

MARCH 19. 66

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Using Industrial Distributors in the U.S.

Trade Fairs Can Help You Sell

Enterprising Exporters in Western Canada

FOREIGN TRADE

MARCH 19, 1966

Vol. 125 No. 6

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

The Hon. ROBERT H. WINTERS, Minister.

J. H. WARREN, Deputy Minister.

O. MARY HILL, Editor.

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

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

Single copies: 25 cents each.

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

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Exporters new to the U.S. market sometimes find it hard to choose between various methods of getting their products distributed and sold there. If your company makes any of the products included in the extensive list on page 3, you will want to read this article, and part II in the next issue, carefully.

Trade Fairs Can Help You Sell 6

Number 22 in our continuing series, 'How to Win World Markets', turns to trade fairs—a centuries-old marketing technique that has been adapted to today's pressures and products. The article tells how exporters can participate in trade fairs, what results they can expect, and how the department can help.

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Late last fall, the Editor of "Foreign Trade" visited the three Prairie Provinces and British Columbia and interviewed a number of companies, small and large, that are making good progress in foreign markets. Here she writes about two unusual exports—a cannon that scares birds and predatory animals and a utilitarian camera unit that inspects the inside of sewers.

Selling Abroad through New York 12

Hot off the press is a directory that many Canadian firms will find useful; a number have obtained and used earlier issues. If you are unfamiliar with "New York Buyers for Export", the short piece on page 12 is for you.

Tennessee Will Buy Canadian Products 16

Over the past several years, the New Orleans office, which covers a very large territory, has reported on the market in several of the Southern States. This time it is Tennessee, and Canadian products with potential there range from foods and high performance reactors right down to the lowly hockey puck.

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COMING—PROTECTING TRADE-MARKS IN FOREIGN MARKETS, APRIL 2 ISSUE

Using Industrial Distributors in the U.S.

Industrial distributors sell literally thousands of products for their principals, and Canadian firms could make better use of them in the competitive American market. This article, to be run in two parts, tells how distributors operate, what they expect from a manufacturer, and how to select and motivate them.

MALCOLM ROWAN,
Consul and Assistant Trade Commissioner, Chicago.

U.S. INDUSTRY will buy this year over \$9 billion worth of new equipment and supplies—equivalent to 20 per cent of Canada's gross national product—from 11,000 industrial distributors. Industrial distributors are a dynamic segment of the distribution industry, composed of independent firms offering an economical and efficient method of locating, selling and servicing ultimate users of industrial supplies.

Many of the world's largest manufacturers of industrial supplies sell through industrial distributors in the United States. In fact, it is estimated that 65 per cent of all industrial supplies are sold through such firms, compared with only 35 per cent sold direct, although these percentages do not hold true for every product group.* It is a proven marketing method, but one which requires constant attention, motivation of the distributor, and a sincere belief that this

is the best possible way to sell to end users.

Four main criteria are used in identifying an industrial distributor:

1. He makes sales to industry, whether manufacturing, mining, utilities, etc., where no resale at retail is involved.
2. He must stock his major lines.
3. He must have one or more outside salesmen calling on industry.
4. He must carry one or more of the industrial supply product lines shown in the box feature on page 3.

There are three basic types of distributors.

1. *Traditional, General Line Distributors* make up approximately 40 per cent of all industrial distributors and carry most industrial supply product lines.

2. *Specialists*—They are the simplest form of industrial distributors and constitute about 25 per cent of the industry. These firms handle one inter-related group of products and are geared to provide the maximum engineering and technical services required to sell it. Included are distributors handling power transmission equipment, oilfield and mine supplies, electronic products, industrial rubber goods, materials handling equipment, and welding supplies. Excluded from this group are the general line houses which have set up specialized departments.

3. *Combination Houses*—About 35 per cent of all industrial distributors are combination houses, which engage in other wholesaling activities in addition to selling equipment and supplies to industry. This group includes

*Industrial distributors sell O.E.M. equipment and components as well as supplies which are used in the process of manufacture, such as hacksaw blades. Usually manufacturers selling O.E.M. components and equipment sell direct but a minority sell exclusively through industrial distributors.

The distribution of abrasive wheels is, perhaps, a good example of a mixed marketing approach. Within the last year the major abrasive wheel producers led by Norton Company have decided to sell their fast moving lines to large users direct and use distributors to supply smaller quantity requirements. The results of this marketing approach are not clear as yet, but it appears that benefits accrue to the suppliers and the end users only where large volume is involved. It is clear, however, that only strong manufacturers can afford to use such an approach and risk antagonizing industrial distributors.

You Can Sell These Products through an Industrial Distributor

Cutting Tools and Abrasives

Grinding wheels and coated abrasives
Twist drills and reamers
Taps and dies
Hobbs, shapers and cutters
Carbide diamond or ceramic-tipped tools
Saws, band and hack
Saws, circular
Wire brush wheels and buffers

Mechanics' and Machinist Tools

Vises
Hand tools (hammers, pliers, wrenches, etc.)
Files
Pipe tools

Powered Equipment and Accessories

Light production machines (drill presses, band saws, lathes, etc.)
Chucks, tool holders, drill heads
Portable electric tools
Portable pneumatic tools

Pipe Tubing, Valves and Fittings

Pipe, tubing and fittings, metal
Pipe, tubing and fittings, plastic
Valves, metal
Valves, plastic
Packings and gaskets
O-Rings and seals
Expansion joints
Steam traps, separators and regulators

Tooling and Quality Control

Tool and die sets
Hand precision tools (micrometer, vernier calipers, etc.)
Precision testing and measuring equipment (comparators, etc.)
Industrial counting devices

Metals and Plastics

Metals, ferrous (bars, rods, sheets, shapes)
Metals, non-ferrous (bars, rods, sheets, shapes)
Flat ground stock and tool steels
Plastic (bars, rods, sheets, shapes)

Pneumatic, Hydraulic Equipment and Supplies

Pumps
Compressors
Power cylinders (air and hydraulic)
Controls (air and hydraulic)
Filters, lubricators, accumulators
Hose assemblies

Electrical and Electronic Equipment

Integral H. P. motors
Fractional H. P. motors
Lamps (incandescent and fluorescent)
Industrial lighting fixtures
Motor starters and controls
Electronic components (capacitors, semi-conductors, etc.)

Industrial Rubber Products

Rubber hose
Hose coupling and clamps
Conveyor belting
Mats and matting
Moulded rubber parts

Safety Equipment

Fire extinguishers
Safety gloves, hats and clothing
Safety cans and containers

Materials Handling Equipment

Hoists (electric, air, hand)
Floor and hand trucks
Conveyors
Casters and wheels
Slings, wire rope and chain
Steel shop equipment (shelving, bins, etc.)

Bearings

Anti-friction (ball, roller, needle)
Plain and sleeve
Bearing metals
Pillow blocks and flange units
Retaining rings and seals

Contractors' Supplies

Shovels, hoes, forks, sledges
Rope and cordage
Jacks
Hydraulic tools
Ladders and scaffolds

Protective Coating and Paint

Paints and coatings
Painting equipment
Industrial aerosols

Power Transmission Equipment

Chain and sprockets
Clutches and brakes
Couplings (flexible and rigid)
Flat belt drives (belts and pulleys)
Stock gears and gear drives
Toothed belt drives (belts and pulleys)
V-Belt drives (belts and sheaves)
Variable speed drives and speed reducers
Specialties (collars, rings, seals, etc.)

Maintenance and Production Equipment and Supplies

Lubricating equipment and devices
Lubricants (oils, greases, coolants)
Industrial chemicals (solvents, compounds, etc.)
Unit heaters, fans, ventilators, dust collectors
Packaging, shipping and marking equipment
Industrial tapes
Adhesives and epoxies
Welding equipment and supplies
Brushes and brooms
Waxes, sweeping compounds, etc.
Vibration mounts and pads

Fasteners

Bolts and nuts
Screws (machine, tapping, wood)
Screws and nuts (self-locking)
Cap and socket screws
Washers (spring, lock, etc.)
Rivets (blind, hollow, etc.)
Anchoring devices
Screws, miniature
Threaded rod products

wholesalers of electrical goods, automotive equipment, hardware and plumbing and heating equipment.

Typical Distributors

Distributors vary in size from giant firms like Ducommun Metals and Supply Corporation, Los Angeles, to small companies with only one outside salesman. The typical distributor, however, has annual sales of \$1 million, an inventory worth \$200,000, four outside salesmen, and a total of twenty employees. He may cover a 25-mile radius in heavily industrialized areas or a 300-mile radius or more, as in Texas.

The typical industrial distributor has probably been in business since 1945—some 55 per cent of all industrial distributors have.

Naturally, industrial distributors concentrate where there is a good deal of industry and where distance makes the expense of selling direct too high for manufacturers. A recent survey lists the number of them in the following states: California 996, New York 854, Ohio 812, Texas 781, Pennsylvania 633, Illinois 585. In the Chicago trade territory, the leading states are Illinois 585, Missouri 264, Wisconsin 251 and Minnesota 188.

Why Use Distributors?

Direct sale by a manufacturer to an end user is the best method to maintain control over all phases of a sales program. However, the manufacturer's costs are usually too high to even consider direct sales in most market areas. Distributors therefore offer a quick entry into new markets and provide strategically located warehouses, intimate knowledge of local markets, savings to the manufacturer in clerical and bookkeeping costs, frequent sales calls on the end user, easier access to buyers, savings in shipping costs, and reduction or elimination of credit risks.

The distributor provides a sales force for small manufacturers with a volume that cannot support enough salesmen to cover the market. Large manufacturers with established sales forces can expand and improve their market penetration by adding distributors in any given area. In essence, industrial distributors give manufacturers market coverage both efficiently and economically.

The main disadvantage of a distributor is that he is an independent businessman engaged in selling the products of a number of manufacturers. The manufacturer must therefore compete with other firms for the distributor's interest and use of his resources. Distributors tend to select and push those products with the greatest possibilities of volume sales and profit. This means the manufacturer is faced with motivating the distributor to spend more time on his product. One of the best ways to do this is to have a well-thought-out distribution policy.

Distribution Policy

Any manufacturer of industrial supplies, whether Canadian or American, must spend considerable time on his distribution policy if he wants to sell successfully through industrial distributors.

The right attitude to marketing in the United States is essential for Canadian firms if they want to be on an equal footing with their U.S. competitors. Canadian firms should look upon the U.S. market as an extension of the domestic market, not as an export market. Further, they should have a distribution policy which convinces the distributor that they are sincere about marketing in the United States and feel sure that the distributor route to sales is the best possible one.

Moreover, the manufacturer should look upon the distributor as an intermediate step in the process of selling to the end user. The distributor is not a customer but part of the manufacturer's sales team.

One of the most comprehensive distribution policies available is the one used by Henry G. Thompson and Sons Company. It covers the following main points:

- Method of distribution
- Definition of distributor or wholesaler
- Exclusive distributors
- Selected distributors
- Withdrawing distribution
- O.E.M. accounts
- Non-stocking accounts
- Consumer inquiries or orders
- National customer accounts
- Mail order houses and chain stores
- Distributor net prices
- Single discounts
- One price policy
- Price changes

- Consignment—shipping and payment terms
- Decimal packaging
- Suggested retail resale prices
- Maintaining suggested resale prices
- Active inventory
- Private brand prices
- Quality guarantee
- Second quality
- Warehouse stock
- Product liability
- Advertising co-operation

This sales policy is a comprehensive statement of what the company is willing to do for its distributors and what it expects from them. It goes a long way towards building up the distributor's confidence in a manufacturer.

Distributor Coverage

There are various kinds of coverage through distributors and each must be carefully considered in the light of the product and the market.

1. *Exclusive Distribution* in any given area means that the manufacturer appoints only one distributor to handle his product. It may also involve payment of commission on all business that emanates from the assigned area, whether the distributor has done any work to produce that business or not.

2. *Selective Distribution* is the most common type used today by manufacturers who feel that there is more than one market for their products. This policy enables a manufacturer to appoint a number of distributors capable of providing a share of the potential in given market areas. For example, a distributor for the metalworking industry may be selected in the same area in which another distributor covers the welding industry.

3. *Multiple Distribution* means that there is more than one distributor serving a single market. It is broader than selective distribution because it provides for at least two distributors covering a given market area.

4. *Saturation Distribution* means that the manufacturer has decided not to be too selective about who represents his products in order to obtain the widest possible representation.

What to Look for

In selecting a distributor, the manufacturer should know the following:

1. The extent and characteristics of the distributor's marketing area.
2. His present product lines.
3. The qualifications of his personnel, particularly management personnel.
4. His inventory practices. For example, is he willing to invest in inventory and has he good inventory controls?
5. The interest the distributor displays in sales promotion and sales training.
6. The standing he has in the trade.

What the Distributor Expects

The distributor, for his part, expects a number of benefits from a manufacturer whose product he sells. These include:

- A reputable company with either a leading product in its field with good consumer acceptance or a product with good potential.
- Well-defined distribution policies, fairly implemented in practice.
- Acceptable profit margins.
- Trained selling support.
- Good deliveries and supporting inventories.
- Reports on market potential and sales performance.
- Sales training programs.
- Well-planned distributor sales meetings.
- Supporting advertising programs.
- Good sales promotion material and sincere interest in the success of the distributor's operations.

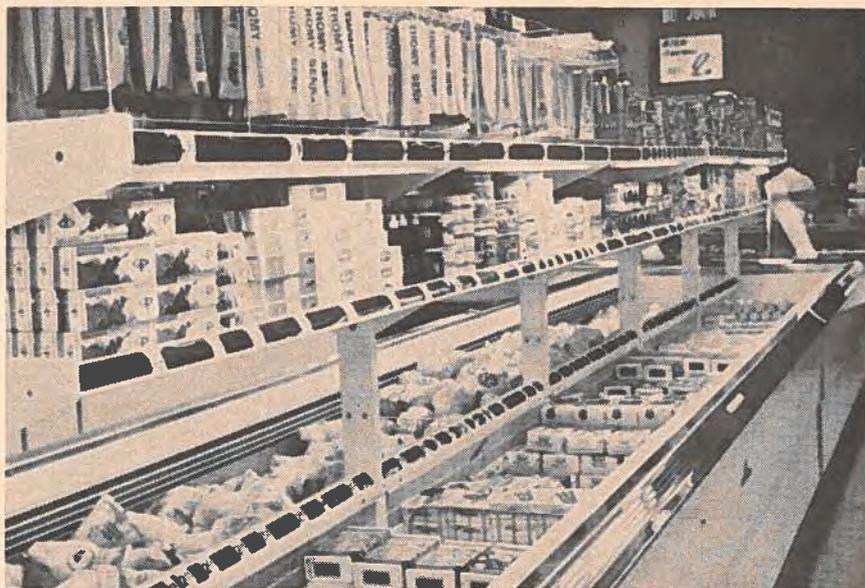
The closer a Canadian manufacturer can come to being an ideal supplier, the better his chances of getting his product accepted and sold through distributors.

