-town buyers wish to see them, resident buyers are sometimes reluctant to request this, not knowing whether the final reaction to the merchandise will be favourable. The best solution for a Canadian firm if its product has been well received in preliminary overtures made to one or more of the important resident offices is to plan a return visit to cover the entire period of market activity for the product.

When to Come

Although there is considerable similarity in the times during which out-of-town buyers arrive in New York to hold meetings and shop the market, it is not always identical for every resident buying office. Table I, however, indicates the approximate times of the year during which out-of-town buyers of various types of merchandise and with one major New York resident buying office will be meeting here. Canadians making initial contacts should plan to do so in advance of these periods but should confirm the exact timing of the approach with the Trade Commissioner's office in New York.

What's current in commodities?

Fresh Fruit and Vegetables

Britain—Canadians are selling apples, apricots, cherries and plums, and onions in this market, aided by duty-free entry and despite quotas on apples and pears. This article discusses the demand, competition, changing tastes, and standards of quality.

B. M. FILLMORE, *Commercial Officer (Agriculture), London.*

CANADA has had a long-standing interest in the British market for fresh fruit and vegetables. It's a big market: last year Britain imported 1.3 million long tons of fresh fruits and 745,000 tons of fresh vegetables. In fruit, Canada's long-time best seller there has been apples, but shipments of apricots, cherries and plums have been increasing. In vegetables, the outstanding devlopment is the continued trade in onions since our exporters entered the market three years ago.

Apples under Quota

Consumption of dessert apples in Britain, normally about 25 million bushels, went up to 28.2 million in 1964. Imports, at 11.5 million bushels, were much the same as in the two preceding years but a record domestic crop of 16.7 million bushels supplied 62 per cent of demand instead of the normal 50 to 55 per cent.

Britain's principal overseas apple suppliers throughout the year in order of value are Australia, South Africa, the United States, Italy, Canada, New Zealand, and France. The Northern Hemisphere countries are subject to a total annual quota of 1,679 thousand cwt., of which one fifth is permitted import in July-December and the remainder between January-June. This limitation on the pre-Christmas trade is designed to protect the British growers during the period when the bulk of their crop is marketed. There are no quantitative restrictions on imports from Australia, New Zealand and South Africa.

Table I shows that the efforts of French exporters to gain a larger share of the quota by improving their storage facilities and by extending the shipping season have reached the point where their shipments have more than doubled in volume in the last three years. The fact that Continental producers can ship their products to Britain in two or three days without any intermediate handling removes most of the uncertainties for British importers and consequently is a factor in competition with North American suppliers. In practice, however, France appears to have increased its sales at the expense of Italy, whose shipments in 1964 fell by almost one third in volume from 1963. This may indicate that British tastes are turning to the yellow-green crisper type of apple and away from the typical European and softer Abbondanza/Belfort variety. This change is most noticeable in the southern half of Britain; in the north, the coloured varieties are still strongly favoured. Shipments of apples from the United States have increased consistently during the past three seasons.

TABLE I

IMPORTS OF APPLES INTO BRITAIN

July-June	1962-63	1963-64	1964-65*
	(thousands of bushels)		
Total imports	10,400	11,300	8,600
Of which:			
Italy	1,157	1,333	1,057
Canada	1,057	1,213	1,193
United States	860	1,259	1,310
France	104	233	246

*Eleven months only.

Prices Have Improved

Despite the excellent British crop and increased competition from Europe, the prices obtained for Canadian apples this past season were higher than in the previous year. Prices for French apples remained above the Canadian during the post-Christmas period, when there is usually a seasonal drop. In March-April 1965, prices for extra fancy grade, Canadian Red Delicious (160-200 size) ranged from \$6.16 to \$6.62 per carton, the premium going to the 160 counts; in the same period a year earlier a carton was selling at about \$5.11. Similarly, extra fancy Winesaps (160-216) made up to \$6.30 at the end of this season compared with \$5.11 a year earlier. A review of official average wholesale prices obtained over the season confirms that prices for Canadian fruit were generally higher than in the previous year.

Packaging and Sizes

The British trade now prefers the cell-pack carton, particularly since cartons are stronger and this has eliminated the problem of rough handling en route to market. It has greatly improved the condition and appearance of the fruit on arrival. Comments by importers suggest that this type of pack will prevail for some years but some experimentation began last season on a new type of tray pack with deeper cavities. The claim is that it carries fruit better than the old tray pack and the wide range of sizes required for cell cartons is not needed.

In addition to emphasizing the need for consistent sizing and quality of fruit, prepackaging has led to a demand from the trade for generally larger sizes than were popular a few years ago. The 160 apples per bushel size is now the most popular, with the range between 140 to 180 or "large to medium" sizes next; very small apples are now discounted. Some importers describe 216's as "difficult to sell" but those between 160 and 180 are convenient and work out at three or four to the pound, which is the way most housewives buy them.

Other Tree Fruits

The bulk of Britain's imports of other tree fruits is provided in season by Australia, South Africa, Italy and Spain. The trade in Canadian peaches has now almost disappeared and Italy supplies about three-quarters of total imports. Canadian shipments of pears (5,875 cwt. in 1964) were smaller than in the previous year and were negligible by comparison with shipments from Australia, South Africa and Italy, each of which contributed nearly a third of the total. There was, however, some improvement in sales of apricots, cherries and plums imported from Canada (particularly from B.C.) and combined they totalled nearly 23,000 cwt. in 1964. Spain provided 75 per cent of the apricots and Italy 70 per cent of the cherries imported. Of the 192,000 cwt. of plums imported, 28 per cent came from Spain, 20 per cent from Italy, 19.8 per cent from South Africa, 10 per cent from the United States, and 2.6 per cent from Canada. Although the amounts imported from Canada are comparatively small, they help to maintain the Canadian reputation for quality. In addition, they are well packed and presented and generally fetch very good prices.

Britain's production of pears increased from 51,800 tons in 1962/63 to 68,300 tons in 1964/65 and seems likely to keep on rising. The domestic output of cherries and plums, on the other hand, tends to fluctuate and in the long run this situation should provide good opportunities for Canadian growers and shippers if they care to study the market. Health regulations eliminate produce from some nearby Continental countries.

Domestic Suppliers Protected

Canadian shippers should realize that British fruit growers are protected by customs tariffs on imports and, for apples and pears, by an import quota. Under Commonwealth Preference, Canadian produce benefits from duty-free entry all the year round but is still subject to the quotas. The following are the full rates of duty applicable to selected products from non-Commonwealth sources:

Apples
April 16-August 15—4/6d. (68 cents) per 112 lb.
Other periods—duty free
Quota for Northern Hemisphere
July-December—304,000 cwt.
January-June—1,375,000 cwt.

Pears
February 1-July 31—4/6d. (68 cents) per 112 lb.
August 1-January 31—3/-d. (45 cents) per 112 lb.
Quota: July-June—560,000 cwt.

Plums
July 1-October 31—16/9d. ($2.53) per 112 lb.
December 1-March 30—9/4d. ($1.41) per 112 lb.
Other periods—10 per cent ad valorem

Cherries*
June 1-August 15—37/4d ($5.44) per 112 lb.
Other periods—10 per cent ad valorem

Peaches
April 1-November 30—10 per cent ad valorem
December 1-March 31—14/-d. ($2.11) per 112 lb.

Apricots—10 per cent ad valorem

£1=$3.02.

*Between June and September, cherries from certain areas of Italy and France and the whole of Austria, Bulgaria, Hungary, Yugoslavia, Portugal and Spain are prohibited entry for plant health reasons.

Although the quotas for apples and pears have remained unchanged in recent years, they are reviewed annually by the British Government. The limitation of pre-Christmas imports to one-fifth of the total quota is the main protection afforded to British apple growers and they have been pressing for an extension of this period to February. Greater use of C.A. (Controlled Atmosphere) storage is lengthening the domestic apple season well beyond Christmas and is also bringing the Canadian shipping season into April/May. As the case of France shows, new countries can ship to Britain within existing quotas and it is unlikely that quotas would be increased except in unusual circumstances.

The Agriculture and Horticulture Act 1964, introduced by the previous Government and continued by the present administration, provides, inter alia, for grants to aid horticulture. These grants can be used for improving efficiency, clearing orchards, and initiating co-operative business and markets. The Act also empowers Ministers to prescribe minimum import prices for or impose levies on "any specific commodity". So far only cereals have been affected by this scheme.

These various forms of assistance, coupled with protective quotas, are bound to improve the domestic position in the long term. Home growers are actively seeking to enlarge their share of the trade with better grading methods and more efficient marketing. Home Grown Fruits, a co-operative organization, alone handles a quarter of the British apple crop and markets produce in standardized 30-pound containers with cells tailored for different counts. This and other group packing organizations achieve high standards.

Onions Selling Well

Turning to vegetables, Canadian shippers of onions are doing particularly well in the British market, even though domestic output of dry bulb onions has been increasing and exceeded one million cwt. in the

Quality control is a very important element when selling fresh fruit and vegetables to Britain and Canadian growers are well aware of the fact. This inspector at a Niagara Peninsula fruit plant is giving apples, peaches, pears and grapes a final "once-over".

1963-64 season. Imports totalled about 4 million cwt. in 1964, a decline of 600,000 cwt. from the previous year. One third of the total is traditionally supplied by Spain; the Netherlands and Egypt are also important suppliers of long standing. After the disastrous frosts in the British winter of 1962, Canada was able to supply 300,000 cwt. of high-quality onions and established a reputation which led the British trade to seek Canadian onions in succeeding years. The consistent quality and sizing were ideally suited to the British market.

Canadian shipments of onions rose to 421,000 cwt. in 1963 but with improved crop conditions in Britain and a lack of suitable varieties from Canada, they fell slightly to 413,000 in 1964. Imports from Spain in the first five months of 1965 fell to a quarter of the volume in the same period of 1964 but this was made up by larger supplies from the Netherlands and Chile. Canadian shipments in January-May 1965 totalled 114,000 cwt. compared with 135,000 in the same period of 1964.

The introduction of a larger or "jumbo" size in the Canadian grading regulations should benefit the trade considerably because the British trade's interpretation of "Canada No. 1 Large" is somewhat bigger than that specified in the regulations. Spain, the largest shipper, has seven export sizes, ranging from more than 12 cm. in diameter down to 4 or 5 cm.

Rates of duty on onions imported are:

August 1 to November 30—4/8d. (70 cents) per 112 lb.

Other periods—10 per cent ad valorem

These rates do not apply to Canadian or other Commonwealth suppliers.

Patterns of Distribution

The great volume of produce in Britain is handled by the wholesale markets located in London, Liverpool, Bristol, Glasgow, Edinburgh and other important centres. Importers, brokers, first-hand wholesalers, and some major retail chain buyers maintain offices in these centres; wholesalers have commission buyers who attend auctions or buy through private treaty in these markets. Individual retailers deal with wholesalers and through them the complicated pattern of distribution is completed.

The most important markets are located at ports but produce which is landed at Liverpool, for example, would not necessarily be sold in that area. Some aspect of sizing or variety might mean a better market in the south and the consignment would be railed rapidly to Bristol or London. A major function of importers and brokers is to sense the most desirable markets and direct their produce at short notice to where it is most needed.

