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COMING—DEVELOPMENT AND TRADE IN THE MIDDLE EAST, MARCH 5 ISSUE

On a thronged downtown street, the ubiquitous vendors spread out their varied wares to attract the passersby.

Sao Paulo: Pulso do Brasil

R. W. BURCHILL,
Vice Consul and Assistant Trade Commissioner, São Paulo.

This light-hearted piece won't tell you what or how to sell in Brazil. It will tell you about the manners and mores—and the sheer vitality—of Paulistas and the booming city in which they live. And it can certainly help you enjoy a business visit there.

WINTER is a good time to consider a business trip to the Southern Hemisphere. If you are planning one and if Brazil is on your itinerary, you will probably spend some time in the largest industrial and commercial centre on the continent, São Paulo. And if you are like most visitors, you will try to get through your business as quickly as possible and catch the next plane to Rio de Janeiro. Unfortunately São Paulo has had to live in the shadow of its glamorous neighbour for too long. Probably because of its industry and aggressiveness, it is shunned and maligned by Brazilians and foreigners alike while the siren songs of Rio play to packed houses.

Admittedly São Paulo doesn't have the intrinsic beauty and interest of Rio. No Corcovado, Sugar Loaf or Copacabana Beach. Yet it has excellent hotels and restaurants, good movies and theatres, quite acceptable night spots, good golf courses, excellent clubs—and all generally at more reasonable rates than in Rio. If you want to try the ocean, with very little effort you can get to the beaches that spread out from Santos. Compared with Rio, São Paulo may have been somewhat short-changed by nature but it has much to commend it.

You will have to devise your own reason for coming to Brazil. I shall only mention that it is the largest country in South America (3,787,195 square miles), with the largest population (85 million), a fairly substantial industrial competence, a good base of natural resources and, at least in the southern half, a fairly high standard of living. It is a big market and well worth investigating.

One word of caution: the last ten years have seen a fantastic development in local manufacturing in Brazil. These manufacturers are sheltered by tariff and non-tariff barriers which make the import of a wide range of products simply uneconomic. Before you load your carpetbag on a plane, discuss the prospects for your products with the Canadian Trade Commissioners in Brazil. Write to either:

Consul and Trade Commissioner
Canadian Consulate
Caixa Postal 6034
São Paulo, SP—Brasil

or to the

Commercial Counsellor
Canadian Embassy
Caixa Postal 2164-ZC-00
Rio de Janeiro, GN—Brasil

Enclose descriptive literature and, after learning what you may have to contend with, decide whether the market is of further interest to you. There are many products that are still importable but Brazil is no longer Eldorado.

On Your Way?

If you are able to make the trip, you will be relieved to know that you can enter the country with a tourist card obtainable from most travel agencies and proof of immunization against smallpox. You would be well advised to have protection against typhoid and, if you intend to leave the major centres, against yellow fever and malaria as well. Bring travellers cheques in U.S. dollars, light clothing, a light raincoat and a pocketbook of Portuguese phrases. Let us know of your arrival in plenty of time to make hotel reservations and business appointments for you well in advance. The Brazilian is the most hospitable of men but he hates to be pressured.

A word about São Paulo itself. It is the fastest growing city in the world and with a population of nearly five million, the ninth largest. Only 60 years ago the population totalled about 300,000 and the growing pains are obvious. Narrow streets and traffic congestion are the most noticeable but wherever you look, you get the impression that the civic administration simply cannot keep up with it all.

The village that grew into this colossus was founded by two Jesuit priests who in 1554 climbed the escarpment that borders on the sea, decided to build a chapel in a small Indian settlement, and named it for the saint of the day. It soon became an important agricultural centre and eventually Brazilian Traction provided the infrastructure necessary for the industrial revolution of the past fifty years.

Use Your Fingers

When you arrive, your first problem will be to communicate. You will have little trouble with businessmen because they are usually fluent in either French or English and many of them are British, American or European. To get by with the man on the street is another matter. First, learn to say "por favor" (please) and "obrigado" (thank you). They are the magic words in Brazil. A Brazilian will forgive you practically anything except being impolite. Many of the people you will encounter—taxi-drivers, elevator operators, etc.—have migrated from other parts of the country and with their different accents and expressions may present a problem to your Berlitz Portuguese. Don't worry about it. Even Paulistas make heavy weather of understanding

This photograph of a coin vendor displaying and selling his stock in a small park near the centre of the city shows not only the coins, but some of the varied types of people who live together harmoniously in this crowded and bustling Brazilian metropolis.

them. So learn the sign language. The forefinger extended from a closed hand and waved back and forth means "no". This is usually accompanied by a clucking of the tongue. The thumb and forefinger gripped on the ear lobe means "excellent". The hand with fingers extended, palm inwards, brought out from under the chin means not only " I don't know" but often "I know so little about it that I don't even know what you're talking about". Disbelief is expressed by drawing down the lower eyelid with a forefinger. A cupped hand, palm up, stabbed up and down a few times means both an unsavoury reflection on your ancestry and an invitation to migrate to the nether regions. There are many more that you will pick up as you go along. You may find Brazilians a bit shy at first but if you want a topic guaranteed to stimulate eloquence, you can seldom go wrong by questioning them on their segment of the national preoccupation—their livers.

The next thing to contend with is a Brazilian greeting. Brazilians shake hands every time they meet or say goodbye and usually two or three times during a conversation. This in itself seems terribly familiar to North Americans and businessmen out of deference to you will usually limit themselves to this. But when two Brazilians meet it is something to behold. There is a set patter that goes: "How are you? Everything well? I'm fine. Thank you." Each recites it at top speed, with no regard to question or answer. In the meantime they wrap their arms around each other and pound one another on the back like a pair of lusty carpet-beaters. The fact that each usually has a burning cigarette in his mouth makes it a risky game for anyone not raised in the tradition from birth.

Telephones and Traffic

Any number of things may tend to irritate you in Brazil. When your phone rings and the caller's first words are to ask who is speaking, your initial reaction is to mouth a few Saxon syllables and crash the receiver onto the cradle. But this is the proper form. The telephone system is another victim of the growth rate. Its circuits are so overloaded that a wrong number is an ordinary occurrence and your caller is simply trying to inconvenience you as little as possible. Above all, be polite and patient. A Brazilian will do practically anything for you through love but quickly cools if you try an officious manner.

Why not walk around the city for a while and get the feel of it? You will be impressed by the architecture and the imaginative use of reinforced concrete. You will also be impressed by the congestion of both pedestrian and vehicular traffic. Car manufacturing is relatively new in Brazil and only recently has owning a car been within the ambition of the ordinary person. So people tend to drive as though they were the only ones on the street and if there is a crumpled fender here, a frayed nerve there, or a traffic jam from one end of the city to the other, it is all part of the new expression. You will see drivers shaking their fists at one another and mouthing florid Latin phrases but you will seldom see physical violence. Brazilians are a gentle people at heart. It is almost poetic that the country's contribution to the manly art of self defence is in the featherweight class.

If you are interested in history, you can walk a couple of blocks from the Consulate to a spot where the slave market was held until emancipation on the banks of the Anhangabaú, a noble stream now completely covered by pavement. The soggy nature of the terrain next to the stream led to its being irreverently called "the Bladder" until the more gentle forces in the community succeeded in having it christened officially; it now rejoices in the name of "Bela Vista". If you prefer, you can walk into the banking district to a small square where until recently most of the world's coffee trading took place. You still see it going on from time to time but the International Coffee Agreement has dealt such a blow to coffee speculation that even the big exchange in Santos is virtually empty.

Roots in the Soil

The banking district is really only the area of head offices. There are some 150 independent banking companies operating in the city and because most of them have numerous branches, you will begin to think that banking is the main occupation of Paulistas.

If you have time, go into the main branch of one of the larger ones and if possible have a talk with one of the directors. There in a subdued atmosphere, under high ceilings and with appointments of leather and jacarandá, you begin to feel the pull of history, to realize the basic strengths of the people and to become aware of the quiet passion for his country that burns within the breast of each Brazilian. A great deal of the money in São Paulo comes from agriculture and you will soon find that even the most powerful banker still has his roots in the soil. Sit back, have a cafezinho and listen while this charming, cultivated man talks about his farms and crops and gently leads you into a greater understanding of his country.

The Animal Game

Don't be alarmed by the fierce-eyed salesmen who press National Lottery tickets on you at every turn. They are simply caught up in their work. If you understand Portuguese you may be somewhat unnerved by them as they bawl out the numbers they are offering by shouting the names of animals. But this brings us to one of the more interesting activities of Brazilians, one that should undoubtedly be declared the national sport of the country—the "Jôgo do Bicho" or Animal Game.

About the turn of the century a small zoo was organized in Rio. To increase attendance the keeper hit on the novel idea of numbering various species of his animals from one to 25 and each day placing one of them in a covered cage in the centre of the zoo. Each entry ticket was numbered as well. At the end of the day the cage was uncovered and the holders of corresponding numbers won some sort of prize. The system so captivated the imagination of the people that they began to place side bets on the outcome and the whole thing quickly mushroomed into a full-fledged lottery, quite apart from the zoo and its clever keeper. It is a delightful game indeed. If you see, think of, or dream of an animal in propitious circumstances you place a bet on it. If a number strikes your fancy, you bet on it. The system has been refined considerably and you can now bet on an entire string of numbers, on the first or last, or on any set of combinations—but you can't do it openly. As the State and Federal Governments now operate their own lotteries, the "Jôgo do Bicho" is prohibited. But it has only gone underground. The operative number is now the one drawn in the Federal lottery and if you care to place a bet you will not have to go far.

The palms reveal that these traditionally clad horsemen are not setting out for a day of sport in the green English countryside. They are members of Sao Paulo's horsey set photographed at the opening of a "temporada hipica" (riding season).

Since the invention of the "Jôgo do Bicho", Brazilians tend to think of numbers in terms of animals and animals in terms of numbers and the whole thing has become an ordinary part of life in Brazil. But it is much more than just an idle pastime. One man, now a banker and a gentleman of considerable substance, made it all by getting control of the game. Whenever a Bonde (a streetcar, so-called because the original streetcar company raised its capital through a bond issue) is involved in an accident, there is a heavy run on the numbers on its licence plate. Or people rush to the airport when a celebrity arrives, not to pay homage to him but to get the call numbers of the aircraft.

Home of Racial Harmony

You will soon realize that São Paulo is a cosmopolitan city and one that has benefited greatly by large influxes of immigrants. Most of them, apart from those from the Iberian peninsula, came from Central and Southern Europe, North Africa and Japan. You will notice a large negro population, most of whose ancestors were dragooned from Africa as slaves, but you will also find a number of recent African and Caribbean immigrants who have found that Brazil has achieved a complete and genuine racial harmony.

You notice the variety of races not only in the faces on the street but in the shops and restaurants as well. How would you like a 17-course Arabic dinner or some lasanha, a bowl of onion soup followed by a dish of snails, a Japanese or Chinese dinner, or if you feel up to it, a real Brazilian "feijoada". This consists of black beans stewed in a heavy sauce mixed with sausages, cured and dried meats and, in the real ones, pig's ears, toes and tail. It is delicious when served with rice, farofa (mandioca) and a species of greens that independently tastes uninspiring but is just the thing to cut the bitter taste of the beans. It is a heavy meal, so don't plan to undertake many business visits after it, especially because it is all washed down with the national drink, Pinga.

Pinga is distilled from sugar cane and is easily the cheapest and most available liquor in Brazil. That's why it is often called the "poor man's blanket". It has a pungent taste and aroma, somewhat reminiscent of kerosene, and is made a little more palatable by large addi-

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tions of lemon juice and sugar. Alone it is an alarming potion but Brazilians get it down straight, with great gaspings for air and much pounding of the chest.

From the number of bars and the reasonable price of good liquor, you might conclude that Brazilians are heavy drinkers. In fact they are extremely temperate and not at all given to over-indulgence. You will be offered drinks quite often but this only demonstrates the hospitable nature of your host. He knows that North Americans will drink anything, any time, anywhere, but if you investigate his glass, you will likely find that he is sipping Coca Cola. You will seldom see anyone drunk but if you do, you will probably notice that his over-indulgence tends to inspire singing and dancing rather than punch-ups and foul language.

Beachcombing or Futebol

If you have a weekend to spend in the city, you may care to go fifty miles to the beaches at Santos or Guarujá. A good way to make the trip is in the cable cars of the old British Railway or on the Sorocabana Railway that winds in a leisurely way down the mountain, giving you time to record the magnificent scenery. If you would rather stay in town, you can golf or spend the day with friends sailing on the huge artificial lakes near the city. You may be able to take in the races at the Jockey Club and rub shoulders with the city's elite.

You cannot leave São Paulo without seeing the fabulous Santos soccer team and its superstar "Pelé" in action. Pelé is Gordie Howe, Jimmy Brown and Sandy Koufax rolled into one and there are few finer ways to spend an evening than in Pacaembú Stadium watching the white uniforms of the Santos team glowing on the green turf while the players perform miracles with the ball and overwhelm any and all comers. You will soon realize that Brazilians are much more concerned about "futebol" than about anything else, including politics. In fact they rather proudly claim that their low incidence of violent revolutions is due mainly to their passion for futebol and the samba.

There are many other things to do in São Paulo. Take a drive along the Anchieta and see the impressive rows of factories turning out everything from drugs to automobiles. Go shopping for antiques, for jewellery, for leather goods, or for the latest fashions. If sociology interests you, study the mysteries of "Macumba", one of the local forms of spiritualism. If your bent is horticulture, watch the flowers and trees bursting into bloom all over the city or go to the Botanical Garden to see the incredible variety of orchids growing there. If you would just like to see a cross-section of the people, wander through one of the "Feiras", the open air markets that supply the city with most of its fresh fruit, vegetables and seafood.

In short, São Paulo is a city to be enjoyed—and there is business to be done here. Brazilians are generous, hospitable, patient and warmhearted. Come down and find out for yourself. ●

Selling to Jamaican Hotels

THE tourist industry in Jamaica is steadily expanding. In the first nine months of 1965 some 246,674 tourists visited the island, a 42 per cent increase over the same period in 1964. High occupancy rates are common in most of the hotels and many of them are already completely booked from December 1965 to March 1966. It is estimated that in 1965 hotels will spend $9 million on food and spirits alone. Canadian exporters would do well to investigate the opportunities for selling foodstuffs, equipment and supplies to this important section of the Jamaican market.