Part II of this article, to be carried in the next issue, will discuss trends in the distributor industry, trade associations and publications serving distributors, and methods of building up a good distributor organization.



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These refrigerated showcases in the food section of the Lausanne outlet of a department store chain display frozen foods attractively for the Swiss housewife. But she is not yet thoroughly "sold" on using them; more advertising is needed.

Swiss Market for Frozen Foods

SWISS housewives are still very reluctant to buy frozen foods, for several reasons. One is that fresh varieties are more popular and also cheaper. Frozen fruits and berries, for example, are between 35 and 260 per cent more expensive than fresh ones. For frozen vegetables, the difference varies between 45 and 160 per cent. Only frozen fish and chickens are cheaper, but in these, the quality of the fresh product is better.

Another reason is that most Swiss households are not yet equipped to handle frozen foods in quantity. Although 70 per cent of them are furnished with refrigerators, only 8 per cent of these have a deep-freeze compartment. Retailers are not able to provide the same storage facilities for and therefore the same care of frozen foods as are producers and wholesalers, because they are unwilling to invest large amounts in the big freezers needed. The price for a freezer of 300 litres is about Sw. Fr. 4,000, (Can. \$1,000 approximately); for a freezer of 900 litres the price is Sw. Fr. 8,000. Retailers feel that they must have a much larger turnover to justify this expense.

The following figures give some indication of the limited role played by frozen foods. With a population of slightly less than 6 million, per capita consumption of vegetables is 70 kilos a year, of which only 1 per cent is deep-frozen. Per capita consumption of frozen chickens is 4 kilos and of ice-cream 2 to 2.5 litres.

There are three Swiss companies producing frozen foods: Frisco AG, Rorschach, Findus AG, Zurich, and Migros Genossenschafts-Bund, Zurich. Together they cover 80 per cent of the market. The remaining 20 per cent of frozen foods is imported and consists mainly of frozen chickens and frozen fish. Frisco AG has mainly concentrated on ice-cream but also produces frozen vegetables, especially spinach, and holds the general Swiss agency for Frionor (Norwegian) products. Findus AG, which belongs to the large Nestlé concern, handles frozen vegetables and fish. Migros Genossenschafts-Bund produces frozen chickens, vegetables and ice-cream and sells them exclusively in its own stores throughout Switzerland.

The industry estimates the early growth rate in the sale of frozen foods at 15 per cent; this could be obtained through extensive propaganda and better information for housewives, a greater range of products, greater care in handling frozen products by retailers, seminars for retailers, and formation of a Swiss Institute for Frozen Foods.

Canadian exporters of frozen foods interested in the Swiss market should communicate with the Commercial Counsellor, Canadian Embassy, Berne, to seek information on market possibilities, agents, etc., for their products.

—MAX MEISTER,
Commercial Assistant, Berne.



How to Win World Markets 21

The Canadian Government enters composite exhibits in well over 40 foreign trade fairs each year. Yet relatively few companies take advantage of this proven method of selling abroad or of researching new markets. This article takes a hard look at the trade fair as a sales tool that promotes Canadian products effectively abroad.

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

"BEFORE THE EXHIBITION we had no business in Britain and, for that matter, no firm plans for going after any. There is no doubt in my mind that participation in the show stimulated faster action on our part. Had we not been compelled by the set dates of the event to get going, undoubtedly we would still be in the thinking stage back in Canada. We

ample: "May I express our industry's appreciation of the assistance and good work done by members of your Department . . . We did not realize that the market was so good." Only satisfied sellers write that way.

Excuses, Excuses

Government officials are given many reasons for firms shying away from fairs.

"We're too small a company, our production is just keeping up with domestic sales."

"This company does not believe in spending money on promotion when increased sales are not definite."

"We've shown before at an industry fair and couldn't get any attention; there were too many exhibitors."

"How can Canadians hope to compete against high-volume, low-cost manufacturers from other countries?"

"It's just too much fuss, muss and bother; we're doing all right as it is."

Some of these criticisms may be valid sometimes, but a second and closer look at the "whys" and "hows" of government-sponsored exhibits usually shows that most manufacturers' fears are groundless. Trade and Commerce officers have recognized where the pitfalls are and how to avoid them if at all possible.

If a picture is worth a thousand words, then a properly organized exhibit in the right trade fair is

Trade Fairs Can Help You Sell

have already started to engineer the selected products, our distribution plans are almost complete, and we are determined to end up ultimately with 5 per cent of the market."

The businessman who recently wrote these words to a Trade Commissioner abroad is one of the many who in the beginning had to be "persuaded" to enter a trade fair. The fact is that many Canadian companies are not using foreign fairs and exhibitions to boost their exports as much as they could—and should.

When (and if) they take the plunge, the results are so good (one Canadian company did over \$10 million worth of business after participating in the International Engineering Exhibition in London) that they write often effusive letters of thanks to the Government. For ex-

worth a million. The combination of an attractive exhibit and an eager, well informed staff is almost unbeatable, no matter what the show.

What Kinds Are There?

Basically, fairs are divided into two categories: the vertical and the horizontal. Although the horizontal (or general) fair has been the best known for many years, the vertical (or specialized) exhibition is fast closing the gap, both in frequency and sales.

The horizontal fair covers a wide range of goods from many industries. The Canadian National Exhibition, for instance, offers everything from washcloths to tractors, from prefab cottages to data processing equipment. This type of show usually opens its gates to the general public and is physically larger than a vertical fair. There are three main ways of setting up a horizontal fair.

- Manufacturers may be located on a first-come-first-served basis with no attention paid to the grouping of commodity classes.

- National or state exhibits may be the keystone to planning. The or-

ganizers of each exhibit are responsible for choosing the products to be shown on the stand.

- Special industries may be assigned specific buildings or exhibit areas; related or accessory products may be placed nearby.

Most horizontal fairs are organized by national, regional or municipal groups, and even if they are termed "international", the emphasis is usually on domestic producers.

The vertical fair is an entirely different kettle of fish. It is designed purposely to allow buyers from a specific industry to view products directly connected with their work. Most of these buyers come with purchasing authority from their companies. Although attendance is usually smaller than at a horizontal fair, the dollar volume of sales is likely to be quite high—both during the show and after. Repeat sales make the difference.

Where Are They?

Canadian exporters have made particularly extensive use of trade fairs in Britain, Western Europe, and the United States. New York,

Chicago and Los Angeles seem to be favourite U.S. locations and are well known for huge trade shows covering such industries as clothing and textiles, heavy machinery, electronics equipment, marine supplies and giftware. London, Manchester and Glasgow lead the field in England and Scotland, and Canadian suppliers of foods, building supplies, furnishings and hardware have been active there in past years. Paris is France's main marketplace for our leathers and aircraft, and Cologne has been the site of Canadian triumphs in the areas of sporting goods and foods.

Even the Iron Curtain has proved no barrier to exporters with drive. Individual manufacturers have exhibited independently in Moscow, Poznan in Poland, and Brno in Czechoslovakia. Because of a successful fair in Budapest, one entrepreneur is now selling barbecue equipment in Hungary.

Information Please

As the world has grown smaller with the coming of high-speed transportation, trade fairs and exhibitions have come into their own.



Trade fairs have proved to be an excellent place to demonstrate to potential users just what a new machine can do. These British engineering apprentices are keenly appraising Canadian displays at a big vertical fair held in London, England, some time ago. It featured engineering, marine, welding and nuclear energy machinery, products and equipment.

When You Decide to Exhibit

The Government Will:

1. Advise you on suitable fairs to enter.
2. Invite you to join others in your field to make up a government-sponsored exhibit.
3. Design your display area.
4. Ship samples to the exhibition site—and back to Canada.
5. Provide advertising, publicity and marketing services.
6. Introduce you to likely buyers.

You Should:

1. Decide what lines you want to show—and stick with them.
2. Write to the Trade Commissioner responsible for the area in which your fair will take place and ask him about local competition, prices, import tariffs or quotas, and the ways and means of distribution.
3. Choose only senior executives and technicians to man your booth; be sure they are in good shape before the fair opens.
4. Prepare comprehensive catalogues and export price sheets.
5. From the moment the fair opens until the moment it closes, **SELL**, both yourself and your products.

Manufacturers are learning to take advantage of expanded airline and shipping schedules (not to mention the highly proficient organizations backing most shows) to get themselves and their goods where the action is.

The number of fairs in almost all countries has grown so large that few publications can hope to list them all. The best references are the *Exhibition Bulletin* (London), the *Graphointer International Directory of Trade Fairs and Exhibitions* (Athens) and *Exhibits Schedule* (Philadelphia). The interested Canadian can turn to a number of other magazines and information services for listings of current and coming shows. Among these are *Foreign Trade* (Ottawa), the *Board of Trade Journal* (London), *International Commerce* (Washington), and *German Trade Fairs and Exhibitions* (Cologne). Additional information can be obtained from Can-

ada's Trade Commissioners abroad, foreign commercial representatives in this country, and various trade and manufacturers' associations.

How to Decide

The first question any firm contemplating an exhibit at a trade fair should ask is whether the show will actually help it to sell. More often than not, the answer is "Yes," even on a one-shot basis. The proper show can tell a supplier many things:

- What the tastes and needs of the market are.
- What competition he can expect and how his prices compare with others in his field.
- What agents he should approach to carry his line.
- Who his potential customers are and the ways in which they prefer to buy.

For the beginner there is no hard and fast rule about which type of show (vertical or horizontal) is best. If there is a good possibility that the product is competitive, then a vertical fair is probably the one to choose. He can meet prospective agents and buyers in an atmosphere well suited to a hard-sell approach; if he can find one or more agents and write some trial orders, his trip has been worthwhile.

The horizontal fair may be the answer if (and this is true of many consumer goods) the general public is the final judge of what is acceptable. The *Daily Mail* Ideal Home Exhibition in London is a prime example. More than a million people come each year to view the many household products shown by the 500-odd exhibitors. A number of Canadian companies have got their start in Britain through this fair. This type of show can be used both for sampling a market or for increasing sales by giving an agent a helping hand.

There are other considerations. What size is the fair? How many buyers from how many countries will attend? Will the competition be too keen? What are the fair's regulations and service facilities? Do its sponsors and managers have good reputations?

This may seem to be a long list of "ifs, ands and buts"; however, a decision on each is necessary for a sound appraisal of any fair. Even these are not enough without the answer to one final question—cost.

How Expensive Is It?

What is "expensive"? Only the individual manufacturer can say. Many variables, both large and small, come into play in talking about the dollars-and-cents—or profits—of a trade fair. An impossible price figure for one producer may be negligible for another. Although each firm's needs differ, an estimate including the following should give a basic set of costs:

- (a) Space. Does the price per square foot (or metre) include shell

stand construction, move-in-and-out service, and electricity?

(b) Stand design and construction. Will you have to do your own? How do local labor costs run? How about decoration, lighting and display equipment?

(c) Depreciation and pilferage of samples.

(d) Transportation of products. One way or return? What import duties can you expect?

(e) Travelling and living expenses for Canadian staff and salaries of any locally engaged help.

(f) Advertising and publicity. Can you make your own radio, television, trade advertising and press contacts? How much will promotion brochures cost?

When these figures are added up, the manufacturer should have at least a reasonable idea of what participation will cost him. He can then decide whether the advantages he gains will be worth this.

How to Go?

Many Canadian firms enter exhibitions either on their own or with the help of their local agents, but these are likely to be old hands at the game. Although trade associations sometimes sponsor exhibits, the easiest way for a novice to break into the trade fair circuit is to enter a show through a government-sponsored display, whether provincial or federal. Two examples are the SPOGA Sporting goods fair in Cologne and the California Gift Show in Los Angeles. The combination of a professionally designed, cohesive exhibit, government officers who know both the products and the territory, plus senior company executives and technicians makes for an impressive, eye-catching display which will set off even the smallest product to the best advantage.

The Department of Trade and Commerce sponsors exhibits at about 40 exhibitions each year. These are hand-picked to ensure coverage of the largest, most lucrative markets. Manufacturers can get

a list of proposed exhibits by simply writing to the Trade Fairs and Missions Branch of the Department.

Publicity is always important, both before and during a show. All companies in a Department of Trade and Commerce exhibit, for instance, are provided with illustrated booklets to supplement their own material as well as give-away items to advertise the Canadian stand throughout the fair. In many instances a public relations expert from the Department will arrange for preshow advertising through the local Canadian Trade Commissioner and will also be at the exhibit itself to exploit any publicity angles.

In a government-sponsored exhibit, professional designers are responsible for the physical make-up of the stands. These designers work closely with the exhibitors to make the best use of available space

However, if he plans to enter a show alone, the individual manufacturer should give a lot of time and thought to the physical makeup of his own booth. There is no difference between the trade-fair aisle in Rome and the sidewalk in front of the Canadian store: a good display draws customers. Motion, colour, uncluttered design—all of these work together to draw the buyer to the salesman's showcase. The Canadian Government Exhibition Commission will advise any firm about how to set about arranging the physical aspects of its proposed solo exhibit—at any fair, anywhere. It will also, if necessary, arrange for suitable space through the local Trade Commissioner. But interest does not necessarily mean a sale, and the staff at any exhibit should not only be knowledgeable but also persuasive. Competition at most trade shows is exceptionally keen; success calls for the very best in both materials and men. It's the wholehearted effort that pays off.

Why Me?

In the past, Canadians have not shown themselves particularly trade-fair conscious; lack of experi-

ence seems to have been the main reason. The Department of Trade and Commerce (and its provincial counterparts) has initiated and maintained a trade fair program to help the interested—but often wary—businessman to begin using this time-proven method of selling. The Commodities Branch of the Department is always eager to hear from firms contemplating trade fairs as a means of either starting or expanding export trade. Many companies in the past have been pleasantly surprised by the opportunities and results that had been there all the time, just for the asking.

