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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Fisheries Exports Set New Record

FOREIGN TRADE

MAY 28, 1966 Vol. 125 No. 11

COVER: This fisherman is hauling in his nets on Lake Winnipeg, one of the productive inland fishing grounds. Manitoba ranks second among the provinces in the fisheries harvest from inland waters, which reached some 115 million pounds in 1964.

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The author of this survey of Canada's fisheries markets last year has just returned from the 21st annual meeting of the Fisheries Council of Canada in Halifax, where over 500 delegates discussed the achievements and problems of our fisheries. Some of these are outlined here for the benefit of our readers.

Selling Food in the Philadelphia Territory 8-14

Our office in Philadelphia, opened in 1961, covers five states and part of a sixth. The Trade Commissioners at work there have contributed four articles below to stir up Canadian food producers to explore the market in their bailiwick. A second series of articles, to be published later, will discuss the major marketing regions and the sales potential for industrial and consumer products.

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Boyles Rethinks Its Export Policy 14

British Columbia's mining boom in the early 1900's brought Boyles' products to Canada. Wholly Canadian since 1926, the company has adapted itself to wartime and postwar changes in both domestic and foreign markets. This process of adaptation is still going on, as this article on its export planning proves.

Complying with German Standards 23

The precise, methodical Germans have a standards organization that sets up, administers and controls thousands of standards covering products of many types. And—exporters please note—the educated German consumer looks for the organization's mark of approval on imported products before he buys.

What Can We Sell in Italy? 28

Back in Canada after four years in Rome and getting ready to share his knowledge of the Italian market with Canadian businessmen, the author outlines in general terms what Canadians are selling and could sell there.

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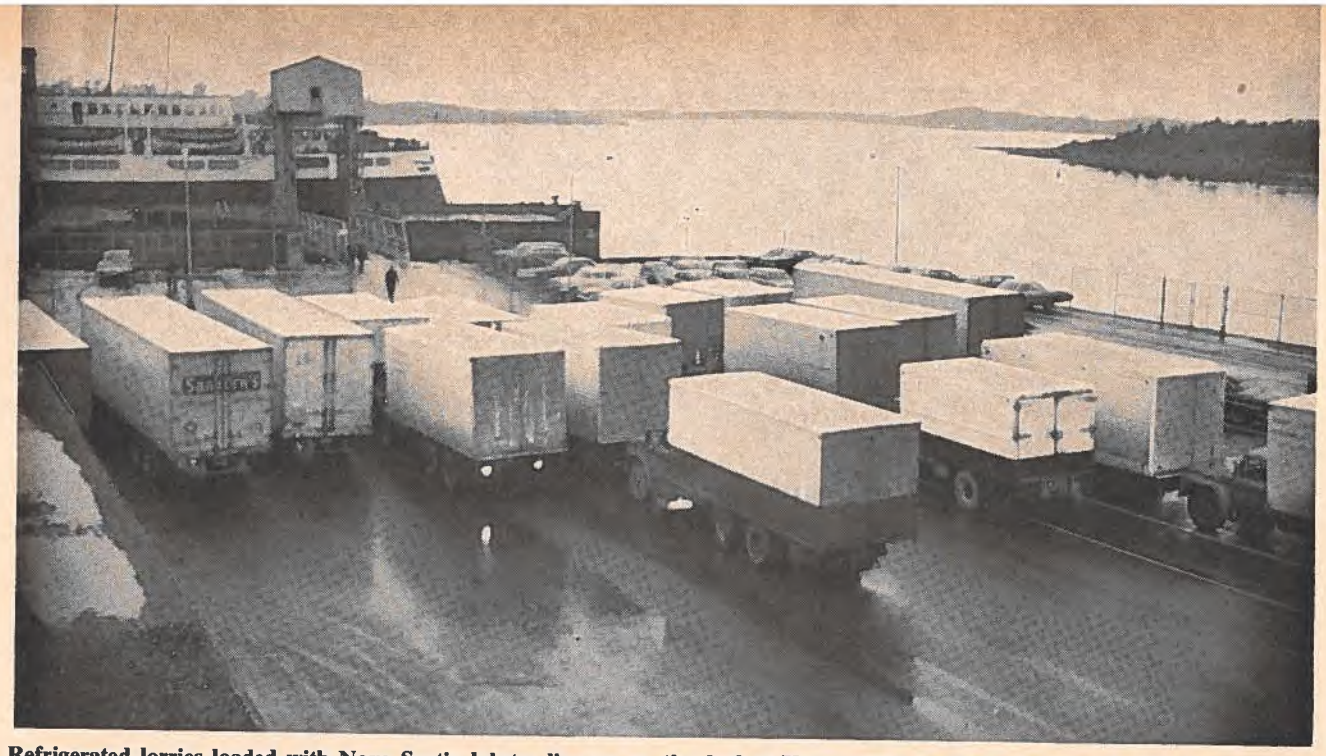
COMING—THE U.S. MARKET FOR HOSPITAL EQUIPMENT, JUNE 11 ISSUE



Refrigerated lorries loaded with Nova Scotia lobster line up on the dock at Yarmouth to board the ferry to Bar Harbour, Maine. When they arrive, they will take to the road immediately to rush their cargo to the Boston area where most of the lobster will be sold.

Fisheries Exports Set New Record

Increases in Atlantic fishing fleet, expansion of fish-processing plants resulted in big catch last year, despite lower returns on Pacific coast. Exports of fisheries products reached all-time high of nearly $213 million, with shipments to 98 countries.

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

EXPORTS of Canadian fisheries products during 1965 had a value of $212.9 million, an all-time high and 5 per cent over the previous record of $202.6 million set in 1964. Canada thus came second only to Japan among the world's leading fish exporters in terms of value. Shipments went to 98 countries. Prominent were fresh and frozen seafish whole or dressed, seafish fillets and blocks, pickled and dry salted fish, and freshwater fish fillets. However, shipments of fresh or frozen freshwater fish whole or dressed, salted groundfish, canned fish, (particularly pink and sockeye salmon), molluscs and crustaceans, fish and whale meal, and marine oils were smaller than in 1964. (See Table II on page 4.)

The trend towards exporting frozen blocked fish for making fish sticks and portions continued in 1965. Over-all production reached nearly 129 million pounds, up considerably from the 97.5 million of 1964. Output of cod blocks alone totalled 76.8 million pounds compared with 65.5 million in 1964. Output of frozen flounder and sole blocks—18,012,000 pounds (8,743,000 pounds in 1964)—made a major gain.

Total exports of seafish blocks reached 123.2 million pounds, 15 per cent above 1964. The canned salmon pack was the lowest since 1960 but the 1,098,257 cases of canned sardines represented the biggest output ever. Of interest was the larger quantity of freshwater fish fillets, notably perch and whitefish, shipped in 1965. Exports of hard-cured smoked round herring bloaters remained steady but sales

of salted groundfish (cod and related species) were considerably lower than in 1964.

Fresh and Frozen Fish

Exports of fresh and frozen fish in 1965 reached a record $146 million as against $126.2 million in 1964. The bulk went to the United States, but Britain continued to buy important quantities of frozen dressed halibut and salmon, plus frozen cod blocks and fillets. France and Australia purchased significant supplies of frozen flounder and sole fillets. France was also a good market for frozen salmon and freshwater fish, particularly pike and pike fillets. Other European countries are showing a keen awareness of the top quality frozen fish being produced in Canadian plants under close supervision of inspectors from the Federal Department of Fisheries.

The United States is by far Canada's leading customer for fresh and frozen fish.

Fresh and Frozen Ocean Perch and Groundfish Fillets and Blocks (cod and related species)—Imports of these types from all sources into the United States during 1965 were the largest in history at 294.9 million pounds, compared with 246.6 million in 1964 and 231.8 million in 1963. Canadian exporters furnished 177.7 million pounds (152.8 million in 1964 and 127.7 million pounds in 1963). According to preliminary statistics, Canada was the leading supplier of fresh and frozen cod fillets, providing 22.5 million pounds of the 33.7 million that the U.S. imported. Iceland was the other major supplier, with 8.5 million pounds as against 10.3 million in 1964. Imports of ocean perch fillets into the U.S. rose to 25.7 million pounds from 22.9 million in the previous year. Canada's share was 22 million pounds (16.9 million), West Germany 1.7 million (3.3 million), and Iceland 1.1 million (1.2 million).

Fresh and Frozen Fillets of Haddock, Hake, Pollock, and Cusk—These imports into the United States totalled 20.7 million pounds, with Canada supplying 13.4 million pounds (15.6 million in 1964). Iceland's shipments were also down to 5.9 million pounds (6.2 million), Den-

TABLE I

U.S. IMPORTS OF FROZEN BLOCKS OR SLABS

	1964	1965
	(million pounds)	
Total imports	166.2	214.8
Of which:		
Canada	98.7	119.8
Iceland	39.3	47.1
Greenland	6.7	11.5
Norway	9.2	11.4
Denmark	4.7	10.7
West Germany	2.7	4.2
South Africa	2.2	.69

The Production Picture

- In 1965, Canadian catch of seafish and shellfish totalled 2.3 billion pounds, compared with 2.24 billion in 1964, a rise of 3 per cent.
- Landed value of the catch reached $140.7 million, up 6 per cent from the $132.4 million of 1964.

Atlantic Fisheries

- Atlantic fishermen brought in a catch of 1.67 billion pounds, valued at $94.7 million—up from the 1.53 billion pounds valued at $84.1 million in 1964.
- Catches of flounders, redfish or ocean perch, herring, and scallops made major gains; haddock catch decreased.
- Lobster catch led all others in value—40.5 million pounds valued at $26.6 million, compared with 41.9 million valued at $24.24 million in 1964.
- Cod fishery ranked second in value, at $23.2 million (570 million pounds) in 1965, (576 million pounds worth $22.1 million in 1964). Newfoundland supplied 340.4 million pounds.

Pacific Fisheries

- The 1965 catch totalled 620.5 million pounds, down from the 712.8 million of 1964.
- Salmon fishery reported a harvest of 86.1 million pounds, a drop from the 124.2 million of the previous year because of poor catches of the chum, pink and sockeye varieties.
- Herring fishery reported a decline of nearly 14 per cent in the 1965 catch to 443.5 million pounds.
- Halibut catch totalled 32.4 million pounds as against 33.3 million in 1964, but brought record return of $10.9 million.
- Groundfish landings continued to rise; gray cod catch alone reached 18.8 million pounds.

Inland Fisheries

- Landings in 1964 reached 115 million pounds, with a landed value of $12.5 million, compared with 124 million worth $13.3 million in 1963.
- Ontario was leading producer, followed by Manitoba, Saskatchewan, Alberta, Northwest Territories, New Brunswick and Quebec.
- Main species taken were whitefish, yellow pickerel, perch, pike, trout and smelt.

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mark's to 813,000 (842,000) and Norway's to 431,000 (945,000).

Table I gives details of U.S. imports of frozen blocks or slabs.

These frozen blocks or slabs went to some 42 manufacturers of fish sticks and to 45 firms putting up fish portions, the bulk of them in the Atlantic Coast States, but also in the inland, Gulf, and Pacific Coast States. United States production of fish sticks and portions in 1965 totalled 221.7 million pounds—23 per cent above the 1964 output. Fish sticks totalled 82.3 million pounds in 1965, 8.7 million pounds higher than in 1964, and fish portions amounted to 139.4 million pounds, up 33.1 million.

Fish sticks and portions are produced in Canada but prohibitive tariffs on imports of these into the United States limit sales to the domestic market. However, Australian supermarkets have recently shown some interest in the top quality Canadian product and this may develop into worthwhile business.

● *Frozen Salmon*—Atlantic and Pacific frozen salmon in whole and dressed form were in demand in 1965. Shipments of frozen coho salmon went to 21 countries, with Britain, France, and the United States the major outlets. Exports totalled 8.9 million pounds worth $5.7 million in comparison with 9.2 million pounds ($5.8 million) in 1964. Frozen spring salmon came second, with sales of 5.9 million pounds ($4.3 million) compared with 5.2 million pounds valued at $3.9 million in 1964. The United States, Britain, France, the Netherlands, and Belgium purchased important quantities. Exports of frozen chum salmon and Atlantic salmon were smaller than in the previous year.

● *Frozen Halibut*—Sales of frozen whole or dressed halibut from both the Atlantic and Pacific Coasts were higher in 1965. Shipments of the Pacific species of halibut totalled 13 million pounds ($5.2 million) compared with 12 million pounds and $4 million in 1964. The United States and Britain were the leading markets but West Germany purchased fairly important quantities of Atlantic halibut.

Frozen Fish Market

The Soviet fisheries catch and the fisheries trade between the U.S.S.R. and Iceland have a bearing on the world market demand for frozen fish. Total catch by the Soviet fishing fleet in 1964 amounted to 4.48 million metric tons, up almost 13 per cent from the 3.98 million of 1963. There are no detailed figures for 1965, but it is reported that total landings in 1965 exceeded five million metric tons. The Icelandic-Soviet Trade Agreement for 1966 calls for the delivery of 8,000 metric tons of frozen fillets and 4,700 tons of whole frozen fish; no herring is included. It is understood that in 1965 Iceland delivered to the U.S.S.R. 9,986 tons of frozen fillets, 5,000 tons of whole frozen fish, 6,000 tons of frozen herring, and 2,000 tons of fish roe. The 1966 deliveries will be considerably below the 1965 protocol but nevertheless should tend to strengthen the world market demand for frozen fish in the ensuing year.

TABLE II

CANADIAN EXPORTS OF FISHERIES PRODUCTS BY FORMS

	1961	1962	1963	1964	1965
	(millions of Can.$)				
All Fish Products	143.35	156.62	172.13	202.61	212.92
Of which:					
Fresh or frozen	94.97	103.12	108.67	126.25	146.01
Whole or dressed	35.53	37.70	37.50	41.50	44.24
Fillets	37.00	40.59	43.95	52.86	65.13
Shellfish (in shell & meat)	22.44	24.83	27.22	31.89	36.64
Cured	20.68	21.35	25.59	25.53	23.44
Smoked	1.30	1.38	1.65	1.74	1.98
Bloaters and kippers	0.82	0.90	1.16	1.18	1.12
All other	0.48	0.48	0.49	0.56	0.86
Salted and dried	17.07	17.57	21.27	21.17	18.24
Cod	14.50	14.67	17.94	17.77	15.72
All other	2.57	2.90	3.33	3.40	2.52
Pickled	2.31	2.40	2.67	2.62	3.22
Herring	1.53	1.52	1.66	1.66	1.86
All other	0.78	0.88	1.01	0.96	1.36
Canned Fish and Shellfish	19.87	21.90	25.63	34.60	27.24
Salmon	13.00	15.53	19.21	25.83	18.65
Sardines	3.62	2.61	3.52	4.96	4.75
Lobsters	2.06	2.54	1.79	2.70	2.49
All other	1.19	1.22	1.11	1.11	1.35
Miscellaneous	7.83	10.25	12.24	16.23	16.23
Meal	4.53	6.51	7.68	8.85	9.34
Oil	0.61	0.54	1.07	3.01	1.93
All other	2.69	3.20	3.49	4.37	4.96

Salted Fish

Shipments of Canadian salted groundfish (cod and related species) were probably the lowest on record in 1965—74.6 million pounds valued at $18.2 million compared with 93.6 million valued at $21.2 million in the previous year. With an exceptionally strong market for frozen cod fillets and blocks, fewer supplies of dried salt cod were processed. There was no excessive carryover of stocks on the European markets but in several of the producing countries, unshipped stocks in 1964 were higher than they were at the end of 1963. Jamaica continued to be the most important outlet, despite a cessation in shipments last fall because of low price ceilings there. The situation improved in December and exports were resumed. An encouraging feature in 1965 was the suspension of the local price controls on salt cod in Puerto Rico in effect since World War II. Exports to this market increased by nearly 50 per cent over the previous year, with consumers welcoming the opportunity to buy the type and quality of salt cod they desire. Exchange difficulties persisted in Brazil and only limited quantities were shipped there during 1965, though it was once a major outlet for Canadian salt fish. The lack of direct shipping from Atlantic coast ports to Brazil also affects this trade. However, Spain, which started exporting in 1961, has become one of our major competitors in Puerto