Jamaica has 74 hotels—20 in Kingston, 29 in Montego Bay, 19 in Ocho Rios, four in Port Antonio and two in central Jamaica. Although few import directly, the hotels that are part of international chains sometimes obtain requirements like fresh beef through a central buying office. Most, however, prefer to buy from local agents who can handle import documentation, clear goods through customs, and quote prices c.i.f. Jamaica.

Five firms in Jamaica specialize in selling foodstuffs to the hotel trade. They import chiefly fresh meats and poultry, frozen vegetables, and canned fruits, vegetables and juices in institution-sized packs. The Jamaican authorities are currently doing everything they can to promote the domestic production of fruit and vegetables and as a result the hotels use as much as possible of the locally grown tomatoes, lettuce and potatoes. Nevertheless, local supplies are not sufficient and the hotels still require large quantities of top quality food imports throughout most of the year. However, the Jamaican Tourist Board must first approve imports of fresh and preserved fruit and vegetables. Chicken, beef and pork needs are met by local production whenever possible but quantities of these and other meat and meat products like turkey, duck, ham and bacon are frequently imported. Pork and poultry are under import control in Jamaica but hotels can normally obtain import licences for these and other restricted items when the need for them is proven.

Two of the import firms specializing in selling foodstuffs to hotels also carry other equipment and supplies like dishwashers, cutlery, linen and some furnishings. In addition, three other importers deal primarily in hotel and restaurant equipment and supplies. Once again, many of these items (for example, gas stoves, water heaters, cutlery, glassware and furniture) are either subject to import licensing or to quota. But the tourist industry is important to the Jamaican economy and hotels can normally obtain import licences when they prove that they are unable to buy what they want locally.

Canadian exporters wishing to tackle the hotel supply trade in Jamaica or to extend their current sales to include it should first contact the Kingston office. We will do a preliminary market study, recommend a local agent, and possibly suggest a visit to Jamaica to study the hotel trade at firsthand.

—D. I. DITTO,
Assistant Commercial Secretary, Kingston.

The 1965 potato harvest of 18.1 million tons was the smallest in years—12 per cent smaller than 1964's—but still more than enough to satisfy domestic demand. Nevertheless, table potato imports almost doubled in quantity and more than doubled in value during the first nine months of 1965. Seed potato imports were up too.

West German Market for Agricultural Products

The author reviews output of various crops in the Federal Republic during the past season, compares it with five-year average, and then discusses the implications of these figures for foreign suppliers of farm products to the West Germans, including Canada.

W. F. HILLHOUSE,
Commercial Counsellor (Agriculture), Bad Godesberg.

A COLD and wet summer reduced total 1965 crop production in the Federal Republic of Germany to 6.4 per cent below last year and almost 13 per cent below 1963/-64, an outstanding season. Total production was in fact the lowest since 1959/60, when the population was approximately 4 million less than today. Because Germany is always a major net importer of agricultural products, this year's smaller crops have interesting implications for many of its foreign suppliers.

Grain Production Smaller

West German grain production in 1965, at 13.9 million metric tons, was 2.7 million tons or 16 per cent below the 1964 record and one million tons or 7 per cent below the average of 1959/64. In both absolute and relative terms the bread grains—wheat and rye—suffered more than feed and industrial grains. Quality as well as quantity was adversely affected by the cold wet summer: the moisture content of some lots of wheat, rye and summer barley has been reported as high as 30 per cent. However, the cool weather kept sprouting down to reasonable proportions and no changes have been made in the quality requirements for milling as was done two years ago.

The area seeded to wheat actually declined slightly in 1965. This may

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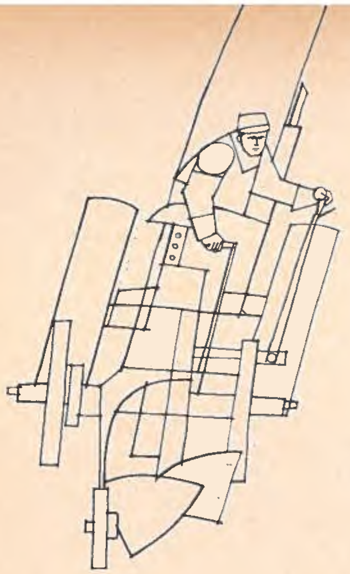


represent a reversal of the long-term trend which has seen the wheat area grow from 1,153,000 hectares (23.7 per cent of grain acreage) in 1956 to 1,447,000 hectares (29 per cent of grain acreage) in 1964. However, by far the most important reason for declining production of bread grains was the reduced yields. These were 14 per cent below 1964 for wheat and approximately 20 per cent lower for rye and mixed winter grains. Wheat production, at 4,348,000 metric tons, showed the same percentage declines as all grains but rye, at 2,825,000 metric tons, was almost 22 per cent below the previous year and more than 15 per cent under the six-year average.

Barley, oats and mixed grains are the main feed and industrial types grown in the Federal Republic. In 1965 the area sown to barley rose by almost 4 per cent but that sown to oats decreased 5 per cent and to mixed grains by 6 per cent. Yields of all types were down but the 6 per cent reduction

TABLE I

WEST GERMAN FEED AND INDUSTRIAL GRAIN PRODUCTION

	1965	1964	1959/64
	(metric tons '000)		
Total production	**6,485**	**7,500**	**6,674**
Of which			
Barley	3,364	3,915	3,335
Oats	2,052	2,308	2,182
Mixed grains	1,069	1,276	1,158

in oats yield was somewhat less than the 10 per cent registered for mixed grains and far below the 22 per cent decline in barley yield. Total production is shown in Table I.

Corn is becoming an increasingly popular crop in Germany and in 1964 both planted area and production rose by approximately 50 per cent. However, out-turn in 1965 (96,000 tons) is still insignificant in the total feed picture.

Potato Imports Increased

An 8 per cent reduction in area and an almost 5 per cent reduction in yield combined to lower the potato crop by 12 per cent compared with 1964 and almost 23 per cent below the 1959/64 average. Total production, at 18.1 million metric tons, although the smallest in many years, is still well above the approximately 12 million tons normally used for human consumption, seed, loss, and industrial purposes. Despite this heavy production of potatoes, Germany is a sizable importer of table and also of seed potatoes. During the first nine months of 1965, table potato imports of over 500,000 tons were valued at more than DM 138 million, more than double the value and almost twice the quantity imported during the comparable period last year. Imports of seed potatoes during the same period—entirely from the Netherlands—totalled 7,113 metric tons in 1965 and 5,183 tons in 1964.

Fodder and Fodder Roots

The area planted to fodder beets and turnips continues to decline: at 411,700 hectares in 1965 it was 6 per cent below 1964 and more than 15 per cent lower than the 1959/64 average. Yields per hectare in '65, at 44.7 tons for beets and 40.2 tons for turnips, were 8 per cent and 15 per cent respectively below the previous year. These two factors combined to reduce total out-turn to an estimated 18.2 million tons, which compared unfavourably with 1964's 21 million tons and the six-year average of almost 23 million.

Heavy rainfall in the past year stimulated the growth of all fodder crops and total production of field and meadow grasses, clover and alfalfa has been provisionally estimated at 26.3 million metric tons hay value (factor of 0.25 for green fodder), 14 per cent above 1964 and 4 per cent above the six-year average.

However, the persistent rains made harvesting of the first cut difficult. As a result the quality of hay, especially in some areas, is well below 1964 and the increased production will not be fully reflected in the actual feeding value.

Oilseeds Production

Despite a 6 per cent rise in the area seeded to oilseeds— almost exclusively rapeseed—production in 1965, at 106,500 metric tons, was 2 per cent below 1964. Reflecting the continuing increase in area, however, it was 22 per cent above the six-year average. As in previous years, a producer price of DM 660 per ton will be made effective through a Federal order making it compulsory for oil mills to use 10 per cent domestic seed.

Fruits and Vegetables

• **Fruits**—The 1965 pick of tree fruits at 2,044,800 metric tons was 12 per cent below 1964 and 24 per cent below the 1959/64 average. All types fell below average production although the plum crop was well above the previous year. Quality as well as quantity suffered from the cold weather.

Apples, the major crop, accounted for 1,172,000 tons, down only fractionally from 1964 but more than 20 per cent below the six-year average. The plum pick, at 397,600 tons, was approximately one quarter above 1964's very poor crop but 16 per cent below the 1959/64 average. Pear production, at only 303,000 tons, was 37 per cent below 1964 and 30 per cent below the average. Production of both sweet and sour cherries dropped sharply compared with 1964 and with the 1959/64 average. Total production of the two types, at 157,100 tons, compared with 266,600 tons in 1964 and an average of 229,400 tons. Production of peaches and apricots, at 13,500 and 1,200 tons respectively, was little more than one third the levels of 1964.

- **Vegetables**—Vegetable production also declined in 1965 and at an estimated 109,300 metric tons was 13 per cent below 1964 and almost 10 per cent below the six-year average. Reduced acreage contributed more to this reduction than did lower yields. Most types of vegetables contributed to the decline, although green pea production was relatively stable and out-turn of all types of onions was above 1964 and the 1959/64 average. The green bean pick, on the other hand, was almost one third below 1964.

- **Pulses**—Total pulse production, at 97,000 metric tons, came close to the record of 101,000 tons and resulted from a record yield of 2.57 tons per hectare taken from a somewhat reduced area. Edible pulses accounted for less than 10 per cent of the total crop and comprised 4,400 tons of peas and 3,200 tons of beans. Thus the pea crop was approximately one half the 1959/64 average and the bean crop about equalled it.

In 1965, West Germany produced:

- **Sixteen per cent less grain than in 1964, with 13.9 million metric tons.**
- **Some 6.48 million metric tons of feed and industrial grains.**
- **Potato crop that totalled 18.1 million metric tons, smallest in many years.**
- **Some 106,500 metric tons of oilseeds, 2 per cent below 1964.**
- **About 2.04 million metric tons of tree fruits, 12 per cent below 1964.**

In 1966, West Germany will probably import:

- **Substantially more wheat than in 1964.**
- **More feed grains; Canada sold over 70,000 tons, mainly oats, in first quarter of '65.**
- **Large quantities of oilseed meal and cakes; imports up about 59 per cent in first quarter of the current crop year.**
- **More canned sweetened sour cherries, canned green and wax beans, and canned corn.**

Wheat Imports to Rise

Wheat remains Canada's most important export to Germany. Since the advent of the Common Market grain regulations in 1962, Canada's share of total German wheat imports has risen but actual sales have declined because wheat imports into Germany have dropped substantially. Germany's high quality, large volume wheat crop in 1964 accentuated this change and imports of wheat during the 1964/65 crop year totalled only 1,464,000 metric tons compared with an average of approximately 1,860,000 tons during the previous two years and an average of over 2.5 million tons in the 1956/7-1960/1 period. Canada's 45 per cent share in 1964 was up slightly from the previous two years and well above the 36 per cent average in the earlier period.

Given 1965's low yield of poorer quality wheat, imports are expected to rise substantially. Durum wheat regularly accounts for about 325,000 tons of total German wheat imports because all of it must be imported and demand remains fairly constant at the level.

Germany is an intermittent importer of rye but is not expected to seek any substantial quantities this year.

Feed Grain Imports Up

German imports of feed and industrial grains have risen from an average of 2.7 million metric tons in the period 1956/7-1960/1 to more than 4.2 million tons in 1964. This trend is expected to continue and to be given an extra fillip because of smaller domestic production not only of grains but also of potatoes and fodder root crops. During the first three months of the crop year, imports of these grains (over 1.4 million tons) were almost 40 per cent above the comparable period in the previous year. Canada has participated in the expansion with shipments of over 70,000 tons, mostly oats, which is more than any full year's sales of these grains to Germany since 1959/60.

Oilseeds and Other Seeds

With the rapid development of the German mixed feed industry, the demand for high protein feedstuffs as well as for grains has grown. Imports of oilseed meal and cakes have risen from 333,000 tons in 1954/5 to 1,798,000 tons ten years later. During the same period, imports of fish meal, meat meal, etc., have grown from little more than 80,000 tons to more than 430,000. During the first quarter of this crop year, imports of these two groups of commodities were 59 per cent and 67 per cent respectively above the comparable period of the previous year.

In 1964 Germany imported more than 2 million metric tons of oilseeds and similar products. Canada participated very modestly, providing

1,500 tons of rapeseed out of a total of 32,000. During the first nine months of 1965, however, German imports of rapeseed totalled 81,000 tons and Canada was the most important supplier with almost 33,000 tons. German imports of these products are profoundly influenced by the availability and price of soya beans, mostly from the United States.

Germany provides a continuing if fluctuating market for Canadian forage crop seeds, primarily alsike clover. Because seed-producing conditions were not good in Germany in 1965, the outlook is for some improvement over 1964's modest shipments. In the long run Canadian participation in this market—which is certain to remain substantial—will depend upon having Canadian seeds tested and accepted under German conditions, and/or the multiplication of German varieties in Canada.

Market for Apples and Pears

With the continuing expansion of European production of tree fruits, the outlook for large-scale exports from Canada is not bright. However, the partial relaxation of import control for the top grades seems to present some opportunities for extra quality apples and even pears.

In recent years Canada has gradually built a reputation for high quality canned sweetened sour cherries. Import is still subject to licensing but given 1965's poor domestic crop, import licences have been granted more liberally, so that Canadian exports of this product during the current crop year should be substantially higher than in the past. There is also some demand for frozen cherries in bulk for further processing. Frozen fruits without added sugar are not subject to import control so that business is governed by normal commercial considerations only.

Although the German potato crop in 1965 was far below normal, there seems little prospect for Canadian exporters to benefit because the demand here for both table stock and seed is for the yellow flesh varieties.

The sharp decrease in German production of green beans, which was shared by neighbouring countries, provides an opportunity to increase Canada's expanding exports of canned beans to this market. An import opening for canned green beans from Canada and the United States was announced recently and, given the unusually high prices prevailing for European green beans, the demand for wax beans has also grown.

Canned corn is gradually becoming more popular in Germany and it is being stocked by a growing number of stores. Since this is not produced locally, it has a large long-term potential.