The open marketplace has always provided the colour, excitement and urgency which push salesmen to do even better than their level best. Trade fairs are the 20th century's version of this age-old institution. Canadians should be making intelligent use of them. There is little to lose and a great deal to gain.



West Germany in 1965

Germany's industrial production in the past five years has risen 39 per cent, less than that of Japan (108 per cent) and Italy (53), but more than France (37), the United States (25) and Britain (22). Gross national product, at 448.6 billion DM (approximately Can.\$121.25 billion) in 1965, rose by 8.5 per cent compared with 9.7 per cent in 1964. If price rises are taken into account, the real or net growth in 1965 was at most 5 per cent, compared with 1964's 6.6 per cent. Based on 1954 prices, it is only 4.4 per cent.

The cost of living in Germany went up by about 3.5 per cent in 1965 compared with 2.3 per cent in 1964, but purchasing power continued to increase. Price rises cancelled out only part of the rise in incomes.

In the second quarter of 1965 real wages—that is, buying power—rose by 6.5 per cent over the same quarter of 1964. It was higher than in the United States (3 per cent), Britain (2.8), France (2.7) and Canada (2.3).

Enterprising Exporters in Western Canada

What's Wrong Below?

GARNET CAMERA LTD. of Calgary isn't a photographic supply house. The cameras that it sells in Canada and the United States don't take pictures of bridal parties, graduating classes, or family groups. They do a more difficult and much more mundane job—photographing the interior of sewer pipes to discover defects, such as root growth, a collapsed pipe, infiltration or illegal connections. Municipalities or engineering firms engaged in designing and installing sewer systems are finding these camera units invaluable.

The Garnet camera is the product of the ingenuity of Garnet Stoutenburg, a welder by trade, who formerly worked for the City of Calgary and in Vancouver. He knew from experience how long it can take to find out where and why a sewer system has broken down. "If we could just look down that sewer pipe," sewer engineers kept saying, "it would be a swell job." The Garnet camera unit, produced after a year of experimenting, does just that. After thorough testing by the City of Calgary, Stoutenburg patented it in the United States in 1962 and in Canada in 1963. Since then he has sold over 60 units in the two countries.

Basically the Garnet camera unit consists of a German-made robot camera in a stainless steel enclosure with a plexiglass covering over the lens, a power reel and a power supply. The camera is electrically operated but manually controlled above ground. The unit is towed through the sewer by cable from manhole to manhole against the flow of the water. The cable is taped every ten feet and each time the tape appears, the camera button is pressed. It will take 50 consecutive pictures and the film advances automatically each time. A Strobe tube is the source of light and ordinary 35 mm. film in black and white or colour is used.

Once the camera was selling well in Canada, Stoutenburg and his partner began investigating the much larger market in the United States. At a convention in Winnipeg of professionals concerned with water supply and sewer systems, Stoutenburg met an engineer from North Dakota who was looking for a still camera that could do a sewer inspection job. Some U.S. cities were using T.V. cameras but the cost was high and professional cameramen had to be employed. Stoutenburg's device appealed to him partly because an ordinary maintenance crew could be taught to operate it in about two hours. This engineer now holds the sales rights for the Garnet camera in 32 states; he buys outright from the Calgary firm and then resells. A second distributor based in Little Rock, Arkansas, has the franchise for all but three of the remaining states.

The company itself looks after sales in Washington, Oregon, and California. The first camera was shipped to the United States in February 1965 and since then eighteen more have been sold there.

Though the design is basically a simple one, the Garnet camera unit consists of over 300 individual pieces and Stoutenburg and his partner make over 50 per cent of these themselves. They have even built a shipping case that doubles as a workbench on location. Customers can either buy the unit (with a 90-day warranty on all the components) or rent it and have the fee applied against the purchase price if they decide to buy. The firm will supply on request two walkie-talkies with a quarter-mile range to enable the two operators to keep in touch with each other.

Stoutenburg has found that he can sell the Garnet camera at a profit in the United States even though the duty is 17 per cent and he quotes duty-paid delivered prices. So far he has not entered any other markets, though he is already corresponding with interested engineers in some of the European countries. He hopes one day to step up production further and to find markets in many areas. ●

It's for the Birds

SCARING blackbirds, cranes and other birds away from fruit, vegetable and cereal crops and protecting flocks of sheep or turkeys from four-footed predators seems an unusual basis on which to build an export business. But that's exactly what Clem Roles, president of Smith-Roles of Saskatoon, has done. His Bird-Scare Cannon does such an effective job that it has attracted orders from the United States, Latin America, and even faraway Australia. In fact, 85 per cent of the cannon produced go to export markets.

Anyone who has ever lost a ripening crop of cherries or green peas to hungry birds will sympathize with the Saskatchewan farmers at Long Lake, who complained to the Government some years ago that the cranes, protected under the law, were damaging their crops. Their problem sparked research at the University of Saskatchewan's electrical engineering department—research that produced eventually a self-firing cannon for frightening the birds off. The cannon was patented and Smith-Roles, producers of farm tools, welders and compressors, obtained the licence to make it about 1961. But the first models were complicated, expensive, and difficult to run. The firm, says Clem Roles, had

to do a great deal of work before turning out something that the ordinary farmer could use at a price he could afford. By 1963, Smith-Roles was ready to market its version of the Bird-Scare Cannon.

The 25-pound cannon operates electronically, using a solenoid valve, batteries, and an acetylene regulator. Intervals between firing can be varied from every 20 seconds to 60 or 90 minutes by setting the timing device. The farmer puts the cannon out in his field, sets it, and leaves it. He can choose the loudness of the explosion and some models shut themselves off during the night. One Alabama turkey raiser set it up in his yard to keep foxes or other pests away, and in Australia some sheep ranchers find it invaluable. It also protects the nut crop in Texas and controls elk on the Olympic Islands in the state of Washington.

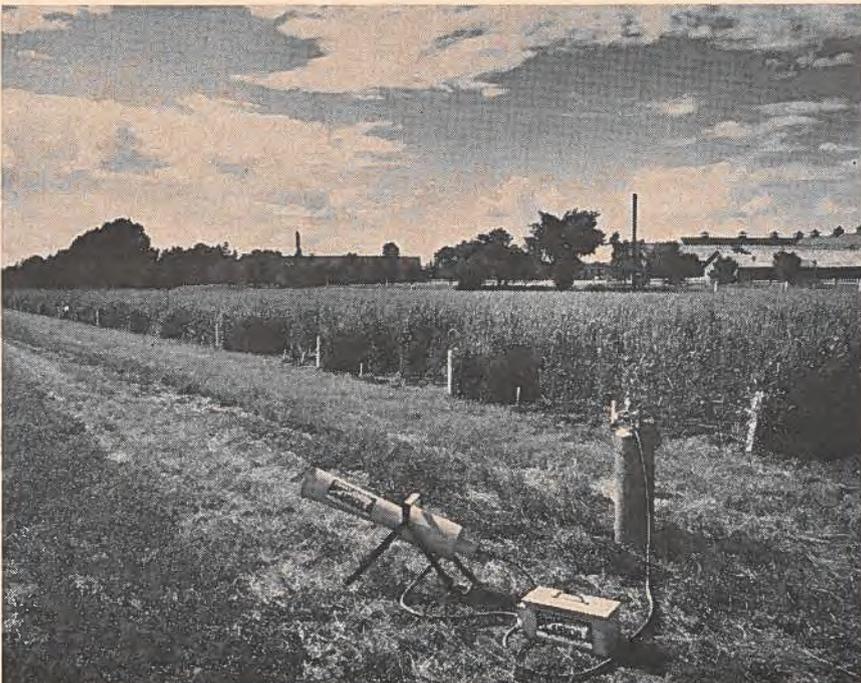
To make the cannon better known in the United States, his logical first export market, Roles relied on promotion in papers and magazines going to farmers and on working with the district agricultural representatives. By supplying pictures and editorial material, he obtained a good deal of free coverage in "New Products" columns. These brief write-ups brought him inquiries, often from potential agents. He investigates these agents and if they seem good prospects, supplies them with literature on what the cannon does and how it operates. They in turn contact the farmers. Roles has not found direct mail particularly effective in the United States and he prefers not to use distributors either there or in Canada.

This is, of course, a highly seasonal business and when the birds descend in a hungry flock, the customer wants a cannon delivered right away. To make pos-

sible quicker service in the U.S. Midwest, Smith-Roles stockpiles the cannon in a commercial warehouse in Minneapolis and fills individual orders from this stock whenever possible. For dealers who buy in quantity and obtain a quantity discount, shipments usually go direct from Saskatoon.

So far—and he is only in his third season of selling—about 50 per cent of his orders have come to him through the mail. This is particularly true in Latin American countries like Venezuela, where he sold more than 20 cannon in 1965, and El Salvador, where he has obtained some orders. He placed advertisements in *Agricultura de las Americas*, published in Spanish in Kansas City and distributed in Spanish-speaking America. This advertisement carried a keyed coupon that the reader could fill in if he wanted literature on the device. He also advertised in another magazine widely read in Latin America. The result: a good number of direct orders. In Australia and New Zealand, where the cannon can be used on airports and sheep farms, its sales so far have been limited.

As Mr. Roles sees it, the firm's export drive has two phases. Phase one was producing a good product, obtaining a good working knowledge of it, and then building up the customer's confidence in it. This has taken about three years. Now it's time to move into phase two—getting out and selling it personally in a number of markets and perhaps setting up a sales organization in the United States. Larger sales would mean greater production and a lower unit price. Then Smith-Roles could realize its ambition—to put the Bird-Scare Cannon within the reach of every farmer's pocketbook. ●



This 25-pound cannon is set to fire automatically every 20 seconds, frightening off birds from the maturing corn crop in the background. Note the acetylene regulator on the right of the picture. The cannon not only scares birds away: it can be used with equal effect against animals preying on sheep or even turkeys.

Selling Abroad through New York

New York houses a large export community that specializes in buying for international corporations and foreign governments, and also export merchants who buy for their own account or act as export commission agents. You will find their names in the third edition of "New York Buyers for Export", available from the Department of Trade and Commerce, Ottawa, on request.

J. D. WELSH, *Vice Consul and Assistant Trade Commissioner, New York.*

DIRECT EXPORT SALES are not the only export sales. To select a market area and then proceed with making sales directly is the usual form that an export sales program takes. But here is another avenue for export—one offered not as an alternative but rather as a supplementary approach.

Centred in New York are hundreds of well-established world trade companies, many purchasing offices for international corporations and foreign governments, plus a large number of small but important export agent and export merchant houses. This export community with its affiliations throughout the world can usefully become another way for Canadians to enter world markets.

The contention that dealing through intermediaries adds unnecessarily to the cost of goods to the ultimate buyer or prices the Canadian product out of the world market becomes a marginal consideration when one observes the operating techniques and the network of subsidiaries, agencies, and often inside contacts directed by some of the world's most efficient traders.

Export Merchants and Agents

The varied types of operations, the products handled, and the areas of concentration included within the New York export community should enable interested Canadian manufac-

turers to select the most appropriate contact for their companies.

New York has a number of export merchants who purchase goods outright for their own account and assume credit risks when required. Export agents are plentiful in New York acting in the capacity of international contact men but unlike export merchants, they do not actually take title to the goods. There are also many agents who represent foreign firms on commission and make their purchases out of New York for these overseas clients. Several large corporations, following the trend toward centralized buying operations, have established their purchasing offices in New York. These are only some of the types of organization that make up this export community.

Small to medium-sized companies in Canada still in the process of forming their own export divisions can realize substantial benefits from this type of export selling. Here is a means of exporting where you do not have to take on the expenses involved in appointing agents or setting up channels for distribution. Many of the exporters in New York are in the market today for goods that Canada can supply. You need only offer your product for sale on regular commercial terms and the New York merchant will handle the details involved in filling the export order.

The Canadian Consulate General, New York, maintains contact with many of the companies engaged in export business out of New York City. Recently the Trade Publicity Branch of the Department of Trade and Commerce published the third edition of the *Directory New York Buyers for Export*. This Directory contains a selected list of over 300 firms which have expressed interest in receiving bids and quotations from Canadian sources for their export requirements. These firms recognize that it is in their own interest to search out all competitive sources and they are optimistic about Canadian companies becoming capable of supplying them.

Keep Consulate in Touch

Your company can expect correspondence directed to firms listed in *New York Buyers for Export* to be handled with dispatch. However, we would suggest you make the Commercial Division, Canadian Consulate General, New York, aware of your intention to do business through a New York intermediary. We will then be able to recommend the most appropriate U.S. firms and also act as your eyes and ears in New York. This will help ensure the able handling of your product and will provide you with specific data on the New York buyer's operations and commercial standing.

An interesting sidelight on the business to be done in this way is the opportunity for Canadian export companies to establish connections with U.S. exporters to handle shipments from Canada for business initiated by the New York firm. Canadian export houses might find it useful to make the Commercial Division of the Canadian Consulate General in New York aware of their capabilities in servicing this type of trade.

The groundwork has been laid for Canadian companies to offer their products to the world through a central purchasing point. The initiative now passes to you. Why not take advantage of this opportunity?

To obtain a complimentary copy of the Directory, Canadian firms should address their request to: *New York Buyers for Export*, Trade Publicity Branch, Department of Trade and Commerce, Wellington and Lyon Streets, Ottawa, Ontario. ●

Agriculture Pays New Zealand's Way

Wool, meat and dairy products bring in over 92 per cent of New Zealand's foreign exchange earnings. How did they fare in the season just past? Do they face marketing problems?

W. B. McCULLOUGH,
Commercial Counsellor, Wellington.

AGRICULTURE is New Zealand's most important industry. It is, in fact, the lifeblood of the country and there is little activity here that does not depend on its welfare. Over 92 per cent of the foreign exchange earnings come from the export of agricultural products, principally wool, meat and butter. Byproducts of the meat industry and other dairy products also account for substantial sums. Thus the importance of world prices for these products and of access to markets for them cannot be over-emphasized.

New Zealand is composed principally of two islands, the North and the South, totalling 103,000 square miles and it has a population of approximately 2.6 million. The countryside is rolling to mountainous but there are several plains. There are no extremes of temperature and rainfall is generally adequate throughout the year, although some areas, particularly in the hill country, may lack sufficient moisture in January and February to keep the pastures green. Livestock are outdoors on pasture all year but during the winter months there is some supplementary feeding of forage crops.