TABLE III

CANADIAN EXPORTS OF FISHERIES PRODUCTS BY COUNTRIES

	1961		1962		1963		1964		1965	
	$'000	Per cent	$'000	Per cent	$'000	Per cent	$'000	Per cent	$'000	Per cent
All Areas	143,347	100.0	156,621	100.0	172,126	100.0	202,611	100.0	212,927	100.0
United States	103,824	72.4	114,303	73.0	115,879	67.3	130,880	64.6	149,686	70.3
Total Europe	20,143	14.1	22,710	14.5	32,761	19.0	46,548	23.0	39,412	18.5
Britain	12,965	9.0	14,126	9.0	17,104	9.9	26,867	13.3	21,393	10.0
Belgium and Luxemburg	1,077	0.8	1,603	1.0	2,400	1.4	2,941	1.5	2,488	1.2
France	1,010	0.7	2,027	1.3	3,947	2.3	5,049	2.5	4,028	1.9
West Germany	525	0.4	675	0.5	709	0.4	1,276	0.6	1,607	0.7
Italy	1,147	0.8	1,404	0.9	1,973	1.1	1,460	0.7	1,239	0.6
Netherlands	597	0.4	824	0.5	1,027	0.6	1,866	0.9	1,640	0.8
Portugal	1,255	0.9	41	—	1,835	1.1	2,298	1.1	1,750	0.8
Spain	514	0.4	609	0.4	1,145	0.7	1,098	0.6	1,497	0.7
Other	1,053	0.7	1,401	0.9	2,621	1.5	3,693	1.8	3,770	1.8
Total British Caribbean	8,491	5.9	9,483	6.0	10,166	5.9	11,318	5.6	11,192	5.3
Jamaica	4,495	3.1	5,263	3.3	5,693	3.3	6,275	3.1	5,858	2.7
Trinidad & Tobago	1,364	0.9	1,256	0.8	1,407	0.8	1,558	0.8	1,635	0.8
Leeward & Windward Islands	1,019	0.7	1,204	0.8	1,338	0.8	1,436	0.7	1,550	0.7
Barbados	540	0.4	540	0.3	586	0.3	728	0.3	809	0.4
Guyana (British Guiana)	836	0.6	949	0.6	883	0.5	996	0.5	1,004	0.5
Other	237	0.2	271	0.2	259	0.2	325	0.2	336	0.2
Total non-British Caribbean	7,182	5.0	6,993	4.5	7,385	4.3	7,303	3.6	6,176	2.9
Puerto Rico	3,709	2.6	2,984	1.9	3,341	2.0	1,393	0.7	2,455	1.2
Dominican Republic	1,294	0.9	2,472	1.6	2,792	1.6	3,605	1.8	2,387	1.1
Haiti	645	0.4	550	0.4	573	0.3	523	0.2	524	0.2
Cuba	693	0.5	308	0.2	—	—	949	0.5	—	—
Panama	143	0.1	137	0.1	52	—	180	0.1	122	0.1
Other	698	0.5	542	0.3	627	0.4	653	0.3	688	0.3
Total Commonwealth countries	24,343	17.0	25,832	16.5	31,100	18.1	42,990	21.2	37,609	17.7
Britain	12,965	9.0	14,126	9.0	17,104	9.9	26,867	13.3	21,393	10.0
British Caribbean	8,491	5.9	9,483	6.0	10,166	5.9	11,318	5.6	11,192	5.3
Australia	1,477	1.0	1,293	0.8	2,039	1.2	2,513	1.2	2,497	1.2
New Zealand	906	0.6	511	0.3	1,062	0.6	1,124	0.5	1,273	0.6
Other	504	0.4	419	0.3	729	0.4	1,168	0.6	1,254	0.6
Total all other countries	820	0.6	909	0.6	2,105	1.3	1,757	0.9	1,437	0.6
Brazil	143	0.1	76	0.1	161	0.1	619	0.3	11	—
Other	677	0.5	833	0.5	1,944	1.2	1,138	0.6	1,426	0.6

Rico and Brazil. There were no sales of salt cod to Cuba in 1965 because of the shortage of foreign exchange there.

Norway purchased 1.3 million pounds of wet-salt cod for processing into the dried form.

TABLE IV

CANADIAN EXPORTS OF SALTED FISH

	1964		1965	
	(million lb.)	(million $)	(million lb.)	(million $)
Light salt cod (43% moisture or less)	25.8	5.9	16.9	4.4
Heavy salt cod (43% moisture or less)	28.1	5.97	25.9	6.0
Heavy salt cod (40-50% moisture content)	3.7	.5	6.8	1.2
Boneless salt cod	10.0	3.3	7.8	2.8
Pickled and dry salted	19.8	2.6	24.4	3.2
Hard-cured smoked round herring bloaters	8.4	1.0	8.3	1.0

Table IV gives details of salted fish exports.

The principal markets for the various forms of salted fish were:

Heavy salt cod (46 to 50 per cent moisture content): Norway, Portugal, Spain, U.S.

Wet-salt cod: Norway (1.3 million pounds for processing into the dried form).

Light salt cod (43 per cent moisture or less): Jamaica, Spain, Italy, Puerto Rico, Portugal, U.S.

Heavy salt cod (43 per cent moisture or less): Jamaica, Puerto Rico, Trinidad, Portugal, Leeward and Wind-

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ward Islands, Barbados. (Some shipped to Kenya and Korea for relief purposes.)

Boneless salt cod: United States, Puerto Rico, Bermuda, Trinidad, Netherlands Antilles.

Pickled and dry salted: Jamaica (mostly pickled mackerel).

Hard-cured smoked round herring bloaters: Dominican Republic, Haiti, Puerto Rico, Barbados, British Guiana.

Canned Fish

Exports of canned fish in 1965 were considerably smaller—45.5 million pounds worth $24.7 million, compared with 58.8 million pounds worth $31.8 million in 1964. Unexpectedly poor runs of all species of Pacific salmon with the exception of coho reduced the pack to 912,796 cases—the lowest since 1960 (see Table V). The only bright spot was coho salmon with the largest pack since 1941. Exports of canned herring and canned kippered snacks were larger; shipments of canned sardines and canned lobster were down.

● *Canned Salmon*—Shipments of all species of Pacific coast canned salmon in 1965 were valued at $18.6 million, a major drop from $25.8 million in the previous year. Britain was the leading market; other important outlets included Belgium, New Zealand, Australia, Ireland, the Netherlands, Italy, Republic of South Africa, Trinidad, France, Jamaica, Venezuela, French Oceania, Netherlands Antilles, and Denmark. There are no restrictions on imports of canned fish into Australia but shipments into New Zealand are under global licence. In the Republic of South Africa, imports are still subject to quota.

TABLE V

CANADIAN SALMON PACK

	1964	1965
	(cases of 48 lb.)	
Sockeye	343,359	245,794
Springs	9,127	18,886
Steelheads	1,262	841
Bluebacks	36,259	21,188
Coho	168,473	273,219
Pinks	464,107	287,662
Chums	232,721	65,206
Total production	**1,255,308**	**912,796**

The United States pack was a little lower than the previous year at 3,657,583 cases (3,745,307 cases in 1964). The output of canned sockeye salmon topped 2 million cases for the first time since 1943 but the U.S. pink salmon pack was less than half that of 1964. The Japanese pack was higher in 1965 at 1,229,276 cases in comparison with 1,058,370 in the previous year, with the major gain in sockeye salmon. There are no official returns on the U.S.S.R. canned salmon output in 1965, but indications are that it was smaller. The U.S.S.R. salmon catch in 1964 totalled 47,715 metric tons, down from the 1963 landings of 81,130 tons.

● *Canned Sardines*—The canned sardine pack in 1965 at 1,098,257 cases (20 pounds) created an all-time record (685,904 cases were put up in 1964). However, exports were smaller—14.4 million pounds ($4.7 million) as against 15.4 million pounds worth $4.9 million in the previous year. Sales were made to some 48 countries. Jamaica led all markets at $1,155,860, followed by the Dominican Republic, Australia, British Guiana, Trinidad, Barbados, Leeward-Windward Islands, Republic of South Africa, Britain, Austria, Panama, New Zealand, Surinam, and Ireland. There is a good demand for Canadian sardines or sild in Britain and the sardine packers are faithful exhibitors in international food fairs there.

Other canned fish and shellfish packs exported in 1965 included herring, kippered snacks, chicken haddie or flaked fish, lobster, mackerel, and clams.

Molluscs and Crustaceans

Exports of molluscs and crustaceans during 1965 were lower in volume but higher in value. Shipments to foreign markets reached 43.6 million pounds ($39.2 million) compared with 44.1 million pounds valued at $34.6 million in 1964. Despite smaller landings of lobster in 1965 (some 40.5 million pounds compared with 41.9 million in 1964), a higher unit price increased the landed value to $26.6 million ($24.2 million).

● *Lobsters*—Shipments of lobster in the shell, fresh or frozen during 1965 were valued at $17.2 million as against $15.5 million in 1964. The United States was the major market. However, the increasing demand in Europe for live lobster, coupled with reduced air transport rates, accounted for important quantities being exported to France, Britain, Belgium, Netherlands, Switzerland, and West Germany. Shipments of lobster meat, fresh or frozen, went chiefly to the United States, although Britain bought a considerable amount. Token lots went to West Germany, Sweden, and Switzerland. The lobster pack reached only 28,954 cases of 30 pounds each in 1965, a drop from the 40,432 cases put up in 1964. Consequently, canned lobster sales of 792,000 pounds ($2,491,000) were lower than the 925,000 pounds ($2,702,000) sold in the previous year. The United States and Britain were the most important outlets for the heat pack of lobster, but important supplies were sold in Sweden, West Germany, Belgium, the Netherlands, and Switzerland. Relatively smaller quantities were exported to Denmark, France, Austria, and Norway.

● *Scallops*—Landings of scallops in 1965 were the largest on record—19,710,000 pounds ($10,847,000), considerably higher than the 16,684,000 pounds worth $7,276,000 in 1964. Nearly all of the supply was caught by Nova Scotia boats. The bulk is exported fresh or frozen to the United States. France purchased a fairly good quantity and limited shipments went to Bermuda, Britain, West Germany, Barbados, and Belgium. Over-all exports in 1965 were valued at $10 million (14.7 million pounds) in comparison with $8.4 million (15.5 million) in 1964.

Fisheries Byproducts

● *Herring*—Landings of herring in British Columbia were lower in 1965 principally because of protracted negotiations between the fishermen and the buyers at the outset of the winter fishery. The unit price was higher, however, reflecting an increase in the returns to the fishermen. Some 443.5 million pounds of herring valued at $6.158 million were taken, in comparison with 505.3 million pounds worth

$6.167 million in 1964. Production of Pacific herring meal at 40,129 tons was down from 44,040 tons in the previous year. The output of herring oil in British Columbia was also lower—4,516,136 gallons compared with 4,815,626 gallons in 1964. Most of the herring meal exported went to the United States (37,600 tons). The strong domestic market for herring oil accounted for most of the sales, although some supplies were exported to Britain (6,767,200 pounds) and the United States (811,200).

● *Fishmeal*—Over-all production of fishmeal in the Atlantic area was considerably higher in 1965 at 56,507 tons (42,794 tons groundfish meal, 12,783 tons herring meal, and 930 tons other fishmeals), as against 32,525 tons in the previous year. Most of the groundfish meal was sold on the Canadian domestic market. However, 13,560 tons were shipped to Britain and nearly 4,900 tons to the United States market.

● *Fish Oils*—The output of Atlantic coast fish and marine mammal oils was up to 1,842,072 gallons from 1,498,740 in 1964. Exports of industrial cod liver oil went chiefly to the United States and Britain, and whale oil found markets in the Netherlands, Italy, and the United States. Other fish and marine mammal oils were sold in the Netherlands, Britain, and the United States.

Canada's trade in fisheries products is a two-way trade; over-all imports of fisheries products into Canada in 1965 were valued at $27.8 million compared with $23.1 million in 1964 and came from 43 countries. Major imports included fresh or frozen shrimp supplied by 19 different countries, mainly the United States, Hong Kong, Mexico, Cuba, and Venezuela. The United States, Japan, India, and Pakistan provided quantities of canned shrimp. Canned tuna purchases were significant, with Japan, Peru, and Yugoslavia the principal suppliers. The United States was the principal source of fresh or frozen fish, with Portugal, the Netherlands, and West Germany also contributing. A limited amount of frozen fish sticks was imported from the United States and also 1.38 million pounds of canned salmon worth $898,266. Norway and Portugal furnished most of the canned sardines and Spain and Portugal most of the canned anchovies. The only supplier of fishmeal in 1965 was the United States, with 142,500 pounds valued at $10,420. Iceland shipped an important quantity of fish oil to us (5.5 million pounds worth $551,000).

Promoting Fish Sales

Among the methods of promoting Canada's exports of fisheries products are the use of trade missions and of trade fairs. During 1965, Fisheries Reconnaissance Missions sponsored by the Department of Trade and Commerce travelled to Liberia, Ghana, Nigeria, Greece, Spain, Portugal and Italy. Earlier this year, a Mission visited New Zealand and Australia. Special on-the-spot studies were also made in Turkey, Lebanon, Jordan, Israel, Cyprus, Egypt, Singapore, Malaysia, Ceylon, and India to check into market prospects for Canadian fisheries products.

Canadian exporters of fisheries products were also afforded the opportunity of displaying their products at international trade fairs specializing in food products. These fairs offer excellent opportunities for Canadian firms to introduce new products and increase sales of established lines, and exhibits have brought good results. ●

British Market for Fishmeal

CANADA and Britain each produce about 3 per cent of the world total of fishmeal, but their fishmeal trade differs. Canadian production is normally large enough to satisfy the domestic market and leave some over for export; in fact, Canada ranks seventh as a world supplier. Britain, on the other hand, does not sell any of its production abroad.

Over the last six years British production has varied only slightly—from 73,000 long tons in 1960, it rose to a peak of 85,000 in 1965. In the same period, however, British imports of fishmeal more than doubled to 355,241 long tons in 1965.

The four largest suppliers to Britain in 1965 were Norway (78,338 long tons), Iceland (52,794), South West Africa (74,203), and the world's leading supplier, Peru (63,988). Britain is also the principal outlet for Denmark (35,546 long tons) and South Africa (24,826). Moreover, it ranks second only to the U.S. as a buyer of Canadian fishmeal, importing 17,096 long tons in 1965, almost double the 9,689 tons imported in 1964.

Fishmeal imports are divided into two groups: "herring", and "other". The proportion of herring meal imported during the six-year period was less than half the total in each year, although the quantities in both categories have increased considerably.

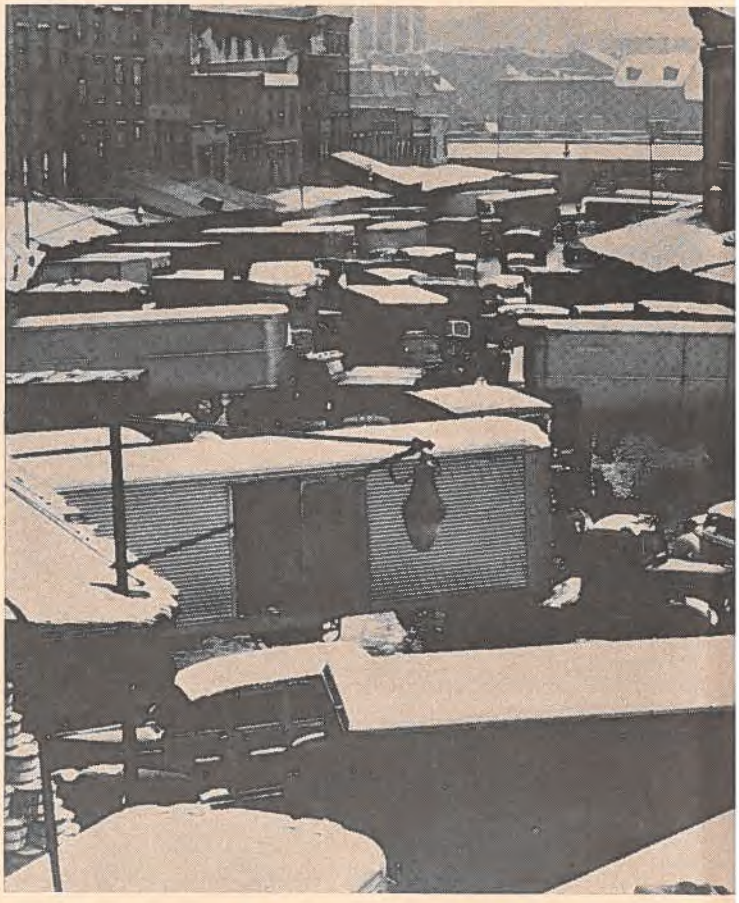
Imports from Norway, Iceland, and Denmark consist almost entirely of herring meal, and about one quarter of Canada's shipments to Britain in 1965 were of this type.

Generally speaking, animal feed compounders in Britain buy fishmeal from importers or brokers specializing in this trade. In addition, some British producers of fishmeal look to Canada for high quality supplies to augment their own production. The fact that Canadian exports to Britain doubled last year shows that our industry is aware of the opportunities in this expanding market.