Poultry and Meat Sales

With rapidly rising incomes, the demand for protein foods, especially meats, keeps expanding in West Germany. Per capita consumption of all meats has risen from 55.8 kg. in 1958/59 to 66.0 kg. in 1964/65. Pork in various forms continues to be by far the most important part of the meat diet, accounting for about one half of total consumption. Beef is next and accounts for almost 30 per cent. Per capita consumption of veal, lamb and mutton, horsemeat and fancy meats has remained fairly steady or declined, whereas the popularity of poultry has doubled since 1958/59.

Increased domestic production has supplied most of the greater demand for meats but imports have risen from 397,000 metric tons in 1958/59 to 562,000 metric tons in 1964/65. Beef and poultry vie for honours as the leader in imports. In 1964, beef was slightly ahead with 220,000 tons compared with 204,000 tons of poultry, 74,000 tons of pork and 47,000 tons of fancy meats and edible offal. Poultry has shown by far the greatest import growth.

Exports of beef from Canada are hindered by the veterinary requirement that only full carcasses may be imported (other than offal) and by high Canadian carcass prices. Although imports of broiler chickens and boiling fowl from non-EEC countries have been cut back sharply by the high import levies, there is a growing market for turkeys and for a variety of poultry parts. Imports of poultry from the United States in 1964/65, at 48,000 tons, were almost unchanged from the previous year and included 6,000 tons of broilers, less than half the level of the previous year. Competition in this market is intense but given the prospective growth in demand, the market should be worth fighting for.

Other Products

Germany is a big importer of foodstuffs and agricultural products of infinite variety. Its people are increasingly prosperous and many housewives have full-time jobs. They are always interested in ways to lighten their household chores, so they view prepared, ready-to-heat or serve meals or dishes with growing interest. Unfortunately, German food regulations prevent the import of a wide range of such products but there are some opportunities.

Given Canada's natural disadvantages of great distance, unfamiliarity, and (in comparison with Common Market countries) higher tariffs, products offered should have some special characteristics to overcome these disadvantages. These may be uniqueness—such as maple syrup or recently introduced smoked salmon paste—high quality such as honey, Christmas cakes and puddings, lobster and canned salmon, etc., or novelty, such as canned buffalo meat.

If you have products available for export which you believe fall within these or similar categories, the Canadian trade offices in Germany will be glad to help you investigate the prospects in this market of 58 million people. ●

Helmac-Roth Rolls On

A simple answer to a universal, day-by-day problem has been the key opening export doors for this Canadian manufacturer.

F. A. COCKRAM, *"Foreign Trade"*.

TAKE ONE BLUE SUIT, add cat and dog hairs, lint and dandruff. What have you got? A mess. You know it; we know it; and so do millions of other people all over the world. However, Helmac-Roth Ltd. of Toronto has found an answer: the Helmac Lint Pickup Roller. In the three years since incorporation, the firm has parlayed this handy little gadget into impressive foreign sales.

Paid advertising is of little use to Helmac-Roth. Word of mouth is what works for them and so do live demonstrations in stores, like this "Clothing Care" clinic in a Woolworth's in Kingston, Jamaica. Once the lint roller catches on in an area, no advertising is needed: orders for refills come in as a matter of course.

The company is selling to some 16 or 17 countries, among them Britain, Finland, Norway, Sweden, Denmark, Switzerland, Austria, most Caribbean countries, Australia, South Africa, Mexico and the Canadian Armed Forces in both France and Germany. These are not captive markets: in North America alone the firm faces about 60 competitors or imitators. However, the Helmac-Roth name is so well known that complaints about competitive products frequently come, by mistake, to the Ontario factory—a back-handed compliment perhaps, but certainly a compliment.

How did such a young company get into exporting so quickly? What keeps it going? Mr. Eric M. Roth, the firm's president, gave *Foreign Trade* the details.

"I have always been very export conscious myself. I feel that we have a wonderful country, but there are only 20 million people in it. This company wanted to have a market that was a little larger.

"I attended the Second Export Trade Promotion Conference organized by the Department of Trade and Commerce which was held in Ottawa in the spring of 1963. This meeting had a real impact on me. From a copy of *Foreign Trade* which listed all the Government's trade offices abroad, I picked the markets which I would like to go after. Then I wrote to the Trade Commissioners in these areas.

"By the way, we weren't stingy when it came to contacting new markets: we sent both letters and samples by airmail.

Chooses Agents Himself

"We asked primarily for the names of people who could act as their own importers—both distributors and agents. After a good deal of correspondence, I made it a policy to wait until we had two or three companies in each country that might be interested in our product. Then I would get on a plane and visit them. The choice of our distributor was easier when I had talked to the individuals personally."

Mr. Roth suddenly started chuckling to himself.

"You know, some of my selling trips have included some *very* unusual happenings. For instance, I had the interesting experience of virtually being kidnapped in Norway by the first man I called on.

"I had allowed myself a day there (which wasn't fair to Norway or to myself) and I had two other people to see. This man hustled me off and, in the morning, gave me an order worth $2,000. In the afternoon he more than doubled the order. He then cancelled my flight out that evening for Sweden, put me back in the hotel, and threw a huge party in my honour. It was hard to tell whether I was selling him or he was selling me."

Mr. Roth had a word of caution about personal visits: exporters should never under-estimate the time it will take to talk to all the business contacts necessary in a foreign country. He explained, "On the trip I was just talking about, I tried an absolutely crazy thing that I would never do again: I did the four Scandinavian countries in four days. I allowed myself the day to work, the night for flying on. It was a terrible rush."

[Mr. Roth learned his lesson well. Three days after this interview, he left for a working tour of the Caribbean area which was to take two weeks. There would be no chance of too much pressure, of split-second decisions.]

Demonstrations Are Best

Unlike most companies, Helmac-Roth does not consider advertising particularly important. "Paid advertising is of little or no use to us; this is one of the interesting things about our product. People like the roller and want to tell other people about it. In a way we were lucky: we came on the market at the right time with the right product and with the right merchandising methods. Our sales have depended almost entirely on word-of-mouth advertising.

"Overseas, our distributors do as much or as little advertising as they see fit. We feel the main thing that moves our product is live demonstrations in department stores. We have also found from experience in Canada that we can demonstrate successfully only for about a year. After that time, the rollers are in such wide distribution that demonstrations no longer have any appreciable effect. Orders for refills come in as a matter of course."

For these reasons the firm uses trade fairs only sparingly. In 1965 the rollers were displayed with other products in the Canadian hardware-store exhibit at the International Hardware Trades Fair in London and they will be shown again at this year's show.

Pricing Problem

Pricing is another area in which Helmac-Roth differs from the majority of exporters. "We quote foreign buyers a price f.o.b. Toronto, even though the Government recommends quoting c.i.f. port of entry. However, there is a reason: most of our buyers prefer it that way. We have made it a rigid rule not to swamp the market by offering fancy prices, and so our foreign buyers pay exactly the same price as their Canadian counterparts—less the 11 per cent federal sales tax, of course.

"We will make the odd exception. Today, for example, we received an order from Australia and we quoted c.i.f. because we are working through an agent. Not being the actual importer, he finds it easier to have c.i.f. prices. Another procedure which we follow rigidly is that every new order from an overseas territory must be placed against an irrevocable letter of credit payable in Canadian funds in Toronto. On repeat orders we will extend credit up to 60 days if necessary."

By Air Sometimes

Mr. Roth then went on to explain his transportation policy. "For us, air freight is an expensive proposition, so we ship by sea whenever possible. We have a very definite cost allowance and we hold to it as much as we can. However, if we undertake to get merchandise to a customer by a certain date, he can be quite sure that he's going to get it because we will fly the goods to him if shipment by sea is too slow. We share the air shipping costs with our buyers and, like most manufacturers, prefer to have our customers schedule far enough in advance that we don't have to panic. Nonetheless, we have done the almost impossible on various occasions—and enjoyed doing it.

"We recently made a huge shipment of four tons of rollers to Britain. I understand, unofficially, that this was one of the largest cargoes of any one commodity ever carried by Air Canada. We have also shipped by air to Austria, Switzerland, the Caribbean and Mexico. Please remember, though, that we use air freight only when schedules get too tight for shipment by sea."

Even the largest and best markets are not always easy to break into—

or to service. A case in point, said Mr. Roth, was Britain. His company made such extensive inroads into the island market that it became obvious that a full-time salesman was necessary. An office was opened in London's West End and a large shipment of Helmac rollers was sent over to meet the expected increase in demand. Unfortunately, the arrival of the rollers coincided exactly with the imposition of the emergency 15 per cent surcharge placed on imports by the British Government. As Mr. Roth put it, "There was nothing to do but to absorb the increased cost. It was a question of either penetrating the market completely or not at all.

"We found," he said, "that the British market was tough if you tried to enter it on a short-term basis. However, now that we're established, business is so good that we plan to erect a plant there which should supply the increased demand."

Mr. Roth maintained that it is most important to have foreign salesmen who are citizens of the country. "Our British salesmen know their country's tastes and living standards better than we do. They also have a working knowledge of such procedures as cartage and of payment terms. We recognize that Canadian business methods are not always the best for all countries.

"We have been pleased (and sometimes surprised) at the markets we have been able to enter. In Mexico and the Caribbean countries, for example, people wear fewer clothes than we do here, yet the demand for the lint roller is very good. We have even had inquiries from Arabian countries where there is a sand problem. We have shipped trial orders. Who knows how much sand we will soon be picking up in the Middle and Far East?"

We asked Mr. Roth the best advice that he, as an established exporter, could give to a tyro in the field. His lightning answer was as gratifying as it was unexpected.

Advice for Tyros

"Go to Trade and Commerce. The Department has been the most important export aid to our company. A firm as junior as ourselves could not have gone into the export market without government help. Foreign offices are costly; we couldn't hope to support as many as we would need. However, with the help of the Trade Commissioners abroad, we do very well. Their offices are set up in such a way that they might just as well be our offices. We also have come to know some of the officers so well that we don't consider them business acquaintances only but friends.

"There are two other points that I would stress: catalogue sheets and merchandising. The catalogue sheets should be straightforward and precise although, strangely enough, we have found that it is not necessary to print either the sheets or the instructions on the rollers in foreign languages. People in many countries already speak English or feel that a product carrying a Canadian label is a premium product. If the advertising or the instructions were in their own language, they would expect cheaper merchandise; an import carries prestige. In some countries our rollers are sold at prices equivalent to Canadian prices, but in most places they sell at between 25 and 50 per cent higher.

"When it comes to merchandising, remember the dealer. He knows his market and what it will bear. Give him what he needs when he wants it. That way you can't lose."

Lunchtime was near as Mr. Roth walked to the door with us.

We had one more question: "Can your production keep up with your orderbooks?" His answer was firm almost to the point of being abrupt. "We won't take orders we can't fill. We'll expand instead."

It had been a long morning—most of it taken up in finding the firm's new factory. Larger orders had meant a larger building. Helmac-Roth Ltd. had moved and the address in the telephone book was out of date.

If *Foreign Trade* wants a story next year from Eric Roth, then we will have to plan well ahead. The company may have expanded—and moved—again. ●

The British Buy Skirts

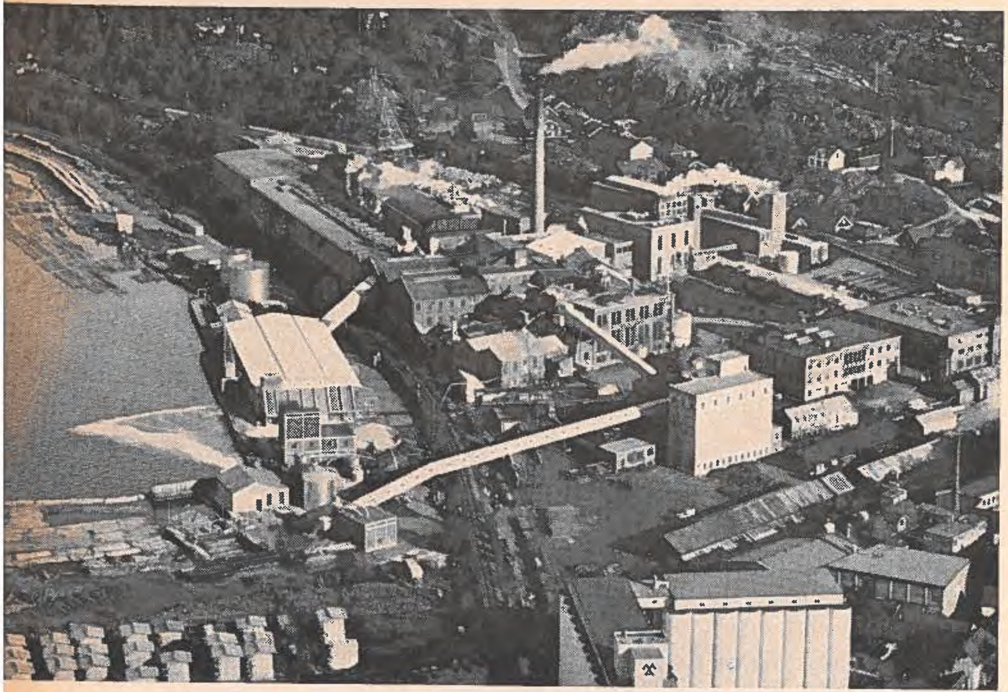
SALES of skirts in Britain topped six million in the six months from October 1964 to March 1965, according to figures released recently by European Research Consultants. Greater London and the Midlands provided the best markets; the northwest and southwest areas of Scotland were considerably below the national average. Over 90 per cent of skirt purchases in Britain were made at retail outlets, with department stores gaining 24 per cent and women's wear retailers and the Marks and Spencer group 22 per cent each. The majority of young women (who are the best skirt customers) tend to shop more in the smaller outlets but older women prefer the larger stores.

An estimated 62 per cent of the skirts sold are made of wool, 12 per cent of terylene and 7 per cent of mixed natural and synthetic fibre. Other than terylene, the synthetic fabrics do not appear to be making any serious inroads into wool's dominant position.

Straight skirts are the most popular today and the preference again is stronger in the younger age groups. Of the skirts sold, straight types accounted for 65 per cent, permanent pleats for 15 per cent, and box pleats for 12 per cent.

The most popular price range in the period was from \$6.00 to \$9.00, with cheaper lines priced from \$3.00 to \$6.00 in second place and the \$9.00 to \$12.00 lines third. A very small percentage of skirts sell for less than \$3.00; above \$12.00, sales drop sharply.