Aerial Fertilizing

A considerable area of the New Zealand hill country cannot be cultivated in the normal way but it does provide a great deal of pasture for sheep grazing, and aircraft are used to spread fertilizer. Several firms are engaged in the aerial top-dressing business and application of fertilizer has increased steadily over the years. In 1964 the figure was 746,000 long tons and in 1965 an estimated one million.



These sturdy cattle out on pasture in New Zealand eventually will beef up the country's exports of meat. These rank second only to wool as an earner of foreign exchange. In 1964, some 116,000 long tons of beef alone were sold abroad.

This method of fertilizing a considerable area for pasture has materially increased agricultural production.

Wool Leads Exports

Sheep ranching is the most important sector of New Zealand's agriculture. The country has about 53 million head of sheep, or 20 to each New Zealander. The annual lamb crop totals about 34 million, normally a little over 100 per cent reproduction

from breeding ewes. One does not travel far in New Zealand without seeing thousands of sheep.

Wool continues to be the largest single earner of foreign exchange, 26.6 per cent in the 1964 season, even though the average price was 42.1 pence per pound compared with 55.1 in the previous period. The production of wool, greasy basis, in the 1963-64 season was estimated at 617 million pounds compared with 620

million in the previous season and 587 million in 1961-62. For the year ended September 30, 1964, there were 29 million sheep (22 million lambs) slaughtered, compared with 27.5 million the previous year. In comparison there were 2.6 million cattle and calves and slightly less than one million pigs slaughtered in 1964.

The Wool Proceeds Retention Scheme introduced by the Government towards the end of 1963 made provision for producers to "freeze" voluntarily up to one-third and not less than one-fifth of the proceeds from any wool sold between July 1, 1963, and June 30, 1964. During this period a total of £6,613,000 was deposited through trading banks and stock and station agency companies. The amount may be withdrawn by producers at any time during the next three years and amounts withdrawn will become liable for tax during the financial year in which the withdrawal is made.

Meat Comes Second

Exports of meat—lamb, mutton, beef and byproducts—rank second as an earner of foreign exchange. Production of meat (bone-in weights) for the year ended September 30, 1964, totalled an estimated 852,000 long tons compared with 828,000 in the previous year. Domestic disappearance accounted for 283,000 long tons in 1964 and 282,000 in 1963. The various abattoirs export the meat and determine the schedules of prices, based on the prospects of markets overseas. These prices are announced each Monday. The New Zealand Meat Producers Board has no part in establishing the prices but does keep them under review.

The scheme for minimum prices was evolved after long negotiations between industry and Government. A committee comprised of representatives of the Meat Board and the Government under an independent chairman meets before the beginning of each meat season and on the basis of certain criteria laid down in an Act, establishes a schedule of minimum prices. These prices represent the f.o.b. value of the bare meat and the procedure is to announce a price for the most characteristic weight grade in each class of meat. (To have minimum prices for over-weight grade in each class would prove com-

plicated administratively.) The Meat Board, which provides secretarial services for the committee, assesses the f.o.b. value of the meat as indicated by the schedule which the meat operators offer to farmers for their livestock each week. If it appears that for any class of meat the assessed value is lower than the minimum price for that class, the committee may at its discretion declare a deficiency payment for all meat in that class sold

during that week. For example, if the minimum price for lamb is, say, 15 pence and the assessed f.o.b. value of the meat content of the schedule price for lamb is, say, 14½ pence, the committee may declare a deficiency payment of .5 pence per pound for all lambs sold during that week.

The scheme has been in operation since 1955 and in only one year, 1961/62, have deficiency payments reached any substantial amount.

TABLE I
NEW ZEALAND PRODUCTION OF DAIRY PRODUCTS

	Years ended 31 May			
	1962	1963	1964	1965
	(millions of gallons)			
Liquid milk:				
Total production	1,149.3	1,176.1	1,223.6	1,275.4
For human consumption	113.1	114.4	109.8	104.4
For cheese and butter-making	1,004.4	1,029.4	1,081.0	1,135.0
	(millions of pounds)			
Butterfat	482.0	493.1	517.9	552.5
	(thousands of long tons)			
Creamery butter	207.5	214.0	228.7	241.0
Cheese	100.6	98.4	95.1	104.2
Condensed and powdered whole milk	14.90	14.41	15.61	13.35
Skim-milk powder	41.76	50.79	62.84	80.22
Buttermilk powder	17.39	17.88	19.89	21.70
Casein	35.39	37.62	42.25	41.79

TABLE II
EXPORTS OF NEW ZEALAND PRODUCE

		Calendar year			
		1961	1962	1963	1964
Beef	'000 long tons	85.6	101.5	108.9	116.0
Lamb	"	270.6	245.7	265.6	294.6
Mutton	"	72.2	83.3	73.7	87.2
Pork	"	2.3	2.5	6.2	4.9
Veal	"	9.9	13.9	12.0	10.3
Other	"	20.1	22.3	24.1	28.6
Total	'000 long tons	460.7	469.5	490.5	541.5
Canned meat	'000 long tons	3.3	3.3	2.8	3.7
Meat extract	lb. ('000)	256	402	201	407
Sausage casings	lb. ('000)	9,152	....*	5,790**	6,425**
Refined animal fats	'000 long tons	10.7	10.6	14.2	9.1
Hides and skins					
Calf	number ('000)	785	1,144	1,107	1,117
Cattle	"	797	1,011	1,107	990
Sheep skins:					
with wool	"	1,240	1,141	1,470	1,301
without wool	"	26,069	27,528	27,200	28,717
Wool	lb. (million)	554.8	545.0	564.4	552.6
Inedible offals	tons	11,200	11,186	9,884*
Tallow (inedible)	'000 long tons	48.5	52.2	54.8	52.1

*Basic classification changes make exact comparison with earlier figures impossible.

**From July 1, 1962, unit of quantity is hanks ('000).

New Zealand is one of the large producers of dairy products, in particular butter of first class quality. Dairy products rank third as an earner of foreign exchange. Production has reached record levels in recent years, as Table I indicates.

The New Zealand Dairy Production and Marketing Board is committed to purchase from the producers all dairy products offered to it. The price is established in advance of the season on a butterfat basis adjusted to the product. For example, prices for the current season are 33.9 pence a pound for butterfat supplied for buttermaking and 39.9 pence a pound for butterfat supplied for cheesemaking.

The Board does not dictate what the factories shall produce but in practice they co-operate in switching from one product to the other as circumstances warrant. The export of

dairy products is either done by this Board or is under its control.

Exports of the principal items of New Zealand produce are shown in Table II.

Foreign Exchange Earners

During the year ended June 1965, New Zealand had a net surplus of £41.4 million on trade transactions. This was offset by a net invisible deficit of £68.5 million, to give a current account deficit of £27.1 million, compared with surpluses of £5.6 million and £2.0 million respectively in 1962-63 and 1963-64. The importance of foreign exchange revenue from agricultural products is shown in Table III.

Subsidies

There are no export subsidies on New Zealand agricultural products and the only consumer subsidy is

9.099 pence per pound on the basic grade of creamery butter in pats. The Dairy Production and Marketing Board pays this subsidy to the dairy companies in order to bring the price of butter sold for consumption in New Zealand up to the equivalent of the price of butter intended for export. The maximum retail price for salted butter is two shillings a pound.

Serving Foreign Markets

When Britain was negotiating to join the EEC, New Zealand greatly intensified its efforts to find markets for meat and dairy products in other countries. The number of new markets has increased but Britain continues to be the largest single outlet. It is the policy of the Dairy Production and Marketing Board to enter into partnership with local interests in various countries in order to serve certain markets more effectively. In Hong Kong and Singapore, in association with local business interests, it has plants producing recombined sterilized, pasteurized and flavoured milk from New Zealand non-fat milk powder and anhydrous fat; in Thailand it has a plant producing condensed and evaporated milk, and in Mauritius, Barbados and Trinidad it is in partnership with local interests to ensure that New Zealand dairy produce in the many forms available to those markets reaches consumers in the best possible condition.

Under the Australia-New Zealand Free Trade Agreement, it is proposed that Australia establish quotas for New Zealand cheese and pork. The quantitative restrictions and duties on lamb, frozen peas and beans, and strawberries are to be removed eventually.

As far as one can see, New Zealand will continue to depend on Britain to buy most of its primary products—in particular, butter, cheese and lamb. New outlets are being developed as rapidly as possible, but the continuing restrictions in world markets on butterfat products imposed to protect local agriculture underline the importance of the British market to New Zealand's agriculture.

TABLE III
NEW ZEALAND RECEIPTS FROM EXPORTS

	Years ended June 30			
	1962	1963	1964	1965
	(£ N.Z. million)			
Milk products:				
Butter	43.3	51.7	56.5	55.5
Casein	5.1	4.6	5.5	9.5
Cheese	19.9	19.3	22.6	22.1
Other milk products	5.1	6.4	8.5	10.4
Sub-total	73.3	82.0	93.2	97.4
Other animal products:				
Hides and skins	3.7	4.5	3.9	4.1
Livestock	0.5	0.5	0.6	0.8
Meat	78.8	93.0	99.2	106.5
Meat byproducts (inedible)	1.4	1.3	1.9	1.7
Sausage casings	4.2	5.4	6.0	6.6
Sheepskins and pelts	9.0	8.5	11.7	12.3
Tallow	3.1	3.2	4.1	4.2
Wool	100.4	114.4	138.6	108.7
Sub-total	201.1	230.9	266.2	244.8
Forest products:				
Timber	2.5	2.4	2.6	2.9
Wood products, pulp and paper	5.6	7.7	9.7	9.8
Sub-total	8.1	10.1	12.3	12.7
Other primary products:				
Fish (including fish oils)	1.8	1.8	1.9	2.9
Fruit and honey	3.7	3.6	3.9	4.6
Processed foodstuffs (n.e.i.)	1.1	1.7	2.4	2.2
Seeds	2.3	2.9	3.1	2.1
Sub-total	8.9	9.9	11.3	11.8
Miscellaneous:				
Manufactured goods (n.e.i.)	1.1	1.6	2.0	3.1
Sundry (including gold)	1.2	1.3	1.9	2.3
Sub-total	2.3	2.9	3.8	5.3
Totals	293.7	335.9	386.7	372.1

Source: Reserve Bank of New Zealand

MARCH 19, 1966



Tennessee Will Buy Canadian Products

The Volunteer State has given Canada what amounts to an open invitation to offer products for sale. However, there have been few "takers"—perhaps because Canadians don't know much about the area and what it buys. This article should open many eyes.

G. E. BLACKSTOCK, *Consul and Trade Commissioner, New Orleans.*



These young Canadians are playing in a regular Eastern Hockey League (Southern Division) game in Knoxville, Tenn. Almost all the equipment they are wearing or using came from Canada—in fact, even the puck is a Canadian export to the U.S.

TENNESSEE lies at a pivot point halfway between the Great Lakes and the Gulf of Mexico, and halfway between the Atlantic Ocean and the Rocky Mountains. With unexcelled transportation facilities, it is a cross-roads to everywhere.

It divides naturally into three regions along its east-west length. The mountainous, humid east is largely forest, with little agriculture except for some tobacco. The central region of rolling foothills is industrial, with dairying and tobacco-raising in rural areas. Tennessee's western boundary is the Mississippi River and the area adjacent is low-lying, rich agricultural land where cotton, fruit, corn and other grains are grown.

TVA Has Brought Benefits

The Tennessee Valley Authority, a corporation owned by the Federal Government, has given the state economy a mighty boost. TVA was set up by Congress in 1933 to control flooding, develop navigation, and produce hydroelectric power on the Tennessee River and its tributaries. Today it is the largest producer of electric power in the United States, generating 8 per cent of the U.S. total (at half the national average cost) with 48 dams and 10 steam plants. Where navigation was practically impossible before, the Tennessee River has been turned into an unbroken stairway of navigable lakes, a busy slack-water highway consisting of an 11-foot channel 650 miles long, linking the Tennessee Valley with a 10,000 mile inland waterway that reaches into 20 states. The ability to regulate the flow of water in the system—and even to turn it off completely like a faucet—permits effective flood control operations which save an estimated \$15 million a year on the average in flood damage throughout the valley and further downstream along the Ohio and Mississippi Rivers.

All these benefits have in turn brought Tennessee at least 200 new

river-front plants or terminals which either must move bulk commodities well adapted to barge transportation, such as coal, petroleum, grain, sand, fertilizers, ores and pulpwood, or which need large amounts of water or cheap electric power to process such products as aluminum and electrochemicals or for research. A single barge tow can haul as many as 400 freight cars and 55 towboat companies have vessels plying the waterway. Last year 16 million tons of freight were moved at average savings of \$1.60 per ton over alternative methods of transportation.

Natural resource development has been stepped up as a result of the waterway, erosion control has greatly improved agriculture, even commercial fishing is now possible and big natural recreation facilities have been created. Nearly one-third of all reforestation in the United States took place in the Tennessee Valley last year. The forest products industry is today worth over \$500 million.

Memphis Is Biggest Centre

Memphis, second port of the Mississippi River after New Orleans, is the biggest centre in Tennessee, with a population of over 500,000. Seven million tons of waterborne cargo move through it each year, more than many deep-water ports handle. Memphis is an important meeting-place of both north-south and east-west transportation systems of all kinds: rail, truck and air, as well as water. The city is served by four barge lines; direct shipping services to Central America make it the farthest inland seaport in the country. Also included are seven airlines, eight trunk-line railroads and 89 trucking lines.

In Memphis, as the natives say, cotton is king. Home of the largest spot cotton market in the world, nearly half the 15 million bales produced annually in the United States are sold in the Memphis trading area. Cotton has brought a number of important related industries to Memphis, such as the largest production anywhere of both cottonseed oil and livestock feed, and also chemicals and paper.

Hardwoods are the second factor in the economy of Memphis, the world's largest inland hardwood lumber market. Other important industries are steel and iron products, meat packing, rubber and pharmaceuticals.

The city is also the head office of four of the country's biggest motel chains.

As a wholesale centre, Memphis ranks third in the southern states in sales, ahead of Baltimore, Atlanta, New Orleans, Washington and Miami, and outranked only by Houston and Dallas. It is 22nd in population in the United States, but seventh in rate of growth (four of the first six cities are also in the South).

Other Leading Cities

Nashville, the state capital, is Tennessee's second city. It is best known as the country music capital of the world and ranks second in the U.S. as a recording centre; music is a \$60 million a year business. The city also relies for its prosperity on chemicals, printing and light industry, including the world's largest shoe manufacturers.