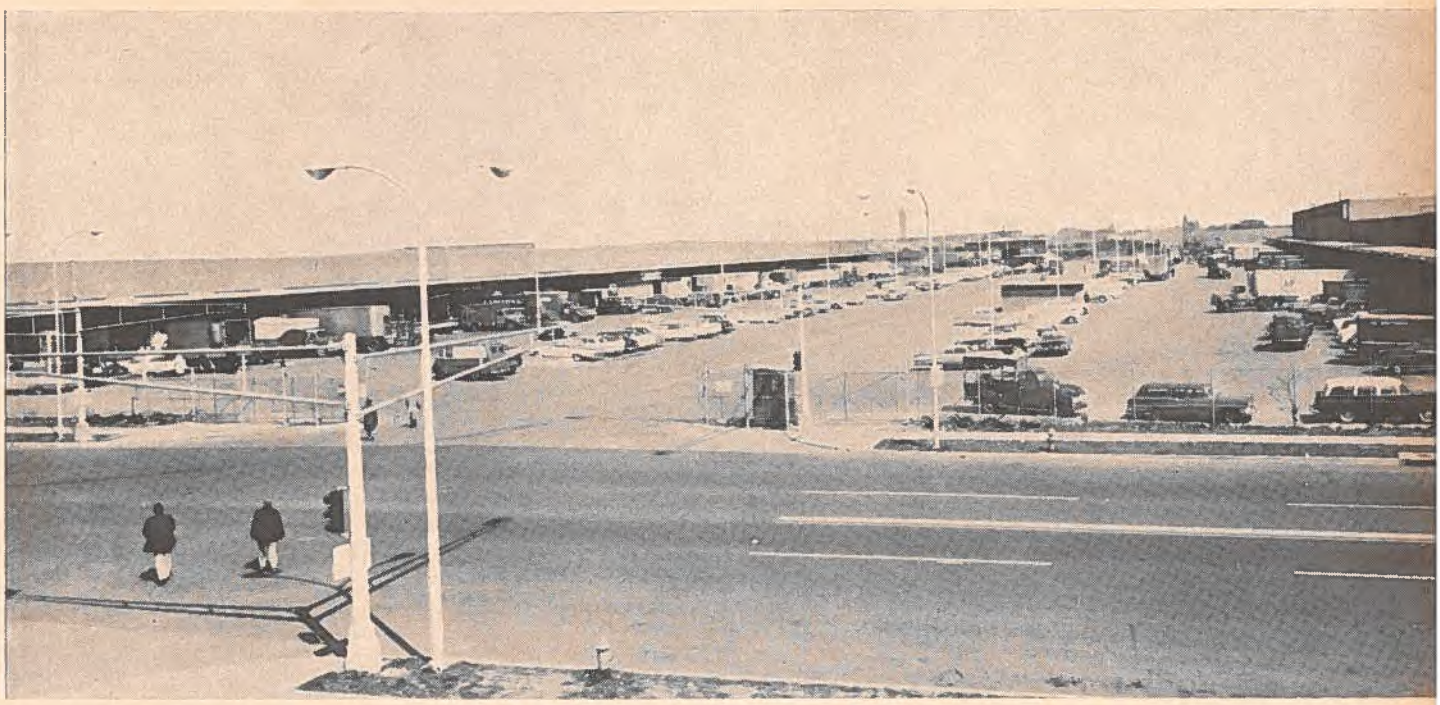
—H. G. GARLAND, *Attaché (Fisheries), London.*

Selling Food in the Philadelphia Territory

1. Begin at the Food Distribution Centre
2. Choose a Food Broker
3. Sell Fish in Philadelphia and Baltimore
4. Picking Representatives in Philadelphia's Territory



Twelve years ago, Philadelphia's waterfront wholesale food market looked like this, hopelessly crowded and decrepit. Now its buildings spread out over 338 well-organized acres (see opposite page) and it is considered to be one of the most modern in the world. In fact, Paris plans to replace its old Les Halles market with a new one modelled after Philadelphia's. The organizers of the Philadelphia Food Distribution Centre expected that it would take 27 years to fill the area, but it now appears that all the space will be in use by 1967.



Begin at the Food Distribution Centre

Several years ago, Philadelphia moved its decrepit downtown market to a model Food Distribution Centre on the outskirts. Wholesalers there would welcome offers of produce from Canada.

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

THE sale of fresh and frozen food products in Philadelphia hit an all-time high last year—and much of the credit should rightfully go to the excellent distribution facilities there.

Philadelphia boasts one of the most modern wholesale food markets anywhere; the official literature describes it as the "World's First Complete Food Distribution Center". It is hardly surprising, therefore, that in March 1965, when the United States participated in the Paris International Agriculture Fair, the highlight of its exhibit was a large model of Philadelphia's Food Distribution Center. This display attracted so much attention and the reaction was so favourable that the French have since announced that they will move their ancient wholesale market, Les Halles, to the outskirts of Paris and reconstruct it along the lines of the Philadelphia model.

Until a few years ago, however, Philadelphia's waterfront market was really as decrepit as the one in Paris. Then in 1955 a group representing industry, commerce and government decided it was time for a change. Accordingly, they applied for and were granted articles of incorporation for a Food Distribution Center to be built on 388 acres of outlying wasteland some miles from the site of the old downtown market. They reckoned that it would take 25 years to be fully built up and the cost would reach $100 million.

They may have been close in their financial estimate, but they erred badly

in their time calculation. Progress has been so rapid that all available space will probably be occupied by 1967, just twelve years after the project was started.

Variety of Tenants

The first two buildings to be completed were the Fresh Food Terminal and the nearby Wholesale Seafood Market. On a weekend in June 1959 the ancient market shops on Dock Street closed their doors for the last time and by Monday morning the merchants were fully operational in their new quarters, which contain 70 wholesale produce and 25 seafood stores. Since then many large independent companies have taken tracts of land and erected their own warehouses. Included among these are the central warehouses of three of the four major retail food chains in Philadelphia, several meat packers, two dairies, a number of specialty food houses, and a commercial cold storage plant. A bank and three strategically located restaurants provide well patronized on-the-grounds service. Another advantage is the ample space for the manœuvring and parking of trucks and the easy access to the nearby crosstown expressway.

Spoilage Reduced

Both the Fresh Food Terminal and the Wholesale Seafood Market are built of brick, long and rectangular and two storeys high. Offices are on the second floor and the partitioned warehousing space is on the main floor. Unloading bays on one side of the building allow incoming produce to be unloaded and checked in by wholesalers; platforms and bays on the other side are used for outgoing shipments to retailers. In the summer the market opens at 1:00 a.m. but in the winter the operators are allowed to sleep in because it doesn't open until 3 a.m. By noon most of the day's business is finished.

The fast and efficient handling of perishable produce has reduced spoilage drastically and increased the quantities available to the general public, with everyone from producer to consumer benefiting. Many imported products are on sale and Canada has profited most from the much larger volume of fish products, fresh and frozen, to be found in the Wholesale Seafood Market. This trade is so important, in fact, that it is the subject of a separate article on the opposite page.

Opportunity for Canadian Foods

In the Fresh Food Terminal, however, the quantity and variety of Canadian fruit and vegetables are disappointing. From time to time, onions, carrots and rutabagas are to be found; for the most part they are trucked in from Quebec. Occasionally B.C. apples appear but no other fruit from Canada is handled. Talks with many of the wholesalers have convinced me that they have a high regard for Canadian produce and plenty of goodwill towards us. Virtually all of those questioned said they would like to handle more Canadian merchandise.

The onus for the development of more business thus lies on Canadian producers. If they are interested in going after this market they may obtain the names of all 75 of the wholesalers by writing to William J. Klaus, Jr., Manager, Fresh Food Terminal Corporation, Food Distribution Center, Philadelphia 48, Pennsylvania. In addition, a personal visit would almost certainly pay dividends. ●

Choose a Food Broker

Food brokers looking for quality products to handle would be receptive to Canadian offers, according to a recent survey carried out by the Philadelphia office, which reports on the findings.

RICHARD F. TURCOTTE,
Consul and Assistant Trade Commissioner, Philadelphia.

THE densely populated Atlantic central region covered by the Philadelphia office includes only 3½ per cent of the total United States land area but its highly urbanized population of 25 million constitutes 13 per cent of all American consumers.

This is like crowding the whole Canadian consumer market into a nutshell. Here is an excellent and lucrative outlet for virtually every variety of food grown in Canada, and yet this market is still hardly tapped by Canadian producers.

The Philadelphia Consulate completed recently a survey of the major food brokers in these states and found an astonishing interest on their part in obtaining sources of supply in Canada. Many of these brokers stated that they found it hard to get enough local food products of good quality to handle because most U.S. producers are already well represented in this market. Many had never actually thought of or considered Canada as a potential supplier to this market but their receptiveness to approaches has been most encouraging.

Our survey covered generally all forms of produce—fresh, frozen, canned, dried, processed and cured—including meat, fish, dairy products, prepared foods, groceries, bakery products, confectionery, juices, alcoholic and non-alcoholic beverages, and pet foods. It also included a substantial group of non-food products.

We received most encouraging replies to the survey and it is fair to say that our promotion of Canadian food products has been hampered more by lack of interest on the part of Canadian suppliers than lack of demand here.

Food Products

The survey revealed a particularly strong interest in sources of supply for the following products:

All types of canned vegetables

All types of canned fruit, including tree fruits and berries

Frozen and canned meats and meat products

Frozen and canned finfish and shellfish

Prepared foods, such as soups and soup mixes, pre-cooked dinners, instant and junior foods

Miscellaneous groceries, such as jams, jellies and preserves, table nut and potato products, spaghetti and macaroni, wild rice, pickles and sauces, dressings and spreads, and honey

Juices and non-alcoholic beverages

Pet foods

Bakery and confectionery products, including candy, chocolate, and maple products and syrup.

Non-Foods

Many brokers are also looking for non-food products to be sold through wholesale grocery, general drug and food stores, or to jobbers and distributors. Examples are small electrical appliances, brushes, combs, soaps and soap products, sponges, insecticides, room deodorants, paper plates and cups, mops, leisure clothing, hosiery, lighter fluid and a broad variety of other non-specified goods.

Area Covered

Most of the food brokers cover relatively small and concentrated areas and this permits them to give intensive coverage. Canadian firms which feel that they may not have enough production to cover the huge central Eastern U.S. market will be able to find an agent covering a small enough market to supply without putting too great a strain on their production facilities.

It has been our experience, both generally speaking and also in a number of specific instances, that Canadian firms often find that they have made a mistake by granting representation rights to a single firm for a large portion or region of the U.S. market. Few food brokers are capable of really covering such scattered centres as Philadelphia, Baltimore, Pittsburgh, Richmond and Washington (D.C.). A broker who claims to do this will often either not cover the area properly or do all his business by telephone. Worse still, he may appoint sub-agents whose commission merely adds to the final retail price and tends to make the product only marginally competitive in this market.

Unless he maintains a huge sales force, a good broker normally limits himself to, say, a 100-mile radius of one of the larger centers such as Philadelphia, Pittsburgh, Baltimore, Richmond or Washington (D.C.)

How to Proceed

Canadian food suppliers interested in obtaining suitable representation in this market should contact the Canadian Consul and Trade Commissioner, Suite Three Hundred, Three Penn Center Plaza, Philadelphia, Pennsylvania 19102. (215) LOcust 3-5838 supplying us with a description of the product, landed prices—both f.o.b. plant or major marketing point in Canada and also c.i.f. duty-paid in U.S. funds—commission rate and whether included in or additional to the list price, quantity discounts and minimum shipments, and available literature or labels. Samples—especially of perishables—should not be sent until the Trade Commissioner or a potential representative requests them. It is also important that Canadian firms indicate whether they are already represented in part of our territory and give the names and addresses of these agents, so that we may determine the areas for which a broker is required and avoid embarrassing conflicts or overlapping territories. ●

Sell Fish in Philadelphia and Baltimore

Here are facts and figures on the amount and types of fish sold and in demand—and advice to Canadian producers on making arrangements for entering these lucrative markets.

RICHARD F. TURCOTTE,
Consul and Assistant Trade Commissioner, Philadelphia.

THE Philadelphia and Baltimore wholesale fish markets together cater to a market of over ten million consumers and last year had an estimated combined turnover of some 100 million pounds of fish worth about $30 million. Yet indications are that few Canadian suppliers sell here directly; in fact, Canada's share of the total turnover in these two markets is low when one considers that they are so close and that Canada is a large fish-producing country.

Wholesalers have been complaining in the last two years of a serious and growing dearth of fresh and frozen fish supplies and have expressed disappointment at lack of direct contact with Canadian shippers. One authoritative source has estimated that we could at least double our sales on these markets with little effort, if Canadian suppliers would only make more regular and direct offers to the wholesalers.

Philadelphia Market

The new facilities of the Philadelphia Wholesale Fish Market—still said to be the most modern in the United States—are part of the Philadelphia Wholesale Food Distribution Center (outlined in an earlier article in this issue). The market caters to a population of some seven million living in southern New Jersey, Delaware

and eastern Pennsylvania including Harrisburg, and in some cases as far west as Pittsburgh.

Located in a specially designed, fully detached building at the Food Center, the clean modern facilities and the more-than-ample truck parking and manoeuvering space have cut wastage and spoilage to a bare minimum and have resulted in a veritable "fish boom" in the Philadelphia marketing area. There are no official figures on fish receipts in the Philadelphia market but annual turnover since opening day, June 18, 1959, has at least doubled from an estimated $10 million in 1960 to some $20 to $25 million in 1965. (These figures exclude the turnover of the chain food stores with buying offices also located at the market but which have the fish shipped directly from the supplier to their own warehouses.) Taking an arbitrary average figure of 30 cents per pound, the open market now probably handles some 70 million pounds of fish a year.

The new facilities have encouraged a healthy concentration in the wholesale market. Twenty-two wholesale fish merchants moved there from the antiquated Dock Street Fish Market in 1959; today, because of mergers and consolidations, only 15 still operate at the market. Yet turnover has more than doubled during this period, so that most of the remaining merchants are stronger economically and can buy larger quantities to achieve economies in shipping and distribution.

There is a distinct shortage of fresh, frozen and even cured fish on the Philadelphia wholesale market and merchants are looking particularly for new or additional sources in Canada of the following species and cuts:

Haddock fillets
Flounder fillets
Cod and cod fillets
Steak cod
Hake and hake fillets
Fresh and salted mackerel
Lobster

There is also a definite interest in obtaining smoked fish, including smoked herring, as well as "food herring" which can be sold to smokers in the area for further processing according to their own requirements.

The Canadian Consulate maintains a detailed list of wholesalers at the market and the species which they handle and Canadian suppliers should contact us directly for this information. The Wholesale Food Dealers Association of Philadelphia, located at the Wholesale Fish Market at 3425 South Lawrence Street, Philadelphia, Pennsylvania 19148, has proved very receptive to Canadian suppliers and can help them to determine credit conditions and give other useful information about sales to the Philadelphia market.

Baltimore Fish Market

The Baltimore Wholesale Fish Market is not as modern nor as large as the one in Philadelphia but it does handle some 30 million pounds of fish a year and its 20-odd wholesalers cater to a retail market of about three to five million. The figures in Table I give a good indication of total turnover, imports, and the over-all share of the Baltimore market held by Canadian suppliers.

Imports represent about 10 per cent of total turnover on the Baltimore market and five countries only —Mexico, Canada, British Guiana, Japan and Panama—have accounted for some 75 to 85 per cent of all imports in recent years. Canada's share—relatively stable in comparison with wide annual variations for other countries—at only 25 to 30 per cent of all imports or less than 3 per cent of the total market turnover—is disappointingly low. We should be able to at least double our share of the Baltimore market in a short time and with relatively little effort.

Direct Contact Essential

There can be no question that tight supply at home and variations in the species in demand in this country bear part of responsibility for the relatively minor role which Canada plays in both the Philadelphia and the Baltimore wholesale fish markets. A much more significant factor—at our will to change—is, however, the fact that many if not most Canadian suppliers make their regular offerings for the whole Eastern United States seaboard through brokers residing in the large northern cities. They are often far removed from the actual day-to-day business activities of the Philadelphia and Baltimore fish marketing areas. These brokers are naturally tempted—with notable exceptions, of course —to attend first to their own local markets, which they obviously know

TABLE I

IMPORTS, BALTIMORE WHOLESALE FISH MARKET

	1962	1963	1964
		(lb. '000)	
Total imports	**3,685.6**	**3,415.1**	**2,803.0**
Of which:			
Mexico	1,016.8	1,139.1	377.5
Canada	889.6	909.4	803.7
British Guiana	833.6	471.5	655.6
Japan	196.5	163.0	197.9
Panama	207.5	170.0	151.1
Total, five above	**3,144.0**	**2,853.0**	**2,185.8**

TABLE II

TOTAL SUPPLY, BALTIMORE WHOLESALE FISH MARKET

	1962	1963	1964
		(lb. '000)	
Domestic	29,183.4	28,150.5	26,269.2
Imports (as above)	3,685.6	3,415.1	2,803.0
Total supply	32,869.0	31,565.6	29,072.2

TABLE III

CANADIAN SALES ON BALTIMORE FISH MARKET

	lb. '000	Per cent of total
Total via U.S. points	279.4	30.7
Of which:		
Pennsylvania	147.0	16.2
Massachusetts	106.7	11.7
New York	24.8	2.7
Illinois	.9	.1
Total direct from Canada	**630.0**	**69.3**
Grand total from Canada	**909.4**	**100.0**

TABLE IV

FISH IMPORTS INTO BALTIMORE BY PROVINCE

	1962	1963	1964
		(lb. '000)	
Nova Scotia	673.4	636.0	673.4
New Brunswick	72.3	42.1	35.5
Northwest Territories	31.1	36.7	27.7
Ontario	38.3	18.3	20.6
British Columbia	55.0	27.9	16.6
Newfoundland	....	18.7	13.8
Quebec	5.0	120.9	11.2
Manitoba	3.7	4.3	2.9
Alberta	2.7	3.6	1.6
Saskatchewan	0.1	0.9	0.4
Unknown	8.0	....	....
Total	**889.6**	**909.4**	**803.7**

best, and then approach other smaller distant markets only when business is not too good at home. Some Baltimore wholesalers have in fact complained that by the time the fish gets to them it may be old and of poor quality and the prices which they in turn obtain are very low.

Many local wholesale merchants for whom purchase prices are only increased by commissions are anxious to buy more Canadian fish and would like to buy it direct from the supplier. Some of the best merchants in the trade, in fact, will insist on buying direct whenever they can. Some Canadian suppliers, of course, are selling direct to both markets and have been very successful. Figures available on the Baltimore market show that as much as 70 per cent of the Canadian fish arrives direct and it is our supposition that most of it comes from only a limited number of Canadian suppliers.