The basic patterns of distribution have remained relatively unchanged since the postwar restrictions; to some degree the continued system of import licensing for fresh apples and pears has preserved the channels of trade, because it tends to exclude new companies from the importing business.

New Produce Markets

It is nationally recognized, however, that many markets are outdated and that they should be modernized to maintain efficiency. Recently a new market at Cardiff was officially opened by H.M. the

Queen. The plan is to remove London's congested market at Covent Garden to another area with improved space, rail and road facilities. Similarly, London's Spitalfields market will be replaced and important centres like Leeds, Manchester and Birmingham also plan new markets. This trend is facilitated by government grants to local authorities to redevelop their markets.

Future Developments

The compulsory grading of apples, pears, tomatoes, cucumbers and cauliflower will begin on July 1, 1967, as provided for in the Agriculture and Horticulture Act 1964 (Part 3). Recommended grades for each were drawn up by the Ministry of Agriculture in consultation with trade associations and the growers. At full strength it is expected that 150 inspectors will work in the main markets and packing houses; the scheme will also cover imported produce but it seems unlikely that the grades would present any difficulty to Canadian exporters. The training of inspectors includes films on Canadian apple growing and handling.

For the immediate future, estimates of the 1965 apple crop indicate that last year's record will not be reached. The set of Cox's Orange, which usually comprises 45 per cent of the total, may be no better than half last year's figure but new trees coming into bearing will offset this partially. Varieties of pears, apart from Conference, are described as "light crops". Cherries similarly are forecast as a light crop, and plum prospects "are not good", according to official Ministry reports.

No over-all shortage of produce is likely to develop in Britain but if Canadian exporters maintain their standards of quality rigidly, they will probably benefit from a season of relatively stable prices. ●

Raw Materials for Paints and Varnishes

Venezuela—The country is today almost self-sufficient in finished paint products but still imports most raw materials. Canadian producers might find it profitable to study this market.

J. R. CAUX, *Assistant Commercial Secretary, Caracas.*

THE Venezuelan paint and varnish industry started production about 1940 but the first statistics on it appeared only about 1945. Output that year totalled 1,062 metric tons and consisted of oil paint 457 tons, powdered paint 419, enamel 153, solvent 19 and varnish 14. In 1964, production totalled 28,555 metric tons, made up of oil paint 7,051 tons, paste paint 9,366, powdered paint 2,938, and varnish, enamel and solvent 9,200.

The industry grew slowly in the first decade of its existence and by 1952 production had reached only 6,500 metric tons. Since then, however, it has shared in the boom experienced by the construction industry, its logical market. By 1954, output of paints, varnishes and related products had more than doubled to 14,500 tons.

The Venezuelan Development Corporation invested more than 12.6 million bolivars in the industry between 1959 and 1964. This money was used to buy machinery and equipment and to finance the purchase of raw materials. The Development Corporation recently announced that domestic manufacturers supply almost 99 per cent of the domestic market and that imports are restricted to products which local manufacturers cannot make economically. The paint industry has a promising future because of the continuing boom in residential and industrial construction; it now has nine plants and more than a thousand employees.

What Is in Demand?

Canadian paint manufacturers can no longer expect to sell finished products on the Venezuelan market but they will find it worthwhile to investigate the market for raw materials such as pigments, organic and inorganic oils, and other basic paint and varnish ingredients. Few of these are produced locally. For example, linseed oil is imported from Europe and pigments and oils from North America.

Venezuelan companies buy their raw materials directly from the producers but a conscientious and diligent local agent is still necessary. He will have to be hired on a commission basis (5 to 10 per cent) and should not be a stockist. It is impossible to sell at a distance in this field and personal contacts, combined with frequent and regular calls, are absolutely necessary.

The Canadian manufacturer must keep two additional factors in mind if he is considering selling raw materials to the paint makers. He must be prepared to arrange for or extend credit up to 90 days. Furthermore, manufacturers buy enough materials for two months at a time but expect regular deliveries throughout the year.

There are opportunities for selling raw materials to the paint industry and the Caracas office is prepared to canvass Venezuelan producers on behalf of Canadian manufacturers. Those interested should write to the Commercial Division of the Canadian Embassy, Apartado del Este 11452, Caracas, Venezuela. ●

British Fisheries Changing Fast

Canadians who sell to the world's second largest import market for fish will read with interest this review of changes and experiments in the catching, processing, storage and marketing of fish in Britain. Some of these have implications for Canadian suppliers.

H. G. GARLAND,
Attaché (Fisheries), London.

BRITAIN ranks not far behind Canada as a fish-producing country but British exports of fish and fish products, which were valued at £8 million in 1964, account for a very small proportion of total production. And Britain imports a great deal of fish—its import bill for fish and fish preparations, which amounted to £67 million in 1964, roughly equals the value of Canada's total exports of fish in the same year. Britain is in fact the largest importer of fish products after the United States, taking about 12 per cent of total world imports.

The landings of "wet fish" (fresh fish and also fish frozen in bulk on board ship) by British vessels, augmented by direct landings made by fishing vessels of several European countries, provide the bulk of the supplies delivered daily to fishmongers' shops throughout the country after passing through the auctions at the ports. The fishing industry has, however, been undergoing changes in every aspect from catching to retailing. And although the nature of the industry will always demand adaptation and continued experiment, a more distinct pattern is emerging after a long period of reorganization.

A recent series of experiments has indicated that fish farming may be successful in supplementing the supplies of high protein fish. Since 1962, plaice have been reared in tanks at an experimental station on the Isle of Man and the next stage, transplanting the plaice to a sea loch in Scotland, is being arranged this year. By raising the temperature of the water with the outflow from power stations and increasing the food supply in the loch, it is hoped that the fish can be reared to marketable size more quickly than in the open sea. The ultimate aim is to raise them to uniform size to reduce the problems of packing and marketing. The experiments will be broadened to cover other varieties of flatfish which are readily sold at a good price, but even the most successful outcome will probably not add more than a small proportion to the total. The bulk of the supplies, whether imported or landed by British vessels, will continue to come from deep-sea operations.

Fishing Fleet Changing

The conversion from steam to oil of the older trawlers of the "distant water" type (140 feet and over in length) is now practically complete. Replacements will be fewer but larger as the conventional vessels, which normally make voyages of about 21 days, give way to the freezer-trawlers which can range farther afield and remain at sea for six weeks without the risk of spoiling the fish. The rate of turnover to freezer-trawlers may, however, be affected by recently developed techniques for handling fish on board. These could prolong the life of existing vessels and help the industry through an interim period until the large capital outlay required for building freezer-trawlers is fully justified.

The use of antibiotic ice is one of these developments and is said to prolong the shelf life of the fish for about three days. A much longer period is claimed for another development, superchilling, that is now being thoroughly tested in British vessels. This process circulates cold air throughout the fishroom at a controlled temperature of about 28 degrees F., just below the customary level of the melting point of ice. A system whereby bulk fish stacked in ice is cooled by refrigerated plates is being used commercially in Portugal, but another method, in which the fish is stowed in boxes with spaces between them to allow air to circulate, may prove more suitable for British vessels.

The gradual extension of freezing facilities on board seems to lead to the assumption that factory-trawlers are the most effective type of vessel, because all the processes required to produce retail packs of filleted fish can be carried out at sea. Three vessels of this class have been in operation for several years and more are being built. But it seems doubtful whether this type can reach its full potential until problems of manning the ships and of grading the fish are solved.

Storage and Marketing

In the meantime, it seems clear that freezer-trawlers will set the standard and already the operation of a comparatively small number has led to changes in shore facilities and marketing arrangements. Because the fish are transferred directly from these vessels to cold storage, dock layouts have had to be altered, and the number of wholesalers at the ports has been reduced. Forward contracts can now be made without going through the traditional port auctions, prices are steadier, and the sale of branded fish from particular vessels is made possible.

Sometimes the purchasers at the ports are associated with the trawler organization operating the vessels. This illustrates the trend towards larger units on land as well as at sea and it appears inevitable that the increased cost of holding stocks and arranging distribution will require capital resources on a scale that only large organizations can achieve. In the last twenty years the growing complexity of scientific equipment has added appreciably to the cost of building a vessel and has been one of the factors bringing about the amalgamation of trawler companies. The varying interests of the associated companies have resulted in the formation of a number of groups which cover the whole range from shipbuilding to the production of retail packs of canned, cured and frozen fish, with cold storage facilities at the ports and at distribution points in the main marketing areas.

Within these groups, one or more companies are responsible for importing varieties of fish not available from local sources and, because of the shortage of good-quality fish, their purchases from abroad include quantities of staple varieties such as cod, needed to supplement local production. Imports are not handled only by these integrated groups, however; brokers are active in this side of the trade and some large producers of quick-frozen fish brands do not have interests in the trawling industry. Changing conditions in distribution and marketing may lead to further extensions of the activities of the integrated groups. The reorganization being carried out in the nationalized railway system has already curtailed the number of fish freight services from some ports to inland centres, with the result that the refrigerated trucking services, which are operated in some instances by the producing firms themselves, have had to be expanded to maintain regular delivery schedules.

Retail Trade

The sites of fishmongers' shops, which have always been a familiar fixture on nearly every High Street in Britain, are becoming increasingly expensive as property values rise, particularly where old premises are being demolished and more elaborate buildings put up in their place. The retailing of wet fish yields a comparatively low return because of the display space and staff needed to make sales and, although these shops now stock a growing proportion of quick-frozen packs, a small independent owner handling a perishable product may still be in a vulnerable position.

A few of the new supermarkets include a section selling a range of wet fish in addition to the convenience packs and presumably the profit per square foot of floor space is reduced by the need to provide personal service. Research is being carried out in an effort to solve the technical difficulties of providing prepacked fresh fish and in time retailers may be able to contract for supplies direct from specified trawlers.

For a number of reasons—the extended fishery limits on some Atlantic areas, the longer voyages into less exploited waters, and the continual search for high-quality food—the British public will be offered varieties of fish which have so far not been included in their diet. Although their tastes have broadened in recent years—probably as a result of their experiments of eating whale on holiday in Europe—they share the conservative attitude of fish consumers everywhere. It remains to be seen whether they will accept the unfamiliar varieties. ●

Shown at the recent opening of Atlas Steel's new warehouse at Brierley Hill are (left to right) Maurice W. Buttler, general manager of Atlas Steels (England) Ltd., H. C. Armstrong, Commodity Officer, Metals and Minerals Division, Department of Trade and Commerce, on temporary duty in London, and A. M. Bell, one of the firm's directors. This is the second warehouse Atlas has acquired in Britain.

How Power Machinery Pushes Export Sales

Distributors in over 20 countries in less than seven years—that's the record made by a Vancouver chain-saw company. Here one of its executives outlines its successful approach to the export market.

D. THOMSON,
Pacific Sales Representative, Power Machinery Division, Bristol-Aero Industries Limited, Vancouver.

WHEN our company, Power Machinery, a Division of Bristol Aero-Industries Ltd. of Canada, decided to look for export markets for our *Canadien* chain saw, we took the following steps:

- We made a study of the forest industries in all major countries.