Chemicals, textiles, primary and fabricated metals, and grain manufacturing are the leading industries of Chattanooga, an important rail centre and Tennessee River system port.

Knoxville has well-diversified industry. It is the headquarters of the Tennessee Valley Authority and the end of navigation on the Tennessee River. The Oak Ridge National Laboratory and the Atomic Energy Commission have sizable establishments just outside the city. There is a large aluminum plant, and chemicals and metals manufacturing. Zinc and marble are mined nearby. The paper and lumber industries are important and tobacco is the number one cash crop of the area.

What Tennessee Produces

Although only 16th in the nation as an industrial state, Tennessee is an important mineral producer, and leads in U.S. production of zinc, ceramic clay, pyrites and marble. It is second in phosphate rock. It is the only state in the South producing copper in quantity, has the largest production of gold and silver in the South and the second largest of portland cement. Forest products have brought sawmills, pulp and paper mills, furniture factories and barrel plants to the state.

Research has become an important Tennessee industry, based on a number of centres, the biggest of which are TVA, Oak Ridge and the Arnold

Engineering Development Center. In addition to its other activities, TVA conducts extensive investigations into power generation and transmission, soil and water conservation, forestry, and even control of diseases such as malaria, which once infected up to 30 per cent of the valley residents. The only large-scale experimental work on fertilizers in the country is done by TVA and over 400 licences to use TVA fertilizer developments have been granted. At Oak Ridge some 2,500 scientists work on a variety of problems related to atomic energy, from weather research to the desalting of seawater, from coal uses to large-scale biological research.

One of the most important areas of atomic research is the generation of electricity on which the Atomic Energy Commission has spent well over \$1 billion during the past 15 years. The Oak Ridge facility is also the largest producer of isotopes in the world and a major consumer of TVA power. Arnold Engineering Development Center, a Tennessee facility of the U.S. Air Force, carries out advanced research in gas dynamics, aerodynamics, aerospace environment and testing of advanced propulsion systems. It employs some 4,000 scientists and technicians.

Selling and Buying

Direct exports from Tennessee include industrial organic chemicals, cotton and cotton fabrics, knitting mill products, primary metal products, apparel, footwear, furniture, and corn, tobacco, hogs, eggs, dairy products, soybeans, wheat, oats, apples and vegetables. Exports are valued at \$70 million a year, with another \$200 million in Tennessee products shipped to other states for processing and re-export.

Principal imports are nickel, copper, newsprint, sulphite pulp, metal products and machinery, plywood and doors, most of which are supplied to at least some degree from Canada. "The net effect of imports on Tennessee's total economy is decidedly favourable," says a state publication, and Canadian exporters should not hesitate to take advantage of the implied invitation. The market is varied and large and there are opportunities on all sides.

At present Canadians export little to Tennessee department stores or to food distributors or specialty stores such as gift shops. They could sell much more. An executive of Memphis's biggest department store came to the National Canadian Samples Show in Toronto in 1963, shopped the show thoroughly, and pronounced himself impressed. Since then, there has been more Canadian merchandise on his shelves, both general and specialty lines. That store and at least one other in Memphis hold regular annual import promotions. Memphis is a city of considerable sophistication and affluence and shoppers there have come to expect a good variety of foreign merchandise. The Trade Commissioner's office in New Orleans made investigations before recommending trade mission visits to Memphis and found at least half a dozen sizable department stores and specialty shops which expressed interest in such Canadian goods as fashionwear, ladies' sportswear, leather goods, furs and children's wear. Twice that number of distributors and retailers of gifts made similar inquiries for Canadian giftware. As yet little has come of this, although the opportunities and interest are still there. In food, some Canadian products can be found in Memphis, such as the ubiquitous cheddar cheese, fruit cakes, maple syrup and others, but there is room for many more.

The story is the same in the other Tennessee cities; the only difference is that they are a little smaller. Our files list nearly 100 food brokers and over 200 manufacturers' agents in the four centres. Many would welcome a Canadian addition to their lines. Nashville, Chattanooga and Knoxville each have half a dozen or so large lumber wholesalers, most of whom handle Canadian lumber regularly; Memphis has 48. (Some of them sell local lumber only, particularly the oak and other hardwoods for which the area is famous.)

Hockey Is All Ours

One Tennessee import which Canada has virtually cornered is hockey players. Several cities in the state have teams in the Southern Division of the Eastern Hockey League, as do cities in neighbouring

states, and players, coaches and managers to a man are from north of the border. In just five years the game has become so popular that 8,000 people sometimes watch the Nashville "Dixie Flyers" play and in Knoxville, the "Knights" count on passing the 100,000-admission mark soon after mid-season. Canada also has practically a corner on all the equipment the teams use. The Knights' player-coach from Montreal told me, for example, that skates, sticks, pads, gloves, even pucks, come from Canada. I counted nine separate Canadian manufacturers who supply the team either directly or through a New York distributor, Jerry Cosby, whose address is Madison Square Garden. Hockey's southward march (exhibition games have been played as deep in the South as Jackson, Mississippi) is opening up a retail market for hockey equipment and figure skates along the way. It is not unusual to see familiar names of Canadian manufacturers in Tennessee store windows or advertised in programs at a Tennessee hockey match.

Skiing is also becoming popular in the mountainous eastern part of the state, creating a demand for skis and equipment, and for skiwear and after skiwear.

Power and Research Mean Sales

TVA buys imports; as much as 14 per cent of its total purchases in a single year consist of imported goods. In other years the percentage has been as low as 1 per cent, but based on total TVA purchases of close to \$200 million every year, these are still substantial amounts. TVA is a federal agency and the Buy American Act stipulates that 6 per cent of the purchase price must be added to foreign bids before comparison with U.S. bids, or 12 per cent if the U.S. bidder is in a labour-surplus area. Canadian companies have been able to overcome this handicap before and more probably could if they would try. A Toronto manufacturer recently sold line traps, high performance reactors and inductance coils to TVA for use on its power transmission lines.

Arnold Engineering Development Center is also prepared to consider Canadian suppliers. As part of the USAF, they buy under the provisions

of the Canada-U.S. Defence Production Sharing program which permits duty-free entry into the United States and exemption from the Buy American Act. Several Canadian firms have shown interest, and others may make contact by writing to the Center at Tullahoma, Tennessee. Procurements are made both by the Air Force and by Aro Inc., the engineering firm that operates the Center under government contract.

Tennessee is a market Canadians should consider. A stop at Memphis as an introduction would not be hard to arrange for businessmen on their way from Eastern Canada to Texas or California, or from the West to Washington or Florida, for example. Doing business there would provide good coverage of mid-America that no amount of selling in New York or Chicago could duplicate. Business calls and introductions can easily be set up. You should try it.



An \$800 Million Market

INSTRUMENTS for scientific research and laboratory use constituted an \$800 million market in the United States last year. This is a 60 per cent rise over 1960 when sales totalled \$514 million. In 1965 optical instruments alone accounted for almost 35 per cent (or \$250 million) of the market.

Increased activity in research and development spurred several basic advances in instrument technology and led to the unusually high rate of growth. Principal innovations included analytical devices based on mass-spectrographic, nuclear-magnetic-resonance and electron-paramagnetic-spin principles. Other developments resulted from combining optical and electronic principles in analytical instrumentation.

Sales are expanding at a rapid pace but the market is becoming increasingly competitive for most firms for two reasons. In 1947 the number of instrument makers totalled 890; in 1964 some 2,700 were seeking a share of the market. Instruments are also becoming more specialized and about 50 per cent of those on the market today did not exist ten years ago. In addition, old-line instruments have been extensively refined to keep them abreast of developments—Chicago. ●

Tahiti: Boom Doubles Imports

A growing tourist industry and the French nuclear testing program have led to an economic boom in this South Pacific island and a sharp rise in imports. Flying to Australia or New Zealand? Why not stop at Tahiti, and examine the market firsthand.

C. A. CARRUTHERS, *Assistant Commercial Secretary, Wellington.*

THE POPULAR IMAGE of Tahiti—palm trees, grass skirts and pretty Polynesian girls—was immortalized by the paintings of Paul Gauguin, perpetuated by stories of the South Seas, and more recently advertised by tourist brochures. This image now tends to fade, at least in Papeete, the capital, where one is more likely to see signs of a jet-age tourist industry or the economic boom resulting from the French nuclear testing program.

Tahiti is the largest of 110 South Pacific islands comprising French Polynesia which have a total population of about 100,000. It now shows every evidence of prosperity—harbour improvements in Papeete, growing imports (see Table I), and a rapidly expanding tourist trade.

TABLE I

FRENCH POLYNESIAN IMPORTS

Year	(Can.\$)
1962	27,634,146
1963	35,292,682
1964	77,939,024
1964 (1st 6 mos).	28,841,463
1965 (1st 6 mos).	44,231,707

Economy Is Booming

Unprecedented imports into this territory have become possible because of the higher wages paid to the Polynesian labour force and the resultant increase in their standard of living and purchasing power. In addition, more than 10,000 French troops brought in for the nuclear testing program are adding to local purchasing power. These factors,

coupled with the tourist boom, have contributed to an increase in imports from Can.\$35.3 million in 1963 to Can.\$78 million in 1964, a gain of 117 per cent. This sharp jump in imports into French Polynesia has accentuated its adverse trade balance, despite the fact that its traditional exports have continued to show a modest increase. The economic boom is also accompanied by problems associated with the higher cost of living and a disruption of the labour force, which is normally employed in producing the main agricultural exports of copra, vanilla and coffee.

Imports into French Polynesia

French Polynesia obtains its requirements from France if that country is in a position to supply. It is for this reason that almost 65 per cent of total imports came from France, and in the first half of 1965 over 70 per cent. Other principal suppliers are the United States, New Zealand, West Germany and Australia (see Table II).

TABLE II

PRINCIPAL SUPPLIERS TO FRENCH POLYNESIA

Country	Per cent
France	70.1
United States	14.2
Australia	2.3
West Germany	1.9
New Zealand	1.6

There is virtually no local industry and the range of imports is extremely wide, although imports of

food and products associated with construction have risen most sharply.

Most of the imports into French Polynesia, other than those of French origin, consist of food and other raw materials. Unfortunately, Canada has not been high on the list of suppliers because many of the required products can be purchased more cheaply from other countries: for example, butter, milk and chilled meat, etc., from New Zealand and Australia, which have the advantage of more regular shipping services to this area. However, the United States supplies reasonably large quantities of fresh and dried fruit and vegetables, petroleum products and lumber, commodities in which Canada could be competitive. Our share of this market is small, less

TABLE III

CANADIAN EXPORTS TO *FRENCH OCEANIA

Commodity	6 mos.	
	1964	1965
	(Can.\$)	
Canned salmon	92,259	71,310
Apples, fresh	14,423	9,047
Lumber	250,469	115,184
Non-electrical equipment for cooking and parts	13,806	4,976
Laundry equipment domestic and parts	17,555	11,911
Non-electric lighting fixtures and parts	28,442	16,567
	416,954	228,995
Other	19,525	18,868
Total	436,479	247,863

*No separate figures are available for French Polynesia and the above figures include French Polynesia and New Caledonia. Total for French Polynesia would be roughly one-half.

Source: DBS.

than one half of 1 per cent, and consists mostly of West Coast lumber and canned fish (see Table III).

Exports from French Polynesia

In 1964 exports of traditional products increased slightly in volume and the value rose to Can.-\$12.15 million from the 1963 figure of \$11.2 million. The products were mostly copra, phosphates and shell. No desiccated coconut was produced after May 1964 when the factory closed.

The disruption of the labour force is creating problems in the territory. Good crop areas are being neglected and it is unlikely that the current level of exports will be maintained. This in turn could lead to an even greater trade deficit in the future.

Principal exports from the territory now go to France, New Zealand and Japan, which together took 88 per cent in 1964. Table IV lists the chief commodities exported over the past few years.

TABLE IV
PRINCIPAL EXPORTS FROM
POLYNESIA

Commodity	(Can.\$)	
	1963	1964
Phosphate	4,646,341	5,135,365
Copra	3,874,390	4,097,560
Vanilla	1,452,439	1,302,439
Mother-of-pearl	459,756	625,609
Coconut (desiccated)	186,585	37,804
	10,619,511	11,198,777
Other	589,025	956,101
Total	11,208,536	12,154,878

Tahiti now has a jet airstrip and is regularly served by jet aircraft. The businessman can easily make a stop in this territory on his way to or from Australia and New Zealand. There are air flights from Honolulu via Tahiti, and Nadi, Fiji, to either Australia or New Zealand on Qantas, Pan Am, or UTA-French Airlines. Another route some businessmen with work to do in Mexico may wish to take is offered by Qantas from Mexico City and Acapulco, Mexico, to Tahiti, Nadi, Fiji, and the other areas in the Pacific. ●

Italy Buys and Sells Steel

Imports of steel still needed despite rapid growth of industry. Shipments from abroad, including Canada which supplied 112,000 tons in '64, will continue until self-sufficiency is reached.

W. H. SKOUSE, *Commercial Assistant, Milan.*

WORLD STEEL PRODUCTION in 1964 reached the all-time record of 433 million tons, an increase of almost 13 per cent over the previous year (385.5 million tons). Among producing countries, Italy was eighth, with 9.8 million tons (2.3 per cent of the over-all world output). Canada in the same year produced 8.1 million tons (1.9 per cent of world production) and ranked eleventh among steel-producing countries.

In 1964, Italy imported 3.4 million tons of steel, of which only 112,000, valued at \$5.5 million, came from Canada. Italy wants to buy more Canadian steel and considerable purchases of hot-rolled coils, cold-rolled coils and plated sheets for delivery in early 1966 are now being negotiated.

There is room in the Italian import program for other Canadian steel products whenever they are available for export and this will continue until Italy becomes self-sufficient in steel, a few years hence. The growth of the Italian steel industry, like that of Japan's, can truly be called remarkable for a country which has almost no iron ore or coal deposits of its own and must import most raw materials.

Growth Has Been Rapid

Table I illustrates the rapid progress made by the Italian steel industry.

The inauguration of the 2.5-million-ton Taranto steel mill in April

brought Italy closer to self-sufficiency in steel. The Taranto plant, one of four integrated coastal plants operated by Italsider, Italy state-owned and biggest steel industry, will boost annual steelmaking capacity to just a shade under the 15-million-ton mark. But from 1952 to 1964 the rapid transformation from a primarily agricultural to a primarily manufacturing country has consistently outpaced steelmaking capabilities.