We are convinced that other Canadian firms could sell here or, if they already are selling, could significantly increase their share by direct contact with some of the larger and more reputable merchants.

Individual sales on a smaller market like Baltimore may not always be large enough to permit full truckloads at one time. It is then generally considered necessary to ship full truckloads to the brokers in the northern cities to obtain competitive through freight rates and rely on the brokers in turn to sell and ship smaller lots into the southern markets. But this is not necessarily so. It has in fact proved feasible to sell even small lots directly to these markets at competitive rates. Partial shipments are forwarded by rail to one of the larger northern centers such as Boston, and the Philadelphia or Baltimore merchant himself then arranges to have them picked up by what is called here a "transfer" trucking firm. The freight rate is slightly higher but should in effect be more than offset by the elimination of the broker's commission. In addition, the Canadian supplier then no longer needs to rely for sales to this important market on the business aggressiveness and acumen of a non-resident broker who may be too absorbed in the local market.

Table IV gives an interesting breakdown of the provincial origin of all Canadian fish sold on the Baltimore wholesale market in the years 1962-64. (Nova Scotia supplied 75 to 85 per cent of the market.)

The office of the Canadian Trade Commissioner in Philadelphia would welcome inquiries from interested Canadian suppliers and would gladly give them the names of wholesalers dealing in various fish species on both the Philadelphia and Baltimore fish markets. We are convinced that many Canadian suppliers could find a lucrative outlet for their products in this consumer market of ten million people. Interested firms should write to: Consul and Trade Commissioner, Canadian Consulate, Suite 300, Three Penn Center Plaza, Philadelphia, Pennsylvania 19102, telephone: (215) LOcust 3-5838. ●

Picking Representatives in Philadelphia's Territory

THE territory covered by the Philadelphia office includes the States of Pennsylvania, Delaware, Maryland, Virginia and West Virginia, and the southern half of New Jersey. Picking a representative for this territory involves a special problem because it contains three clear and distinct sub-regions: the Philadelphia economic basin, the Pittsburgh tri-state marketing area, and the Washington-Norfolk economic axis. A fourth area centered in Baltimore overlaps into two of these regions.

The reasons for these sub-regions are primarily geographic. The Allegheny mountain chain runs from northeast to southwest right through the middle of Pennsylvania and cuts it in half economically, and the Mason-Dixon line runs northwest to southeast just north of Baltimore, making the Washington and Virginia markets a separate entity.

Rarely will an agent—and even less a distributor—cover the three sub-regions at the same time. It is therefore necessary and important that a Canadian firm appoint a representative for each of these regions as follows:

● **Philadelphia economic basin**—Firms based in Philadelphia generally cover the whole Delaware Valley (bordering Pennsylvania and New Jersey) and often extend to include all of eastern Pennsylvania, southern New Jersey, all of Delaware and northeastern Maryland—an area containing a population of some seven to eight million people. In rare cases, Philadelphia firms cover all of Pennsylvania and all of Maryland, including Baltimore and Washington.

● **Pittsburgh marketing area**—Firms based in Pittsburgh cover primarily a four-county marketing area around the city, but usually extend to a tri-state area of 56 counties, including western Pennsylvania, southeastern Ohio and northern West Virginia. Sometimes Pittsburgh firms will cover the whole of West Virginia and the western panhandle of Maryland. This marketing area has a population of over seven million.

● **Washington-Norfolk axis**—Firms based in Washington, Richmond or the Norfolk-Hampton Roads area generally cover all of the eastern Virginia "corridor" and southern Maryland, up to and sometimes including Baltimore. This economic region has a population of some five to six million.

● **Baltimore**—Baltimore is another important center in our territory but its marketing area is difficult to define. Besides their own metropolitan city market, Baltimore firms may extend southward from Baltimore to cover the whole Washington area or—less often—the whole Washington-Norfolk "corridor". On the other hand, Baltimore firms may concentrate on Maryland, Delaware and some southern counties of Pennsylvania. The Baltimore area, excluding the Washington-Norfolk "corridor", contains a population estimated at some three million.

Many Canadian firms are tempted to appoint agents resident in New York City to cover the Philadelphia territory. In some instances and for some products, such arrangements may prove satisfactory. Our experience, however, has been that New York firms may become too engrossed in their own thriving metropolitan market and simply have neither the time nor the incentive to put into the Philadelphia territory the effort it deserves. Canadian firms wishing to sell in the territory of the Philadelphia office must consider seriously appointing one or more agents or distributors residing within it in cities like Philadelphia, Pittsburgh, Baltimore, Washington, D.C., and Richmond.

—RICHARD F. TURCOTTE
Consul and Assistant Trade Commissioner, Philadelphia.

Postwar shift in interest from undertaking foreign contracts to selling diamond drills and equipment compelled this Vancouver firm to reconsider its export techniques. Reassessment began with research, continued with visits to potential markets, and is still proceeding, with some decisions yet to be made.

Boyles Rethinks Its Export Policy

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

WHEN MIKE ROBSON, general marketing manager for Boyles Bros. Drilling Company Ltd., Vancouver, spent three months in the spring of 1965 visiting 23 countries, he wasn't interested primarily in selling diamond drilling equipment. Instead, he was carrying out phase one of a revaluation of the marketing policy of his company, founded over 70 years ago in Spokane, Washington, and incorporated as a wholly Canadian company in British Columbia in 1926.

Not that exporting was a new idea to Boyles: its export experience dates back to before World War II. It started life, according to J. D. Campbell, its president and general manager, as a contracting company which undertook drilling contracts abroad, using know-how acquired in the early mining booms in British Columbia. Later it went into the business of making and selling abroad its own diamond drills and other equipment. And sales, says Mr. Campbell, depended largely on the reputation of its experts in the diamond drilling business and on Canadian geologists working in other countries who specified Boyles' equipment.

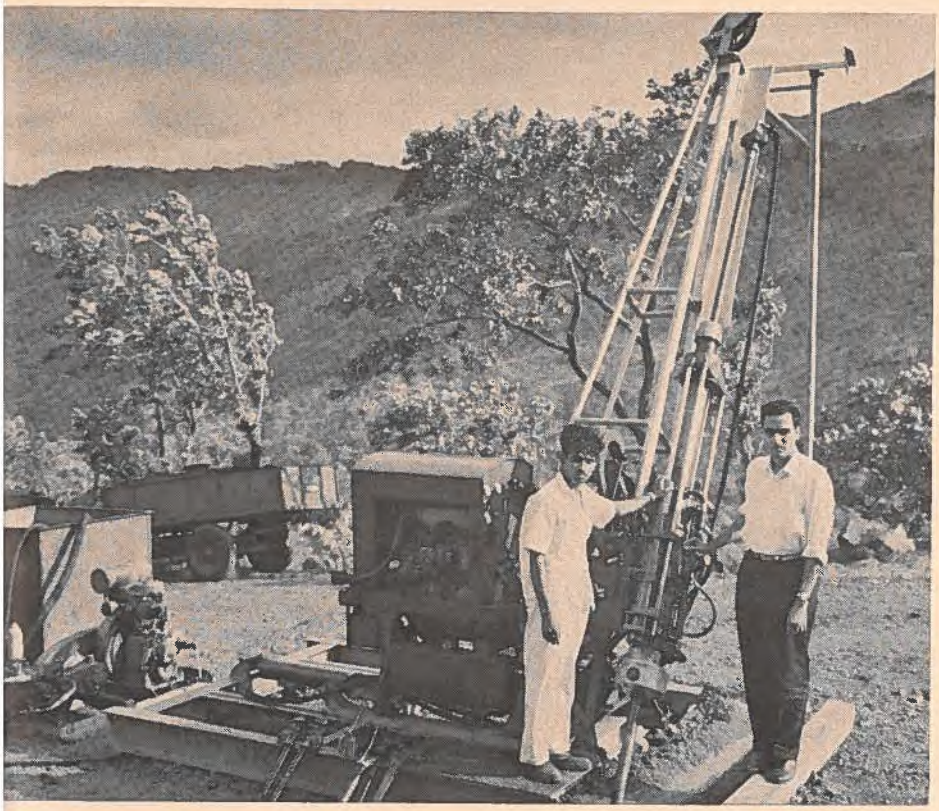
Shift to Manufacturing

When the Second World War broke out, Boyles Bros. had a contracting company in Australia, one in Singapore, and one in the Philippines—all set up during the thirties. War in the Pacific cut off all contact with the two latter and after the war they were not re-established. Postwar business in Australia became difficult because of the currency restrictions and this business was sold. But by this time Boyles Bros. was becoming less interested in undertaking contracts in foreign countries and more interested in making and selling diamond drills and other equipment. (It still operates a world-wide drilling service, however.)

The shift in policy compelled shifts in marketing techniques. For one thing, the company began searching for agents to take on selling its equipment in countries with a sizable mining industry—primarily in South America, Africa, the Far East, and Australia, which it looks upon as the growth areas in its field. (Australia, with import restrictions eased, is once more considered a good market.) Today Boyles has agents in 39 countries.

Though the war closed some avenues of business, it opened up a new one—Britain. The British needed more coal desperately, and Mr. Campbell (today the president) was sent over to supervise drilling in the open-cast mines. Boyles set up (and incorporated in 1944) a subsidiary company to look after this drilling contract. After the war it, like its parent, began to make drills and equipment, but slightly different from those made in Canada. When foreign exchange shortages made it difficult for the Vancouver firm to sell in soft currency markets, the English subsidiary catered to them. In 1955, Boyles set up a company in Johannesburg, South Africa, and later opened a branch in Kitwe, Zambia.

In rethinking its export policy and bringing it into line with the changed situation, Boyles has two objectives in mind. One is to diversify its production by creating markets for its equipment among contractors and industrial plants as well as among mine operators. The other is to select and cultivate markets more scientifically, relying less upon personal prestige and personal contacts. Canada still accounts for the bread-and-butter of its



At Bangalore, India, a Boyles Bros. BBS-10DH diamond drill is used to explore for iron ore deposits. Left is S. Jithendra Kumar, a member of the staff of the Director of Geology and Mining; right, R. K. Rekhi, engineer with Boyle's Indian agent.

business, say Mr. Robson, but it is in export sales that the greatest potential lies.

Market Research Begun

One of the first steps in this reorganization of marketing, which is still under way, was to set up at head office a market research program. Men with experience in this field were enlisted and the gathering and evaluation of market intelligence as a basis for market selection and sales forecasting began. Now the question of rationalizing production between the Vancouver plant and the British operation is being studied. At the moment, the Canadian company looks after markets in North and South America, Malaysia, and Australia. The English subsidiary sells in the other areas and has served customers in India, the Soviet Union and Poland, among others. Should manufacturing be undertaken in other countries? If so, where? In the United States? The data being assembled will help management ultimately to make this decision.

Evaluating Agents

It was at this stage in the reappraisal that Mike Robson set out on what he likes to call a fact-finding mission—one that covered Europe, the Middle and Far East, parts of Africa, and Australia. It wasn't intended to produce orders. He wanted to investigate market conditions for himself, size up the opportunities for a Canadian company, and find out what competition it would have to meet.

Equally important, he wanted to become acquainted with the men who sell for Boyles abroad—to talk with them, evaluate them and their performance, and if they passed muster, inspire them to greater efforts. He recognized that much of the success of the new marketing policy would depend on these agents. Normally, agents for Boyles Bros. take orders and relay them to Vancouver. But in some countries, notably Australia, Peru, Venezuela, and Malaysia, where the competition is rugged, the company has to sell on consignment to agents in whom it has confidence. These agents can then sell equipment off the floor and offer spare parts service. But whether the agent stocks or merely takes orders, the company prefers a man with proven sales ability, good contacts with industry, and possibly with agencies for complementary lines. Where possible, he should have some technical knowledge of drilling. It looks on him as the vital link between company and foreign customer.

On his various stopovers, Mr. Robson not only evaluated agents—he also helped to educate them in how to offer customer service, so important in the sales picture. In some places, for example, he visited some of the agent's customers and discussed their problems with them. In speaking of service, he points out, he means chiefly help with the techniques of operating the drill—in other words, showing them how to get the holes down. In his talks with agents, Robson stresses the things that make for success in export markets: help with the application of the equipment, delivery on time, and suitable credit terms—but of these, service is the chief. Another selling point for Boyles equipment is that the drills break down into portable components, relatively light in weight.

The company doesn't believe in leaving the agent completely on his own to market its equipment, but offers him some promotion support. For example, it advertises frequently in international journals and this past year undertook a direct mail campaign. If an agent wants to try advertising on his own—the representative in France, for example—the company will contribute photographs and a layout and leave the preparation or translation of copy and the printing to him.

Reviewing Other Procedures

The reformulation and rethinking of export marketing policy and procedures also includes a review of pricing policy, quotations, invoice forms, and invoicing practices. At the moment, says Mr. Robson, the company quotes f.o.b. Vancouver but this may have to be changed. (The English plant, on the other hand, quotes duty-paid prices.) In quoting, it makes some concessions to foreign customs, such as giving metric weights and measures in its catalogues.

One of the difficult decisions that Boyles must make in the near future is when and where to set up manufacturing operations abroad, rather than export directly from the Vancouver plant. Two factors will influence this decision: the relatively high cost of production in British Columbia, and the shortage of dollars or the tariff barriers in some markets with a good sales potential. There is some pressure, for example, to open a plant in the United States and to re-establish one in Australia. Production may have to be rationalized more closely between the British and the Canadian plants.

The stiff competition that the company faces in foreign markets comes chiefly from the United States, Sweden and other Western European countries, Japan, and Australia. And, as other exporters of capital equipment have discovered, it extends into the field of credit. Some U.S. suppliers, Robson emphasizes, are able to make long-term financing available more easily than most Canadian firms can. The types of contacts that Boyles makes have changed somewhat: in the developing countries, for instance, its chief client may be the government or government agencies. This too may alter credit arrangements.

Some Decisions Made

As a result of its intensive study of marketing in the last few months, Boyles has already made some decisions. One is to put more effort into diversifying its production. This means not pushing merely drilling equipment for the mining industry but also equipment for the construction industry, the optical and plate glass industries, and used in exploring for oil and gas. It already has a subsidiary, Diamond Abrasive Wheels Limited, which makes equipment for industry, such as metal-bonded diamond wheels, diamond saws, diamond dressing tools, and so on. In many of these tools, the scrap diamonds from used bits ground to dust can be incorporated. Diamond saws have been sold to Britain and some diamond wheels have gone into Communist China.

The other decision—an outgrowth of Mr. Robson's round-the-world tour—is never to forget the value of personal contacts as a back-up to marketing policy and market analysis. These contacts must be maintained. As Robson puts it, "You get more complaints from people if you don't visit them than you do if you fall down on deliveries." This spring another Boyles executive is going off on a marketing trip to South America.

And then? Boyles readily admits that it hasn't yet got all the answers to its problems. But if its motto, *We Look into the Earth,* can be applied in a non-technical sense, it is certainly looking into them. ●

businessman's bookshelf

Bilingual Guide to Business and Professional Correspondence, English-German

Joseph Harvard. 140 pages. U.S.$4.95.

THIS IS the second volume of a series, (the first dealt with English-French correspondence) and follows the same pattern as the first. It points out the differences in layout between German business letters and their English counterparts, and provides a selection of sentences and phrases useful in composing business letters of various kinds. To help the correspondent select the right phrases, the subject matter is treated under several headings and sentences required to compose a particular letter, such as a letter of introduction or a letter of confirmation, can be easily found.

The guide is confined to simple routine correspondence but it also contains a list of openings, closings and other phrases that help to add a personal touch to business letters. As in the previous volume, a brief appendix showing the main differences between British and American usage and a useful list of English and German abbreviations are included.

Order from: Pergamon Press Inc., 6 Adelaide St. E., Toronto, Ontario.

Trade, Finance & Development in Pakistan

Russell Andrus and Azizali F. Mohammed. 280 pages. U.S.$8.75.

THE Pakistan economy is analyzed in considerable detail in this interesting but rather academic work. Both authors are experts in their field and have lived and studied in Pakistan.

This is not an introduction to Pakistan. The authors assume that the reader is familiar with the basic

economic facts. Specific aspects of the Pakistan economy are analyzed under such headings as agricultural production, foreign trade, balance of payments, banking, etc. The chapter on foreign trade covers export and import policy and reviews trading patterns for each major commodity group. Central planning and control over exports and imports are explained and examined in detail. One limitation of the book is that although it has just been published, it is based on 1963 and 1964 information. It is therefore useful mainly as a source of background material.

Order from: Stanford University Press, Stanford, California.

Britain: an Official Handbook. 1966 Edition

Reference Division, Central Office of Information, London. 590 pages. $3.50 (overseas only)

THIS handbook, the seventeenth in the series, gives like its predecessors a factual account of the administration and the national economy of Britain. It is the British counterpart of *Canada 1965*, produced by the Dominion Bureau of Statistics. The book, updated to September 1965, covers under 19 headings a wide range of topics such as geography, government, commerce, education and social welfare. Of particular interest to the businessman are the chapters on planning and housing (with a short description of the booming activity in the construction industry), the national economy, agriculture, fisheries and forestry, industry, transport and communications, finance, trade and payments.