- Once we had, as a result of this study, found out where the potential customers were, we sent letters describing the saw and its applications to Canadian Trade Commissioners in these countries. The letter described the product, gave information on the company's background, and included f.o.b. prices and export discounts.

- When the Trade Commissioners sent back names of possible distributors, we sent a sales letter to them. Like all good direct selling letters, it gave precise information about the product and was accompanied by illustrated brochures. The letter suggested that the distributor could, if he wished, take up the company's offer to deliver to him by prepaid air freight one unit of his choice at the net distributor's price. Using this unit as a demonstrator, he could get the end-user's reaction. If he were not satisfied he could return the saw to us and get his money back.

This method worked so well that in seven years our company has appointed distributors in twenty countries. In 1964 our sales jumped 38 per cent over 1963, with larger orders going to current markets and new markets opening up.

First Sales

The first sales breakthrough came in Finland in 1958 and in the same year the company exhibited at a trade fair in Australia. Today, the *Canadien* distributor in Australia is buying more than 3,000 saws a year.

When the Department of Trade and Commerce organized the First Export Trade Promotion Conference in 1961, the company's executives attended and interviewed thirty Trade Commissioners. We also exhibited a number of demonstration models at the National Canadian Samples Show in Toronto in 1963.

Operation Machinery, also sponsored by the Department of Trade and Commerce, brought to our Vancouver plant engineers from South Africa, Chile, Japan and Sweden. Today we are selling in all of these countries.

Distributor Is Vital Link

All good businessmen realize that selling a product today is not enough; you must be prepared to service it after you sell it. This is what keeps customers coming back and this is why the choice of a distributor is so important. He is a vital part of a sales program, especially in selling power saws to professional loggers. The *Canadien* chain saw distributor gets all the attention the company can possibly give him. He in turn must pass on these benefits to the end-users. Whether he does this personally or through a chain of dealers is up to him. He must have a first-hand knowledge of the product, keep an adequate stock of spare parts, and be able to provide service.

Actually, the *Canadien* line of saws is relatively simple to handle. Where possible, the individual parts of the different models are the same; this cuts down a distributor's spare parts inventory and only a few simple tools are needed for complete overhauls. If the customer has a problem the distributor cannot handle, he can rely on the co-operation of our engineering staff, who welcome the assistance the customer gives them in improving the product. We favour formal written contracts with our distributors to give them sole rights in their territories.

When it comes to advertising, we are prepared to assist the go-ahead distributor who wishes to do some on his own. We supply him with brochures in English (or the necessary cuts) so that he can have them printed in his native language. Although we do not sponsor co-operative advertising compaigns, we do spend a considerable amount on more formal advertising, particularly in *Chain Saw Industry* and *Chain Saw Age,* both published in the United States and aimed at international markets.

Spend Time Travelling

Although Power Machinery, before it was acquired by Bristol Aero-Industries, had to begin export selling without personally investigating export markets and choosing distributors, we are nevertheless conscious of the importance of personal contacts. Sales representatives now travel the world visiting distributors and their customers and interviewing prospective distributors. This gives us the opportunity to get firsthand knowledge of the difficulties of a particular operator and either suggest an on-the-spot remedy or take the problem back to base where our engineering staff will supply the remedy.

No Difficult Problems

Problems in exporting? There are no problems—or at least none that cannot be overcome fairly easily. Generally speaking, foreign customers are less exacting than domestic ones. Naturally, foreign sales means more paperwork, but our staff is trained to cope with this. Export packing? We found that we could not ship saws abroad in the individual cartons used in Canada so saws now leave the Vancouver plant in cartons of six or eight neatly bound with steel strapping. Credit problems can be minimized by obtaining credit references and securing, with the help of the Trade Commissioner, credit reports.

The secret of *Canadien's* success in the export market? Three things. First, we have a good product, developed in an area of some of the biggest logging operations in the world, British Columbia. Second, we live up to delivery promises; we boast that we have never missed a shipping date. Third, we work conscientiously at becoming more efficient and developing a better product.

Obviously, it's a winning combination. ●

Chopsticks in hand, Mr. Thomson, the author of this article, takes time out from business in the Central Theatre Restaurant in Taipei, Taiwan. Eating with him are (left and right) Y. Hahn and Alexander Ho, both of the Wha Cheng Trading and Engineering Corporation, Power Machinery's distributor on the island.

How to Win World Markets 16

An experienced traffic manager explains how goods move from the manufacturer's plant across the ocean to the foreign buyer. He discusses particularly the selection of a ship, the setting of rates, the booking of space, and other shipping procedures.

A. S. MARSHALL,
General Traffic Manager, The Steel Company of Canada.

The Knowhow of Export Transportation

THE transportation of goods in international trade has for centuries captured the imagination of almost anyone who could read, because countless authors have related the adventures, true or imaginary, of the doughty crew who have conducted this challenging and glamorous activity. It is my task here to outline the more mundane side of the transportation aspect of world trade. The reader should be aware, however, that no matter how small his part in the total venture, some of the excitement which has pervaded this traffic throughout the ages will unfailingly enhance his interest in this work.

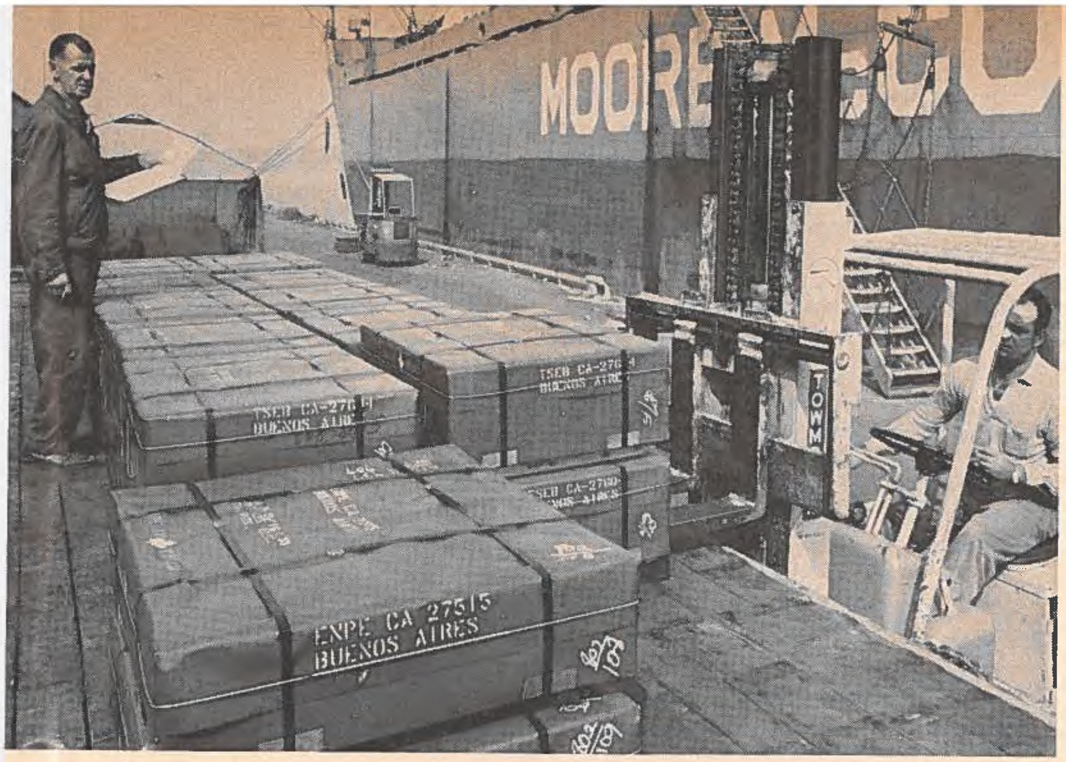
An entire volume could be written about the mere mechanics of export transportation. I must be brief and my purpose will be to highlight procedures and attitudes which seem important in the operation of a traffic function which is charged with export responsibilities.

The services of the Traffic Department are an important factor and indeed could be decisive in the success of a corporation's export business. Consider that the cost of freight is often an unusually high proportion of the laid-down cost of goods and you will recognize the importance of Traffic's function in purchasing transportation. Consider the unusual difficulties of making delivery to a distant customer in a foreign country and you will recognize the importance of Traffic's expediting and forwarding services.

Traffic Function in Export

The traffic function in export is determined by the terms of sale. Under delivered price, c.i.f. destination, or c. and f. destination contracts, the seller is responsible for arranging ocean transportation. On the other hand, under f.a.s. loading port, or f.o.b. seller's works or any other domestic point, the seller's transportation responsibilities are restricted to domestic transportation and involve little if any more complicated traffic routines than would purely domestic transactions. For the purpose of this article, it will be assumed that the seller is responsible for ocean transport. If the reader's responsibility stops short of this, he can take it that his traffic problems are not significantly different from those encountered in domestic business.

To define the terms of reference a step further, I do not intend to spend any time on the comparatively simple procedures involved in all-rail, all-truck, express, or parcel post, because the transportation procedures are so similar to those involved in domestic shipments. A knowledge of the applicable international rates, and possibly the need to negotiate new ones, are the only



A steamship line employee in Hamilton checks off a cargo of tinplate against his bill of lading. The substantial packaging is necessary to protect this particular product from moisture. Scenes like this are repeated thousands of times each year from Halifax to Vancouver as Canadian products such as this are shipped to all parts of the world.

significantly different factors. Air freight will be covered in another article in this series.

I shall therefore concentrate on the subject of shipping to overseas foreign countries. The services of a forwarding agent are to be dealt with in a later article and so I shall ignore them. It should be understood, however, that the exporter may well decide to have some of the functions I shall describe performed for him by a forwarding agent.

To make the grade in export trade, goods must arrive at the foreign destination in good condition, in a reasonable length of time, and at a competitive laid-down cost. If the transportation function cannot accomplish this, the export operation must fail. Let us now see what must be done to succeed.

Know the Basics

Exporters are interested in the world of ships. Let's take a quick look at the world fleet waiting to serve them. The table on page 21 classifies ships by major groups and covers a ten-year span, so that the reader may grasp certain significant trends that have been developing.

Obviously, the great increase in the last decade in the demand for transportation of bulk cargoes, notably oil and iron ore, has made the relatively modest increase in the general cargo fleet seem even smaller. However, the general freighter fleet capacity did increase by more than 20 per cent and the improvement of speed and efficiency of vessels means that it increased its carrying capacity even more. In any event, demand and supply for vessel space seem to be in a reasonable state of balance, so that ship-owners generally appear to have responded quite well to the world demand for ships.

Types of Ocean Service

The three basic types of ocean service available to the exporter are provided by: (1) the conference lines; (2) other lines, usually referred to as "non-conference"; (3) tramp ships.

The conference lines are represented on most trade routes. A conference is an association of shipping lines which have grouped themselves together for the purpose of establishing common freight rates and shipping conditions. They use a dual rate system, under which an exporter may qualify for a more favourable rate by signing an exclusive patronage contract. Most Canadian contracts require routing of 100 per cent of the shipper's traffic on routes served by the conference, to be shipped via a carrier member of his choice. Most Canadian contracts run for a calendar year and require notification of cancellation at least 90 days before December 31. Conference line services are available to shippers who have not signed contracts, but at higher rates for the same services.