Although Italy nearly trebled its steel output between 1953-63 (from 3.5 million to 9.8 million tons) it was unable to keep up with domestic consumption which reached 11.5 million tons in the same period. Imports therefore increased to a record 3.4 million tons in 1964 equal to nearly 30 per cent of Italy's record output last year.

The new Taranto mill will help to close this gap and give the trade balance another nudge in the right direction by cutting down steel imports. Although steel output is only one-tenth that of the United States and less than half that of Britain its growth has been among the fastest in the world. Among significant producers the gain between 1957 and 1963 of 45 per cent was exceeded only by the U.S.S.R. (56 per cent) and Japan (150 per cent).

In 1964, Italy's steelmakers sensed a levelling off of domestic consumption and became more active in export markets. Increased

capacity is expected to strengthen this trend and imports may drop considerably from last year's peak.

Ownership and Production

State-owned integrated mills account for about 60 per cent of Italian production but the 300 small and medium-sized steelmakers are still holding their own. One reason is that the prices charged by the large state-owned mills are still comparatively high. Italsider is trying to amortize its initial heavy capital investments (\$600 million for Taranto alone). The small oper-

ators are completely amortized and cleverly remodernized, and as a result can charge less for their products.

Smaller Italian firms concentrate on specialty steels but Italsider's large plants turn out wide sheets, plates, bars, tubes and other mass production items. There is therefore no real competition between the Italsider plants and the small producers at the present time. They live and work in two different fields.

In 1965, 90 per cent of Italian steel was produced in the north and

only 10 per cent in the south. By 1967, when Italian steel output is expected to reach 15 million tons, 70 per cent will be made in the north and 30 per cent in the south.

In 1965, Italian steel production totalled 12.6 million metric tons compared with 9.8 million tons in 1964, an increase of 29.2 per cent. Production of pig iron rose 56.9 per cent to 4.5 million tons and Italy is now using less scrap iron in its steel-making. Despite this progress, Italy's consumption per capita is only 240 kilograms, a figure well below that in other industrial countries, which touch or exceed 400 kilograms and go as high as 500 in the United States and West Germany.

Table II shows Canadian and Italian steel exchanges for 1964. There is still a keen demand for offers of Canadian steel in Italy, including scrap. Offers should be quoted c.i.f. Genoa in Canadian dollars and this office will be pleased to channel any offers from Canadian firms to appropriate Italian buyers. ●

TABLE I
EXPANSION OF ITALIAN STEEL INDUSTRY

Year	Consumption	Production (in million tons)	Imports	Exports
1938	2.3	2.3	0.2	0.1
1952	4.0	3.5	0.6	0.2
1957	6.3	6.5	1.0	1.0
1960	9.0	8.4	2.2	1.5
1964	11.5	9.8	3.4	2.0

Source: Italian Association of Steel Industries.

TABLE II
CANADA-ITALY TRADE IN STEEL PRODUCTS, 1964

Products	Italy's Imports from Canada		Italy's Exports to Canada	
	Volume (tons)	Value (Can. dollars)	Volume (tons)	Value (Can. dollars)
Pig iron	37,594	719,490		
Iron alloys	2	3,966		
Scrap	58,024	2,426,336		
Hot-rolled coils (used for manufacture of galvanized and tin plated sheets)	15,092	1,563,585		
Deforming bars			23,215	2,355,610
Forgings	89	17,720	3,281	333,316
Hot-rolled plates	3	2,650	355	40,213
Tin plates	10	1,672		
Galvanized sheets	232	34,036		
Plated sheets	19	3,083		
Wire rods	5	6,161	32	10,363
Semi-finished products	305	103,016		
Hot-rolled bars	60	50,111	1	1,720
Cold-rolled sheets	117	105,830		
Cold-rolled plates	140	131,078		
Pipes	11	45,040		
Piping accessories	259	86,261		
Chains			24	30,420
Nuts and bolts			116	32,660
Total	111,962	5,300,035	27,024	2,804,302

Source: Italian Association of Steel Industries.

Tours of Commodity Officers

One of the principal functions of the Commodities and Industries Services is to maintain close liaison with the Canadian business community. This function is carried out by commodity specialists organized into divisions representing major industry groups.

In the course of their trade promotion efforts, these officers are required to undertake tours and to interview Canadian firms interested in export trade or needing the assistance of the Department of Trade and Commerce.

Any firm interested in meeting these commodity specialists should write to the Directors of the Agriculture and Fisheries, Industrial Materials, or Manufacturing Industries and Engineering Branches, Department of Trade and Commerce, indicating the products that it is anxious to sell abroad. The appropriate commodity officer will then undertake to interview the company on his next tour that includes the city.

What's current in commodities?

Recreational Goods

Sweden—More Swedes, with more money, are taking more holidays than ever before. This could mean excellent opportunities for Canadian suppliers to sell recreational equipment.

JOHN P. BELL, *Assistant Commercial Secretary, Stockholm.*

SWEDES now have more leisure and more purchasing power than ever before. Hence the demand for the myriad of articles normally associated with leisure is at an all-time high, with much greater increases expected in the next few years. This demand is being met by domestic production and, increasingly, by imports. Although Canadian firms have increased their participation over the past five years, there are numerous opportunities yet to be exploited. Some of these are pointed out below.

Why Demand Is Increasing

● **Longer holidays, more vacations**—From the beginning of 1964 the Swedish worker's holiday has been increased from three weeks to four. Consequently more families are now able to take both a winter and a summer holiday.

● **Larger incomes**—Sweden is well known as having one of the world's highest standards of living and the highest per capita income in Europe—\$2,470 in 1960 and \$2,860 in 1964.

● **Changes in free-time activities**—The Swedish fondness for outdoors in the past has taken the form of simple activities such as hiking and cross-country skiing. Now new types of recreation are gaining in popularity, especially with the younger Swedes. Slalom skiing, curling, snow scooters, swimming, and golf are cases in point. Last year an estimated Can.\$238 million was spent on leisure and recreational goods. Table I illustrates changes between 1960 and 1964.

Sweden, with a greater percentage of apartment buildings than North America, now has over 300,000 summer or weekend homes or cottages. The foreign visitor to a Swedish city in July may get the impression that he is the only inhabitant: all others are away at summer homes and cottages. However, the number of homes is expected to double and there will be a greater per cent of them which can be used on weekends throughout the year. One Swedish firm has inquired at this office about a source of 10,000 prefabricated houses and there is a growing demand for such things as outdoor barbecues, space heaters, gardening equipment and chemical toilets.

Some 2.5 million Swedes are enthusiastic sports fishermen. Even though one Swedish firm provides about 65 per cent of the rods and reels used, imports are increasing. Furthermore, a wide range of accessory equipment is required, such as flies, nets and special clothing.

During the summer the biggest traffic jams in Sweden are on the water. With over 550,000 private boat registrations (over 200,000 with motors) Sweden has more boats per capita than any other country. A 100 per cent increase is expected over the next five years and this indicates a strong market for boats, motors and accessories. A few boats and some boating accessories have already been imported from Canada. Plastic water bags from Canada were recently featured in Stockholm's largest sports shop.

Another of Sweden's rapidly expanding activities is camping. In the

summer months there are more people tenting on private property or on one of the 411 government-approved campsites or living in trailers than there are in hotels or boarding houses. Further development is expected and although Canadian sales of camping equipment have been small to date, future opportunities are well worth examining.

There is an increasing demand for a variety of playroom articles such as hockey games, dart boards, ping-pong sets, etc. This demand will strengthen with the increase in weekend houses.

TABLE I

SWEDEN'S IMPORTS OF RECREATIONAL GOODS

Commodity and Suppliers	1960	1964
	(Can. \$million)	
Equipment for indoor games		
All countries	.54	2.52
Canada	....	.04
U.S.	.22	.70
Sporting firearms		
All countries	.50	1.19
Canada	....	....
U.S.	.02	.10
Fishing and hunting equipment		
All countries	.93	1.43
Canada	....	....
U.S.	.10	.14
Other requisites for outdoor sports		
All countries	1.50	3.87
Canada	.06	.31
U.S.	.10	.18
Various types of plastic recreational toys and models		
All countries	2.14	3.72
Canada	....	....
U.S.	.22	.16
Camping and house trailers		
All countries	.18	3.33
Canada	....	....
U.S.	....	2.083
Tents		
All countries	.10	.60
Canada	....	....
U.S.	....	....

FOREIGN TRADE

A few Canadian firms are already selling these and there are further opportunities.

Other goods for which there is an increasing market include equipment for curling, bowling, swimming, hunting and skiing, and outdoor living. Sports clothing is also popular.

Getting Established

In spite of the increasing demand described above, the Canadian exporter faces stiff competition in Sweden. Many leisure-time articles are made in Sweden and competition from European suppliers is keen. The Swedish tariff is low—10 per cent for most items discussed in this article. However EFTA countries (European Free Trade Association) face a tariff of only 2 per cent and will not have to pay any duty after January 1, 1967. This of course gives an advantage to EFTA members: Britain, Norway, Denmark, Austria, Portugal and Switzerland. (Finland is an as-

sociate member.) All imports are subject to a 10 per cent turnover tax.

Distance is also a disadvantage, adding to the cost of shipping goods and increasing the time required for delivery. However there are good shipping connections to Sweden from both East and West Coasts. Although competition sometimes requires that exporters provide terms up to 60 or 90 days, payment against documents is usual. Some suppliers prefer to deal directly with the large department and chain stores. It is more common, however, to work through a Swedish representative who imports for his own account or works on commission. This usually gives the exporter the chance of selling to a greater number of accounts. Furthermore, a Swedish representative may advertise for his principal or exhibit in trade fairs on his behalf.

Several Swedish trade fairs provide exporters with a place where they can present their products to the trade

and/or general public. The firm without an agent will have a good chance of securing one through participation in a trade fair. Leisure articles could be exhibited at the following fairs in 1966.

March 12-20

TEXTIL 66—International Fair for Leisure and Sports Wear
Göteborg

March 16-27

Stockholm Boat Show
Stockholm

April 7-11

Sports Car Exhibition
Stockholm

May 6-15

The International Swedish Trade Fair
Göteborg

May 17—June 17

Leisure Expo 66
Stockholm

August 31—Sept. 11

The 24th International St. Erik's Fair
"Happier Housekeeping"
Stockholm

September 10-18

DAGENS HUSHALL—Household of Today
—the 15th International Swedish Home and Household Exhibition
Göteborg

Exporters should also note that many Swedish importers and agents attend the important German and British fairs.

The First Steps

The importance of selecting the right representative cannot be over-emphasized. The office of the Commercial Counsellor, Canadian Embassy, Commercial Division, Skeppsbrogatan 24, Stockholm, is well equipped to assist. The best way of getting an agent is during a personal visit. Potential visitors should get in touch with the Embassy in advance, giving information on their products. We can then study the market for particular products and arrange appointments in good time. Where a personal visit to this market is not practical or possible, the potential for products as well as the interest of import agents in them can be determined through product brochures and c.i.f. prices sent to this office. ●



The Swedes have taken to camping with great enthusiasm, as this picture of a typical campsite shows. It also emphasizes the swiftly rising demand for camping equipment of many types. Canadian manufacturers in this line will please note.

Trade Commissioners on Tour

In Canada

The following officers are undertaking tours of business centres throughout Canada as detailed below. Businessmen who wish to see them should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions: Toronto, Canadian Manufacturers Association; Windsor (Ontario), Greater Windsor Industrial Commission; St. John's, Halifax, Montreal, Ottawa, Winnipeg, Edmonton and Vancouver, Department of Trade and Commerce; Fredericton, Department of Industry.

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

Montreal—June 4-10
Toronto—June 10-17

Winnipeg—June 17-21
Vancouver—June 21-24

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

Montreal—May 30-June 4
Toronto—June 6-10

Pakistan—R. D. Sirrs, Commercial Secretary in Karachi, who will be posted to Wellington, New Zealand, as Commercial Secretary:

Montreal—June 24-30
Toronto—July 1-8
Winnipeg—August 11-12

Calgary—August 15
Vancouver—August 17-19

United States—G. E. Blackstock, Consul and Trade Commissioner in New Orleans, who will be posted to Berne, Switzerland, as Commercial Secretary:

Vancouver—March 21-25
Winnipeg—March 28-
April 1
Toronto—April 4-7
Windsor, London—April 12

Woodstock, Kitchener—
April 13
Hamilton—April 14
Montreal—April 15-22

N. W. Boyd, Commercial Secretary in Washington, who will be posted to Johannesburg, South Africa, as Trade Commissioner:

Winnipeg—May 23-24
Montreal—May 25-26

M. R. M. Dale, Consul and Senior Trade Commissioner in Boston:

Toronto—May 1-6
Regina, Saskatoon,
Winnipeg—May 9-13

Southern Ontario—May 23-
27

A. W. Evans, Consul and Senior Trade Commissioner in Cleveland:

Toronto—May 2-7
Montreal—May 9-13

Temporary Duty in Ottawa

G. E. Blackstock, Consul and Trade Commissioner in New Orleans, April 25-May 6. Contact United States Division, phone: 992-5176.

N. W. Boyd, Commercial Secretary in Washington, May 2-20. Contact United States Division, phone: 992-5176.

M. R. M. Dale, Consul and Senior Trade Commissioner in Boston, May 16-30. Contact United States Division, phone: 992-5176.

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

A. W. Evans, Consul and Senior Trade Commissioner in Cleveland, May 16-17. Contact United States Division, phone: 992-5176.

W. J. Jenkins, Commercial Secretary in Rome, Italy, June 13-24. Contact European Division, phone: 992-8727.

R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, June 6-17. Contact Commonwealth Division, phone 992-2421.

In Territory

Afghanistan—R. D. Lee, Assistant Commercial Secretary in Karachi, Pakistan, will visit Kabul May 1-4.

Bahamas—L. D. Burke, Commercial Secretary in Kingston, Jamaica, will visit the Bahamas March 26-April 2.

Brazil—R. W. Burchill, Vice Consul and Assistant Trade Commissioner in Sao Paulo, will visit Curitiba, Blumenau, Florianopolis and Porto Alegre March 21-April 1.

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

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

Czechoslovakia—F. I. Wood, Commercial Secretary in Vienna, Austria, will visit Prague March 28-April 2.