An appendix gives practical notes for visitors, and there is, as a supplement, a detailed map of Britain and Northern Ireland. The businessman will find this source of reference easy to scan and useful in supplying appropriate and official data about Britain's exports and imports.

Order: Her Majesty's Stationery Office, P.O. Box 569, London S.E.1, or from HMSO agents in all countries.

World Trade Telex

Jaeger & Waldmann. 1,900 pages. U.S. $14.50

THIS eighth edition of the Telex directory, valid December 1965 to November 1966, lists more than 149,000 Telex subscribers in over 100 countries on five continents.

The directory is in two main parts. The second part, the List of Firms, is a simple alphabetical listing by country of all subscribers to the Telex system. It gives the firm name, mailing address, and Telex address. The first part, the Alphabetical Trade Index, includes 46 major product and service groupings—for example, banking, real estate, textiles, foundry products, ministries, etc. Each of these is divided into many specific sub-groups.

The Alphabetical Trade Index uses a two-step method of reference. First you find the desired product or service in a listing (in English, French and German) which gives a numerical reference for each product. The numerical reference is then used to find the listing of all Telex subscribers, grouped by country, who supply that specific product or service.

The directory also includes the international hotel telegraph code used to simplify telegraphic reservations, and a table which gives the time of day anywhere in the world.

If you have Telex service in your office, you will find this directory useful.

Order from: Universal Media Co., P.O. Box 2, Glen Oaks, N.Y. 11004.

Commonwealth Development and its Financing—Uganda

Commonwealth Economic Committee. 65 pages. $1.50.

THIS REPORT offers an excellent survey of Uganda's economic progress up to 1964. A short introduction pinpoints some of the most important matters and it is followed by a brief account of the country's recent advance.

A review of the sources and uses of investment funds provides the financial background for a more detailed description of the development of transport, power and production. Also included are a number of tables with pertinent statistics.

Uganda is still a developing economy based on agricultural production, and cotton and coffee account for two thirds to four fifths of all exports. The economy therefore is vulnerable to fluctuations in the world prices of these commodities. From 1954 to 1961 development was held back by falling world prices, but since 1961 rising prices have facilitated expansion. With cotton and coffee prices fairly stable at reasonably high levels, the prospects for Uganda look bright.

A part of the East African Common Market with Kenya and Tanganyika, Uganda will soon become part of a significant outlet for industrial and consumer goods. This report gives those thinking of doing business with Uganda some basic knowledge of the country, its history and its potential.

Order from: The Queen's Printer, Ottawa, Canada.

Swaziland Bechuanaland Basutoland

Move towards Independence

S. B. McDOWALL, *Assistant Trade Commissioner, Johannesburg.*

THREE British territories, Swaziland, Bechuanaland and Basutoland, interlaced with the Republic of South Africa, will shortly exchange their colonial status for independence. Economically the territories are closely integrated with the Republic of South Africa by virtue of their geographical position and it is therefore unlikely that they will provide any new or large market for Canadian goods and services. None the less they make an interesting study and Canadian exporters should learn about them as they proceed to independence.

Import regulations and foreign exchange control in the three territories are the same as in South Africa, because they have had a customs agreement with the Republic since 1910. This calls for the maintenance of a common customs and excise tariff and the sharing of duties on an agreed basis. South Africa administers these regulations and South African currency is used within the area. The agreement also provides for the free exchange of commodities between the territories and South Africa.

The three supply a comparatively large number of migrant workers to the Republic and their wages constitute one of the major sources of income, particularly in Basutoland. The Republic buys a large percentage of the territories' exports and is an important source of investment capital. Financially all three territories are heavily dependent on British government aid for both capital and budgetary expenditure. Thus we see that the economies of the three territories are closely related to those of South Africa and Britain.

Now for a brief look at the three territories.

Swaziland—territory with a future

THE most economically developed of the three territories and the one with the best potential is Swaziland, less than one-third the size of Nova Scotia. It is bounded on three sides by the Republic of South Africa and on the fourth by Mozambique, and has a total population of about 290,000 (8,000 are Europeans). In 1963 its exports were valued at $33 million and imports at $30 million. Swaziland's constitution, which came into effect in January 1964, provides for a legislative council; the first elections for this were held in June 1964. Pre-independence elections are expected later this year, but the date for complete independence has not yet been set.

Swaziland has mineral resources (which account for a good portion of total export earnings), comparatively good soil and plentiful water supplies. About half of the territory is held by Swazis under communal ownership and the other half by Europeans under individual freehold tenure. The Swazis are primarily engaged in subsistence farming of maize and low-standard animal husbandry; the European farmers raise diversified cash crops such as sugar, rice, citrus, pineapple, cotton and tobacco. Sugar is the principal crop under irrigation and production reached 125,000 tons in 1965. South Africa no longer markets Swazi sugar because Swaziland joined the Commonwealth Sugar Agreement at the beginning of 1965. Under this, its production quota is 160,000 tons.

The 1965/1966 budget calls for an expenditure of $13.5 million, nearly $3 million of which will be covered by grants-in-aid from Britain. It is hoped that by 1970, the territory may achieve a balanced budget and a viable economy.

A promising cash crop is dry land cotton; recently a $1.5 million cotton ginnery was commissioned to process this. This was, in fact, the area's first secondary industry. Swaziland also offers opportunities for the production of peanuts, legumes and tea. In the livestock industry, the threat of foot and mouth disease coming in from Mozambique is ever present, but with their plans to improve the quality of their herds may come an opportunity to supply beef and dairy breeding stock from Canada. An abattoir and meat-packing plant was commissioned in late 1965. Swaziland has abundant water in comparison with other parts of Southern Africa and it is regarded as one of its most valuable assets.

Mining and Industry

The mainstay of the economy has, for many years, been the Havelock

The mainstay of the Swaziland economy and its principal export for many years has been asbestos from Havelock mine at Pigg's Peak, shown here as Swazi miners come off the shift. This mine has become one of the world's major sources of spinning-grade chrysotile asbestos.

asbestos mines, one of the world's major sources of spinning-grade chrysotile asbestos. Now in addition iron ore deposits have been found at Bomvu ridge in the northwest part of the territory. The exploitation of these deposits has led to the construction of the Swaziland railway, the development of a hydroelectric power scheme on the Usutu River, and the reopening of coal mines to provide fuel for the locomotives. Swaziland has entered into a $120 million contract to supply Japan with 12 million tons of iron ore within the next ten years. Other minerals produced are tin, barytes, gold, pyrophyllite and kaolin.

Other industries of Swaziland are based on the processing of agricultural or forest products. There are two sugar mills, a $30 million wood pulp mill and chipwood factory based on the manmade forests at Usutu and Pigg's Peak, and a fruit cannery processing pineapples and citrus. A considerable quantity of lumber is also produced. Smaller plants turn out bricks, maize and butter. There are some prospects for manufacturing chemicals, cement blocks, soap, shoes and beer.

TABLE I

IMPORTS INTO SWAZILAND

	1963 (Can. $million)
Railway plant and equipment	7.5
Motor vehicles and parts, petrol and oil	6.0
Building materials	2.8
Electric machinery	1.4
Fertilizers	1.0
Maize and maize products	0.9
Cigarettes and tobacco	0.6
Wheat and wheat products	0.3
Agricultural machinery and tools	0.2
Beer	0.2
Livestock	0.2
Total imports, including all others	**30.0**

TABLE II

EXPORTS FROM SWAZILAND

	1963 (Can. $million)
Sugar	12.3
Chrysotile asbestos	7.4
Wood pulp & other products	6.3
Slaughtered cattle	2.4
Seed cotton	1.3
Rice	1.0
Citrus	0.5
Pineapples canned	0.4
Butter	0.2
Wattle bark	0.1
Tobacco	0.1
Total exports, including all others	**33.0**

Some Problems

Swaziland also has its problems. The per capita income is still very low, there is a lack of communications in many parts of the country, and the territory badly needs investment capital, even though the Commonwealth Development Corporation spent 97 per cent of its $70 million commitment to the three territories in Swaziland.

Tables I and II show the principal classes of goods imported and exported in 1963, the latest year for which statistics are available. Imports come mainly from South Africa. Now that the railway is completed, imports of railway plant and equipment are expected to decline. Iron ore will appear in the export figures for 1965 and 1966.●

Bechuanaland—a thirsty cattle country

THE Bechuanaland protectorate is an arid tableland covering an area larger than Saskatchewan. It has a population of just over half a million, of which only 4,000 are Europeans. Much of the territory consists of the Kalahari desert inhabited by the aboriginal bushmen. Under the new constitution, which came into effect in March 1965, a legislative assembly deals with most internal matters. Bechuanaland is expected to achieve full independence by the end of the year and will then be called the Botswana Republic. It will remain in the Commonwealth.

This is primarily cattle country; cattle are the principal source of cash income and account for 90 per cent of exports. The industry is, however, continually threatened by drought and disease. The cattle population is estimated at 1.3 million, of which about 90 per cent are owned by the Africans who subsist almost entirely on the veld. There is great need to diversify the economy and relieve the dependence upon cattle; the best prospect appears to be development of other types of agriculture. The known mineral resources consist mainly of asbestos and manganese ore. There are also deposits of soda ash, salt, copper and coal, but all are either found in small quantities or are rather inaccessible.

The 1965-1966 budget calls for an expenditure of $13.5 million. Expenditures have risen in the last three years because of the construction of a new capital at Gaberones. For years Bechuanaland was one of the few territories in the world with a capital located outside its boundaries. In 1963 the area embarked on a development plan which envisaged the expenditure over a five-year period of $30 million. In addition, it has received a $4 million AID loan for the development of roads; there are only five miles of paved roads in the whole territory.

Goats and goatherd on the bush in the Bangwaketse Reserve in southern Bechuanaland. The country depends on livestock like these, but drought is a major problem.

Agriculture and Livestock

It is estimated that less than one tenth of the land suitable for cultivation in Bechuanaland is being used. Sorghum, maize, beans and cowpeas are the main crops. An estimated 90,000 farmers have an average holding of 15 acres per farm. The system of land use is regulated by tribal custom and this, in many instances, makes agricultural advance difficult.

Although some sorghum is normally exported, the low standard of land management has forced Bechuanaland to import maize. Since 1962 drought has plagued the country. In 1964 it had to import from South Africa 27,000 tons of maize and 9,000 tons of sorghum.

To replace lost cash income, the abattoir at Lobatsi has been stepping up its offtake of cattle. In 1965 a record 143,000 head were slaughtered, and another 20,000 head were exported live. In spite of this, however, the prolonged drought has led to overgrazing and the death of more than a quarter of a million cattle. It is expected that the industry will take several years to recover. The current flow of cattle is only one-tenth of the usual and just enough to meet local demand. Government-sponsored breeding improvement plans should help and may mean opportunities for the sale of Canadian livestock.

There is a general need to stimulate the growth of cash crops in Bechuanaland. Dry land cotton appears to be the best prospect. Water is the key to the economy and perhaps some day

TABLE I

IMPORTS INTO BECHUANALAND

	1963 (Can. $million)
Foodstuffs	2.9
Vehicles and spares	1.7
General merchandise	1.7
Textiles	0.8
Total imports, including all others	7.5

TABLE II

EXPORTS FROM BECHUANALAND

	1963 (Can. $million)
Cattle and carcasses and products	10.5
Asbestos	0.3
Manganese	0.1
Kaffircorn	0.4
Total exports including all others	12.0

the vast water reserves of the Okavango swamps will be put to use. At the present time, most of the water comes from boreholes or from rivers during the brief time that they are flowing.

Minerals and Industry

The most interesting mineral deposit in Bechuanaland is the sodium-carbonate brine in the Makarikari region. Like many of the other deposits, however, lack of transportation is the problem. Asbestos and manganese are the most important minerals mined at present, but quantities and value remain low. Industrially speaking there is virtually nothing outside of the Lobatsi abattoir and canning factory. Exports from this factory in 1964 totalled $12.9 million and $18.2 million in 1965. Bechuanaland has few natural advantages for the development of industry, and much activity in this line is unlikely. There is a maize mill, a small tannery, and a bonemeal factory.

Lions and Elephants

Big game safaris are popular in Bechuanaland and are an important source of income; remittances from workers in the gold mines in South Africa also bring in about a million dollars a year. Imports and exports for 1963 are shown in Tables I and II. ●

Basutoland—land of the Oxbow

BASUTOLAND is a mountainous enclave completely within the Republic of South Africa. It is about one-thirtieth the size of Ontario and has a population of about 900,000, approximately 20 per cent of whom work in the Republic of South Africa. In April 1965 a new constitution came into effect with a bicameral Parliament and an elected National Assembly. Basutoland expects full independence by the end of the year, when it will be called Lesotho.

The principal resources of Basutoland are its people, arable land, and water. The main sources of cash income are the earnings of Basuto workers in South Africa and the export of livestock products, especially wool and mohair. These products constitute about three quarters of total exports and earn about $3 to $4 million a year. Livestock is also exported but Basutoland imports an equal, if not greater, amount. The country has now an estimated 1.3 million sheep, 500,000 goats and 300,000 cattle.

With mountains covering 80 per cent of the country, Basutoland must work to conserve its arable land. Here workers and tractor-graders make contour furrows.

Eighty per cent of the country consists of mountains up to 11,000 feet which have little economic value except as a tourist attraction just beginning to be exploited. Arable land is in short supply and erosion a major problem. Most agriculture is conducted on a subsistence basis on a one-million-acre narrow strip on the western side of the territory.

Maize is the chief crop, and is grown on half the cultivated land. In spite of this, South Africa had to donate 10,000 tons of maize last year to augment local supplies cut down by the severe drought which has plagued Basutoland in the last few years. The small amount of wheat that it produces is sold through the South African Wheat Board. Other crops include peas, beans, sorghum, barley and oats, small quantities of which are exported.

Except for a few diamonds, Basutoland lacks any mineral deposits and therefore agriculture will probably remain the major economic activity. The picture is gloomy unless the whole farming pattern can be modernized.

Estimated government expenditure in 1965-1966 is $14 million, half of which will be covered by grant-aid from Britain. This aid helps to pay for imports which are usually about double the country's exports. Basutoland apparently will need considerable external budgetary aid for many years.

Water Resources—Oxbow

The mountain rivers of Basutoland constitute its main potential economic asset. Since 1956, the possibility of using this water has been investigated,

particularly the Malibamatse River in the north at Oxbow. The Oxbow Lake scheme provides for the construction of dams to store water to be used for power generation and also to deliver it either to the Orange Free State or to Johannesburg and the surrounding Witwatersrand area. Cost of the Oxbow scheme is estimated at about $50 million, but it would supply up to 75 million gallons of water a day and provide for the possibility of generating up to 270 million kwh. per annum of electricity. In the long term, schemes could be developed downstream to supply up to 800 million gallons of water a day to Johannesburg and area.

Any large-scale development of the water resources of Basutoland depends on the sale of water and power to South Africa and if the political problems could be overcome, it would provide a revenue of about $3 million a year to the Basutoland Government. In addition, there are many smaller hydroelectric cum irrigation schemes that have been considered to make use of Basutoland's water resources.

Mineral and Industrial Output

Basutoland has very few known mineral resources. The only minerals mined at present are diamonds and these have provided approximately $300,000 worth of revenue a year. In 1965, however, the value was much higher because of some spectacular finds of gem stones. There is some local sandstone but quarrying expenses are very high. Export of bricks made from local clay offers one of the few possibilities for establishing an industry based on local materials.

Basutoland has few advantages to offer potential investors; its natural resources are limited and the local market is small. The terrain makes the development of communications difficult and expensive and the few roads are mainly concentrated in the lowland areas of the west. However, a loan of just over $4 million has been negotiated with the IDA for road development.

Exploiting the Market

The population of Basutoland, Bechuanaland and Swaziland combined totals only about 1.7 million and all three territories are at an early stage of development. The majority of their imports come from South Africa and are limited to essential consumer goods. The best access to these markets will continue to be through an agent in South Africa, because they have the facilities for servicing these markets and are well informed about their requirements.●

Europe's Space Industry Grows

THE LAUNCHING last November of the French "A-1" satellite propelled by the Diamant rocket marked the first wholly European space venture. Two British, an Italian and another French satellite have also been successfully orbited, but these shots were dependent on U.S. launch vehicles.

Limited financial resources and lack of trained scientific personnel limit European ability to join in the exploration of space. However, by means of two co-operative programs, national efforts have been rationalized and a base has been laid for an effective European addition to the new opportunities that are springing up. The two co-operative ventures are ELDO (European Launcher Development Organization), and ESRO (European Space Research Organization).

ELDO has seven members: West Germany, France, Italy, Belgium, Netherlands (five of the six EEC nations), Britain, and Australia (which provides the launching site). The purpose of this organization is to design and construct a 104-ton, three-stage rocket capable of orbiting a 2,000-pound satellite. Target date for launching the first rocket, "Europa I", is 1968. The missile is basically the result of a merger of three national programs. The first stage will be the British "Blue Streak" rocket, the second the French "Coralie", and the third stage is now being designed in Germany. After the first rocket is built there will be a further pooling of resources and a further integration of production programs. To date the ELDO has a $390 million budget running into 1969. Over 4,000 people are employed on its programs and the first-stage testings have been successfully completed.

ESRO is confining itself to co-ordination of space research, a probe rocket program, and satellite construction. The same six European nations co-operating in ELDO, plus Denmark, Sweden, Spain and Switzerland, make up the group.