The non-conference lines operate and quote freight rates individually. They usually provide regular liner service, frequently on the same trade routes as, and in competition with, the conference lines. They do not require the signing of a time contract and will accept bookings from all shippers, provided space is available. When they are in competition with an entire conference, non-conference lines will usually quote rates about 10 per cent lower to attract traffic.

Tramp ships do not ordinarily operate in a scheduled service but their space is usually available, in whole or in part, on a per voyage basis. They are the free-lancers of the shipping world and literally will go anywhere on the trade-routes of the globe.

Containerization Increasing

The transportation of goods by sea in sealed containers is a recent and increasing development. Some ships are designed specifically for this service and many of the regular lines are establishing various procedures for the interchange of containers, so that they can offer this service. Container service is not widespread in Canada to date but the exporter for whom this is a significant factor can look for a gradual increase. The main advantages of container service are protection from pilferage and damage, complete and undisturbed door-to-door service, and the advantages of automation in all aspects of handling.

Setting Ocean Freight Rates

As in pricing other transportation services, the rate-making procedure will result in a price between the out-of-pocket cost of moving particular lots of cargo, as a minimum, and the value of the transportation service (the increment in value of the cargo between ports of origin and destination), as a maximum. Many factors affect the striking of the rate level between these two extremes.

Competition among carriers is an important element. The conferences tend to restrict rate competition. The justification claimed for this is that stability of rates is equally important to the shipper and to the line. The former wishes to be assured of the laid-down cost of his goods and the latter wishes to be assured of a reasonable price for his services. The conference lines hold this theory out as the foundation on which they are able to build and maintain reliable schedules and service. Many trade routes are served by non-conference as well as conference lines and then competition tends to be keener. Tramp vessels also create rate competition and they will tend to influence freight rates in cases where previous lack of competition has permitted these rates to become unrealistically high. The conferences will at times leave freight rates "open", or subject to short-term negotiation, where such action is deemed necessary to make the conference members competitive. In these various ways, competition can be an important factor in rate-making, whether the exporter is dealing with conference lines or not. Competition tends to be a more compulsive factor in tramp ship rates than in the liner services.

The transportation and commercial characteristics of the goods represent important elements in ocean freight rates. Significant transportation characteristics are: (1) density of the goods, as this affects space per ton; (2) shape of the goods or packages, as this affects stowability; (3) susceptibility to damage by breakage, fire, rust, spoilage, etc.; (4) susceptibility to pilferage; (5) need for special handling, such as heavy lifts; (6) need for special protection, such as refrigeration; (7) predominant direction of the flow of traffic (is it a back-haul?).

Significant commercial characteristics of the goods influencing rates are: (1) the intrinsic value; (2) the difference in value at origin and destination ports (this measures the value of service); (3) the stage of manufacture, whether raw, semi-finished, etc.; (4) market competition with goods originating in another country.

The demand for and supply of shipping service affect rates. An example of this is when the preponderance of traffic on a given route is in one direction. The tight supply of space in this direction tends to increase rates, but the back-haul aspect in the reverse direction tends to make the carriers reduce rates in an attempt to balance the traffic.

In the negotiation of ocean freight rates, the exporter should consider all these factors. Naturally, he will accentuate those which will assist him most in the rate-making process. In many instances, his activity may not have to go beyond the mere decision about whether the going freight rates are compatible with his particular foreign operation.

The liner services, conference or no, usually quote rates on what is known as "liner terms". This includes costs of loading and unloading cargo and harbour charges assessed against the ship. It does not, as a rule, include top wharfage and other terminal charges assessed by harbour authorities against the cargo. The other most frequently quoted rate basis is known as f.i.o. (free in and out). Under such rates, the shipper or consignee pays all cargo costs except the actual water transportation. Therefore the shipper or consignee must arrange and pay for stevedoring and must meet certain conditions as to the speed of loading and unloading or incur penalties, known as "demurrage". Thus the cost of shore-based services, whether paid for directly or indirectly, can be a sizable element in the cost of ocean transportation.

So much for some of the basics which must be understood if one is to master the art of export transportation.

Know the Specifics

Beyond a general knowledge of export traffic conditions, it is vital that the export traffic manager be thoroughly familiar with the specific nature of the trade he is to conduct. Perhaps the simplest way to outline the export transportation procedure is to carry a transaction through step by step, from the Traffic Department's first order advice until its function is completed.

A few words about the organization of the Traffic Department to perform this function may be in order. It is apparent from the foregoing that export traffic is complex and unusual. Indeed, it requires far more attention per ton shipped than regular domestic transportation does. If at all possible, the export

Merchant Fleet of the World

	1954	1959	1964
World Total			
No. ships	14,613	17,106	18,072
1,000's G.T.	87,286	115,015	140,283
Oil Tanker			
No. ships	2,631	3,307	3,459
1,000's G.T.	23,604	37,654	49,713
per cent of total G.T.	27·0	32·7	35·4
Bulk Carrier			
No. ships	601	940	1,779
1,000's G.T.	2,092	5,838	16,672
per cent of total G.T.	2·4	5·1	11·9
Freighter			
No. ships	10,077	11,579	11,692
1,000's G.T.	51,475	61,224	64,350
per cent of total G.T.	59·0	57·3	45·9
Cargo and Passenger			
No. ships	1,304	1,280	1,142
1,000's G.T.	10,115	10,299	9,548
per cent of total G.T.	11·6	8·9	6·8

section should be set up as a separate function within the Traffic Department, co-operating fully with the others where duties overlap, but free to devote the necessary time to the specialized export work. Export should never be done with the left hand. The traffic function must be sufficiently mobile to become familiar with the physical aspects involved in export shipping, to co-ordinate production, shipping, etc., with vessel arrivals, to get to know the people in the shipping trade, and to trouble-shoot when ship delays or other complications occur. On the other hand, much of the export traffic work is done by telephone. The export desk will have one of the hottest phones in the office and this phone must be manned at all times. For certain periods intelligent message-taking will suffice, but to the greatest extent possible the export desk should be in a position to act promptly at all times to meet changing conditions.

Selecting a Ship

The Traffic Department has been notified (by means of an order copy or other means) of an export order which has been accepted. Terms of sale are examined to determine Traffic's responsibility. A tentative delivery date is usually indicated. The first step is to book space on a vessel with acceptable ETA (estimated time of arrival) at the port of destination. Usually the selection of discharge port is left to the consignee, except when goods are sold delivered. In such a case, selection of the discharge port must be made carefully because there could be a considerable difference in port and inland charges.

Selection of the loading port may be automatically dictated by the economics of inland and port charges. If not, frequency of sailings is an important service element and may even at times outweigh the economics. The export customer must be serviced carefully in this respect. After selection of the ports, sailing schedules are consulted. Each steamship agency usually sends out sailing schedules giving departure times, ports served, and ETA's of ships in its service. Certain periodicals and newspapers can also be consulted for sailing information. *Canadian Forwarder* and *Shipping Digest* give very complete information.

When letters of credit are involved, they must be reviewed to ensure that their conditions are met —for example, the time factor, transshipment restrictions, discharge port, etc. In the selection of a ship, ETA is important. Intermediate stops on certain lines are frequent and could delay goods beyond the ETA of later sailings. In selecting the route, transshipment should be avoided wherever possible; it can cause serious delays and each handling of goods increases the risk of loss or damage.

The most reliable line with a comparable rate and best ETA is usually used. Of course, to ensure competition and to encourage frequency of sailings, business should be spread judiciously, provided all conditions are reasonably the same.

Booking Space

When the decision on a ship has been made, the steamship agent representing that line is called to book the required space. He will request all the particulars, such as weight, size, and destination port. The agent will then issue a contract number and an engagement note will be sent out showing the particulars of the shipment, with the name of the ship, loading port, dates, destination and usually the ocean freight rate. If, later, the booked space is not required, it should be cancelled immediately to permit the steamship line to rebook. The steamship line reserves the right to bill the shipper for the unused space if it is not cancelled in time.

Delivery to Vessel

There are several ways to deliver goods to the loading port. If locally, it is usually more economical to use a local trucker or the company's own vehicle. In some ports an additional charge is assessed for extra labour involved in unloading trucks. In other ports the material has to be unloaded and placed in a warehouse where the steamship checker indicates. When material is unloaded and checked by the checker for number of pieces, shipping marks, condition, weight, and possibly size or cubic, a "dock receipt" is issued. This is retained until the material is loaded aboard ship and then is replaced by an ocean bill of lading.

Inland shippers also use rail and domestic steamships in addition to trucks to move material to the port. Domestic steamships usually include all charges in their rate to the port, pickup and delivery to the designated pier, and stowage in the warehouse according to the steamship checker's instructions. The railways and domestic steamships have announced that top wharfage charges of the National Harbours Board will no longer be included in inland freight rates. Rail shipments move l.c.l. if small, or in carload lots, according to the size of shipments. L.c.l. shipments are delivered to the railway freight depots where the railways consolidate them with other shipments to the same port. Usually all port charges are included in the rail rate, except National Harbours Board top wharfage, as stated above.

Carload traffic is usually loaded at the shipper's premises and conditions are similar to domestic traffic. The steamship line usually leases or is allocated a specified shed but sometimes this is not possible. To avoid having material in the wrong shed, boxcars are not ordered in to be unloaded at a shed until the ship has reported her ETA and a berth has been allocated. The free time for unloading cars varies at ports (usually ten days) before demurrage begins, but this information can be obtained from the railway. If several shipments are loaded in one boxcar and have to be delivered to more than two sheds, an additional charge is assessed. Two free deliveries are allowed. Rail cars are unloaded by railway personnel or the work is contracted out by the railway. Checking and placing of the material in the allocated warehouse space is included in the export rail rate. Of course, there are many products which require special cars but in this export traffic is no different from domestic.

All Aboard

When the material is in the warehouse at the loading port, or in certain instances where the material is delivered direct to the ship for loading from rail cars or trucks, it is the responsibility of the steamship line to see that the goods are loaded safely aboard ship. Most lines use stevedoring companies to perform this function and it is included in the liner rate. When the ship arrives at the destination port, the steamship line pays for and arranges discharge of the goods.

After the material is safely stowed aboard and no exceptions are noted, a clean ocean bill of lading is issued by the steamship agent. If there has been damage noted against the cargo but a clean bill of lading is required, most lines will issue a clean bill provided the shipper signs a letter of indemnity absolving the line of any responsibility in the event that a claim follows. An inland shipper who holds a clean bill of lading from the inland carrier can, of course, look to that carrier for reimbursement of any loss resulting from the letter of indemnity.

Know the People

One of the most important facets of export traffic work is to get to know the people in the ocean shipping industry and its ancillary services. Whether the subject at hand is freight rates, service problems, trouble-shooting, or just plain information or knowhow, the people in this industry have a strong common denominator of willingness to co-operate. They are not difficult to know. Normal business contacts provide the main lines of communication. Trade associations and traffic clubs provide a less formal meeting-ground. If one is fortunate enough to be within easy reach of a port of call, the delightful interludes occasioned by the shipboard luncheon or reception contribute to one's salt-water education.