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

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

Leeward Islands—L. D. R. Dyke, Commercial Secretary in Port-of-Spain, Trinidad, will visit Antigua March 25, Montserrat March 28, St. Kitts March 29, and British Virgin Islands March 31-April 3.

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

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

Thailand—J. H. Bailey, Trade Commissioner in Singapore, will visit Bangkok April 10-15.

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

foreign tariffs and trade regulations



Jamaica

IMPORT RESTRICTIONS—The Jamaican Government has announced that, effective February 24, 1966, all types of containers and drinking cups of paper for ice cream, milk, fruit juices, etc., have been placed on the list of goods that require a specific import licence.

LAFTA

TARIFF CONCESSIONS IN LAFTA'S FIFTH ROUND—The Fifth Annual Meeting of LAFTA (the Latin American Free Trade Association), held in Montevideo from November 6 to December 31, 1965, negotiated approximately 850 tariff concessions. This reversed the trend of giving fewer concessions in each succeeding round. In the first four rounds the number of concessions made were approximately as follows: first year 2,500, second year 5,000, third year 1,000, and fourth year 250. Another change is that almost half of the reductions granted in this round were on manufactures and semi-manufactures. Concessions made in the fifth round included machine tools, agricultural machinery, electric and electronic equipment, and household appliances. A list of the concessions, which went into effect on January 1, 1966, is on file in the Latin American Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa.

The meeting approved the entry of Venezuela to the Treaty of Montevideo, but it may take from several months to a year for the Venezuelan Congress to ratify the accession.

Resolutions were passed recommending that all member countries adopt a common system of ad valorem duties and the Brussels definition of value for duty.

Statistically, LAFTA trade shows a steady growth. The intra-zonal exports of the nine members in 1961 (pre-LAFTA) amounted to U.S. \$299 million; our Commercial Counsellor in Montevideo estimates that the total for 1965 is about U.S. \$600 million. Although this is not a very large proportion of total world exports of these nine countries, the continued growth supports the belief of some economists in Latin America that the industrial and agricultural sectors are preparing to take much greater advantage of the LAFTA preferential system and that there may well be a surge forward in 1966 or 1967.

Up to now, only two complementation agreements for industrial integration have been entered into (punch card office machinery and electronic tubes), but in 1965 some 24 agreements were being discussed. Some are bilateral, some involve three countries, and one involves six countries. It is noteworthy that this process of partial integration is occurring largely among the big three—Argentina, Brazil and Mexico—and in only a few instances do Chile, Colombia or Uruguay participate. Peru has so far appeared in only one proposal. These proposals involve machine tools, dairy equipment, home appliances, construction and mining equipment, communications equipment, chemicals and motor vehicle parts.

The LAFTA Secretariat has been charged with heavy tasks in the coming year. Among these, it is to undertake further studies of the non-tariff barriers to intra-zonal trade, including the administrative practices of the member countries; to make a study of the relationship between the duties charged on LAFTA products and on similar products from non-LAFTA countries, and to hold a series of meetings during the year to discuss new complementation agreements.

The Executive Committee has been instructed to arrange the formation of a Council of Ministers to make decisions relative to the external policy of LAFTA. This Council will meet at least once a year: the first meeting will be held in Montevideo as soon as it can be arranged. Among the tasks that this Committee is charged with is the study of transportation and port facilities in the LAFTA area.

The next regular meeting will be held in Asuncion from October 24 to December 22, 1966.

Pakistan

NEW IMPORT LICENSING POLICY—Pakistan authorities have announced details of the new import licensing policy which is valid until June 30, 1966. Goods which may be imported fall into three categories: the free list, open general licences and other licences. The free list, which comprises 31 classes of goods for which import licences are not required, includes most industrial raw materials and components. Imports of some of these items are restricted to particular countries under the terms of foreign aid programs and bilateral trade arrangements. The ten items coming

under the open general licence may be brought into Pakistan by any importer who has acquired a licence by simply registering with the authorities and paying the necessary fee. Items which fall into the third category total 101 and may be imported only by individuals or firms which have been registered as trading in these items since 1951. Certain goods not covered by any of the three categories mentioned above may be imported under the bonus voucher scheme by which a Pakistani exporter may be entitled to import designated products worth up to 30 per cent of the foreign exchange which his goods earn. Details of items which may be imported under this scheme have not yet been published. Further information may be obtained from the Commonwealth Division, Office of Trade Relations.

businessman's bookshelf

West Indies and Caribbean Year Book 1966

Thomas Skinner & Co. Ltd. 943 pages. \$14.00

THIS is the thirty-seventh edition of a comprehensive survey and directory of the West Indian and Caribbean Islands, Panama, Central America and the adjacent countries of South America. Its almost one thousand pages cover the complete field of government, finance, trade and social economy and it thus meets the needs of the exporter, the business traveller, the tourist and the student.

The sections devoted to each country and colony follow a standard pattern and are arranged in two groups. The first group includes the British colonies and the two members of the Commonwealth, Jamaica and Trinidad and Tobago. The second group covers the remaining countries and territories. Additional sections give details of shipping, air services and ports and lists exporters trading with the area covered. There is also a gazetteer and good maps.

*Order from: Thomas Skinner & Co. (Publishers) Ltd.
75 Sparks Street, Ottawa, Ont.*

The New Brazil: Prospect for Stability and Profits

Business International. 60 pages. \$40.00.

THIS is an excellent report. Intended primarily for businessmen interested in investing and manufacturing in Brazil, it is at the same time a general study of recent

United States

TARIFF QUOTA FOR CERTAIN FISH—In accordance with item 110.50 of part 3, schedule 1, Tariff Schedules of the United States, it has been ascertained that the average aggregate apparent annual consumption in the United States of fish, fresh, chilled, or frozen, fillets, steaks and sticks of cod, cusk, haddock, hake, pollock, and rosefish, in the three years preceding 1966, calculated in the manner provided for in headnote 1, part 3A, schedule 1, was 157,276,216 pounds. The quantity of such fish that may be imported for consumption during the calendar year 1966 at the reduced rate of duty under item 110.50 is, therefore, 23,591,432 pounds—Washington.



events which will help interested exporters to understand past problems and assess future market prospects.

After a brief discussion of the political situation and recent reforms encouraging industrial development, the report outlines the development plan, "Programa de Acao Economica", suggests where new or additional investment will be needed, and discusses potential sources of private and public funds.

Detailed chapters follow on taxes, labour, import and export controls, establishing a business, and marketing. The two which deal with pricing ("Fighting Inflation") and financing ("Finding Cruzeros") give impressive testimony to the resourcefulness of Brazilian businessmen. The report concludes with several useful appendices listing foreign manufacturers in Brazil, official contacts, imports and exports, market indicators, the international debt forecast, and the power program.

The writing is clear and simple, qualities not always found in publications on Brazilian economic affairs. "Corporate experience and practical examples illustrate the dangers and opportunities that foreign firms operating in this huge market have faced . . ." Although inevitably dated by events since its publication last August, the report can fairly claim to map "the course to avoid pitfalls and enhance profitability" for the businessman interested in Brazil.

*Order from: Business International, 757 Third Avenue,
New York 17, N.Y.*

trade lines



Swedish output of goods and services is expected to increase by 4 per cent a year over the next five years. This is greater than in the 1950's but considerably less than from 1960-1965 when the rate was 5 per cent. Industry is planning an annual increase of 7 per cent in output and 8 per cent in exports, but the needed increase in the labour force is simply not there. Unions are also planning to reduce the work week from 45 to 40 hours. Successful manufacturers may have to establish factories abroad or find foreign sub-contractors or manufacturers under licence—Stockholm.

Six German mining companies will build a 1,200-megawatt power plant in the Duisburg area of the Ruhr and are planning a 600-megawatt station for the eastern part. They hope to be able to reduce power costs with these giant coal-fired thermal plants. The venture is unusual because the largest German generating station to date has a capacity of only 300 megawatts—Bad Godesburg.

West German exports and imports of clothing are rising. In the first seven months of 1965, exports rose 17 per cent and imports 37 per cent compared with the same period in 1964. Production is increasing but domestic demand is outpacing it—Bad Godesburg.

West German bankruptcies are becoming rarer. In the first half of 1965, 1,517 were reported, a 9 per cent drop from the previous six months and 6 per cent less than in the first half of 1964. Private households and estates accounted for one third and industrial or commercial enterprises founded since the war for one half—Duesseldorf.

Italy's leading fibre producer, Snia Viscosa, and the Omniafili textile mills of Milan are building five synthetic fibre factories at Villacidro on Sardinia. Materials will be supplied by the petrochemical plants in nearby Porto Torres and Caligari. Each factory will carry out one of the processes needed to transform raw material into weaving and knitting yarns. The cost—more than \$5 million—will be more than two-thirds financed by the Industrial Credit Institute of Sardinia—Rome.

New international display centre will be opened in Hong Kong in April. Catering to buyers from all parts of Southeast Asia, centre will occupy seven floors of

new 31-storey downtown building and cover nearly 100,000 square feet. Equipped with numerous display units, the centre will accommodate a wide variety of products and commodities—Hong Kong.

East Pakistan is planning modern telephone and cable factory at Khulna in the next three years. The Government has currently allocated 115 million rupees (about \$23 million) for the project and a further allocation is expected this year—Karachi.

West Germany's toy retailers expect further sales increases. In 1965 turnover rose an estimated 10 per cent to about \$270 million. Plush animals gained by 20 to 25 per cent and wooden toys by 20 per cent. Germany has 750 specialized toy retailers and about 2,000 retail shops with toy sections—Bad Godesburg.

West German residential building is expected to top 500,000 dwellings again in 1966. Between 560,000 and 600,000 units were completed ready for occupancy in 1965, compared with 623,000 in 1964—Hamburg.

Danish hotels expect 1966 to be a record year for conventions. Some 17,000 participants will book 80 per cent of Copenhagen's hotel accommodation in the period from June 23 to July 3. In 1965 about 11,000 people attended conventions in Denmark—Copenhagen.

The Netherlands State Mines is switching from coal to natural gas for chemical production in 1966. State Mines, which closed down one of its coking plants, will use 500 million cubic metres of gas a year. It will also use 500 million tons of naphtha to manufacture plastics—The Hague.

Scotland will build 50,000 new houses by 1970. This is a step to ease a housing shortage in a country where 25 per cent of the homes are more than 80 years old. About one unit in four is expected to be built for private owners—Glasgow.

A U.S.\$40 million iron reduction plant in the Guayana region of Venezuela is being studied by Creole Petroleum Corporation. It will be based on a process patented by Jersey Standard and currently being tested

in Canada. Yearly production is estimated at five million tons. Ores will be beneficiated to about 80 per cent F E content—Caracas.

Incomes in West Germany rose 12 per cent in twelve months. In 1965's third quarter, the Bundesbank reported increases of 12.2 per cent in net wages and salaries, 11.9 per cent in net retirement pay to officials and civil servants, and 13.1 per cent in social security payments, etc., over the same quarter of 1964. Increase in mass income for the year reached 12.3 per cent—Duesseldorf.

Exports of Norwegian shoes are increasing. In 1964 they reached three million Norwegian kroner, compared with one million in 1963 and were expected to increase further in 1965. After-ski shoes, fur footwear and ski boots are in greatest demand outside Scandinavia—Oslo.

The Soviet trading agency, Licensintorg, has licensed a Swedish firm to produce liquid self-hardening mixtures for molds and cores. The Soviet invention is said to double the output of cores, to mechanize and automate the process fully, and to save metal. France, Italy and Denmark have already obtained a licence and United States, British and German firms are reported to be negotiating—Moscow.

Brazil exported 32,272 tons of processed beef valued at approximately \$22 million between January and August last year, an 87 per cent rise in volume and 95 per cent in value. The exports consisted of 18,349 tons of frozen, 12,547 tons of canned, and 1,376 tons of cooked and frozen meat. Principal buyers included West Germany, Belgium, the Netherlands, Portugal, Italy, Britain, Canada and the U.S.—Rio de Janeiro.

Volkswagen organization produced 1.6 million vehicles last year—190,000 more than in 1964. Daily production reached 7,000 units, 6,500 of which were made in Germany—Hamburg.

British Wool Textile Promotion Council will spend more money on promotion. The Council's 579 member firms, representing 70 per cent of industry's output, will raise yearly subscription from the present \$380,000 to \$450,000. International Wool Secretariat will match the Council's contributions—London.

Singapore will build first phase of garbage-disposal plant this year. Capacity will be 100 tons. Phase one will cost Can.\$590,000 and total scheme \$900,000. Tenders for a compost-type unit will be called early this year—Singapore.

Norway's exports of dried salt cod last year amounted to 30,000 tons, or 4,000 tons more than in 1964; exports will increase further if raw materials can be obtained at reasonable prices. Brazil is chief market for Norwegian salted and dried cod, but some is sold to Portugal and Africa—Oslo.

New Zealand production of pulp and paper is increasing. Pulp production for three months ended September 1965 totalled a record 107,320 long tons, 2.2 per cent higher than same period of 1964. Production of mechanical pulp, at 57,426 tons, was up 5,282 tons over 1964. Chemical pulp dropped to 49,984 tons, down 2,929 tons. Production of all paper and paperboard (92,608 tons) was 12 per cent higher than in same period of 1964—Wellington.

Some 8 per cent of German households own a deep freezer for a total of 1.4 million units. About 200,000 units were sold during 1964 and 1965 figures are higher. During first half of last year, 84,496 small units (under 24.7 cubic feet) and 78,317 large units were purchased. These figures include imports—Hamburg.

Mexican paper industry growing at the rate of 7 per cent a year. By the end of 1966, country will have reached 96 per cent self-sufficiency in basic paper products, with exception of newsprint. Production of paper and paper products will reach about 600,000 metric tons valued at U.S.\$192 million—Mexico City.

Manpower in Germany was scarcer than ever throughout 1965. In August, only 86,000 job seekers were listed, compared with 720,000 unfilled jobs. There are now 1.2 million foreign workers employed in Germany, 231,200 more than in 1964. They come mainly from Italy, Greece, Spain and Turkey. Largest employer of foreign manpower is the iron and metal producing and working industry with 418,000 followed by other manufacturing industries with 304,000 and the building industry with 238,000—Duesseldorf.

The number of self-service stores has tripled in Germany during the past five years to 53,125, or one for every 1,089 inhabitants. Eighty per cent are still independently owned grocery stores; 8 per cent are chain stores. The remainder are affiliated with buying co-operatives or wholesalers. This trend has boosted prepackaged food sales—Duesseldorf.