—M. R. BELL,
Assistant Commercial Secretary, London.



Norway's pulp industry is today turning out a greater tonnage from fewer mills.

Norwegian Industry Needs Pulpwood

Modern techniques are increasing pulp and paper production but despite conservation, supplies of pulpwood are inadequate and imports are rising steadily; Canada can supply only about 1 per cent.

J. E. LANCASTER, *Commercial Counsellor, Oslo.*

THE Norwegian pulp and paper industry by world standards is small but is nevertheless vital to the national economy. Norway is blessed with few natural resources and one of them—the forests—has been exploited throughout the ages. Today forest industries account for 12 per cent of the country's over-all industrial production and close to 20 per cent of its exports. The pulp and paper industry is the most important forest industry in Norway in terms of both production and exports.

Norway has 38 mechanical pulp, 24 chemical and semi-chemical, and 47 paper and board mills. All of them are in southern Norway, chiefly in the Oslo fjord region, but a few are on the west coast, particularly around Trondheim. This concentration reflects the fact that the major coniferous forests are in the southeastern part of the country and around Trondheim.

The pulp industry is now producing more from fewer mills. Only a limited number of new mills have been built in recent years and output has been increased by modernizing the existing ones. In fact, the industry has built only three new pulp mills in the 1960's, all of them designed to produce semi-chemical pulp. The slowdown in construction is directly related to the supply of pulpwood from Norwegian forests.

The paper industry has also increased its production through modernization of existing mills. However, it is putting up a new newsprint mill that will have, at 200,000 metric tons a year, the largest capacity of any in the country. This suggests that the paper-producing end of the industry is enjoying good times. Many of the Norwegian paper mills are small and only eight have a capacity of 40,000 tons or more a year. However, certain advantages accrue from this because individual mills can specialize and concentrate on quality to meet a specific market demand. Trade statistics reveal that Norway exports a larger quantity of fine papers than Canada—a country with a much larger over-all production of paper and paper products. Again, unlike North America, many pulp mills and paper mills in Norway are not integrated although the integrated ones turn out the larger share of total output.

Since World War II, Norway has developed an allied industry by establishing a number of fibreboard and, more recently, particle board plants. The domestic market consumes a large percentage of the output of this sector. However, increasing Norwegian production suggests that exports of these products will loom larger in the future. One of the advantages of the particle board industry is that the mills are spread over a wider area than in the pulp and paper industry itself. For example, plants are erected in the far north where there are no pulp and paper mills.

Raw Materials Limited

Norway's productive forest area is estimated to cover a little over 27,000 square miles. The annual increment of forest growth is estimated at 17 million cubic yards, approximately equivalent to the annual cut with fuelwood consumption included. Spruce is the most important variety, followed by pine and, to a lesser extent, birch. The pulp and paper industry uses about 6.5 to 7.8 million cubic yards of timber a year from domestic sources. The remainder goes into sawn goods, wall and particle board and fuel. Unlike Canada, smallholders, mostly farmers, have about 80 per cent of the forest reserves, a factor in raising forestry costs.

TABLE I

IMPORTS OF TIMBER INTO NORWAY*

Year	(solid cubic yards)
1950	397,280
1955	1,210,300
1960	1,548,400
1961	2,134,600
1962	1,755,000
1963	1,621,100
1964	2,319,200

* All types but mainly for the pulp industry.

The forest owners are speedily introducing new mechanical techniques into their operations. They have built about 9,000 miles of all-weather roads and 7,000 miles of winter roads to truck large quantities of logs to the mills. An estimated 9,000 miles of lake and river systems, however, still permit the age-old method of floating logs to the consuming areas.

Organizations like the Norwegian Pulp and Paper Research Institute and the Forestry and Forestry Industries Research Association carry out considerable research. These and other bodies direct their activities to the economic exploitation of the forests as well as to increasing the growth potential. Although natural regeneration is quite satisfactory in the important southeastern region, reforestation is practised there as well as in the western regions and in the north. In all, some 100 million trees are planted each year. The hope is to increase Norway's forest product by some 2.5 million cubic yards a year, or roughly the equivalent of present imports of pulpwood.

Because of the current shortfall in domestic pulpwood supply, the pulp and paper industry must rely more and more on imports of raw material. Table I shows the rise in timber imports. Sweden is the chief source of supply and there is a large transborder trade. The U.S.S.R. has become the second major supplier with sales negotiated and carried out under a trade agreement. Finland is experiencing a shortfall in its own pulp supplies and has consequently dried up as a source. Canada currently supplies up to 1 per cent of Norway's total imports of pulpwood but increases will be limited because of other contracts. Norway also imports up to 50,000 tons of chemical pulp a year.

Production Capacity Growing

The rated capacity of all Norwegian pulp mills in 1965 was 2.04 million metric tons, consisting of 990,000 tons of mechanical and 1,050,000 chemical and dissolving. By 1968 it is estimated that the over-all capacity will be 2,210,000 metric tons.

Rated capacity in 1965 for paper and paperboard mills was 1,160,000 metric tons, of which newsprint accounted for 360,000 tons and paperboard for 102,000. Capacity for kraft paper and paperboard was rated at 170,000 metric tons. By 1968 the capacity for paper and paperboard will rise to 1,430,000 metric tons, of which newsprint will account for 450,000. Kraft paper and paperboard will then reach 220,000 tons.

In 1964 production of newsprint reached 291,278 metric tons, printing paper 120,868, fine papers 112,863 and kraft paper and board 145,090. Production of all types of

TABLE II

WORLD PULP AND PAPER PRODUCTION

	1963 (metric tons '000)
Pulp	
Total world	71,391
Of which:	
United States	25,413
Canada	10,698
Sweden	5,793
Finland	4,577
Norway	1,594
Britain	415
Paper and Paperboard	
Total world	86,328
Of which:	
United States	35,327
Canada	8,020
Finland	2,749
Sweden	2,673
Norway	895

TABLE III

NORWAY'S EXPORTS OF PAPER AND BOARD, 1963

	Newsprint	Other paper and board (tons)	Total
Europe	161,000	254,000	415,000
Of which:			
West Germany	92,000	61,000	153,000
Britain	17,000	85,000	102,000
EEC Countries	116,000	132,000	248,000
Africa	6,000	28,000	34,000
North and South America	25,000	26,000	51,000
Asia	29,000	30,000	59,000
Oceania	1,000	13,000	14,000
Total exports	**222,000**	**351,000**	**573,000**

91888—3½

paper and paper products totalled 969,957 metric tons.

Export Markets Important

Norway, like Canada, depends to a large degree on export markets to absorb pulp and paper production. Sales of pulp and paper are made to Europe, Africa, the United States, South America, Asia and Oceania. The largest outlet is Europe where the EEC is the best single market. Exports to Europe are tending to increase but those to the rest of the world are showing signs of decreasing. In 1964 Western Europe absorbed 73 per cent of Norway's paper and board exports and 95 per cent of its chemical pulp.

The division of Western Europe into two economic blocs, the EEC and EFTA, is thus of concern to the Norwegian pulp and paper industry. Because Norway is a member of EFTA it is primarily concerned with the tariff and trade restrictions imposed by the EEC countries. The Common Market, for example, has a common external tariff rate of 6 per cent for paper cellulose. Up to the end of 1966, however, duty-free quotas can be established for specific products by the individual member countries. In practice, the Norwegian industry has found this to be discriminatory because its less important sulphate pulp is accorded duty-free entry into West Germany and France but its more important sulphite pulp has to meet the 6 per cent tariff. Newsprint faces a 7 per cent common external tariff which is ameliorated by duty-free quotas. Most other papers and paperboards are subject to various rates of customs duties which tend to channel trade and limit sales of specific paper products.

Trends in the Industry

The Norwegian pulp industry will probably stabilize production because of the limited domestic supply of pulpwood. On the other hand, a reasonable expansion in the paper industry is expected, although the growth may not match that of recent years (paper production doubled between 1950 and 1964). Increasing capacity and new mills will account for this expansion which will probably divert pulp from export markets to the manufacture of paper.

In 1965 the industry was squeezed between a falling off in export prices, particularly of pulp, and increasing domestic costs, including the price of pulpwood. The industry is now looking with interest at the capital development taking place in North America in the pulp and paper industry, particularly that in British Columbia, because of the impact this new productive capacity may have on the international price structure and on particular markets.

There are various opinions on how the new circumstances will affect the Norwegian pulp and paper industry. It is worth noting that one of Norway's major pulp and paper producers is busily diversifying its activities and pulp and paper now accounts for only 44 per cent of its business. On the other hand, international studies point to a rapidly increasing world demand. The Food and Agriculture Organization estimated world production and delivery of paper and board in 1963 at 85 million metric tons, with demand rising to 140 million metric tons by 1975. Peering into the future appears to show that there will be scope for efficient producers in all countries, including those in Norway. ●

A Free Port for Finland

THE first free port in Finland went into operation last October at Hangö, a Baltic port. Located in the extreme southwestern tip of the country, its duty-free facilities will interest Canadian manufacturers exporting to Finland and even to the U.S.S.R.

Hangö has long been the site of bonded warehouses and is Finland's only ice-free port; normally it can be reached even by ships not reinforced against ice. The peninsula on which it is located reaches out into the Baltic between the Gulf of Finland stretching east to Leningrad and the Gulf of Bothnia running north to Haparanda. Trade from Hangö, which began as early as 850 A.D., traditionally moved eastward in the past through Imperial Russia to the Black Sea and Asia. The rail system linking Hangö with the rest of Finland has the same broad gauge as the Soviet system.

The Free Port of Finland Ltd., established in 1965, operates the port facilities which cover 180 acres and include six warehouses with a total of 130,000 square feet. Three new ones when completed will add another 21,500 square feet. The wharves, 4,900 feet in length, have a depth of three to five fathoms. The twelve cranes have a capacity of 2½ to 40 tons.

Hangö offers the usual advantages of a free port. The exporter pays customs duties only when he moves the materials beyond the free port area to Finland or to a third country; he has materials readily available for his customers; he avoids the complications of storing goods in a bonded warehouse, and he can ship in bulk to a central depot. Manufacturing may also be undertaken in Hangö, but only with government permission.

Hangö is one of Finland's smaller ports and accounts for only a fraction of 1 per cent of foreign tonnage. It handled 155,000 tons of exports and 38,000 tons of imports in 1964 and the figure went up 50 per cent last year. Goods stored in Hangö last year totalled 10,600 tons compared with 1,300 in 1960; they ranged from refrigerators to hovercraft.

Storage fees per square metre per day are: heated warehouse 7 penni; unheated 6 penni; in shed, under tarpaulin or on platform 4 penni, and on the ground 1½ penni. Over 60 days, fees for heated and unheated warehouses are 6½ and 5½ penni and over a year 6 and 5 penni. For over a year in the other categories of storage the fees are 3 and 1 penni. (Three penni equal about 1 cent.)

Inquiries should be addressed to the Finnish Free Port Company, Hangö, Finland.

—NORMAN PARSONS,
Commercial Assistant, Stockholm.

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Bogota, Colombia

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J. C. Bradford, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 43-00-65
Territory: Ecuador.

CONGO

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Leopoldville 1, Congo

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Telex: 5036 (DOMCAN KH)
Territory: Greenland, Poland.

DOMINICAN REPUBLIC

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J. E. Kepper, Acting Commercial Secretary

Cable: CANADIAN *Phone*: 2-8138
Territory: Puerto Rico.

FRANCE

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Canadian Embassy
35 Avenue Montaigne
Paris 8e, France

R. Campbell Smith, Minister-Counsellor (Economic/Commercial)
J. E. Montgomery, Commercial Secretary (Agriculture)
G. P. Morin, Assistant Commercial Secretary
D. H. M. Branion, Assistant Commercial Secretary
C. J. St. Pierre, Assistant Commercial Secretary

Cable: CANADIAN Paris 086 *Phone*: BALzac 99-55
Telex: 20600 or 20601 (DOMCAN A PARIS)
Territory: Algeria, Morocco.

GERMANY

Commercial Counsellor
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Kennedy-Allee 35
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H. J. Horne, Commercial Counsellor
W. F. Hillhouse, Commercial Counsellor (Agriculture)
R. J. Buchan, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 76995
Telex: 886421 (DOMCAN BONN)
Territory: States of Baden-Wuertemberg, Bavaria, Hesse, Rhineland-Palatinate, Saar; West Berlin.

Consul
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Koenigsallee 82
4 Dnesseldorf 1, West Germany

(continued)

Duesseldorf (continued)

H. E. Campbell, Consul
J. A. Elliott, Consul
G. D. Valentine, Vice Consul

Cable: CANADIAN *Phone*: 2-05-25
Telex: 8587144 (DOMCAN DUESSELDORF)
Territory: State of North Rhine-Westphalia.

Consul General
Canadian Consulate General
Ferdinandstrasse 69
Hamburg, West Germany

R. W. Blake, Consul General
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Cable: CANADIAN *Phone*: 326149
Territory: City States of Bremen and Hamburg; States of Lower Saxony and Schleswig-Holstein.

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Cable: CANADIAN *Phone*: 4824
Telex: 224 (DOMCAN ACC)
Territory: Guinea, Ivory Coast, Liberia, Mali, Mauretania, Togo, Upper Volta.

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J. H. Nelson, Commercial Secretary
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Cable: CANADIAN *Phone*: 28448
Territory: Costa Rica, El Salvador, Honduras, Nicaragua, Panama, and Canal Zone.

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St. Louis de Turgeau
Port au Prince, Haiti

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P. M. Roberts, Trade Commissioner
R. G. Woolham, Trade Commissioner
A. Blum, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 224087
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Territory: Cambodia, Communist China, Laos, Vietnam, Macao.

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13 Golf Links Road
New Delhi 1, India

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Cable: CANADIAN *Phone*: 61-8254
Telex: 346 (DOMCAN DLI)
Territory: all Indian States except Gujerat, Maharashtra, Andhra Pradesh, Mysore, Madras, Kerala. Other countries: Bhutan, Nepal, Sikkim.

Canadian Government Trade Commissioner
P.O. Box 886
Gresham Assurance House
Mint Road
Bombay 1-BR, India

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Cable: CANADIAN *Phone*: 255154
Territory: States of Gujerat, Maharashtra, Andhra Pradesh, Mysore, Madras, Kerala.