The negotiation of ocean freight rates can be immensely facilitated if the people around the table know and trust one another. Sometimes the group may be too large to expect over-all acquaintanceship. For example, when negotiating with ocean conferences, it may be necessary to appear before a meeting at which each carrier member is represented by at least one person. But even then it is most helpful to see a few well-known faces around the table.

The importance of communication must be understood and accepted if the export traffic function is to work at the optimum. If there is a problem to be solved, ninety-nine times out of one hundred it will be solved more effectively on a friendly basis than at arm's length. Remember that these people are battling the elements, the uncertainties of world trade, the sometimes arbitrary actions of governments, and many other problems that they have in common. The whole industry enjoys a spirit of co-operation within its membership. The shipper who can win a small part of this spirit will enhance his chances of operating smoothly in export transportation. And it goes without saying that this co-operation must work both ways to be worthwhile.

When the Representative Pioneers a Product

The manufacturer's representative is confronted with a number of problems when he has to pioneer a new product—including the cost of introducing it. He may be willing to bear these costs if your firm measures up to his standards of a good principal.

MALCOLM ROWAN,
Consul and Assistant Trade Commissioner, Chicago.

A MANUFACTURER'S REPRESENTATIVE may invest hundreds or thousands of dollars in pioneering a new product. Before his commissions cover expenses, the manufacturer may go out of business, stop producing that particular line, or merge with another company. Even worse in the eyes of the representative, the company may establish its own salesman in the area. Accordingly, one of the most controversial topics of discussion between a manufacturer and a prospective representative is how the latter is to be compensated during the early stages of marketing and whether his principal should offer guarantees or extra incentives for efforts to establish a new line.

Remuneration Is Variable

Sales agents' commissions, incentives, minimum guarantees, and other factors influencing income have always been a controversial subject and will continue to be so. There is no clearly defined remuneration plan or policy for the introduction of a new product which includes the marketing variables common to the many types of companies and their products. If a Canadian company is new to the U.S. market, without previous experience in dealing with sales agents, and lacks a firm U.S. marketing policy, the agent takes a calculated risk when assessing future potential. And only he can evaluate this risk.

What of the exporter who is well established in the U.S. market and, on the basis of current conditions, wishes to expand his marketing area or introduce a new product? He may be taking a greater risk in choosing an agent than the agent does in spending selling and travelling time. However, representatives usually look on Canadian exports as new products that require extensive pioneering and missionary work no matter how well established these may be in Canada.

Manufacturers generally feel that any sales representative worth his salt and with confidence in his own promotion ability wants only a fair and consistent commission and welcomes the challenge of introducing a new product. The sales representative who wants a minimum guarantee or other financial support is in effect asking the company to share his personal risk. If so, he should then be willing to share his sales profit with the company or to accept a smaller rate of commission in the future, if the product sells successfully. This is, of course, predicated on the understanding that the exporter has a well-thought-out export marketing program and is in a position to give the sales representative full support through catalogues, service back-up and immediate quotations.

Why a Retainer?

One of the major reasons that a representative insists on a retainer, apart from his desire to have some assistance in covering initial expenses, is that it gives the exporter a financial interest and assures the representative that his efforts are fully supported. If a firm does not have a well-thought-out marketing program and is not actively pursuing markets in a particular area, it may tend to look on inquiries from that area as a bother and consequently not reply to them as quickly as it might.

Pioneering a New Line

Recently an industrial marketing firm analyzed the problems which result from pioneering new product lines at great expense with little actual compensation in the initial stages. The results of that analysis are presented in this article.

The business of being a manufacturer's representative implies that a certain amount of pioneering or missionary work is necessary with every new line. An individual manufacturer may find it economically sound to pay a retainer or higher commission in some territories and a standard straight commission in others.

Canadian exporters should realize that a competent, established representative can afford to be choosy about the lines he handles. Indeed, he must be choosy or eventually go out of business. A good representative has a checklist for evaluating prospective principals and this list includes the following:

1. The company has compatible products and markets.

2. It is an established and leading company.

3. It has an established product line.

4. It is doing some business in the territory.

5. Its product has an excellent known potential.

6. It pays a better-than-average commission.

7. It has an advertising and promotion program.

8. It supplies first-class sales literature.

9. It replies to correspondence and delivers orders promptly.

10. It provides strong factory service back-up.

11. It provides competent field assistance on request.

12. It gives the representative an exclusive and protected territory.

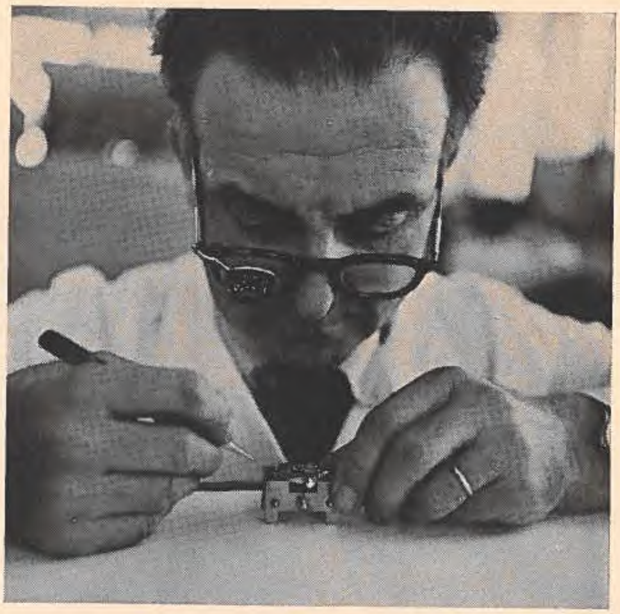
A representative rarely finds this ideal principal. When he does manage to find firms that approach this ideal and that are working to strengthen those areas in which they are weak, he naturally gives them preference over firms with serious faults in their marketing programs.

This leads us to the question—what motivates a representative to pioneer in the first place? Some of the major reasons are:

- An unusually large potential profit.
- The need for new lines.
- An unusually high commission rate.
- Willingness to gamble on a long shot or a hunch.
- He is unable to get an ideal account and settles for second best for the time being.
- The manufacturer gives a retainer or guaranteed minimum.

One of the best ways for a manufacturer to deal successfully with a representative yet not be asked for a retainer is to have a well-planned marketing program which includes as many as possible of the twelve points listed above. ●

Swiss Watchmakers



Plan for Future

Growing competition in foreign markets is forcing the watch industr to reorganize, emphasize research, standardize parts, and becom more efficient. High quality of Swiss output will be maintained.

MAX MEISTER, *Commercial Assistant, Berne.*

SWISS watchmakers are going to meet increased foreign competition by improving production and marketing methods and by maintaining the quality that has made the Swiss watch famous the world over.

Ninety-seven per cent of the industry's output is exported. Because watchmaking requires very few imports of raw materials, equipment and fuel, its net contribution to revenue from foreign trade is considerable. In 1964, exports reached the record figure of Sw. Fr. 1,630.8 million, an increase of 8.3 per cent over 1963. Canada's share, including movements and parts, was Sw. Fr. 42.5 million (1963, Sw. Fr. 48.4 million), and accounted for 14 per cent of our total imports from Switzerland that year.

Traditionally, the watchmakin industry has been the most highl regulated one in the country. However, at the end of 1965 this protection will be removed, thus posin the industry with new problems The whole internal structure wil have to be reorganized and manufacturing and selling methods wil have to be changed to meet the growing competition in market abroad.

Some Regulations Lifted

A law passed on June 23, 1961 by the Federal Assembly introduced compulsory technical control of al Swiss watches and watch movements and retained the requirement of export permits for all shipments. At the same time, the sections of the old law dealing with the establishment of new factories and the extension of existing facilities were modified. Up to December 31, 1965, permits are still required, but after January 1, 1966, the watchmakers will be completely free to open new factories and to make any changes in existing operations. The watch industry considers these measures the first steps towards complete economic freedom, which may be obtained when the "watch statute" expires on December 31, 1971.

Preparing for New Era

At present, 50 million Swiss watches and watch movements are produced each year by 2,100 enterprises, about half of which are so small they do not even rate as factories. Only 29 factories produce 41.8 per cent of all watch exports. A merging of small businesses to form large economic units will have to take place. This will mean the elimination of the weak firms, each producing a wide range of watches in small series, and the emergence of factories concentrating on the production of large quantities of a few models. As well, parts will need to be standardized and the production process must be rationalized and automated.

Research, neglected in the past, is now receiving special attention. The watchmaking industry has been spending only Sw. Fr. 15 to 20 million on research, of which one fourth was used by the collectively operated Watch Research Laboratory and the Electronic Research Centre in Neuchatel. The Electronic Research Centre is working on two prototypes of electronic watches, opening a whole new field for the industry. Electronic measuring devices and timepieces will be used in aircraft, ships, weapons, observatories, and space exploration. In 1963 the Société Anonyme pour la Diversification Horlogère was formed to plan new fields of activity for the industry in anticipation of the day when watch sales decline. The industry is also participating in the newly established Swiss Association for Space Exploration.

In the past, Switzerland was not particularly anxious to allow the transfer abroad of any watchmaking facilities. This attitude is now changing. Ebauches SA, the holding company for 16 factories producing unfinished watchworks, is negotiating the purchase of several factories abroad, especially in West Germany. In this way it hopes to get a foothold in the EEC countries and be in a better position to meet foreign competition. There are also plans to create an organization to bid on any Swiss factory in danger of being taken over by foreign companies. Bulova, Hamilton, and Elgin of the United States are already established in Switzerland.

The Federation Suisse des Associations de Fabricants d'Horlogerie (FH), a grouping of six associations of finished watchmakers, has created a Centre Industriel de Developpement (CID) which has three objectives: reorganizing production in the various enterprises, setting up proper financial controls, and organizing commercial aspects, including sales and market studies. In 1964, the FH also set up a Centre International de la Federation Horlogère (CFH) to train a top-level sales force. The new Centre Mécanographique de la FH (MFH) operates computers that are at the disposal of the member firms of the FH associations. Since January 1, 1965, the FH and the Ebauches jointly have been operating technical schools in New York, Toronto, Hong Kong, Yokohama and a number of other cities throughout the world.

Competition Increases

All these efforts are being made to improve the technical and commercial operations of the industry. Switzerland is still supplying 45 per cent of all the watches sold in the world, down 15 per cent from its share in 1950. The decline is due mainly to strong competition from the U.S.S.R. and Japan. The latter has tripled its output in the last six years and its increased exports are not only threatening the position of the Swiss watchmakers but are creating problems for other European manufacturers. The Swiss are determined to meet this challenge with positive action in the areas of production, marketing and the maintenance of quality.

Poland Needs Agricultural Machinery

POLISH agriculture has not been sufficiently supplied with combines, reaper-binders and other harvesting machines and often the machines are neither up-to-date nor trouble-free, an article in the Polish publication *Zycie Warszawy* points out. Polish specialists in agricultural mechanization maintain that to be effectively mechanized, agriculture needs 400 types of machines and equipment. Poland produces approximately 250 types.