Exploitation of important phosphate deposits in the Spanish Sahara should begin in 1968 or 1969. ENMIN-SA, company controlled by Spanish Government, reports annual production capacity an estimated 550,000 tons, with sufficient reserves for 130 years. Spain is now seeking foreign capital—initially \$200 million—

for the installation of extracting and transportation facilities. Several important companies from the U.S., Canada, Britain, West Germany, Italy and France have applied to participate and the Government is expected to announce its decision shortly. Control of the operations will remain with the Spanish firm—Madrid.

Sales of Norwegian frozen fish have reached a record. Frionor, the Norwegian marketing organization, reports sales of 57,000 tons worth 240 million kroner in 1965. This all-time high is 9,000 tons and 50 million kroner more than in 1964. Frionor exports are world-wide but Britain is its biggest market—Oslo.

Potash imports into Tampa, Florida, are rising. Establishment of the International Minerals and Chemical Corporation's potash terminal at Hookers Point near Tampa has increased imports by water from 25,000 tons in 1963 to more than 100,000 in 1965; these are expected to pass 150,000 tons a year by July 1967. Most of the potash is being supplied from Saskatchewan deposits through Vancouver—New Orleans.

South Africa's harbours handled 3.75 million tons more cargo and 171 more ships during the year ended March 31, 1965, than it did the previous year. The number of passengers landed or embarked declined by 6,475—Cape Town.

Cape Town will be the site of a \$6 million plant for producing polyester fibre of the terylene-dacron type. Production is scheduled to start early in 1967. Registered as "Trevira", the fibre will be blended with wool, cotton or rayon—Cape Town.

German cities are adopting more aggressive industrial promotion methods. An outstanding example is Unna in Westphalia (population 32,000) which has recently attracted both a Dupont synthetic fibre plant and a 3.M plant for abrasives and reproduction materials. In labour-short Germany, major factor in bringing the factories to Unna was the availability of housewives to work in the plants—Duesseldorf.

Turnover of West German retailers totalled an estimated Can.\$35.7 billion in 1965, a 7 to 8 per cent increase over 1964—Bad Godesberg.

West Germany is the second ranking consumer of electric power in the EEC. Per capita consumption in Luxembourg is 5,265 kilowatt hours a year, in Germany 2,443, in Belgium 1,911, in France 1,814, in the Netherlands 1,679, and in Italy 1,242—Bad Godesberg.

West German imports are rising twice as fast as exports. In October 1965 imports totalled DM 6,246 million, 14.3 per cent more than in October 1964. In the same month, exports rose 6.4 per cent to DM

6,330 million. For the first 10 months of 1965 the trade surplus totalled DM 700 million compared with over DM 5,500 million in the same period in 1964—Bad Godesberg.

A beer factory has been built by the Dreher company in Southern Italy. The seven-acre plant cost \$8 million; now produces 50,000 bottles a day but has a potential of 22 million gallons a year—Rome.

More than 72 per cent of the 368,000 travelers to and from South Africa last year went by air. Passenger traffic by sea increased by 8.1 per cent, and by air climbed 18.6 per cent above the previous year—Cape Town.

The FATME company recently completed a factory near Rome for manufacturing telecommunication equipment and electrical materials. The six-acre complex cost over \$13 million—Rome.

South Africa is exporting 30 to 40 tons of live rock lobster a month to European countries. Shipments by air started two years ago when small quantities of lobsters were flown to France—Cape Town.

South Africa produces about 7,000 tons of refractories a week, mainly for use domestically. Demand is expected to increase steadily over the next 10 years. Manufacture of related products made from clay, dolomite and sand is expanding rapidly—Johannesburg.

South Africa plans to manufacture 7,500 tons of high-grade steel wire a year at a new plant in Pietermaritzburg, Natal. Productions plans for the plant, scheduled to open next year, also include wire rope—Johannesburg.

South Africa's merchant marine totals over 200,000 tons and more than 80 per cent of it operates to foreign ports. There are 57 ships of more than 100 tons registered—Johannesburg.

Hong Kong Government is building new pumping station in Hamantin, Kowloon, capable of delivering five million gallons of fresh water a day. This is part of a scheme to increase water supply for new developments in the area. Work is expected to start in January; will take some six months to complete—Hong Kong.

South African Nylon Spinners (Pty.) Limited, will spend between R3 million and R4 million for new factory at Bellville, to manufacture terylene under an agreement with Imperial Chemical Industries of Britain. Production will start early in 1967—Cape Town.

Enzymes from South Africa will be used in many medical research programs around the world. Seravac (Pty.) Ltd., a leading world supplier, has opened new laboratory at Epping; it will export 75 per cent of its production—Cape Town.

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

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

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

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Toronto—Royal Danish Consulate, 151 Bloor Street West.

Vancouver—Royal Danish Consulate, 1201 West Pender Street.

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

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Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.

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

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Vancouver—Consul General of the United States, Burrard Bldg., 1030 W. Georgia Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 6 Donald Street.

URUGUAY

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

VENEZUELA

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

YUGOSLAVIA

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

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by .9294

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 7	Units per Canadian dollar	Notes (see below)
Algeria	Dinar .....	.....	.2195	4.56	
Argentina	Peso	Free .....	.005723	174.73	
Australia	Dollar .....	.....	1.2037	.8308**	
Austria	Schilling .....	.....	.04164	24.02	
Bahamas	Pound .....	.....	3.0092	.3323	
Belgium and Luxembourg	Franc .....	.....	.02163	46.23	
Bermuda	Pound .....	.....	3.0092	.3323	
Bolivia	Peso .....	.....	.09145	10.93	
Brazil	Cruzeiro	Official Free .....	.0004868	2,054.23†	
Britain	Pound .....	.....	3.0092	.3323	
British Guiana	Dollar .....	.....	.6269	1.60	
British Honduras	Dollar .....	.....	.7523	1.33	
Burma	Kyat .....	.....	.2259	4.43	
Ceylon	Rupee .....	.....	.2257	4.43	
Chile	Escudo	Bank rate .....	.2976	3.36	
		Free .....	.2468	4.05	
Colombia	Peso	Free .....	.05994	16.68	
		Certificate .....	.1195	8.37	
Congo, Republic of	Franc .....	.....	.007171	139.41	(1)
Costa Rica	Colon .....	.....	.1624	6.16	
Cuba	Peso .....	.....	‡	‡
Czechoslovakia	Koruna .....	.....	.1494	6.69	
Denmark	Krone .....	.....	.1559	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 .....	.....	2.7110	.3689	
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 .....	.....	.2681	3.73	
Ghana	Cedi .....	.....	1.2538	.7976	
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	*Feb. 25
		Official .....	.1881	5.32	

**Australia introduced the decimal system on February 14, 1966.

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

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

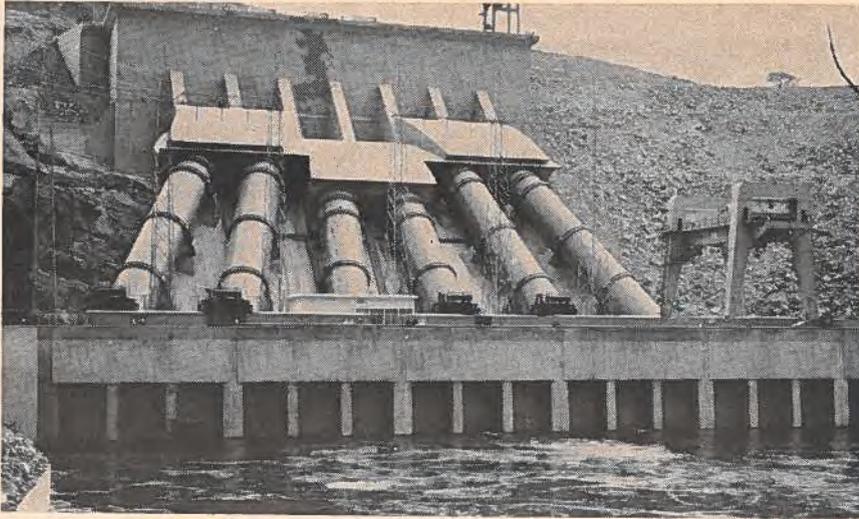
*Latest available date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 7	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.02502	39.97	(1)
India	Rupee		.2257	4.43	
Indonesia	Rupiah		*	*	(1)
Iran	Rial		.01420	70.40	
Iraq	Dinar		3.01263	.3319	
Ireland	Pound		3.0092	.3323	
Israel	Pound		.3586	2.79	
Italy	Lira		.001722	580.72	
Japan	Yen		.002973	336.36	
Lebanon	Pound	Free	.3475	2.88	
Malaysia	Dollar		.3515	2.84	
Mexico	Peso		.08608	11.62	
Morocco	Dirham		.2152	4.65	
Netherlands	Florin		.2976	3.36	
Netherlands Antilles	Florin		.5705	1.75	
New Zealand	Pound		2.9983	.3335	
Nicaragua	Cordoba		.1537	6.51	
Nigeria	Pound		3.0092	.3323	
Norway	Krone		.1505	6.64	
Pakistan	Rupee		.2257	4.43	
Panama	Balboa		1.07594	.9294	
Paraguay	Guarani	Free	.009145	109.35	
Peru	Sol	Free	.04011	24.93	
Philippines	Peso	Free	.2761	3.62	
Poland	Zloty	Fixed-basic rate	.04482	22.31	
Portugal & Colonies	Escudo		.03742	26.72	(5)
Sierra Leone	Leones		1.5063	.6639	
South Africa	Rand		1.5046	.6646	
Spain and Dependencies	Peseta		.01797	55.65	
Sweden	Krona		.2083	4.80	
Switzerland	Franc		.2480	4.03	
Syria	Pound	Free	.2817	3.55	
Thailand	Baht	Free	.05245	19.07	(1)
Tunisia	Dinar		2.06042	.4853	
Turkey	Lira		.11095	8.37	(1)
United Arab Republic	Pound	Official	2.4747	.4041	
United States	Dollar		1.07594	.9294	
Uruguay	Peso	Free	.01645	60.79	
Venezuela	Bolivar	Official Free	.2395	4.18	
West Indies	Dollar		.6269	1.60	(6)
	Pound		3.0092	.3323	(7)
Yugoslavia	Dinar	Official	.08608	11.62	

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

Notes

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



This is the powerhouse at the Volta River dam, with the six penstocks in place. With the dam finished, some 80,000 people had to be resettled on new land.

Canadians at the Volta Dam

THE HILLS surrounding the dam site at the village of Akosombo which overlooks the Volta River were dotted with groups of people, and the area around the dam and powerhouse was crowded with Ghanaians, all in a festive, expectant mood. They were there to inaugurate formally the huge, multi-purpose Volta hydroelectric project. At 6:30 on January 22, just as the early tropical night closed in, the sky literally exploded

VOLTA HYDROELECTRIC

Size of main dam—height 440 feet, length 2,200 feet.

Volume of river flow—38,500 cubic feet per second.

Size of powerhouse—length 560 feet, width 170 feet, height 107 feet.

Number of penstocks—initially 4, eventually 6.

Size of penstocks—24-foot diameter.

Turbines—full load output at rated head 212,000 b.h.p.; rated heat 213 feet; speed 115.4 r.p.m.

Generators—capacity 128,000 kilowatts; size of rotors 35-foot diameter.

Power output—initial 512,000 kilowatts, ultimate 768,000 kilowatts.

with sky rockets to proclaim that Dr. Nkrumah had pulled the symbolic lever switching on the power from the Volta—Ghana's "sovereign river".

This simple yet impressive ceremony was the culmination of four years of intensive construction activity, which had created one of the world's largest hydroelectric developments.

The Government of Ghana formed the Volta River Authority which—in association with Kaiser Engineers as the consulting group and the Italian firm, Impregilo, as the contractors—produced the excellent results at Akosombo.

Canada can be proud of the Canadian citizens and Canadian companies who have played a vital role in helping to bring this project into being.

The chief executive of the Authority is Frank J. Dobson, who is on loan from Ontario Hydro. Since 1961, through the auspices of Canada's External Aid Office, Ontario Hydro has loaned the Authority nine key men, who have formed the heart of it. These officials, all specialists in their fields, have tackled a multitude of problems. For example, T. S. Johnson, construction manager, developed 52 new villages with a total of 12,500 houses to provide accommodation for some 80,000 people who had to be resettled. Another example is the task that confronted K. A. Campbell,

woods manager: 6,200 acres had to be cleared for town sites, 10,000 acres for farms, and 3,000 acres of river bed.

Another company that has played a vital role is the Canadian General Electric Company which manufactured the generators, the transformers, the switchgear and the control panel for the powerhouse at a cost of approximately \$5 million.

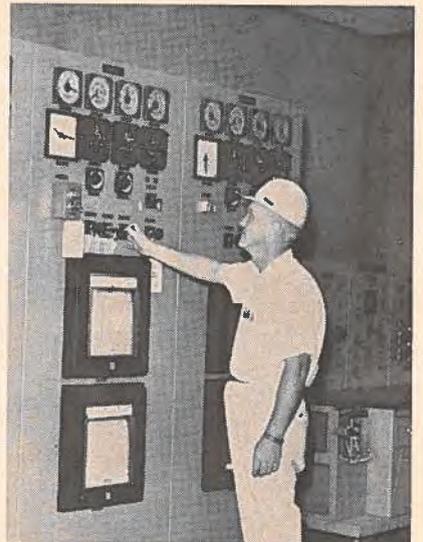
Now that the project is finished and operational, our attention turns to another Ontario Hydro official, F. A. Pertulla, electrical engineer. Mr. Pertulla and 13 Hydro technicians comprise the Canadian training team to teach Ghanaians how to operate the dam, the powerhouse, the switching stations, and the transmission system—in other words, to make it work.

Other Ontario Hydro officials active on the project are L. P. Larsen, J. H. Rogers, E. R. Barber, E. G. Bainbridge and L. G. Burlington.

Not only have these Canadians brought their knowhow, but they have brought important fringe benefits which have no price tags: operating manuals, records systems, production forms, billing documents and other tools of modern management.

The exploding sky rockets proclaimed the finish of a \$191 million project, one of the most important ever undertaken in Africa.

—V. BRIAN CHEW,
Commercial Secretary, Accra.



F. Pertulla (above) and some 13 technicians, all from Ontario Hydro, are teaching the Ghanaians how to operate the Volta power project.

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