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W. J. Jenkins, Commercial Secretary
J. J. R. Gagnon, Assistant Commercial Secretary
C. D. Miller, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 864-327
Telex: 61056 (DOMCAN ROME)
Territory: Provinces of Toscana, Marche, Umbria, Lazio, Abruzzi-Molise, Puglia, Campania, Basilicata, Calabria, Sicilia, Sardegna. Other countries: Libya, Malta.

Consul General and Trade Commissioner
Canadian Consulate General
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N. R. Cumming, Consul and Assistant Trade Commissioner
C. E. Rufelds, Consul and Assistant Trade Commissioner

Cable: CANTRACOM *Phone*: 652-485/652-600
Telex: 31368 (CANTRACOM MILAN)
Territory: Provinces of Emilia-Romagna, Lombardia, Piedimonte, Trentino-Alto Adige, Veneto, Liguria, Trieste, Valle D'Aosta, Friuli-Venezia.

JAMAICA

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(continued)

JAMAICA (continued)

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Territory: Bahamas, British Honduras.

JAPAN

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Telex: TK 2218 (DOMCAN TK 2218)
Territory: Korea, Okinawa.

LEBANON

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Alpha Building
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Cable: CANADIAN *Phone*: 250955
Telex: 652 (DOMCAN BERYT)
Territory: Iraq, Jordan, Persian Gulf area, Saudi Arabia, Syria.

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MEXICO

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MEXICO (continued)

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NIGERIA

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Barclays Bank Building, 4th Floor
40 Marina Road
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Cable: CANADIAN *Phone*: 25262
Territory: Dahomey, Gambia, Niger, Senegal, Sierra Leone.

NORWAY

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Oslo 1, Norway

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Cable: CANADIAN *Phone*: 33-30-80
Telex: Oslo 1880 (DOMCAN OSLO)
Territory: Iceland.

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Telex: Karachi 10 (DOMCAN KHI)
Territory: Afghanistan.

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K. G. Ramsay, Commercial Counsellor
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Territory: Bolivia.

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J. L. Mutter, Consul General and Trade Commissioner
R. C. Anderson, Consul and Trade Commissioner

Cable: CANADIAN *Phone*: 5-85-97
Territory: Republic of China (Taiwan).

PORTUGAL

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Lisbon, Portugal

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P. A. Thébèrge, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 55-31-18
Territory: Angola, Azores, Cape Verde Islands, Madeira, Portuguese Guinea.

SINGAPORE

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Singapore, Singapore

J. H. Bailey, Canadian Government Trade Commissioner
F. M. Mulkern, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 74633
Territory: Thailand.

SOUTH AFRICA

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Mobil House, 17th Floor
Corner Rissik and De Villiers Sts.
Johannesburg, South Africa

C. R. Gallow, Canadian Government Trade Commissioner
S. B. McDowall, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 834-6521
Territory: States of Natal, Orange Free State, Transvaal.
Other countries: Malagasy, Mauritius, Mozambique, Reunion.

Canadian Government Trade Commissioner
P.O. Box 683
African Life Centre, 13th Floor
St. George's St.
Cape Town, South Africa

H. W. Richardson, Canadian Government Trade Commissioner
D. H. Leavitt, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 2-5134/5
Territory: Cape Province. Other countries: St. Helena, South West Africa.

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R. M. Dawson, Commercial Secretary

Cable: CANADIAN *Phone*: 247-54-00
Telex: 7347
Territory: Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Spanish Sahara.

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J. P. Bell, Assistant Commercial Secretary

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Territory: Finland.

SWITZERLAND

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Berne, Switzerland

S. G. MacDonald, Commercial Counsellor

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Telex: 32-489 TT TANDC BERNE (DOMCAN BERNE)
Territory: Tunisia.

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UNION OF SOVIET SOCIALIST REPUBLICS

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J. M. T. Thomas, Commercial Secretary
Y. C. Jauron, Assistant Commercial Secretary

Cable: CANAD *Phone*: 415142
Telex: 945 (DOMCAN MSK)

UNITED ARAB REPUBLIC

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Kasr el Doubara Post Office
6 Sharia Rouston Pasha
Garden City
Cairo, Egypt

Cable: CANADIAN *Phone*: 23110
Territory: Aden, Sudan, Ethiopia, Yemen.

UNITED STATES

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S. G. Tregaskes, Commercial Counsellor
G. W. Green, Commercial Counsellor
W. R. Hickman, Commercial Counsellor (Agriculture)
N. W. Boyd, Commercial Secretary
Miss V. F. Wightman, Attaché (Agriculture)

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Telex: 0089664 (DOMCAN WSH)

Counsellor (Energy)
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Washington, D.C. 20036

N. R. Chappell, Counsellor (Energy)

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C. J. Van Tighem, Deputy Consul General (Commercial)
A. A. Lomas, Consul and Trade Commissioner
C. G. Bullis, Consul and Trade Commissioner
George Hazen, Consul and Assistant Trade Commissioner
J. D. Welsh, Vice Consul and Assistant Trade Commissioner

Cable: CANTRACOM *Phone*: JUdson 6-2400; *Night Line*: JUdson 6-2321 (Area Code 212)
Telex: 00126242 (DOMCAN NYK)
Territory: States of Connecticut, New Jersey (eleven northern counties), New York. Other countries: Bermuda.

Consul and Senior Trade Commissioner
Canadian Consulate General
607 Boylston St.
Boston, Massachusetts 02116

M. R. M. Dale, Consul and Senior Trade Commissioner
W. A. Stewart, Consul and Trade Commissioner
D. S. Baker, Vice Consul and Assistant Trade Commissioner

Phone: 262-3760 (Area Code 617)
Telex: 0094567 (DOMCAN BSN)
Territory: States of Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Consul and Senior Trade Commissioner
Canadian Consulate General
310 South Michigan Ave., Suite 2000
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D. H. Cheney, Consul and Senior Trade Commissioner
R. H. Gayner, Consul and Trade Commissioner
M. Rowan, Consul and Assistant Trade Commissioner
L. G. Lee, Vice Consul and Assistant Trade Commissioner

(continued)

Chicago (continued)

Phone: 427-7926 (Area Code 312)
Telex: 0025571 (DOMCAN CGO)
Territory: States of Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Kentucky, Missouri, Nebraska.

Consul and Senior Trade Commissioner
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A. W. Evans, Consul and Senior Trade Commissioner
N. L. Currie, Consul and Trade Commissioner

Phone: 861-1660 (Area Code 216)
Telex: 00985364 (DOMCAN CLV)
Territory: State of Ohio.

Consul and Trade Commissioner
Canadian Consulate
1139 Penobscot Building
Detroit, Michigan 48226

H. S. Hay, Consul and Trade Commissioner
K. D. Taylor, Consul and Assistant Trade Commissioner

Phone: WOodward 5-2811 (Area Code 313)
Telex: 0023445 (DOMCAN DET)
Territory: State of Michigan.

Consul and Senior Trade Commissioner
Canadian Consulate General
510 West Sixth St.
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F. B. Clark, Consul and Senior Trade Commissioner
L. J. Taylor, Consul and Trade Commissioner
J. H. Suggitt, Consul and Assistant Trade Commissioner

Phone: MAdison 2-2233 (Area Code 213)
Telex: 00674119 (DOMCAN LSA)
Territory: States of California (ten southern counties), Arizona, New Mexico, and Clark County in Nevada.

Consul and Trade Commissioner
Canadian Consulate General
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G. E. Blackstock, Consul and Trade Commissioner
R. E. Pedersen, Vice Consul and Assistant Trade Commissioner

Phone: JAckson 5-2136 (Area Code 504)
Telex: 0058237 (DOMCAN NLN)
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Consul and Trade Commissioner
Canadian Consulate
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Philadelphia (continued)

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R. F. Turcotte, Consul and Assistant Trade Commissioner

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Territory: States of Delaware, Maryland, New Jersey (nine southern counties), Pennsylvania, Virginia, West Virginia.

Consul General
Canadian Consulate General
333 Montgomery St.
San Francisco, California 94104

Phone: YUkon 1-2670 (Area Code 415)
Telex: 0034321 (DOMCAN SFO)
Territory: States of California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii.

Consul General
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URUGUAY

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Territory: Falkland Islands.

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J. D. Blackwood, Commercial Secretary
J. R. Caux, Assistant Commercial Secretary

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Telex: DOMCAN 877
Territory: Netherlands Antilles.

What's current in commodities?

Fine Foods

Southern States—**Many colourful and tasty dishes have their origin in the South. But now the tables are turned and Southerners are avidly seeking food specialties from other parts of the world. The appetite is there—can you satisfy it?**

JAMES B. WHITNELL, *Commercial Assistant, New Orleans.*

MOST Canadian food processors have overlooked the Southern States as a market for food specialties, although it has approximately one quarter of the U.S. population. Blessed with a climate which makes possible the growing of a variety of fruits and vegetables and heir to a colorful and varied cuisine, the average Southerner had until recently shown little interest in fine foods from other parts of the world. Travel and service abroad, advertising, the innumerable gourmet cookbooks which have been published in the past few years, and articles and sections devoted to cooking in newspapers and magazines have made the Southern consumer increasingly aware of food specialties. A casual stroll through the fine-food section of any large grocery store in the South will reveal how much Southerners are now seeking out regional and imported "fine foods".

By "fine foods" we mean those foods, both domestic and imported, which are custom-packed—that is, the cooking and preparation are done in smaller amounts than usual, using only choice ingredients. The packaging is aesthetically pleasing and the labelling distinctive and attractive, with easily understood directions. Custom-packed jams and jellies are cooked in batches of 8 to 10 pounds compared with the 50- to 100-pound batches in which ordinary jams and jellies destined for the mass market are cooked. In many instances, using superior ingredients will result in a product classified as a fine food. A line of Canadian fruit cakes, because of their select ingredients, (butter instead of lard, candied fruits instead of raisins, etc.) is in demand despite the fact there are some 30 brands of locally produced fruit cakes selling for less.

The terms "fine foods", "fancy foods", and "specialty foods" are used interchangeably, although "fine foods" is preferred. Fine foods should not be confused with exotic or health foods. The term "gourmet foods" is no longer favoured because for the average consumer it has come to mean exotic items like chocolate-covered ants, canned rattlesnake and kangaroo steaks.

Until six or eight years ago, fine foods were sold either in small gourmet shops or in the gourmet sections of prestige department stores and were for the most part genuine gourmet items. The trend now is for both voluntary and corporate chains to have in a city at least one outlet with a fine-food section. The leading locally-based New Orleans supermarket chain has one store which has become famous for its fine-food department. It carries 500 varieties of fine foods and has over 180 feet of counter space displaying cheese alone, with some 300 varieties from all over the world. The store features a wide assortment of foods from France, Italy, Denmark, Sweden, Norway, Germany, Britain, Holland, Japan, Puerto Rico, Mexico, and the beginning of a representative assortment from Canada.

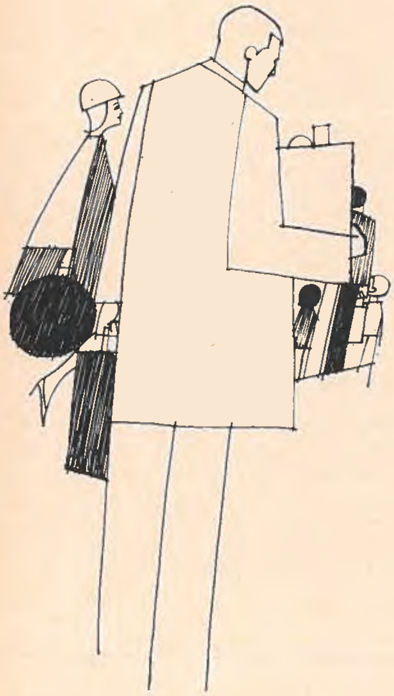
Although the New Orleans market is more cosmopolitan than markets in other Southern cities, inland cities like Memphis and Chattanooga, Tennessee, have stores with a surprising variety of fine foods. For instance, a store in Memphis, Tennessee, has one of the most complete selections in the U.S. and Canada of Chinese and Japanese foods and the ingredients for them. Only stores in San Francisco, Los Angeles, New York and Vancouver have better selections.

The demand for fine foods in the South is increasing rapidly and Canadian food processors are overlooking a good market. As mentioned previously in the example of the Canadian baking company, it is not necessary to have an exotic product, but rather one that is carefully prepared and well packaged. Often fine foods are not appreciably more expensive than standard items; however, an item which is clearly superior or is distinctive will find a ready market regardless of the price. Some of the more common fine foods currently selling are cheese, candied fruits, biscuits, fruit cakes, plum puddings, canned meats and fish products, sauces, soups, fancy vegetables, teas, nuts, and cocktail items. Obviously there is a place for Canadian fine-food products.

Selecting the Distributor

A few supermarkets because of their size buy directly from the processor. But as a general rule, stores regardless of size buy from a local fine-food distributor or wholesaler who in turn either imports for his own account (often under his own label and to his specifications) or buys from importing companies in New York and on the West Coast. These food distributors acquire many of their new lines from food brokers who work on commission and carry no stock. A broker is the most economical way to introduce a product because he calls on wholesalers, chains, small groceries and department stores. He knows the market and can ensure that a new product is distributed through the proper channels.

In addition to local brokers and wholesalers, there are several large importer-distributors of fine foods based in Chicago, New York and on the West Coast who distribute nationally, usually under their own label, a wide assortment of fine foods. Because a $200 to $300 order from them can consist of 20 to 30 items in quantities of a dozen each, they are quite successful in selling to department and small grocery and specialty stores which want an assortment of products different from those sold by local distributors. These smaller retailers, because of their limited budgets, would normally have difficulty meeting the minimum order requirements of most food processors. National distribution can be achieved by using their services; however, their markup is such that wholesalers, chain stores, and large independents buy little from them. This, plus the fact that they require exclusive distribution for the entire United States or at least a major portion of it, means putting all one's eggs into a rather small basket. Our experience has been that no one firm can adequately cover the entire country.



Six Points to Remember

There are six points—elementary but often overlooked—in making shipments to the United States.

- First, the importance of the type of packaging. Both the individual packages and the shipping container should be sturdily made. A surprising number of Canadian food exporters have made shipments in cartons without dividers between individual packages which resulted in badly damaged and unsaleable goods. The use of dividers between the layers of units, or possibly a nesting arrangement, will prevent damage.