It plans to launch about 300 probe rockets between now and 1971 and orbit a number of satellites on "Scout" rockets belonging to the United States. NASA will pay the launch expenses. The first is scheduled for April 1967 when the satellite "ESRO II" will study cosmic radiation. The prime contract has been awarded to Hawker Siddeley Dynamics of Britain; the chief subcontractor is the French company Engins Matra. Component contracts have also been let: Ferranti (Britain) is responsible for the solarcells, CSF (France) the telemetric transmitters, Thomson-Houston (France) remote-control receivers, and Intertechnique (France) the telemetric coding.

The "ESRO I" satellite will be designed to study radiation and its effects on corpuscles. The main contractor for this program is the Laboratoire Central de Télécommunication of France, with Contraves (Switzerland) and Bell Telephone (Belgium) holding sub-contracts.

ESRO has three other satellite projects under study and will probably build the unit to be placed in orbit by the "Europa I" rocket. The program is designed to stimulate space studies and its expenses for the period 1964-71 are budgeted at $35 million.

In this preliminary stage of European space development, fabricators of components still depend on outside supplies of certain parts and, given the dynamics of technical development in this field, a trade in sophisticated space hardware can be expected to develop.

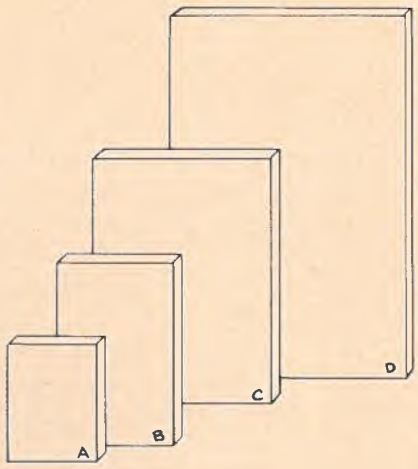
In addition to the joint effort, national plans are still under development. The French have a planned $435 million five-year program; they hope to schedule one rocket launching per year up to 1971. The British "Black Arrow" project plans to launch a satellite in two years' time and the Germans are working on a $360 million, four-year plan.

—D. A. HILTON,
Second Secretary, Mission to the European Communities, Brussels.

Complying with German Standards

This major industrial country has over 11,000 standards that affect a broad range of products—even the containers in which they are shipped. Canadian manufacturers will find that complying with these standards leads to greater West German sales.

G. D. VALENTINE,
Vice Consul, Duesseldorf.



A. This illustrates the module system of packaging. The length of the package D is double the width of package C, and the width of D equals the length of C. This also holds true for all four packages.

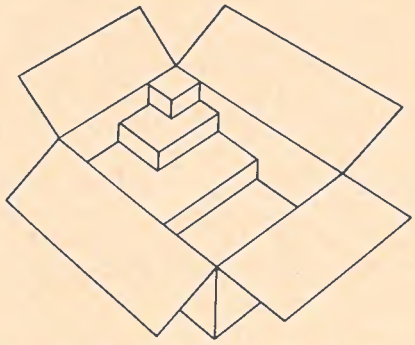
WORLD TRADE has many stumbling-blocks that the manufacturer has to overcome before goods and materials flow smoothly. Chief among these are tariffs and quotas but the exporter must also face the problems of foreign languages and currencies, bills of lading and documents, different measurement and electrical systems, plus other small but easily surmountable problems.

A new obstacle is now appearing on the horizon. It is the growing use of standards and the importance placed upon them—particularly in Europe.

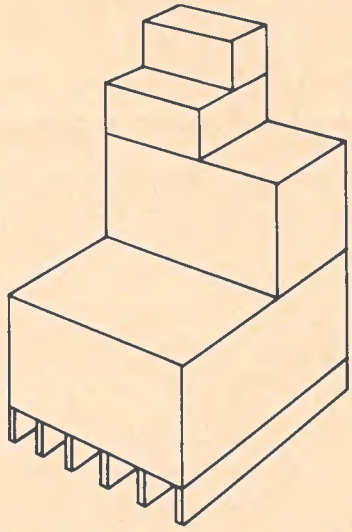
Most countries have been aware, to varying degrees, of standards as they affect domestic sales. Electrical safety and approvals, automobile safety, fire prevention and precautions have all been forcibly drawn to the attention of manufacturers and consumers. But with few exceptions, little has been done to acknowledge or conform to standards in the field of international trade.

It is well known that West Germany is a highly regulated country with rules and ordinances applying to many aspects of life. It is only logical that this major manufacturing country should have many standards and regulations that affect its internal and consequently its external commerce.

The organization that administers and controls standards in West Germany is the Deutsche Normenausschuss (German Standards Association). In many respects it is similar to the Canadian Standards Association except that it covers a much broader range of products. At present, it has over 11,000 different



B. Standard sizes make shipping easier as all cartons can be packed uniformly in a large shipping container.



C. With shipping containers standardized, palletts can easily be stacked with different sizes of boxes.

standards and regulations which are divided into the following nine basic groups.

1. Terms, names, definitions, symbols, etc.

2. Classification of products.

3. Types of industrial products.

4. Basis for the design and construction of industrial products and installations.

5. Basis of design—general.

6. Forms and dimensions.

7. Quality specifications and test methods.

8. Processing, testing and measuring procedures.

9. Technical conditions of delivery and safety regulations.

It is evident from the list that the DNA keeps a watchful eye on a multitude of products, materials and design methods, as well as testing, safety and processing procedures. By conforming to these regulations, Canadian manufacturers will find access to this competitive but wealthy market somewhat easier.

For specific examples of German standards that could have an effect on Canada's export trade, look at those in force in the textile industry, listed in Table I.

In addition to these, other standards cover a varied range of textile goods like aprons, jackets (for butchers, cooks, waiters and others), table linen, bed linen, blankets, quilts, cleaning cloths for machines, towels and face cloths.

Containers Also Standard

To regulate the products further and add to the complications, another standard, DIN 61751, covers the standard widths and lengths of retail sales packages for the previously mentioned soft goods as well as men's shirts, pyjamas, yard goods and similar products. The dimensions listed in 61751 (see Table II) are based on the module system of packaging (see illustration) where the length of a package is double the width of the next smaller unit, and the width of the larger package is equal to the length of the smaller.

In addition, DNA regulates the sizes of shipping cartons and another standard, DIN 61750, gives the dimensions for them shown in Table III. This standard also uses the module system.

Standard 15141 regulates the dimensions of the pallets on which cartons are shipped. Another standard, 151133, governs the dimensions of the fork lift trucks that are used to move these pallets. Additional standards cover railroad boxcars, trucks, etc., and other vehicles. In all instances, the module system is used.

Although the foregoing examples of standards deal primarily with textiles, many other German standards in force can affect the sale of a range of products as diverse as oil burners, foods, and lumber. There are also published standards for paper clips (7402), flowerpots (11520), screwdriver dimensions (5262), price-ticket pins (7401), adhesives (53260), grips for bicycle handle-bars (79371) and even for the dimensions and packaging of wooden ice-cream spoons (7400). Some of the standards in the shipbuilding industry date back to 1918 and are still in use; others, like the safety principles for gas furnaces used in central heating installations, are in draft form.

Compliance Could Help

Fortunately for manufacturers selling to the German market, the standards do not prohibit the import and sale of products that do not conform. Manufacturers naturally must comply with safety regulations but the standards laid down for convenience in shipping, storage, display and advertising are not mandatory. However, they do make buying and selling somewhat easier. Many German wholesalers and retailers hesitate to handle a non-standard item because they have built shelves to meet the dimensions set out in the standards. If an imported item is off-size and cannot be conveniently stocked, it has another strike against it in addition to the tariff and the extra freight costs.

Buyers Seek Approval Symbol

Because of the multitude of standards and regulations, most German manufacturers and many wholesalers, retailers and consumers look for and buy only products and material which carry the letters DIN—the symbol of the DNA. This symbol can be used on a product even though the manufacturer is not a member of the DNA. But permission to use the symbol is conditional on the products complying with the relevant DIN standards and satisfying other reasonable requirements.

To assist manufacturers in selling their products, the Standards As-

TABLE I

GERMAN TEXTILE INDUSTRY STANDARDS

Standard	
61514	Woven and knitted garments for babies and children, minimum dimensions.
61515	Woven and knitted garments, standard body sizes for men, size designations.
61524	Woven and knitted garments, standard body sizes for women, size designations.
61525	Knitted stockings, size designations, dimensions for articles ready for sale.
61560	Brassieres, sizes.
61562	Strap-type vests, ladies' nightdresses in cotton, cotton-mixture and rayon fabrics, minimum dimensions.

TABLE II

Standard DIN 61751

Dimensions of Retail Sales Packages

Millimeters	Approximate Inches
95×135	3¾×5⅓
135×190	5⅓×7½
190×270	7½×12¾
270×380	12¾×15⅙
380×560	15⅙×22⅓

TABLE III

Standard DIN 61750

Dimensions of Shipping Cartons

Millimeters	Approximate Inches
200× 300	8×12
300× 400	12×16
400× 600	16×24
600× 800	24×32
800×1,200	32×48

TABLE IV

GERMAN STANDARDS PRINTED IN ENGLISH

DIN Regulation Number		Price (Deutsche Marks)
13	Metric screw threads; sheet 1, nominal diameter from .3 to 68 mm, theoretical values.	1.60
267	Bolts, screws, nuts and similar threaded and formed parts; technical conditions for delivery.	7.80
407	Symbols for rivets, bolts and hole diameters as used in structural steel work.	1.60
780	Gears, module range.	1.60
1,048	Specifications of the German Reinforced Concrete Committee Part D. Specifications for testing concrete during erection of concrete and reinforced concrete structures.	3.50
1,099	Gutters and down pipes for small houses.	1.60
1,249	Sheet glass: thickness, grades, testing, dimension details.	1.60
1,785	Pipes of copper and copper alloys for condensers and heat exchange equipment.	2.60
1,789	Pipes of high-grade aluminum, drawn, extruded; mechanical properties.	1.60
1,944	Acceptance tests for centrifugal pumps.	11.70
4,078	Plywood, veneers, jointer plates; dimensions.	1.60
4,079	Veneers; thicknesses.	1.60
4,108	Thermal insulation in buildings.	8.60
4,113	Aluminum in building construction; directions for computation and construction of aluminum building components.	4.40
4,227	Prestressed concrete: directions for design and manufacture.	4.40
4,755	Oil-fired heating installations; directions.	2.60
4,787	Oil burners: definitions, requirements, design, testing.	5.90
7,710	Plastic mouldings: tolerances and permissible deviations	
	Sheet 1—for compression mouldings	3.50
	Sheet 2—for injection mouldings	3.50
7,716	Rubber products, directions for storage, maintenance and cleaning.	1.60
16,922	Artificial leather: terms and classifications.	1.20
16,926	Decorative laminated sheets, requirements.	1.60
18,060	Steel windows for domestic buildings: frame sizes, wing sizes, glass sizes, anchorage.	2.60
51,201	Testing of wire ropes.	1.60
52,124	Saturants for fluxed pitch felt; testing.	1.60
52,128	Bitumen roofing felt with bitumen coating on each side: definition, designation, properties.	1.60
52,129	Saturated bitumen felt: definition, designation, properties.	1.60
52,137	Coal tar pitches: testing for suitability as roof-covering material.	1.60
52,171	Quantities and proportion of the ingredients in fresh mortar and fresh concrete.	1.60
53,352	Testing of artificial leather: determination of area weight.	1.60
53,353	Testing of artificial leather: determination of thickness.	1.60
53,453	Testing of plastics: impact test.	2.60
68,750	Wood fibre building boards; porous and hardwood fibre building boards; quality requirements.	1.60
68,800	Protection of timber used in buildings.	4.40
34,411	Rubber hoses for hot-water lines in motor vehicles.	1.60

sociation publishes a *DIN Buyers' Guide* which lists German manufacturers and dealers from whom products complying with the German standards can be obtained. Unfortunately, this listing is available only for domestic products and for foreign products manufactured under licence in Germany.

Testing and Safety Regulations

Products subject to safety regulations must not only meet DIN standards but must also be approved by various testing authorities associated with the DNA. Testing is particularly important for products using natural or manufactured gas, fuel oil and electricity. An article giving detailed information on the testing and approval of electrical equipment appeared in the May 2, 1964, issue of *Foreign Trade*. Preliminary testing of gas appliances can now be done in Canada as a result of a recent agreement between the Canadian Gas Association and the German Association of Gas and Water Experts. (See *Foreign Trade,* October 2, 1965.) For approval of oil burners under DIN 4787, application must be made to the Technischer Uberwachungsverein (Technical Supervising Service) which has testing laboratories in Duesseldorf, Hanover and Munich. Further information on the testing of gas burners can be obtained from the Trade Commissioners stationed in Hamburg, Bad Godesberg or Duesseldorf.

Versions in English Available

Although it publishes all standards in German, the DNA has recognized the growing interest of foreign manufacturers in the German market and has published a number of the more pertinent and popular in foreign languages. At present about 1,350 standards are available in English, 820 in Spanish, and 220 in French. A list of some of the English translations which might interest Canadian manufacturers is given in Table IV.

Prices for the standards vary from DM 1.20 to DM 12.20. Members of the Association receive a 20 per cent discount. Quantity discounts are also available as well as discounts for recognized educational establishments.

Important to Trade

The whole question of standards is becoming more and more important as the world moves into the age of the computer. Foreign trade is becoming increasingly dependent upon products meeting the standards of the importing country where weights and measures, stresses and strains, electrical voltage and frequency, and health requirements differ from those of the exporting country. Manufacturing products to higher quality than the buyer needs can also be expensive and could result in pricing an article completely out of the market.

Canadian manufacturers can obtain information about German standards that apply to their products from the Trade Commissioners stationed in Germany. Copies of the standards can be ordered either direct from the publisher, Beuth Vertrieb G.m.b.H., Uhlandstrasse 175, 1 Berlin, or through the Trade Commissioners who are stationed in Bad Godesberg, Hamburg or Duesseldorf. ●

How to Win World Markets 25

As part of its service to business, the Department of Trade and Commerce maintains an up-to-date Directory of companies interested in exporting and of the products they offer. Canadian Trade Commissioners everywhere look on it as a basic working tool.

What Is the Exporters' Directory?

JOHN BROWN and Company of Montreal makes widgets and has decided to try and sell these widgets abroad. It has been in touch with the Department of Trade and Commerce in Ottawa; Mr. Brown has discussed various aspects of exporting with a Commodity Officer who knows something about widgets and their possibilities and has continued these discussions with the Area Trade Officers. He has written to the Canadian Trade Commissioners in several likely markets. But so far his company has had neither the staff nor the money to try personal prospecting overseas.

One day John Brown receives a letter from an importer in Beirut, Lebanon, inquiring about his widgets. This puzzles Mr. Brown for a moment, because he has never written to the Trade Commissioner in Beirut nor even thought of selling his product there. Yet the importer's letter says that the Canadian Trade Commissioner suggested he write to John Brown and Company, among others. Telepathy?

Then John Brown remembers that, following his first contacts in Ottawa, he received a form from the Transportation and Trade Services Branch of the Department, filled it out, and returned it. This form, designed especially for manufacturers and producers interested in export trade, asked for a good deal of information about the company and its products. The reason: to secure for it a listing with some 6,000 other Canadian firms in the *Exporters' Directory*.

What is the *Exporters' Directory?* It is a confidential directory of Canada's exporting community and the products that it can supply for export, maintained by the Department of Trade and Commerce. The Department supplies every Foreign Service Officer in every post of the Canadian Trade Commissioner Service and every Commodity Officer in the Department with a copy. It is their basic working tool, on which these men rely for information about Canadian companies, their agents, their products, and so on. So when the Trade Commissioner in Beirut was asked about Canadian suppliers of widgets, he turned to the *Exporters' Directory* and came up with the answer.

Confidential and Comprehensive

What kind of information was John Brown and Company asked to supply for the Directory? Among other things, the name and address of the firm, its telephone number, telex number, cable address, names of the executive officers and officers directly concerned with export trade, and the name and address of the firm's Canadian bank. (If the firm is not independent but a subsidiary, some details about parent-subsidiary relationships are requested.) In addition, the company was asked to list its foreign agents, the countries to which it was currently selling and those to which it would like to sell, and its number of years in export trade. It was also asked to describe in detail the product or products it had for export.

All these details, John Brown was assured, *would be held in strict confidence* by the Department and would never be revealed to rival companies nor used to impair his firm's competitive position. And a listing would bring many benefits.

The basic data from which the Directory is assembled and kept up-to-date are obtained from questionnaires like the one John Brown filled out. In addition to the form for manufacturers and producers, there is one for

export agents and merchants and another for suppliers of services, such as consulting engineers. The questions asked of export agents and merchants include the manufacturers represented, method of operation, products exported, and so on. Suppliers of services are asked to provide exact details on the type of services rendered. All information supplied must be as accurate and specific as possible.

How It Is Arranged

The first section of the Directory consists of an alphabetical list of exporters. Each listing contains the name and address (including cable address) of each company, its executives, foreign agents, associated companies if any, products, areas of export interest, and its bank. A summary of its credit rating, provided by Dun and Bradstreet, is also included.