Sixty types of agricultural machinery and equipment will be brought in from foreign countries and during the next five years Poland itself will start producing some 50 different types. The newspaper adds that today only 19 per cent of those turned out are up to world standards of capacity and efficiency. The economic plan expects this percentage to reach approximately 63 by 1970. Obtaining this result will demand an enormous effort, and could be seriously threatened by the current lack of engineers, the paper states.

Canadian manufacturers wishing to investigate the Polish market are advised to communicate with the Canadian Commercial Counsellor for Poland, Canadian Embassy, Princesse Maries Alle 2, Copenhagen, Denmark.●

The Ocean Freight Market

AVERAGE RATES for grain in the third quarter of 1965 were slightly above the levels of the previous quarter in most trades and were well above the averages recorded for the third quarter a year ago. Rates in the trans-Atlantic grain trades increased quickly after the announcement in the middle of the quarter that 5.7 million tons of Canadian grain had been sold to the Soviet Union. The current situation is similar to that which prevailed at the time of the sale of 12 million tons of Canadian grain to the Soviet Union in October 1963 when trans-Atlantic grain rates reached their highest levels since the Suez Canal crisis of 1956-57. Rates for grain from Pacific coast also moved higher after the announcement that for the second time this year the average rate for grain from United States and Canadian North Pacific ports to Japan climbed to a new post-Suez peak. The rate for lumber and general cargo from British Columbia to Britain increased sharply at the end of the quarter taking the average for the quarter to a post-Suez record. Following the general upward trend of the market, rates for motorships on six-monthly time charters reached post-Suez records in the third quarter.

The average rate for tankers carrying black oil from the Caribbean to United States North Atlantic ports remained below the average for the third quarter last year. A sharp upward movement in the middle of the quarter took the rate temporarily above the 1964 level, but demand proved insufficient to sustain the increase.

CHARTER RATES—THIRD QUARTER 1965

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £=$3.01 and U.S. $=$1.08. For comparison the rates a year ago are shown in column C with the Canadian dollar equivalent in column D calculated at £=$3.01 and U.S. $=$1.08.

TIME CHARTERS

The classes of ships indicated have been selected as representative for the purpose of illustrating time charter rates. Average rates per deadweight ton per month for the third quarter of the year were as follows:

	1965 Third Quarter		1964 Third Quarter	
	A £ or U.S.$	B Can.$	C £ or U.S.$	D Can.$
General Trading (approximately 6 months)				
Motorships, 11,000-12,999 dwt. 13-14.9 knots	$4.13	4.46	$3.24	3.50
Motorships, 13,000-14,999 dwt. 13-14.9 knots	$3.98	4.30	$3.54	3.82
Steamships, 9,000-10,999 dwt. 9-10.9 knots	20s. 4d.	3.06	$2.24	2.42

TRIP CHARTERS

Average rates for the third quarter of the year were as follows:

	1965 Third Quarter		1964 Third Quarter	
	A £ or U.S.$	B Can.$	C £ or U.S.$	D Can.$
Heavy Grain (per long ton)				
St. Lawrence to Britain	43s. 2d.	6.50	33s. 10d.	5.09
St. Lawrence to Belgium/Holland	$4.98	5.38	$3.68	3.97
St. Lawrence to Bulgaria	....	....	$8.23	8.89
St. Lawrence to Denmark	$6.25	6.75	$4.80	5.18
St. Lawrence to France	....	....	$7.00	7.56
St. Lawrence to East Germany	....	....	$5.50	5.94
St. Lawrence to West Germany	$3.83	4.14	$4.20	4.54
St. Lawrence to Italy	$8.05	8.69	$6.85	7.40
St. Lawrence to West Coast of India	98s. 1d.	14.76	66s. 4d.	9.96
St. Lawrence to Japan	$12.22	13.20	$10.38	11.21
St. Lawrence to Poland	$4.12	4.45	$4.69	5.07

	1965 Third Quarter		1964 Third Quarter	
	A	B	C	D
	£ or U.S.$	Can.$	£ or U.S.$	Can.$
St. Lawrence to U.S.S.R. Baltic	$7.57	8.18	....	....
St. Lawrence to U.S.S.R. Black Sea	$8.42	9.09	....	....
Churchill to Britain	....	....	40s. 3d.	6.06
Churchill to Belgium/Holland	$5.40	5.83	$5.00	5.40
Churchill to West Germany	$6.40	6.91	....	....
Churchill to Poland	....	....	$5.75	6.21
Great Lakes to Britain	72s. 6d.	10.91	61s. 9d.	9.29
Completing St. Lawrence	39s. 5d.	5.93	33s. 9d.	5.08
Great Lakes to Belgium/Holland	$9.09	9.82	$8.05	8.69
Completing St. Lawrence	$4.89	5.28	$3.95	4.27
Great Lakes to Denmark	$9.84	10.63	$7.75	8.37
Completing St. Lawrence	$6.13	6.62	$4.75	5.13
Great Lakes to France	$11.26	12.16	$8.50	9.18
Completing St. Lawrence	$5.75	6.21	$4.50	4.86
Great Lakes to West Germany	$9.83	10.62	$8.17	8.82
Completing St. Lawrence	$5.63	6.08	....	....
Great Lakes to Italy	$13.70	14.80	....	....
Completing St. Lawrence	$9.00	9.72	....	....
Great Lakes to Venezuela	$10.50	11.34	$10.50	11.34
British Columbia to Belgium/Holland	$7.25	7.83	....	....
British Columbia to West Germany	$7.40	7.99	....	....
British Columbia to Italy	....	....	$9.00	9.72
British Columbia/North Pacific to Japan	$8.39	9.06	$6.53	7.05
British Columbia to Venezuela	$9.13	9.86	$6.76	7.30
British Columbia to the Philippines	$9.75	10.53	....	....
British Columbia to U.S.S.R. Pacific	58s. 3d.	8.77	....	....
British Columbia to Communist China	50s. 9d.	7.64	38s. 4d.	5.77
Coal (per long ton)				
Hampton Roads to Belgium/Holland	26s. 10d.	4.03	23s. 5d.	3.53
Hampton Roads to Japan	$8.00	8.64	$7.12	7.69
Lumber and General Cargo (per long ton)				
British Columbia to Britain	$16.35	17.66	$13.37	14.44
British Columbia to Australia	$18.10	19.55	$15.06	16.26
British Columbia to South Africa	$17.23	18.61	$17.53	18.93
British Columbia to Japan	$11.25	12.15	....	....
Oilseeds (per long ton)				
Great Lakes to Britain	$10.48	11.32	76s. 9d.	11.55
British Columbia to Japan	$8.84	9.55	$5.84	6.31
Iron Ore (per long ton)				
Seven Islands to U.S. Gulf	$1.35	1.46	....	....
Pulpwood (per fathom)				
East Coast Canada to Belgium	....	....	238s. 9d.	35.93
East Coast Canada to France	....	....	240s. 0d.	36.12
Nova Scotia to Holland	....	....	240s. 0d.	36.12
Scrap Iron or Steel (per long ton)				
Great Lakes to West Germany	....	....	$9.78	10.56
Great Lakes to Italy	....	....	$10.84	11.71
U.S. Atlantic to Japan	$14.08	15.21	$12.42	13.41
California to Japan	$9.47	10.23	$7.66	8.27
St. Lawrence to Japan	....	....	$13.32	14.39
Great Lakes to Japan	....	....	$14.20	15.34
Ammonium Sulphate (per long ton)				
British Columbia to West Coast of India	95s. 0d.	14.30	....	....
Sulphur (per long ton)				
British Columbia to Italy	....	....	$8.00	8.64
British Columbia to Brazil	....	....	$9.11	9.84
Oil Black (per long ton)				
Venezuela to Portland, Maine	$1.28	1.38	$1.43	1.54
Persian Gulf to Portland, Maine	$3.55	3.83	$3.68	3.97
Venezuela to Montreal	$2.00	2.16	$2.05	2.21

Trade Lines

Plans to develop hydroelectric potential of Tana River in Kenya have moved a stage forward with the signing of a financial agreement between the Tana River Development Company, the Commonwealth Development Corporation, and the East African Power and Lighting Company. CDC will loan £3.5 million and East African Power £735,000 towards the cost of the £6.7 million Kindaruma project. Remainder of the financing will be provided by a consortium of London financiers and by East African Power, which will build a transmission line between the site and Nairobi. Project includes the construction of a dam and power station and is the first of four separate stages of development that will provide Kenya with a further 250 mw. of generating capacity over the next ten years, at a cost of about £40 million—Salisbury.

Netherlands sales of gas in 1964 totalled 1,081 million cubic meters, as against 867 million in 1963. Some 746 million cubic metres (534 million in 1963) represented natural gas and 335 million (333 million in 1963) coke and refinery gas and propane—The Hague.

Flaxseed production in Argentina for the 1964-65 season is now estimated at 815,000 metric tons, 5.7 per cent over the previous season, 6.8 per cent over the average for the last five years, and 28.8 per cent over the average for the last ten years. Timely rains permitted the crop to recover from the effects of the earlier drought—Buenos Aires.

Featherweight protective helmets for miners, firemen and electricians are being produced by a South African firm. Reported to be virtually indestructible, they weigh only 10¼ ounces. They are made of plastic with unique resistance to impact, puncture, abrasion, and chemicals. One type is reported to be capable of withstanding 20,000 volts of electricity and others can withstand a wide range of temperatures. They are strengthened on top with a single or V-shaped rib that deflects falling objects and reinforces the crown—Johannesburg.

Fruit sales in Sweden last year totalled 330,000 tons (80,000 tons home-grown); Canada supplied 1,437 tons of apples and 286 tons of pears. Domestic consumption is expected to rise from $29 per person today to $42 by 1975. The 1965 fruit harvest was smaller than in 1964, but quality was good. In some areas the harvest was up to three weeks late which meant that distribution was spaced out. Prices were lower than for imported fruit—Stockholm.

South African exports of citrus fruit have for the first time exceeded 10 million cases. During the past few years, more than 12 million new trees have been planted and officials expect that exports will soon rise by one million cases a year—Cape Town.

Rhodesian Iron and Steel Company (RISCO) is starting a £7 million expansion program. Between £280,000 and £300,000 will be spent during the next few months on a 500-ton hot metal mixer and a teeming crane capable of lifting 160 tons. Steelmaking capacity will rise from 150,000 to 200,000 tons a year. This expansion alone, when completed in 2½ years, will probably increase Rhodesia's GNP by more than 2 per cent and provide additional net foreign exchange earnings of £2.7 million a year—Salisbury.

The Royal Netherlands Blast Furnaces and Steel Works will build a new blast furnace scheduled to come into operation during 1968. It will be one of the largest in the world, with a hearth diameter of approximately 33 feet and a production capacity of about one million tons a year. Construction of an ore discharge jetty capable of berthing vessels of up to 80,000 tons will also begin. The two projects will involve a total capital expenditure of approximately Canadian $43.5 million—The Hague.