- Second, duty-paid delivery, because U.S. grocery stores are accustomed to buying in that way. Some large chain stores and food wholesalers have pool-car arrangements and prefer their shipments made f.o.b. Chicago or New York. In offering prices to purchasers, you should be prepared to quote both f.o.b. plant and delivered-at-destination prices so that the customer has the choice. This will normally ensure that duty is not assessed on freight and similar charges.

- Three, prompt shipment of all orders. A delay, especially on initial orders, lessens the chances of repeat orders.

- Four, remember to include an invoice. In all too many cases shipment was made promptly but the Canadian company neglected to include an invoice. In most large food stores the accounting department will not permit any item to be sold until it has the invoice because the markup is calculated to the fraction of a penny. Nothing irritates a buyer more than having a shipment of goods on hand that he cannot sell because the invoice was not enclosed.

- Five, make no substitutions without prior consultation with the consignee.

- Six, most U.S. distributors, because of freight rates, will not accept from retailers orders under a certain value or quantity. As the size of the order increases over the minimum, they offer progressively lower prices. We suggest, however, that Canadian companies when entering a new market accept at regular prices initial orders which do not quite meet minimum quantity requirements. Remember the grocers are using their time, space and money to promote an unknown product.

Means of Advertising

Many brokers and wholesalers advise placing advertisements in some of the institutional magazines directed to the wholesale food trade. Attending the various food trade shows in the United States and contacting potential brokers and distributors will achieve the same goal. The most effective ads are those grocers place in local newspapers. Most Canadian companies, contrary to general practice in the U.S., do not give advertising allowances nor do they support their products by advertising in national or trade magazines. One effective way of attracting customers is placing samples in a store. Grocers are accustomed to this and consider that a supply of samples indicates a company's interest in doing business with them. A Canadian company selling in the South has a policy of including for sampling purposes one free case for every ten ordered on the first two shipments. The result is that the consumer learns about a new product at minimum cost.

The Canadian companies selling fine foods in the South have all paid careful attention to the points we have outlined in the previous paragraphs. The office of the Canadian Consulate in New Orleans will be pleased to canvass the market for any fine-food product. All the Consulate requires is an indication of delivered price (including U.S. duty), a representative assortment of samples and brochures, and a willingness on the part of the Canadian company to accept small initial orders. ●

Onions

Japan—The lowly onion is almost universally popular—even in the Land of the Rising Sun. Local production cannot meet demand, imports are growing steadily, and the usual spring shortage might lead to opportunities for increased Canadian sales.

E. L. GRAY, *Assistant Commercial Secretary (Agriculture), Tokyo.*

THE JAPANESE use sliced onions in many of their national dishes. They obtain most of their supplies locally but within the past few years have been importing increasing quantities. The volume of imports depends to a large extent on the weather prevailing during the harvest. Table I shows domestic production, imports and exports for the past three years.

Domestic Production

The growing of onions is concentrated in two major areas: southern Honshu (south and west of Osaka) and Hokkaido, the northern island of Japan. Producers in southern Honshu grow onions as a second crop following rice on farms of about one hectare or less. In Hokkaido onions are grown mostly by specialists who cultivate fields as large as 2.5 hectares.

Onions are harvested from June until the end of September, depending on the area. Producers' co-operatives or brokers store them under refrigeration (approximately —1 degree C.) until they place them on the central market for sale to retailers or to other brokers who distribute to wholesale and retail outlets. Commission to wholesalers or central market brokers is approximately 7 per cent. Brokers or producers' co-operatives try to hold their stocks until the market commands the best price, usually in February or March of each year.

Imports

Japan ordinarily allows imports of onions, in varying amounts, during the months of December, January, February, March and April. Depending on the weather at harvest time, the domestic crop may not keep too well in storage. When this happens, prices tend to rise sharply in February and March and imports become competitive.

The Ministry of Agriculture and Forestry has reported that the heavy rainfall during the June harvest in

TABLE I

JAPANESE CONSUMPTION OF ONIONS

Year	Domestic production	Imports	Exports
	(metric tons)		
1962	716,700	3,987	6,387
1963	619,600	22,709	2,601
1964	992,500	34,859	5,962
1965 (est.)	800,000	....	....

TABLE II

WHERE JAPAN BUYS ONIONS

Country	1962	1963	1964
	(metric tons)		
Taiwan	3,837	15,323	28,668
Ryukyu Islands	24	....	....
United States	2	5,351	3,526
Australia	73	1,265	800
New Zealand	5	106	1,543
Canada	....	581	228
Netherlands	....	54	94
Communist China	....	29	....
Total	**3,987**	**22,709**	**34,859**

1965 will likely result in a greater than usual shortage this March.

Nearly 80 per cent of the imports at present come from Taiwan which, because of its growing conditions and location, has a distinct advantage over other countries.

Table II shows imports by country for the last three years.

Imports enter Japan free from quantitative restriction and subject to 10 per cent duty on c.i.f. value. They are brought in by trading companies which sell to brokers at the central markets for distribution to retailers.

Prices

Domestic wholesale prices on the Tokyo Central Wholesale Market fluctuate seasonally. Table III gives monthly average wholesale prices for the past three years.

TABLE III

JAPANESE WHOLESALE ONION PRICES

	1963	1964	1965
	(yen per kilogram)		
January	35	56	25
February	51	40	24
March	58	41	53
April	36	28	....
May	17	16	....
June	20	14	....
July	28	11	....
August	37	8	....
September	49	9	....
October	61	12	....
November	62	21	....
December	63	25	....
Average	**43**	**23**	....

It is generally agreed in the trade that a price of yen 30 a kilogram on the Tokyo Central Market enables Taiwan growers to compete and that yen 50 a kilogram would make it possible for North American onions to enter the market.

The predicted short supply in March 1966 could mean an opportunity for Canadian suppliers. Anyone interested should contact one of the Japanese trading companies well in advance to let them know what is available. Several of the larger trading companies maintain offices in more than one city in Canada. (See Table IV.) ●

TABLE IV

JAPANESE VEGETABLE IMPORTERS

Firms	Canadian Office
Toshoku, Ltd. c/o Mitsui Annex, 3, Nihombashi Muromachi, Chuo-ku, Tokyo.	
Nichimen Co., Ltd. Kinsan Bldg., 5, 4-chome, Nihombashi Muromachi, Chuo-ku, Tokyo.	Nichimen & Co., Inc., Room 270, City Centre Bldg., 1450 City Councillors Street, Montreal 2, Quebec. Room 208, United Kingdom Bldg., 409 Granville Street, Vancouver 2, B.C.
Marubeni-Iida Co., Ltd. Ohtemachi Bldg., 5, 1-chome, Ohtemachi, Chiyoda-ku, Tokyo.	Marubeni-Iida Canada Ltd., Suite 702 North American Life Assurance Bldg., 105 Adelaide Street West, Toronto 1, Ontario. Suite 816, Standard Bldg., 510 West Hastings Street, Vancouver, B.C.
C. Itoh & Co., Ltd. 4, 2-chome, Nihombashi Honcho, Chuo-ku, Tokyo.	C. Itoh (Canada) Inc., 1450 City Councillors Street, Montreal 2, Quebec. 613 United Kingdom Bldg., 409 Granville Street, Vancouver 2, B.C.
Tokyo Maruichi Shoji K.K. 13, 1-chome, Kanda Hatago-cho, Chiyoda-ku, Tokyo.	
Mitsui & Co., Ltd. 2, 1-chome, Shiba Tamura-cho, Minato-ku, Tokyo.	Mitsui & Co. (Canada) Ltd., 3333 Place Ville Marie, Montreal 2, Quebec. Suite 802, The Board of Trade Bldg., 11 Adelaide Street West, Toronto, Ontario. 1101, 409 Granville Street, Vancouver 2, B.C.
Mitsubishi Shoji Kaisha, Ltd. 20, 2-chome, Marunouchi, Chiyoda-ku, Tokyo.	Mitsubishi International Corp., 302 Toronto-Dominion Bank Bldg., 717 West Pender Street, Vancouver, B.C. Suite 418-420, 159 Bay Street, Toronto, Ontario.
Gosho & Co., Ltd. 1, 3-chome, Odenma-cho, Nihombashi, Chuo-ku, Tokyo.	Gosho Trading Co., Inc. 400 Ontario Street West, Montreal, Quebec. 920, 510 West Hastings Street, Vancouver, B.C.
Arai Seitaro Shoten K.K. 8, 1-chome, Ogami-cho, Naka-ku, Yokohama.	
Osaka Boeki Co., Ltd. 9, 2-chome, Koraibashi, Higashi-ku, Osaka.	

TABLE IV

JAPANESE VEGETABLE IMPORTERS

rms	Canadian Office
ıashi Boeki Co., Ltd. , 3-chome, Aioi-cho, ıta-ku, Kobe.	
ıe Nissho Co., Ltd. okyo Boeki Kaikan Bldg., 1-2, ıtemachi, Chiyoda-ku, Tokyo.	Nissho (Canada) Ltd., 100 University Avenue, Toronto, Ontario.
	Suite 512, United Kingdom Bldg., 409 Granville Street, Vancouver 2, B.C.
asho Company Limited 2-chome, Nihombashi Edobashi, ıuo-ku, Tokyo.	
ai & Co., Ltd. ai Bldg., 6, 3-chome, ihombashi Edobashi, Chuo-ku, Tokyo.	
ishimoto Boeki , 3-chome, Kaigan Dori, ıta-ku, Kobe.	
inko Boeki Co., Ltd. 1-chome, Hashimoto-cho, anagawa-ku, Yokohama.	
uasa Boeki Co., Ltd. , 3-chome, Junkei-cho, Tori, linami-ku, Osaka.	
oyo Menka Kaisha, Ltd.	Toyo Menka Inc., Room 610, 1310 Green Avenue, Montreal, Quebec.
ımitomo Shoji Kaisha, Ltd.	Sumitomo (Canada) Ltd., Standard Building, 510 West Hastings Street, Vancouver, B.C.
	Mr. Toshio Takabayashi, Representative, Sumitomo Shoji Kaisha, Ltd., Suite 805, 62 Richmond Street West, Toronto 1, Ontario.
taka Sangyo Co., Ltd.	Ataka (Canada) Ltd., Room 207-208 Rodgers Bldg., 470 Granville Street, Vancouver 2, B.C.
	Mr. A. T. Takaguchi, Representative, Ataka & Co., Ltd., 822 Carlaw Avenue, Toronto 6, Ontario.
. Kanematsu & Co., Ltd.	F. Kanematsu, New York, Inc., Room 1203-4 Gordon Brown Bldg., 395 Mayor Street, Montreal, Quebec.
kura Trading Co., Ltd.	Okura Trading Co. Ltd., 1955 West Broadway, Vancouver, B.C.

Most are members of the Japan Vegetable Importers' Association, 19, Toranomon, hiba, Minato-ku, Tokyo.

Israel Competes in Potash

WHEN LOT'S WIFE looked back at Sodom she turned to salt, for centuries the Dead Sea's leading mineral. Until recent times, nobody even thought of potash, but now Sodom, on the shores of the Dead Sea, ranks as an important world producer. Evaporated from the waters of the Dead Sea (literally an enormous mineral bath), potash and bromine products are refined by the Dead Sea Works for both export and local consumption. During the past fiscal year, its new 400,000-ton-per-year potash refining plant began to contribute to output. Production climbed to nearly 320,000 tons against 188,000 in 1963-64.

The plant intends to increase output of potash, bromine and bromine products a further 50 per cent during the current fiscal year and to raise exports from U.S. $9 million to U.S. $20 million. Potash production during the first six months of the current fiscal year has already reached 224,000 tons; by the end of the year it is expected to total 500,000 tons. Delays in completing the main dyke which will convert the southern end of the Dead Sea into a vast evaporation basin have prevented planned production from reaching 600,000 tons until 1966.

The World Bank is studying a request made by the Dead Sea Works for a U.S. $14 million loan to be invested in an additional potash plant to go into operation by 1970. Production will then reach 1.2 million tons a year.

Israel exports potash to 35 countries with contracts covering deliveries over the next four to five years. Though exports are concentrated in Europe (both West and East), sales have recently been made in markets as far apart as Argentina, Madagascar and Japan. With the opening of the new deepsea port, Ashdod, on the Mediterranean some 25 miles south of Tel Aviv, exporting to Europe, East Africa, and Latin America will be made easier. Up to now, Mediterranean shipments either had to be moved north to Haifa or lightered out of Jaffa or Tel Aviv to ships standing behind the breakers in the open water, a costly process. Exports to Asia and West Africa are trucked to the port of Eilat on the Red Sea where new loading equipment has recently been installed.

Canadian producers will find Israel a keen competitor in the rapidly expanding world market.

—B. C. STEERS
Commercial Secretary, Tel Aviv.

Malta Plans for Economic Independence

Second Five Year Plan, begun in 1964, aims at encouraging new industries, expanding tourist trade, and improving food production. Emphasis on development, including setting up of free trade area, should increase opportunities in this limited but active market.

J. H. STONE, *Commercial Counsellor, Rome.*

MALTA achieved independence just over a year ago and this has made more urgent the problem of developing a self-supporting economy. Production of goods for export, the development of agriculture and of the service industries, and a reduction in population are the cornerstones of a plan to maintain the comparatively high standard of living of the Maltese and create a productive place for Malta economically in the Mediterranean basin.

British military spending in Malta and the operation of the large naval dockyard there constituted important sources of revenue for many years. In 1962, for example, they made up 16 per cent of the gross national product. A British Government decision to run down military expenditures by £2 million a year and to give up the naval operation of the dockyard means that new sources of income must be developed to avoid a rapid fall in living standards and massive unemployment.

Economic Planning

A series of five year plans are under way to lead the economy towards self-supported stability. The first plan of 1959, financed mainly by Britain, was followed in April 1964 by the Second Five Year Plan, which calls for total expenditures of £38.5 million. Investment and development expenditures under this plan have been set as follows:

	(£ million)
Industrial development	10
Electricity generation—distribution	4
Tourist industry development	3.5
Roadbuilding and improvement	3
Other public buildings and works	2.6
Agriculture	1.9

This plan, worked out before independence in consultation with the British Government, will be financed mainly by loans and grants from Britain, up to a total of £50 million during the first ten years of independence. A third Five Year Plan is expected in 1969, to cover the remainder of this ten-year period. Although purchases of services and equipment under the Plan must ordinarily be made in Britain, it is probable that these comparatively large development expenditures will generate trade opportunities for other countries.