The next section lists firms according to their products under some 600 commodity headings and gives under each listing a description of the products made. The third section lists all foreign agents of Canadian exporters, arranged by country and city, so that each Trade Commissioner post has an easy-to-use record of all the agents for Canadian companies in its territory. The final section gives the cable addresses of all Canadian exporters covered by the Directory.

Keeping Up-to-Date

The *Exporters' Directory,* once it is assembled and copies dispatched to all Trade Commissioner and some Department offices, isn't a finished story. To be useful, it must be kept up-to-date—and that's a big job. The names of new firms must be added, those of companies going out of business removed, and all the listings overhauled at least once a year. (The Department is now studying the possibility of using automatic data processing methods in compiling and updating the Directory.)

This constant revision is the work of the Directories Section of the Transportation and Trade Services Branch. In April and May of each year it sends out questionnaires to all firms and exporters listed, to be filled in and returned. In 1965, some 6,000 forms went out and about 455 were not returned. The 1964 information on these latter companies was sent out, but marked as being possibly unreliable. They are thus at some disadvantage with users of the Directory.

Some exporters make material changes in their operations during the course of a year and want the Department and the Trade Commissioners overseas to know about these immediately. These companies should notify the Directories Section, Transportation and Trade Services Branch, Department of Trade and Commerce, as soon as possible. Twice a year the Section issues supplements to the Directory containing the names of firms added and giving changes in the data on those already included.

Thinking seriously about going into export trade? Then take two steps without delay. First, write to the Department of Trade and Commerce in Ottawa or pay a personal call, seeking advice on exporting and help with possible problems. Second, ask that your firm be listed in the *Exporters' Directory.* It is one sure way of making your company and its products known to Trade Comissioners everywhere. Perhaps it will help you to sell widgets too. ●

New Iron Ore Port for Europe?

EIGHTEEN of continental Europe's largest steel producers are currently contemplating the development of extensive new iron ore handling facilities at the mouth of the Rhine. One of Europe's most grandiose schemes, this $68 million project could have substantial effects on the iron ore industries of Canada, Scandinavia, West Africa and South America.

The project centres around Europort, the new cxtension to the port of Rotterdam. Plans call for the construction of facilities for the transshipment of iron ore to feed the hungry steel mills of Germany's Ruhr district, as well as some mills in the Netherlands and Luxembourg. Also contemplated is a pellet manufacturing unit and there is even some talk about a new blast furnace and steel fabricating plant to be built nearby on the Maasvlakte.

The location of the project could not be better. The Rhine River and connecting canals and waterways provide access to most of Western Europe, except for Spain and Italy. Even more important are the large stocking facilities within the port area. These are essential because engineers estimate that two-thirds of the incoming ore shipments will have to be stored temporarily—and two-thirds of an estimated 35 million tons is a substantial quantity of ore.

In addition to handling 35 million tons of ore, final plans call for the annual transshipment of 15 million tons of coal and production of a further 5 million tons of pellets. At the outset, however, the annual ore transshipment rate will be 10 to 15 million tons, plus 5 million tons of coal.

Initially, the facilities envisioned will be able to accommodate ships of 130,000 tons, but when completed they will be able to handle 160,000-ton vessels with a 40-hour turn-around time. Onward transportation of the ore and coal from Europort will be by pusher units up the Rhine. These consist of four to six barges pushed by a motor vessel and are currently becoming popular for transport on the Rhine. Crushing, sintering, classifying, automatic sampling, weighing and invoicing will all be handled at the new headquarters located right at Europort.

Although a few of the steel companies are somewhat reluctant to surrender some of their authority to a supranational unit, they can see that competition from Japanese and other steelmakers may force them to combine operations in this manner or lose some of their foreign markets. Even some of the British steelmakers, who can see advantages in obtaining their ore at Europort and ferrying it across to Britain in smaller vessels at lower cost, are expressing interest in the scheme. There is some feeling that if British firms do participate, it will serve as a small but significant link between the countries of the Common Market and the Outer Seven.

Total cost for the initial stage of the development is estimated at $68 million and the 18 participants will share it. The investigating team is expected to submit its report by the end of this year and if this is accepted, construction will begin immediately so that operations can start early in 1968.

—G. D. VALENTINE, *Vice Consul, Duesseldorf.*

What Can We Sell in Italy?

W. J. JENKINS has spent the last four years as Commercial Secretary in Rome and, drawing on his experience and that of his colleagues, assesses the prospects there for Canadian goods. Mr. Jenkins will shortly visit Montreal and Toronto to discuss trading opportunities with businessmen interested in the Italian market.

CANADA'S EXPORTS to Italy passed $93 million last year, 50 per cent higher than 1964 and 20 per cent above the previous record year of 1963. The volume of our trade with Italy is growing steadily in both directions and is comparable to our trade with its neighbour and EEC partner, France. But as the Minister of Trade and Commerce, the Hon. Robert Winters, recently pointed out in a speech to the Italian Chamber of Commerce in Toronto, although "Italy is the world's seventh largest trading nation and Canada is the fifth, the trade between Canada and Italy accounts for less than one per cent of our world trade."

What Do We Sell?

With its highly diversified manufacturing industries but paucity of natural resources, Italy is a natural outlet for our basic materials. Raw materials and semi-manufactured goods and foodstuffs do make up the bulk of our sales but our trade with Italy is constantly becoming more varied. Last year we sold there about 400 different types of products, ranging from furs to cloverseed, cod liver oil to sophisticated electronic equipment, and refractory bricks to frozen peas. But the major items—those with sales exceeding $1 million—were cattle, milk powder, barley, oats, wheat, rapeseed, pulpwood, iron ore, aluminum, wood pulp, linerboard, plastic and synthetic rubber, zinc, aircraft assemblies, navigation instruments, and card-punch equipment.

What Could We Sell?

Italy is recovering steadily from the recent mild recession and imports this year are expected to rise by up to 20 per cent. Our trade is bound to benefit from this expansion and our exports of basic industrial materials (such as metals and minerals), with Italian outlets well-established over years of trade, should continue to find sustained demand. But what are the prospects for semi-manufactured and manufactured goods? What are the opportunities we are missing? The Trade Commissioners in Rome and Milan met recently to look over the short and long-term prospects and came to the conclusions set out in the following paragraphs.

Foodstuffs Sell Well

The largest single items in our foodstuffs trade with Italy are wheat and milk powder but other products that Italy buys regularly from us include canned meats, canned salmon, poultry, frozen and salt fish, whisky, and odds and ends of canned and frozen foods.

Various suppliers have tried consistently to introduce their processed or packaged foods into Italy, with only limited success. The distribution system is fragmentary and it is difficult to locate a foodstuffs importer who is capable of giving country-wide distribution. There are a number of supermarket chains but they are small and the quantities they would import from any one supplier would not justify shipments.

We are exploring the possibility of arranging combined shipments, so that the supermarkets could order small quantities of processed foodstuffs from each supplier and these would then be combined for shipment in order to economize on freight. Some such arrangement seems essential if we are to meet competition from the European suppliers, particularly those in Denmark. Danish firms give excellent service; their salesmen call regularly on supermarkets and other foodstuffs importers, and they can provide delivery by truck in a relatively short time, door to door. Although we do not expect that we could ever develop a large market here for our processed foodstuffs, we could sell more specialty items.

Other Agricultural Products

Our breeding cattle have an excellent reputation in Italy, and the Holstein-Friesian purebred stock that arrived from Canada last year was valued at more than $1 million. Some excellent connections have been established between Canadian and Italian breeders and we expect that this profitable exchange will continue.

Canada sold about $300,000 of seed potatoes to Italy last year, but claims were made against the quality of several of these shipments. This undoubtedly has had a harmful effect on the reputation of Canadian stock on the Italian market, and our sales will suffer unless we take great care to provide exactly what the Italian importer has ordered.

Our exports of oilseeds, largely rapeseed, to Italy reached almost $6 million last year. Demand will persist but whether Canada will continue as a source of supply depends on our price and on availabilities from France.

Forest Products

The Italian construction industry remains depressed and this has reduced demand for spruce lumber. Our sales of spruce to Italy have almost disappeared, apparently because of a lack of offers from Canada. Italian specifications differ from those of Canada's major export markets, such as Britain

Italy Institutes Summer Time

STARTING this year, Italy will adopt summer time, beginning at midnight May 22 and continuing until midnight September 24. The time throughout Italy will thus be advanced by one hour. The intention is to follow this practice each year, according to the Canadian Commercial Counsellor in Rome.

and the United States. It has been our experience that most spruce mills do not try to penetrate the Italian market in any depth as long as the demand in these traditional outlets remains high.

Italy uses Canadian Douglas fir and hemlock largely for window sashes and doors. There is a continued demand for these woods but expansion of imports from Canada seems to be limited by lack of supply. Yugoslavia is the traditional source of hardwoods for Italy and judging from the inquiries we have made recently both in Italy and in Canada, this situation is not likely to change in the near future.

Italy relies heavily on wood pulp and pulpwood from Canada and continues to be a good market for these items. Demand exceeds supply and both the Rome and Milan offices have a number of inquiries outstanding from Italian importers or agents who are anxious to obtain a source of supply of Canadian wood pulp, kraft paper and linerboard. Italy is self-sufficient in newsprint and in fact is faced with finding foreign outlets for its surplus production. We have found that our fine papers are generally not competitive in this market, although there may be outlets for some specialty papers.

Consumer Goods

Our sales of consumer goods to Italy are insignificant and are limited to a few specialty items such as ice skates, fishing tackle, and other sporting equipment that is not manufactured in Italy. This is largely inevitable because Italy is one of the world's leading producers of all conceivable types of consumer goods. But most Canadian manufacturers of consumer goods give up before they start and we feel that they are missing some opportunities for selling to the Italians items of distinctive design. We should not expect to find markets for run-of-the-mill readymade clothing but there should be interest in distinctive quality lines, particularly of winter sports clothing. There is only one department store in Italy that sends buyers to North America, so that any firm wishing to sell here must be prepared to travel and to call on prospective Italion customers with samples. So far no Canadian firms have been prepared to do this and the stores we know which have placed orders with Canadian suppliers of clothing or other household goods have been discouraged by delay in delivery. These difficulties could be overcome and imaginative salesmanship might produce results.

Machinery and Equipment

The Italian machinery and equipment industry is highly developed, but there are gaps that are filled from foreign sources and our exports of machinery and electronic equipment to Italy have now reached a substantial figure. It is difficult to arouse interest among Italian importers in relatively standard items that are also manufactured here, but there is interest in distinctive products.

This is a cursory review of the prospects and opportunities for Canadian firms in the Italian marketplace. Canada will continue to provide a growing share of Italian needs for industrial materials but to quote again from the speech by the Minister of Trade and Commerce to the Italian Chamber of Commerce in Toronto, "We have a vital stake in the development of export markets for the output of our growing manufacturing industries. We shall be looking more and more to Italy..... as a market for manufactured goods as well as for industrial materials". ●

A housing mission from Greece visited the Montreal, Quebec City and Ottawa areas in March to investigate the use of Canadian building materials and timber-frame construction methods in housing projects. Leading the visitors through the Leslie Park Development in Ottawa are E. J. White (left) and W. J. Wardle, Forest Products Division of the Department of Trade and Commerce which sponsored the mission's visit. With the group in the background is E. E. Price, Assistant Commercial Secretary in Athens, who accompanied the Greeks to Canada.

trade lines

Central Banks of Chile and Argentina have concluded an agreement permitting arrangements for financing short-term credits to aid trade interchange between the two countries. Private banks operating under the control of the Central Banks will make the financing arrangements—Buenos Aires.

The Bahamas will change from sterling to decimal currency on May 25 of this year. The Bahamian dollar (B$), equivalent to 7 shillings sterling, will be divided into 100 cents. Pounds, shillings and pence will remain legal tender until November 25, six months after the changeover comes into effect. There are to be eight new notes issued, ranging in value from B$½ to B$100, and nine new coins, including a 15 cent and a 10 cent piece—Kingston.

A railway coach building factory is planned for Rawalpindi, West Pakistan, at an estimated cost of approximately Can.$15.6 million. The fixed production target calls for annual output of 150 steel coaches. The factory is expected to save approximately Can.$6 million in foreign exchange—Karachi.

Brazil's exports rose 11.7 per cent in 1965—from U.S.$1,430 million in 1964 to U.S.$1,597 million in 1965. Principal exports were coffee, valued at U.S.$707 million ($760 million in 1964); manufactured goods U.S.$111 million ($70 million) and iron ore U.S.$103 million ($81 million). Exports of sugar, maize, timber, meat, hides and skins, rice, peanuts and soyabeans rose sharply; those of cacao beans, tobacco, sisal and wool declined—Sao Paulo.

U.S. investment in West Germany now totals U.S.$2.3 billion, twice as much as only four years ago. At present 1,100 U.S. firms are represented or in active business in Germany; 410 of these have production facilities. This increasing stake in German industry is particularly evident in key sectors such as automobiles, petroleum and glassmaking—Hamburg.

Jamaica is to have a national airline. The Civil Aeronautics Board in Washington recently approved an application by Air Jamaica Ltd. for airline services between Jamaica, New York and Miami for three years. Air Jamaica's operation will be conducted by BOAC on the Jamaica-New York route, and by BWIA on the Jamaica-Miami route. Aircraft and crews of both lines will initially be under lease to Air Jamaica. Inaugural flights to both New York and Miami are scheduled for May 1—Kingston.

Textile imports into Britain have not risen with the cutting of the import surcharge to 10 per cent. In the first nine months of 1965 imports of cotton fell 28 per cent from the same period in 1964, and spun manmade fibres 50 per cent. The industry had feared that the cut in the surcharge would boost imports toward the old level—London.

The Cyprus Government is studying greater use of domestic timber following a report prepared by Canadian consultants. Study could result in construction of a major sawmill there—Tel Aviv.

Britain will have four hours a week of colour television next year, according to a government announcement. The six domestic television set manufacturers and two tube suppliers expect to share a market of about 1½ million sets in the next three years. Sets will cost about Can.$750. Because of Britain's unique rental setup (over half of the 11 million sets in use are rented), sales should climb faster than they did in North America when colour television was first introduced—London.

Venezuela exported 17.1 million metric tons of iron ore in 1965, almost 15 per cent over 1964, because of growing demands of the U.S. steel industry, which takes almost three quarters of production. Two new customers were obtained in 1965: Japan (129,000 tons) and Canada (20,000 tons). The Orinoco Mining Corporation exported 14.4 million tons, over 80 per cent of the total, and Iron Mines Company of Venezuela exported 2.7 million tons—Caracas.

A giant 1,200 mw. nuclear power station will be built in Scotland for the South of Scotland Electricity Board. The plant will incorporate the advanced gas-cooled reactor design and will cost Can.$240 million. Two of the main groups in the nuclear field are co-operating on technical research while maintaining their commercial independence. Greater research activity is expected using the fast breeder reactor, the steam generating heavy water reactor, and other water-moderated reactor types—Glasgow.

Guatemala may install a system for handling bulk wheat shipments. The Empresa Portuaria Nacional de Champerico, which operates the facilities at the port of Champerico on the Pacific coast, has announced that it is studying such a project—Guatemala City.

Finland needs road maintenance and building equipment. The road program for 1965-74 calls for a 40 per cent expansion in the road network and in recent years, the number of pieces of equipment per mile of road has decreased. Because most roads in Finland are not paved, they require more maintenance in summer and ploughing in winter. Imports of trucks in 1965 totalled $39 million, of excavators and other contractor's equipment $9 million and of tractors $37 million—Stockholm.

Italian industrial production increased 4.2 per cent over 1964. Manufacturing industries in 1965 expanded 4.1 per cent with considerable gains in metallurgy, 30 per cent, petrol and coal derivates 20.1 per cent and electric power production 8.9 per cent. Certain sectors of the textile, mechanical and furniture manufacturing industries declined about 16 per cent, and mining and gas production 2.6 and 3.4 per cent respectively. Canadian exports to Italy consist mainly of raw materials for industry and therefore rose substantially to over $80 million in 1965, a new record, thanks to this industrial expansion—Rome.

Mexico is stressing agricultural development, forestry and land reclamation with 11 per cent of the federal budget (or U.S.$171.5 million) allocated to these purposes. Some U.S.$53 million will be spent on irrigation projects in this fiscal year, U.S.$24 million on reconditioning 38 irrigation districts, and U.S.$3.6 million on investigation centers for the dairy, wool, coffee, and rubber industries. U.S.$720,000 has been allocated to a general survey of the forest inventory—Mexico, D.F.

foreign tariffs and trade regulations

Brazil

SURCHARGE OF 10 PER CENT OF DUTY—By Article 28 of Law No. 4,863 of November 29, 1965, import duties and taxes are subject to a surcharge of 10 per cent of the duties and taxes. Products enjoying the benefits of the General Agreement on Tariffs and Trade (List III of GATT) and of the Latin American Free Trade Association (Brazilian National List—LAFTA) are excluded from the payment of this additional tax.

Uruguay

CONSULAR FEES—Because of the extraordinarily high level of Uruguayan consular fees, our Commercial Counsellor in Montevideo advises Canadian exporters to stipulate whether consular fees are included when quoting c.i.f. prices to Uruguayan importers.

The consular fee for legalizing consular invoices is U.S.$10.50 plus U.S.$2.10 for each 1,000 pesos f.o.b. value. Values are rounded upward to the next multiple of 500 pesos. The conversion rate for the calculation of the f.o.b. value in Uruguayan pesos is 55 pesos to the U.S. dollar or 50.085 pesos to the Canadian dollar.