Chicago demographer predicts five million new households (14 million people) will have been established in the U.S. by 1970 with 12½ million of them in metropolitan areas. Next census should see 62 million households, with 74 million people in suburbs by 1970. The flight of population toward water (the "continental tilt") will continue, with California, Florida, Hawaii, the Great Lakes area and the Atlantic seaboard sharing the gain—Chicago.

Israeli company will turn out 240 tons a year of sodium bromate in a new division. This is said to be equal to about 10 per cent of world production. Bromine Compounds Ltd. produces sodium bromate for use in cosmetics, bleaching flour and steam boiler compounds—Tel Aviv.

Semi-conductors, says a Hong-Kong inventor, can put an end to Christmas tree lights that burn out when one bulb is out of contact. His system, which uses semi-conductors, reduces the current passing through the lights in series. As each bulb blows out, the current becomes weaker by a corresponding amount. A set of this type of lights would eliminate bulbs going out in rapid succession and reduce the fire hazard—Hong Kong.

The number of visitors to New Zealand last year rose by 11.8 per cent to 122,288, says the Tourist and Publicity Department. Estimated spending by visitors has risen 36 per cent during the past two years to a new record, provisionally £10.4 million. That figure includes £6.3 million which found its way into official Reserve Bank travel receipts—Wellington.

Colombia's first plant to produce polyethylene is to be built at Barrancabermeja by the Dow Chemical Company and Empresa Colombiana de Petroleos. It will have an initial capacity of 10,000 tons a year and will use products from Ecopetrol's nearby refinery. The new firm is to be called Poliolefinas Colombianas Limitadas (POLICOLDA)—Bogota.

Finland has exported 11,400 tons of milk powder during the first half of this year, of which 7,000 tons have been sold to the U.S.S.R. Other customers were Belgium, Switzerland, West Germany, Britain, Rumania, Chile, and El Salvador. Exports are up 14 per cent on 1964 and Finnish exporters who intend to export milk powder in consumer-size packs describe their prospects as good—Stockholm.

Denmark's industrial production during the first three months of 1965 rose 15 per cent over the same quarter of 1964 and 30 per cent over the comparable period of 1963—Copenhagen.

South African production of antimony last year totalled about 13,000 tons, the first gain since 1957. Consolidated Murchison in the Northern Transvaal is major producer and now the largest single source of the metal in Free World—Johannesburg.

Finnish firms are now selling woven and knitted goods in 58 countries. In 1964, the industry reported export sales of $17.6 million, an increase of 45 per cent over 1963. The main markets were in Scandinavia and other EFTA countries. Textile sales to Sweden made up 12 per cent of all exports to that country. However, exports still absorb only about 9 per cent of textile production—Stockholm.

"Teflon" polytetrafluoroethylene will be manufactured at a new factory complex in Holland by Du Pont de Nemours (Holland) N.V. Several types of "Freon" fluorocarbon compounds will also be prepared there —The Hague.

Sweden's 1964 pulp and paper production ($1,113 million) was 17 per cent up on 1963. Wood pulp output rose from 5.7 million tons in 1963 to 6.4 million in 1964—Stockholm.

A unique method for rolling window sections is announced by South African Iron and Steel Corporation. The seven most popular window sections are now rolled completely automatically and exit speeds vary from 1,800 to 1,950 feet per second. Some 284 tons of the section RFX 7, with a weight of 1.15 pounds per foot, have been rolled in an eight-hour shift—Johannesburg.

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.

France—G. P. Morin, Assistant Commercial Secretary in Paris:

Montreal—October 27-November 5
Drummondville, Gentilly—November 8
Levis, Montmagny, Rivière du Loup, Rimouski—November 9
Montjoli—November 10
Halifax—November 12
Shediac, Cocagne, Lancaster—November 15
Black's Harbour, St. Andrews—November 16
Florenceville—November 17
Quebec City, Loretteville—November 18-19

United States—N. L. Currie, Consul and Trade Commissioner in Detroit:

Hamilton—November 8
Welland—November 9
Brantford—November 10
Galt—November 11
Kitchener—November 12
Stratford—November 15
Woodstock—November 16
London—November 17
Chatham—November 18
Windsor—November 19

In Territory

Ceylon—S. G. Harris, Trade Commissioner in Bombay, India, will visit Colombo November 8-12.

Cyprus—B. C. Steers, Commercial Secretary in Tel Aviv, Israel, will visit Nicosia, Famagusta and Limassol during the week beginning November 28.

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

Foreign Commercial Representatives in Canada

ARGENTINA

Ottawa—Economic Counsellor's Office, Embassy of Argentina, Room 724, 56 Sparks Street.

AUSTRALIA

Ottawa—Commercial Counsellor, Australian High Commission, 90 Sparks Street.

Montreal—Australian Government Trade Commissioner, Canadian Imperial Bank of Commerce Bldg., 1155 Dorchester Boulevard West.

Vancouver—Australian Government Trade Commissioner, Suite 608, Burrard Bldg.

AUSTRIA

Ottawa—Embassy of Austria, Suite 202, 85 Range Road.

Calgary—Consulate of Austria, 1132 Kensington Road N.W.

Halifax—Consulate of Austria, 6 Young Avenue.

Montreal—Austrian Trade Delegate, Suite 2275, 630 Dorchester Boulevard West.

Toronto—Austrian Trade Delegate, Suite 616, 62 Richmond Street West.

Vancouver—Consulate of Austria, 525 Seymour Street.

Winnipeg—Consulate of Austria, 54 Harrow Street.

BAHAMAS

Toronto—Trade Commissioner of the Bahamas, Room 707, Victory Bldg., 80 Richmond Street West.

BELGIUM

Ottawa—First Secretary, Belgian Embassy, 168 Laurier Avenue East.

Montreal—Consul General of Belgium, 913 Royal Bank of Canada Bldg.

Toronto—Consul General of Belgium, Room 1901, 8 King Street East.

Vancouver—Consul General of Belgium, Room 1432, Marine Bldg.

BOLIVIA

Montreal—Consul, Consulate General of Bolivia, Suite 827, 305 Dorchester Boulevard West.

BRAZIL

Ottawa—Brazilian Embassy, 305 Stewart Street.

BRITAIN

Ottawa—Minister (Commercial), British High Commission Bldg., 80 Elgin Street.

Edmonton—The British Trade Commissioner in Alberta, Suite 600, Bank of Montreal Bldg., 101st and Jasper Avenue.

Halifax—The British Trade Commissioner in the Atlantic Provinces, 5425 Spring Garden Road.

Montreal—The Principal British Trade Commissioner in the Province of Quebec, 635 Dorchester Boulevard West.

Regina—The British Trade Commissioner in Saskatchewan, Room 207, Derrick Bldg., 2431 11th Avenue.

Toronto—The Principal British Trade Commissioner in Ontario, 200 University Avenue.

Vancouver—The Principal British Trade Commissioner in British Columbia, Bank of Nova Scotia Bldg., 602 West Hastings Street.

Winnipeg—The British Trade Commissioner in Manitoba and Saskatchewan, 4th Floor, 333 Broadway Avenue.

BURMA

Ottawa—Embassy of the Union of Burma, Royal Trust Bldg., 116 Albert Street.

CEYLON

Ottawa—First Secretary, Ceylon High Commission, 448 Daly Avenue.

CHILE

Ottawa—Embassy of Chile, 56 Sparks Street.

Montreal—Consulate of Chile, Suite 1100, 200 St. James Street.

Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA

Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.

Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA

Ottawa—First Secretary and Consul, Embassy of Colombia, Suite 11, Roxborough Apts.

Montreal—Consul General of Colombia, 1500 Stanley Street.

Toronto—Consul of Colombia, 67 Yonge Street.

Vancouver—Vice-Consul of Colombia, 2705 West 22nd Avenue.

COSTA RICA

Montreal—Consul General of Costa Rica, 4753 Lacombe Avenue.

CUBA

Montreal—Cuban Trade Commissioner, Suite 1200, 3737 Metropolitan Boulevard East, Ville St. Michel.

CZECHOSLOVAKIA

Montreal—Commercial Section, Czechoslovak Consulate General, 1280 St. Mark Street.

DENMARK

Ottawa—Royal Danish Embassy, 446 Daly Avenue.
Montreal—Royal Danish Consulate General, Suite 1525, 1245 Sherbrooke Street West.
Toronto—Royal Danish Consulate, 151 Bloor Street West.

DOMINICAN REPUBLIC

Montreal—Consul General of the Dominican Republic. 3437 Wilson Avenue.

EASTERN CARIBBEAN (Barbados, Leeward and Windward Islands, and British Honduras)

Montreal—Acting Commissioner, Eastern Caribbean Commission, Suite 351, 2100 Drummond Street.

ECUADOR

Ottawa—Chargé d'Affaires, Embassy of Ecuador, Room 728, 56 Sparks Street.
Montreal—Honorary Consul General of Ecuador, 4200 Dorchester Boulevard West.
Vancouver—Honorary Consul of Ecuador, Apt. 1, 1480 Arbustus Street.

EL SALVADOR

Montreal—Consul General, Room 215, 300 St. Sacrement Street.

FINLAND

Ottawa—Embassy of Finland, 85 Range Road.
Montreal—Trade Commissioner for Finland, Consulate of Finland, 1085 Beaver Hall Hill.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 10 John Street.
Montreal—Commercial Counsellor of France, 2060 Mackay Street.
Toronto—Commercial Counsellor of France, 185 Bay Street.
Vancouver—French Trade Commissioner, Suite 1216, 736 Granville Street.

GERMANY

Ottawa—Commercial Counsellor, Embassy of the Federal Republic of Germany, 1 Waverley Street.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate General of the Federal Republic of Germany, 77 Admiral Road.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., 325 Howe Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

GHANA

Ottawa—Counsellor, Office of the High Commissioner for Ghana, Suite 608, The Fuller Bldg., 75 Albert Street.

GREECE

Ottawa—Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, Suite 407, 5165 Sherbrooke Street West.

HAITI

Ottawa—Consul General, Embassy of Haiti, Apt. 111, 150 Driveway.
Halifax—Honorary Consul of Haiti, 6070 Quinpool Road.
Montreal—Consul General of Haiti, 10919 Drouart Street.

HONDURAS

Montreal—Consul General, Consulate General of the Republic of Honduras, Suite 101, 1225 St. Mark Street.
Toronto—Honorary Consul, Consulate of Honduras, 19th Floor, 25 Adelaide Street East.

INDIA

Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.
Vancouver—Trade Commissioner for India, Suite 804, Standard Bldg., 510 West Hastings Street.

INDONESIA

Ottawa—Economic Affairs, Indonesian Embassy, Box 233, Terminal A.

IRAN

Ottawa—Imperial Embassy of Iran, Apt. 502, Sandringham Apartments.

IRAQ

Washington—First Secretary (Commercial), Embassy of the Republic of Iraq, 1801 P. Street, N.W.

IRELAND

Montreal—Irish Trade Representative (Irish Export Board), 2100 Drummond Street.

ISRAEL

Montreal—Consul and Trade Commissioner of Israel, 1555 McGregor Avenue.