New Industries Encouraged

A combination of a dense population, chronic large import surpluses and very limited natural resources make it essential for Malta to increase its manufacturing industry quickly. To this end, substantial advantages are offered to companies which establish plants there, including capital grants, low-rental factories or land, tax holidays, and duty-free entry of equipment. Operations which require a large labour force or produce for export are especially welcome and may be granted assistance amounting to a large part of the total investment required.

In response to these incentives, available since 1959, over 60 light industries have been approved for aid which so far adds up to over \$6 million in grants and \$1.2 million in loans. These factories when fully established will employ over 5,000 and produce a wide variety of goods, from marine dredges to assembled cars, furniture and clothing. The success of the industrialization program is illustrated by the rapid growth of manufactured and processed exports. These rose from a value of under \$2.5 million in 1961 to nearly \$10 million in 1964. Yarns, clothing, edible oils, wines and a variety of manufactured goods are contributing increasingly to total exports by value, and manufacturing has during the past three years far outstripped agriculture as the main export earner.

Small ships can get up to the quays at Valetta but cargo handling is primitive; the picture shows stevedores moving a cargo of tile from tbe nearby island of Gozo. Now under study is the feasibility of setting up a free trade area with manufacturing, bulk storage and transshipment facilities. Exporters could hold stocks in this central Mediterranean area for rapid shipment to Europe, the Middle East and Africa.

Malta in Brief—

Populatian: 330,000—90,000 employed.

National income: about $400 per head—stable.

Land area: 122 square miles.

Weights and measures: metric system far custams purposes, English and lacal units in cammon use.

Currency: the Maltese pound, equivalent ta the pound sterling. Current value abaut $3.00.

Electrical supply: 240 valts A/C 50 cycle.

Banking: gaod; most Canadian banks have correspandents.

Climate: moderate and sunny—little rainfall.

Shipping facilities: no direct line; ship via Liverpaal, New Yark ar Genaa.

Quotatians: preferably c.i.f. Valletta; quate in paunds sterling or Canadian dallars.

Custams: British preferential duties apply ta Canadian praducts.

Import cantrols: a few commodities require impart licences; mast are freely admitted under Open General Licence.

Documentation: generally, commercial invoice, bill af lading and cambined certificate af arigin and value are required.

Credit factors: few claims arise fram shipments ta Malta; narmal credit practices may be safely fallawed.

Distribution: usually an exclusive importer/whalesaler is best; sometimes a cammissian agent is preferable. Responsible firms can be recammended by aur Rame affice.

Malta has an incentive plan to encourage new industry and offers substantial advantages to companies establishing plants. Over 60 light industries have responded to these incentives since 1959. Photo shows jeans manufacture at a Malta plant.

Tourist Trade Booms

A gentle sunny climate, a rich historical past, and a friendly welcome attract an increasing number of tourists each year to these islands. An extensive hotel-building program assisted by state grants and loans, an improved yacht marina, and the development of casinos, beaches and other facilities have already brought an expansion in tourist traffic from 32,000 in 1963 to an estimated 1965 total of 46,000. Permanent residents are being attracted by retirement estates and by the comparatively low cost of living in Malta.

Agriculture and Fisheries

Although agricultural output is limited both by the small land area and by lack of rainfall, strenuous efforts are being made to improve crop and animal yields, to develop exportable surpluses, and to grow at home the foodstuffs which have been the main burden on the balance of payments. Potatoes have been exported for many years and lately horticultural products, especially cut flowers, have begun to make a large contribution to export earnings. The Second Five Year Plan provides funds for the rationalization of farm methods, the improvement of animal breeds and crop varieties, and the further processing in Malta of products of the soil.

Because local fisheries are far from providing Malta's requirements of seafoods, imports cost about $750,000 each year. Under the current Plan, grants and loans are made to fishermen for the purchase of better boats and equipment and to encourage deepsea trawling.

Trade Is Growing Fast

Imports cost Malta in 1964 over eight times the value of its exports. This huge trade imbalance is traditional, but it cannot be covered much longer by British military spending and subventions as it was in the past. The growth of Maltese exports in recent years has been impressive—from a value of about $4 million in 1960 to nearly $13 million in 1964 and further large gains were expected in 1965. Despite this achievement, imports, particularly of equipment and materials for the development program, have risen correspondingly so that the trade gap has not yet begun to narrow.

The lack of established commercial and official trade representation abroad and the need to create a structure of sales organizations and contacts in other countries make it difficult for Maltese firms to expand their foreign sales. As a first step, the Malta Government has engaged in a program of trade discussions with countries where Maltese goods might find markets and has signed a number of trade agreements. It already exchanges preferential customs treatment with Canada.

An interesting project now under study by the authorities is the establishment of a free trade area with manufacturing, bulk storage and transshipment facilities. A feasibility study is under way and if the prospects seem favourable, this area may soon be set up. It would offer to Canadian exporters the opportunity of holding stocks of goods in the centre of the Mediterranean area for rapid shipment to neighbouring countries in Europe, the Middle East and Africa. In due course, the present high cost of shipment to some of these countries to which there are no direct sailings might make it profitable to undertake assembly and finishing operations in this free port area.

Opportunities Increasing

Canadian trade with Malta is relatively small: wheat makes up the bulk of our $3 million-odd sales to that country each year, with whisky, fish products, other foods, lumber and a small number of manufactured goods making up the remainder. From Malta we buy very little, some $50,000 worth of gloves, yarns, flowers and a few other products.

Malta is a small market, but the present rapid pace of development should offer an increasing number of opportunities for interesting sales. Using it as an entrepot area for onward shipments or for breaking down bulk shipments may offer secondary benefits as the whole Mediterranean area develops. Canadian goods receive preferential tariff treatment on entry into Malta and, in general, most consumer products which can compete in Britain should be competitive in Malta. There is a growing taste for North American styles and patterns, and Canadian firms should be able to benefit by supplying foodstuffs, chemicals and pharmaceuticals, household appliances, textiles, and a wide range of consumer goods. Individual sales will not be large and prices are extremely competitive; nevertheless, the market can be quickly and easily tested and may well repay a modest sales effort.

Visit or Write

Canadian businessmen travelling in Europe can combine a delightful short holiday with a quick market exploration by stopping off in Malta for a few days en route to Asia, Africa and Middle East. Trade contacts can be made quickly and easily, even on short notice. The Commercial Counsellor in Rome normally has a number of interesting inquiries on hand from Malta importers and the Honorary Commercial Representative, a Malta businessman, can quickly suggest agents or buyers and provide the necessary introductions.

Firms unable to plan a visit to Malta may test the market for their products by writing to the Rome office, enclosing c.i.f. prices and samples or catalogues as appropriate. A number of Maltese importers in a variety of fields will be glad to consider these offers and to test the response to these products. ●

Trade Commissioners on Tour

In Canada

United States—A. W. Evans, Consul and Senior Trade Commissioner in Cleveland, will visit Toronto May 2-7, Montreal May 9-14, and Ottawa May 16-17. Businessmen who wish to see Mr. Evans should get in touch with the Canadian Manufacturers Association in Toronto and the Department of Trade and Commerce in Montreal and Ottawa.

In Territory

Australia—D. I. Campbell, Assistant Commercial Secretary in Canberra, will visit Adelaide, South Australia, and Perth and other areas in Western Australia for about two weeks beginning March 11.

British Honduras—D. I. Ditto, Assistant Commercial Secretary in Kingston, Jamaica, will visit Belize February 28-March 5.

Colombia—J. G. Ireland, Commercial Secretary in Bogota, will visit Medellin March 1-3.

Communist China—A. Blum, Assistant Trade Commissioner in Hong Kong, will visit the Canton Spring Export Commodities Fair May 11-15.

Costa Rica—P. D. Donohue*, Assistant Commercial Secretary in Guatemala City, will visit San José February 28-March 1.

J. H. Nelson, Commercial Secretary in Guatemala City, will visit San José April 21-22.

Ecuador—J. C. Bradford, Assistant Commercial Secretary in Bogota, Colombia, will visit Quito and Guayaquil March 14-23.

El Salvador—P. D. Donohue,* Assistant Commercial Secretary in Guatemala City, will visit San Salvador March 14-16.

J. H. Nelson, Commercial Secretary in Guatemala City, will visit San Salvador April 28.

Honduras—P. D. Donohue,* Assistant Commercial Secretary in Guatemala City, will visit Tegucigalpa and San Pedro Sula, March 9-11.

J. H. Nelson, Commercial Secretary in Guatemala City, will visit San Pedro Sula and Tegucigalpa April 18-20.

Nicaragua—P. D. Donohue,* Assistant Commercial Secretary in Guatemala City, will visit Managua March 7-8.

J. H. Nelson, Commercial Secretary in Guatemala City, will visit Managua April 20-21.

Panama—P. D. Donohue,* Assistant Commercial Secretary in Guatemala City, will visit Panama City March 2-4.

J. H. Nelson, Commercial Secretary in Guatemala City, will visit Panama City April 25-26.

United States—H. S. Hay, Consul and Trade Commissioner in Detroit, will visit the following Michigan cities February 14-25: Lansing, Grand Rapids, Muskegon, Kalamazoo, Battle Creek, Saginaw, Bay City and Flint.

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

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*Mr. Donohue is making this tour in preparation for a tour of business centres in Canada this summer.

Communist China Increases Trading Corporations

COMMUNIST CHINA recently increased the number of its state trading corporations from nine to thirteen. The four new corporations have taken over responsibilities for trade in clothing, arts and crafts, books and periodicals, and philatelic supplies from the older corporations. The revised list below incorporates these changes.

Communist China's foreign trade is a state monopoly and is carried on entirely through these corporations. Each is completely responsible for both export and import trade in the group of related goods appearing after the title of each.

Chinese National Foreign Trade Corporations

China National Cereals, Oils and Foodstuffs Import and Export Corporation

Address: 82 Tung An Men Street, Peking, China.

Cable: CEROILFOOD PEKING

Principal exports and imports:

Cereals, edible vegetable and animal oils and fats, vegetable and animal oils and fats for industrial use, oil seeds, seeds, oil cakes, feedingstuffs, salt, edible livestock and poultry, meat and meat products, eggs and egg products, fresh fruits and fruit products, aquatic and marine products, canned goods of various kinds, sugar and sweets, wines, liquors, spirits of various kinds, dairy products, vegetables and condiments, etc.

China National Tea and Native Produce Import and Export Corporation

Address: 82 Tung An Men Street, Peking, China.

Cable: PROCHINA PEKING

Principal exports and imports:

Tea, coffee, cocoa, tobacco, bast fibre, rosin, feedingstuffs, timber, forest products, spices, essential oils, nuts and dried vegetables, patent medicines and medicinal herbs, as well as other native produce.

China National Arts and Crafts Import and Export Corporation

Address: 82 Tung An Men Street, Peking, China.

Cable: ARTCHINA PEKING

Principal exports and imports:

Pottery and porcelain, drawn works, human hair, pearls, precious stones and jewellery, ivory and jade carvings, lacquer ware, plaited articles, furniture, artistic handicrafts and other handicrafts for daily use.

China National Animal By-Products Import and Export Corporation

Address: 82 Tung An Men Street, Peking, China.

Cable: BYPRODUCTS PEKING

Principal exports and imports:

Bristles, horse tails, feathers, down, feathers for decorative use, rabbit hair, wool, cashmere, camel hair, casings, hides, leathers, leather products, leather shoes, fur mattress, fur products, carpets, down products, living animals, etc.

China National Textiles Import and Export Corporation

Address: 82 Tung An Men Street, Peking, China.

Cable: CHINATEX PEKING

Principal exports and imports:

Cotton, cotton yarns, raw silk, steam filature, wool tops, rayon fibres, synthetic and manmade fibres, cotton piecegoods, woollen piecegoods, linen, etc.

China National Garments and Wearing Apparel Import and Export Corporation

Address: 82 Tung An Men Street, Peking, China

Cable: GARMENTS PEKING

Principal exports and imports:

Garments and wearing apparel, knitted goods, cotton and woollen manufactured goods, readymade silk articles, etc.

China National Light Industrial Products Import and Export

Address: 82 Tung An Men Street, Peking, China

Cable: INDUSTRY PEKING

Principal exports and imports:

Paper, general merchandise, stationery, musical instruments, sporting goods, toys, building materials and electrical appliances, etc.

China National Chemicals Import and Export Corporation

Address: Erh Li Kou, Hsi Chiao, Peking, China.

Cable: SINOCHEM PEKING

Principal exports and imports:

Rubber, rubber tires and other rubber products, petroleum and petroleum products, chemical fertilizers, insecticides and fungicides, pharmaceuticals, medical apparatus, chemical raw materials, dyestuffs, pigments, etc.

China National Machinery Import and Export Corporation

Address: Erh Li Kou, Hsi Chiao, Peking, China.

Cable: MACHIMPEX PEKING

Principal exports and imports:

Machine tools, presses, hammers, shears, forging machines, diesel engines, gasoline engines, steam turbines, boilers, mining machinery, metallurgical machinery, compressors and pumps, hoists, winches and cranes, transport machinery (motor vehicles and parts thereof, vessels, etc.), agricultural machinery and implements, printing machines, knitting machines, building machinery, machinery for other light industries, electric machinery and equipment (generators, motors, transformers, rectifiers, etc.), telecommunication equipment, scientific instruments (optical, electronic, navigation, meteorological, etc.), electric measuring and testing instruments, laboratory equipment, precision measuring tools, metal cutting tools, hand tools, ball and roller bearings, tungsten carbide, cinematographical equipment and supplies, photographic equipment and supplies, etc.

China National Metals and Minerals Import and Export Corporation

Address: Erh Li Kou, Hsi Chiao, Peking, China.

Cable: MINMETALS PEKING

Principal exports and imports:

Steel plates, sheets and pipes, steel sections, steel tubes, special steel, railway materials, metallic products, pig iron, ferro-alloys, non-ferrous metals, precious rare metals, ferrous mineral ores, non-ferrous mineral ores, non-metallic minerals and products thereof, coal, cement, hardware, etc.

China National Technical Import Corporation

Address: Erh Li Kou, Hsi Chiao, Peking, China.