The calculation of the consular fee for legalizing a consular invoice with an f.o.b. value of Can.$1,198.00 is as follows:

Consular fee U.S.$10.50

Additional consular fee of U.S.$2.10 for each Ur.$1,000 f.o.b. value:

Can.$1,198 = Ur.$50.085 × 1,198 = Ur.$60,001.83

Round upwards to next multiple of Ur.$500 = Ur.$60,500

Additional fee at U.S.$2.10 per Ur.$1,000 =

$$\text{U.S.\$2.10} \times \frac{60{,}500}{1{,}000} = \text{U.S.\$127.05}$$

Total consular fee for legalization of consular invoice U.S.$137.55

You will notice that the consular fee in the above example is 12.4 per cent.

IMPORT RESTRICTIONS—Goods subject to 60 per cent or more surcharge continue to be subject to the general embargo. The majority of products in the 30 per cent or over category are now liberated. Specifically, a number of machinery items may now be imported into Uruguay—such as locomotives, boxcars, railway motor coaches, motors, turbines, forklift trucks, pedigree cattle, radar equipment, radio and television transmitting equipment, generators, transformers and computers.

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.

Britain—M. R. Bell, Assistant Commercial Secretary in London:

Winnipeg, Toronto and Montreal—June 13-29

Colombia—J. C. Bradford, Assistant Commercial Secretary in Bogota, who will be posted to Cleveland, Ohio, as Vice Consul and Assistant Trade Commissioner:

Quebec City—June 23
Montreal—June 27-30
Toronto—July 4-6
Niagara Falls, St. Catharines—July 7
Hamilton—July 8

Germany—W. F. Hillhouse, Commercial Counsellor (Agriculture) in Bad Godesberg, who will be posted to Washington with the same title:

Montreal—June 16-18
Toronto—July 6-8
Winnipeg—August 22-29

Guatemala—P. D. Donohue, Assistant Commercial Secretary in Guatemala City:

Montreal—June 6-10
Toronto—June 13-17
Winnipeg—June 20-21
Vancouver—June 22-24
Hamilton—June 27

Hong Kong—R. K. Thomson, Senior Trade Commissioner in Hong Kong, who will be transferred to Duesseldorf, West Germany, as Consul:

Vancouver—June 27 and 28
Winnipeg—June 29
Montreal—September 6-7

India—W. G. Roberts, Assistant Commercial Secretary in New Delhi:

Toronto—July 27-29
Montreal—August 1-3

Italy—W. J. Jenkins, Commercial Secretary in Rome, who will be posted to Islamabad, Pakistan, as Commercial Counsellor:

Montreal—May 30-June 3
Toronto—June 8-10
Niagara Falls—June 9
Peterborough—June 10

J. H. Stone, Commercial Counsellor in Rome:

Montreal and Toronto—September 6-16

Lebanon—V. G. Lotto, Assistant Commercial Secretary in Beirut, who will be posted to San Francisco, California, as Vice Consul and Assistant Trade Commissioner:

Toronto—June 27-30

Pakistan—R. D. Sirrs, Commercial Secretary in Karachi, who will be posted to Guatemala City as Commercial Secretary:

Montreal—June 24-30
Toronto—July 1-8
Hamilton—July 8
Winnipeg—August 11-12
Calgary—August 15
Vancouver—August 17-19

New Zealand—C. A. Carruthers, Assistant Commercial Secretary in Wellington, who will be posted to Boston as Vice Consul and Assistant Trade Commissioner.

Vancouver—June 22-25
Winnipeg—June 29-30
Toronto—July 4-8
Hamilton—July 11-12
Montreal—July 13-22

United States—W. R. Hickman, Commercial Counsellor (Agriculure) in Washington, who will be posted to Copenhagen, Denmark, with the same title:

Vancouver—September 1-2
Winnipeg—September 6
Toronto—September 7-8
Delhi—September 9
Montreal—September 26

Malcolm Rowan, Consul and Assistant Trade Commissioner in Chicago; Mr. Rowan is also responsible for Department of Defence Production liaison with U.S. prime contractors in the Chicago area:

Montreal—June 1-3

W. A. Stewart, Consul and Trade Commissioner in Boston, who will be posted to Santo Domingo, Dominican Republic, as Commercial Secretary:

Montreal—July 22-26
Florenceville—July 28
Fredericton—July 29
Halifax—August 3-4
Lunenburg—August 5
St. John's—August 7-12

K. D. Taylor, Consul and Assistant Trade Commissioner in Detroit, who will be posted to Karachi as Acting Commercial Secretary.

Peterborough—July 18-19
Montreal—August 4-5
Winnipeg—August 8-9
Vancouver—August 22

Temporary Duty in Ottawa

M. R. Bell, Assistant Commercial Secretary in London, May 30–June 10. Contact Commonwealth Division, phone: 992-2421.

M. B. Blackwood, Commercial Counsellor in Mexico City, September 6–20. Contact Latin American Division, phone: 992-7641.

J. C. Bradford, Assistant Commercial Secretary in Bogota, Colombia, June 8–21. Contact Latin American Division, phone: 992-7641. Mr. Bradford will be posted to Cleveland as Vice Consul and Assistant Trade Commissioner.

L. D. Burke, Commercial Secretary in Kingston, Jamaica, September 6–9. Contact Commonwealth Division, phone: 992-2421.

C. A. Carruthers, Assistant Commercial Secretary in Wellington, New Zealand, July 25–August 5. Contact Commonwealth Division, phone: 992-2421. Mr. Carruthers will be posted to Boston as Vice Consul and Assistant Trade Commissioner.

N. L. Currie, Consul and Trade Commissioner in Cleveland, May 31–June 10. Contact United States Division, phone: 992-5176. Mr. Currie will be posted to Lagos, Nigeria, as Commercial Secretary.

R. M. Dawson, Commercial Secretary in Madrid, Spain, July 5–15. Contact European Division, phone: 992-8727. Mr. Dawson will be posted to San Francisco as Consul and Trade Commissioner.

P. D. Donohue, Assistant Commercial Secretary in Guatemala City, May 24–June 3. Contact Latin American Division, phone: 992-7641.

R. H. Gayner, Consul and Trade Commissioner in Chicago, July 4-15. Contact United States Division, phone: 992-5176. Mr. Gayner will be posted to Wellington, New Zealand, as Commercial Secretary.

J. E. G. Gibson, Assistant Commercial Secretary in Mexico City, June 13–July 15. Contact Latin American Division, phone: 992-7641. Mr. Gibson will be posted to Canberra, Australia, as Assistant Commercial Secretary.

W. R. Hickman, Commercial Counsellor (Agriculture) in Washington, September 12–23. Contact United States Division, phone: 992-5175. Mr. Hickman will be posted to Copenhagen, Denmark, with the same title.

W. F. Hillhouse, Commercial Counsellor (Agriculture) in Bad Godesberg, June 19–30. Contact European Division, phone: 992-8727. Mr. Hillhouse will be posted to Washington with the same title.

W. J. Jenkins, Commercial Secretary in Rome, Italy, June 13–24. Contact European Division, phone: 992-8727. Mr. Jenkins will be posted to Islamabad, Pakistan, as Commercial Counsellor.

V. G. Lotto, Assistant Commercial Secretary in Beirut, Lebanon, July 4–15. Contact Asia and Middle East Division, phone: 992-5642. Mr. Lotto will be posted to San Francisco as Vice Consul and Assistant Trade Commissioner.

J. E. Montgomery, Commercial Secretary (Agriculture) in Paris, France, July 18–29. Contact European Division, phone: 992-8727.

J. H. Nelson, Commercial Secretary in Guatemala City, November 18–December 1. Contact Latin American Division, phone: 992-7641. Mr. Nelson will be posted to Liverpool, England, as Trade Commissioner.

W. G. Roberts, Assistant Commercial Secretary in New Delhi, India, July 13–20. Contact Asia and Middle East Division, phone: 992-5642.

R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, June 6–17. Contact Commonwealth Division, phone: 992-2421. Mr. Sirrs will be posted to Guatemala City as Commercial Secretary.

W. A. Stewart, Consul and Trade Commissioner in Boston, June 8–17. Contact United States Division, phone: 992-5176. Mr. Stewart will be posted to Santo Domingo, Dominican Republic, as Commercial Secretary.

J. H. Stone, Commercial Counsellor in Rome, June 28–30 and September 19–25. Contact European Division, phone: 992-8727.

K. D. Taylor, Consul and Assistant Trade Commissioner in Detroit, July 25–August 6. Contact United States Division, phone: 992-5176. Mr. Taylor will be posted to Karachi, Pakistan, as Assistant Commercial Secretary.

R. K. Thomson, Senior Trade Commissioner in Hong Kong, September 8–23. Contact Commonwealth Division, phone: 992-2421. Mr. Thomson will be posted to Duesseldorf, West Germany, as Consul.

In Territory

Bermuda—J. D. Welsh, Vice Consul and Assistant Trade Commissioner in New York, will visit Bermuda May 23-June 3.

Chile—Z. W. Burianyk, Assistant Commercial Secretary in Santiago, will visit La Serena, Antofagasta, Iquique and Arica July 11-18.

Iceland—J. E. Lancaster, Commercial Counsellor in Oslo, Norway, will visit Reykjavik June 1-9.

Michigan—H. S. Hay, Consul and Trade Commissioner in Detroit, will visit the entire northern peninsula of the State and the northern part of the southern peninsula June 24-30.

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

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 .9283

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 16	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2197	4.56	
Argentina	Peso	Free	.0057	176.68	
Australia	Dollar		1.2027	.83	
Austria	Schilling		.0417	23.98	
Bahamas	Pound		3.0068	.33	
Belgium and Luxembourg	Franc		.0216	46.25	
Bermuda	Pound		3.0068	.33	
Bolivia	Peso		.0915	10.92	
Brazil	Cruzeiro	Official Free	.0005	2,053.39†	
Britain	Pound		3.0068	.33	
British Guiana	Dollar		.6265	1.59	
British Honduras	Dollar		.7518	1.33	
Burma	Kyat		.2261	4.42	
Ceylon	Rupee		.2255	4.42	
Chile	Escudo	Bank rate	.2787	3.59	
		Free	.2357	4.25	
Colombia	Peso	Free	.0609	16.42	
		Certificate	.1197	8.40	
Congo, Republic of	Franc		.0072	139.50	(1)
Costa Rica	Colon		.1625	6.15	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1495	6.68	
Denmark	Krone		.1557	6.41	
Dominican Republic	Peso		1.0772	.93	
Ecuador	Sucre	Official	.0598	16.72	
		Free	.0500	20.00	
El Salvador	Colon		.4309	2.32	
Fiji	Pound		2.7088	3.37	
Finland	Markka		.3366	2.97	
France, Monaco, etc.	Franc		.2197	4.56	(2)
Franco-African Republics, etc.	Franc		.0044	227.79	(3)
French Pacific	Franc		.0120	83.33	(4)
Germany	D Mark		.2681	3.73	
Ghana	Cedi		1.2528	.80	
Greece	Drachma		.0359	27.86	
Guatemala	Quetzal		1.0772	.93	
Haiti	Gourde		.2154	4.64	
Honduras	Lempira		.5386	1.86	
Hong Kong	Dollar		.1879	5.30	
Hungary	Forint	Official	.0921	10.86	

†The Cruzeiro was devalued November 16, 1965; the Central Bank of Brazil is expected to issue soon the new cruzeiro. One new cruzeiro will then equal one thousand old cruzeiros.

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

Country	Unit	Type of Exchange	Can. dollar equivalent May 16	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.0250	40.00	(1)
India	Rupee		.2255	4.42	
Indonesia	Rupiah		‡	‡	
Iran	Rial		.0142	70.04	
Iraq	Dinar		3.0161	.33	
Ireland	Pound		3.0068	.33	
Israel	Pound		.3591	2.78	
Italy	Lira		.0017	581.06	
Japan	Yen		.0029	335.57	
Lebanon	Pound	Free	.3479	2.87	
Malaysia	Dollar		.3519	2.84	
Mexico	Peso		.0861	11.61	
Morocco	Dirham		.2154	4.65	
Netherlands	Florin		.2968	3.38	
Netherlands Antilles	Florin		.5712	1.75	
New Zealand	Pound		2.9960	.33	
Nicaragua	Cordoba		.1539	6.50	
Nigeria	Pound		3.0068	.33	
Norway	Krone		.1505	6.64	
Pakistan	Rupee		.2255	4.42	
Panama	Balboa		1.0771	.93	
Paraguay	Guarani	Free	.0091	109.89	
Peru	Sol	Free	.0401	24.94	
Philippines	Peso	Free	.2767	3.62	
Poland	Zloty	Fixed-basic rate	.0448	22.32	
Portugal & Colonies	Escudo		.0374	26.74	(5)
Sierra Leone	Leones		1.5081	.66	
South Africa	Rand		1.5034	.66	
Spain and Dependencies	Peseta		.0179	55.55	
Sweden	Krona		.2093	4.78	
Switzerland	Franc		.2496	4.00	
Syria	Pound	Controlled rate	.2817	3.55	
Thailand	Baht	Free	.0525	19.12	(1)
Tunisia	Dinar		2.0628	.48	
Turkey	Lira		.1197	8.35	(1)
United Arab Republic	Pound	Official	2.4775	.40	
United States	Dollar		1.0772	.93	
Uruguay	Peso	Free	.0166	59.88	
Venezuela	Bolivar	Official Free	.2396	4.17	
West Indies	Dollar		.6264	1.60	(6)
	Pound		3.0068	.33	(7)
Yugoslavia	Dinar	Official	.0861	11.61	

*As Indonesia is no longer a member of the International Monetary Fund, a realistic exchange rate is not available.

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.

Find Opportunity on Paradise Island

Big plans by U.S. interests to develop this island across the harbour from Nassau are beginning to move. Here is a summary of those plans—and of how Canadian firms could go after some of the resulting business as development proceeds.

L. D. BURKE,
Commercial Secretary, Kingston.

ACROSS the harbour from Nassau in the Bahamas lies Paradise Island. Purchased in 1959 by George Huntington Hartford II, internationally known sportsman, businessman and grandson of the founder of The Great Atlantic & Pacific Tea Co., Mr. Hartford set about to develop the property. A hotel, tennis courts, an 18-hole golf course, and a restaurant were built. Despite these efforts, Paradise Island was not a complete success and for the past two or three seasons it has remained practically dormant. Early this year, however, Mr. Hartford decided to sell a majority control in Paradise Island to the firm of Mary Carter Paints of the United States. This firm had previously been involved in real estate development in the Bahamas and was apparently interested in diversifying its investments in the islands further. A new firm has been formed, Paradise Island Ltd., in which Mary Carter Paints has a 75 per cent and Huntington Hartford a 25 per cent interest.

Bridge Comes First

Under this new ownership, Paradise Island is to be turned into one of the major resort areas in the Bahamas. The owners decided that if the island were to come into its own, some means of communication better than the ferries now servicing it from Nassau would have to be provided. The construction of a bridge between Potter's Cay, a suburb of Nassau, and Paradise Town has therefore been planned. This is to be a toll bridge 1,200 feet long and 70 feet high to allow oceangoing vessels to pass underneath. The contract for the bridge has been awarded to the Bahamian subsidiary of a U.S. consortium and construction should begin shortly. The direct connection between Paradise Island and Nassau (visited last year by more than half a million tourists) is expected to give the island a tremendous boost.

Detailed Plans Made

In addition to the facilities already existing on the island, Paradise Island Ltd. intends to construct:

- A 100-room hotel, to be called Paradise Beach Lodge and to cost an estimated one million dollars. A firm of architects in Nassau has prepared the preliminary drawings and tenders for construction will be called shortly. Target date for completion is December of this year.

- A lavish 500-room luxury hotel, to be built at a cost of over $12 million. This is scheduled for completion in December 1967.

- A combined theatre and night club which will have dining facilities and a gambling casino. Estimated cost is $3 million and it is scheduled to open at the same time as the 500-room hotel.

- Basic services, including water, sewage disposal, roads, electricity distribution (but not generating equipment because electricity will be provided by the Bahamas Electricity Corporation) and waste disposal systems for the initial buildings and also for future undertakings on the island.

The Mary Carter/Huntington Hartford interests expect to spend approximately $18 to $20 million on the above projects. Once the basic buildings and services are there, the plan is to sell or lease sites on the island to overseas investors for the construction of apartment buildings, additional hotels, restaurants, and so on.

Canadians Might Supply

The development of Paradise Island presents many opportunities for Canadian exporters. The island will require fairly soon a sewage disposal system, transformers, cables and hardware for the electricity distribution system, incinerators or other means of waste disposal, construction materials, furnishings and fittings for the hotels and for the theatre-night club. Mary Carter Paints has a number of its senior officials already stationed in Nassau and it is expected that they will shortly establish a buying office there.

There may be Canadian companies wishing to follow up prospects for the sale of their goods to Paradise Island Ltd. If so, these firms should:

- Write to the Office of the Canadian Trade Commissioner in Kingston. We will provide the names of the Mary Carter officials to contact in both the U.S. and the Bahamas.

- Plan to visit Nassau and Paradise Island personally. This is important because many of the U.S. and British firms which will be competing for the business available from Paradise Island Ltd. will have either their own officials or representatives actively on the job in the Bahamas.

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