ITALY

Ottawa—Commercial Counsellor and Senior Trade Commissioner, Embassy of Italy, 172 MacLaren Street.
Montreal—Consul and Trade Commissioner, 1595 McGregor Avenue.
Toronto—Italian Trade Commissioner, Suite 510, 100 University Avenue.
Vancouver—Italian Trade Commissioner, 736 Granville Street.

JAMAICA

Ottawa—Counsellor, Office of the High Commissioner for Jamaica, 90 Sparks Street.

JAPAN

Ottawa—Counsellor (Commercial), Embassy of Japan, 75 Albert Street.
Montreal—Consulate General of Japan, Suite 2505, 1155 Dorchester Boulevard West.
Toronto—Consulate General of Japan, 11th Floor, 20 Toronto Street.
Vancouver—Consulate General of Japan, Room 1211, 409 Granville Street.
Winnipeg—Consulate of Japan, 301 Tribune Bldg.

LEBANON

Ottawa—Embassy of Lebanon, 401 Albert Street West.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Ottawa—Embassy of Mexico, Room 706, 88 Metcalfe Street.
Montreal—Consulate General of Mexico, Suite 1730, 1245 Sherbrooke Street West.
Quebec—Consulate of Mexico ad honorem, 2040 Terrasse Stuart, Sillery.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 607, Burrard Bldg., 1030 W. Georgia Street.
Winnipeg—Consulate of Mexico ad honorem, 906-908 Confederation Bldg.

MONACO

Montreal—Consul General of Monaco, Suite 501, 31 St. James Steet West.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Edmonton—Netherlands Consulate, Merit Bldg., 10008 106th Street.
Montreal—Netherlands Consulate General, Room 1736, Place Ville Marie.
Toronto—Netherlands Consulate General, 159 Bay Street.
Vancouver—Netherlands Consulate General, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Government Trade Commissioner, Room 708, Prudential Assurance Bldg., 635 Dorchester Street West.
Vancouver—New Zealand Government Trade Commissioner, Suite 615, United Kingdom Bldg., 409 Granville Street.

NICARAGUA

Montreal—Consul General, Consulate General of Nicaragua, 3601 Decarie Boulevard.

NORWAY

Ottawa—Secretary, Royal Norwegian Embassy, Suite 700, 140 Wellington Street.
Montreal—Consul General of Norway, Royal Norwegian Consulate General, 2007 Imperial Bank of Commerce Bldg., 1155 Dorchester Boulevard West.
Vancouver—Consul General of Norway, Royal Norwegian Consulate General, 837 West Hastings Street.

PAKISTAN

Montreal—Trade Commissioner for Pakistan, Suite 606, 1230 McGregor Street.

PANAMA

Montreal—Consul General, Consulate General of Panama, 3553 Girouard Avenue.

PERU

Ottawa—Second Secretary and Consul, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Philippine Consulate General, 525 Seymour Street.

POLAND

Ottawa—Commercial Counsellor to the Polish Embassy, Apt. 58, 255 Stewart Street.
Montreal—Commercial Section, Polish Consulate General, 1500 Stanley Street, Suite 525.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
Halifax—Consulate of Portugal, 428 Barrington Street.
Montreal—Consulate of Portugal, 4920 Western Avenue.
North Sydney—Consulate of Portugal, P.O. Box 769.
Quebec—Consulate of Portugal, 155 Laurier Avenue.
St. John's—Consulate of Portugal, King's Bridge Court, Apartment 2D.
Toronto—Consulate of Portugal, Suite 712, 159 Bay Street.
Vancouver—Consulate of Portugal, 7th Floor, 736 Granville Street.

REPUBLIC OF SOUTH AFRICA

Montreal—South African Trade Commissioner, 3725 Royal Bank Bldg., Place Ville Marie.

SAN MARINO

Montreal—Consul General of San Marino, 27 McNider Avenue.

SPAIN

Ottawa—Commercial Counsellor to the Spanish Embassy, 162 Daly Avenue.

SWEDEN

Ottawa—Royal Embassy of Sweden, Suite 604, 140 Wellington Street.
Montreal—Royal Consulate General of Sweden, Suite 800, 1155 Dorchester Boulevard West.
Toronto—Trade Commissioner for Sweden, 1057 Bay Street.
Vancouver—Trade Commissioner for Sweden, Dominion Bank Bldg., Suite 1105, 207 West Hastings Street.

SWITZERLAND

Ottawa—Counsellor of Embassy, Swiss Embassy, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul General of Switzerland, 100 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, Tribune Bldg., 257 Smith Street.

THAILAND

Montreal—Consulate General of Thailand, 1155 Dorchester Boulevard West.
Toronto—Consul of Thailand, Suite 405, 112 King Street West.
Vancouver—Consul of Thailand, 1495 Marpole Street.

TRINIDAD AND TOBAGO

Montreal—Trade Commissioner, Suite 200, 1210 Sherbrooke Street West.

TURKEY

Ottawa—Commercial Counsellor, Turkish Embassy, 197 Wurtemburg Street.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the U.S.S.R., 24 Blackburn Avenue.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul General of the United States, 805 8th Avenue S.W.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Avenue.
Quebec—Consul General of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 206 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 6 Donald Street.

URUGUAY

Uruguay—Chargé d'Affaires a.i., Apt. 102, The Rockliffe Arms, 124 Springfield Road.

VENEZUELA

Montreal—Consul General of Venezuela, Room 270, 1980 Sherbrooke Street West.
Vancouver—Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Montreal—Trade Representative for Yugoslavia, Interprogress Company Ltd., 2055 Peel Street West.
Toronto—Consul General of the FPR of Yugoslavia, 377 Spadina Road.

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 .9300.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 15	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2193	4.56	
Argentina	Peso	Free	.006043	165.48	
Australia	Pound		2.4110	.4148	
Austria	Schilling		.04165	24.01	
Bahamas	Pound		3.0138	.3318	
Belgium and Luxembourg	Franc		.02165	46.19	
Bermuda	Pound		3.0138	.3318	
Bolivia	Peso		.09140	10.94	
Brazil	Cruzeiro	Official Free	.0005852	1,708.61	
Britain	Pound		3.0138	.3318	
British Guiana	Dollar		.6279	1.59	
British Honduras	Dollar		.75345	1.33	
Burma	Kyat		.2258	4.43	
Ceylon	Rupee		.2260	4.42	
Chile	Escudo	Bank rate	.3160	3.16	
		Free	.2642	3.79	
Colombia	Peso	Free	.06075	16.46	
		Certificate	.1195	8.37	
Congo, Republic of	Franc		.007169	139.49	(1)
Costa Rica	Colon		.1623	6.16	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1493	6.70	
Denmark	Krone		.1560	6.41	
Dominican Republic	Peso		1.07531	.9300	
Ecuador	Sucre	Official	.05974	16.74	
		Free	.05753	17.38	
El Salvador	Colon		.4301	2.33	
Fiji	Pound		2.7151	.3683	
Finland	Markka		.3360	2.98	
France, Monaco, etc.	Franc		.2193	4.56	(2)
Franco-African Republics, etc.	Franc		.004386	228.00	(3)
French Pacific	Franc		.01206	82.92	(4)
Germany	D Mark		.2685	3.72	
Ghana	Cedi		1.2558	.7963	
Greece	Drachma		.03584	27.90	
Guatemala	Quetzal		1.07531	.9300	
Haiti	Gourde		.2151	4.65	
Honduras	Lempira		.5377	1.86	
Hong Kong	Dollar	Free	.1873	5.34	*Oct. 8
		Official	.1884	5.31	

‡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 Oct. 15	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02501	39.98	(1)
India	Rupee		.2260	4.42	
Indonesia	Rupiah		.004301	232.49	(1)
Iran	Rial		.01420	70.44	
Iraq	Dinar		3.0109	.3321	
Ireland	Pound		3.0138	.3318	
Israel	Pound		.3584	2.79	
Italy	Lira		.001721	581.06	
Japan	Yen		.002987	334.78	
Lebanon	Pound	Free	.3527	2.84	
Malaysia	Dollar		.3513	2.85	
Mexico	Peso		.08603	11.62	
Morocco	Dirham		.2151	4.56	
Netherlands	Florin		.2986	3.35	
Netherlands Antilles	Florin		.5702	1.75	
New Zealand	Pound		3.0032	.3330	
Nicaragua	Cordoba		.1536	6.51	
Nigeria	Pound		3.0138	.3318	
Norway	Krone		.1505	6.64	
Pakistan	Rupee		.2260	4.42	
Panama	Balboa		1.07531	.9300	
Paraguay	Guarani	Free	.009678	103.33	
Peru	Sol	Free	.04009	24.94	
Philippines	Peso	Free	.2761	3.62	
Poland	Zloty	Fixed—basic rate	.04480	22.32	
Portugal & Colonies	Escudo		.03740	26.74	(5)
Sierra Leone	Leones		1.5054	.6643	
South Africa	Rand		1.5069	.6636	
Spain and Dependencies	Peseta		.01796	55.68	
Sweden	Krona		.2079	4.81	
Switzerland	Franc		.2489	4.02	
Syria	Pound	Free	.2817	3.55	
Thailand	Baht	Free	.05269	18.98	(1)
Tunisia	Dinar		2.0592	.4856	
Turkey	Lira		.1195	8.37	(1)
United Arab Republic	Pound	Official	2.4732	.4043	
United States	Dollar		1.07531	.9300	
Uruguay	Peso	Free	.01734	57.67	
Venezuela	Bolivar	Official Free	.2395	4.18	
West Indies	Dollar		.6279	1.59	(6)
	Pound		3.0138	.3318	(7)
Yugoslavia	Dinar	Official	.0008603	1,162.38	

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.

Businessman's Bookshelf

The Industrial Potentialities of Northern Nigeria

Ministry of Trade and Industry, Northern Nigeria. 284 pages. £2 2s. 0d.

THIS STUDY makes it clear that the Government of Northern Nigeria welcomes wholly-owned overseas industrial development and recognizes the need to import technical expertise.

From an industrialist's point of view, investment in Northern Nigeria has the immediate appeal of financial advantage and tax concessions, and the long-term potential inherent in an abundant labour supply and a huge market for home consumption.

In two main sections, prospects for existing and potential industries based on local and imported raw materials are examined. According to this book, the biggest single opportunity for expansion lies in the field of textiles based on locally grown cotton. There is an immediate home market for five new mills producing 150 million square yards a year, and another eight will be needed at a later stage, some to manufacture rayon. A supplementary starch factory will also be needed.

Exporters may well be interested in the prospects for selling agricultural machinery, road vehicles, road construction and earthmoving machinery, radio and television sets, and equipment for telecommunications and power stations.

Order from: Herbert Jenkins Limited, 3 Duke of York Street, London, S.W.1., England

Bilingual Guide to Business and Professional Correspondence, English-French.

Joseph Harvard and Felix Rose. 140 pages. U.S. $4.95.

THIS BOOK gives a selection of sentences and phrases useful in composing business letters of various kinds. It also deals with such matters of general interest as seeking advice on investments, making arrangements for a visit abroad, and so on. The subject matter has been arranged under various headings so that the sentences required to compose a particular letter can be easily found. All salutations and stock phrases are listed separately.

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