Cable: TECHIMPORT PEKING

Principal imports:

Complete industrial plants, technical knowhow, etc.

Guozi Shudian

China Publications Centre

Address: P.O. Box 399, Peking, China.

Cable: GUOZI PEKING

Exports:

Books and periodicals in Chinese and foreign languages, chromoxylographic reproductions of Chinese paintings —scrolls, plates, albums, portfolios. Offset reproductions—albums, prints, postcards, original paintings by contemporary Chinese artists, folk paper cutouts, greeting cards, bookmarks, Chinese records (long playing), lantern slides and filmstrips.

China Philatelic Company

Address: 2 Tung Chang An Chieh, Peking, China.

Cable: CHINAPHIL PEKING

Handles exclusively the export of New China stamps and supplies the following: mint stamps, cancelled stamps, singles, packets, first-day covers and albums and stockbooks. •

Businessmen from around the world are shown changing trains at the Hong Kong-Communist China border on their way to Canton, where semi-annual trade fairs take place.

trade lines

Canadian snow-scooters will face increasing competition from Swedish makes in European and domestic markets. Three Swedish manufacturers expect production to reach 1,000 units, with exports planned to other Scandinavian countries and to North America. There are about 1,000 snow-scooters in northern Sweden; main customers are Lapps (with their reindeer herds), forestry companies and the Board of Telecommunications—Stockholm.

Poultry industry in Uruguay is now a well-established exporter of fresh eggs. Most exports go to Europe and the Argentine, but last November 300 cases were shipped to Saint John, N.B. Major European customers are the Netherlands, Italy, Austria and Switzerland—Montevideo.

Israel will require an estimated 30,000 new housing units every year as a result of population increase and immigration. Ministry of Housing plans to provide roads, power lines and other development works either free of charge or at very low cost. Contractors must then build to predetermined standards—Tel Aviv.

Honey crop in Greece dropped to 4,000 metric tons in 1965, compared with 6,500 tons harvested in 1964. Quality however is good and it is expected that over 400 tons will be exported to traditional markets—the U.S., Britain, Europe and North Africa. Prices range between U.S. $600 and U.S. $900 per metric ton—Athens.

An estimated 24,000 tons of particle board a year will come from a new factory in Jamaica. Half will be used locally and the rest exported. Canadian engineers carried out the basic design and process work on this $5 million project—Kingston.

The Soviet Union will supply Czechoslovakia with natural gas via a 500-kilometre pipeline. The line will be parallel and southwest of the Druzhba (Friendship) trunk line which carries oil to Bratislava. Initial capacity of 1.5 billion cubic metres will be trebled with the building of supplementary compressor stations. The start of the line is the western Ukraine, near the town of Dolina—Moscow.

Spain-U.S. Atomic Energy Agreement has been renewed to 1988, with certain amendments. Henceforth some of Spain's nuclear reactors will function with Spanish uranium enriched at U.S. Atomic Energy Commission centres. Spain's uranium reserves total 10,000 tons. New nuclear power plant coming into production in 1967 at Zorita will consume five tons of enriched uranium a year and produce more than 1 billion kwh.—Madrid.

Switzerland exported 33,880 tons of cheese during the year ended July 31, 1965, an increase of 2.1 per cent. Higher exports of hard cheeses increased total export value by 8.7 per cent to Sfr. 192.7 million. Italy was biggest customer, buying 11,450 tons, followed by France (6,730 tons) and the U.S. (4,780). Canada was seventh largest importer, buying 1,060 tons—Berne.

Hong Kong will spend a possible $7.5 million on computers in 1966. To date, imports of computing machines have averaged $1.3 million a year in value. The Computing Centre of the University of Hong Kong provides some research and technical facilities for various companies and organizations in the Colony. It has already participated in the design of water reservoir intakes, air-conditioning installations, and statistical analyses of typhoon winds—Hong Kong.

The Norwegian fish catch amounted to $161 million in 1965. The previous record was set in 1956—1.9 million tons worth $109 million—Oslo.

Fully automated chipboard factory has opened at Lochem, in the Netherlands. Investment totals about Can.$1.02 million. Standard size chipboard sheets are produced from Dutch coniferous wood. Output is expected to supply 10 per cent of domestic demand. Annual Netherlands consumption of chipboard is 175,000 tons—The Hague.

Germans are using more and more candles. Last year, production exceeded 19,000 tons and was valued at about DM70 million—compared with 18,100 tons valued at DM66 million the previous year. Imports continue to rise and Canadian manufacturers are beginning to obtain a share of the business—Duesseldorf.

Denmark's gross national product in 1965 rose to 74,700 million Kroner—13 per cent over 1964. Rise in wages was the highest in Europe, with average hourly industrial incomes up by 12 per cent, Civil Service salaries by 20 per cent, and agricultural wages by about 13 per cent. These increases were accompanied by the second highest price rise in Europe—8.6 per cent—Copenhagen.

Thailand will begin building of largest pulp and paper mill in South East Asia early this year. Thai Paper Industries Co. Ltd., a joint venture between Kearns International and Parsons & Whittemore Inc., will have capitalization of U.S.$36 million. First stage of mill, capacity 36,000 tons, will be completed within two and a half years. Local bagasse and bamboo will supply 30 per cent of pulp requirements; remainder will be imported. Exemption from import duties on machinery, equipment and raw materials and exemption from business taxes during first five years of operation will be granted. Ad valorem import duties of from 10 to 30 per cent have been adopted as a protective measure—Singapore.

A cable link may eventually be built between East and West Pakistan, following a recently completed government survey and feasibility study. Cost of the 1,000-mile project is estimated at about $23 million. Government is negotiating with the U.S., Britain and Japan for credit to meet project's foreign exchange requirements, about $12 million—Karachi.

foreign tariffs and trade regulations

Argentina

CENTAVOS SUPPRESSED FROM ALL ACCOUNTS—Law No. 16761, sanctioned on October 27, 1965, promulgated on November 10, 1965, and published in the *Official Bulletin* on November 26, lays down that effective January 10, 1966—that is, 60 days from the date of promulgation of this law—'centavos' will no longer be taken into account for payment when included in invoices, promissory notes, receipts, cheques and other commercial and banking documents.

In commercial or bank obligations contracted up to November 10, 1965, the inclusion of centavos will be considered as one peso when the amount expressed is over 50 centavos and will be completely dropped when below this figure—Buenos Aires.

Denmark

IMPORT LIBERALIZATION EXTENDED—By notice No. 442 of December 21, 1965 (and supplement to the notice of January 17, 1966), the Danish Ministry of Commerce liberalized imports of the following goods, as from January 1, 1966:

Fish and roe, including deep frozen fillet, of any kind, with the exception of plaice, codfish and herring
Plaice, codfish and herring, if they are destined for industrial production of prepared or preserved fish
Smoked fish, deep-sea lobster and shrimps
Licorice, confectionery, citrus and apricot marmalades
Dextrin and dextrin glues
Glues containing starch
Road and paving sets, curbs and flagstones
Friction material (segments, discs, washers, strips, sheets, plates, rolls and the like) for brakes, clutches and the like, with a basis of asbestos, other mineral substances or of cellulose, whether or not combined with textile or other materials
Elevators and their parts

More detailed information may be obtained from the Office of Trade Relations, Department of Trade and Commerce.

Ghana

NEW TARIFF SYSTEM—The Government of Ghana has announced that the present tariff system is being converted to the Brussels Tariff Nomenclature. It stated that the alteration would be effective February 1, 1966. Further details, when available, may be obtained from the Commonwealth Division, Office of Trade Relations.

Jamaica

IMPORT RESTRICTIONS ON MEN'S PANTS—Effective January 26, 1966, all men's pants, sizes 27 to 46, irrespective of price range, must be covered by a specific import licence when imported into this country. The Jamaican Ministry of Trade has advised that, at present, quotas will be issued based on 30 per cent of imports during 1965.

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 .9294.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 7	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2195	4.56	
Argentina	Peso	Free	.005699	175.47	
Australia	Pound		2.4130	.4144	
Austria	Schilling		.04161	24.03	
Bahamas	Pound		3.0162	.3315	
Belgium and Luxembourg	Franc		.02165	46.19	
Bermuda	Pound		3.0162	.3315	
Bolivia	Peso		.09145	10.93	
Brazil	Cruzeiro	Official Free	.0004868	2,054.23	†
Britain	Pound		3.0162	.3315	
British Guiana	Dollar		.6284	1.59	
British Honduras	Dollar		.75405	1.33	
Burma	Kyat		.2259	4.43	
Ceylon	Rupee		.2262	4.42	
Chile	Escudo	Bank rate	.3039	3.29	
		Free	.2514	3.98	
Colombia	Peso	Free	.05928	16.87	
		Certificate	.1195	8.37	
Congo, Republic of	Franc		.007173	139.41	(1)
Costa Rica	Colon		.1624	6.16	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1494	6.69	
Denmark	Krone		.1560	6.41	
Dominican Republic	Peso		1.07594	.9294	
Ecuador	Sucre	Official	.05977	16.73	
		Free	.05810	17.21	
El Salvador	Colon		.4304	2.32	
Fiji	Pound		2.7173	.3680	
Finland	Markka		.3362	2.97	
France, Monaco, etc.	Franc		.2195	4.56	(2)
Franco-African Republics, etc.	Franc		.004390	227.79	(3)
French Pacific	Franc		.01207	82.85	(4)
Germany	D Mark		.2680	3.73	
Ghana	Cedi		1.2568	.7957	
Greece	Drachma		.03586	27.89	
Guatemala	Quetzal		1.07594	.9294	
Haiti	Gourde		.2152	4.65	
Honduras	Lempira		.5380	1.86	
Hong Kong	Dollar	Free	.1873	5.34	*Jan. 28
		Official	.1885	5.31	

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

*Latest available date.

†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.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 7	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02502	39.97	(1)
India	Rupee		.2262	4.42	
Indonesia	Rupiah		.004304	232.35	(1)
Iran	Rial		.01420	70.40	
Iraq	Dinar		3.0126	.3319	
Ireland	Pound		3.0162	.3315	
Israel	Pound		.3586	2.79	
Italy	Lira		.001722	580.72	
Japan	Yen		.002989	334.56	
Lebanon	Pound	Free	.3520	2.84	
Malaysia	Dollar		.3515	2.84	
Mexico	Peso		.08608	11.62	
Morocco	Dirham		.2152	4.65	
Netherlands	Florin		.2970	3.37	
Netherlands Antilles	Florin		.5705	1.75	
New Zealand	Pound		3.0054	.3327	
Nicaragua	Cordoba		.1537	6.51	
Nigeria	Pound		3.0162	.3315	
Norway	Krone		.1506	6.64	
Pakistan	Rupee		.2262	4.42	
Panama	Balboa		1.07469	.9294	
Paraguay	Guarani	Free	.008715	114.74	
Peru	Sol	Free	.04011	24.93	
Philippines	Peso	Free	.2754	3.63	
Poland	Zloty	Fixed-basic rate	.04482	22.31	
Portugal & Colonies	Escudo		.03742	26.72	(5)
Sierra Leone	Leones		1.5063	.6639	
South Africa	Rand		1.5081	.6631	
Spain and Dependencies	Peseta		.01797	55.65	
Sweden	Krona		.2081	4.81	
Switzerland	Franc		.2486	4.02	
Syria	Pound	Free	.2817	3.55	
Thailand	Baht	Free	.05165	19.36	(1)
Tunisia	Dinar		2.0604	.4853	
Turkey	Lira		.1195	8.37	(1)
United Arab Republic	Pound	Official	2.4747	.4041	
United States	Dollar		1.07594	.9294	
Uruguay	Peso	Free	.01532	65.27	
Venezuela	Bolivar	Official Free	.2396	4.17	
West Indies	Dollar		.6284	1.59	(6)
	Pound		3.0162	.3315	(7)
Yugoslavia	Dinar	Official	.08608	11.62*	

*As of Jan. 1/66, the Yugoslav new dinar entered circulation at parity with 100 old dinars.

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.

Australia Becomes a Dollar Country

H. A. GILBERT,
Commercial Counsellor, Melbourne.

C DAY dawned in Australia on February 14, 1966, when the banks throughout the country began transactions in dollars and cents. The design of the new decimal currency* notes was revealed only about a month before C Day (the day for conversion to the decimal system) when 160 million of them were readied for distribution to the banks in preparation for the change from pounds, shillings and pence.

The new notes, in denominations of one, two, ten and twenty dollars, are multi-coloured with strong etchings in black. They are particularly clear in printing quality and, as added protection against forgery, have a metallic thread embedded near the centre and a water-mark portrait of Captain James Cook.

Unlike the pound notes now in circulation, the new dollar notes have no border and the word dollar or dollars appears only once, on the left-hand side of the front of the note preceded by the denomination—one, two, ten or twenty dollars.

Australiana is the motif for the new notes. The one dollar carries a special photograph of the Queen beside a modernized version of Australia's coat-of-arms. The reverse side has an interpretation of Aboriginal bark and rock paintings and carvings. Though the dollar is multicoloured, as all the notes are, it is basically a bright brown.

The two, ten and twenty have portraits of distinguished Australians, front and back. On the two is the portrait of John McArthur, noted for his promotion of the wool industry in its early stages. Fittingly, it is accompanied by the picture of a merino ram. The reverse side depicts wheat, alongside the head of William Farrer, a pioneer in wheat breeding in Australia. This note is primarily green.

The ten is predominantly blue and one side portrays Francis Howard Greenway, a convict who became Australia's first fully qualified architect. On the other is the head of the Australian poet and short story writer, Henry Lawson.

The red twenty dollar note reflects Australia's interest in aviation. Sir Charles Kingsford-Smith, who flew the Southern Cross around the world in 1928, appears on the front; on the back is Lawrence Hargrave and his drawings of kites and flying machines.

Each dollar note is smaller in size than the pound note it replaces. Both width and length increase with the value of the note.

Before "C-Day" arrived, every householder in Australia received a 16-page booklet entitled *Dollars and Cents and You* plus a fold-over card *Shopping in Dollars and Cents.* These two publications were issued by the Decimal Currency Board to assist Australians in the changeover; the Postmaster General started delivery of them on January 17, 1966. ●

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*See also *Foreign Trade* issue of October 16, 1965, for article on decimal coinage.

If undelivered return to:
The Queen's Printer, Ottawa, Canada

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